

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 Monday, June 24, 2009.

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

#### Approval of the Minutes

On a motion by Commissioner Kirschbaum, seconded by Commissioner Knutson, the minutes of the Port Authority meeting of June 15, 2009 were approved.

#### Report of Executive Vice President

##### A. Central Business District (CBD) Loan/Grant Program

Executive Vice President Sande presented a proposal for the creation of a Redevelopment Grant and Loan Program to assist business development and redevelopment in the CBD. He reported that both the InterCity Leadership Visit and Envision 2020 processes identified the revitalization of the downtowns as a priority. The source of funds for this program would be a portion of the sales tax that has been allocated to downtown redevelopment, community development funds, and redevelopment grant funds from the State of Minnesota, if available, and possible HUD funding beginning in 2010. The recommended program includes the following:

- CBD businesses only
- Maximum grant - \$25,000
- \$2.00 match for each \$1.00 of grant funds provided
- Eligible costs:
  1. Plumbing, electrical and fire code improvements
  2. Doors and windows
  3. Heating, ventilation and air conditioning (HVAC)
  4. Tuck pointing
  5. Awnings
  6. Second level housing units/rehab or new construction
  7. Parking improvements
  8. Stormwater management
  9. Sewer and water services
  10. Signage
  11. Roof Replacement
- Initial recommended funding - \$150,000

In addition to the grant program, staff is recommending the creation of a separate Revolving Loan Fund for the CBD utilizing sales tax funds, community development funds and other money as available. The maximum amount of the loan to an individual project would be \$25,000 which may be accessed for costs on an individual project that exceeded \$75,000 at a proposed interest rate of 4.00% and amortization of 15 years. In response to questions about residential and rental

properties, Executive Vice President Sande reported loan and grant requests would be brought to the Port Authority for consideration on a case-by-case basis. The Commissioners requested Planner Fischer attend a Port Authority meeting and explain the goals of the City Center Business Partnership, which was created to secure direct involvement from the Central Business District property owners in the redevelopment effort.

Commissioner Abbott moved, seconded by Commissioner Kirschbaum, to adopt Resolution No. 05-09 Providing for the Creation of a Redevelopment Grant and Loan Program in the Central Business District in the City of North Mankato. Vote on the Resolution: Knutson, Arnold, Hensel, Kirschbaum, Zellmer and Abbott; aye; 0 nays. Motion carried.

**B. Blume/Dallenbach Project**

Executive Vice President Sande reported that as an outgrowth of the neighborhood revitalization project at 434 Pierce Avenue, staff has been working with the adjoining neighbors regarding access and parking issues. In summary, the property owner at 1036 Center Street owns a narrow parcel that runs northerly from Pierce Avenue and separates the property at 424 and 434 Pierce. Mr. Blume, the property owner at 424 Pierce wishes to acquire this piece of property so that it would not be used as a driving access to the rear yard area of the house at 1036 Center Street. If Mr. Blume purchases the parcel of land from the Dallenbachs, the Dallenbachs would then demolish the attached single garage at 1036 Center Street and build a new larger garage in the rear yard area which would be accessed from Center Street. Executive Vice President Sande recommended a low-interest loan in the amount of \$7,500 at 3.00% interest with a 15-year amortization to Mr. Blume to allow him to purchase the parcel immediately to the west of his property. The funds would be appropriated from the Community Development Fund. The Dallenbachs have agreed to sell the parcel to Mr. Blume and commit to building a new garage.

Commissioner Knutson moved, seconded by Commissioner Kirschbaum, to approve a loan to Bradley Blume, 424 Pierce Avenue, in the amount of \$7,500.00 at 3.00% interest with a 15-year amortization to be supported by a mortgage on the real estate and personal guarantees. Vote on the motion: Knutson, Arnold, Hensel, Kirschbaum, Zellmer and Abbott, aye; no nays. Motion carried.

**Other Business**

**A. Reminder of Port Authority Annual Meeting at 7 p.m. on Monday, July 13, 2009**

Executive Vice President Sande reported the Port Authority Annual meeting is scheduled for 7 p.m. on Monday, July 13, 2009

Commissioner Arnold requested maps outlining the TIF Districts be made available for any interested business.

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 8:03 a.m.

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President

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Secretary