

**AGENDA
HANOVER CITY COUNCIL
JULY 11, 2016
COUNTINUATION OF JULY 5, 2016**

MAYOR

CHRIS KAUFFMAN

COUNCIL

JOHN VAJDA

DOUG HAMMERSENG

KEN WARPULA

JIM ZAJICEK

- 1. Call to Order/Pledge of Allegiance: 7:00 p.m.**
- 2. Approval of Agenda**
- 3. Citizen's Forum:**
 - a. CenterPoint Grant Award – Mike Fadden**
 - b. Res No 07-05-16-78 – Accepting Donation from Hanover Lions, Lion Fountain Costs**
 - c. Res No 07-05-16-79 – Accepting Donation from Hanover Lions, 2016 Cleanup Day**
- 4. Unfinished Business**
 - a. Res No 07-05-16-80 – Terminating Ordinance 2016-03 (pg. 6)**
- 5. Public Hearings**
 - a. Adoption of an Amendment to Ordinance 2016-03 – Moratorium on Single Family Dwelling Building Permits**
- 6. New Business**
 - a. Ordinance 2016-04 – Amending Ordinance 2016-03 Relating to Moratorium on Building Permits for Single Family Dwellings (pg. 8)**
 - b. Res No 07-05-16-70 – Approving EDA Low Interest Loan Program (pg. 10)**
 - c. Res No 07-05-16-71 – Approving EDA Matching Grant Program (pg. 13)**
 - d. Res No 07-05-16-72 – Approving EDA Rent Reimbursement Program (pg. 16)**
 - e. August 2, 2016 Council Meeting Time Change**
- 7. Reports of Mayor and Council Members, Staff, Boards, and Committees**
- 8. Adjournment**

To: Mayor Kauffman & Members of the Hanover City Council
From: Brian Hagen, City Administrator
Date: July 8, 2016
Re: Review of July 11, 2016 Continuation of July 5, 2016 City Council Agenda

1. **Call to Order/Pledge of Allegiance: 7:00 p.m.**
2. **Approval of Agenda**
3. **Citizen's Forum:**
 - a. **CenterPoint Grant Award – Mike Fadden**
The Fire Department was awarded a grant from CenterPoint Energy. Mr. Fadden will be present for presentation of a check and photo with Council and Fire Department members.
 - b. **Res No 07-05-16-78 – Accepting Donation from Hanover Lions, Lion Fountain Costs**
The Hanover Lions have graciously donated additional fund to cover total costs associated with the Lion Head Drinking Fountain. A photo will be had.
 - c. **Res No 07-05-16-79 – Accepting Donation from Hanover Lions, 2016 Cleanup Day**
The Hanover Lions Club has donated money to cover the City's portion of the 2016 Cleanup Day costs. A photo will be had.

To address the Council in the Citizen's Forum, please complete the Citizen's Forum sign-in sheet on the table near the entrance and give it to the Mayor or City Administrator.

4. **Unfinished Business**
 - a. **Res No 07-05-16-80 – Terminating Ordinance 2016-03 (pg. 6)**
The Planning Commission on June 27, 2016 passed a motion recommending the moratorium on single family dwellings be lifted. Additionally, they recommend Council direct the Planning Commission and staff to continue discussing residential home requirements in regards to design elements versus strictly size requirements.

5. Public Hearings

a. Adoption of an Amendment to Ordinance 2016-03 – Moratorium on Single Family Dwelling Building Permits

As previously directed, a public hearing was advertised for this date to consider an amendment to the moratorium ordinance. The consideration is to adjust the minimum size requirements for single family home during the moratorium period. If Res No 07-05-16-80 is approved, this public hearing is not needed.

6. New Business

a. Ordinance 2016-04 – Amending Ordinance 2016-03 Relating to Moratorium on Building Permits for Single Family Dwellings (pg. 8)

The enclosed ordinance would amend a section in Ordinance 2016-03. The amendment would adjust the minimum house size regulation in place with all other details following Ordinance 2016-03. Again, if Resolution 07-05-16-80 is adopted, this ordinance is not needed.

b. Res No 07-05-16-70 – Approving EDA Low Interest Loan Program (pg. 10)

Enclosed is a resolution approving changes to this incentive program. Details of the program are attached to the resolution in the program guideline document.

c. Res No 07-05-16-71 – Approving EDA Matching Grant Program (pg. 13)

Enclosed is a resolution approving changes to this incentive program. Details of the program are attached to the resolution in the program guideline document.

d. Res No 07-05-16-72 – Approving EDA Rent Reimbursement Program (page 16)

Enclosed is a resolution approving changes to this incentive program. Details of the program are attached to the resolution in the program guideline document.

e. August 2, 2016 Council Meeting Time Change

This meeting is in conflict with Nite to Unite. In the past the meeting has been rescheduled for a different time and a different date. I will note that August 9, 2016 is the primary election

7. Reports of Mayor and Council Members, Staff, Boards, and Committees

8. Adjournment

**CITY OF HANOVER
COUNTIES OF WRIGHT AND HENNEPIN
STATE OF MINNESOTA**

A regular meeting of the City Council of the City of Hanover, Minnesota, was called to order by Mayor Kauffman at 7:00 p.m. in the Council Chambers of the City Hall, in the City of Hanover, Minnesota, on the 5th day of July, 2016.

The following Council Members were present:

The following Council Members were absent:

A motion to adopt the following resolution was made by ___ and seconded by ___.



RESOLUTION NO 07-05-16-78

A RESOLUTION ACCEPTING DONATION FROM THE HANOVER LIONS CLUB

WHEREAS, the Hanover Lions Club donated funds to purchase a Lion Head Drinking Fountain; and

WHEREAS, the City has installed the fountain at Settlers Park; and

WHEREAS, the City incurred additional costs in installing the fountain, of which the Hanover Lions Club has donated additional funding to pay for the additional costs.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hanover, Minnesota, hereby accepts the donation of \$1,200 from the Hanover Lions Club for the additional installation costs of the Lion Head Drinking Fountain.

BE IT FURTHER RESOLVED, that the City Council expresses its thanks and appreciation for the donation and the continued collaboration.

Council members voting in favor:

Opposed or abstained:

Adopted by the city Council this 5th day of July, 2016

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator

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A motion to adopt the following resolution was made by ___ and seconded by ___.



RESOLUTION NO 07-05-16-79

A RESOLUTION ACCEPTING DONATION FROM THE HANOVER LIONS CLUB

WHEREAS, the Hanover Lions Club donated funds to be used towards the 2016 Clean-Up days costs.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hanover, Minnesota, hereby accepts the donation of \$2,100 from the Hanover Lions Club for the costs incurred by the City for the 2016 Clean-Up Day.

BE IT FURTHER RESOLVED, that the City Council expresses its thanks and appreciation for the donation and the continued collaboration.

Council members voting in favor:

Opposed or abstained:

Adopted by the city Council this 5th day of July, 2016

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator

**CITY OF HANOVER
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The following Council Members were present:

The following Council Members were absent:

A motion to adopt the following resolution was made by ___ and seconded by ___.



RESOLUTION NO 07-05-16-80

**A RESOLUTION TERMINATING THE MORATORIUM IN THE
CITY OF HANOVER'S OFFICAL CONTROLS RELATING TO
THE CONSTRUCTION OF SINGLE FAMILY DWELLINGS.**

WHEREAS, the City Council adopted a Moratorium on May 23, 2016 on the construction of certain single family dwellings; and

WHEREAS, the Planning Commission has recommended that the Council terminate the moratorium; and

WHEREAS, the City Council believes it would be in the public interest to lift the moratorium.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hanover, Minnesota, hereby approves as follows:

1. The Moratorium on the construction of certain single family dwellings inspected by Ordinance No. 2016-03 on May 23, 2016 is hereby terminated.
2. City staff are directed to take all action necessary to effect the intent of this resolution.

Council members voting in favor:

Opposed or abstained:

Adopted by the city Council this 5th day of July, 2016

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator

Every section, provision or part of this Interim Ordinance is declared severable from every other section, provision, or part thereof to the extent that if any section, provision, or part of this ordinance shall be held invalid by a court of competent jurisdiction, it shall not invalidate any other section, provision, or part thereof.

SECTION SEVEN: EFFECTIVE DATE

The ordinance shall become effective on the date of its adoption.

Passed by the Council this _____ day of _____, 2016.

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator

**CITY OF HANOVER
COUNTIES OF WRIGHT AND HENNEPIN
STATE OF MINNESOTA**

A regular meeting of the City Council of the City of Hanover, Minnesota, was called to order by Mayor Kauffman at 7:00 p.m. in the Council Chambers of the City Hall, in the City of Hanover, Minnesota, on the 7th day of June, 2016.

The following Council Members were present:

The following Council Members were absent:

A motion to adopt the following resolution was made by _____ and seconded by _____.



RESOLUTION NO 06-07-16-70

**A RESOLUTION APPROVING AN AMENDMENT TO THE
EDA LOW INTEREST LOAN PROGRAM**

WHEREAS, the Hanover Economic Development Authority (EDA) offers a low interest low incentive program to Hanover businesses; and

WHEREAS, the EDA passed a motion approving changes to the program with the intent to be able to offer higher incentives to stimulate economic development to Hanover; and

WHEREAS, the Low Interest Loan Program guidelines are attached showing details of the program.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hanover, Minnesota, hereby approves the amendments to the Hanover Economic Development Authority Low Interest Loan Program as attached.

Council members voting in favor:

Opposed or abstained:

Adopted by the city Council this 7th day of June, 2016

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator



HANOVER LOW INTEREST LOAN FUND GUIDELINES

I. PURPOSE OF THE LOW INTEREST LOAN FUND

Low interest loan funds are to be used for business start-ups, expansions, and retentions. Through any of those activities, the overarching goals of this program are:

- Creation or retention of permanent private-sector jobs in order to create economic growth;
- Stimulation or leverage of private investment to ensure economic renewal and competitiveness;
- Increase the local tax base;
- Improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living;
- Stimulation of productivity growth through improved manufacturing or new technologies;
- Fill a gap in a service or product that is not currently available in the city (i.e. senior housing, etc.).

II. ELIGIBLE APPLICANTS

Eligible applicants include businesses currently or proposed to be located within the corporate limits of the City of Hanover.

III. GENERAL GUIDELINES

- Loan amount -- Minimum \$5,000; Maximum \$100,000 or 90% of Low interest Loan Fund Balance, whichever is less. In certain instances the EDA can approve exceeding the maximum loan amount.
- Location – The business/property owner must locate, expand or remodel within the corporate limits of the City of Hanover.
- Conventional Lender or Equity – Conventional lending sources and/or owner equity must provide at least 50% of the total project financing.
- Job creation/wages paid – Applicant must identify jobs to be created within two years and wages paid.
- Interest rate – Prime (as published by the Wall Street Journal) minus two, with a minimum interest rate of 2% and a maximum interest rate of 6%.
- Terms – Equipment 7 years; Land/Building 10 years.
- Other – Funds may be used to provide loan guarantees or interest buy-downs.

IV. ELIGIBLE ACTIVITIES/EXPENDITURES

Loan dollars may be used for the following activities:

- Acquisition of land;
- Construction, reconstruction and rehabilitation of commercial or industrial buildings
- Site improvements
- Utilities or infrastructure
- Machinery and equipment

Loan dollars may be used to provide assistance with loan guarantees, interest buy-downs, and other forms of participation with private sources of financing. The Low interest loan fund assistance can be for no more than one-half of the cost of the project.

All loans must be secured with appropriate collateral. This determination will be made by the EDA.

V. INELIGIBLE ACTIVITIES

Low interest loan fund assistance may not be used for the following:

- Any business that is not or would not conform with Hanover City Code or Zoning Ordinances.
- Housing Projects
- Operating Expenditures

VI. APPROVAL CRITERIA

The loan must be based on the following criteria:

- Increase in tax base
- The project can demonstrate that the investment of public dollars induces private funds
- The project provides suitable wage levels to the community or will add value to current workforce skills
- Assistance is necessary to retain existing business.

VII. APPROVAL PROCESS

Loan applications shall be on a form provided by the City/EDA. Complete applications received by the last Thursday of the month will generally be considered at the next monthly EDA meeting which occurs on the 2nd Thursday of the month at 8:00am at Hanover City Hall. Upon recommendation from the EDA for approval, the Hanover City Council will review for final approval.

VIII. LOAN APPLICATION/ORIGINATION FEE

A 2% loan application/origination fee is charged at the time of EDA approval of the loan. This is a non-refundable fee.

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The following Council Members were present:

The following Council Members were absent:

A motion to adopt the following resolution was made by _____ and seconded by _____.

.....

RESOLUTION NO 06-07-16-71

**A RESOLUTION APPROVING AN AMENDMENT TO THE
EDA MATCHING GRANT PROGRAM**

WHEREAS, the Hanover Economic Development Authority (EDA) offers a matching grant incentive program to Hanover businesses; and

WHEREAS, the EDA passed a motion approving changes to the program with the intent to be able to offer higher incentives to stimulate economic development to Hanover; and

WHEREAS, the Matching Grant Program guidelines are attached showing details of the program.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hanover, Minnesota, hereby approves the amendments to the Hanover Economic Development Authority Matching Grant Program as attached.

Council members voting in favor:

Opposed or abstained:

Adopted by the city Council this 7th day of June, 2016

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator



HANOVER MATCHING GRANT PROGRAM GUIDELINES

I. PURPOSE OF THE MATCHING GRANT PROGRAM

The purpose of the fund is to promote and encourage economic development and retention in compliance with the existing Business and River District performance standards and historical guidelines.

II. ELIGIBLE APPLICANTS

Eligible applicants include businesses located in existing structures within the corporate limits of the City of Hanover. Home based businesses are not eligible.

III. GENERAL GUIDELINES

- 50% of project costs privately funded
- 25% of project costs grant funded through EDA
 - Maximum contribution of \$7,500
- 25% of project costs zero percent interest loan through EDA – max 36 month term
 - Maximum contribution of \$7,500
- Loan balance must be paid in full upon sale of property
- Applicant may request only grant proceeds portion of EDA contribution of project costs

IV. ELIGIBLE ACTIVITIES/EXPENDITURES

- Landscaping
- Exterior Upgrades
- Ornamental Lighting
- Planters
- Benches
- Signage
- To conform to State building codes
- To conform to City codes and ordinances
- Parking enhancements
- Residential Conversions of 50% or more
- Security Improvements

V. INELIGIBLE ACTIVITIES

- Paint
- Routine Maintenance & Repairs
- Interior Renovations
- In house labor
- Residential Conversions under 50%

VI. APPROVAL PROCESS

- A current financial statement must be submitted with this application. In the event that this is a new start up and no financial statements exist, then a business plan must be submitted with this application.
- The City Administrator shall review the application for compliance and will then present it to the EDA Board for recommendation to the Hanover City Council.
- The Hanover Economic Development Authority will review each application on its own merit. The EDA will then make a recommendation on the application and forward it to the Hanover City Council for final action.
- Upon action by the Hanover City Council, the City Administrator will notify the applicant of the decision.
- The loan portion of the contribution shall be issued to the applicant upon final approval.
- The applicant shall perform the work as described in the application within 180 days. If the 180 day requirement is not met, the applicant will be required to reapply for the funds. Upon completion they shall request a final inspection and provide proof of all expenditures to the City Administrator. Once verified that all work has been done and the expenditures are in compliance with the terms of the Renovation Program, the City Administrator shall release the grant portion of the contribution.
- This program will not retroactively reimburse costs. Application must be received and approved prior to work commencing.

VII. EXAMPLES

- \$20,000 estimated project costs
 - Eligible EDA contribution of \$10,000 total
 - \$5,000 grant proceeds
 - \$5,000 loan proceeds
 - Loan balance provided at beginning of project with grant balance provided following completion of project
 - Loan repaid over max 36 month term
- \$20,000 estimated project costs
 - Eligible EDA contribution of \$10,000 total
 - Applicant desires only grant portion of \$5,000
 - Grant balance provided following completion of project

**CITY OF HANOVER
COUNTIES OF WRIGHT AND HENNEPIN
STATE OF MINNESOTA**

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The following Council Members were present:

The following Council Members were absent:

A motion to adopt the following resolution was made by _____ and seconded by _____.

.....

RESOLUTION NO 06-07-16-72

**A RESOLUTION APPROVING AN AMENDMENT TO THE
EDA RENT REIMBURSEMENT PROGRAM**

WHEREAS, the Hanover Economic Development Authority (EDA) offers a rent reimbursement incentive program to Hanover businesses; and

WHEREAS, the EDA passed a motion approving changes to the program clarifying expectations for approval and disbursement of funds; and

WHEREAS, the Rent Reimbursement Program guidelines are attached showing details of the program.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hanover, Minnesota, hereby approves the amendments to the Hanover Economic Development Authority Rent Reimbursement Program as attached.

Council members voting in favor:

Opposed or abstained:

Adopted by the city Council this 7th day of June, 2016

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator



HANOVER RENT REIMBURSEMENT PROGRAM GUIDELINES

I. PURPOSE OF THE MATCHING GRANT 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.