

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 Thursday, September 22, 2011.

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

Approval of the Minutes

On a motion by Commissioner Dehen, seconded by Commissioner Abbott, the minutes of the Port Authority meeting of September 13, 2011 were approved.

Report of Executive Vice President

A. 2011 Bond Recommendations

Executive Vice President Sande reported that in order to finance the local share of the T.H. 14/CSAH 41 Project, it will be necessary for the Port Authority to issue, with the approval of the City Council, bonds in the amount of \$3,215,000. He reported the engineer's estimate for the project was slightly more than \$18 million; however, the low bid was \$23,595,330. The Minnesota Department of Transportation and the Legislative delegation determined the project is important enough to move forward. The local share of the project will be split 50/50 between the City and Nicollet County. The City's share of the project including the 5% state contract construction engineering charge and deducting our credit for the purchase of the right-of-way is \$2,952,643. The Executive Vice President reported \$1.5 million was approved in the referendum of November 2006 for the T.H. 14/CSAH 41 Project and the balance of the financing is proposed to be supported by an ad valorem tax levy beginning in 2014. He presented a copy of the projected debt service tax levy schedule which reflects an allocation of tax levy for improvement bonds in 2011 and 2012 and recommends allocating the necessary portion of those tax levies to support this proposed issue. As part of the process for this project, it is necessary for the Port Authority to modify Industrial Development District No. 1 by the addition of Nicollet County Right-of-Way Plat No. 26 and related parcels. Rusty Fifield, Northland Securities, appeared before the Commission and presented the recommendations for the \$3,215,000 Tax Exempt G. O. Bonds and the \$455,000 Taxable General Obligation Tax Increment Revenue Bonds. In response to a question from Commissioner Abbott regarding the difference in projected interest rates for the two bond issues, Mr. Fifield reported the difference is because one is tax exempt and the other is taxable. He reported he expects favorable bids on the taxable issue because of the current appetite for taxable bonds. Ratings for these bonds will be received the week prior to the bids and Mr. Fifield believes the City's AA+ bond rating will be confirmed. Bids will be received at 10:30 a.m. on Monday, November 7, 2011. Executive Vice President also presented a resolution from Nicollet County requesting that both the federal government and the State of Minnesota make the T.H. 14/CSAH 41 Project a top priority and rapidly accelerate the funding schedule for widening the entire span of T.H. 14 to address the serious problem of fatalities on this highway.

Res. No. 15-11 Authorizing the Competitive Negotiated Sale of \$3,215,000 General Obligation Bonds, Series 2011A

Commissioner Knutson moved, seconded by Commissioner Steiner, to adopt Resolution No. 15-11 Authorizing the Competitive Negotiated Sale of \$3,215,000 General Obligation Bonds, Series 2011A. Vote on the Resolution: Knutson, Arnold, Hensel, Dehen, Abbott and Steiner, aye; no nays. Motion carried.

Res. 16-11 Initiating Process for Adoption of Industrial Development District No. 1 Modification

Executive Vice President Sande presented Resolution No. 16-11 Initiating Process for Adoption of Industrial Development District No. 1 Modification reporting it is necessary to hold a public hearing to consider the modification of IDD No. 1 to include Nicollet County Right-of-Way Plat No. 26 and some adjoining parcels. He reported only a couple of available parcels are left in the industrial park.

Commissioner Abbott moved, seconded by Commissioner Arnold, to adopt Resolution No. 16-11 Initiating Process for Adoption of Industrial Development District No. 1 Modification and setting a public hearing for 7:30 a.m. on Monday, October 17, 2011. Vote on the motion: Knutson, Arnold, Hensel, Dehen, Abbott and Steiner, aye; no nays. Motion carried.

Res. No. 17-11 Authorizing the Competitive Negotiated Sale of \$455,000 Taxable G.O. Tax Increment Revenue Bonds, Series 2011B

Executive Vice President Sande reported the Port Authority Commission approved the Tax Increment Financing Plan for District 1-19 on November 17, 2010 for renovation of the old Dollar Store located at 422 Belgrade Avenue with the City Council reviewing and approving the Plan on December 6, 2010. The \$455,000 Taxable General Obligation Tax Increment Revenue Bonds 2011B will support the approved project. A Development Agreement has been prepared and will be executed ensuring an assessed market value of the property of \$2,000,000 effective January 2, 2013. Commissioner Steiner moved, seconded by Commissioner Arnold, to adopt Resolution No. 17-11 Authorizing the Competitive Negotiated Sale of \$455,000 Taxable G.O. Tax Increment Revenue Bonds, Series 2011B. Vote on the Resolution: Knutson, Arnold, Hensel, Dehen, Abbott and Steiner, aye; no nays. Motion carried.

B. Central Business District Loan Application – P.J.'s Liquor, 407 Belgrade Avenue

Executive Vice President Sande presented an application from P.J.'s Liquor, 407 Belgrade Avenue, for a Central Business District (CBD) grant in the amount of \$829 for HVAC upgrades. Commissioner Steiner moved, seconded by Commissioner Hensel, to approve the CBD grant in the amount of \$829 to P.J.'s Liquor. Vote on the motion: Knutson, Arnold, Hensel, Dehen, Abbott and Steiner, aye; no nays. Motion carried.

Other Business

Executive Vice President Sande reported the Brunton infill project in the 200 Block of Belgrade is nearing completion and will be occupied the early part of October.

Several leases have been signed for the commercial portion of 422 Belgrade Avenue with one space expected to be occupied in November.

Work will begin on moving the old cinderblock garage behind the Kenne building.

The exterior of Spinners, 301 Belgrade Avenue, has been renovated and a new sign with LED lighting will be installed.

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.

President

Secretary