

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, June 7, 2011.

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

#### Approval of the Minutes

On a motion by Commissioner Knutson, seconded by Commissioner Dehen, the minutes of the Port Authority meeting of March 29, 2011 were approved.

#### Finance Director

##### A. Approval of Bills – March, April and May 2011

Commissioner Kirschbaum moved, seconded by Commissioner Dehen, to approve the Port Authority expenditures for the months of March, April and May 2011. Vote on the motion: Hensel, Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

#### Report of Executive Vice President

##### A. Res. No. 08-11 Initiating Process for Establishment of Tax Increment Financing District IDD No. 1-21 and Setting Public Hearing for 7:30 a.m. on Friday, June 17, 2011

Executive Vice President Sande reported an agreement has been reached for the sale of Lot 1, Block 1 of Northport No. 16 to Web Construction for the development of a 17,260 square foot commercial service facility for Allstate Peterbilt. The parcel is located at the west end of Howard Drive adjacent to the future intersection of CSAH 41 and T.H. 14. The estimated construction cost of the project is \$2,200,000 and would provide 12-15 permanent jobs. The project is proposed to begin on or about July 1, 2011 if all necessary approvals are in place. Executive Vice President Sande reported the project qualifies for tax increment financing under the 2010 TIF statute amendments. Commissioner Knutson moved, seconded by Commissioner Steiner, to adopt Resolution No. 08-11 Initiating Process for Establishment of Tax Increment Financing District IDD No. 1-21 and Setting Public Hearing for 7:30 a.m. on Friday, June 17, 2011. Vote on the Resolution: Hensel, Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

##### B. Res. No. 09-11 Setting Public Hearing to Consider the Sale of Real Estate

Executive Vice President Sande reported in conjunction with TIF District No. 1-21, it is necessary to hold a public hearing to consider the sale of Lot 1, Block 1 of Northport No. 16 to Web Construction for this project. This parcel is beyond the end of the gravity sanitary sewer and therefore the proposed sale price is \$40,000 per acre. The normal selling price would be \$50,000 per acre and the differential is intended to offset the construction cost to the developer of a pressure sewer. In

discussion regarding the comprehensive plan for this area, Executive Vice President Sande reported the area west of Lookout Drive specifies industrial zoning and the area east of Lookout Drive specifies residential zoning. Executive Vice President Sande stated all property currently owned by the Port Authority will be in the Industrial Development District. Commissioner Kirschbaum moved, seconded by Commissioner Arnold, to adopt Resolution No. 09-11 setting a public hearing for 7:30 a.m. on Friday, June 17, 2011 to consider the sale of real estate to Web Construction. Vote on the Resolution: Hensel, Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

C. Downtown Planning Study – I & S Group

Mark Cipos, I & S Group, appeared before the Port Authority Commission and outlined the proposal for a downtown planning study to assist in determining the scope of potential additional future development in the Central Business District. He reported the focus of the report will be on the 200 Block of Belgrade but will include issues for the balance of the CBD. Included in the proposal is a physical three dimensional model of downtown planning alternatives to aid in development. Executive Vice President Sande reported the proposed cost of the planning study is \$9,850 with an expected completion date of September 1, 2011. Commissioner Kirschbaum asked if traffic flows and street crossings would be part of the plan. Mr. Cipos reported part of the plan would be to make the area pedestrian friendly. Commissioner Knutson voiced his support for the plan and referenced the Marigold site that the Port Authority Commission worked on for 20 years. He also referenced a project in Excelsior that included retail and condos which is similar to Phase 3 of the Marigold Project. In response to a question from Commissioner Abbott, Executive Vice President Sande reported the width of the street would not be changed and no semaphores are planned. Commissioner Dehen referenced recent discussions about rear parking and lighting and enhancement of rear entrances to make the CBD businesses more user friendly. Commissioner Knutson moved, seconded by Commissioner Abbott, to approve the proposed Downtown Planning Study by I & S Group. Vote on the motion: Hensel, Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

D. Res. No. 10-11 Approving the Purchase of Real Estate

Executive Vice President Sande reported as part of the Community Development Block Grant (CDBG) process, the City Council has authorized the use of federal funds for the acquisition of the real estate at 202 Christensen Street for redevelopment purposes. He reported this is the location where the duplex burned down several years ago and the parcel is currently vacant. The property could be used for relocating a structure from the Central Business District or for other redevelopment. Council Member Steiner moved, seconded by Council Member Kirschbaum, to adopt Resolution No. 10-11 Approving the Purchase of Real Estate (202 Christensen Street).

Vote on the Resolution: Hensel, Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

E. Central Business District Grant Request – Pro-formance Realty, Jay and Willa Dailey, 304 Belgrade Avenue

Executive Vice President Sande presented a recap of the Central Business District grants issued to date reporting with approval of the two grant requests presented at this meeting, the sales tax funds appropriated for CBD grants will be expended. Additional appropriations and conditions of how the grants will be used in the future will be an agenda item at the June 17, 2011 Port Authority meeting.

Executive Vice President Sande presented a Central Business District Grant request from Pro-formance Realty (Jay and Willa Dailey), 304 Belgrade Avenue, in the amount of \$3,083. Commissioner Knutson moved, seconded by Commissioner Steiner, to approve a Central Business District grant request for Pro-formance Realty, 304 Belgrade Avenue, in the amount of \$3,083. Vote on the motion: Hensel, Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

F. Central Business District Grant Request – Skillings & Associates, 237 Belgrade Avenue

Executive Vice President Sande presented a Central Business District Grant request from Skillings & Associates, 237 Belgrade Avenue, in the amount of \$4,880. Commissioner Knutson moved, seconded by Commissioner Steiner, to approve a Central Business District grant request for Skillings & Associates, 237 Belgrade Avenue, in the amount of \$4,880. Vote on the motion: Hensel, Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

G. Funding for Small Business Development Center

Executive Vice President Sande gave background information on the Small Business Development Center noting that due to budgetary constraints MSU would be the host for the SBDC. He reported the City Council discussed the allocation of Community Development Block Grant (CDBG) funds including a proposed allocation of \$30,000 to support the Small Business Development Center (SBDC). The Council determined that the CDBG allocation be used for acquisition of real estate and redevelopment costs and requested that funding of the SBDC be allocated from Community Development funds in the amount of \$15,000 and Port Authority funds in the amount of \$15,000. Commissioner Abbott expressed his concern about funding an outside agency. In response to questions, Executive Vice President Sande reported State funding for the SBDC has declined. He reported the SBDC has proven to be a valuable resource and instrumental in helping business startup in the area. Commissioner Knutson asked this be an agenda item for a future joint meeting with the City Council.

Other Business

A. Reminder of June 17, 2011 Port Authority Meeting

President Hensel reminded the Commissioners of the Port Authority Meeting to be held at 7:30 a.m. on Friday, June 17, 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 8:15 a.m.

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President

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Secretary