

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MEETING  
JULY 18, 2019 – OFFICIAL MINUTES**

**Call to Order**

Chair Bartels called the regular EDA meeting of July 18, 2019 to order at 8:00 a.m. Present were Members Todd Bartels, Brian Dismang, Jessica Johnson, Tony Ross and Ken Warpula. Also present was City Administrator Brian Hagen. Guest present included Chad Brink, Big Bore Barbeque Co. Member Ted Zrust was absent and member MaryAnn Hallstein arrived at 8:11 a.m.

**Approval of Agenda**

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

**Approval of Minutes from June 20, 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 taxes were received, that all loans were current, and expenses included an annual Initiative Foundation Pledge and remaining Business Social expenses.

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

**Citizen's Forum**

**Unfinished Business**

**Business Incentive Applications – Big Bore BBQ Co.**

Hagen outlined updates to the financing of the project, specifically a Standby Agreement between Byline Bank and the Hanover EDA. Hagen noted that terms of the agreement should not reduce the EDA's financial security. Hagen noted the following details for EDA consideration:

- Matching Grant remains as approved on June 4, 2019 in the amount of \$7,500
- Low Interest Loan in an amount of \$92,500 with conditions
  - Hanover EDA placed 2<sup>nd</sup> on commercial real estate mortgage
  - Hanover EDA placed 2<sup>nd</sup> on UCC filing against the business assets
  - Hanover EDA placed 3<sup>rd</sup> on home real estate mortgage
  - Appraisal of commercial property be provided showing a value in an amount to provide financial security for the low interest loan
  - Asset inventory list to show value of equipment in an amount to provide financial security for the low interest loan
  - Appraisal and loan documents of home mortgage showing a value in an amount to provide financial security for the low interest loan
  - Personal guarantee of \$92,500 from majority business owners (Mr. & Mrs. Brink)
  - Personal guarantee of \$35,400 from minority business owner
  - All business corporation and LLC documents be supplied to the City
  - Title opinion showing ownership of property
  - Loan repayment monthly over a 10-year period with no early payoff penalty
  - Interest rate equal to Prime (as published by the Wall Street Journal) minus two, with a minimum interest of rate of 2% and a maximum interest rate of 6%

**MOTION** by Johnson to approve Standby Agreement with ByLine Bank and Hanover EDA financing subject to the conditions identified, seconded by Ross. **Motion carried unanimously. Bartels abstained due to conflict of interest.**

Hallstein arrived at 8:11 a.m.

### **New Business**

#### **2020 Preliminary Budget – Draft 1**

Hagen reviewed the first draft of the 2020 Preliminary Budget. Hagen proposed no change to the levy amount from prior year.

**MOTION** by Johnson to approve a \$49,000 preliminary levy, seconded by Warpula. **Motion carried unanimously.**

### **Reports**

Hagen inquired on whether the board wanted to send a team to the WCEDP Golf event this year.

**MOTION** by Warpula to approve a team, seconded by Dismang. **Motion carried unanimously.**

Hallstein requested a future review of the Rent Reimbursement Program and the Matching Grant Program.

### **Adjournment**

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

ATTEST:

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Brian Hagen, City Administrator