

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MEETING  
FEBRUARY 13, 2014 – OFFICIAL MINUTES**

**Call to Order**

Chair Todd Bartels called the regular EDA meeting of February 13, 2014 to order at 8:04 a.m. Present were Todd Bartels, Joe Kaul, Jim Hennessey, Randy Whitcomb, Councilors Ken Warpula and John Vajda. Keith Ulstad was absent. Also present were City Administrator Annita Smythe and EDA Consultant Heidi Peper.

**Approval of Agenda**

**MOTION** to approve agenda as amended was made by Whitcomb, seconded by Warpula. **Motion carried unanimously.**

**Approval of Minutes from January 9, 2014**

**MOTION** to approve the minutes of January 9, 2014 was made by Kaul, seconded by Hennessey. **Motion carried unanimously.**

**Approval of January 2014 Accounts Payable and Financial Reports**

There was some discussion of the format of the new financial reports and the information presented. Kaul also had a question about an increased budget line. Smythe explained there are offsetting increases to both revenue and expense items to reflect the pass through funds for Plug Technologies coming from DEED/Initiative Foundation. These were included in the budget that the EDA passed, but don't hit the bottom line because they offset.

**MOTION** to approve the January 2014 accounts payable and financial reports as presented made by Kaul, seconded by Whitcomb. **Motion carried unanimously.**

**Old Business**

**EDA Strategizing and Review of Funding Programs**

Peper began this discussion by outlining the three existing funding programs the EDA currently offers; the Rent Reimbursement Program, the Renovation/Matching Grant Program, and the Revolving Loan Fund. There was some discussion of certain updates that need to be made to the application forms. Members agreed that it made sense to have separate forms for the programs so that it simplified the process for those only applying for one specific program. Peper will work with staff to update the forms, and bring them back for final approval with the changes that were discussed.

There was additional discussion about the Revolving Loan Fund, and whether or not to increase the loan amount and whether it could be used more than once. The ultimate consensus was to add language to the program that leaves the EDA with the discretion to authorize a higher loan amount or authorize a refinance as needed, given the specific circumstances of each application. Members also agreed that a loan committee should be set up to review applications, and that the contract should include a servicing fee to compensate Bankwest for their work on these loans. Peper, Smythe, and Whitcomb will discuss further and bring back a final proposal for EDA approval.

In the interest of time, members agreed to end the strategizing session for this meeting. There was discussion of holding a special session just for strategizing some evening in April. Smythe will attempt to coordinate a date that works with members' schedules.

**Status Updates**

**Fire House Auto** – Peper reported that Red Sky is still looking at options both within and outside of Hanover, but have moved on from Fire House Auto as a site. Bryan Reitzner of Maverick Construction had expressed interest previously in this site, so Peper spoke to him. He plans to speak to the realtor to see if he gets anywhere. Members consensus was to put this site on hold and revisit again as appropriate.

**3 Diamond Development** – Peper reported that there was nothing new here; they are still working through their options and crunching numbers.

**Greenhouse Senior Housing** – Smythe reported that Brad Bass had e-mailed, saying they were re-doing their plans, but she had not heard or received anything new since. She is still waiting for the draft easement from the City Attorney to present to the Bridges, and will follow-up on the status of that.

**EDA Business Social Follow-up** – Those that attended concurred that it was a success. Roughly 40 people attended, and they came in and out through the evening. This streaming of people allowed each business that attended to get some face time with either staff, Council, or EDA board members. The evening went later than planned because of Reitzner’s success in the role of host. There was some discussion of whether or not to hold a second event in the summer. Members will consider ideas for future discussion.

## **New Business**

### **Maris Ehlers Loan Report**

Whitcomb updated the group that the Ehlers EDA loan has experienced some delinquencies over the past few months. He has been in contact with the borrower, and is satisfied that they will be able to bring it current if given some extra time. Whitcomb suggests providing one month of relief by extending the loan for that one month. In essence, Ehlers would skip a payment, but would incur extra interest. The consensus was that the business in question is seasonal, but members were in agreement that Ehlers would be able to cure the delinquency. There was some discussion if we would do this for everyone, but members agreed it should be looked at on a case-by-case basis, and in any event should only be offered once for a specific loan. Members determined that Whitcomb could give Ehlers the option to take the one month of payment “relief” at her choice, with the understanding it would not again be available in the future if she chooses to do this now.

### **EDA Website**

Discussion centered around the fact that there is a lot of outdated information on the EDA website, the fact that it is on a software platform that is no longer supported, and around the plans to expand the EDA’s marketing outreach by making improvements to the site. Smythe explained that there had been some discussion of bringing the updates in house, but because it is on a different platform than they City website, there would be a learning curve. In addition, city staff do not really have the time to take on the added responsibility, particularly if the EDA is looking to do regular updates.

Kaul is performing security maintenance updates right now, but nothing beyond that. Hennessey offered that he receives a lot of positive feedback about our EDA website, and believes it important to bring it up to date. Kaul explained some of the work and costs required to update it. Warpula suggested Kaul bring back a proposal to the group to consider. The members concurred that we should have Kaul make the necessary updates for right now, such as updating contact information, and bring a proposal to a future meeting for more in depth updates. Staff will provide a list of update items to Kaul based on our earlier review with Peper.

## **Reports**

None.

## **Adjournment**

**MOTION** to adjourn by Hennessey, seconded by Warpula. **Motion carried unanimously.** Meeting adjourned at approximately 10:07 a.m.

ATTEST:

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Annita M. Smythe, City Administrator