

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, June 10, 2017.

President Arnold called the meeting to order at 6:30 p.m. The following were present: Commissioners Freyberg, Steiner, Whitlock, Norland, Arnold, Olenius and Dehen; Executive Vice President Harrenstein, Finance Director McCann, Community Development Director Fischer and City Clerk Van Genderen.

Approval of the Minutes

Commissioner Norland moved, seconded by Commissioner Dehen, to approve the minutes of the Port Authority meeting of June 5, 2017. Vote on the motion: Freyberg, Steiner, Norland, Whitlock, Arnold, Olenius, and Dehen aye; no nays. Motion carried.

Approval of Bills-May-June 2017

Commissioner Norland moved, seconded by Commissioner Dehen, to approve the Bills for May-June 2017. Vote on the motion: Freyberg, Steiner, Norland, Whitlock, Arnold, Olenius, and Dehen aye; no nays. Motion carried.

Financial Report

Finance Director McCann presented the 2017 Port Authority Budget. Finance Director McCann reviewed the Port Authority Funds, the tax levy, TIF Districts, RLF Loans and recent Port Authority Activity. Finance Director McCann reported part of the Port Authority's income is \$75,000 from the Tax Levy and a portion of the TIF administrative fees. President Arnold requested clarification on the TIF administrative fees. Executive Vice President Harrenstein reported administrative fees were anywhere from 3% and could go as high as 10%. Finance Director McCann reviewed the Port Authority expenditures including \$30,344 for the Greater Mankato Growth membership, \$5,000 for City Center Partnership and \$21,794 in professional services in 2016. Finance Director McCann reviewed the Joint Economic Development Fund in which the City partnered with BENCO Electric Co-op in 1990 to begin development of the North Port Industrial Park to acquire and develop the property and created a Revolving Loan Fund for development. Initially, there were 307 acres of which 257 are currently occupied, adding 1,100 jobs for a Taxable Market Value of \$44,431,400. Finance Director McCann reviewed the active TIF Districts, reviewed the Revolving Loan Fund, Port Authority Land Sales and Port Authority Loans. Commissioner Olenius requested clarification on the CDBG Fund and the Revolving Loan Fund. Executive Vice President Harrenstein reported the City of North Mankato began receiving CDBG Funds in 2009 and used those funds for home improvements and handicap accessibility of City property. In 2013 the City began reporting the Revolving Loan Fund (RLF) with the CDBG Funds. The RLF began in 1988 when a Federal Revolving Loan was paid back, and the City kept the interest and began the RLF which has assisted over 20 companies. When the City began reporting the RLF with the CDBG money, the balance began exceeding the maximum balance allowed by cities with a CDBG fund.

The City would need to spend down the account to roughly \$100,000 to meet the CDBG fund requirements. If the City does not spend down the account, the City will no longer be eligible for CDBG funds. The City may decide to no longer receive the CDBG Funds in order to maintain the RLF and fund programs currently funded by the CDBG with the RLF.

New Business

Res. No. 8-17 Initiating Process for Modification of Tax Increment Financing District IDD No. 1-23

Executive Vice President Harrenstein stated the resolution would set a Public Hearing to review a request to modify IDD No. 1-23 which is the D&K Powder Coating TIF. In 2014 a TIF was established for D&K Powder Coating to relocate to the North Port Industrial Park. D&K Powder Coating has made a successful transition and now intends to expand and is requesting to capture the eligible expenses, which would increase the TIF to \$444,000, about \$90,000 more than the original TIF. Staff recommends the TIF Modification to accommodate their expansion. Commissioner Dehen congratulated D&K Powder Coating. Commissioner Freyberg moved, seconded by Commissioner Steiner to adopt Res. No. 8-17 Initiating Process for Modification of Tax Increment Financing District IDD No. 1-23. Vote on the motion: Freyberg, Steiner, Norland, Whitlock, Arnold, Olenius, and Dehen aye; no nays. Motion carried.

Election of Officers

Commissioner Whitlock moved, seconded by Commissioner Steiner to elect Dave Arnold as President, Duane Olenius as Vice President, Mark Dehen as Treasurer; appoint Kevin McCann as Assistant Treasurer, John Harrenstein as Executive Vice President and April Van Genderen as Secretary. Vote on the motion: Freyberg, Steiner, Norland, Whitlock, Arnold, Olenius, and Dehen aye; no nays. Motion carried.

Other Business

None.

Open the Meeting to the Public

Phil Henry, 1300 Noretta Drive, appeared before the Port Authority and stated he did not approve of the proposed TIF Modification.

There being no further business, the meeting was adjourned at 7:04 p.m.

President

Secretary