

Pursuant to due call and notice thereof, a quarterly meeting of the North Mankato Port Authority Commission was held in the Council Chambers of the Municipal Building on Tuesday, January 10, 2012.

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

Approval of the Minutes

On a motion by Commissioner Steiner, seconded by Commissioner Dehen, the minutes of the Port Authority meeting of December 6, 2011 were approved.

Finance

A. Approval of Bills – December 2011

Commissioner Kirschbaum moved, seconded by Commissioner Steiner, to approve the bills for December 2011. Vote on the motion: Abbott, Steiner, Knutson, Arnold, Kirschbaum, Dehen and Olenius, aye; no nays. Motion carried.

Report of Executive Vice President

A. Central Business District Grant and Loan Requests – Natural Pathways, 229 Belgrade Avenue

Executive Vice President Sande presented an application from Natural Pathways, LLC for a grant under the CBD Grant Program as well as a CBD Loan Program application for the same project. The applicants, Jeff and Laura Evenson, and their bank representative, Matthew Chmielewski of Pioneer Bank, were in attendance. Executive Vice President Sande reported the Evensons propose to acquire the property at 229 Belgrade Avenue, the former Christy's Café location, from the property owner, Royce Behnke on a Contract for Deed. Mr. Behnke has agreed to the project financing proposed. Mr. Chmielewski reported that Jeff Evenson is a 20-year military veteran and qualifies for a Patriot Act SBA Loan. He explained Pioneer Bank will release money from this disbursement account as needed for the project. Commissioner Knutson asked the amount of Pioneer Bank's exposure. Mr. Chmielewski reported the SBA Loan in place has an 85 percent guarantee. Jeffrey and Laura Evenson addressed the Commission and reviewed their plans for extensive improvements and modifications to the building as outlined in the Scope of Project from DeMars Construction. The proposed improvements to the building include new doors and windows both front and rear, façade improvements both front and rear, awnings, tuck pointing of the exterior, new signage and interior build-out. Executive Vice President Sande reported the source of funds for the grant and loan is from the Sales Tax Fund. Commissioner Arnold expressed his approval of the CBD grant but stated his objection to the CBD loan preferring loans be handled by private enterprise. In response, Commissioner Knutson stated this building is in obvious need of repair and will take an extra effort on everyone's part to make this important project happen. Commissioner Dehen moved, seconded by Commissioner Steiner to approve the CBD Grant in the amount of \$25,000 to Natural Pathways, LLC. Vote on the motion: Abbott, Steiner, Knutson, Arnold, Kirschbaum, Dehen and Olenius, aye; no nays. Motion carried.

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

B. Central Business District Grant Request – Sharon’s Craft-N-Floral, 241 Belgrade Avenue

Executive Vice President Sande presented an application from Sharon’s Craft-N-Floral, 241 Belgrade Avenue, for a Central Business District grant in the amount of \$4,944.11 for roof replacement and repair of related water damage. Commissioner Dehen asked that the owners of this property be encouraged to improve the façade of the building. Commissioner Kirschbaum stated he believes the update of the façade should be in any CBD grant application. Commissioner Abbott moved, seconded by Council Member Steiner, to approve the CBD grant in the amount of \$4,944.11 to Sharon’s Craft-N-Floral. Vote on the motion: Abbott, Steiner, Knutson, Arnold, Kirschbaum, Dehen and Olenius, aye; no nays. Motion carried.

C. Res. No. 01-12 Approving the Purchase of Real Estate – 315 Range Street

Executive Vice President Sande reported staff recently became aware of a pending foreclosure sale on the property known as 315 Range Street. The property, located immediately south of Spinner’s Bar and Grill on the west side of Range Street, was previously identified by staff as blighted and as a property for potential acquisition and redevelopment. He reported staff has entered into a purchase agreement in the amount of \$32,500 with the owner, the Federal National Mortgage Association, contingent on the approval of the Port Authority. The City Attorney has reviewed the purchase of 315 Range Street and title insurance has been secured for this property. The purchase will be made with Community Development Fund dollars and the structure will be demolished and held for future development. The Port Authority Commission discussed using this property temporarily as parking for the CBD. Commissioner Kirschbaum moved, seconded by Commissioner Arnold, to adopt Resolution No. 01-12 Approving the Purchase of Real Estate at 315 Range Street. Vote on the Resolution: Abbott, Steiner, Knutson, Arnold, Kirschbaum, Dehen and Olenius, aye; no nays. Motion carried.

D. Parking in Central Business District

Executive Vice President Sande referenced three possible layouts for parking in the CBD which were included in the packet. The first incorporates the site at 315 Range Street and the second provides layouts on the parcel currently occupied by the structure at 238 Nicollet Avenue which is the parcel located immediately to the south of the rear entrance to Dino’s Pizza. The Commissioners discussed several options for parking in the CBD. Commissioner Abbott asked about moving the garage over at 313 Range Street for additional parking spaces at the 315 Range site. Commissioner Dehen stated with the purchase of Budget Mart and its projected use as a convenience store, staff will need to continue looking at parking options.

E. CDBG Fund Use in Central Business District

Executive Vice President Sande reviewed the Community Development Block Grant dollars received for 2010, 2011 and 2012. He reported anticipated funds to be

received for 2012 are \$58,619, a reduction of 27 percent from 2011. The decrease is due to a reduction in federal funding for the program, increases in personal income of City residents and a decrease in the percentage of the housing stock that is pre-1940 since the 2000 Census. He reported that staff is recommending renovation of second story apartment units in the CBD as a proposed use for the CDBG grant funds that will be available in the current fiscal year and in future years. He noted that CDBG funds were allocated for the purchase of 706 Range Street and funds were allocated for the Budget Mart property but since that property has sold those funds will need to be redirected.

F. Community Video Program

Executive Vice President Sande reported that he and the Mayor spoke with representatives of CGI Communications. They have a community video program which is endorsed by the National League of Cities and is offered to communities on a no-cost basis based on advertising subscriptions sold to local businesses. They will create the video for the City and market businesses to attach to our video. The Commissioners voiced their support of the Community Video Program and asked that it be taken before the City Council for their consideration.

Other Business

A. Set Port Authority Meeting

Commissioner Steiner moved, seconded by Commissioner Abbott, to set a Port Authority meeting for 7:30 a.m. on Wednesday, February 1, 2012. Vote on the motion: Abbott, Steiner, Knutson, Arnold, Kirschbaum, Dehen and Olenius, aye; no nays. Motion carried.

Commissioner Dehen welcomed Commissioner Olenius to the Port Authority Commission and thanked Commissioners Abbott and Kirschbaum for agreeing to serve another term on the Port Authority Commission.

President Knutson asked that a summary of the 2011 Port Authority Commission activities be compiled and posted on the City's website.

In response to a question about the old Dollar Store, Executive Vice President Sande reported the developer is completing the financing for the project and work should begin soon.

Executive Vice President Sande referenced the copy of the *Connect* magazine article naming Dan & Angie Bastian as Business Person of the year for 2012 reporting Angie's Kettle Corn currently has approximately 180 employees.

Open Meeting to the Public

Tom Bohrer, Circle Inn, asked the Port Authority to continue addressing the need for parking in the CBD.

There being no further business, the meeting was adjourned at 8:33 a.m.

President

Secretary