

CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
January 10, 2013

CALL TO ORDER/ROLL CALL

President Todd Bartels called the Economic Development Authority meeting of January 10, 2013 to order at 8:05 a.m. at Hanover City Hall. Commissioners present were: Todd Bartels, Jim Hennessey, Joe Kaul, Chris Kauffman, Keith Ulstad, Randy Whitcomb, and John Vajda; Also present were Interim City Administrator Bob Derus and EDA Consultant Heidi Peper. Karl Trott from Plug Technologies was also present.

SET AGENDA

MOTION by Hennessey, second by Vajda, to approve the agenda for the January 10, 2013 EDA meeting, with the addition of annual election of officers, motion carried unanimously.

APPROVE MINUTES

MOTION by Hennessey, second by Vajda, to approve the minutes of December 13, 2012 as presented, motion carried unanimously.

ACCOUNTS PAYABLE AND FINANCIAL REPORT

MOTION by Kaul, second by Whitcomb, to approve the accounts payable and the December, 2012 Financial Report, as presented, motion carried unanimously.

Old Business

Follow-up from Green House Assisted Living Project – Letter of Intent

The EDA discussed the “The Bridges At Hanover” Assisted Living Project letter of intent. Heidi Peper has been working with Brad Bass to work out the details. He’s OK with taking ownership of only the portion of land that he is intending on using at this time and the City holding onto the rest. Ulstad noted that he did not think it was right to charge the developer for our negotiation. The consensus of the EDA was to direct Heidi to continue working on the letter of intent as currently proposed, but to not charge for our negotiation costs. The EDA wanted staff to keep moving on this with the goal of breaking ground in 2013.

EDA Social Hour – Set for Maverick Construction on Thursday, January 10, 2013 at 4:00

P.M.

The EDA briefly discussed the EDA Social Hour at Maverick Construction on Thursday, January 10, 2013 at 4:00 P.M. John explained that the River Inn is charging \$500 for appetizers, which is less than the EDA approved budget of \$600 for the event. Also discussed was who was coming and the group suggested that Administrator Derus make some brief comments, welcoming businesses, etc.

Plug Technologies Update

Karl Trott from Plug technologies was at the meeting. Trott and Heidi updated the EDA on the Plug Technologies project status. The following is a summary of the current project funding:

- Plug has made application for a revolving loan from Hanover, an SBA 504 loan, Wright County Economic Development Partnership loan of \$50,000 and an Initiative Foundation Loan of \$250,000.
- The Initiative Foundation will manage loans
- There will also be a \$100,000 Minnesota Investment Fund Loan, and the principal of \$100,000 and interest will stay with the City when the loan is paid off.
- They have investors putting in \$500,000, for a total \$1.7 million project.

Mr. Trott asked if the City could go up to \$35,000 in loans, by adding a \$15,000 Working Capital Loan. The EDA was open to it, but wanted to make sure there was not an ill-advised precedent. **MOTION** by Vajda, second by Kaul, to approve the \$20,000 revolving loan and to grant the \$15,000 Working

CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
January 10, 2013

Capital Loan. Motion carried unanimously.

Mr. Trott added that he was very appreciative of the City of Hannover's proactive approach in working with them. In particular, he said Heidi had done a great job of working with them and keeping the project moving forward.

New Business

2013 Budget and Tax Levy

MOTION by Whitcomb, second by Hennessey, to approve the 2013 EDA Tax Levy of \$44,927 and the 2013 tax abatement as proposed. Motion carried unanimously.

In a related discussion the EDA briefly discussed Heidi Pepper's contract for 2012 and 2013. The Board acknowledged that her fees for 2012 will be closer to \$21,000 for the year, rather than the budgeted \$18,000, due to the extra work associated with Plug Technology and the Green House Projects and the fact that Dan Buchholtz had left. They tabled consideration of the 2013 SEH contract until the next meeting.

MOTION by Ulsted, second by Whitcomb, to approve the 2013 EDA Budget as proposed. Motion carried unanimously.

Election of Officers for 2013

There was a brief discussion on 2013 Officers

MOTION by Hennessey, second by Vajda, to keep the same officers on the EDA as 2012, motion carried unanimously.

Adjournment

MOTION by Kaul, second by Whitcomb, to adjourn at 9:21 a.m. Motion carried unanimously.

Bob Derus, Secretary