

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
MAY 8, 2014 – OFFICIAL MINUTES**

Call to Order

Chair Todd Bartels called the regular EDA meeting of May 8, 2014 to order at 8:03 a.m. Present were Todd Bartels, Joe Kaul, Jim Hennessey, Randy Whitcomb, Keith Ulstad and Councilor Ken Warpula. Councilor John Vajda was absent. Also present were City Administrator Annita Smythe, EDA Consultant Heidi Peper, City Planner Cindy Nash, and representatives from 3 Diamond Development and Trailblazer Transit.

Approval of Agenda

MOTION to approve agenda was made by Warpula, seconded by Hennessey. **Motion carried unanimously.**

Approval of Minutes from April 10, 2014

Peper requested a change to clarify the comments about TIF eligibility for the proposed brewery. Hennessey had a change to clarify the role of Ecumen.

MOTION to approve the minutes of April 10, 2014, as amended, was made by Hennessey, seconded by Kaul. **Motion carried unanimously.**

Approval of Minutes from April 14, 2014 Work Session

MOTION to approve the minutes of April 14, 2014 was made by Kaul, seconded by Whitcomb. **Motion carried unanimously.**

Approval of April 2014 Accounts Payable and Financial Reports

Smythe explained the answers to questions raised about some transactions at the April meeting. There was a timing issue with the booking of some receipts. In order to match with the bank reconciliation, the receipt entry at the end of March was reversed and re-booked the beginning of April in order to match the bank deposit date. This resulted in some negative entries showing in the March financials, but with offsetting positive entries in April. In addition, there was a question about a VISA charge. Smythe explained that this was an annual fee for the web domain registration for the EDA's website name.

Whitcomb updated that there had been some discussions with Maris Ehlers Photography regarding their EDA loan, but there has not yet been a resolution. Kaul asked staff to provide payment history for all current EDA loans for the Board's review. Staff will provide this for the next meeting.

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

Old Business

3 Diamond Development

Ben Porash from 3 Diamond Development along with Peper provide the Board with the latest updates on this project. They explained that, as this process has moved along, the overall conversation has shifted. Because of the priorities of MHFA, a project that is strictly a senior project has a far less chance of securing the tax credits that were needed as one of the funding mechanisms for the project. There was some additional discussion of avenues the EDA and City can take to try to change legislative priorities to consider the needs of seniors in outstate Minnesota. One positive item reported was that the currently proposed bonding bill includes a higher allotment of funds to the 4% tax credit program that 3 Diamond intends to apply for, which makes it worthwhile for them to submit an application. The legislative session ends May 19, so more will be known about this funding at the next EDA meeting. There was some additional discussion of their plans to request TIF funding from the City Council, and trying to gauge the level of support from the EDA. The overall consensus was that the EDA is supportive of this project. Generally, there was support of the request for TIF if it is necessary for this project to move ahead, but some had concerns about the length of the proposed TIF district. The EDA members deferred to the City Council's discretion the question of the cost/benefit analysis of a proposed TIF district.

Fishbone Brewery

Peper explained that Fishbone is now using the name Lupine Brewery. Peper updated that City officials had met with Lupine representatives on Tuesday, and that there were ongoing discussions about land use issues. Nash provided some background on the setback and zoning issues with the parcel they are pursuing, including concerns about roadway setbacks with Hennepin County and possible shore land setback issues, which may require DNR input. Staff continues to research options to address these concerns. In addition, Peper reported that she had spoken to DEED, and confirmed that this business would be considered a manufacturer and therefore would be eligible for TIF, but there would be limits on the taproom size.

Greenhouse Project

Members provided their feedback about the discussions with Bradford Development that took place during the site visit to the Mankato facility. It appears that Bradford Development is ready to move forward with a land purchase as soon as the City is ready to deliver the property and necessary easement. Smythe updated that eminent domain proceedings had commenced. In addition, City officials had met with some members of the Bridges HOA to attempt to reach an agreement so that eminent domain would not be needed. The Bridges representatives were planning to take the terms discussed at the meeting back to their membership for feedback. There was some discussion by the Board of whether or not incentives for Bradford Development were needed, such as the EDA covering some of the subdivision or initial grading costs. In addition, there was discussion of whether or not the City should include a provision that sets a cap on the costs if Bradford purchases the entire city-owned parcel.

Separately, Hennessey provided a chart showing the triangle of the levels of senior housing/senior care. This presentation was in response to concerns raised at earlier meetings that people, in general, seemed confused about the different projects being discussed, and what services each would provide. Staff will translate this chart to digital format and forward to City Board members.

Trailblazer Transit

Bill Mathews from Trailblazer Transit in Glencoe appeared at the meeting to explain their need for a transit hub in our region to support the expansion of transit into Wright County. Trailblazer representatives have been speaking with Pearson Brothers about their plans to construct a building for lease in the industrial park this fall. It's possible that this location may be a good fit for Trailblazer, especially if plans to extend 8th Street to the signal light at County Road 34 come to fruition.

New Business

Work Plan Items

City Planner Nash was asked to attend the meeting to provide an update on the Planning Commission's progress on Comprehensive Plan updates. In addition, the Board wanted to make her aware of the goals and concerns of the EDA as input to the Comprehensive Plan process and to maintain communication with the Planning Commission. Nash explained some of the updates in progress, including changes to the home-based business section of the City ordinances. The EDA and Planning Commission share the goal of supporting home-based businesses while providing resources to help move them to commercial space as their businesses expand beyond their homes. There was some discussion of expanding the EDA section of the Comprehensive Plan, and addressing the lack of Industrial space in the City. There was some consensus that the Future Land Use map from the earlier Comprehensive Plan did not reflect the recent growth of manufacturing businesses in Hanover, and that a future update should take this into consideration. Nash also noted that the maps presented at the meeting are out of date, and updates are in progress.

Reports

None.

Adjournment

MOTION to adjourn by Warpula, seconded by Hennessey. **Motion carried unanimously.** Meeting adjourned at approximately 10:00 a.m.

ATTEST:

Annita M. Smythe, City Administrator