

**AGENDA
HANOVER ECONOMIC DEVELOPMENT AUTHORITY
MAY 29, 2019**

**TODD BARTELS - CHAIR
JESSICA JOHNSON - TREASURER
BRIAN DISMANG
TED ZRUST
TONY ROSS**

**KEN WARPULA – VICE CHAIR
MARYANN HALLSTEIN**

- 1. Call to Order: 8:00 a.m.**
- 2. Approval of:**
 - a. Agenda**
 - b. Minutes of April 18, 2019 Regular Meeting**
 - c. Accounts Payable and Financial Reports**
- 3. Citizen’s Forum**
- 4. Unfinished Business**
 - a. Business Incentive Applications – Big Bore BBQ Co.**
- 5. New Business**
 - a. Economic Development Finance Professional Certification Program**
- 6. EDA Board and Staff Reports**
 - a. EDA Board Reports**
 - b. Staff Reports**
- 7. Adjournment**

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
APRIL 18, 2019 – DRAFT MINUTES**

Call to Order

Chair Bartels called the regular EDA meeting of April 18, 2019 to order at 8:00 a.m. Present were Members Todd Bartels, Jessica Johnson, Brian Dismang, Tony Ross, Ted Zrust, Ken Warpula, and MaryAnn Hallstein. Also present was City Administrator Brian Hagen. Guest present was Duane Northagen of WCEDP.

Approval of Agenda

MOTION by Warpula to approve the agenda as presented, seconded by Johnson. **Motion carried unanimously.**

Approval of Minutes from March 21, 2019 Regular Meeting

MOTION by Warpula to approve minutes as presented, seconded by Zrust. **Motion carried unanimously.**

Approval of Accounts Payable and Financial Reports

Johnson noted that all loans were current. Other business social expenses were present.

MOTION by Johnson to approve the Accounts Payable and Financial Reports as presented, seconded by Warpula. **Motion carried unanimously.**

Citizen's Forum

Unfinished Business

Review of Business Incentive Program Guidelines

Hagen noted the changes he incorporated into each program guideline document. The language is to recognize a collective total investment amount of \$100,000 except by special circumstance.

MOTION by Ross to approve the changes, seconded by Zrust. **Motion carried unanimously.**

2019 EDA Business Social

Hagen noted that everything is prepared and ready for the event. No other additions or changes were made.

New Business

Reports

Adjournment

MOTION by Zrust to adjourn at 8:22 a.m., seconded by Warpula. **Motion carried unanimously.**

ATTEST:

Brian Hagen, City Administrator

HANOVER
Cash Balances
 April 2019

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
100 GENERAL FUND	\$524,673.03	\$26,657.90	\$76,347.01	\$474,983.92
107 FIRE DEPT DONATIONS FUND	\$25,570.43	\$525.00	\$0.00	\$26,095.43
201 EDA SPECIAL REVENUE FUND	\$97,732.55	\$0.00	\$0.00	\$97,732.55
205 EDA BUSINESS INCENTIVE FUND	\$143,940.43	\$1,990.43	\$0.00	\$145,930.86
311 2008A GO CIP REFUNDING BOND	\$46,406.25	\$0.00	\$0.00	\$46,406.25
312 2009A GO IMP REFUNDING BOND	\$10,847.48	\$0.00	\$0.00	\$10,847.48
314 2011A GO IMP CROSSOVER REF BD	\$477,481.43	\$0.00	\$4,646.68	\$472,834.75
315 2016A GO CIP BOND	\$11,234.06	\$0.00	\$0.00	\$11,234.06
401 GENERAL CAPITAL PROJECTS	\$735,073.49	\$0.00	\$0.00	\$735,073.49
402 PARKS CAPITAL PROJECTS	\$25,293.82	\$50,000.00	\$0.00	\$75,293.82
403 FIRE DEPT CAPITAL FUND	\$345,197.94	\$0.00	\$0.00	\$345,197.94
404 HISTORICAL CAPITAL PROJ FUND	\$0.00	\$0.00	\$0.00	\$0.00
405 PARK DEDICATION FEE	\$2,740.00	\$0.00	\$0.00	\$2,740.00
406 GAMBLING PROCEEDS	\$8,142.19	\$2,866.84	\$0.00	\$11,009.03
407 TIF REDEV DIST #1	\$7,914.67	\$0.00	\$0.00	\$7,914.67
409 MAHLER PIT - 15TH ST IMP FUND	\$92,696.66	\$0.00	\$0.00	\$92,696.66
411 FACILITIES CAPITAL PROJ FUND	\$0.00	\$0.00	\$0.00	\$0.00
417 EQUIPMENT CAPITAL FUND	\$128,408.41	\$0.00	\$0.00	\$128,408.41
418 STREET CAPITAL PROJ FUND	\$104,112.70	\$0.00	\$0.00	\$104,112.70
601 WATER ENTERPRISE FUND	\$924,607.21	\$14,860.73	\$3,585.83	\$935,882.11
602 SEWER ENTERPRISE FUND	\$360,895.29	\$64,105.50	\$4,898.25	\$420,102.54
603 STORM WATER ENTERPRISE FUND	\$132,080.84	\$19,208.66	\$406.67	\$150,882.83
611 WATER CAPITAL IMP FUND	\$179,597.90	\$0.00	\$0.00	\$179,597.90
612 SEWER CAPITAL IMP FUND	\$1,981,109.80	\$0.00	\$335.02	\$1,980,774.78
613 STORM WATER CAPITAL IMP FUND	\$617,032.38	\$0.00	\$0.00	\$617,032.38
701 RIVER ROAD CEMETERY	\$35,981.74	\$0.00	\$0.00	\$35,981.74
811 EROSION CONTROL ESCROW FUND	\$36,000.00	\$4,000.00	\$0.00	\$40,000.00
815 LANDSCAPE ESCROW FUND	\$34,000.00	\$4,000.00	\$0.00	\$38,000.00
817 INFRASTRUCTURE ESCROW FUND	\$14,000.00	\$2,000.00	\$0.00	\$16,000.00
818 MISC ESCROWS FUND	\$34,916.10	\$3,000.00	\$3,914.66	\$34,001.44
820 BRIDGES TOWNHOMES ESC FUND	\$3,686.68	\$0.00	\$0.00	\$3,686.68
823 CROW RVR HTS WEST 3RD / BACKES	\$16,058.27	\$0.00	\$1,150.00	\$14,908.27
825 CROW RVR HTS FUT WEST PLAT/PUD	\$8,131.06	\$0.00	\$1,061.50	\$7,069.56
826 CROW RVR HTS 4TH ADD FINL PLAT	\$0.00	\$0.00	\$0.00	\$0.00
827 HANOVER COVE PRELIMINARY PLAT	\$31,042.31	\$0.00	\$507.00	\$30,535.31
900 INTEREST	\$0.00	\$0.00	\$0.00	\$0.00
	\$7,196,605.12	\$193,215.06	\$96,852.62	\$7,292,967.56

HANOVER
Revenue Budget Report - EDA

Source Alt Code	Account Descr	April 2019 Amt	2019 YTD Amt	2019 YTD Budget	2018 YTD Variance	%YTD Budget
Fund 201 EDA SPECIAL REVENUE FUND						
TAXES	R 201-31000 Property Taxes - General	\$0.00	\$0.00	\$49,000.00	\$49,000.00	0.00%
TAXES	R 201-31010 Tax Abatement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code TAXES		\$0.00	\$0.00	\$49,000.00	\$49,000.00	0.00%
MISC	R 201-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 201-36210 Interest Earnings	\$0.00	\$342.07	\$0.00	-\$342.07	0.00%
MISC	R 201-36215 Investment Income/Loss	\$0.00	\$568.35	\$0.00	-\$568.35	0.00%
Source Alt Code MISC		\$0.00	\$910.42	\$0.00	-\$910.42	0.00%
INTGOVT	R 201-33410 MV Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code INTGOVT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Fund 201 EDA SPECIAL REVENUE FUND		\$0.00	\$910.42	\$49,000.00	\$48,089.58	1.86%
Fund 205 EDA BUSINESS INCENTIVE FUND						
MISC	R 205-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-36210 Interest Earnings	\$257.05	\$1,571.96	\$0.00	-\$1,571.96	0.00%
MISC	R 205-36215 Investment Income/Loss	\$0.00	\$823.40	\$0.00	-\$823.40	0.00%
MISC	R 205-36230 Contributions and Donation	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-39203 Transfer from Other Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code MISC		\$257.05	\$2,395.36	\$0.00	-\$2,395.36	0.00%
INTGOVT	R 205-33400 State Grants and Aids	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code INTGOVT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Fund 205 EDA BUSINESS INCENTIVE FUND		\$257.05	\$2,395.36	\$0.00	-\$2,395.36	0.00%
		\$257.05	\$3,305.78	\$49,000.00	\$45,694.22	6.75%

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	April 2019 Amt	2019 YTD Amt	2019 YTD Budget	2019 YTD Balance	%YTD Budget
Fund 201 EDA SPECIAL REVENUE FUND						
Dept 41330 Boards and Commissions						
BRDCOMM	E 201-41330-111 Committee Wages/Meeting	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%
BRDCOMM	E 201-41330-306 Dues & Subscriptions	\$0.00	\$0.00	\$500.00	\$500.00	0.00%
BRDCOMM	E 201-41330-310 Other Professional Services	\$0.00	\$6.70	\$10,000.00	\$9,993.30	0.07%
BRDCOMM	E 201-41330-437 Other Miscellaneous	\$0.00	\$418.74	\$5,500.00	\$5,081.26	7.61%
Dept 41330 Boards and Commissions		\$0.00	\$425.44	\$18,000.00	\$17,574.56	
Dept 41570 Purchasing						
PURCHASE	E 201-41570-210 Operating Supplies (GENE	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
Dept 41570 Purchasing		\$0.00	\$0.00	\$1,000.00	\$1,000.00	
Dept 49360 Transfers Out						
TRANSFERS	E 201-49360-700 Transfers (GENERAL)	\$0.00	\$0.00	\$30,000.00	\$30,000.00	0.00%
Dept 49360 Transfers Out		\$0.00	\$0.00	\$30,000.00	\$30,000.00	
Fund 201 EDA SPECIAL REVENUE FUND		\$0.00	\$425.44	\$49,000.00	\$48,574.56	

HANOVER
Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	April 2019 Amt	2019 YTD Amt	2019 YTD Budget	2019 YTD Balance	%YTD Budget
Fund 205 EDA BUSINESS INCENTIVE FUND						
Dept 46500 Economic Develop mt (GENERAL)						
ECODEVEL	E 205-46500-810 Refunds & Reimbursement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 46500 Economic Develop mt (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49300 Other Finanacing Uses						
OTHFINUS	E 205-49300-317 EDA BIF: Rent Reimburse	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
OTHFINUS	E 205-49300-318 EDA BIF: Matching Grant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
OTHFINUS	E 205-49300-319 EDA BIF: EDA Loan	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 49300 Other Finanacing Uses		\$0.00	\$0.00	\$0.00	\$0.00	
Fund 205 EDA BUSINESS INCENTIVE FUND		\$0.00	\$0.00	\$0.00	\$0.00	

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	April 2019 Amt	2019 YTD Amt	2019 YTD Budget	2019 YTD Balance	%YTD Budget
		\$0.00	\$425.44	\$49,000.00	\$48,574.56	

HANOVER

Transaction Activity - EDA

Period Name	Check Nbr	Tran Name	Search Name	Amount	Comments	Check/Receipt Date	Fund
Act Year 2019							
PL Type G General Ledger							
Account Descr G 201-10100 Cash							
January		Journal Entr		-\$1,320.00	To Reverse 2018 YE JE		201
March		Journal Entr		\$910.42	Allocate 1st Quarter 201		201
Account Descr G 201-10100 Cash				-\$409.58			
Account Descr G 201-10500 Taxes Receivable-Current							
January		Journal Entr		-\$382.81	To Reverse 2018 YE JE		201
Account Descr G 201-10500 Taxes Receivable-Current				-\$382.81			
Account Descr G 201-20200 Accounts Payable							
January		Journal Entr		\$1,320.00	To Reverse 2018 YE JE		201
Account Descr G 201-20200 Accounts Payable				\$1,320.00			
Account Descr G 205-10100 Cash							
March		Journal Entr		\$1,318.98	Allocate 1st Quarter 201		205
Account Descr G 205-10100 Cash				\$1,318.98			
Account Descr G 205-12400 EDA Loan Receivable							
January	085878	Cash Recei	ASTRO ENGINEERING	\$1,059.39	EDA Loan Principal Paym	01/15/19	205
January	085800	Cash Recei	CP PROPERTIES GROUP L	\$184.30	EDA Loan Principal Paym	12/27/18	205
January	003102	Cash Recei	HANOVER DENTAL	\$4,880.88	EDA Loan Payment - Loa	01/25/19	205
January	085835	Cash Recei	PLUG TECHNOLOGIES, IN	\$437.02	EDA Loan Principal Paym	01/04/19	205
January	028191	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Jan	01/03/19	205
February	085976	Cash Recei	ASTRO ENGINEERING	\$1,062.36	EDA Loan Principal Paym	02/15/19	205
February	085937	Cash Recei	PLUG TECHNOLOGIES, IN	\$437.41	EDA Loan Principal Paym	02/05/19	205
February	028277	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Feb	02/01/19	205
March	086067	Cash Recei	ASTRO ENGINEERING	\$1,091.22	EDA Loan Principal Paym	03/15/19	205
March	086034	Cash Recei	PLUG TECHNOLOGIES, IN	\$439.57	EDA Loan Principal Paym	03/05/19	205
March	028358	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Mar	03/01/19	205
April	086214	Cash Recei	ASTRO ENGINEERING	\$1,085.44	EDA Loan Principal Paym	04/15/19	205
April	086147	Cash Recei	PLUG TECHNOLOGIES, IN	\$439.61	EDA Loan Principal Paym	04/04/19	205
April	028444	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Apri	04/01/19	205
Account Descr G 205-12400 EDA Loan Receivable				\$11,950.52			
PL Type G General Ledger				\$13,797.11			
PL Type *R Revenue							
Account Descr R 201-31000 Property Taxes - General							
January		Journal Entr		\$161.85	To Reverse 2018 YE JE		201
January		Journal Entr		\$220.96	To Reverse 2018 YE JE		201
January		Cash Recei	HENNEPIN COUNTY TREA	\$220.96	HC Tax Settlement - Jan		201
January		Cash Recei	WRIGHT COUNTY AUDITO	\$161.85	WC Tax Settlement - Jan		201
Account Descr R 201-31000 Property Taxes - General				\$765.62			
Account Descr R 201-36210 Interest Earnings							
March		Journal Entr		-\$342.07	Allocate 1st Quarter 201		201
Account Descr R 201-36210 Interest Earnings				-\$342.07			
Account Descr R 201-36215 Investment Income/Loss							
March		Journal Entr		-\$568.35	Allocate 1st Quarter 201		201
Account Descr R 201-36215 Investment Income/Loss				-\$568.35			
Account Descr R 205-36210 Interest Earnings							
January	085878	Cash Recei	ASTRO ENGINEERING	\$273.48	EDA Loan Interest Paym	01/15/19	205

Transaction Activity - EDA

Period Name	Check Nbr	Tran Name	Search Name	Amount	Comments	Check/Receipt Date	Fund
January	085835	Cash Recei	PLUG TECHNOLOGIES, IN	\$12.21	EDA Loan Interest Paym	01/04/19	205
February	085976	Cash Recei	ASTRO ENGINEERING	\$270.51	EDA Loan Interest Paym	02/15/19	205
February	085937	Cash Recei	PLUG TECHNOLOGIES, IN	\$11.82	EDA Loan Interest Paym	02/05/19	205
March		Journal Entr		-\$495.58	Allocate 1st Quarter 201		205
March	086067	Cash Recei	ASTRO ENGINEERING	\$241.65	EDA Loan Interest Paym	03/15/19	205
March	086034	Cash Recei	PLUG TECHNOLOGIES, IN	\$9.66	EDA Loan Interest Paym	03/05/19	205
April	086214	Cash Recei	ASTRO ENGINEERING	\$247.43	EDA Loan Interest Paym	04/15/19	205
April	086147	Cash Recei	PLUG TECHNOLOGIES, IN	\$9.62	EDA Loan Interest Paym	04/04/19	205
Account Descr R 205-36210 Interest Earnings				\$580.80			
Account Descr R 205-36215 Investment Income/Loss							
March		Journal Entr		-\$823.40	Allocate 1st Quarter 201		205
Account Descr R 205-36215 Investment Income/Loss				-\$823.40			
PL Type *R Revenue				-\$387.40			
PL Type -E Expenditure							
Account Descr E 201-41330-310 Other Professional Services							
February	034102	Cash Paym	VISA - BANKWEST	\$6.70	Postage	02/05/19	201
Account Descr E 201-41330-310 Other Professional Servi				\$6.70			
Account Descr E 201-41330-437 Other Miscellaneous							
February	034102	Cash Paym	VISA - BANKWEST	\$97.70	EDA Social 2019: RTIC C	02/05/19	201
March	034145	Cash Paym	VISA - BANKWEST	\$53.68	EDA Social 2019: Cast Ir	03/05/19	201
March	034145	Cash Paym	VISA - BANKWEST	\$267.36	EDA Social 2019: 1-Burn	03/05/19	201
Account Descr E 201-41330-437 Other Miscellaneous				\$418.74			
PL Type -E Expenditure				\$425.44			
Act Year 2019				\$13,835.15			
				\$13,835.15			

<u>Borrower</u>	<u>5/13/2019</u>	<u>Paid Through</u>
	\$ -	
Plug Technologies, Inc.	\$ 4,892.91	May
Hanover Dental	\$ -	Paid Off in January
Astro Engineering	\$ 92,088.14	May
Roy C. Inc.	\$ 6,458.35	May
	\$ -	
Total	\$ 103,439.40	

City of Hanover
Economic Development
Authority



11250 5th St NE
Hanover, Minnesota 55341
763-497-3777
cityhall@ci.hanover.mn.us

HANOVER LOW INTEREST LOAN APPLICATION

General Information:

Business Name: BIG BORE BARBECUE LLC Date: 5-23-19

Address: 10940 4th ST NE HANOVER, MN 55341

Type (corporation, partnership, etc.): LLC / S Corp

Contact Person: CHAD BRINK Phone: 612-282-9111

Description of Business: BARBECUE RESTAURANT with a bar.
WE will also offer catering and BBQ products.

Legal Counsel: Trimble & Assoc. Phone: 952-797-7477

Address: 10201 Wayzata Blvd # 130, MINNETONKA, MN 55305

Financial Information:

Have you ever filed for bankruptcy? (If yes, explain) _____

Have you ever defaulted on any loan commitment? No

Have you applied for conventional financing for the project? (If so, where?) YES

SBA 7A - Byline BANK

List three financial references:

a. _____

b. _____

c. _____

Have you ever used this or any other public Assistance Program before? (if yes, where and when?) NO

Project Information:

Location and parcel identification number of proposed project (include map): _____

108-016-001011 & 108-016-001020

Present ownership of site. _____

Present zoning of the site and proposed use of the facility: B-2 Highway Commercial.

Does this project comply with the Hanover Comprehensive Plan and Hanover Zoning Ordinance? Explain. Yes, site is to remain Comm.

Name & Address of Architect/Engineer (if any): N/A

Amount of financial assistance requested (if two or more requests, list amount requested under each specific program) \$ 92,500 Low Interest loan
\$ 7500 GRANT.

Explain the need for financial assistance. Assist with Purchase & Remodel.

What public purpose being met with this project (e.g. job retention, job creation, tax base expansion, redevelopment, etc)? Explain. JOB CREATION & Expansion
My Plan will call for increase of employees.
Also Improve overall Appearance of Property

Number of permanent jobs created as a result of the project (within two years)? _____

15-20 Estimated

Anticipated start date: June 2019

Completion date: Aug 2019

Financial Information:

Attach additional information if needed.

Use of Funds:

Land acquisition \$ _____

Site development \$ _____

Building cost \$ _____

Equipment \$ _____

Arch/Engineer fees \$ _____

Legal fees \$ _____

Other _____ \$ _____

Other _____ \$ _____

TOTAL \$ _____

Source of Funds:

Private financing \$ _____

Developer equity \$ _____

State/Federal \$ _____

This request \$ _____

Other _____ \$ _____

Other _____ \$ _____

TOTAL \$ _____

*SEE SOURCE & USE OF FUNDS IN
BUSINESS PLAN.*

Please attach the following items to this application:

1. A letter of financial commitment from the participating lender(s), if applicable.
2. Plans and drawings of the project.
3. Background material about the company.
4. Pro Forma analysis (reviewed internally)
5. Financial Statements (income and balance sheets for past two years)
6. Personal Financial Statement (if request for loan)
7. Statement of property ownership or control.

Signature:

The information provided in this application is true and correct to the best of my knowledge. If the information is deemed to be misleading or untruthful, I will withdraw this application and/or allow the City of Hanover/Hanover Economic Development Authority to disregard the application in its entirety. I understand that the acceptance of this application does not ensure approval of financial assistance from the City of Hanover for the completion of the project.

If applying for TIF, I also certify that without the financial assistance provided with tax increment financing, this project could not move forward at the proposed site as planned.

I understand and agree to participate in the submittal of information required by the City of Hanover for the completion of required Business Assistance/Subsidy Reports to the State of Minnesota.

Applicant Signature: 

Date: 5-23-19

Co-Applicant Signature: _____

Date: _____

**Big Bore Barbecue Company
Sources & Uses Statement**

Purchase (property plus ff&e) \$500,000.00

**Professional Services
Legal (Incorporate and purchase agreement) \$15,000.00**

Organizational & Development
Insurance Deposit \$2,500.00
Licenses & Permits \$5,000.00
Utility Deposits \$1,500.00
Total \$9,000.00

Interior Finishes
Office Equipment \$3,000.00

Exterior Finishes
Protech Innovations (see estimate) \$233,600.00
Roof replacement \$ 13,500.00
HVAC Update / Replacement \$ 70,681.00
Walk in Renovations \$ 44,729.00
Total \$362,510.00

Equipment
2ea. Pull Behind Smokers (Equity) \$(9,600.00)
2ea. Holding Cabinets \$ 5,000.00
2ea. Dishwashers \$ 4,000.00
Steam Table \$ 2,500.00
Ice Machine \$ 2,000.00
Total \$ 13,500.00

Pre Opening Expenses
Construction Period Utilities \$ 4,000.00

Uniforms & Apparel to Sell	\$ 2,500.00
Manager Salary (during construction)	\$10,000.00
Staff Training	\$ 5,000.00
Soft Opening Party	\$ 3,000.00
Total	\$24,500.00

Opening Inventory	
Liquor	\$15,000.00
Beer	\$10,000.00
Food	\$15,000.00
Soda	\$ 3,000.00
Paper Products	\$ 3,000.00
Total	\$46,000.00

Capital & Contingency	
6 Months Capitol	\$30,000.00
10% Contingency	

Total Project Costs	\$1,007,510.00
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Sources

Cash Injection	\$ 112,000.00
Equity (equipment owned)	\$ 9,600.00
EDA Low Interest Loan	\$ 92,500.00
EDA Grant	\$ 7,500.00
SBA 7A Loan	\$ 785,910.00
Total	\$1,007,510.00

Proposal



contractor license # BC720818

Rick Kruse - Owner
6109 4th Ave. South
Minneapolis, MN 55419
Tel: 612-369-3780
Email: RickTKruse@gmail.com

PROPOSAL NO.

4299

DATE

5-13-19

PROPOSAL SUBMITTED TO:

Chad Brink
Big Bore Smokers
chad@bbsmokers.com
612-282-9111

WORK TO BE PERFORMED AT:

10940 4th St NE
Hanover, MN 55341

WE HEREBY PROPOSE TO PERFORM THE LABOR NECESSARY FOR THE COMPLETION OF:

Interior and Exterior Remodeling and Updating(future location of Big Bore Barbecue Company)

EXTERIOR

Exterior demo (not attached to the building): \$3,500

- remove and dispose of/recycle various large items from behind the building
- remove and dispose of all existing fences and posts including the chainlink, wood, and volleyball court fencing and large steel 24ft posts

Siding (east, north, and south facing sides): \$55,000

- remove lighting, security cameras, brackets for electrical conduit, etc
- remove front left entrance structure (approximately 6ftx6ft)
- remove all siding and trim on the east, north, and south sides of the building
- insulate and seal the exterior walls where necessary
- install new sheathing
- install tyvek
- install wood "reclaimed" barn wood siding and trim on north and east sides of the building
- install "reclaimed" corrugated steel and trim on the south side of the building
- caulk and seal/stain all newly installed siding

Siding (west facing side): \$3,000

- pressure wash, mask as necessary, caulk all seams, prime, and paint two coats

Awning (front elevation- east facing): \$16,500

- remove the existing vinyl awning and repair the aluminum framework where necessary
- install reclaimed corrugated steel on the awning framework and water diversion on the top
- install new vented soffit on the bottom side of the awning

South Fence and Exterior Smoker/Cooking area: \$11,500

- install aluminum security fence with large gate (approximately 40LF)
- build and install a steel rooftop for the smoker area (connected to building on one side and 6x6 posts on the other side)

East, North, West sides of the building fence: \$15,900

- install a new security fence around where the existing volleyball courts are

Doors: \$19,500

- remove existing front door and frame with header to accept a new double entry door (commercial grade french doors with panic exit capabilities)
- remove existing door in the back of the building, frame as necessary, and replace with double steel commercial doors and install hardware

Electrical: \$5,800

- update exterior lighting and security system including new decorative entrance light above the new front doors

Landscape: \$2,500

- repair damaged concrete and landscape where necessary
- plant shrubs on the front side of the building
- new mulch and landscape rock where necessary

Exterior Signage: \$10,500

- order custom plasma cut metal signage and install (logo and name)
- order and install new 3M adhesive vinyl logos for the front entrance

Smoker: \$25,000

- design, build, and install 20ft custom proprietary Big Bore Smoker for SE corner of building

Exterior Estimate Total \$168,700

continued on page 2

Proposal



contractor license # BC720818

Rick Kruse - Owner
6109 4th Ave. South
Minneapolis, MN 55419
Tel: 612-369-3780
Email: RickTKruse@gmail.com

PROPOSAL NO. 4299
DATE 5-13-19

PROPOSAL SUBMITTED TO: Chad Brink Big Bore Smokers chad@bbsmokers.com 612-282-9111	WORK TO BE PERFORMED AT: 10940 4th St NE Hanover, MN 55341
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WE HEREBY PROPOSE TO PERFORM THE LABOR NECESSARY FOR THE COMPLETION OF:

INTERIOR

Demo: \$2,200

- remove and dispose of all existing table tops, chairs, stools, bar top, appliances that will not be used, ceiling tiles in the bar area, bathroom toilets and sinks, kitchen sinks, all existing carpet, short wall near the kitchen entrance, and office door

Flooring: \$12,500

- sand and abrade all of the concrete floors to prep for stain
- apply HC Infusion concrete stain on all floors and seal two coats with commercial grade clear coat
- clean and seal all existing floor tile

Restaurant and Bar Furniture and Custom Bar: \$18,500

- purchase new chairs and stools (both high top and standard)
- custom build new table tops and seal and finish with commercial grade poly and barcoat
- custom build new bar top, install, and finish with commercial grade poly and barcoat
- wrap bar face and bar foot rest with custom "reclaimed" barnwood and steel
- wrap bar soffit with custom "reclaimed" barnwood and steel

Bathrooms: \$4,200

- remove and replace damaged tile, install new toilets and sinks, and repair wall damage

Walls and Ceilings: \$12,500

- frame, drywall, and finish where the short wall is to be removed and where the office door is to be removed
- repair damaged walls as necessary, prime, and paint two coats on all interior walls and ceilings

Doors: \$3,800

- remove and replace interior entrance doors (both bar and dining entrances)
- stain/paint doors and install new hardware
- repair, stain/paint both bathroom doors and install new hardware

Electrical: \$6,000

- update and add new lighting, switches, outlets as necessary

Kitchen: \$1,700

- replace the existing sinks in the kitchen with a 3 compartment commercial grade sink

Plumbing: \$3,500

- update and install new fixtures, water lines, traps/drains as necessary

Interior Estimate Total: \$64,900

Payment terms: 30% down at the start of the job, then the remaining balance due upon completion

ALL MATERIAL IS GUARANTEED TO BE AS SPECIFIED, AND THE ABOVE WORK TO BE PERFORMED IN ACCORDANCE WITH THE SPECIFICATIONS ABOVE FOR THE SUM OF:

Two hundred thirty three thousand six hundred dollars (\$233,600.00)

RESPECTFULLY SUBMITTED

Rick Kruse

PER

Protech Innovations

SIGNATURE

ANY ALTERATION OR DEVIATION FROM THE ABOVE SPECIFICATIONS INVOLVING EXTRA COSTS WILL BE EXECUTED ONLY UPON WRITTEN ORDER, AND WILL BECOME AN EXTRA CHARGE ABOVE THE ESTIMATE. ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS, OR DELAYS BEYOND OUR CONTROL.

ACCEPTANCE OF PROPOSAL

THE ABOVE PRICES, SPECIFICATIONS AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. YOU ARE AUTHORIZED TO DO THE WORK AS SPECIFIED. PAYMENTS WILL BE MADE AS OUTLINED ABOVE.

SIGNATURE _____

DATE _____

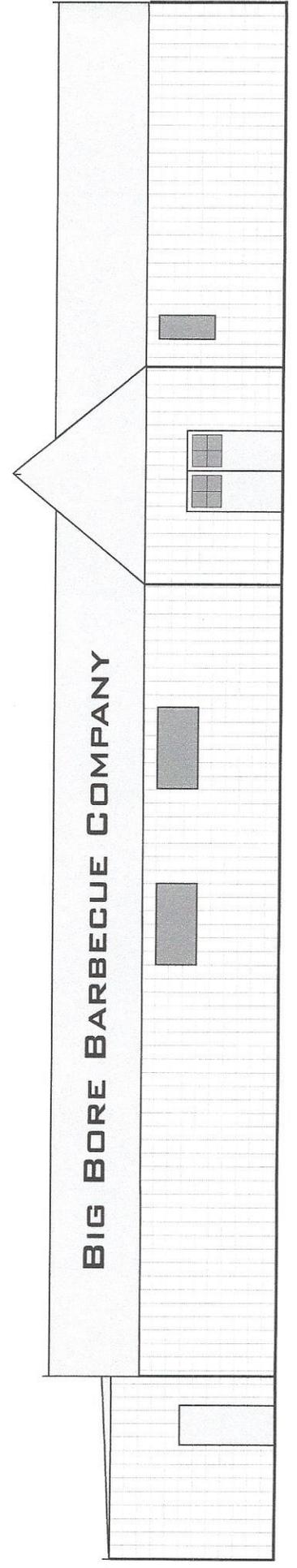
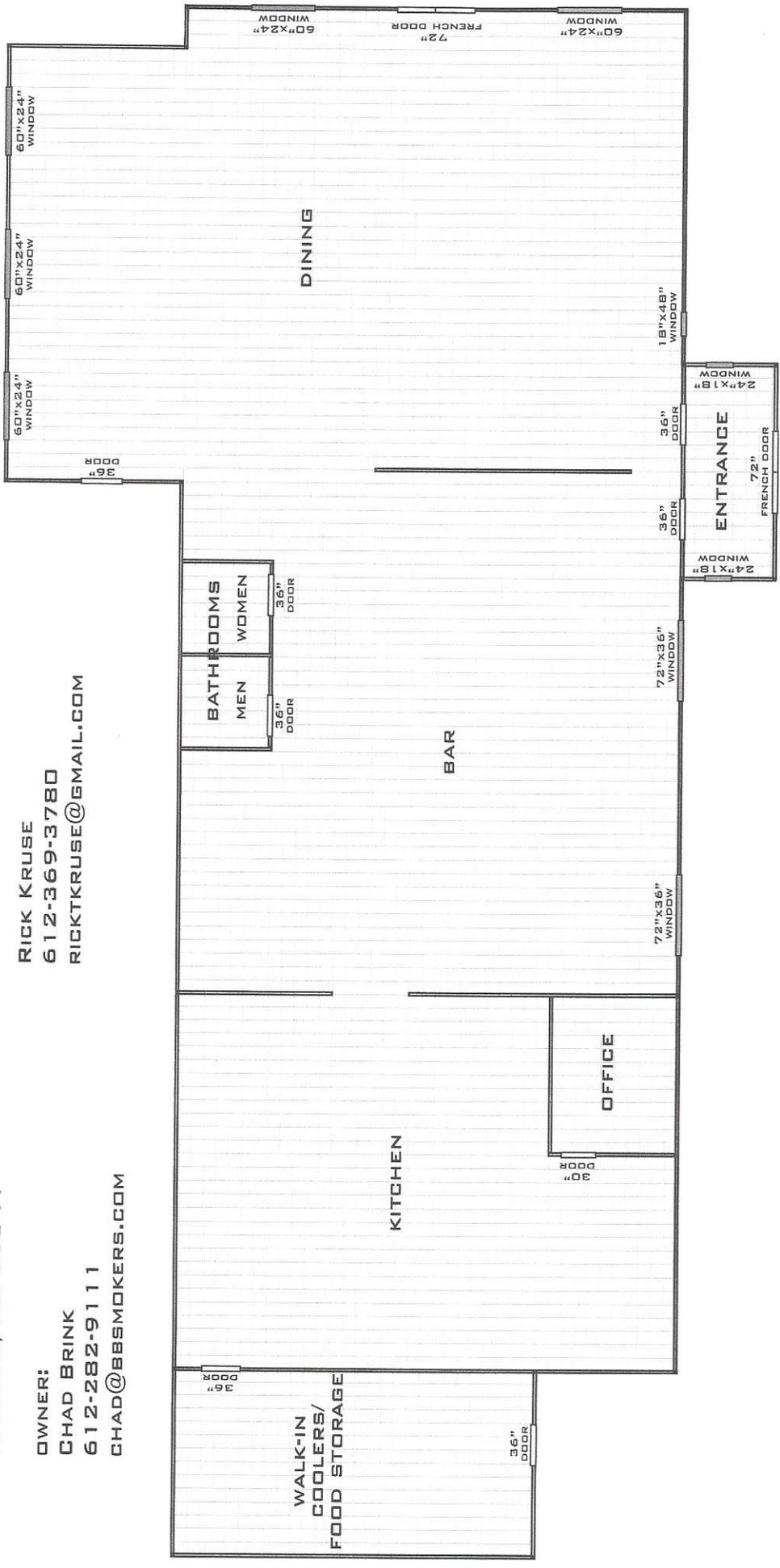
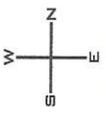
SCALE: 1 SQUARE = 1 FT

PROJECT:
BIG BORE BARBECUE COMPANY
10940 4TH ST NE
HANDOVER, MN 55341

CONTRACTOR:
PROTECH INNOVATIONS
LICENSE # BC720818

RICK KRUSE
612-369-3780
RICKTKRUSE@GMAIL.COM

OWNER:
CHAD BRINK
612-282-9111
CHAD@BBSMOKERS.COM





To: Chair Bartels & Members of the Hanover EDA

From: Brian Hagen, City Administrator

Re: Economic Development Finance Professional Certification

Date: May 24, 2019

In 2018 the Hanover EDA received notice that our EDA Consultant Heidi Peper took a new career position away from SEH Inc. With the change in employment, the Hanover EDA chose not to replace Heidi with a new consultant. The discussion was related to Hanover not having many available commercial or industrial properties available. Furthermore, I have grown in my knowledge of the EDA and its authority.

At the 2019 Hanover Strategic Planning Session there was some support in the EDA hiring another consultant in order to seek out various programs to assist with funding sources for potential new businesses. I would like to pose an option for consideration.

In speaking with colleagues about various trainings that would be beneficial as it relates to economic development, I have learned about the National Development Council (NDC). The NDC offers a certification program called the Economic Development Finance Professional Certification (EDFP). This is a program that consists of four courses related to economic development finance, business credit analysis, real estate finance, and deal structuring. This program is also supported by the Economic Development Association of Minnesota (EDAM). This would be an opportunity for me to grow my knowledge in this area of my duties as well as broaden my network of colleagues to reach out to when Hanover does receive that opportunity to act of some local EDA related goals or business recruitment.

Cost for the program is \$1,375 per course. However, with a membership in EDAM there is a discount code that can be applied to each course equal to \$275. An EDAM membership cost is \$295. Should the Hanover EDA want to consider this option, I could complete three of the four courses this year with a tentative finish of the program in the spring of 2020. Total cost for the three courses this year would be \$3,300 after discounts plus the \$295 EDAM membership. The 2020 program dates and costs have not been released but I would estimate the costs to be comparable. In addition to the initial certification would be future trainings to stay current with the certification and membership fees.

I have attached the program course descriptions as well as a list of course dates for your review.

Economic Development Finance Professional (EDFP) Certification Program™

NDC's Economic Development Finance Professional (EDFP) Certification Program™ is a rigorous, four-course training series that explores the skills essential for the successful practice of economic development – business credit and real estate finance analysis techniques, loan packaging procedures, negotiating and problem solving skills, and deal structuring techniques. Individuals who successfully complete the four courses and pass the examinations in each class are awarded certification as an EDFP.

ED101 – Economic Development Finance

5 days

Prerequisite: None

The first course in the EDFP Certification Program™, ED101 explores the financial skills required for the successful practice of economic development within the context of an overall economic development finance system. This course provides a conceptual framework for the role of economic development finance in the larger economy and involves participants in analyzing and structuring financing for operating businesses and commercial real estate development projects. Specific topics include:

Economic Development Finance Overview

- Financing gaps in the private capital markets
- Underwriting practices of private sector lenders
- Plugging the gaps with economic development financing incentives
- Implementing financing programs through an economic development finance system

Business Credit Analysis

- Financial statement spreading and analysis
- Quality indicators and ratio analysis
- Calculating debt capacity

Fixed Asset Financing

- Measuring repayment-ability
- Structuring incentive financing

Real Estate Financing

- Developer's pro forma income and expense statement
- Measuring return on investment
- Calculating the financing gap

Economic Development Finance Programs

- Programs under the Stimulus
- SBA 504 and 7(a)
- HUD CDBG and 108
- New Markets Tax Credits
- Revolving loan funds and interim financing
- Loan packaging procedures

Economic Development Finance Professional (EDFP) Certification Program™ (cont.)

ED201 – Business Credit Analysis

5 days

Prerequisite: ED101

The second course in the EDFP Certification Program™, ED201 builds upon the skills taught in ED101 and explores advanced financial techniques used to analyze various types of operating businesses. Credit analysis procedures utilized by commercial lenders are tailored to address the unique needs of the economic development lender. Participants analyze the financial statements of numerous real companies—manufacturing, service and retail—and structure fixed asset and permanent working capital (PWC) financing. Specific topics include:

Credit Analysis Process

- Evaluating a company's strengths and weaknesses
- Refining quality indicator and ratio analysis
- Assessing operating trends
- Measuring a company's ability to digest growth

Permanent Working Capital Analysis

- Determining a company's operating cycle
- Measuring PWC needs
- Financing a company's growth

Cash Flow Analysis

- Analyzing cash flow management
- Determining debt capacity
- Matching sources and uses of funds
- Identifying fast growth syndrome

Projections and Forecasting

- Balance sheet and profit and loss statement projections
- Evaluating financing options
- Break even analysis
- Structuring fixed asset and PWC financing
- Restructuring financing packages

Economic Development Finance Professional (EDFP) Certification Program™ (cont.)

ED202 – Real Estate Finance

5 days

Prerequisite: None

The third course in the EDFP Certification Program™, ED202 presents a step-by-step overview of the real estate development process from the perspectives of lenders and investors. Economic development projects are analyzed using the rates of return required by lenders, developers and investors to quantify the financing gap and amount of public financing needed to fill the gap. Participants learn how to generate equity for real estate projects and lower the amount of public investment needed. Specific topics include:

Real Estate Financing Process

- Calculating project costs
- Projecting the developer's pro forma
- Determining debt capacity
- Measuring equity attracted
- Quantifying the financing gap
- Closing the gap

Return on Investment

- Cash-on-cash rate of return
- After-tax cash flow rate
- Present value analysis
- Internal rate of return

Appraisals

- The capitalization rate
- Three approaches to value
- Reconciling value

Impact of Taxes on Real Estate Ownership

- Depreciation
- Leverage
- Tax credits
- Taxable gains and losses

Economic Development Finance Professional (EDFP) Certification Program™ (cont.)

ED300 – The Art of Deal Structuring

5 days

Prerequisites: ED101, ED201 and
ED202

The final course in the EDFP Certification Program™, ED300 integrates the business credit and real estate finance skills learned in previous courses with the creative demands of deal structuring. Participants apply a process for solving problems in order to overcome the myriad obstacles—economic, financial, political, and social—to the successful structuring of business finance and real estate projects. The emphasis of this course is casework. Participants are challenged by case studies that involve complex financial issues such as workouts, business buyouts, and tax credits in real estate projects. Specific topics include:

Problem Solving

- Problem solving process
- Negotiation strategies
- Creating “win-win” solutions

Deal Structuring

- Valuing tax credits

Workouts and Buyouts

- Developing a workout plan
- Business valuation methods
- Structuring a buyout

Syndications

- Equity attraction
- Allocation of benefits
- Limited partnership model

**ECONOMIC DEVELOPMENT FINANCE PROFESSIONAL (EDFP)
CERTIFICATION PROGRAM**

ED202 – Real Estate Finance (*prerequisite none*)

- 07/22/19-07/26/19
- \$1,375
 - Discount of \$275 with EDAM Membership

ED101 – Economic Development Finance (*prerequisite none*)

- 08/12/19-08/16/19
- \$1,375
 - Discount of \$275 with EDAM Membership

ED201 – Business Credit Analysis (*prerequisite ED101*)

- 10/07/19-10/11/19
- \$1,375
 - Discount of \$275 with EDAM Membership

ED300 – The Art of Deal Structuring (*prerequisite ED101, ED201, ED202*)

- Assumed March 2020

**Economic Development Association of Minnesota (EDAM) Membership cost = \$295*