

**AGENDA  
HANOVER ECONOMIC DEVELOPMENT AUTHORITY  
JULY 15, 2021**

**TODD BARTELS  
JESSICA JOHNSON  
BRIAN DISMANG  
TED ZRUST  
TONY ROSS**

**KEN WARPULA  
MARYANN HALLSTEIN**

- 1. Call to Order: 8:00 a.m.**
- 2. Approval of:**
  - a. Minutes of May 20, 2021 Regular Meeting**
  - b. Accounts Payable and Financial Reports**
- 3. Citizen's Forum**
- 4. Unfinished Business**
  - a. 2021 EDA Business Social**
- 5. New Business**
  - a. 2022 Preliminary Budget – Draft 1**
  - b. Review: TIF vs. Tax Abatement**
  - c. WCEDP Golf Event – September 14, 2021**
- 6. EDA Board and Staff Reports**
  - a. EDA Board Reports**
  - b. Staff Reports**
- 7. Adjournment**

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MEETING  
MAY 20, 2021 – DRAFT MINUTES**

**Call to Order**

Chair Bartels called the regular EDA meeting of May 20, 2021 to order at 8:02 a.m. Present were members Todd Bartels, Jessica Johnson, Tony Ross, Ted Zrust, Ken Warpula, and MaryAnn Hallstein. Also present were City Administrator Brian Hagen and intern Grant MacFarlane. Absent was Brian Dismang.

**Approval of Agenda**

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

**Approval of Minutes from February 18, 2021 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 and reviewed revenues and expenditures.

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

**Citizen's Forum**

None

**Unfinished Business**

None

**New Business**

**2021 Hanover Harvest Festival Donation**

Hagen stated that the EDA has approved of a \$1,500 donation to the Hanover Harvest Festival in prior years.

**MOTION** by Warpula to donate \$1,500 to the Hanover Harvest Festival, seconded by Ross. **Motion carried unanimously.**

**2021 EDA Business Social**

Hagen informed the EDA that Big Bore Barbecue had offered to host the event. Hagen asked the EDA for input regarding a date for the social. Johnson asked about doing the business social as an extension of the Harvest Festival. Johnson also suggested using the mailer to advertise the event.

Bartels suggested Monday, August 2<sup>nd</sup>, 2021 as a potential date for the business social. Hagen stated that late July may also work for the social.

**Reports**

Hagen mentions the Corridor Project designed for County Road 19. The city would like to provide outreach events to the community to receive early feedback on the project this year.

Hagen also discussed the Mercantile Pass project and provided an overview of the design.

**Adjournment**

**MOTION** by Warpula to adjourn at 8:32 a.m., seconded by Ross. **Motion carried unanimously.**

ATTEST:

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Brian Hagen, City Administrator

**HANOVER**  
**Cash Balances**  
 June 2021

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
100 GENERAL FUND	\$553,306.41	\$612,987.60	\$154,295.07	\$1,011,998.94
107 FIRE DEPT DONATIONS FUND	\$60,456.22	\$3,260.00	\$8,905.00	\$54,811.22
201 EDA SPECIAL REVENUE FUND	\$81,247.89	\$19,313.70	\$2,674.00	\$97,887.59
205 EDA BUSINESS INCENTIVE FUND	\$212,110.84	\$2,457.85	\$0.00	\$214,568.69
311 2008A GO CIP REFUNDING BOND	\$0.00	\$0.00	\$0.00	\$0.00
312 2009A GO IMP REFUNDING BOND	\$19,777.35	\$644.63	\$0.00	\$20,421.98
314 2011A GO IMP CROSSOVER REF BD	\$490,682.95	\$104,024.17	\$0.00	\$594,707.12
315 2016A GO CIP BOND	\$23,371.62	\$53,692.00	\$0.00	\$77,063.62
401 GENERAL CAPITAL PROJECTS	\$753,579.98	\$3,557.42	\$0.00	\$757,137.40
402 PARKS CAPITAL PROJECTS	\$120,874.71	\$12,500.00	\$0.00	\$133,374.71
403 FIRE DEPT CAPITAL FUND	-\$253,949.57	\$24,615.31	\$6,094.64	-\$235,428.90
404 HISTORICAL CAPITAL PROJ FUND	\$0.00	\$0.00	\$0.00	\$0.00
405 PARK DEDICATION FEE	\$423,008.93	\$0.00	\$6,109.80	\$416,899.13
406 GAMBLING PROCEEDS	\$27,582.82	\$0.00	\$200.14	\$27,382.68
407 TIF REDEV DIST #1	\$9,600.12	\$3,136.56	\$0.00	\$12,736.68
409 MAHLER PIT - 15TH ST IMP FUND	\$133,434.77	\$0.00	\$0.00	\$133,434.77
411 FACILITIES CAPITAL PROJ FUND	\$15,286.97	\$0.00	\$0.00	\$15,286.97
417 EQUIPMENT CAPITAL FUND	\$63,085.72	\$25,000.00	\$0.00	\$88,085.72
418 STREET CAPITAL PROJ FUND	\$635,097.99	\$225,500.00	\$4,046.25	\$856,551.74
601 WATER ENTERPRISE FUND	\$1,080,495.88	\$17,102.45	\$10,360.46	\$1,087,237.87
602 SEWER ENTERPRISE FUND	\$463,647.60	\$53,312.83	\$28,300.00	\$488,660.43
603 STORM WATER ENTERPRISE FUND	\$225,979.84	\$3,411.64	\$2,599.12	\$226,792.36
611 WATER CAPITAL IMP FUND	\$312,642.47	\$793.44	\$0.00	\$313,435.91
612 SEWER CAPITAL IMP FUND	\$2,458,254.15	\$2,926.41	\$0.00	\$2,461,180.56
613 STORM WATER CAPITAL IMP FUND	\$835,865.66	\$0.00	\$280.28	\$835,585.38
701 RIVER ROAD CEMETERY	\$37,131.74	\$0.00	\$0.00	\$37,131.74
702 CSAH 19 CEMETERY	\$8,750.00	\$0.00	\$0.00	\$8,750.00
810 BUILDING PERMITS ESCROW FUND	\$115,000.00	\$20,000.00	\$0.00	\$135,000.00
811 EROSION CONTROL ESCROW FUND	\$64,123.53	\$0.00	\$2,000.00	\$62,123.53
815 LANDSCAPE ESCROW FUND	\$63,900.65	\$0.00	\$2,000.00	\$61,900.65
817 INFRASTRUCTURE ESCROW FUND	\$40,500.00	\$0.00	\$1,000.00	\$39,500.00
818 MISC ESCROWS FUND	\$68,642.03	\$2,000.00	\$10,574.44	\$60,067.59
820 BRIDGES TOWNHOMES ESC FUND	\$3,849.10	\$0.00	\$0.00	\$3,849.10
823 CROW RVR HTS WEST 3RD / BACKES	\$10,553.06	\$0.00	\$276.25	\$10,276.81
825 CROW RVR HTS FUT WEST PLAT/PUD	\$0.00	\$0.00	\$0.00	\$0.00
826 CROW RVR HTS 4TH ADD FINL PLAT	\$0.00	\$0.00	\$0.00	\$0.00
827 HANOVER COVE PRELIMINARY PLAT	\$0.00	\$0.00	\$0.00	\$0.00
828 CROW RVR HTS 4TH DEVEL AGRMT	\$35,116.59	\$0.00	\$595.00	\$34,521.59
829 RIVER TOWN VILLAS DEVEL AGRMT	\$28,315.37	\$0.00	\$425.00	\$27,890.37
830 FEHN COMP 15TH ST DEVEL AGRMT	\$11,086.09	\$0.00	\$297.50	\$10,788.59
831 RIVERS EDGE DEVEL AGRMT	\$124,874.00	\$0.00	\$0.00	\$124,874.00

**HANOVER**

**Cash Balances**

June 2021

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
832 CROW RVR HTS 5TH DEVEL AGRMT	\$70,000.00	\$0.00	\$0.00	\$70,000.00
900 INTEREST	\$17,867.58	\$0.00	\$0.00	\$17,867.58
	<u>\$9,445,151.06</u>	<u>\$1,190,236.01</u>	<u>\$241,032.95</u>	<u>\$10,394,354.12</u>

# HANOVER

## Revenue Budget Report - EDA

Source Alt Code	Account Descr	June 2021 Amt	2021 YTD Amt	2021 YTD Budget	2018 YTD Variance	%YTD Budget
<b>Fund 201 EDA SPECIAL REVENUE FUND</b>						
TAXES	R 201-31000 Property Taxes - General	\$19,011.12	\$19,011.12	\$49,000.00	\$29,988.88	38.80%
TAXES	R 201-31010 Tax Abatement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code TAXES		\$19,011.12	\$19,011.12	\$49,000.00	\$29,988.88	38.80%
MISC	R 201-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 201-36210 Interest Earnings	\$1,900.44	\$2,577.43	\$0.00	-\$2,577.43	0.00%
MISC	R 201-36215 Investment Income/Loss	\$0.00	\$450.30	\$0.00	-\$450.30	0.00%
Source Alt Code MISC		\$1,900.44	\$3,027.73	\$0.00	-\$3,027.73	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%
<b>Fund 201 EDA SPECIAL REVENUE FUND</b>		<b>\$20,911.56</b>	<b>\$22,038.85</b>	<b>\$49,000.00</b>	<b>\$26,961.15</b>	<b>44.98%</b>
<b>Fund 205 EDA BUSINESS INCENTIVE FUND</b>						
MISC	R 205-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-36210 Interest Earnings	\$1,407.50	\$3,685.13	\$3,500.00	-\$185.13	105.29%
MISC	R 205-36215 Investment Income/Loss	\$0.00	\$234.89	\$0.00	-\$234.89	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	\$35,000.00	\$35,000.00	0.00%
Source Alt Code MISC		\$1,407.50	\$3,920.02	\$38,500.00	\$34,579.98	10.18%
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%
<b>Fund 205 EDA BUSINESS INCENTIVE FUND</b>		<b>\$1,407.50</b>	<b>\$3,920.02</b>	<b>\$38,500.00</b>	<b>\$34,579.98</b>	<b>10.18%</b>
		<b>\$22,319.06</b>	<b>\$25,958.87</b>	<b>\$87,500.00</b>	<b>\$61,541.13</b>	<b>29.67%</b>

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	June 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 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	\$310.00	\$500.00	\$190.00	62.00%
BRDCOMM	E 201-41330-310 Other Professional Services	\$0.00	\$1,395.00	\$5,000.00	\$3,605.00	27.90%
BRDCOMM	E 201-41330-437 Other Miscellaneous	\$0.00	\$1,789.95	\$5,500.00	\$3,710.05	32.54%
Dept 41330 Boards and Commissions		\$0.00	\$3,494.95	\$13,000.00	\$9,505.05	
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	\$35,000.00	\$35,000.00	0.00%
Dept 49360 Transfers Out		\$0.00	\$0.00	\$35,000.00	\$35,000.00	
Fund 201 EDA SPECIAL REVENUE FUND		\$0.00	\$3,494.95	\$49,000.00	\$45,505.05	

**HANOVER**  
**Expenditure Budget Report - EDA**

Dept Abbrev	Account Descr	June 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 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	\$1,230.00	\$0.00	-\$1,230.00	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	\$1,230.00	\$0.00	-\$1,230.00	
Fund 205 EDA BUSINESS INCENTIVE FUND		\$0.00	\$1,230.00	\$0.00	-\$1,230.00	



Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	June 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
		\$0.00	\$4,724.95	\$49,000.00	\$44,275.05	

# HANOVER

## Transaction Activity - EDA

Period Name	Check Nbr	Tran Name	Search Name	Amount	Comments	Check/Receipt Date	Fund
Act Year 2021							
PL Type G General Ledger							
Account Descr G 201-10100 Cash							
March		Journal Entr		-\$313.51	Allocate 1st Quarter 202		201
Account Descr G 201-10100 Cash				-\$313.51			
Account Descr G 201-10500 Taxes Receivable-Current							
January		Journal Entr		-\$326.61	To Reverse 2020 YE JE		201
Account Descr G 201-10500 Taxes Receivable-Current				-\$326.61			
Account Descr G 205-10100 Cash							
March		Journal Entr		-\$732.16	Allocate 1st Quarter 202		205
Account Descr G 205-10100 Cash				-\$732.16			
Account Descr G 205-12400 EDA Loan Receivable							
January	088618	Cash Recei	ASTRO ENGINEERING	\$1,120.24	EDA Loan Principal Paym	01/20/21	205
January	088625	Cash Recei	BIG BORE BBQ COMPANY	\$833.89	EDA Loan Principal Paym	01/21/21	205
January	030209	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Jan	01/04/21	205
February	088661	Cash Recei	ASTRO ENGINEERING	-\$1,250.42	EDA Loan Principal Paym	02/02/21	205
February	088661	Cash Recei	ASTRO ENGINEERING	\$1,250.42	EDA Loan Principal Paym	02/02/21	205
February	088661	Cash Recei	ASTRO ENGINEERING	\$1,250.42	EDA Loan Principal Paym	02/02/21	205
February	030304	Cash Recei	ROY C INC	-\$208.33	EDA Loan Payment - Feb	02/01/21	205
February	030304	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Feb	02/01/21	205
February	030304	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Feb	02/01/21	205
March	088747	Cash Recei	ASTRO ENGINEERING	\$1,158.46	EDA Loan Principal Paym	03/02/21	205
March	088812	Cash Recei	BIG BORE BBQ COMPANY	\$841.02	EDA Loan Principal Paym	03/23/21	205
March	088720	Cash Recei	BIG BORE BBQ COMPANY	\$826.58	EDA Loan Principal Paym	02/23/21	205
March	030386	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Mar	03/01/21	205
April	088848	Cash Recei	ASTRO ENGINEERING	\$1,143.00	EDA Loan Principal Paym	04/02/21	205
April	088950	Cash Recei	BIG BORE BBQ COMPANY	\$839.17	EDA Loan Principal Paym	04/21/21	205
April	030460	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Apri	04/01/21	205
May	089006	Cash Recei	ASTRO ENGINEERING	\$1,140.18	EDA Loan Principal Paym	05/04/21	205
May	089077	Cash Recei	BIG BORE BBQ COMPANY	\$837.37	EDA Loan Principal Paym	05/21/21	205
May	030515	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - May	05/03/21	205
June	089103	Cash Recei	ASTRO ENGINEERING	\$1,161.23	EDA Loan Principal Paym	06/02/21	205
June	089163	Cash Recei	BIG BORE BBQ COMPANY	\$833.02	EDA Loan Principal Paym	06/22/21	205
June	030616	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Jun	06/02/21	205
Account Descr G 205-12400 EDA Loan Receivable				\$13,234.56			
PL Type G General Ledger				\$11,862.28			
PL Type *R Revenue							
Account Descr R 201-31000 Property Taxes - General							
January		Journal Entr		\$24.21	To Reverse 2020 YE JE		201
January		Journal Entr		\$302.40	To Reverse 2020 YE JE		201
January		Cash Recei	HENNEPIN COUNTY TREA	\$24.21	HC Tax Settlement - Jan		201
January		Cash Recei	WRIGHT COUNTY AUDITO	\$302.40	WC Tax Settlement - Jan		201
June		Cash Recei	WRIGHT COUNTY AUDITO	\$19,313.70	WC Tax Settlement - Jun		201
Account Descr R 201-31000 Property Taxes - General				\$19,966.92			
Account Descr R 201-36210 Interest Earnings							
March		Journal Entr		\$313.51	Allocate 1st Quarter 202		201
Account Descr R 201-36210 Interest Earnings				\$313.51			
Account Descr R 205-36210 Interest Earnings							

Transaction Activity - EDA

Period Name	Check Nbr	Tran Name	Search Name	Amount	Comments	Check/Receipt Date	Fund
January	088618	Cash Recei	ASTRO ENGINEERING	\$212.63	EDA Loan Interest Paym	01/20/21	205
January	088625	Cash Recei	BIG BORE BBQ COMPANY	\$82.76	EDA Loan Interest Paym	01/21/21	205
February	088661	Cash Recei	ASTRO ENGINEERING	\$82.45	EDA Loan Interest Paym	02/02/21	205
February	088661	Cash Recei	ASTRO ENGINEERING	-\$82.45	EDA Loan Interest Paym	02/02/21	205
February	088661	Cash Recei	ASTRO ENGINEERING	\$82.45	EDA Loan Interest Paym	02/02/21	205
March		Journal Entr		\$732.16	Allocate 1st Quarter 202		205
March	088747	Cash Recei	ASTRO ENGINEERING	\$174.41	EDA Loan Interest Paym	03/02/21	205
March	088720	Cash Recei	BIG BORE BBQ COMPANY	\$90.07	EDA Loan Interest Paym	02/23/21	205
March	088812	Cash Recei	BIG BORE BBQ COMPANY	\$75.63	EDA Loan Interest Paym	03/23/21	205
April	088848	Cash Recei	ASTRO ENGINEERING	\$189.87	EDA Loan Interest Paym	04/02/21	205
April	088950	Cash Recei	BIG BORE BBQ COMPANY	\$77.48	EDA Loan Interest Paym	04/21/21	205
May	089006	Cash Recei	ASTRO ENGINEERING	\$192.69	EDA Loan Interest Paym	05/04/21	205
May	089077	Cash Recei	BIG BORE BBQ COMPANY	\$79.28	EDA Loan Interest Paym	05/21/21	205
June	089103	Cash Recei	ASTRO ENGINEERING	\$171.64	EDA Loan Interest Paym	06/02/21	205
June	089163	Cash Recei	BIG BORE BBQ COMPANY	\$83.63	EDA Loan Interest Paym	06/22/21	205
Account Descr R 205-36210 Interest Earnings				\$2,244.70			
PL Type *R Revenue				\$22,525.13			
PL Type -E Expenditure							
Account Descr E 201-41330-306 Dues & Subscriptions							
April	035620	Cash Paym	INITIATIVE FOUNDATION	\$310.00	Endowment Pledge - 202	04/20/21	201
Account Descr E 201-41330-306 Dues & Subscriptions				\$310.00			
Account Descr E 201-41330-310 Other Professional Services							
February	035525	Cash Paym	VISA - BANKWEST	\$295.00	B. Hagen: Economic Dev	02/02/21	201
March	003243	Cash Paym	WSB & ASSOCIATES, INC.	\$150.00	CSAH 19 Access Study M	03/02/21	201
May	003293	Cash Paym	WSB & ASSOCIATES, INC.	\$5,780.00	CSAH 19 / 123 Access M	05/04/21	201
June	003313	Cash Paym	WSB & ASSOCIATES, INC.	\$1,174.00	CSAH 19 / 123 Access M	06/01/21	201
Account Descr E 201-41330-310 Other Professional Servi				\$7,399.00			
Account Descr E 201-41330-437 Other Miscellaneous							
June	035711	Cash Paym	HANOVER HARVEST FESTI	\$1,500.00	Hanover Harvest Festival	06/15/21	201
Account Descr E 201-41330-437 Other Miscellaneous				\$1,500.00			
PL Type -E Expenditure				\$9,209.00			
Act Year 2021				\$43,596.41			
				\$43,596.41			

<u>Borrower</u>	<u>7/12/2021</u>	<u>Paid Through</u>
	\$ -	
Astro Engineering	\$ 63,239.74	July
Roy C. Inc.	\$ 1,041.77	July
BBBBQ LLC	\$ 74,436.05	June
<b>Total</b>	<b>\$ 138,717.56</b>	

**Hanover Economic Development Authority  
Special Revenue Fund**

Account	Description	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Budget	06-30-21 Actual	% of Budget	2022 Budget	% Change	Comments
<b><i>Revenue Accounts</i></b>												
201-31000	PROPERTY TAXES	49,383	49,306	49,082	48,962	49,154	49,000	19,314		49,000		
201-31010	TAX ABATEMENT	1,222	0	0	0	0	0	0		0		
201-36200	MISCELLANEOUS REVENUES		0	500	0	0	0	0		0		
201-36210	INTEREST EARNINGS	905	1,213	1,212	1,876	2,904	0	(314)		0		
201-36215	INVESTMENT INCOME/LOSS	833	(403)	(336)	1,451	450	0	0		0		
201-33410	MV CREDIT	59	52	42	37	42	0	0		0		
<b>Total Revenue</b>		<b>52,401</b>	<b>50,168</b>	<b>50,500</b>	<b>52,326</b>	<b>52,551</b>	<b>49,000</b>	<b>19,000</b>	<b>39%</b>	<b>49,000</b>	<b>0%</b>	
<b><i>Expenditure Accounts</i></b>												
201-41330-111	COMMITTEE WAGES/MEETINGS	1,410	1,710	1,170	1,860	750	2,000	0		2,000		
201-41330-306	DUES & SUBSCRIPTIONS	320	310	310	605	1,518	500	310		500		Initiative Foundation & EDAM membership
201-41330-310	OTHER PROFESSIONAL SERVICES	7,766	7,564	9,618	3,252	1,395	5,000	7,399		5,000		Admin training included
201-41330-437	OTHER MISCELLANEOUS	4,600	112,480	6,779	2,859	1,790	5,500	1,500		5,500		Bus. Social, HHF Donation
201-41570-210	PURCH: SUPPLIES	0	0	0	0	0	1,000	0		1,000		
201-49360-700	TRANSFERS: BUSINESS INCENTIVE	0	0	0	0	100,000	35,000	0		35,000		
<b>Total Expenditures</b>		<b>14,096</b>	<b>122,064</b>	<b>17,877</b>	<b>8,576</b>	<b>105,452</b>	<b>49,000</b>	<b>9,209</b>	<b>19%</b>	<b>49,000</b>	<b>0%</b>	
<b>Total Revenue Over Expenditures</b>		<b>38,305</b>	<b>(71,896)</b>	<b>32,623</b>	<b>43,750</b>	<b>(52,902)</b>	<b>0</b>	<b>9,791</b>		<b>0</b>		

**Hanover Economic Development Authority  
Business Incentive Fund**

Account	Description	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Budget	06-30-21 Actual	% of Budget	2022 Budget	% Change	Comments
<b><i>Revenue Accounts</i></b>												
205-33400	STATE GRANTS & AIDS	0	0	0	0	0	0	0		0		
205-36200	MISC REVENUES	0	0	2,000	1,850	0	0	0		0		
205-36210	INTEREST EARNINGS	3,706	3,536	4,290	5,916	6,368	3,500	780		0		
205-36215	INVESTMENT INCOME/LOSS	107	(1,212)	1,709	1,678	235	0	0		0		
205-36230	CONTRIBUTIONS & DONATIONS	0	0	0	0	0	0	0		0		
205-39203	TRANSFERS FROM OTHER FUNDS	0	0	0	0	100,000	35,000	0		35,000		
<b>Total Revenue</b>		<b>3,813</b>	<b>2,323</b>	<b>7,999</b>	<b>9,444</b>	<b>106,603</b>	<b>38,500</b>	<b>780</b>	<b>2%</b>	<b>35,000</b>	<b>-9%</b>	
<b><i>Expenditure Accounts</i></b>												
205-49300-317	EDA: RENT REIMBURSEMENT	1,485	4,800	0	2,400	0	0	0		0		Rent Reimbursement Program
205-49300-318	EDA BIF: MATCHING GRANT	1,500	2,333	16,741	7,500	1,230	0	0		0		Matching Grant Program (loan & grant proceeds)
205-49300-319	EDA: LOANS	0	0	100,000	0	0	0	0		0		Low Interest Loan Program
<b>Total Expenditures</b>		<b>2,985</b>	<b>7,133</b>	<b>116,741</b>	<b>9,900</b>	<b>1,230</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>	<b>0</b>	<b>#DIV/0!</b>	
<b>Total Revenue Over Expenditures</b>		<b>828</b>	<b>(4,810)</b>	<b>(108,742)</b>	<b>(456)</b>	<b>105,373</b>	<b>38,500</b>	<b>780</b>		<b>35,000</b>		

**Preliminary Levy Certification**

**STATE of MINNESOTA  
COUNTY of WRIGHT  
HANOVER EDA**

Return by: \_\_\_\_\_  
District Taxes Voted

To the Auditor of Wright County: I hereby certify that the Hanover City Council, on behalf of the **Board for the Hanover EDA**, Counties of Wright and Hennepin, Minnesota, did at a meeting on \_\_\_\_\_ levy the following amount to be raised by taxation for the Hanover EDA for the payable year 2022.

**2021 Final**

**2022 Preliminary**

2021 Budget Requirement	2021 LGA	2021 Other Resources	2021 Tax Levy	# Fund	2022 Budget Requirement	2022 LGA	2022 Other Resources	2022 Certified Levy
49,000.00			49,000.00	5 Administration	49,000.00		0.00	49,000.00
<b>49,000</b>	<b>0</b>	<b>0</b>	<b>49,000</b>	<b>Total</b>	<b>49,000</b>	<b>0</b>	<b>0</b>	<b>49,000</b>

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Brian Hagen, City Administrator

## TAX INCREMENT FINANCING (TIF)

### Purpose:

- Subsidize companies by diverting a portion of their taxes to help finance development in an area or on a project site.
- Help pay for infrastructure improvements in the area near a new development.
- Spur new development, increase property values, and create new tax revenue that would not exist otherwise.

### How TIF Works:

- The local government designates an area it wants to target for a redevelopment as a “TIF District.”
- City must create a detailed estimate of the impact of a proposed district on city-provided services, such as fire protection, public infrastructure, and borrowing costs attributable to the district.
- The county auditor certifies the current tax capacity of the properties in the district as the “original tax capacity.”
- As property value in the district increases because of the new development, the increases above the original tax capacity are captured, which is referred to as “captured value.”
  - Taxes paid on captured value are called “increments”, which are then used to repay the costs that the development incurred in acquiring the property, removing existing structures, or creating infrastructure.

### But-For Test:

- Before an authority may create a TIF district, the local governing body must make a “but-for” findings that prove:
  - The development “cannot” occur without TIF assistance;
  - The market value of the TIF development will be higher (after deducting value of the TIF initiation) than would be received on the site if the TIF were not used.

### Eligible Uses:

- Redeveloping areas occupied with substandard buildings.
- Building houses for low-income and moderate-income families.
- Cleaning up pollution.
- Providing general economic development incentives.

Types of TIFs			
District Type	Duration Limit	Areas that Apply	Permitted Uses
Economic Development	8 Years	No Restrictions	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Warehousing</li> <li>• Telemarketing</li> <li>• Workforce housing outside seven-county metro area</li> <li>• Commercial developments in <i>small cities</i>*</li> </ul>
Redevelopment	25 Years	<ul style="list-style-type: none"> <li>• 70% occupied by buildings, 50% of which are substandard.</li> <li>• Certain railyards</li> <li>• Tank facilities</li> </ul>	Correction of conditions that justified creation of the TIF district
Renewal and Renovation	15 Years	<ul style="list-style-type: none"> <li>• 70% occupied by buildings</li> <li>• 20% substandard and 30% requiring renovation</li> </ul>	Correction of conditions that justified creation of the TIF district

\**Small City* – Defined as “a city with a population of 5,000 or less. The city may not be located within 10 miles of another city with a population of 10,000 or more.” (Minn. Stat. § 469.174, subd. 27)



## TAX ABATEMENT

### Purpose:

- Capture some or all the taxes imposed on a parcel of property.
- Attract buyers to locations with lower demand.
- Reduce the amount of property taxes that owners pay on a new construction, rehabilitation, and/or major improvement.
  - Abatement will not eliminate the owner’s property tax bill – they will still pay taxes on the value of the property from before it was improved for the duration of the abatement.

### How Tax Abatement Works:

- The City may grant an abatement only by adopting an abatement resolution, specifying the terms of the abatement.
  - Terms should include a specific statement as to the nature and extent of the public benefits that the governing body expects to result from the agreement.
- The company receiving the tax abatement pays property taxes at a reduced rate which are abated by a certain percentage for the duration.
- The City may issue bonds or other obligations to provide an amount equal to the sum of the abatements granted for the specific property.

### Terms:

- An abatement may be granted for a period no longer than 20 years.
- If the abatement resolution does not specify a period of time, the abatement will be for 8 years.

### Qualifications to Use:

- Prospective buyers are required to be informed of the eligibility for tax abatements prior to closing on the properties.
- If the prospective buyer earns an income over the abatement’s stipulated guidelines, he or she will not be eligible to use it.

### Special Considerations:

- Properties often must remain owner-occupied to continue qualifying for the abatement.
- If the property is sold from one owner-occupant to another, the abatement remains with the property.

Pros and Cons of Tax Abatement	
Pros	Cons
Usually only offered when a business/development provides something of high value to the community.	Lower the City’s overall property taxes.
May result in increased jobs within the area.	Individuals that continue to live in homes past the end of the abatement period will experience a large jump in annual housing taxes.
New companies may invest in local infrastructure.	Abatement does not provide complete certainty over what you will spend on property taxes.
Long-term savings can be significant	

Permitted Uses of Tax Abatement	
<b>Council may adopt a resolution allowing abatement IF:</b>	The benefits received from abatement are at least equal to the costs from granting the abatement.
<b>To adopt the resolution, the abatement must be in the public interest and must accomplish one of the following:</b>	<ul style="list-style-type: none"> <li>• Increase/Preserve tax base.</li> <li>• Provide employment opportunities.</li> <li>• Provide or help acquire or construct public facilities or infrastructure.</li> <li>• Help redeem/renew blighted areas.</li> <li>• Provide access to service for residents.</li> <li>• Phase in a property tax increase.</li> <li>• Stabilize the tax base.</li> </ul>