

**AGENDA
HANOVER ECONOMIC DEVELOPMENT AUTHORITY
JUNE 20, 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 May 29, 2019 Regular Meeting**
 - c. Accounts Payable and Financial Reports**
- 3. Citizen's Forum**
- 4. Unfinished Business**
- 5. New Business**
 - a. Business Incentive Application – Hanover Flooring**
 - b. Hanover Harvest Festival Donation**
- 6. EDA Board and Staff Reports**
 - a. EDA Board Reports**
 - b. Staff Reports**
- 7. Adjournment**

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
MAY 29, 2019 – DRAFT MINUTES**

Call to Order

Vice Chair Warpula called the regular EDA meeting of May 29, 2019 to order at 8:00 a.m. Present were Members Jessica Johnson, Brian Dismang, Tony Ross, Ted Zrust, Ken Warpula, and MaryAnn Hallstein. Also present was City Administrator Brian Hagen. Guest present was Chad Brink of Big Bore Barbeque Co. and Duane Northagen of WCEDP.

Approval of Agenda

Hagen requested to add a business assistance application under new business.

MOTION by Johnson to approve the agenda as amended, seconded by Dismang. **Motion carried unanimously.**

Approval of Minutes from April 18, 2019 Regular Meeting

MOTION by Hallstein 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.

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

Citizen's Forum

Unfinished Business

Business Incentive Applications – Big Bore BBQ Co.

Hagen noted that the request from Chad Brink has been adjusted to reflect a \$92,500 low interest loan and a \$7,500 matching grant. Brink updated members of the EDA on his proposed project and the scope of work. Brink noted that he is seeking a small business loan which would be large enough to expand his scope of work for the project to allow for a more extensive remodel project. The scope of work now includes work to the refrigeration and freezer components as well as other improvements to improve the atmosphere.

MOTION by Hallstein to approve the applications, seconded by Dismang with the following conditions:

- Have a second real estate mortgaged filed that is personally guaranteed.
- Have a UCC filing against the assets of the operating company.
- An appraisal of the property be provided showing a value in a high enough amount to provide financial security to cover the Hanover EDA's positions on the second mortgage and UCC filing.
- Title Opinion provided showing ownership of the property.
- Loan repayment monthly over a 10-year term
- All Corporation and LLC documents be supplied to the City
- Other conditions as BankWest sees beneficial to the EDA in order to reduce liability

Motion carried unanimously.

New Business

Economic Development Finance Professional Certification Program

Hagen presented a training program that would expand his knowledge as it relates to economic development. Hagen stated that recent interest has been expressed in bringing in a consultant for the EDA again. Hagen suggested this as an option given that Hanover does not have available properties for new businesses, however, should opportunities arise, this training would help Hagen better serve prospective businesses and developers.

MOTION by Zrust to approve EDFP Certification, seconded by Hallstein. **Motion carried unanimously.**

Johnson left the meeting at 8:48 a.m.

Business Incentive Application – Hanover Flooring

Hagen stated that he received an application for rent reimbursement funds by Hanover Flooring. Hagen noted that the business moved into Hanover a couple of months ago and learned of the program at our Business Social. The board inquired to the need for the assistance. Hagen stated he was unsure of the need, but presented the application in short noticed given the simplicity of it. The board directed the request to be brought back to the June meeting and to invite the applicant to the meeting for discussion.

Reports

Hagen provided update to the EDA on current developments.

Adjournment

MOTION by Ross to adjourn at 9:12 a.m., seconded by Zrust. **Motion carried unanimously.**

ATTEST:

Brian Hagen, City Administrator

HANOVER
Cash Balances
 May 2019

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
100 GENERAL FUND	\$475,355.55	\$32,120.73	\$144,698.27	\$362,778.01
107 FIRE DEPT DONATIONS FUND	\$26,095.43	\$600.00	\$0.00	\$26,695.43
201 EDA SPECIAL REVENUE FUND	\$97,732.55	\$0.00	\$0.00	\$97,732.55
205 EDA BUSINESS INCENTIVE FUND	\$145,930.86	\$1,990.43	\$0.00	\$147,921.29
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	\$472,834.75	\$0.00	\$6,507.50	\$466,327.25
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	\$75,293.82	\$0.00	\$0.00	\$75,293.82
403 FIRE DEPT CAPITAL FUND	\$345,197.94	\$3,597.04	\$0.00	\$348,794.98
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	\$11,009.03	\$0.00	\$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	\$935,882.11	\$2,916.00	\$11,774.47	\$927,023.64
602 SEWER ENTERPRISE FUND	\$420,102.54	\$5,670.00	\$14,988.25	\$410,784.29
603 STORM WATER ENTERPRISE FUND	\$150,882.83	\$0.00	\$2,532.25	\$148,350.58
611 WATER CAPITAL IMP FUND	\$179,597.90	\$0.00	\$0.00	\$179,597.90
612 SEWER CAPITAL IMP FUND	\$1,980,774.78	\$0.00	\$0.00	\$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	\$40,000.00	\$2,000.00	\$0.00	\$42,000.00
815 LANDSCAPE ESCROW FUND	\$38,000.00	\$2,000.00	\$0.00	\$40,000.00
817 INFRASTRUCTURE ESCROW FUND	\$16,000.00	\$1,000.00	\$0.00	\$17,000.00
818 MISC ESCROWS FUND	\$34,001.44	\$2,750.00	\$6,262.94	\$30,488.50
820 BRIDGES TOWNHOMES ESC FUND	\$3,686.68	\$0.00	\$0.00	\$3,686.68
823 CROW RVR HTS WEST 3RD / BACKES	\$14,908.27	\$0.00	\$1,278.75	\$13,629.52
825 CROW RVR HTS FUT WEST PLAT/PUD	\$7,069.56	\$0.00	\$0.00	\$7,069.56
826 CROW RVR HTS 4TH ADD FINL PLAT	\$0.00	\$0.00	\$0.00	\$0.00
827 HANOVER COVE PRELIMINARY PLAT	\$30,535.31	\$0.00	\$407.00	\$30,128.31
900 INTEREST	\$16,727.49	\$0.00	\$0.00	\$16,727.49
	\$7,310,066.68	\$54,644.20	\$188,449.43	\$7,176,261.45

HANOVER

Revenue Budget Report - EDA

Source Alt Code	Account Descr	May 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	\$278.77	\$1,850.73	\$0.00	-\$1,850.73	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		\$278.77	\$2,674.13	\$0.00	-\$2,674.13	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		\$278.77	\$2,674.13	\$0.00	-\$2,674.13	0.00%
		\$278.77	\$3,584.55	\$49,000.00	\$45,415.45	7.32%

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	May 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	May 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	May 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
				<u>-\$409.58</u>			
Account Descr G 201-10500 Taxes Receivable-Current							
January		Journal Entr		-\$382.81	To Reverse 2018 YE JE		201
				<u>-\$382.81</u>			
Account Descr G 201-20200 Accounts Payable							
January		Journal Entr		\$1,320.00	To Reverse 2018 YE JE		201
				<u>\$1,320.00</u>			
Account Descr G 205-10100 Cash							
March		Journal Entr		\$1,318.98	Allocate 1st Quarter 201		205
				<u>\$1,318.98</u>			
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
May	086356	Cash Recei	ASTRO ENGINEERING	\$1,062.99	EDA Loan Principal Paym	05/15/19	205
May	086319	Cash Recei	PLUG TECHNOLOGIES, IN	\$440.34	EDA Loan Principal Paym	05/06/19	205
May	028530	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - May	05/01/19	205
				<u>\$13,662.18</u>			
Account Descr G 205-12400 EDA Loan Receivable				<u>\$15,508.77</u>			
PL Type G General Ledger							
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
				<u>\$765.62</u>			
Account Descr R 201-36210 Interest Earnings							
March		Journal Entr		-\$342.07	Allocate 1st Quarter 201		201
				<u>-\$342.07</u>			
Account Descr R 201-36215 Investment Income/Loss							
March		Journal Entr		-\$568.35	Allocate 1st Quarter 201		201

Transaction Activity - EDA

Period Name	Check Nbr	Tran Name	Search Name	Amount	Comments	Check/Receipt Date	Fund
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
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
May	086356	Cash Recei	ASTRO ENGINEERING	\$269.88	EDA Loan Interest Paym	05/15/19	205
May	086319	Cash Recei	PLUG TECHNOLOGIES, IN	\$8.89	EDA Loan Interest Paym	05/06/19	205
Account Descr R 205-36210 Interest Earnings					\$859.57		
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					-\$108.63		
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					\$15,825.58		
					\$15,825.58		

<u>Borrower</u>	<u>6/7/2019</u>	<u>Paid Through</u>
	\$ -	
Plug Technologies, Inc.	\$ 4,452.11	June
Hanover Dental	\$ -	Paid Off in January
Astro Engineering	\$ 92,358.02	May
Roy C. Inc.	\$ 6,250.02	June
	\$ -	
Total	\$ 103,060.15	



Application for Rent Reimbursement Program

Name of Applicant: Jeff Abrahamson

Mailing Address: 1040 Mallard Street NE Hanover, MN 55341

Name of Business: Hanover Flooring

Building Address: 11238 River Rd NE Hanover, MN 55341

Phone Number: (O) 763-954-1500 (C) _____

Social Security Num _____ Employer Identification Number 47-2340615

Please describe the type of business and how it will contribute to Hanover.

Flooring Contractor - Creating Local Employment opportunities
While providing a new service to the community

Estimated date of opening: January 1, 2019

Hours of operation: 9:00 to 5:00 Monday - Friday Nights + weekends by App.

Size of building: _____ Landlord: Wits Realty - Josh Jacobs

Monthly rent payment: \$2,300⁰⁰ Term of lease: 2 years

Estimated No. of Jobs to be Created: 5

The undersigned applicant affirms:
The information submitted herein is true and accurate to the best of my knowledge. I understand the requirements of this program and agree to abide by its conditions and guidelines.

Signature of Applicant(s): [Signature] Date: 5/23/19

Date: _____

Project meets general approval of the Hanover EDA.: Yes No _____

Signature: [Signature] Date: 05-15-19

City of Hanover
Economic Development
Authority



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

HANOVER RENT REIMBURSEMENT PROGRAM GUIDELINES

I. PURPOSE OF THE RENT REIMBURSEMENT PROGRAM

The purpose of the fund is to provide assistance to new businesses leasing space in the City of Hanover.

II. ELIGIBLE APPLICANTS

Eligible applicants include new retail, commercial and industrial businesses, committed to operating in the City's business districts.

III. GENERAL GUIDELINES

- 3 months total rent reimbursement
 - \$2,400 max contribution (up to \$800 per month for three months)
 - Must present proof of payment
- Business must present a lease agreement of at least 12 months and must remain open to the public for at least 12 months
- All businesses must be in compliance with all city codes
- Landlord and tenant cannot be related
- Sexually oriented business are not eligible for the program

IV. APPROVAL PROCESS

- Applicant must submit application and required materials to the Hanover Economic Development Authority
- The Economic Development Authority will review the application for recommending approval to the Hanover City Council.
- The Hanover City Council will review the application for final approval.
- Applicant must show receipt of monthly rent payment prior to reimbursement. This may be monthly or lump sum.