

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MINUTES  
April 12, 2012**

President Bartels called the Economic Development Authority meeting of April 12, 2012 to order at 8:00am at Hanover City Hall. Commissioners present were: Bartels, Randy Whitcomb, Jim Hennessey, Keith Ulstad, Chris Kauffman, John Vajda and Joe Kaul (arrived at 8:15am). Absent were: None. Also present was City Administrator Daniel Buchholtz, EDA Consultant Heidi Peper, Jim McComb and Linda Oie, McComb Group; and Joni Geise, SRF Group. Call to Order

Bartels asked if there were any additions to the agenda. Buchholtz asked that the Hanover Harvest Festival donation be added to the agenda as item 3e. Approval of Agenda

**MOTION** by Hennessey, second by Whitcomb, to approve the agenda for the April 12, 2012 EDA meeting. Motion carried 6:0.

**MOTION** by Vajda, second by Whitcomb, to approve the March 8, 2012 regular EDA meeting minutes. Motion carried 6:0. Approval of Minutes

**MOTION** by Ulstad, second by Hennessey, to approve the accounts payable and financial report, as presented. Motion carried 6:0. Motion to Approve Accounts Payable

**Business** Business

**1. Low Interest Loan Request – Hanover Wine and Spirits**

Low Interest Loan Request – Hanover Wine and Spirits

Bartels introduced the item. Buchholtz stated that BankWest was still working with Dan Larson and Chadd Perkins, Hanover Wine and Spirits on their SBA application. He stated that, in order to participate in the deal, BankWest wanted the EDA to participate in the SBA loan by guaranteeing half of the remaining exposure of the loan, or 7.5%.

Buchholtz inquired if the EDA wanted to offer an additional low interest loan beyond the loan guarantee. Hennessey asked if the applicant was investing funds into the business. Whitcomb stated that the applicant has invested a significant sum into the liquor store to this point. Buchholtz stated that he would recommend taking on the exposure from the loan guarantee and no lending out any additional funds through the revolving loan fund. Whitcomb stated that BankWest would not do the loan if they had to absorb the entire risk. Kauffman suggested that the EDA should reserve any remaining loan support until they request additional support.

**MOTION** by Vajda, second by Ulstad, to approve guaranteeing 7.5% of the SBA Patriot Loan issued through BankWest for HWS, LLC (dba Hanover Wine and Spirits). Motion carried 4:0, with Kauffman and Whitcomb abstaining. MOTION to provide a partial loan guarantee of SBA loan for HWS, LLC

Kaul arrived at 8:15am.

**2. County Road 19 Corridor Study Final Report**

County Road 19 Corridor Study Final Report

Bartels introduced the item. McComb provided a summary of the corridor study report and its recommendations. The recommendations were as follows:

**CITY OF HANOVER**  
**ECONOMIC DEVELOPMENT AUTHORITY MINUTES**  
**April 12, 2012**

- Hanover is an emerging retail market. Holding down development costs for retail will enhance development potential.
- The Zoning Ordinance contains numerous provisions that may discourage the development that the ordinance appears to encourage. The Zoning Ordinance should be reviewed to identify those provisions that complicate the types of development that the City is attempting to encourage.
- Increasing residential development will improve retail potential and accelerate retail development. The EDA should consider creating and implementing programs to increase home building in Hanover.
- Development of the northern commercial parcel (former Paumen property) is impacted by the parcel's size, shape and zoning requirements. The site should be the subject of a planning study to determine the best way to utilize the river as a site enhancement. Zoning changes and/or variances may be needed to develop this parcel.
- Phase development of the Mercantile Pass commercial project, to allow individual buildings to be sized to meet tenant needs. Consider allowing a gas/convenience store to anchor the development that would offer a larger selection of grocery items.
- Preserve a location on the County Road 19 corridor for a grocery store, which will be supportable within the City at some future date.

Discussion ensued on the proper zoning for the two commercial parcels on County Road 19, citing the significant traffic counts on County Road 19 that will complicate a retail environment that encourages walkability. Discussion continued on obtaining a quote from McComb Group to review the City's zoning code and hold a builder's roundtable in an effort for the City to reclaim a similar market share of new housing that it had during the 2000's.

Hennessey thanked McComb for the updates to the Study to include more information on the entire County Road 19 corridor, not just the areas near the intersection of County Roads 123 and 19.

No action was taken on the report.

Ulstad left the meeting at 9:40am.

**3. Discuss Possible Purchase of 7-acre Commercial Property on County Road 19**

Discuss Possible  
Purchase of 7-acre  
Commercial Property  
on CR 19

Bartels introduced the item. Buchholtz stated that BankWest has taken control of the commercial parcel on the north side of County Road 19 between the Historic Bridge and the County Road 19 bridge. BankWest asked if the City was interested in purchasing the property at a price of \$265,000. He said the City Council tabled the matter, which provided time for the EDA to review the request and to make a recommendation to the City Council.

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MINUTES  
April 12, 2012**

Bartels stated that the City purchasing the property would allow the City to have significant say in the development of the parcel. Buchholtz stated that would be the benefit. Buchholtz stated that the issue of incentives PUD flexibility would be the same regardless of whether or not the City owned the parcel. Kaul felt that if the City wants any development on the parcel in the next ten years, the City should buy the parcel and market it.

Bartels asked McComb his thoughts on the parcel. McComb stated that only 3 acres of the property are buildable. He said the price per acre is very high to support a commercial development. He recommended not purchasing the property.

Kauffman left the meeting at 9:50am.

Bartels stated that he is not enthused about the current state of the economy. He felt the time isn't right for commercial development at this moment. He also questioned the development challenges the EDA will face with the parcel. McComb stated that the downside risk of waiting is small.

**CONSENSUS** of the EDA was to not purchase the property.

CONSENSUS of the EDA was to not purchase the property.

**4. 2012 Work Plan**

2012 Work Plan

Bartels introduced the item. Buchholtz presented the 2012 Work Plan. He asked that comments/ changes be submitted to either him or Heidi Peper.

No action was taken on the item.

**5. Hanover Harvest Festival Donation Request**

HHF Donation Request

Bartels introduced the item.

**MOTION** by Kaul, second by Hennessey, to contribute \$1,000 to the Hanover Harvest Festival for marketing materials. Motion carried 5:0.

MOTION to approve \$1000 donation to HHF

**Reports**

Reports

**1. Board Member Reports**

Bartels asked that the Zoning Code should be reviewed for commercial and industrial zoning districts as well as residential.

Vajda stated that he would be representing the EDA at the Open House on April 21.

**2. Executive Director Report**

Peper provided an update on the EDA folders, noting that they have been ordered.

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MINUTES  
April 12, 2012**

**Adjournment**

Adjournment

Meeting adjourned at 10:11am.

---

Daniel R. Buchholtz, Executive Director