

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 Wednesday, February 1, 2012.

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

Approval of the Minutes

On a motion by Commissioner Dehen, seconded by Commissioner Abbott, the minutes of the Port Authority meeting of January 10, 2012 were approved.

Report of Executive Vice President

A. Central Business District Grant and Loan Requests – Southern Minnesota Surgical, LLC, 223 Belgrade Avenue

Executive Vice President Sande presented an application from Southern Minnesota Surgical, LLC for a grant under the CBD Grant Program as well as a CBD Loan Program application for the same project. The applicant, Dr. William Lee, his bank representative, Matthew Zebro of Wells Federal Bank, Corey Brunton of Brunton Architects, and Wendy Anderson of the SBDC, were in attendance. Executive Vice President Sande reported Jeff Kenne, the owner of the property known as 223 Belgrade Avenue, has made significant improvements to the building and has agreed to lease the property to Southern Minnesota Surgical, LLC. The grant and loan requests are for proposed leasehold improvements. The total project cost is \$205,900 and qualifies for a CBD Grant in the amount of \$25,000 and a CBD Loan in the amount of \$25,000. Wendy Anderson introduced Dr. William Lee and Dawn Fellows of Southern Minnesota Surgical, LLC. Dr. Lee appeared before the Commission and gave an overview of his practice reporting he currently practices in Blue Earth but has many patients in this area and is proposing to expand to North Mankato. He reported he has been a General Surgeon for 11 years and has done lap band, liposuction and tummy tucks for the past 5-6 years. With the expansion to North Mankato, Dr. Lee reported a Physicians Assistant or an additional doctor would be hired. He reported the layout of the building would include two clinic rooms, front office area, meeting room and a procedure room in the rear of the building. He will use the St. Peter Hospital for any procedures that require anesthesia. Corey Brunton of Brunton Architects and architect for the project, appeared before the Commission and reported the project funds will be dedicated to the leasehold improvements. He reported extensive discussions have been held about a master plan for the business, signage and façade improvements. Commissioner Dehen asked about the availability of a rear entrance and Brunton reported the rear entrances have been dedicated for the apartments on the second floor. He noted there is ample parking to the east of the building and a handicapped accessible parking stall will be necessary for patients. He reported discussions have been held with the owner, Jeff Kenne, regarding façade improvements including painting the outside of the building in the spring. In response to a question, Dawn Fellows reported the lease is for five years. Matthew Zebro, Wells Federal Bank, responded to questions regarding the financing raised by Commissioner Arnold.

Mr. Zebro reported Wells Federal Bank fully supports this project and likes to use a combination of tools to leverage financing for projects of this type. Commissioner Abbott asked about payoff of the loan if the business expands and relocates. Executive Vice President Sande reported a personal guaranty and promissory note would be in place to address payoff of the loan. The Central Business District grant and loan are from the Sales Tax Fund. Commissioner Steiner moved, seconded by Commissioner Abbott to approve the CBD Grant in the amount of \$25,000 to Southern Minnesota Surgical, LLC. Vote on the motion: Steiner, Knutson, Arnold, Dehen and Abbott, aye; no nays. Motion carried.

Commissioner Steiner moved, seconded by Commissioner Abbott, to approve the CBD Loan in the amount of \$25,000 at 4.00 percent for a period of 15 years to Southern Minnesota Surgical, LLC. Vote on the motion: Steiner, Knutson, Arnold, Dehen and Abbott, aye. Motion carried.

Other Business

A. Update

Executive Vice President Sande reported work is ongoing for the Natural Pathways project at 229 Belgrade Avenue. Commissioners were encouraged to visit the site.

Executive Vice President Sande reported that Larry Biederman of LJP Enterprises would like the Port Authority Commissioners and Council Members to tour their new facility at 2160 Ringhofer Drive.

B. Port Authority Meeting

Executive Vice President Sande reported the next quarterly Port Authority meeting is scheduled for 7:30 a.m. on Tuesday, March 13, 2012.

There being no further business, the meeting was adjourned at 8:04 a.m.

President

Secretary