

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 25, 2011.

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

#### Approval of the Minutes

On a motion by Commissioner Kirschbaum, seconded by Commissioner Steiner, the minutes of the Port Authority meeting of December 6, 2010 were approved.

#### Public Hearing, 7:30 a.m. – Modification of Industrial Development District No. 1 and Establishment of Tax Increment Financing District IDD No. 1-20

President Hensel opened the public hearing for the consideration of the modification of Industrial Development District No. 1 and the establishment of Tax Increment Financing District IDD No. 1-20. Executive Vice President Sande reported Ed Tschida, Advance Resources for Development, was in attendance to review the plan. Mr. Tschida provided an overview of the proposed modification reporting the boundaries of Industrial Development District No. 1 will be expanded to include the following area: Northport No. 10 Subdivision, Northport No. 12 Subdivision, Northport No. 14 Subdivision and Parcels 7S1 and 9S1 of Nicollet County Right-of-Way Plat No. 26. The establishment of Tax Increment Financing District IDD 1-20, located on Lot 1, Block 1, Northport No. 10, will promote the construction of a 27,500 square foot sales, service and warehouse facility for Ziegler Caterpillar. Mr. Tschida reported notifications of the public hearing were sent to Nicollet County and Independent School District No. 77 and a Notice of Public Hearing was published in the official newspaper. Executive Vice President Sande reported Ziegler would create five jobs in the first two years and a total of 12 jobs over five years. With no one else appearing before the Commission, President Hensel closed this portion of the meeting.

#### A. Res. No. 01-11 Approving the Modification of Industrial Development District No. 1 and Filing of an Application to the North Mankato City Council

Commissioner Abbott moved, seconded by Commissioner Steiner, to adopt Resolution No. 01-11 Approving the Modification of Industrial Development District No. 1 and Filing of an Application to the North Mankato City Council. Vote on the Resolution: Steiner, Arnold, Hensel, Kirschbaum, Dehen and Abbott, aye; no nays. Motion carried.

#### B. Res. No. 02-11 Approving Tax Increment Financing District IDD No. 1-20

Commissioner Steiner moved, seconded by Commissioner Kirschbaum, to adopt Resolution No. 02-11 Approving Tax Increment Financing District IDD No. 1-20. Vote on the Resolution: Steiner, Arnold, Hensel, Kirschbaum, Dehen and Abbott, aye; no nays. Motion carried.

FinanceA. Approval of Bills –December 2010

Finance Director Mork presented the Port Authority expenditures for the month of December 2010. He reported the final TIF payment was made in 2010 for the Oak Terrace Assisted Living Facility and taxes of approximately \$105,000 will be added to the City's tax base in 2011. Commissioner Abbott moved, seconded by Commissioner Kirschbaum, to approve the Port Authority expenditures for December 2010. Vote on the motion: Steiner, Arnold, Hensel, Kirschbaum, Dehen and Abbott, aye; no nays. Motion carried.

B. Approval of 2011 Budget

Finance Director Mork presented the 2011 Port Authority Budget which was previously approved by the City Council. He reviewed each of the funds noting that only the funds in the Port Authority General Fund are derived from tax levy. Commissioner Abbott moved, seconded by Commissioner Arnold, to approve the 2011 Port Authority Budget. Vote on the motion: Steiner, Arnold, Hensel, Kirschbaum, Dehen and Abbott, aye; no nays. Motion carried.

Report of Executive Vice PresidentA. CBD Grant Request – Wheels Unlimited, 502 Belgrade Avenue

Executive Vice President Sande presented a CBD grant request from Chad Pasbrig of Wheels Unlimited, 502 Belgrade Avenue, for a 22'X48' building addition. He presented a commitment letter from Peoples State Bank to finance the project. Executive Vice President Sande reviewed the \$114,000 in grants approved to date from the \$150,000 appropriated for Central Business District Grants from the Sales Tax Fund. Council Member Steiner moved, seconded by Council Member Arnold, to approve the CBD grant request in the amount of \$25,000 for the Wheels Unlimited building addition. Vote on the motion: Steiner, Arnold, Hensel, Dehen and Abbott, aye; Kirschbaum nay. Motion carried.

B. Res. No. 03-11 Approving the Purchase of Real Estate – Rist Property

Executive Vice President Sande reported with the LJP Project and another proposed project that is not yet finalized, the Port Authority has a minimal amount of property remaining for future development. He reported a preliminary agreement has been reached for purchase of a 50.4-acre parcel from the Rist Family. The purchase price of the parcel is \$20,000 per acre with a \$108,000 payment at closing and the balance of \$900,000 payable on an 8-year Contract for Deed at 4.00% interest. For the purpose of partial prepayment of the Contract, the purchaser agrees to subdivide the real estate into four 12.6-acre parcels and agrees to pay \$270,000 of the remaining principal balance in exchange for a deed to each of the first two 12.6-acre parcels acquired and to pay the remaining principal balance of the Contract in exchange for a deed to the third and fourth parcels. Purchaser may prepay all of the Contract at any time without penalty. The owners of the property agree to participate in the annexation, subdivision and zoning of the property. Commissioner Dehen moved, seconded by Commissioner Abbott, to adopt Resolution No. 03-11 Approving the Purchase of Real Estate – Rist Property. Vote on the Resolution:

Steiner, Arnold, Hensel, Kirschbaum, Dehen and Abbott, aye; no nays. Motion carried.

Other Business

Executive Vice President Sande reported the Port Authority Commissioners are invited to Customer Appreciation Days on February 2, 2011 for the first phase of the Marigold Project. He reported plans for Phase II of the project are underway with start of construction possible in mid 2011.

Commissioner Dehen asked for a schedule of the projects that have been funded by Tax Increment Financing including the amount of tax dollars generated by these projects. He also requested a summary of the regulations for using Tax Increment Financing.

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 8:32 a.m.

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President

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Secretary