

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 5, 2017.

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

Approval of the Minutes

Commissioner Steiner moved, seconded by Commissioner Dehen, to approve the minutes of the Port Authority meeting of May 25, 2017. Vote on the motion: Dehen, Freyberg, Steiner, Norland, Whitlock, Arnold, and Olenius aye; no nays. Motion carried.

Public Hearing-6:30 pm Purchase of Property PIN 01.103.0100

President Arnold opened the Public Hearing indicating the hearing was to consider the purchase of approximately 50 acres currently owned by Timm Farms, Inc. With no one appearing, President Arnold closed the Public Hearing.

Public Hearing-6:30 pm Sale of Property to Mankato Holdings, LLC

President Arnold opened the Public Hearing indicating the hearing was to consider the sale of approximately 9 acres to Mankato Holdings, LLC commonly known as Palmer Bus Service. The land is a portion of the property that is being purchased from Timm Farms, Inc. With no one appearing, President Arnold closed the Public Hearing.

Public Hearing-6:30 pm Sale of Property to Iowa Lakes Holding, LLC

President Arnold opened the Public Hearing indicating the hearing was to consider the sale of approximately 18.5 acres to Iowa Lakes Holding, LLC commonly known as Blue Star Power Systems. The land is a portion of the property that is being purchased from Timm Farms, Inc. With no one appearing, President Arnold closed the Public Hearing.

New Business

Res. No. 4-17 Authorizing the Purchase of Real Estate.

Executive Vice President Harrenstein reported the proposed resolution authorizes the purchase of approximately 50 acres currently owned by Timm Farms, Inc. The Port Authority would purchase the property for \$35,000 per acre for a total of \$1,740,550. Two businesses are preparing to purchase two portions of the property for industrial development leaving approximately 22 acres for the Port Authority to market and develop. Commissioner Freyberg moved, seconded by Commissioner Norland to adopt Resolution No. 4-17 Authorizing the Purchase of Real Estate. Vote on the motion: Dehen, Freyberg, Steiner, Norland, Whitlock, Arnold, and Olenius aye; no nays. Motion carried.

Res. No. 5-17 Conveying Certain Property Located in the City of North Mankato to Mankato Holdings, LLC.

Executive Vice President Harrenstein reported Palmer Bus Service is seeking to expand and accommodate growth, with the purchase of approximately 9 acres to build a 60,000 square foot building. The Port Authority negotiated a purchase price of 65,000 per acre for a total sale price of \$585,000.00. Commissioner Steiner moved, seconded by Commissioner Norland to adopt Resolution No. 5-17 Conveying Certain Property Located in the City of North Mankato to Mankato Holdings, LLC. Vote on the motion: Dehen, Freyberg, Steiner, Norland, Whitlock, Arnold Olenius aye; no nays. Motion carried.

Consider Approving Exchange Agreement between Mankato Holdings, LLC and St. Andrews Title & Exchange, Inc.

President Arnold stated this is a 1031 exchange agreement. Executive Vice President Harrenstein stated it is a straight forward exchange; and the Port Authority will sign the property over to St. Andrews Title & Exchange, Inc. who will then complete the exchange with Mankato Holdings, LLC. The Port Authority has been requested to approve the documents. Commissioner Norland moved, seconded by Commissioner Steiner to Approve the Exchange Agreement between Mankato Holdings, LLC and St. Andrews Title & Exchange, Inc. Vote on the motion: Dehen, Freyberg, Steiner, Norland, Whitlock, Arnold Olenius aye; no nays. Motion carried.

Consider Res. No. 6-17 Conveying Certain Property Located in the City of North Mankato to Iowa Lakes Holding, Inc.

Executive Vice President Harrenstein reported the Port Authority has negotiated the sale of approximately 18.5 acres of land to Iowa Lakes Holding, Inc. more commonly known as Blue Star Power Systems. This is a portion of the property the Port Authority is purchasing from Timm Farms, Inc. The Port Authority negotiated a purchase price of \$65,000 per acre for a total sale price of \$1,202,500. The company is anticipating building in 2018. Commissioner Norland moved, seconded by Commissioner Steiner to Adopt Res. No. 6-17 Conveying Certain Property Located in the City of North Mankato to Iowa Lakes Holding, Inc. Vote on the motion: Dehen, Freyberg, Steiner, Norland, Whitlock, Arnold Olenius aye; no nays. Motion carried.

Consider Res. No. 7-17 Resolution Approving Terms of Loan to the Cottages of Mankato, LLC, or its Affiliates, and Authorizing the Execution of Loan Documents.

Executive Vice President Harrenstein stated this is the documentation concerning a business subsidy loan for Birchwood Cottages that was discussed at the last meeting. The staff reviewed their business plan, financials and they have obtained a bank letter of credit, so staff supports proceeding with the business subsidy loan of \$300,000 with a 3% interest rate and a 15-year term. The loan program does require the creation of one job for every \$50,000 loaned and Cottages of Mankato, LLC are prepared to meet those terms. Commissioner Norland moved, seconded by Commissioner Steiner to Adopt Res. No. 7-17 Approving Terms of Loan to the

Cottages of Mankato, LLC, or its Affiliates, and Authorizing the Execution of Loan Documents. Vote on the motion:

Dehen, Freyberg, Steiner, Norland, Whitlock, Arnold Olenius aye; no nays. Motion carried.

Other Business

Commissioner Dehen moved, seconded by Commissioner Whitlock to conduct the Annual Port Authority Meeting at 6:30 p.m. on July 10, 2017. Vote on the motion: Dehen, Freyberg, Steiner, Norland, Whitlock, Arnold Olenius aye; no nays. Motion carried.

President Arnold stated he was proud of the work accomplished at this meeting of purchasing and selling land and giving a loan to develop a piece of property. He thanked the staff for their hard work.

Open the Meeting to the Public

President Arnold opened the meeting to the public with no one appearing.

There being no further business, the meeting was adjourned at 6:47 p.m.

President

Secretary