

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 2, 2018.

President Arnold called the meeting to order at 6:45 p.m. The following were present: Commissioners Steiner, Whitlock, Arnold, Dehen and Freyberg; Executive Vice President Harrenstein, Finance Director McCann and Deputy Clerk Anderson. Commissioner Norland arrived during the Approval of the Minutes. Absent; Commissioner Olenius.

#### Approval of the Minutes

Commissioner Steiner moved, seconded by Commissioner Dehen, to approve the minutes of the Port Authority meeting of June 18, 2018. **Vote on the motion: Steiner, Whitlock, Arnold and Dehen aye. Norland and Freyberg abstain. Motion carried.**

#### Approval of Bills

Executive Vice President noted there is a final interest payment to the Rists for the property north of North Central Utility and purchased by South Central Service Cooperative. Commissioner Dehen moved, seconded by Commissioner Steiner to approve the bills. **Vote on the motion: Steiner, Whitlock, Norland, Arnold, Dehen and Freyberg aye; no nays. Motion carried.**

Public Hearing – Consider Sale of Land Located at 315 Range Street to SOCO, LLP Barb Church, 102 E Wheeler Avenue appeared before the Port Authority and inquired on the amount originally paid for the property and the cost of the demolition. Executive Vice President Harrenstein indicated the property was approximately \$30,000 which included the demolition. President Arnold noted the tax assessed value was \$15,000. Ms. Church requested the Port Authority discuss with the new owner the noise expectations for the music stage. President Arnold indicated they are aware of that issue.

With no one else appearing, President Arnold closed the Public Hearing.

New Business – Resolution Conveying Certain Property Located in the City of North Mankato to SOCO, LLP. Executive Vice President Harrenstein asked the Port Authority to amend the fourth whereas on the Resolution, to amend the purchase price from \$12,500 to \$13,000 to reflect the full purchase price which includes the earnest money. Executive Vice President Harrenstein indicated the purchase agreement allows payment to be made before August 2018 and 4% interest on the balance to be paid before July 2019. **Commissioner Steiner moved, seconded by Commissioner Norland to adopt the Resolution with the Amendment. Vote on the Motion: Steiner, Whitlock, Norland, Arnold, Dehen and Freyberg aye; no nays. Motion carried.**

Other Business

None

Open Meeting to the Public

President Arnold opened the meeting to the public with no one appearing.

There being no further business, the meeting was adjourned at 6:54 p.m.

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President

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Deputy Clerk



City of North Mankato, MN

# Port Authority Claims

By Fund

Payment Dates 07/03/2018 - 07/16/2018

Vendor Part Number	Vendor Name	Payment Date	(None)	(None)	Amount
Fund: 256 - TIF DIST 18 LJP ENTERPRISES	LJP ENTERPRISES, INC	07/16/2018			35,755.92
Fund 256 - TIF DIST 18 LJP ENTERPRISES Total:					35,755.92
Fund: 259 - TIF DIST 22 LINDSAY	LINDSAY WINDOW & DOOR, LI	07/16/2018			8,843.00
Fund 259 - TIF DIST 22 LINDSAY Total:					8,843.00
Fund: 260 - TIF DIST 21 ALLSTATE PETERBILDT	ALLSTATE PETERBILT LLC	07/16/2018			11,906.91
Fund 260 - TIF DIST 21 ALLSTATE PETERBILDT Total:					11,906.91
Grand Total:					56,505.83

## Authorization Signatures

### Port Authority

The above claims list for 7-16-18 is approved by:

\_\_\_\_\_  
MARK DEHEN - COMMISSIONER

\_\_\_\_\_  
JAMES WHITLOCK - COMMISSIONER

\_\_\_\_\_  
DIANE NORLAND - COMMISSIONER

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WILLIAM STEINER - COMMISSIONER

\_\_\_\_\_  
ROBERT FREYBERG - COMMISSIONER

\_\_\_\_\_  
DUANE OLENIUS - COMMISSIONER

\_\_\_\_\_  
DAVID ARNOLD - COMMISSIONER



# Port Authority 2018 Budget

July 16, 2018

# Purpose of Tonight's Meeting

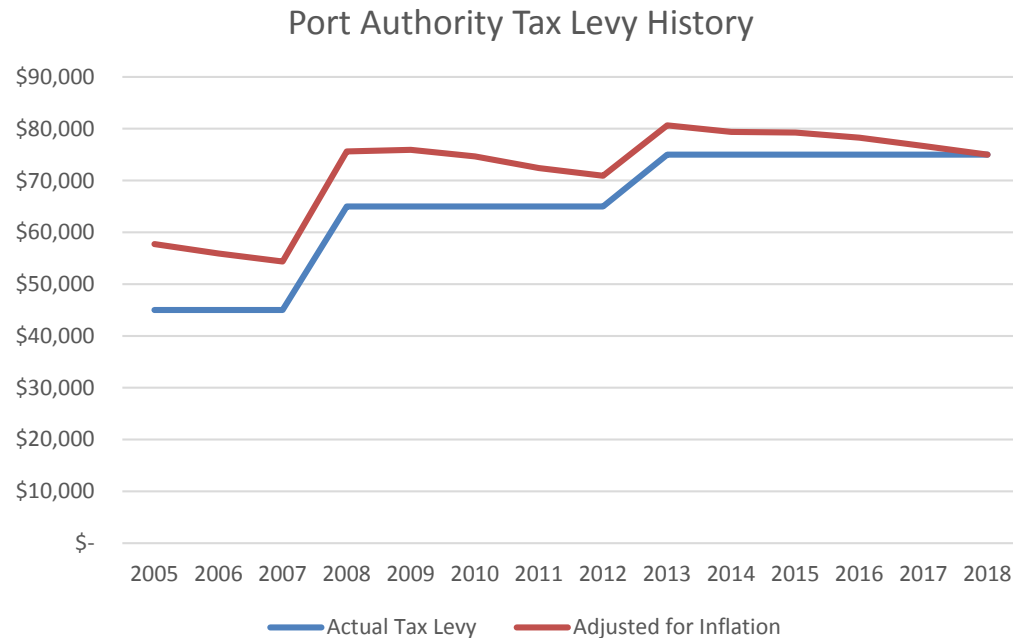
- Overview of Port Authority's Funds
- Tax Levy
- TIF Districts
- RLF Loans
- Debt
- Port Authority Recent Activity

# Port Authority Funds – Expenditure Budgets

Fund	2017	2018	2017/2018 +/-
Port Authority - General Fund	\$ 78,991	\$ 79,006	\$ 15
Joint Economic Development Fu	\$ 140,500	\$ 144,000	\$ 3,500
Federal Revolving Loan	\$ -	\$ -	\$ -
Local Revolving Loan	\$ -	\$ 45,700	\$ 45,700
TIF 8 - Marigold	\$ 77,244	\$ 102,663	\$ 25,419
TIF 14 - Webster Avenue	\$ 8,229	\$ 8,564	\$ 335
TIF 17 - National Dentex	\$ 13,436	\$ 13,436	\$ -
TIF 2 - Webster Avenue (FX Fusi	\$ 10,050	\$ 4,970	\$ (5,080)
TIF 18 - LJP	\$ 79,468	\$ 84,240	\$ 4,772
TIF 20 - Ziegler	\$ 90,513	\$ 90,513	\$ -
TIF 1-19 422 Belgrade	\$ 29,740	\$ 33,778	\$ 4,038
TIF 19 - Lindsay Windows	\$ 16,464	\$ 17,724	\$ 1,260
TIF 21 - Allstate	\$ 27,151	\$ 27,955	\$ 804
TIF 23 - D&K Powder Coating	\$ 45,128	\$ 34,339	\$ (10,789)

# Port Authority General Fund

- Main funding - \$75,000 Tax Levy (1.2% of Tax Levy) & TIF Admin Fees
- Tax Levy History



# 2017/2018 Levy Comparison

	<b>2017 Amount</b>	<b>2018 Amount</b>	<b>Dollar Amount</b>	<b>% Change</b>
General Fund Levy	\$ 4,282,256	\$ 4,621,889	\$ 339,633	7.93%
Port Authority	75,000	75,000	\$ -	0.00%
Debt Service	1,440,953	1,370,848	\$ (70,105)	-4.87%
Tax Abatement	112,083	221,014	\$ 108,931	97.19%
<b>Total Tax Levy</b>	<b>\$ 5,910,292</b>	<b>\$ 6,288,751</b>	<b>\$ 378,459</b>	<b>6.40%</b>



# Port Authority General Fund

- Expenditures
  - Greater Mankato Growth - \$31,000
  - City Center Partnership - \$5,000 (art walk)
  - Professional Services (engineers, surveyors, etc.)
    - \$20,708 in 2017
    - \$21,794 in 2016
    - \$ 5,808 in 2015

**CITY OF NORTH MANKATO, MINNESOTA  
PORT AUTHORITY GENERAL FUND - 228  
2018 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ADOPTED	2017 ACTUAL	2018 ADOPTED
<b>REVENUES</b>					
TOTAL PROPERTY TAXES	75,000	75,000	75,000	75,000	75,000
TOTAL MISCELLANEOUS REVENUES	8,030	47,369	14,281	16,844	14,281
TOTAL TRANSFERS IN	36,697	-	-	-	-
<b>TOTAL REVENUES</b>	<b>119,727</b>	<b>122,369</b>	<b>89,281</b>	<b>91,844</b>	<b>89,281</b>
<b>EXPENDITURES</b>					
PERSONNEL SERVICES	-	-	-	970	-
SUPPLIES	-	-	150	-	-
SERVICES AND CHARGES	48,221	39,851	69,804	73,341	69,600
CAPITAL OUTLAY	222	-	-	51,723	-
TOTAL TRANSFERS OUT	125,503	9,212	9,037	9,037	141,406
<b>TOTAL EXPENDITURES</b>	<b>173,946</b>	<b>49,063</b>	<b>78,991</b>	<b>135,071</b>	<b>211,006</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(54,220)</b>	<b>73,306</b>	<b>10,290</b>	<b>(43,227)</b>	<b>(121,725)</b>
FUND BALANCE BEGINNING	192,648	138,428	211,734	211,734	168,507
FUND BALANCE ENDING	138,428	211,734	222,024	168,507	46,782
<b>TOTAL ADJUSTMENTS FROM CHANGES IN ASSETS AND LIABILITIES</b>	<b>(6,014)</b>	<b>1,758</b>			
CASH, BEGINNING	198,848	138,614	213,678	213,678	178,376
CASH, ENDING	138,614	213,678	223,968	178,376	56,651

# Joint Economic Development Fund

- City Partnered with BENCO Electric Co-op in 1990 to begin development of the North Port Industrial Park for two purposes:
  - Acquire and develop property
  - Create Revolving Loan fund for development
- 357 Acres, 281 acres occupied
- 1,100 jobs
- 2018 Taxable Market Value \$52,651,500

- 2017 - \$44,431,400



**CITY OF NORTH MANKATO, MINNESOTA  
PORT AUTHORITY JOINT ECONOMIC DEVELOPMENT - 240  
2018 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 ACTUAL	2018 ADOPTED
<b>REVENUES</b>					
TOTAL MISCELLANEOUS REVENUES	137,337	335,880	9,307	1,012,099	7,901
TOTAL TRANSFERS IN	122,000	-	-	-	132,000
<b>TOTAL REVENUES</b>	<b>259,337</b>	<b>335,880</b>	<b>9,307</b>	<b>1,012,099</b>	<b>139,901</b>
<b>EXPENDITURES</b>					
SERVICES AND CHARGES	24,717	28,192	26,500	93,148	30,000
CAPITAL OUTLAY	122,000	118,000	114,000	114,000	114,000
TOTAL TRANSFERS OUT	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>146,717</b>	<b>146,192</b>	<b>140,500</b>	<b>207,148</b>	<b>144,000</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>112,620</b>	<b>189,688</b>	<b>(131,193)</b>	<b>804,951</b>	<b>(4,099)</b>
FUND BALANCE BEGINNING	59,029	171,649	361,337	361,337	1,166,288
FUND BALANCE ENDING	171,649	361,337	230,144	1,166,288	1,162,189
<b>TOTAL ADJUSTMENTS FROM CHANGES IN ASSETS AND LIABILITIES</b>	<b>1,265</b>	<b>5,334</b>			<b>1,406</b>
CASH, BEGINNING	528	114,413	309,435	309,435	3,180
CASH, ENDING	114,413	309,435	178,242	3,180	487



# TIF Districts

City of North Mankato TIF Project History - YE 2016														
District #	Description	Decert. Date	Year Est.	Years	First Year TIF Rec'd	Total Expenses	Total Revenues	Other Sources and Uses	TIF Balance	Fund Balance	Cash Balance	Original Tax Capacity	Current Tax Capacity	Captured Tax Capacity
IDD 17	National Dentex	2018	2008	10	2010	(\$93,040)	\$93,040	\$0	\$0	\$6,360	\$0	\$1,442	\$13,910	\$12,468
IDD 18	LJP	2021	2010	10	2012	(\$341,402)	\$341,402	\$0	\$0	\$0	\$0	\$5,038	\$77,122	\$72,084
IDD 20	Ziegler	2021	2011	10	2013	(\$355,344)	\$355,344	\$0	\$0	\$0	\$0	\$9,026	\$79,224	\$70,198
IDD 21	All-State Peterbilt	2021	2011	10	2013	(\$110,451)	\$109,817	\$0	(\$634)	\$0	\$0	\$386	\$23,464	\$23,078
IDD 22	Lindsay	2021	2011	10	2013	(\$68,003)	\$67,601	\$0	(\$402)	\$0	\$0	\$13,722	\$28,354	\$14,632
IDD 23	D & Powder Coating	2025	2015	10	2017	\$0	\$0	\$0	\$0	\$0	\$0	\$5,332	\$32,670	\$27,338 Est.
IDD 14	Webster Avenue (Sign Pro)	2027	2000	25	2002	(\$391,223)	\$170,272	\$234,835	\$13,884	\$70,073	\$70,073	\$12,328	\$31,669	\$19,341
Dist. 2	Webster Ave (FX Fusion)	2036	2009	25	2011	(\$191,320)	\$29,484	\$159,336	(\$2,500)	\$1,016	\$1,016	\$5,937	\$11,202	\$5,265
IDD 8	Marigold Dairy Phase I	2037	1990	25	2012	(\$2,392,699)	\$131,194	\$1,527,632	(\$733,873)	(\$380,606)	\$212,031	\$3,082	\$26,158	\$23,076
IDD 19	422 Belgrade Redevel.	2039	2010	25	2013	(\$543,210)	\$103,377	\$446,082	\$6,249	\$21,885	\$6,557	\$7,006	\$24,687	\$17,681
<b>Total Active TIF Districts</b>						<b>(\$4,486,692)</b>	<b>\$1,401,531</b>	<b>\$2,367,885</b>	<b>(\$717,276)</b>	<b>(\$281,272)</b>	<b>\$289,677</b>	<b>\$63,299</b>	<b>\$348,460</b>	<b>\$285,161</b>

Birchwood Cottages  
and Blue Star  
collections expected to  
begin in 2020



# Revolving Loan Funds (RLF)

- City operates two revolving loan funds
  - Federal Revolving Loan Fund – loan eligibility based on Federal requirements
  - Local Revolving Loan Funds – less stringent requirements
- Loans Receivable as of 12/31/17

<b>LOANS RECEIVABLE</b>							
<b>12/31/17</b>							
	<b>ISSUE</b>	<b>ISSUE</b>	<b>MATURITY</b>	<b>LOAN</b>	<b>INTERVAL</b>	<b>2017</b>	
	<b>AMOUNT</b>	<b>DATE</b>	<b>DATE</b>	<b>YEARS</b>	<b>PAYMENT</b>	<b>PRINCIPAL</b>	<b>BALANCE</b>
						<b>PAYMENTS</b>	<b>12/31/2017</b>
<b><u>FEDERAL REVOLVING LOAN - ECONOMIC DEVELOPMENT LOANS</u></b>							
THIN FILM - NMP HOLDINGS	\$ 250,000.00	12/1/2009	12/1/2029	20	1,514.95	184,050.70	(0.00)
EQUITY SUPPLY (RAYS MARKEY)#1 - Kevin Boerboom	\$ 61,334.39	7/1/2013	7/1/2023	10	250.00	1,891.12	43,326.96
STANLEY AND BEVERLY DEFRIES (Countryside Refrigeration)	\$ 98,100.00	12/5/2002	12/5/2017	15	594.95	5,728.11	32,160.51
CREATIVE CO - Thomas Peterson	\$ 300,000.00	2/10/2006	2/5/2016	10	1,817.94	-	0.00
RANDY APPEL - FX Fusion	\$ 58,000.00	9/1/2007	6/1/2025	18	351.47	30,238.83	-
THEUNINCK ROLLING GREEN PROPERTIES LLC	\$ 300,000.00	12/28/2010	1/1/2021	10	1,583.51	9,032.73	244,312.10
D & K POWDER COATING, LLC	\$ 300,000.00	9/15/2014	9/15/2029	15	2,071.74	17,202.28	245,926.37
PORT AUTHORITY - MANKATO BREWERY	\$ 100,000.00	5/18/2015	6/1/2030	15	690.58	5,606.68	86,292.10
							-
						<b>253,750.45</b>	<b>652,018.04</b>
<b><u>LOCAL REVOLVING LOANS</u></b>							
MINNESOTA TRUCK & TRACTOR	\$ 50,000.00	1/1/2010	1/1/2030	20	289.98	2,238.44	34,247.10
SOUTHERN MINNESOTA SURGICAL Moved from 221 to 234 in 2013 note 221 shows moved in 2013 but 234 does not show receipts until 2014	\$ 25,000.00	3/1/2012	3/1/2019	7	200.00	1,708.81	16,348.35
WSK HOLDING LLC Moved from 228 to 234 in 2013 note 228 and 234 show this as receipts in 2013	\$ 9,000.00	10/1/2008	6/1/2019	11	91.12	1,007.91	1,589.41
							-
						<b>4,955.16</b>	<b>52,184.86</b>
<b><u>JOINT ECONOMIC DEVELOPMENT</u></b>							
KAREN LEFEBVRE	\$ 65,000.00	9/25/2008	10/15/2038	30	358.93	1,405.81	54,495.91
						<b>1,405.81</b>	<b>54,495.91</b>
<b>SUBTOTAL PORT AUTHORITY FUNDS</b>						<b>260,111.42</b>	<b>758,698.81</b>
<b>GRAND TOTAL</b>						<b>260,111.42</b>	<b>758,698.81</b>



# Port Authority Debt

Issue/Year	Debt	Project	2018			Funding Source	Amount Issued	12/31/17 Balance	Final Payment
			Principal	Interest	Total				
2009A	Port Authority Taxable Refunding Bonds	Refund 1198A - Enggren's Marketplace	\$ 170,000	\$ 11,226	\$ 181,226	Tax Levy	\$ 1,370,000	\$ 345,000	2019
2010D	GO Tax Increment Bonds	Refund Marigold & FX Fusion	55,000	31,163	\$ 86,163	Tax Increment	810,000	700,000	2034
2011A	GO Bonds - Port Authority	Hwy 14 & CSAH 41	135,000	87,806	\$ 222,806	Sales Tax	3,215,000	2,820,000	2034
2011B	GO Tax Increment Bonds	422 Belgrade	15,000	18,778	\$ 33,778	Tax Increment	455,000	415,000	2035
	<b>TOTAL DEBT</b>		<b>\$ 375,000</b>	<b>\$ 148,973</b>	<b>\$ 523,973</b>		<b>\$ 5,850,000</b>	<b>\$ 4,280,000</b>	
2011	Contract for Deed - Rist		100,000	10,000	\$ 110,000	Joint E.D. Fund	<b>\$ 1,008,000</b>	<b>\$ 300,000</b>	2019
	<b>GRAND TOTAL</b>		<b>\$ 475,000</b>	<b>\$ 158,973</b>	<b>\$ 633,973</b>		<b>\$ 6,858,000</b>	<b>\$ 4,580,000</b>	



# Recent Activity - Land Sales

## – 2013

- Cemstone, South Central

## – 2014

- D&K Powder Coating, Knight Development

## – 2015

- Met-Con Warehouse

## – 2016

- North Central Utility Trailer, Appel Holdings, 4 Seasons Truck Wash, O'Brien

## – 2017

- Palmer Bus Service, Blue Star Power Systems

## – 2018

- Downtown lot to Spinners

# Recent Activity - Loans

– 2013

- Peter Pan

– 2014

- D&K Powder Coating

– 2015

- Mankato Brewery

# Recent Activity – TIF Districts

– 2013

– 2014

- D&K Powder Coating

– 2015

– 2016

– 2017

- D&K Powder Coating Modification
- Birchwood Cottages
- Blue Star

# Questions

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