

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, January 13, 2009.

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

Approval of the Minutes

On a motion by Commissioner Kirschbaum, seconded by Commissioner Steiner, the minutes of the Port Authority meeting of September 18, 2008 were approved.

Finance

A. Approval of Bills – September-December 2008

Finance Director Mork presented the Port Authority expenditures for the months of September through December 2008. Commissioner Abbott moved, seconded by Commissioner Zellmer, to approve the Port Authority expenditures for September-December 2008. Vote on the motion: Kirschbaum, Zellmer, Abbott, Steiner and Knutson, aye; no nays. Motion carried.

Report of Executive Vice President

A. Approval of 2009 Budget

Executive Vice President Sande presented the 2009 Port Authority Budget which was previously approved by the City Council. Finance Director Mork reviewed each of the funds noting only the funds in the Port Authority General Fund are derived from the tax levy. Commissioner Kirschbaum moved, seconded by Commissioner Zellmer, to approve the 2009 Port Authority Budget. Vote on the motion: Kirschbaum, Zellmer, Abbott, Steiner and Knutson, aye; no nays. Motion carried.

B. Loan Request from Starr Cycle

Executive Vice President Sande reported in 2006 the Port Authority gave preliminary approval to a revolving loan fund application from John and Wanda Zender dba Starr Cycle for a renovation of their facility at 200 Pierce Avenue. In June 2007 the financing was finalized and the revolving loan application was approved in the amount of \$100,000 secured by a first mortgage on the real estate. Mr. and Mrs. Zender are requesting \$26,500 for additional renovations and improvements to the structure. The loan would be secured by a second mortgage for a term of 13 years 5 months which would match the maturity of the first mortgage. The interest rate would be set at 4.00 percent with monthly principal and interest payments of \$212.96. Executive Vice President Sande reported sufficient funds are available in the Revolving Loan Fund and this will be considered a redevelopment loan. He noted this property is at a gate entrance to the community and the improvements previously made have greatly enhanced the appearance of the structure. Mr. Zender was in attendance and reported the proposed renovations financed from this loan include expanding the showroom and remodeling the service department.

Since Mr. and Mrs. Zender are purchasing the property from Arlo Zander under a Contract for Deed, Arlo Zander will also be a signatory on the loan. Finance Director Mork spoke with Mr. Zander regarding the loan and he stated his agreement to the loan.

Commissioner Steiner moved, seconded by Commissioner Zellmer, to approve the loan request from John and Wanda Zender dba Starr Cycle in the amount of \$26,500 for a period of 13 years 5 months at the interest rate of 4.00%. Vote on the motion: Kirschbaum, Zellmer, Abbott, Steiner and Knutson, aye; no nays. Motion carried.

C. Update of Marigold Project

Executive Vice President Sande reported approval of the final grant documents for the redevelopment infrastructure grant for the Marigold project have been received. The developer will be presenting cost estimates and drawings to the Port Authority Commission at their next meeting.

D. Tax Increment Financing Legislation

Executive Vice President Sande presented information submitted to Representative Terry Morrow, Senator Kathy Sheran and Representative Kathy Brynaert for the expansion of Tax Increment Financing District No. IDD 1-8 which is the Marigold site. The amendments as proposed will enable the Port Authority to recover the balance of the funds invested in the site based on the second phase development proposed for the Marigold project. Appearances before the Legislature will be made to testify in support of these technical changes. Executive Vice President Sande reported this is a revenue-neutral item for the State and should be a non-controversial change.

Other Business

A. Set Next Port Authority Meeting

Commissioner Steiner moved, seconded by Commissioner Kirschbaum, to set a Port Authority meeting for 7:30 a.m. on Tuesday, January 27, 2009. Vote on the motion: Kirschbaum, Zellmer, Abbott, Steiner and Knutson, aye; no nays. Motion carried.

Open Meeting to the Public

Vice President Knutson opened the meeting to the public with no one appearing.

There being no further business, the meeting was adjourned at 7:51 a.m.

Vice President

Secretary