

Port Authority Minutes, August 14, 2007

Pursuant to due call and notice thereof, a meeting of the North Mankato Port Authority Commission was held in the Council Chambers of the Municipal Building on Tuesday, August 14, 2007.

President Hensel called the meeting to order at 7:30 a.m. The following were present: Commissioners Zellmer, Abbott, Schindle, Knutson, Behrens, Hensel and Kirschbaum, Finance Director Mork and Secretary Gehrke. Absent: Executive Vice President Sande.

#### Approval of the Minutes

On a motion by Commissioner Zellmer, seconded by Commissioner Kirschbaum, the minutes of the Annual Port Authority meeting of July 9, 2007 were approved.

Finance – None.

#### Report of Executive Vice President

##### A. Loan Application of Reno Enterprises LLC

Dan and Angie Bastian appeared before the Commission summarizing a plan to expand the scope of Reno Enterprises LLC. Reno Enterprises LLC distributes Angie's Kettle Corn and has signed an agreement with Old Dutch Foods, Inc., to introduce the product to 2000 stores in approximately one year. Projections for that plan were included in the packet. Dan Bastian gave a history of the growth of the business and indicated he has been interviewing distributors in the metro area. A mentor focused Dan and Angie to Old Dutch Foods, Inc., with Old Dutch agreeing with Angie's Kettle Corn in providing a quality product at a quality price.

Dan and Angie Bastian are looking to the Port Authority for help with the build out of their company. Marley Lloyd has warehouse space available in the Northport Center as of September 1, 2007. Dan and Angie would like to expand with new production lines and storage for the product in the Northport Center. Currently in their location on Belgrade Avenue, they are able to produce 300 bags of Angie's Kettle Corn per hour. Within six months, they would project having a total of 19-23 full-time employees and producing 40,000 bags per week. Old Dutch has a large operation in both the United States and Canada and see this as an incredible opportunity for Reno Enterprises LLC. Whole Foods also has a contract with Reno Enterprises LLC and wants to take the product regionally. Whole Foods is the largest organic grocery company in the nation.

Commissioner Knutson asked for a copy of the written agreement between Reno Enterprises LLC and Old Dutch Foods, Inc. for the Commission's review. Angie Bastian stated the terms with Old Dutch are 30 days with Reno Enterprises LLC using a line of credit for bills due prior to payment. Dan and Angie Bastian's accountant, John Wolf, was also in attendance at the meeting and stated he compiled projections showing Reno Enterprises LLC's growth for the next year. Old Dutch Foods, Inc., has agreed to move forward when Angie's Kettle Corn is

ready.

President Hensel appointed a three-member Loan Committee consisting of Commissioners Knutson, Behrens and Abbott to meet with the applicant, the applicant's accountant and bank representatives to review the operation and the business plan. The Committee will report back to the Commissioners at the next meeting on Wednesday, August 22 at 7:30 a.m.

Other Business – None.

Open Meeting to the Public

President Hensel opened the meeting to the public for comment. With no one appearing before the Commission, President Hensel closed this portion of the meeting.

There being no further business, the meeting was adjourned at 8:00 a.m.

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President

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Secretary