

Pursuant to due call and notice thereof, a North Mankato Port Authority Commission meeting was held in the Council Chambers of the Municipal Building on Monday, June 17, 2024.

President Olenius called the meeting to order at 5:45 p.m. The following were present: Commissioners Carlson, Farforth, Peterson, Whitlock, Steiner, Executive Vice President McCann, Assistant Treasurer Ryan, Community Development Director Fischer, and Secretary Van Genderen.

Approval of the Minutes

Commissioner Whitlock moved, seconded by Commissioner Steiner, to approve the minutes of the Port Authority meeting of February 20, 2024. Vote on the motion: Carlson, Farforth, Peterson, Whitlock, Steiner, and Olenius, aye, no nays. Motion carried.

Approval of Bills

Commissioner Steiner moved, seconded by Commissioner Whitlock, to Approve the bills. Vote on the motion: Carlson, Farforth, Peterson, Whitlock, Steiner, and Olenius, aye, no nays. Motion carried.

Review Land Purchase Options and Receive Information on a Proposed Port Authority General Obligation Bonds, Series 2024A Schedule.

Community Development Director Fischer reported in February of 2024, staff had presented the Port Authority with multiple options for potential land purchases to accommodate the continued growth of the industrial park. As a result staff negotiated with landowners and can present two purchase agreements between the Port Authority and Burnett Properties LLLP and HH Partnership. With Burnett Properties LLP, the agreement is for 43.8 acres at \$35,000 per acre, with the Port Authority assuming any deferred assessments (\$571,920). For HH Partnership, the agreement is for 17 acres, at \$39,000 per acre, with the Port Authority assuming any deferred assessments (\$220,680). If the Port Authority moves forward with the purchase, Ringhofer Drive would be extended. There has been interest in a 5.9 acre lot and a 6.3 acre lot. The City is interested in constructing a new Public Works Facility in the area. Staff would apply for funding to the Minnesota Department of Employment and Economic Development through their Business Development Public Infrastructure program which could fund up to half of the cost for the extension. The estimated cost of the extension is \$2,400,000 and the City's request would be \$1.2 million.

City Administrator McCann reported that without BENCO Electric being willing to share the cost of the expansion, the City would be short \$950,000 if only using the proceeds from the sale of the Norwood Inn. Staff is proposing bonding for the full purchase price of both pieces of property and the revenue from the hotel fund would cover 5 years of payment, at which point the Port Authority would need to levy taxes to pay for the bond, if no land sales occur. Tammy Omdal from Northland Securities recommended direct

negotiated bonds so that when the Port sells the property, the bonds can be paid off early.

Commissioner Farforth stated he was in favor of the purchase to help continue the progression of the industrial park. It was discussed that the City would apply for the funding for the Ringhofer extension for the 2025 construction season.

Resolution Authorizing the Purchase of Real Estate-Burnett Properties, LLLP

The resolution would authorize the purchase of 43.8 acres of land for \$35,000 per acre for a total purchase price of \$1,533,000.00. Commissioner Farforth moved, seconded by Commissioner Peterson, to Adopt Resolution No. 1-24 Authorizing the Purchase of Real Estate-Burnett Properties, LLLP. Vote on the motion: Carlson, Farforth, Peterson, Whitlock, Steiner, and Olenius, aye, no nays. Motion carried.

Resolution Authorizing the Purchase of Real Estate-HH Partnership

The resolution would authorize the purchase of 17 acres of land for \$39,000 per acre for a total purchase price of \$668,070.00, which includes deferred assessments. Commissioner Steiner moved, seconded by Commissioner Whitlock to Adopt Resolution No. 2-24 Authorizing the Purchase of Real Estate-HH Partnership. Vote on the motion: Carlson, Farforth, Peterson, Whitlock, Steiner, and Olenius, aye, no nays. Motion carried.

Open Meeting to the Public

None

There being no further business, Commissioner Steiner moved, seconded by Commissioner Whitlock, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 6:02 p.m.

President

Secretary