

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, September 16, 2019.

President Arnold called the meeting to order at 6:30 p.m. The following were present: Commissioners Norland, Arnold, Olenius, Dehen, Oachs, and Whitlock, Executive Vice President Harrenstein, Assistant Treasurer McCann, Community Development Director Fischer and Secretary Van Genderen. Commissioner Steiner arrived at 6:32 p.m.

Approval of the Minutes

Commissioner Dehen moved, seconded by Commissioner Olenius, to approve the minutes of the Port Authority meeting of September 3, 2019. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, and Whitlock aye, no nays. Motion carried.

Approval of Bills

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

Public Hearing, 6:30 p.m. Consider the Purchase of Property Identified as P.I.N. 01.103.0615 and 18.316.0020 form Burnett Properties, LLLP

Executive Vice President Harrenstein reported that approximately five acres of land would be purchased for \$35,000 an acre and assembled with Port Authority property to sell to a developer. If the developer backs out the Port Authority may decide to proceed with the purchase or they may decide to not complete the transaction. With no one appearing before the Port Authority President Arnold closed the Public Hearing.

Consider Resolution No. 4-19 Authorizing the Purchase of Real Estate.

Commissioner Dehen moved, seconded by Commissioner Norland to adopt Res. No. 4-19 Authorizing the Purchase of Real Estate. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Whitlock and Steiner aye, no nays. Motion carried.

Consider Adopting Private Activity Revenue Bond (Conduit Debt) Policy.

Commissioner Steiner moved, seconded by Commissioner Norland to remove Adopt a Private Activity Revenue Bond (Conduit Debt) Policy from the table. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Whitlock and Steiner aye, no nays. Motion carried.

Executive Vice President Harrenstein introduced Daniel Burns from Briggs & Morgan to answer any conduit debt questions. Executive Vice President Harrenstein reported Mr. Burns included language that allows the Port Authority to deny an application. The language was in response to Commissioner concerns about the ability of the Port Authority to turn down or deny an applicant. Mr. Burns reported the conduit policy allows the City to issue bonds for non-profits, and it is a way to encourage development. Commissioner Dehen requested clarification on who would market the

conduit debt policy. Mr. Burns reported the Port Authority could let local 501C(3) know about the option. Executive Vice President Harrenstein noted non-profits are learning about the option through their lenders. President Arnold clarified that the Port is not liable for the funds if there is a default. Commissioner Olenius clarified the bond would not affect the City's credit rating or debt ratio. Commissioner Norland moved, seconded by Commissioner Steiner to Adopt the Private Activity Revenue Bond (Conduit Debt) Policy. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Whitlock and Steiner aye, no nays. Motion carried.

Resolution on the Proposal to Establish Tax Increment Financing District IDD No. 1-26 and Calling for Consultation with Other Affected Jurisdictions and Public Hearing- Hearing Date October 28, 2019, at 12:00 p.m.

Executive Vice President Harrenstein reviewed the TIF Application and reported the TIF would be a pay as you go TIF and no debt would be incurred by the City. The project would consist of the demolition of 238 Belgrade Avenue and 245 Belgrade Avenue and the development of a two-story, 200 seat restaurant of approximately 7800 square feet and associated parking behind the building and a two-story, 10,370 square foot, office building with Frandsen Bank as the main tenant. The project is eligible for TIF, and the request is for a 10-year, \$750,000 TIF. If the \$750,000 is paid out before 10-years the TIF will be decertified. If 10-years ends and the project has not paid out \$750,000 the TIF will still be decertified. Ed Tschida from Advanced Resources for Development reviewed the TIF application and noted the Public Hearing is set for October 28, 2019, at noon. Commissioner Oachs requested clarification on the calculation concerning the TIF and if the current site of Frandsen Bank is considered in the calculations. Mr. Tschida reported the only portion included in the calculations are the sites that will be redeveloped. Commissioner Dehen requested clarification on the fact the applicants did not include a Pro-forma. Mr. Tschida reported the lender will collect a Pro-forma and decide if the project is financially suitable. Commissioner Whitlock requested information on if the TIF is on the property or with the business/developer. Mr. Tschida reported the TIF is the City's and it goes with the property and the Port Authority has the ability to transfer the TIF if they want to move the TIF. Executive Vice President Harrenstein reported discussion had been held concerning public improvements included with this project. Those numbers are currently not included in the TIF application. Mr. Tschida reported it is hard to include public improvements if the project has not been confirmed. The public improvements can be added to the project up to 5 years after the project is certified. Commissioner Norland moved, seconded by Commissioner Whitlock to Adopt Resolution on the Proposal to Establish Tax Increment Financing District IDD No. 1-26 and Calling for Consultation with Other Affected Jurisdictions and Public Hearing. Vote on the motion: Norland, Arnold, Olenius, Dehen, Oachs, Whitlock and Steiner aye, no nays. Motion carried.

Other Business

Open Meeting to the Public

There being no further business, Commissioner Norland moved, seconded by Commissioner Steiner, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 7:14 p.m.

President

Secretary