

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MEETING  
NOVEMBER 14, 2013 – OFFICIAL MINUTES**

**Call to Order**

Chair Todd Bartels called the regular EDA meeting of November 14, 2013 to order at 8:00 a.m. Present were Todd Bartels, Joe Kaul, Jim Hennessey, Randy Whitcomb, and Councilor Ken Warpula. Keith Ulstad and Councilor John Vajda were absent. Also present was City Clerk/Asst. City Administrator Annita Smythe and EDA Consultant Heidi Peper. Curtis Hofmann from Hofmann Designs arrived after the meeting had begun.

**Approval of Agenda**

**MOTION** to approve agenda was made by Kaul, seconded by Whitcomb. **Motion carried unanimously.**

**Approval of Minutes**

Hennessey had a correction to the minutes. Tom Coons should be Tom Kunz. Kaul asked that approved minutes be updated to website, as there are still some out there as draft. Staff will follow-up.

**MOTION** to approve the minutes of October 10, 2013, as amended, made by Whitcomb, seconded by Warpula. **Motion carried unanimously.**

**Old Business**

Old Business agenda items were discussed out of order to accommodate the attendance by Curtis Hofmann.

**3 Diamond Development Senior Housing Update**

Peper updated that the June application winners were just announced. She did speak with Dean from the Council on Aging about this project. He felt that the current proposal may not be as well received because of its focus on senior housing. The current Board seems to be more focused on large family needs. However, he felt their application would be stronger by including special needs people. The recommendation is that 3 Diamond meet with MHFA to get a better feel of how to make their application more attractive to the decision makers. Peper stated that she had reached out to 3 Diamond to offer assistance, but that they were very experienced in these projects and did not seem to require her assistance at the present time. There was some side discussion regarding the type of housing planned for this project, but it seemed clear that the intent is to provide affordable senior housing, not low-income housing, such as traditional section 8 type housing. Residents would need to meet certain income levels, but would also have to do credit checks, background checks, etc. to qualify for this housing. Kaul inserted that his conversations with the partners make it clear that their interest is in providing senior housing. Peper reiterated her recommendation that 3 Diamond meet with MHFA, and that she is available if they require her assistance.

**Bike Repair**

Curtis Hofmann from Hofmann Designs arrived to provide an introduction of his new business site in Hanover. Mr. Hofmann has signed a lease for the former Miller trucking building in the industrial park. It is a three-year lease for the entire building. Mr. Hofmann provided members with some background and information about his business, and members seemed impressed with his plans and history. There were some questions about what happened with his original purchase offer for the old Fire House Auto site. This led to the discussion about the inability to get the seller to agree to any contingencies, so they pursued a different location. At this point, Peper went into her discussions with the seller.

**Former Fire House Auto Site Update**

Peper spoke to the selling realtor and learned the owners are planning to sell as is with no contingencies. She discussed that any potential lender or other business person would likely want similar contingencies to what Hofmann had asked for, which was rejected. They also discussed that the EDA could view this as an unmarketable site. The realtor was not concerned about this, and appeared to believe that a cash or CD purchaser would be out there. EDA members discussed the concerns about a cash purchaser coming in, and what the City's options might be to address the concerns about any contamination, unfilled septic system, etc. Discussion was tabled for later in the meeting, as this discussion leads to the update on Red Sky Brewing. The discussion circled back to Curtis Hofmann briefly, with members wishing him success and inviting him to the Business Social in January. After this, Mr. Hofmann left the meeting.

### **Red Sky Brewing**

Peper updated the status of Red Sky Brewing. They are working on a proposal, their business plan, and financing options. They appear ready to make an offer for the Fire House Auto site, and plan to include similar contingencies to those that Mr. Hofmann had requested. Members have concerns that the offer will be rejected. Smythe explained that even if the purchase agreement is accepted, this business will require text amendments to City ordinances in addition to a CUP in order to operate a brewery at this location. Smythe had concerns about what the stance of the Planning Commission, as this would require ordinance changes. Bartels suggested trying set up a meeting to get all parties together to try to assist with the process. Peper suggested we wait at this point, as the offer was apparently imminent. She suggested we proceed with plans after we learn the reply to the purchase offer. There was some discussion of the options to address any contamination if found in a Phase I assessment, and what parties could have liability. Smythe will follow-up with the City Attorney.

### **Greenhouse Assisted Living Project Update**

Smythe gave a brief update on the lack of progress on this project since the October meeting. Several conversations had taken place with both Brad Bass and Jeff Grupp of the Bridges, but neither had submitted anything for our review. Smythe explained that we had not pushed too hard with the Bridges, given that we still did not have plans from Brad Bass. The EDA members agreed that the City will still need lot access even if the Greenhouse Project does not ultimately get done, and directed that staff should lay out the options for Jeff Grupp to take back to his group. The EDA believes the City should plan to move ahead with other avenues if we are unable to come to an agreement with the Bridges. Staff will touch base with Mr. Grupp to determine the status, and will seek feedback from Council on the next steps.

### **Potential Brewery – Industrial Park**

The group discussed the fact that Curtis Hofmann's lease of the Miller building now created a lack of a space for the group that had proposed a brewery in that space. This led to discussion of whether the EDA should be proactive in purchasing commercial space to make available as business interests increase. Members agreed that January's meeting will be a workshop to discuss planning and the future direction the EDA should take to promote the interests of the City.

### **EDA Social Plans**

Smythe updated that she had spoken with Bryan and Mike at Maverick to confirm the EDA Business Social at their location. The planned time was set for 5-8 p.m. In addition, Smythe had contacted River Inn to cater the event. Jodi from River Inn sent the previous year's menu with a budget of \$500. Members preferred the event to be held earlier from 4-6 p.m. Additional discussion about more food for the event, as larger attendance expected.

**MOTION** by Kaul to increase food budget to \$700, seconded by Warpula. **Motion carried unanimously.**

Members would also like to nominate Bryan Reitzner of Maverick Construction for a Hanover Vitalization Award in recognition of his support and donation of the space/beverages for this event in both 2013 and 2014. Staff will refer to Council for approval. There was additional discussion of holding a "New Business Parade" at the start of the event to recognize people from new or expanded businesses in 2013. Staff will coordinate to make sure representatives of each are on hand. Bartels will handle the introductions.

### **New Business**

#### **Rent Reimbursement Request**

Curtis Hofmann submitted a Rent Reimbursement Request, along with a copy of his new lease, for Hofmann Designs. Mr. Hofmann attended the meeting to discuss his business venture and history. The EDA members welcomed him and his business to the community, and wished him success.

**MOTION** by Kaul to approve rent reimbursement in the amount of \$800 a month for 3 months for a total of \$2,400, seconded by Hennessey. **Motion carried unanimously.**

## **Reports**

### **Approval of October 2013 Accounts Payable and Financial Reports**

Kaul clarified that the previous request to move the financial reports to the Reports section in future agendas was only applicable to the order of the materials in the packet. Members still would like the agenda item and approval in its traditional location. Staff will correct for future agendas.

**MOTION** to approve the October 2013 accounts payable and financial reports as presented made by Kaul, seconded by Warpula. **Motion carried unanimously.**

Hennessey gave an update that Vonnie Waters has been hired as the new Senior Center Director.

Warpula updated that he has been in contact with a business person that may be looking for space in the near future. No details are yet available.

Smythe updated that it had been suggested to staff that we pursue a joint venture for parking that could be shared by River Inn, Comfort Matters, the City of Hanover, and other area businesses on the lot that is for sale behind the River Inn. Smythe was directed to look into the asking price.

## **Adjournment**

**MOTION** to adjourn by Hennessey, seconded by Warpula. **Motion carried unanimously.** Meeting adjourned at approximately 10:05 a.m.

ATTEST:

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Annita M. Smythe, City Clerk/Asst. City Administrator