

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 Friday, June 17, 2011.

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

#### Approval of the Minutes

On a motion by Commissioner Dehen, seconded by Commissioner Arnold, the minutes of the Port Authority meeting of June 7, 2011 were approved.

#### Public Hearing, 7:30 a.m. – Tax Increment Financing District IDD No. 1-21

President Hensel opened the public hearing on the Tax Increment Financing District IDD No. 1-21 Plan. Executive Vice President Sande reported a hearing notice was published in the official newspaper per statutory requirements. School District 77 and Nicollet County were notified of the public hearing and mailed a copy of the TIF Plan. School District 77 and Nicollet County responded with letters waiving the 30-day notification requirement for the hearing on the establishment of TIF District IDD 1-21. Ed Tschida from Advance Resources for Development gave an overview of the project reporting Tax Increment Financing District IDD No. 1-21 encompasses Lot 1, Block 1, Northport No. 16, a 2.57-acre parcel addressed as 2265 Howard Drive West. The project would be approximately \$2.2 million with Allstate Peterbilt constructing a 17,260 square foot parts and service facility. This project would create 15-20 new jobs and be a pay-as-you-go TIF for a period of nine years. The project is scheduled to begin no later than July 1, 2012. The TIF Plan will be presented to the Council for their approval at their June 20, 2011 meeting. There being no one else appearing before the Port Authority Commission, President Hensel closed this portion of the meeting.

#### Res. No. 11-11 Approving Tax Increment Financing District IDD No. 1-21 Plan

Commissioner Dehen moved, seconded by Commissioner Abbott, to adopt Resolution No. 11-11 Approving Tax Increment Financing District IDD No. 1-21 Plan. Vote on the Resolution: Kirschbaum, Dehen, Abbott, Steiner, Knutson, Arnold and Hensel, aye; no nays. Motion carried.

#### Public Hearing, 7:30 a.m. – Consider Sale of Real Estate (Lot 1, Block 1, Northport No. 16)

President Hensel opened the public hearing to consider the sale of a 2.57-acre parcel of real estate to Allstate Peterbilt. Executive Vice President Sande reported that in order to accommodate the developer's cost of utility improvements, the price per acre is \$40,000. With no one appearing before the Commission, President Hensel closed this portion of the meeting.

A. Res. No. 12-11 Authorizing the Sale of Real Estate

Commissioner Knutson moved, seconded by Commissioner Dehen, to adopt Resolution No. 12-11 Authorizing the Sale of Real Estate (2.57-acre parcel) to Allstate Peterbilt. Vote on the Resolution: Kirschbaum, Dehen, Abbott, Steiner, Knutson, Arnold and Hensel, aye; no nays. Motion carried.

Finance

Executive Vice President Sande reviewed the listing of redevelopment grants to date. He also reviewed the breakdown of current tax capacity and a ten-year history. The total tax capacity has continued to increase even during the recent economic downturn. At the end of 2010, North Mankato had a total of \$80,835 of tax capacity committed to tax increment projects. This amounts to  $\frac{3}{4}$  of one percent of the total tax capacity.

Report of Executive Vice President

A. Discuss Additional Funds for Central Business District Grants and Amending List of Authorized Uses

A discussion was held regarding allocating additional funds for Central Business District grants. To date, \$147,000 of the \$150,000 available funds for Central Business District grants have been committed to projects. Of the \$750,000 allocated for downtown revitalization, \$500,000 has been used leaving \$250,000 left to allocate to additional private projects. \$70,000 of federal Community Development Block Grant funds has been approved by the City Council for purchase of the Budget Mart building on Belgrade Avenue or other uses. I & S Group is conducting a downtown planning study to assist in determining the scope of potential additional future development in the Central Business District. This report is expected to be complete September 1, 2011.

B. Res. No. 13-11 Initiating the Process for Establishment of Tax Increment Financing District IDD No. 1-22 (Lindsay Window and Door Project)

Executive Vice President Sande presented a notice of public hearing for Tax Increment Financing District IDD No. 1-22 which is the Lindsay Window and Door expansion project. The project would include a 20,000 square foot expansion with construction estimated at \$1.1 million. A schedule of events for Tax Increment Financing District IDD 1-22 allows for a proposed final adoption of the TIF Plan on July 5, 2011. Executive Vice President Sande reported that in the 2010 Session, the Legislature adopted temporary modification to the TIF Statutes and extended this legislation for an additional year in the 2011 session to encourage projects that would create jobs both during the construction phase and permanent employment. This is a pay-as-you-go TIF for a period of nine years. In pay-as-you-go tax increment plans, the Port Authority does not incur any risk as there is no associated bonding. The project is scheduled to begin at the earliest date possible after approval. Commissioner Dehen moved, seconded by Commissioner Abbott, to adopt Resolution No. 13-11 initiating the process for establishment of Tax Increment

Financing District IDD 1-22 and setting a public hearing for 7:30 a.m. on Tuesday, July 5, 2011. Vote on the Resolution: Kirschbaum, Dehen, Abbott, Steiner, Knutson, Arnold and Hensel, aye; no nays. Motion carried.

C. Issues Discussion

Commissioner Dehen recommended the Port Authority schedule a joint workshop with the City Council to discuss additional funds for Central Business District Grants, amending the list of authorized uses for the grants, Port Authority meeting times, Revolving Loan Fund, Business Subsidy Policy, Tax Increment Financing and Economic Development and Redevelopment Overview. A joint workshop will be scheduled at a later date.

Commissioner Knutson left the meeting at 8:35 a.m.

Other Business

A. Reminder of July 5, 2011 Port Authority Meeting at 7:30 a.m.

President Hensel reminded the Commissioners of the July 5, 2011 Port Authority Meeting to be held at 7:30 a.m.

B. Reminder of July 11, 2011 Annual Port Authority Meeting at 7 p.m.

President Hensel reminded the Commissioners of the Annual Port Authority Meeting to be held at 7 p.m. on Monday, July 11, 2011.

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 8:40 a.m.

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President

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Acting Secretary