

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, October 28, 2019.

President Arnold called the meeting to order at 12:05 p.m. The following were present: Commissioners Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold, Executive Vice President Harrenstein, Assistant Treasurer McCann, Community Development Director Fischer, and Secretary Van Genderen. Absent Commissioner Olenius.

Approval of the Minutes

Commissioner Steiner moved, seconded by Commissioner Dehen, to approve the minutes of the Port Authority meeting of September 16, 2019. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold aye, no nays. Motion carried.

Approval of Bills

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

Public Hearing, 12:00 p.m. Tax Increment Financing District IDD No. 1-26

Executive Vice President Harrenstein reported the proposed resolution for the Tax Increment Financing District IDD 1-26 would determine whether or not to open the district. The proposed project is for the Rooftop Bar/Frandsen Bank. With no one appearing before the Port Authority President Arnold closed the Public Hearing.

Consider Resolution No. 6-19 Approving Tax Increment Financing District IDD 1-26 Plan.

Ed Tschida, Development Consultant, appeared before the Port Authority and reported the plan presented had a few changes from the plan that was presented in earlier meetings. He stated the plan anticipates reimbursing the owners \$750,000, but the City has contemplated the addition of public improvements, which would include improvements to publicly owned streets and parking lots. The map included in the TIF plan reflects the proposed TIF District. The proposed public improvements estimated cost is \$425,000. Executive Vice President Harrenstein reported discussion had been held concerning including the public improvements of \$425,000 in the TIF District. The improvements would include alley improvements, burying electric lines, wayfinding signage, and pedestrian safety improvements. If the Port includes those improvements and plans to borrow to cover the costs the TIF would be extended an additional 7-years. Consultant Tschida reported the total TIF would be \$1,331,753, with \$750,000 going to the developers for the land and \$425,000 for public improvements. The development agreement signed by the developer would require the City to take precedence. Executive Vice President Harrenstein stated the public improvements have been outlined in the Belgrade Master Plan and would qualify as part of the TIF Plan. President Arnold questioned if there are unforeseen expenses can the plan be modified to include extra funds? Consultant Tschida reported the TIF Plan could not increase

without Port Approval, but line items can be moved around. Commissioner Oachs asked for clarification on if assessments would be assessed to businesses. Executive Vice President Harrenstein reported the City is not anticipating assessing any properties. Commissioner Dehen noted the intention is to make improvements for the public good, and these can be paid for through the TIF. Commissioner Dehen moved, seconded by Commissioner Norland, to adopt Res. No. 6-19 Approving Tax Increment Financing District IDD 1-26 Plan. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold aye, no nays. Motion carried.

Consider Development Agreement with Belgrade Business Center LLC.

Executive Vice President Harrenstein reported the development agreement includes the improvements outlined in the TIF plan. The agreement also assures a minimum of 15 parking spaces will be opened to the general public after 6:00 p.m. and an easement for a pedestrian public walkway between the buildings. Executive Vice President Harrenstein stated the tax collected would first pay for the public improvements, and then the developer will be paid until they receive the \$750,000. Commissioner Steiner moved, seconded by Commissioner Dehen, to Approve the Development Agreement with Belgrade Business Center, LLC. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold aye, no nays. Motion carried.

Consider Approving Purchase Agreement with Kathleen Schnepf for Five Acres.

Executive Vice President Harrenstein reported D&K Powder Coating approached North Mankato concerning the future expansion of their business. He reported a portion of the five acres is owned by the Port Authority, and the Port Authority recently authorized the purchase of 3.85 acres from Burnett Properties LLLC. The 3.85 acres will be put together with the Port's land to sell to D&K Powder Coating. Executive Vice President Harrenstein stated the purchase price is \$75,000 an acre. The Purchase Agreement comes with a first right of refusal for the City of North Mankato along with specific building requirements. President Arnold reported D&K Powder Coating has been a good partner for the City of North Mankato and have lived up to their obligations. Commissioner Steiner moved, seconded by Commissioner Dehen, to approve the Purchase Agreement with Kathleen Schnepf for Five Acres. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold aye, no nays. Motion carried.

Consider Resolution Calling for a Public Hearing on the Issuance of Educational Revenue Refunding Notes (Bethany Lutheran College Project).

Executive Vice President Harrenstein reported the proposal is subsequent to the conduit bond policy the Port Authority approved in 2019. He reported the request is for 10.5 million dollars, with 5 million dollars requested from the Port Authority and 5.5 million dollars from the City. The City and Port Authority will not have any obligation for the bonds. The money will be used by Bethany to refinance current debt. Commissioner Steiner moved, seconded by Commissioner Oachs, to Adopt the Resolution Calling for a Public Hearing on the issuance of Educational Revenue Refunding Notes (Bethany Lutheran College Project). Vote on the motion: Dehen,

Oachs, Steiner, Whitlock, Norland, and Arnold aye, no nays. Motion carried.

Consider Resolution Calling for a Public Hearing on the Issuance of a Facilities Revenue Refunding Note (VINE Project).

Executive Vice President Harrenstein reported this is a request for conduit bonds from VINE Faith in Action. The bond would be for 4.5 million dollars and would be used to refinance the Borrower's outstanding debt. Commissioner Norland moved, seconded by Commissioner Steiner, to adopt the Resolution Calling for a Public Hearing on the Issuance of a Facilities Revenue Refunding Note (VINE Project). Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold aye, no nays. Motion carried.

Review Proposed 2020 Port Authority Funds

Finance Director McCann reported on the Port Authority General Funds noting the Port Authority had a total revenue of \$98,223 with \$75,000 from the tax levy, a portion will also be received from the administrative TIF fees and other miscellaneous revenues. Proposed expenditures totaled \$85,520. Finance Director McCann reported the Federal Revolving Loan Fund has a balance of almost 1 million dollars; the balance may change if businesses apply for loans. The Local Revolving Loan & Northside Revivals Fund has a balance of \$150,000. A request was made to advertise the Northside Revivals program. Finance Director McCann reviewed the Port Authority Joint Economic Fund which is projected to have a cash balance of approximately \$107,000 due to anticipated land sales. Finance Director McCann reviewed the TIF Funds noting that two new districts will be coming on in 2020, both Blue Star Power Systems and Birchwood Cottages, but three TIFs will be completed in 2021. The overall cash balance is steady. Commissioner Dehen moved, seconded by Commissioner Norland, to approve the proposed 2020 Port Authority Funds. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold aye, no nays. Motion carried.

Other Business

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 12:39 p.m.

President

Secretary