

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MEETING  
DECEMBER 11, 2014 – OFFICIAL MINUTES**

**Call to Order**

Chair Todd Bartels called the regular EDA meeting of December 11, 2014 to order at 8:15 a.m. Present were Todd Bartels, Randy Whitcomb, Jim Hennessey, Keith Ulstad, and Councilor Ken Warpula. Councilor John Vajda was absent. Also present were City Administrator Annita Smythe and EDA Consultant Heidi Peper. Guests present included Dan Cummings of PHS West and Jim Stewart of J.S. Stewart Companies, Inc.

**Approval of Agenda**

Members suggested adding Jim Stewart to the agenda immediately after PHS West. Smythe also asked to add a vote to authorize budgeted year-end transfers.

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

**Approval of Minutes from October 9, 2014 Regular Meeting**

**MOTION** to approve minutes from October 9, 2014 as presented was made by Ulstad, seconded by Hennessey.

**Motion carried unanimously.**

**Approval of Minutes from November 12, 2014**

**MOTION** to approve the minutes from November 12, 2014 as presented was made by Hennessey, seconded by Warpula. **Motion carried unanimously.**

**Approval of Accounts Payable and Financial Reports**

Accounts Payable and Financial Reports were presented as of December 5, 2014. At a private meeting with Hennessey, it was decided that future reports will be as of the previous month-end.

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

**Old Business**

**PHS West**

Smythe gave some background on initial meeting she and City Planner Nash had with Dan Cummings, owner of PHS West. After initial discussion of potential expansion plans at his current site, the City Council asked Mr. Cummings if he would have any interest in building on the City-owned site in the Industrial Park. Mr. Cummings toured the site and was given information on the requirements for building or expanding at both his existing site and the City-owned site. Mr. Cummings has interest in building on the City-owned site if a deal can be reached that is favorable for both parties. There was discussion of the size of building he needs, the amount of traffic his business generates, the number of employees, and the cost estimates of the buildings and properties. There was also discussion of the future tax potential, and the retention of jobs.

Following the discussion, the Board proposed to use the existing estimates for land/building costs and have our bond advisor run an analysis of how long it would take for taxes to repay the estimated cost of the property, as Mr. Cummings is requesting the land in lieu of a proposal for a TIF district. Peper will work with the necessary parties to get estimates and run some projections. She will report the status at the next meeting. Once the Board has an idea of the numbers, they will propose a plan for the City Council to consider.

**Authorization for Year-end Transfer to Business Incentive Fund (moved up due to Smythe having to leave meeting)**

The EDA Board has \$15,000 budgeted as a year-end transfer to the Business Incentive Fund. Smythe recommends doing the transfer, based on current operating surplus.

**MOTION** to authorize a year-end transfer of \$15,000 from the Special Revenue Fund to the Business Incentive Fund was made by Hennessey, seconded by Whitcomb. **Motion carried unanimously.**

Smythe left the meeting at approximately 9:00 a.m.

**J.S. Stewart**

Bartels introduced Jim Stewart, and provided background on his business in Hanover. Mr. Stewart explained that he had previously owned the building currently occupied by Plug Technologies, but is now leasing space. Because of his expanding business, he needs additional space for his excavation business, and is looking at available properties in Hanover. He heard discussions about the City-owned 10 acres on 5<sup>th</sup> Street, and wanted to learn more about the property and the City's plans. He needs a building of about 5,000 – 10,000 square feet and some outside storage.

Board members had some discussion of what is known about the 10 acres, and the fact that there is buried concrete and other debris, in addition to some voids. Because Mr. Stewart is an excavator, there may be an opportunity here to work together to determine what is there, how much work is needed for reclamation, and to see if there is enough buildable space to put a building on that would meet his needs. Members expressed some sentiment that the site's primary suitable use may be for outside storage, and this may be ideal for a business like Mr. Stewart's. Mr. Stewart proposes trading excavation services for a portion of the land, which he can then use to construct a facility, depending on the portion that is buildable. This project could proceed in conjunction with a City proposal to build a public works facility. There was some additional discussion of costs to extend utilities.

Members agreed that Mr. Stewart should discuss with the City a proposal to dig and determine what portion of the land is buildable, then continue the discussion based on those findings.

Ulstad left the meeting at approximately 10:00 a.m.

**EDA Business Social Budget**

Peper updated that the event is scheduled for January 22, 2014 at Maverick Construction. The Board is trying to find a way to subsidize Reitzner's costs for the event. Delayed for future discussion.

**Adam Holder**

Peper gave latest update that Mr. Holder plans to purchase land and wait to build. He received favorable survey results, but not a lot of results. Staff provided the sites around the City available, with zoning and other information for his consideration. There was some discussion that members would like to follow-up and get further information on Mr. Holder's thoughts.

**New Business**

**SEH Contract Renewal**

Peper presented her new contract for 2015. It is basically the same as 2014 with the same rates. However, the maximum expenditure amount was increased from \$20,000 to \$25,000 in order to match the budgeted amount. Hennessey wants to add a line that business plans received or reviewed by Peper are copied to the Board. Peper stated that she can do this, it is not necessary to add to contract. Peper questioned how much work the Board

wants her to do with new proposals before they are ready to come before the EDA. Some discussion of what data we had from Lupine, and how time sensitive these proposals were. Given the constraints, it is better for the EDA to review these on a case by case basis. Lupine was not a waste of time, as it brought to light issues with multiple parcels that help this Board prepare those sites better for future development. Peper needs to use her best judgment, and consult with Board as appropriate.

**MOTION** by Warpula to approve SEH contract, seconded by Hennessey. **Motion carried unanimously.**

#### **Appoint Treasurer**

After the resignation of Joe Kaul from the EDA Board, the EDA needs a new Treasurer. Hennessey was unofficially nominated at the October meeting, although a quorum was not present, and is willing to take on this responsibility.

**MOTION** to approve appointment of Jim Hennessey as new EDA Treasurer was made by Warpula, seconded by Whitcomb. **Motion carried unanimously.**

#### **Schedule Joint Goal Setting Session**

Smythe suggested at the October meeting that the EDA schedule a joint session with the City Council in order to re-affirm goals for the EDA Board, and to set some guidelines for the vetting of proposed new businesses. The Board directed Peper to set up an online survey to determine some February or March meeting dates and times that work for both EDA and City Council, and bring those back to the next meeting.

There was some discussion of appointments, given Kaul's resignation.

#### **Schedule Walking Tour**

The planned Walking Tour for October was tabled due to a lack of a quorum and inclement weather. Members suggested holding off until spring for the actual walking tour, but setting up a virtual tour.

#### **Reports**

None.

#### **Adjournment**

Motion to adjourn was made by Warpula, seconded by Whitcomb. Meeting adjourned at approximately 10:20 a.m.

ATTEST:

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Annita M. Smythe, City Administrator