

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
JUNE 20, 2019 – OFFICIAL MINUTES**

Call to Order

Chair Bartels called the regular EDA meeting of June 20, 2019 to order at 8:00 a.m. Present were Members Todd Bartels, Jessica Johnson, Tony Ross, Ken Warpula, and MaryAnn Hallstein. Also present was City Administrator Brian Hagen. Guest present included Jeff Abrahamson of Hanover Flooring. Member Brian Dismang was absent. Member Ted Zrust arrived at 8:45 a.m.

Approval of Agenda

MOTION by Warpula to approve the agenda as amended, seconded by Hallstein. **Motion carried unanimously.**

Approval of Minutes from May 29, 2019 Regular Meeting

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

Citizen's Forum

Unfinished Business

None

New Business

Business Incentive Application – Hanover Flooring

Abrahamson provided an overview of his business. He further explained that this program reimbursement would free up funds, in turn allowing him to construct some additional improvements to the leased space in order to allow his business to operate more efficiently.

MOTION by Hallstein to approve rent reimbursement to Hanover Flooring in an amount of \$2,400 subject to conditions of the program guidelines, seconded by Ross. **Motion carried unanimously.**

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

Hanover Harvest Festival Donation

Hagen inquired on the interest of the EDA donating to the annual Hanover Harvest Festival. Prior years the board donated \$1,500.

MOTION by Hallstein to approve donation in an amount of \$1,500, seconded by Warpula. **Motion carried unanimously.**

Reports

Hagen provided an update on the Big Bore BBQ Co. low interest loan status. Hagen noted that the property appraisal did not come back favorable to satisfy the condition the EDA and Council approved for financial security. Based on the appraisal and other documents provided by Chad Brink, the financial security short fall is identified at \$35,400.

Member Zrust arrived at 8:45 a.m.

The board discussed their desire to adjust the loan amount due to the approved conditions not being met. Concern was expressed that the financial security identified does not present 100% guaranteed revenue should the business go into default. The board consensus was to reduce the loan amount to \$57,100 to match the identified financial security.

MOTION by Hallstein to reduce loan amount subject to Council approval and previous conditions remaining, seconded by Ross. **Motion carried unanimously.**

Member Bartels abstained from discussion and the vote due to conflict of interest.

The board further expressed support to the City Council to adjust the loan as they desire should the applicant bring additional financial security sources.

Adjournment

MOTION by Zrust to adjourn at 9:38 a.m., seconded by Hallstein. **Motion carried unanimously.**

ATTEST:

Brian Hagen, City Administrator