

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, August 16, 2021.

President Arnold called the meeting to order at 6:00 p.m. The following were present: Commissioners Norland, Arnold, Olenius, Dehen, Oachs, Steiner and Whitlock, Executive Vice President Harrenstein, Assistant Treasurer McCann, Community Development Director Fischer, and Secretary Van Genderen.

#### Approval of the Minutes

Commissioner Olenius moved, seconded by Commissioner Dehen, to approve the minutes of the Port Authority meeting of February 12, 2021. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

#### Approval of Bills

Commissioner Steiner moved, seconded by Commissioner Dehen, to approve the North Mankato Port Authority bills. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Whitlock and Steiner aye, no nays. Motion carried.

#### Financial Report

Assistant Treasurer McCann stated the purpose of the presentation is an overview of the Port Authority Funds and recent activity. Assistant Treasurer McCann reviewed the Port Authority Expenditures, including TIF District payments, General Fund Expenditures, and the Joint Economic Development Fund. Expenditures in 2020 were \$652,115, and the 2021 expenditures are estimated at \$654,230. Assistant Treasurer McCann reported the main funding for the Port Authority General Fund is the \$75,000 Tax Levy and TIF Admin Fees. The Port Authority General Fund expenditures include \$31,000 to Greater Mankato Growth, \$5,000 to the City Center Partnership Art Walk, and to date, in 2021, \$30,000 in professional services.

Assistant Treasurer McCann reported the Joint Economic Development Fund was established as a partnership with BENCO Electric Co-op in 1990 to develop the North Port Industrial Park to acquire and develop the property and create a Revolving Loan fund for development. Since the development of the fund, 305 acres of the 382 acres have been sold, 1,100 jobs have been created, and the 2021 Taxable Market Value is \$76,132,900.

Assistant Treasurer McCann reviewed the TIF Districts. There are currently seven active TIF Districts, and three districts ended this year, and the Belgrade Avenue Redevelopment (IDD 26) beginning in 2022. The original tax capacity for the eleven TIF Districts was \$82,332, and the current tax capacity is \$550,518.

The City has two Revolving Loan Funds, the Federal Revolving Loan Fund, and the

Local Revolving Loan Funds. The Federal Revolving Loan Fund must meet Federal

requirements, and the Local Revolving Loan Fund has less stringent requirements. At the end of 2020, the Port Authority Federal Revolving Loans had a total balance of \$793,076.45, and the Local Revolving Loan Funds had a total balance of \$225,129.76 for a total outstanding balance of \$1,018,206.21. Assistant Treasurer McCann reported the Port Authority Debt balance as of the end of 2020 was \$3,245,000.

Recent activity included a land sale to D&K Powder Coating in 2019, \$134,400 in COVID 19 Assistance Loans, and the Belgrade Avenue Redevelopment TIF District in 2019.

Commissioner Dehen moved, seconded by Commissioner Norland, to approve the Financial Report. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

#### Election of Officers

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

#### Resolution No. 2-21 Authorizing Execution of a Pledge Agreement.

Executive Vice President Harrenstein reported the City Council issued its annual debt and a portion of those bonds are the Port TIF Revenue bonds for the Belgrade Avenue Redevelopment project. Mary Ippel Counsel from Taft Law Offices reported a portion of the bonds are financing the Belgrade Avenue Redevelopment TIF and will be repaid through the TIF District. Under State Statute, the Port Authority must adopt a Resolution and execute a Pledge Agreement pledging TIF Funds to pay the bonds. Commissioner Dehen moved, seconded by Commissioner Steiner, to Adopt Resolution No. 2-21 Authorizing Execution of a Pledge Agreement. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

#### Resolution No. 3-21 Calling Public Hearing on the Proposed Establishment of the Webster Avenue Industrial Development District within the City of North Mankato and the Proposed Adoption of an Industrial Development Plan Relating Thereto.

Mary Ippel, Counsel from Taft Law Offices, reported the proposed resolution calls for a public hearing on the establishment of the Webster Avenue Industrial Development District and the proposed redevelopment plan. President Arnold requested clarification on the difference between an Industrial Development District (IDD) and a Tax Increment Financing District (TIF). Ms. Ippel reported the IDD identifies an area for redevelopment, and when or if a TIF is established, additional actions will be made to redevelop the area. Executive Vice President Harrenstein reported the IDD would designate an area for redevelopment and be used as a planning tool for the district. So

the IDD is two-fold establishing an area for redevelopment and managing the settlement

agreement results with HyLife Foods and the Norwood Inn. Commissioner Whitlock requested clarification on why the IDD goes around Rickway Carpet. Executive Vice President Harrenstein reported the area goes around FX Fusion and the Four Season's Truck wash because those were previously included in an IDD, and property cannot be in two IDD districts. Commissioner Norland requested clarification on if the ballfields that were included in the district would be removed. Executive Vice President Harrenstein reported that the Webster Avenue Area Plan explored redeveloping the Public Works building. Still, it was clear that there were no active proposals for redevelopment, but the area was included in the district as a matter of opportunity. He noted the area could be removed. Commissioner Olenius requested clarification on why the adjacent ballfield and wooded lot were not included in the IDD. Ms. Ippel commented that the plan can always be amended to include the area. Executive Vice President Harrenstein reported he believed a storm drain on the property would make it more challenging to redevelop. Still, it could be expanded to cover the area, and the Webster Avenue Plan called for the area to remain for recreational use. Commissioner Olenius moved, seconded by Commissioner Norland, to adopt Res. No. 3-21 Calling Public Hearing on the Proposed Establishment of the Webster Avenue Industrial Development District within the City of North Mankato and the Proposed Adoption of an Industrial Development Plan Relating Thereto. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

#### Resolution No. 4-21 Requesting Adoption of Ordinance Authorizing Issuance of Taxable General Obligation Bonds.

Mary Ippel, Counsel from Taft Law Offices, reported the bond would finance the acquisition of two properties bonds of the Port Authority issued with the full faith and credit of the City. In order to issue the bonds, the City Council must adopt an Ordinance to acknowledge credit to the bonds. The issuance would be for \$4,500,000.00 to acquire the property with City's full faith. The action is procedural as the bonds will be sold by the Port Authority but marketed by the City. Executive Vice President Harrenstein reported the purchase price established in the settlement agreement was \$3,250,000 for the Norwood. The remaining \$1,000,000 less the fees is held in anticipation of improving the property, and whether to reestablish the hotel, sell to a private owner, or other redevelopment opportunities. He indicated it might be necessary to couple a few parcels prepare for redevelopment or sale. Commissioner Norland moved, seconded by Commissioner Steiner, to Adopt Resolution 4-21 Requesting Adoption of Ordinance Authorizing Issuance of Taxable General Obligation Bonds. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Steiner, and Whitlock aye, no nays. Motion carried.

#### Other Business

##### 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 6:40 p.m.

---

President

---

Secretary