

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 Monday, November 7, 2011.

President Knutson called the meeting to order at 6:00 p.m. The following were present: Commissioners Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, 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 October 17, 2011 were approved.

Finance

A. Approval of Bills – October 2011

Finance Director Thorne presented the Port Authority expenditures for the month of October 2011. Commissioner Kirschbaum moved, seconded by Commissioner Steiner, to approve the bills for October 2011. Vote on the motion: Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

Report of Executive Vice President

A. Central Business District Criteria

Executive Vice President Sande presented the CBD grant criteria adopted by the Port Authority Commission in June 2009. He reported the grants have achieved the goals outlined for the redevelopment of the CBD. The two possible additions to the criteria that have been suggested are rear façade improvements and exterior rear lighting to improve the comfort and safety for patrons of the businesses. The Executive Vice President reported the initial funding of \$150,000 has been maximized and additional funds will need to be appropriated for other grants to be considered. The Commissioners discussed the need for additional parking and over the next three months will work with the business owners to identify parking areas. Several business owners in the CBD were in attendance and addressed the Port Authority Commission. Jim Whitlock, Brickhouse Graphics and President of Business on Belgrade, commented on the beautiful improvements made to Spinner's Bar & Grill and Wheels Unlimited. He asked that the Central Business District grants be more of a gray area instead of black and white so that needed improvements can be considered. He referenced alley improvements in St. Peter that beautified the area. He spoke of his vision for the Central Business District and expressed his appreciation to the Port Authority for the grants and work they have done in the CBD. Commissioner Arnold noted that the majority of the Port Authority members are in favor of keeping the grant criteria flexible and have no mission for subtracting items but may be adding some items to the list. Ivy Lewis, American Legion Post 518, thanked the Port Authority Commission for the grant reporting that work is continuing on their building and that motion lights have been added for the safety of the customers. She asked the Commission to consider paths from the parking lots to the businesses. Commissioner Knutson stated he believes the CBD lighting should be universal and not piecemeal. Sharon Schaller, Sharon's Craft, thanked the Commission for the grant to repair the damage from the plumbing disaster in her store. She also reported the electrical was not up to code and that

was also updated. Commissioner Abbott stated he approves of the list of items that are authorized uses for grant funds and that once a building has been brought up to code and updated, it makes it easier for future businesses to move into the area. Commissioner Dehen moved, seconded by Commissioner Steiner, to appropriate an additional \$75,000 for the Central Business District grants and to add the following two items to the authorized list of uses for the grants: 1) Rear façade improvements, and 2) Exterior lighting. Vote on the motion: Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

B. Residential/Commercial Vacancy Rates

Executive Vice President Sande presented research regarding current vacancy rates in the North Mankato/Mankato area. He reported that with Minnesota State University-Mankato and South Central College the occupancy rates are very high. The Executive Vice President stated that the two Budget Marts in North Mankato have been sold and staff understands the Belgrade location will be used as a convenience store and the Commerce Drive location may be split into two units for other uses. He also reported construction is underway on two of a planned total of 13 4-unit apartment buildings at the corner of Carlson Drive and Arlington Lane.

C. Community Development Fund

Executive Vice President Sande presented the proposed 2012 Budget pages for the Community Development Fund. He outlined the revenues and expenditures of the fund reporting there are some funds available for development and redevelopment projects.

Paul Donna, Northland Securities, Inc. – Recommendation on Sale of Bonds

Paul Donna, Northland Securities, Inc. appeared before the Port Authority Commission and presented the results of the sale of bonds. He reported bids were taken at 10:30 a.m. today for the \$3,215,000 General Obligation Bonds, Series 2011A, to fund the City’s portion of the design and construction of the Trunk Highway 14 and County State Aid Highway 41 Interchange; and for the \$455,000 Taxable General Obligation Tax Increment Revenue Bonds, Series 2011B to finance land acquisition costs associated with the 422 Belgrade Avenue Redevelopment Project. Mr. Donna reported that Standards & Poor’s Rating Services affirmed the City’s AA credit rating for both bond sales based on the City’s strong economic development, financial reserves and moderate overall debt burden. He reported four bids were received for the Series 2011A issue and three bids were received for the Series 2011B issue.

A. Res. No. 20-11 Accepting Offer on Sale of \$3,215,000 General Obligation Bonds, Series 2011A and Providing for Their Issuance

The following bids were received for the \$3,215,000 G.O. Bonds, Series 2011A:

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Cost</u>
BOSC, Inc.	\$1,427,586.69	3.2404%
United Bankers’ Bank	\$1,424,881.25	3.2481%
Robert W. Baird & Co., Inc.	\$1,466,276.10	3.3535%
Bernardi Securities, Inc.	\$1,532,470.42	3.4946%

Commissioner Abbott moved, seconded by Commissioner Kirschbaum, to adopt Res. No. 20-11 Accepting Offer on Sale of \$3,215,000 G.O. Bonds, Series 2011A and Providing for Their Issuance to BOSC, Inc. for a net cost of \$1,427,586.69 and a true interest cost of 3.2404%. Vote on the Resolution: Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

B. Res. No. 21-11 Accepting Offer on Sale of \$455,000 Taxable General Obligation Tax Increment Bonds, Series 2011B and Providing for Their Issuance

The following bids were received for the \$455,000 Taxable G.O. Tax Increment Bonds, Series 2011B:

Bidder	Net Interest Cost	True Interest Cost
Bernardi Securities	\$333,733.00	4.8351%
BOSC, Inc.	\$362,636.69	5.2147%
Cronin & Co., Inc.	\$364,093.80	5.2424%

Commissioner Steiner moved, seconded by Commissioner Abbott, to adopt Res. No. 21-11 Accepting Offer on Sale of \$455,000 Taxable G.O. Tax Increment Bonds, Series 2011B and Providing for Their Issuance to Bernardi Securities for a net cost of \$333,733.00 and a true interest cost of 4.8351%. Vote on the Resolution: Kirschbaum, Dehen, Abbott, Steiner, Knutson and Arnold, aye; no nays. Motion carried.

Other Business

A. Letter from Corey Brunton, 422 Belgrade Development

Corey Brunton, developer of the 422 Belgrade Project, appeared before the Commission and thanked the Port Authority Commissioners for the support they have given to the 422 Belgrade Project reporting this project would not have been possible without the support of the Port Authority. He reported construction work will begin at this site within the next two weeks. Mr. Brunton also thanked the Commission for the work they have done in the Central Business District and invited the Commissioners to the open house to be held from 4-7 p.m. on Tuesday, November 8, 2011 for the new building at 225 Belgrade Avenue housing Brunton Architects. He stated the majority of the staff at Brunton Architects are North Mankato residents and they are very excited to have their business be a part of the North Mankato Central Business District.

B. Help Wanted Ad for LJP Enterprises

Executive Vice President Sande presented a recent ad in the *Free Press* accepting applications for drivers, loader operators, maintenance, mechanics, landfill heavy equipment operators, customer service, bookkeeping, janitorial/custodial and part-time positions for weekends and nights in preparation of the LJP move into their new facility in North Mankato. Commissioner Knutson stated this is one example of how the whole community benefits from a new project.

Open Meeting to the Public

Shaun Ange, Spinners Bar & Grill, thanked the Commission for the grant. He reported the building will be 100 years old in 2012.

Jim Whitlock, President of Business on Belgrade, appeared before the Commission and spoke of a program in Duluth that brought businesses into the empty buildings.

Chad Pasbrig, Wheels Unlimited, appeared before the Commission and thanked them for the grant that enabled him to renovate and expand his building. He reported that sales have increased since the renovation was completed.

There being no further business, the meeting was adjourned at 6:45 p.m.

President

Secretary