

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 Tuesday, April 13, 2020. City Administrator Harrenstein on March 31, 2020, under MN Statute Section 13D.021, declared the use of electronic meetings due to the COVID-19 pandemic.

President Arnold called the meeting to order at 12:00 p.m. The following were present in the Council Chambers: Commissioners Steiner, Norland, Arnold, Executive Vice President Harrenstein, and Secretary Van Genderen. The following were present remotely by Zoom application: Commissioners Whitlock, Olenius, Dehen, and Oachs, and Assistant Treasurer McCann.

Approval of the Minutes

Commissioner Norland moved, seconded by Commissioner Steiner, to approve the minutes of the Port Authority meeting of February 18, 2020. Vote on the motion: Whitlock, Norland, Arnold, Olenius, Dehen, Oachs, and Steiner, aye, no nays. Motion carried.

Approval of Bills

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

Approved Northside Revivals Home Improvement Grant Application-Kristen & Sammi Olinger
Community Development Director Fischer reviewed the application. The applicant is only applying for the grant, and the project qualifies for the full 10% of the total project cost. The applicant is requesting a \$2,610.00 grant to assist with the finishing of attic space. Included in the packet was the contractor estimate of \$26,100 and a preapproval letter from Frandsen Bank & Trust approving a loan for the applicant. Community Development Director Fischer reported a repayment plan of \$500.00 a year is included if the terms of the grant application are not met. Commissioner Dehen moved, seconded by Commissioner Steiner, to Approve the Northside Revivals Home Improvement Grant Application. Vote on the motion: Whitlock, Norland, Arnold, Olenius, Dehen, Oachs, and Steiner, aye, no nays. Motion carried.

Res. No. 3-20 Recommending the Establishment of the COVID-19 Assistance Loan Program to Assist Eligible North Mankato Businesses

President Arnold requested Commissioner Olenius to review the federal Paycheck Protection Program (PPP). Commissioner Olenius discussed how the PPP program works, who qualifies, and what bills qualify for the program.

Executive Vice President Harrenstein addressed the reasons for the establishment of the COVID-19 Assistance Loan Program. Governor Walz's executive order closing certain businesses to slow the spread of COVID-19 has caused havoc to local businesses and the economy. The proposed program reflects other local programs, including ones in St. Peter, Eagle Lake, and Lake Crystal.

Executive Vice President Harrenstein reviewed the program scope. Eligible businesses include bars, restaurants, clubs, arts/crafts stores, fitness/health studios, retail sales, pet care/grooming, and hair salons/barbershops. The maximum amount under the program is \$12,500 per participating business, with maximum funding received on three months of mortgage/lease payments and utility payments. The loan is a five-year loan at 3% interest deferred until August 31, 2021. The repayment of the loan shall begin on September 1, 2021. The loan shall be utilized to pay lease/mortgage payment and utility bill payments. The Port Authority reserves the right to approve, deny, or modify all loan requests. Executive Vice President Harrenstein reported there had been several changes to the proposed loan program, but the resolution and attached loan package are being recommended.

Additional discussion was held concerning PPP and how the proposed COVID-19 Assistance Loan could work together to assist struggling businesses.

Commissioner Dehen stated with the loan program capped at \$300,000; the Port could potentially provide 24 loans at \$12,500. Commissioner Dehen requested clarification on how the loans would be prioritized and suggested prioritizing closed businesses and then businesses that have limited operations. Attorney Kennedy asked for clarification on if local mom and pop stores would take precedence over large corporately owned businesses. Executive Vice President Harrenstein reported a loan review committee comprised of himself, the President of the Port Authority, and Assistant Treasurer McCann would review and prioritize the loan applications under the Port Authorities established guidelines. A discussion was held concerning who would sign the promissory notes and personal guarantees. It was determined the promissory notes would be signed by the businesses and personal guarantees by the business owners.

Commissioner Norland moved, seconded by Commissioner Steiner, to Adopt Res. No. 3-20 Recommending the Establishment of the COVID-19 Assistance Loan Program to Assist Eligible North Mankato Businesses. Vote on the motion: Whitlock, Norland, Arnold, Olenius, Dehen, Oachs, and Steiner, aye, no nays. Motion carried.

Other Business

Executive Vice President Harrenstein reported building around the City continues with an estimated \$36 million in construction. He noted the City has begun working with Development Services out of Ivanhoe, Minnesota, to apply for BDI grants and other grants actively.

Open Meeting to the Public

Barb Church, 102 Wheeler Avenue, on the teleconference line requested Commissioners identify themselves before they speak.

There being no further business, Commissioner Norland moved, seconded by Commissioner Whitlock, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 12:56 p.m.

President

Secretary

EXTRACT OF MINUTES OF A MEETING OF THE
BOARD OF COMMISSIONERS OF THE
PORT AUTHORITY OF THE CITY OF NORTH MANKATO, MINNESOTA

Pursuant to due call and notice thereof, a regular or special meeting of the Board of Commissioners of the Port Authority of the City of North Mankato, Minnesota, was duly held at the City Hall of the City of North Mankato, Minnesota, on April 20, 2020, commencing at 6:30 o'clock P.M.

The following Commissioners were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 4-20

A RESOLUTION CALLING FOR A PUBLIC HEARING
ON THE ISSUANCE OF
EDUCATIONAL FACILITIES REVENUE NOTES, SERIES 2020
(BETHANY LUTHERAN COLLEGE PROJECT)

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner _____, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

RESOLUTION NO. _____

A RESOLUTION CALLING FOR A PUBLIC HEARING
ON THE ISSUANCE OF
EDUCATIONAL FACILITIES REVENUE NOTES, SERIES 2020
(BETHANY LUTHERAN COLLEGE PROJECT)

WHEREAS, Minnesota Statutes, Sections 469.152 through 469.165, relating to municipal industrial development (the "Act"), gives port authorities the power to issue revenue obligations for the purpose of promoting the welfare of the state by the active attraction and encouragement and development of economically sound industry and commerce to prevent so far as possible the emergence of blighted and marginal lands and areas of chronic unemployment; and

WHEREAS, the Port Authority of the City of North Mankato, Minnesota (the "Authority"), has received from Bethany Lutheran College, Inc., a Minnesota nonprofit corporation and 501(c)(3) organization (the "Borrower"), a proposal that the Authority assist in the financing, in part, of (i) the acquisition, construction, and equipping of a complex consisting of an approximately 95,000 square-foot student activity and wellness center, (ii) the potential renovation and remodeling of other student activity spaces, including but not limited to Memorial Library, Luther Hall, the Sports and Fitness Center, and the Ylvisaker Fine Arts Center, and (iii) other capital improvement and development projects to attract and retain students and employees (the "Project"), all to be located on the Borrower's campus, 700 Luther Drive, in the City of Mankato, Minnesota (the "Host"), through the issuance of revenue notes or obligations (in one or more series) (the "Notes") to be issued pursuant to the Act; and

WHEREAS, before proceeding with consideration of the request of the Borrower it is necessary for the Authority to hold a public hearing on the proposal pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Host intends to designate the Authority to hold a public hearing on behalf of the Host on the proposal:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of the City of North Mankato, Minnesota, as follows:

1. The Authority shall hold a combined public hearing, for itself, and on behalf of the Host, on the proposal of the Borrower, which will be held at a time and place to be determined by the Secretary of the Authority. The form of the Notice of Public Hearing is attached hereto as Exhibit A, and is hereby approved in substantially the form submitted. An estimate of the aggregate principal amount of the Notes to be issued is described in the Notice of Public Hearing. The Authority shall submit a transcript of the proceedings of the public hearing to the Host prior to the Host giving its final approval to the issuance of the Notes for the Project.

2. Taft Stettinius & Hollister LLP, acting as bond counsel for the Authority, is hereby authorized and directed to cause the submission of notice of the public hearing for publication in the official newspaper of the Authority and a newspaper of general circulation available in the City, not less than 14 days nor more than 30 days prior to the date for the hearing, substantially in the form of the attached Notice of Public Hearing.

Adopted by the Board of Commissioners of the Port Authority of the City of North Mankato, Minnesota, this 20th day of April, 2020.

President

ATTEST:

Secretary

STATE OF MINNESOTA
COUNTIES OF BLUE EARTH
AND NICOLLET
PORT AUTHORITY OF THE
CITY OF NORTH MANKATO

I, the undersigned, being the duly qualified and acting Secretary of the Port Authority of the City of North Mankato, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Board of Commissioners of said Port Authority duly called and held on the date therein indicated, insofar as such minutes relate to calling for a public hearing on approving the issuance of educational facilities revenue obligations.

WITNESS my hand this ___ day of _____, 2020.

Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING ON A PROPOSAL FOR THE ISSUANCE OF EDUCATIONAL FACILITIES REVENUE NOTES, SERIES 2020 (BETHANY LUTHERAN COLLEGE PROJECT)

Notice is hereby given that a public hearing shall be conducted by the Board of Commissioners of the Port Authority of the City of North Mankato, Minnesota (the "Authority"), on [WEEKDAY], [MONTH_DAY], 2020 at __:__ P.M., at the City Hall of the City of North Mankato, Minnesota (the "City"), located at 1001 Belgrade Avenue in the City, to consider the proposal of Bethany Lutheran College, Inc., a Minnesota nonprofit corporation (the "Borrower"), that the Authority assist in the financing, in part, of (i) the acquisition, construction, and equipping of a complex consisting of an approximately 95,000 square-foot student activity and wellness center, (ii) the potential renovation and remodeling of other student activity spaces, including but not limited to Memorial Library, Luther Hall, the Sports and Fitness Center, and the Ylvisaker Fine Arts Center, and (iii) other capital improvement and development projects to attract and retain students and employees (the "Project"), located on the Borrower's campus, 700 Luther Drive, in the City of Mankato, Minnesota (the "Host"), and to finance certain other costs related to the Project, by the issuance of revenue notes or other obligations in an amount not to exceed \$5,500,000 pursuant to Minnesota Statutes, Sections 469.152 to 469.165, as amended. The Project will be owned and operated by the Borrower.

The notes or other obligations, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the Authority or the Host, except the Project and the revenues to be derived from the Project. Such notes or obligations will not be a charge against the Authority's, City's, or Host's general credit or taxing powers, but will be payable from sums to be paid by the Borrower pursuant to a revenue agreement.

A draft copy of the proposed application to the Commissioner of the Department of Employment and Economic Development, State of Minnesota, for approval of the financing of the Project, together with all attachments and exhibits thereto, are available for public inspection during normal business hours, Monday through Friday, at the City Hall of the City. Electronic copies of the application may also be requested by emailing the Secretary of the Authority at aprilv@northmankato.com.

At the time and place fixed for the public hearing, the Authority will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may file written comments respecting the proposal with the Executive Vice President of the Authority at or prior to the public hearing.

PLEASE NOTE, due to COVID-19, if the Governor of the State of Minnesota extends, or rescinds and replaces, Emergency Executive Order 20-23, and thereby causing the stay-at-home order to be in effect as of the date of the public hearing, the public hearing may be conducted via telephone or other electronic means as allowed under Minnesota Statutes, Section 13D.021. Please refer to the City's website at <https://www.northmankato.com/> or call City Hall at 507-625-4141 to learn how to attend and participate in the public hearing via telephone or electronically.

BY ORDER OF THE BOARD OF
COMMISSIONERS OF THE PORT AUTHORITY
OF THE CITY OF NORTH MANKATO,
MINNESOTA

By April Van Genderen
Its Secretary

BY ORDER OF THE CITY COUNCIL OF THE
CITY OF MANKATO, MINNESOTA

By: Patrick Henges
Its: City Manager