

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 Wednesday, December 19, 2007.

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

#### Approval of the Minutes

On a motion by Commissioner Knutson, seconded by Commissioner Abbott, the minutes of the Port Authority meeting of November 15, 2007 were approved.

#### Finance

##### A. Approval of Bills – October and November, 2007

Finance Director Mork presented the Port Authority expenditures for October and November 2007. Commissioner Abbott moved, seconded by Commissioner Kirschbaum, to approve the Port Authority expenditures for October and November 2007. Vote on the motion: Knutson, Hensel, Kirschbaum, Zellmer, Abbott and Schindle, aye; no nays. Motion carried.

#### Report of Executive Vice President

##### A. Loan Application – Wheels Unlimited

Executive Vice President Sande presented an application for a low-interest loan in the amount of \$6,000 for energy improvements at Wheels Unlimited, 502 Belgrade Avenue. The loan will be supported by a second mortgage on the real estate and a personal guarantee. Executive Vice President Sande recommended the loan be made from the Port Authority General Fund at a rate of 4.00% per annum for a term of five years. Commissioner Knutson moved, seconded by Commissioner Kirschbaum, to approve the low-interest loan in the amount of \$6,000 contingent on the availability of sufficient equity in the property to cover the loan. Vote on the motion: Knutson, Hensel, Kirschbaum, Zellmer, Abbott and Schindle, aye; no nays. Motion carried.

##### B. Bean's Plus, Inc. Child Care Facility

Executive Vice President Sande presented the supporting documentation for a request for a Port Authority loan and tax abatement for Bean's Plus, Inc. Child Care Facility. He reported at the City Council meeting on December 17, 2007, the City Council set a public hearing on the property tax abatement for 7 p.m. on Monday, January 7, 2008. Ed Tschida of Advance Resources for Development, Inc. appeared before the Port Authority Commission and reported Bernadette Wilson and Craig Theuninck have entered into a partnership to construct a child care facility at the corner of Carlson Drive and Rolling Green Lane with construction to begin in the spring of 2008. Valley Bank in North Mankato has agreed to provide construction

financing in the amount of \$1.4 million through the construction period. After completion of construction, permanent financing would be comprised of \$1,125,000 from Valley Bank, \$275,000 from the Port Authority Revolving Loan Fund, owner's equity of \$100,000 and the balance of funds from Region 9 and a child care grant. Bernadette Wilson appeared before the Port Authority Commission and reported the proposed child care facility will have a capacity for 96 children and the summer program will have a capacity for 70 children. After notification the South Central College daycare would be taken over for classroom use, a location on Commerce Drive was renovated for a child care facility, however, a larger site is needed because of the demand for infant and toddler child care. Executive Vice President Sande stated the Port Authority assisted the Peter Pan Daycare several years ago because of the need for commercial daycares in North Mankato.

Some discussion was held on the term of the tax abatement and whether it would be transferable if the business was sold. Mr. Tschida reported the 15-year term of the abatement was arrived by considering the needs of the business and in accordance with Minnesota Statutes.

Council Member Knutson moved, seconded by Council Member Abbott, to authorize preliminary approval of the request for a low-interest loan in the amount of \$275,000 and recommend to the City Council approval of the tax abatement for Bean's Plus, Inc. Child Care Facility. Vote on the motion: Knutson, Hensel, Kirschbaum, Zellmer, Abbott and Schindle, aye; no nays. Motion carried.

- C. Res. No. 07-03 Authorizing the Purchase of Real Estate – 514 Webster Avenue  
Executive Vice President Sande presented Resolution No. 07-03 authorizing the purchase of real estate at 514 Webster Avenue reporting the City Council requested this item be referred to the Port Authority Commission for action as a redevelopment project. He reported this property is one of the three non-conforming residential uses north of Webster Avenue between Center Street and Quincy. This property became available for sale several months ago and an appraisal was completed by Appraisal Services of Mankato as of October 30, 2007. The appraised price of the property is \$160,000 and the 2007 Assessor's Market Value of the property is \$156,300. Executive Vice President Sande reported that after preliminary inspection of the house and garage, they are deemed suitable to move to a different location in lower North Mankato. Staff has identified several properties where there are substandard structures where this house could be moved to benefit those neighborhoods. The third structure on the property is a storage building that will be torn down by the property owners. Executive Vice President Sande reported this acquisition is an opportunity to resolve a non-conforming use, create a buildable commercial lot and re-use the house to redevelop blighted property. Discussion was held on condition of the soil, maintenance of the property after removal of the buildings and prior to sale for a commercial building, and net cost to the Port Authority for this project. Executive Vice President Sande reported there are no firm

estimates of the net cost at this time, however, believes it will range between \$50,000 and \$100,000. Commissioner Abbott moved, seconded by Commissioner Knutson, to adopt Resolution No. 07-03 Authorizing the Purchase of Real Estate at 514 Webster Avenue. Vote on the motion: Knutson, Hensel, Kirschbaum, Zellmer, Abbott and Schindle, aye; no nays. Motion carried.

Other Business

A quarterly Port Authority Commission meeting will be held at 7:30 a.m. on Tuesday, January 8, 2008.

Open Meeting to the Public

President Hensel opened the meeting to the public with no one appearing.

There being no further business, the meeting was adjourned at 8:20 a.m.

---

President

---

Secretary