

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



City of North Mankato, MN

Port Authority Claims

By Fund

Payment Dates 6/20/2024 - 7/15/2024

Vendor Part Number	Vendor Name	Payment Date	Amount
Fund: 228 - PORT AUTHORITY			
	I & S GROUP, INC.	07/17/2024	4,157.75
	ABDO FINANCIAL SOLUTIONS	07/01/2024	565.60
	ABDO FINANCIAL SOLUTIONS	07/15/2024	100.00
	FREDRIKSON & BYRON, P.A.	06/26/2024	408.00
Fund 228 - PORT AUTHORITY Total:			5,231.35
Fund: 261 - TIF DIST 23 D & K POWDERCOATING			
	D & K POWDER COATING	07/15/2024	956.20
Fund 261 - TIF DIST 23 D & K POWDERCOATING Total:			956.20
Fund: 262 - TIF DIST 24 BIRCHWOOD COTTAGES			
	BIRCHWOOD COTTAGES	07/15/2024	19,642.67
Fund 262 - TIF DIST 24 BIRCHWOOD COTTAGES Total:			19,642.67
Fund: 263 - TIF DIST 25 BLUE STAR POWER SYSTEMS			
	BLUE STAR POWER SYSTEMS, I	07/15/2024	222,743.29
Fund 263 - TIF DIST 25 BLUE STAR POWER SYSTEMS Total:			222,743.29
Fund: 371 - PORT AUTH TAX GO TIF REV BONDS 2011B			
	COMPUTERSHARE	07/17/2024	7,325.00
Fund 371 - PORT AUTH TAX GO TIF REV BONDS 2011B Total:			7,325.00
Grand Total:			255,898.51

Authorization Signatures

Port Authority

The above claims list for 7/15/24 is approved by:

SCOTT CARLSON - COMMISSIONER

JAMES WHITLOCK - COMMISSIONER

WILLIAM STEINER - COMMISSIONER

SANDRA OACHS - COMMISSIONER

MATT PETERSON - COMMISSIONER

DUANE OLENIUS - COMMISSIONER

DOUG FAHRFORTH - COMMISSIONER

RESOLUTION #3-24

RESOLUTION REQUESTING ADOPTION OF
ORDINANCE AUTHORIZING ISSUANCE
OF TAXABLE GENERAL OBLIGATION BONDS

WHEREAS, the North Mankato Port Authority Commission (the "Authority") proposes to finance the acquisition of certain property within the Industrial Development District No. 1 (the "Industrial Development District"), through the issuance of taxable general obligation bonds secured by the full faith and credit of the City of North Mankato; and

WHEREAS, the Project will promote the Authority's program of economic development and redevelopment within the Industrial Development District; and

WHEREAS, Minnesota Statutes, Section 469.060, subdivision 5, provides that the Authority may only pledge the full faith and credit of the City of North Mankato and levy ad valorem property taxes for the payment of the bonds pursuant to an ordinance adopted by the City Council.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Mankato Port Authority Commission that the City Council is hereby requested to adopt an ordinance in substantially the form attached hereto as Exhibit A authorizing the issuance of said bonds in an amount not to exceed \$2,345,000.

Dated this 15th day of July, 2024.

President

Attested by:

Secretary

CERTIFICATION

STATE OF MINNESOTA)
) ss.
COUNTIES OF NICOLLET AND BLUE EARTH)

I, _____, Secretary of the North Mankato Port Authority Commission, and State aforesaid, do hereby certify that I have the care and custody of the resolution adopted by the North Mankato Port Authority Commission; that the annexed and foregoing resolution is a true, correct and compared copy of the original thereof as adopted by said North Mankato Port Authority Commission on the 15th day of July, 2024, and now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said North Mankato Port Authority Commission, Minnesota, this 15th day of July, 2024.

Secretary

EXHIBIT A

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS BY THE PORT AUTHORITY OF NORTH MANKATO IN THE MAXIMUM PRINCIPAL AMOUNT OF \$2,345,000 FOR THE PURPOSE OF SECURING FUNDS AS NEEDED BY THE CITY OF NORTH MANKATO TO FINANCE THE ACQUISITION OF PROPERTY WITHIN THE INDUSTRIAL DEVELOPMENT DISTRICT NO. 1 IN FURTHERANCE OF SAID PORT AUTHORITY'S PROGRAM OF ECONOMIC DEVELOPMENT AND REDEVELOPMENT; AND AUTHORIZING SAID PORT AUTHORITY TO PLEDGE THE FULL FAITH, CREDIT AND RESOURCES OF THE CITY OF NORTH MANKATO AND THE LEVY OF AD VALOREM PROPERTY TAXES FOR THE SECURITY OF SAID BONDS.

WHEREAS, The Council of the City of North Mankato, being duly advised in the premises, finds and determines that it is necessary for the Port Authority of North Mankato to issue and sell bonds in the aggregate principal amount of \$2,345,000 for the purpose of securing funds as needed by the City of North Mankato to finance the acquisition of property within the Industrial Development District No. 1 as set forth in the Industrial Development District No. 1 Plan in furtherance of the program of economic development and redevelopment authorized by Minnesota Statutes, Sections 469.048 through 469.068; and it is necessary and proper for the Council, pursuant to said laws, to authorize the issuance and sale of said bonds and the pledge of the full faith, credit and resources of the City of North Mankato and the levying of ad valorem property taxes for the security thereof, and to prescribe and consent to the form and terms of said bonds when and as issued by the Port Authority under the authorization granted by this ordinance;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF NORTH MANKATO DOES ORDAIN:

Section 1. That pursuant to and in accordance with the provisions, terms and conditions of this ordinance and of Minnesota Statutes Section 469.048 through 469.068, and 469.079, authority is hereby granted to the Port Authority of North Mankato to issue and sell its bonds as authorized by Minnesota Statutes, Section 469.060 and Chapter 475 and that said bonds are authorized to be issued and sold in the aggregate principal amount not to exceed \$2,345,000 for the purpose of securing funds as needed by the City, in said aggregate amount, to finance the acquisition and betterment of property required for the Port Authority's program of economic development and redevelopment, within the Industrial Development District No. 1.

Section 2. That as security for the prompt and faithful payment of both principal and interest on said bonds, said Port Authority is hereby authorized to pledge the full

faith, credit and resources of the City of North Mankato and to levy and ad valorem property taxes therefor as provided in Section 469.060, Minnesota Statutes, and that the bonds issued and sold pursuant to this ordinance shall be issued and sold by the Port Authority in the manner provided by law, and subject to such terms and conditions as the Port Authority may determine and the City Council may approve by resolution.

Section 3. That said Port Authority shall provide for the exercise of the authority hereby granted for its issuance and sale of its said bonds, and the pledge of the full faith, credit and resources of said City of North Mankato as security for the payment of the same by appropriate resolutions; and that in each such instance said Port Authority shall make due compliance with all applicable requirements of this ordinance, Minnesota Statutes, Sections 469.048 through 469.068 and Chapter 475, and all other applicable laws.

Section 4. After adopting, signing and attestation, this Ordinance shall be posted as required by law, and shall be published once in the official newspaper of the City and shall be effective upon such publication.

The foregoing Ordinance was introduced by Councilmember _____, who moved its adoption. The motion for the adoption of the foregoing Ordinance was duly seconded by Councilmember _____ and upon a vote being taken thereon, the following Councilmembers voted in favor thereof:

and the following voted against the same:

Whereupon said Ordinance was declared duly passed and adopted this 5th day of August, 2024.

Mayor

Attest:

City Clerk

Published in the Mankato Free Press this __ day of _____, 2024.

RESOLUTION NO. 4-24
A RESOLUTION DECERTIFYING
TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO.1-23
(D&K Powder Coating LLC)
OF THE CITY OF NORTH MANKATO

WHEREAS, on March 31, 2015, the North Mankato Port Authority (the "Port Authority") established Tax Increment Financing Redevelopment District No. 1-23 (the "District"); and

WHEREAS, Minnesota Statutes, Section 469.174 to 469.179 (the "TIF Act") authorizes the Port Authority to decertify a tax increment financing district on any date after all the bonds and other obligations have been satisfied; and

WHEREAS, the established decertification date for the District is December 31, 2025; and

WHEREAS, the Port Authority desires by this resolution to decertify the District with an effective date of July 15, 2024, by which all taxing jurisdictions will benefit from an increased tax base effective for taxes payable in 2024; and

WHEREAS, the Port Authority acknowledges such action will be taken by Nicollet County to decertify the District as a Tax Increment District and to no longer remit tax increment from the District to the City with an effective date of July 15, 2024; and

WHEREAS, the Port Authority acknowledges that any receipt of tax increment from Nicollet County for the District after July 15, 2024, shall be declared and returned to Nicollet County as excess tax increment.

NOW THEREFORE, BE IT RESOLVED by the Port Authority of the City of North Mankato that:

1. The Finance Director is authorized and directed to provide Nicollet County with documents related to decertification of the District, to submit the Confirmation of Decertified TIF District form to the Office of the State Auditor and take any other steps required for a decertification date of July 15, 2024.
2. The Finance Director is authorized and directed to determine the amount of excess tax increment in the account for the District and to return all excess tax increment to Nicollet County for redistribution to other taxing jurisdictions.

Adopted this 15th day of July, 2024.

President

Secretary

D&K Powder Coating
Amortization - Pay As You Go

Interest Rate 0.00%
Administrative Reimbursement = per development agreement is 5% or approximately \$2,256, but you can't take out more than 10% of the total TIF received over the life of the district.

Date	TIF Received	Admin Reimb	Note Payment	Capitalized Interest	Interest Payment	Principal Payment	Note Balance
9/17/2014			261-5113-638902	\$ -			\$ 385,852.00
8/1/2017	\$ 17,169.54	\$ 858.00	\$ 16,311.54		\$ -	\$ 16,311.54	\$ 369,540.46
1/1/2018	\$ 17,169.17	\$ 858.00	\$ 16,311.17		\$ -	\$ 16,311.17	\$ 353,229.29
8/1/2018	\$ 18,346.74	\$ 917.00	\$ 17,429.74		\$ -	\$ 17,429.74	\$ 335,799.55
1/1/2019	\$ 18,346.74	\$ 917.00	\$ 17,429.74		\$ -	\$ 17,429.74	\$ 318,369.81
8/1/2019	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 318,369.81
1/1/2020	\$ 38,919.19	\$ 1,946.00	\$ 36,973.19		\$ -	\$ 36,973.19	\$ 281,396.62
8/1/2020	\$ 33,070.11	\$ 1,654.00	\$ 31,416.11		\$ -	\$ 31,416.11	\$ 249,980.51
1/1/2021	\$ 33,070.12	\$ 1,654.00	\$ 31,416.12		\$ -	\$ 31,416.12	\$ 218,564.39
8/1/2021	\$ 33,653.74	\$ 1,683.00	\$ 31,970.74		\$ -	\$ 31,970.74	\$ 186,593.65
1/1/2022	\$ 33,653.73	\$ 1,683.00	\$ 31,970.73		\$ -	\$ 31,970.73	\$ 154,622.92
8/1/2022	\$ 33,653.19	\$ 1,683.00	\$ 31,970.19		\$ -	\$ 31,970.19	\$ 122,652.73
1/1/2023	\$ 33,653.20	\$ 1,683.00	\$ 31,970.20		\$ -	\$ 31,970.20	\$ 90,682.53
8/1/2023	\$ 47,224.17	\$ 2,361.00	\$ 44,863.17		\$ -	\$ 44,863.17	\$ 45,819.36
1/1/2024	\$ 47,224.16	\$ 2,361.00	\$ 44,863.16		\$ -	\$ 44,863.16	\$ 956.20
8/1/2024 final	\$ 1,006.20	\$ 50.00	\$ 956.20		\$ -	\$ 956.20	\$ 0.00

\$ 406,160.00	\$ 20,308.00	\$ 385,852.00	\$ -	\$ -	\$ 385,852.00
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