

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING
SEPTEMBER 16, 2014**

Call to Order

Chair Todd Bartels called the special EDA meeting of September 16, 2014, to order at 8:04 am. Present were Todd Bartels, Joe Kaul, Jim Hennessey, Randy Whitcomb, Councilor John Vajda, Councilor Ken Warpula, and EDA Consultant Heidi Peper. Keith Ulstad joined the meeting via phone.

Approval of the Agenda

MOTION to approve the agenda was made by Hennessey, seconded by Whitcomb. **Motion carried unanimously.**

New Business

Lupine Brewery

Peper gave an overview of the latest email from James Anderle of Lupine Brewery which EDA members and City Council received the day prior from City Administrator Annita Smythe. Anderle had outlined a new proposal with the following main points: Cost of the land; cost of the infrastructure, particularly the water; financial assistance; and time.

The board members discussed the prior meeting and Bartel asked for clarification that his impression from the last meeting was that Lupine had not been asking for further assistance than what was discussed. Hennessey also clarified for Ulstad that the additional difference was a two-story building on the Ebert site versus a single story on the City's three acres.

Ulstad commented that by accepting Lupine's newest proposal would set a bad precedent where an incentive package would equal more than a third of the project. Kaul stated that the board has been eager to help Lupine but that there are limits to how much support can be given. Bartels made the comment that perhaps there is another offer elsewhere that is precipitating this new proposal.

Bartels stated that the board needs to put together an offer:

- Reduce land costs
- Infrastructure (water): an approximate cost \$50,000
- Tax abatement or loan
- Leverage time: how to help get the ground breaking done by this fall

Whitcomb asked about job creation from this project and would need that information in order to give a loan. Bartels said that he sees this project as getting something on this property and it leading to possible business expansions. Peper said that job creation is not the main benefit here, rather of creating a destination business and getting people to come to Hanover.

MOTION to offer Lupine Brewery three acres of the land owned by the City of Hanover at the price of \$35,000 (value of \$70,000); the City of Hanover would provide the infrastructure (water) at no cost to Lupine; an interest-free, forgivable loan of \$50,000 instead of tax abatement (which would be time consuming); and to encourage Council to direct staff and consultants to make this a top priority by Kaul, seconded by Bartels. **Motion carried unanimously with Ulstad voting by phone.**

The board wanted it to go on record that the City has given its best effort to make this project happen.

Warpula asked if this was dependent on moving ahead yet this year. Bartels responded that the City Council could handle the time frame. Ulstad said that the economic deal could go through and the land did not need to be conveyed until Lupine was ready to start digging.

Adjournment

MOTION to adjourn by Hennessey, seconded by Warpula. **Motion carried unanimously.** Meeting adjourned at approximately 8:49 am.

Meeting Reconvened at 8:50 am

Quorum was met with Bartels, Warpula, Hennessey and Vajda present.

Harvest Festival Royalty asked to have the EDA financially support their promotion of the City during special appearances. In years past, the cost of attending parades and other events exceeded \$2000.

MOTION to provide financial assistance to the Harvest Festival Royalty at a minimum of \$750, but not to exceed \$2000 by Hennessey, seconded by Vajda.

Adjournment

MOTION to adjourn by Warpula, seconded by Hennessey. **Motion carried unanimously.** Meeting adjourned at approximately 8:53 am.

ATTEST:

Amy L. Biren, Administrative Intern