

CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
February 9, 2012

Vice President Randy Whitcomb called the Economic Development Authority meeting of February 9, 2012 to order at 8:00am at Hanover City Hall. Commissioners present were: Whitcomb, Jim Hennessey, Keith Ulstad, John Vajda and Joe Kaul. Absent were: Todd Bartels and Chris Kauffman. Also present was City Administrator Daniel Buchholtz, EDA Consultant Heidi Peper, Jim McComb and Linda Oie, McComb Group, Joni Giese, SRF Consulting Group, and Dan Cummings, PHS West. Call to Order

Buchholtz requested that Item 3g be added to the agenda entitled Approval of Loan Request for Maris Ehlers Photography. Approval of Agenda

MOTION by Hennessey, second by Vajda, to approve the agenda for the February 9, 2012 EDA meeting, as amended. Motion carried 5:0.

MOTION by Vajda, second by Whitcomb, to approve the January 12, 2012 regular EDA meeting minutes. Motion carried 5:0. Approval of Minutes

MOTION by Kaul, second by Hennessey, to approve the accounts payable and financial report, as presented. Motion carried 5:0. Motion to Approve Accounts Payable

Business

Business

1. Hennepin County 19 Corridor Study Preliminary Report

Hennepin County 19
Corridor Study
Preliminary Report

Whitcomb introduced the item. Jim McComb, President of the McComb Group, provided an overview of the preliminary market study report for the Hennepin County 19 Corridor. McComb provided an overview of the current demographics of Hanover's trade area, Hanover's sales potential, a summary of the Hanover Trade Area supportable retail space.

Joni Giese, SRF, provided three planning scenarios for the 7 acre commercial parcel located north of County Road 19 between the County Road 19 bridge and the Historic Bridge. The three scenarios were a multi-family townhome development, an office park complex and a restaurant development. Discussion ensued about the three scenarios. Numerous members cited the inefficient use of land on the site for the restaurant concept.

EDA Members agreed to provide comments on the preliminary draft study to staff by February 21 to be submitted to Jim McComb for possible inclusion in the final draft report.

No action was taken on the item.

2. PHS West Update

PHS West Update

Whitcomb introduced the item. Buchholtz provided an update on the PHS West proposed expansion project. He said the City Council approved an ordinance amendment that would allow for limited industrial uses in the B-1 zoning district as a conditional use. He said the City Planner has been working with PHS West on the various zoning applications to ensure

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complete applications. Buchholtz stated that he and Peper both presented the financial incentive offer to Cummings but had only recently received feedback on the offer. He said that Cummings expressed resistance to the planning fees. He said that Cummings was disappointed that TIF/tax abatement was taken off the table on the project as certain provisions of the zoning code have added additional costs to the project. Buchholtz reported that he told Cummings that the City needs to have documentation of any "gap" between ability to pay for a project and actual project costs in order to use the larger tools.

Dan Cummings, PHS West, stated that he would like to see the City waive the fees associated with the project. He said he has requested a number of variances because he is unable and unwilling to build a structure that is not cost effective. He said that he is remaining pragmatic through the process, expressing a willingness to work with the City where he can.

Vajda inquired about the fees. Buchholtz stated that the fees were approximately \$4,150. Vajda inquired about the timeframe that the improvements would handle PHS West's growth. Cummings stated that he believes the addition will serve his business for a 3-5 year period. He said he would like all the components of his business in one place for efficient operations. He acknowledged a cost to moving his business.

Hennessey inquired about why the option of locating in the City's proposed industrial park was taken off the table. Cummings stated that he had concerns about the property based upon the information in the 1999 Geotechnical Survey that was conducted on the site.

Buchholtz requested that Cummings put together a cost estimate for improvements that would be required if any variances not associated with practical difficulties (building location, existing setbacks, etc) were not granted. Cummings stated that he would return with that data in April. Members of the EDA expressed a willingness to work with Cummings through the expansion process. Hennessey asked Cummings if he was satisfied. Cummings said yes.

No action was taken on the item.

MOTION by Hennessey, second by Kaul, to approve the 2012 SEH Contract. Motion carried 6:0.

3. Approval of Rental Reimbursement Grant for Aaron's Information Systems

Approval of Rent
Reimbursement Grant
for Aaron's
Information Systems

Whitcomb introduced the item. Kaul temporarily stepped down from his position on the EDA, citing a conflict of interest on the application. He did not participate in the discussion, nor did he vote on the application.

Buchholtz stated that Aaron's Information Systems is an IT support company that located in the 4th Street Plaza. He said they are seeking rent reimbursement assistance for three months rent or \$906. He said

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staff is recommending approval of the grant.

MOTION by Hennessey, second by Vajda, to approve a rent reimbursement grant to Aaron's Information Systems in the amount of \$906, representing 3 months of rent. Motion carried 4:0.

MOTION to approve rent reimbursement grant to Aaron's Information Systems

Kaul rejoined the EDA meeting.

4. Marketing Subcommittee Report

Marketing Subcommittee Report

Whitcomb introduced the item. Peper provided a summary of the EDA marketing subcommittee meeting. She said the subcommittee is recommending the purchase of 1,000 folders that will be branded with the City's new logo and a map showing the City's proximity to various locations around the metropolitan area. She said the City's data sheets would be inserted in the folder. She said the primary audience for these packets would be to site selectors and to prospective business leads. She said she received three quotes and would like approval to purchase the folders.

MOTION by Ulstad, second by Vajda, to expend up to \$2,000 for the folders. Motion carried 5:0.

MOTION to authorize purchase of folders

It was suggested to invite members of the Branding Committee to a future EDA marketing subcommittee meeting to explore further efforts to jointly market the City.

5. Industrial Park Update

Industrial Park Update

Whitcomb introduced the item. Buchholtz stated that the City Council has not authorized the Phase 2 environmental assessment or the additional soil borings on the proposed industrial park property. He reminded the EDA of a Council motion to no longer pursue the industrial park should PHS West decide not locate there.

Ulstad stated that the unknown costs of the concrete debris were a hindrance to development of the property. He stated that he would discuss the matter with Braun Intertec and report back to the EDA in March.

No action was taken on the item.

6. Approval of Loan to Maris Ehlers Photography

Approval of Loan to Maris Ehlers Photography

Whitcomb introduced the item. Buchholtz stated that Maris Ehlers Photography, a new business that is located in the 4th Street Plaza, has requested a low interest loan in the amount of \$15,000 to cover new equipment costs and lease space improvements. He said that he and Whitcomb reviewed the financials. He said he and Whitcomb believe that the borrower is a good credit risk. Whitcomb said that the borrower is willing to allow the EDA to place a business lien against her photography

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equipment as collateral, as well as sign a personal guarantee. He said that the borrower is also investing a significant amount of money into the project as well.

MOTION by Vajda, second by Hennessey, to approve a loan to Maris Ehlers Photography in the amount of \$15,000 at an interest rate of 2% for a period of 48 months. Motion carried 5:0.

Reports

Reports

1. Board Member Reports

No report.

2. Executive Director Report

Buchholtz provided the EDA with a copy of the City of Hanover logo usage guidelines. He said that if anyone had feedback on the guidelines, they should contact him.

Adjournment

Adjournment

Meeting adjourned at 9:26am.

Daniel R. Buchholtz, Executive Director