

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, September 20, 2021.

President Arnold called the meeting to order at 6:15 p.m. The following were present: Commissioners Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold, Executive Vice President Harrenstein, Assistant Treasurer McCann, and Secretary Van Genderen. Absent: Commissioner Olenius.

Approval of the Minutes

Commissioner Steiner moved, seconded by Commissioner Norland, to approve the minutes of the Port Authority meeting of September 7, 2021. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Public Hearing, To Consider the Sale of Real Estate.

Executive Vice President Harrenstein reported the sale would be of approximately 3.79 acres of land along Howard Drive to Woodworth Family, LLC, to construct a 20,000 square foot building. The building would house Building Fasteners. With no one appearing before the Port Authority, President Arnold closed the Public Hearing.

Resolution No. 7-21 Providing for the Competitive Negotiated Sale of \$4,500,000 Taxable General Obligation Bonds, Series 2021B.

Bond Counsel Tammy Omdal from Northland Securities reported that the resolution would authorize the Port Authority to sell \$4.5 million in General Obligation (GO) Bonds. The City adopted the Ordinance at the September 7, 2021, Council Meeting to authorize the Port to use the City's full faith for the sale of bonds. The repayment schedule for the bonds is 20 years, and the proposed True Interest Cost (TIC) of the bonds is estimated at 2.28%. Ms. Omdal noted the proposed TIC is higher than a City-issued bond because the bond is taxable. The Port Authority is recommended to go out for a rating from Standard and Poor's, which should help the interest rate because the City's current rating is AA. The Authority's debt is rated based on the City's GO rating. Ms. Omdal reported on Monday, November 15, 2021, Norland Securities, on behalf of the Port, will take the sale out for competitive bidding, and the Port Authority will award the bond based on the low bid. President Arnold requested clarification on the difference between the estimated average coupon rate and the TIC. Ms. Omdal stated the average coupon rate does not take into account the underwriter fees.

President Arnold requested clarification on if the Port Authority has an offsetting revenue stream. Executive Vice President Harrenstein reported the Port Authority has two years of payments covered by HyLife payments instead of lodging taxes. The Port is already working to rebrand the hotel and get it back on the market as hospitality.

President Arnold wanted to know if the property was purchased by a hotel chain what

the Port Authority's options would be concerning repayment of the bond? Ms. Omdal reported the Port Authority could take the funds and put them in escrow until it is possible to call the note in 2031. The Port can call all or a portion of the debt in 2031 without penalty, but if the note is paid in 2031, more interest may be paid than if the Port waits until the maturation of the bonds in 2041. Commissioner Dehen moved, seconded by Commissioner Steiner, to Adopt Resolution No. 7-21 Providing for the Competitive Negotiated Sale of \$4,500,000 Taxable General Obligation Bonds, Series 2021B. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Resolution No. 8-21 Authorizing the Executive Vice President to Execute a Purchase Agreement with the Woodworth Family, LLC, for the Sale of Property Located in the North Port Industrial Park

Executive Vice President Harrenstein reported the resolution authorized the execution of the purchase agreement with the Woodworth Family, LLC. He said Nathan Woodworth was present, and the company is still reviewing its options. If the company decides not to proceed, the City will have the First Right of Refusal agreement. Commissioner Norland moved, seconded by Commissioner Dehen, to Adopt Resolution No. 8-21, Authorizing the Executive Vice President to Execute a Purchase Agreement with the Woodworth Family, LLC, for the Sale of Property Located in the North Port Industrial Park. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Other Business

None

Open Meeting to the Public

None

There being no further business, Commissioner Dehen moved, seconded by Commissioner Norland, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 6:35 p.m.

President

Secretary