

Pursuant to due call and notice thereof, the quarterly meeting of the North Mankato Port Authority Commission was held in the Council Chambers of the Municipal Building on Tuesday, September 9, 2008.

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

Approval of the Minutes

On a motion by Commissioner Zellmer, seconded by Commissioner Knutson, the minutes of the Annual Port Authority meeting of July 14, 2008 were approved.

Finance

A. Approval of Bills – July and August 2008

Finance Director Mork presented the Port Authority expenditures for July and August 2008. Commissioner Zellmer moved, seconded by Commissioner Knutson, to approve the Port Authority expenditures for July and August 2008. Vote on the motion: Knutson, Arnold, Hensel, Kirschbaum, Zellmer, Abbott and Steiner, aye; no nays. Motion carried.

Report of Executive Vice President

A. Loan Request – 300 Belgrade Avenue

Executive Vice President Sande presented a loan request for improvements to the property at 300 Belgrade Avenue. Will Dauffenbach, MLB Property Management, was in attendance at the meeting and reported the owners of this property are requesting a \$9,000 low-interest loan to repair the basement stairwell, a new awning over the basement stairwell and replacement of the store front. Executive Vice President Sande reported the improvements will benefit the appearance of the structure and also lend themselves to the City's continuing effort to upgrade and revitalize the Central Business District. The Port Authority Commissioners requested a loan to value ratio for this property before proceeding on the loan. Commissioner Kirschbaum moved, seconded by Commissioner Steiner, to table the loan request for improvements to the property at 300 Belgrade Avenue and consider this request at the next Port Authority meeting after confirmation of the loan to value ratio for this property. Vote on the motion: Knutson, Arnold, Hensel, Kirschbaum, Zellmer, Abbott and Steiner, aye; no nays. Motion carried.

B. Daycare Center Project Financing

Executive Vice President Sande presented a revised request for a Port Authority loan to fund site development and construction costs in support of the new child care center to be constructed in North Mankato. He reported the Port Authority Loan Committee met on August 5, 2008 and reviewed the supporting documentation for the proposed project. The Port Authority gave its preliminary approval to a \$275,000 subordinated loan for the project in January 2008. The size of the project and the project budget have increased. The facility has expanded from 7,000 square feet to 22,800 square feet to include a gymnasium,

two offices and several classrooms in addition to the child care area. The revised request to the Port Authority is for a subordinated loan in the amount of \$300,000 in support of the total project cost of \$3,118,480. Commissioner Knutson moved, seconded by Commissioner Arnold to approve the subordinated loan in the amount of \$300,000 subject to personal guarantees. Vote on the motion: Knutson, Arnold, Hensel, Kirschbaum, Zellmer, Abbott and Steiner, aye; no nays. Motion carried.

C. Update on Marigold Project

Executive Vice President Sande gave an update of the Marigold Project reporting soil samples have been completed on the site and were favorable to construction of a facility on a spread footing which will result in substantial savings in lieu of constructing the project on piers. Staff is continuing work with the developer on project design issues and the development agreements. Development agreements should be in final form for presentation at the next Port Authority meeting.

D. Progress Updates

Executive Vice President Sande reported the National Dentex/Worson-Polzin project is now under construction. Construction of the Building Fasteners project is underway on the site next to National Dentex. Work on the westerly extension of Howard Drive is underway and will soon permit the ThermoKing/Bobcat project to begin construction. The site contractor for Walgreens is making preparations to pave the parking lots and driveways in anticipation of an October 2008 opening. The underground storage tanks at the site for Family Video have been removed and soil samples taken. If a clean report on the soil samples is received, the closing on the property should take place within a few days and demolition of the existing structure will begin. Construction of the Commerce Plaza is underway and should be completed in late fall. United Parcel Service is considering expansion of their facility in 2009.

E. Purchase Option – Coughlan Property

Executive Vice President Sande presented a copy of the purchase option obtained on the Coughlan property at the intersection of LorRay Drive and T.H. 14. The option with an available extension runs through December 31, 2009. A sign has been erected indicating the Port Authority is accepting development proposals for the site.

Other Business

A. Set Next Port Authority Meeting for Week of September 16, 2008

The next Port Authority meeting was scheduled for 7:30 a.m. on Thursday, September 18, 2008.

B. Future Parking – Central Business District

The Commissioners requested a meeting with the property owners in the 200 Block of Belgrade to discuss future parking once the casual parking on the Marigold property is no longer available.

Open the 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 8:18 a.m.

President

Secretary