

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, July 15, 2019.

President Arnold called the meeting to order at 6:00 p.m. The following were present: Commissioners Oachs, Steiner, Whitlock, and Arnold and Executive Vice President Harrenstein, Assistant Treasurer McCann, Community Development Director Fischer and Secretary Van Genderen. Absent: Commissioner Dehen and Olenius. Commissioner Norland joined the meeting at 6:20 p.m.

Approval of the Minutes

Commissioner Steiner moved, seconded by Commissioner Whitlock, to approve the minutes of the Port Authority meeting of October 1, 2018. Vote on the motion: Steiner, Whitlock, and Arnold aye. Abstain: Oachs. Motion carried.

Approval of Bills

Commissioner Steiner moved, seconded by Commissioner Whitlock to approve the bills as presented. Vote on the motion: Oachs, Steiner, Whitlock, and Arnold aye. Motion carried.

Approval of Financial Report

Assistant Treasurer McCann reviewed the Port Authority's 2019 Budget. The report reviewed the Port Authority Funds, Tax Levy, TIF Districts, the Revolving Loan Fund Loans, Debt and Port Authority Recent Activity. The Port Authority General Fund revealed a transfer to the Joint Economic Development Fund for the final Rist payment. The National Dentex TIF was decertified in 2018, and Blue Star and Birchwood Cottages TIFs will begin in 2020. The Port Authority's main funding is a \$75,000 Tax Levy and TIF Administration Fees. The TIF Administration Fees are upfront fees and not amortized over the life of the TIF. The Port Authority expenditures include Greater Mankato Growth, City Center Partnership, and Professional services. Assistant Treasurer McCann reported the final Rist land payment depleted funds, but land sales will resolve the issue. He noted the Port Authority owns 53 acres and markets the property for \$45,000 an acre. The Port Authority partnered with BENCO Electric Co-op in 1990 to begin development of the North Port Industrial Park to acquire and develop the property and create a Revolving Loan Fund. Since its inception, 1,100 jobs have been created, and in 2019 the Taxable Market Value in the Industrial Park was \$63,232,300, an increase from the 2018 Taxable Market Value of \$52,651,500. Assistant Treasurer McCann reviewed the nine active TIF Districts with Birchwood Cottages and Blue Star collections projected to begin in 2020. Assistant Treasurer McCann reviewed the active loans and the Port Authority Debt. The Port Authority sold ten properties from 2014 to 2018 with potential sales in 2019. Commissioner Norland moved, seconded by Commissioner Whitlock to approve the Financial Report. Vote on the motion: Oachs, Steiner, Whitlock, and Arnold aye. Motion carried.

New Business

Consider Resolution Approving Terms of Loan to De Commerce Properties, LLC, or its Affiliates and Authorizing the Execution of Loan Documents.

President Arnold clarified the location of the property requesting the loan indicating it was at 1730 Commerce Drive between Kwik Trip and Big Dogs Sports Cafe. He suggested the Port Authority could consider the loan similar to the Central Business District Loans to improve the corridor. Community Development Director Fischer reported the business started as an oil change and light service company. The business had to receive a Conditional Use Permit (CUP) as it is not a permitted use in the district. It received the CUP and then expanded the business to include car sales. He stated the business might not comply with the CUP due to vehicles possibly staying on the premise longer than permitted and vehicles being double-parked. Due to the heavy volume of vehicles, the business is looking to expand the parking lot. Discussion was held concerning the original purpose of the business, the heavy volume of vehicles on the premise, and the desire for Commerce Drive to be attractive and functional. It was recommended that the Planning Commission review the business and its compliance with the CUP. Assistant Treasurer McCann reviewed the terms of the loan which includes being the third mortgage on the property and covering 100% of the loan. He noted the Port Authority Policy requires 20% from the applicant, although exceptions may be made. The rate would be 5.5% for ten years, and legal fees would be included in the loan for a total of \$29,000. Commissioners recommended the loan agreement come before the Port Authority following a review of the CUP by the Planning Commission.

Election of Officers

Commissioner Steiner moved, seconded by Commissioner Oachs to elect Dave Arnold as President, Duane Olenius as Vice President, Mark Dehen as Treasurer, reappoint Kevin McCann as Assistant Treasurer, John Harrenstein as Executive Vice President and April Van Genderen as Secretary. Vote on the motion: Oachs, Steiner, Whitlock, Norland, and Arnold aye. Motion carried.

Other Business

None

Open Meeting to the Public

None

There being no further business, Commissioner Steiner moved, seconded by Commissioner Norland, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 6:48 p.m.

President

Secretary