

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, May 16, 2022.

President Olenius called the meeting to order at 6:30 p.m. The following were present: Commissioners Whitlock, Norland, Olenius, Dehen, and Steiner, Interim Executive Vice President Fischer, Assistant Treasurer McCann, and Secretary Van Genderen. Absent: Commissioner Kaus. Commissioner Oachs joined the meeting at 6:32 p.m.

Approval of the Minutes

Commissioner Dehen moved, seconded by Commissioner Norland, to approve the minutes of the Port Authority meeting of April 5, 2022. Vote on the motion: Whitlock, Norland, Olenius, Dehen, and Steiner aye, no nays. Motion carried.

Approval of Bills

Commissioner Steiner moved, seconded by Commissioner Dehen, to approve the bills. Vote on the motion: Whitlock, Norland, Olenius, Dehen, and Steiner aye, no nays. Motion carried.

Consider Approving Third Amendment to Commerical Lease Agreement.

Interim Executive Vice President Fischer reported that at the last Port Authority Meeting staff reported HyLife is seeking an extended lease to allow for time to work on permanent housing construction in Windom, Minnesota, for their workers. Staff communicated with the company and they determined the project end would be mid to late summer of 2023 and the company has requested an extension on their lease of the Norwood Inn for an additional 6 months. Commissioner Dehen moved, seconded by Commissioner Steiner to approve the Third Amendment to Commerical Lease Agreement. Vote on the motion: Whitlock, Norland, Olenius, Dehen, and Steiner aye, no nays. Motion carried.

Consider Approving First Amendment to the Settlement Agreement.

Interim Executive Vice President Fischer reported the settlement agreement needs to be extended since the Commerical Lease Agreement is extended. The use of the Norwood Inn is not in compliance with City Code and the settlement agreement allows non-enforcement of the code during the Commercial Lease. Commissioner Dehen moved, seconded by Commissioner Whitlock to approve the First Amendment to the Settlement Agreement. Vote on the motion: Whitlock, Norland, Olenius, Dehen, Oachs, and Steiner aye, no nays. Motion carried.

Other Business

None

Open Meeting to the Public

None

There being no further business, Commissioner Steiner moved, seconded by Commissioner Norland, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 6:35 p.m.

President

Secretary



City of North Mankato, MN

Port Authority Claims

By Fund

Payment Dates 5/17/2022 - 7/20/2022

Vendor Part Number	Vendor Name	Payment Date	Amount
Fund: 228 - PORT AUTHORITY			
	ABDO LLP	07/05/2022	470.00
	ABDO LLP	07/18/2022	110.00
Fund 228 - PORT AUTHORITY Total:			580.00
Fund: 234 - LOCAL REVOLVING LOAN FUND			
	ETS CORPORATION	06/02/2022	3.39
	ETS CORPORATION	07/01/2022	3.39
Fund 234 - LOCAL REVOLVING LOAN FUND Total:			6.78
Fund: 261 - TIF DIST 23 D & K POWDERCOATING			
	D & K POWDER COATING	07/20/2022	31,970.19
Fund 261 - TIF DIST 23 D & K POWDERCOATING Total:			31,970.19
Fund: 262 - TIF DIST 24 BIRCHWOOD COTTAGES			
	BIRCHWOOD COTTAGES	07/18/2022	21,128.36
Fund 262 - TIF DIST 24 BIRCHWOOD COTTAGES Total:			21,128.36
Fund: 263 - TIF DIST 25 BLUE STAR POWER SYSTEMS			
	BLUE STAR POWER SYSTEMS, I	07/18/2022	203,582.37
Fund 263 - TIF DIST 25 BLUE STAR POWER SYSTEMS Total:			203,582.37
Grand Total:			257,267.70

Authorization Signatures

Port Authority

The above claims list for 7-18-22 is approved by:

MARK DEHEN - COMMISSIONER

JAMES WHITLOCK - COMMISSIONER

DIANE NORLAND - COMMISSIONER

WILLIAM STEINER - COMMISSIONER

SANDRA OACHS - COMMISSIONER

DUANE OLENIUS - COMMISSIONER

BENJAMIN KAUS - COMMISSIONER



Port Authority 2022 Budget

July 18, 2022

Purpose of Tonight's Meeting

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

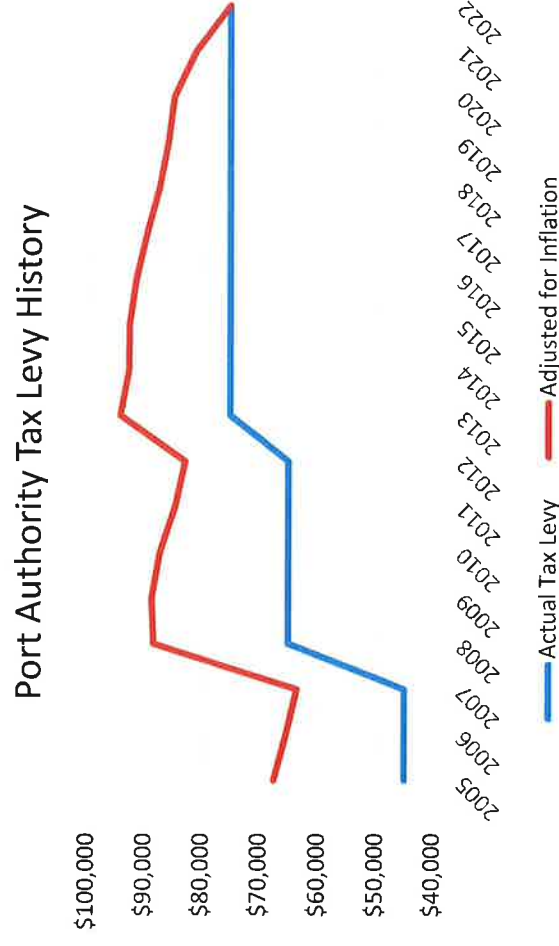
Port Authority Funds – Expenditure Budgets

Fund	2021 Adopted	2022 Proposed	+/-
Port Authority - General Fund	94,590	93,989	(601)
Joint Economic Development Fund	40,000	57,000	17,000
Port Authority - Hotel Fund		166,921	166,921
Federal Revolving Loan	-	-	-
Local Revolving Loan	29,100	29,100	-
TIF 8 - Marigold	75,683	75,000	(683)
TIF 14 - Webster Avenue	11,194	11,285	91
TIF 2 - Webster Avenue (FX Fusion)	6,916	6,917	1
TIF 18 - LJP	79,468	-	(79,468)
TIF 20 - Ziegler	87,089	-	(87,089)
TIF 1-19 422 Belgrade	32,615	31,490	(1,125)
TIF 19 - Lindsay Windows	21,307	-	(21,307)
TIF 23 - D&K Powder Coating	66,140	67,307	1,167
TIF 24 - Birchwood Cottages	39,028	41,195	2,167
TIF 25 - Blue Star Power Systems	48,740	212,549	163,809
TIF 26 - Belgrade Redevelopment	-	16,367	16,367
TOTAL	\$ 631,870	\$ 809,120	\$ 177,250

Port Authority General Fund

- Main funding –
 - \$75,000 Tax Levy (1.05% of Total Tax Levy \$7,122,995)
 - TIF Admin Fees

• Port Authority Tax Levy History



2021/2022 Levy Comparison

	2021 Levy	2022 Levy	2022 Levy \$ Increase	2022 Levy % Increase
General				
Fund Levy	5,218,162	\$5,300,575	\$82,413	1.58%
Port Authority	75,000	75,000	\$0	0.00%
Debt Service Tax	1,213,070	1,346,736	\$133,666	11.02%
Abatement Additional Levy	477,096	400,684	(\$76,412)	-16.02%
Total Tax Levy	\$6,983,328	\$7,122,995	\$139,667	2.00%

Port Authority General Fund

- Expenditures
 - Regional Economic Development Alliance - \$30,789
 - Transfers - \$12,294
 - City Center Partnership - \$5,000 (art walk)
 - GMG - \$3,566
 - Audit - \$4,936
 - Professional Services (engineers, surveyors, etc.)
 - \$11,846 in 2022
 - \$30,000 in 2021
 - \$23,000 in 2020

PORT AUTHORITY GENERAL FUND - 228 **2022 Budget**

	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2022 PROPOSE	+/- 2021/2022
REVENUES					
TOTAL PROPERTY TAXES	75,000	75,000	75,000	75,000	-
TOTAL MISCELLANEOUS REVENUES	77,257	42,793	17,088	19,788	2,700
TOTAL REVENUES	152,257	117,793	92,088	94,788	2,700
EXPENDITURES					
PERSONNEL SERVICES	1,382	1,456	1,285	1,444	159
SERVICES AND CHARGES	109,382	69,848	80,910	80,150	(760)
TOTAL TRANSFERS OUT	12,567	12,735	12,395	12,395	-
TOTAL EXPENDITURES	123,330	84,039	94,590	93,989	(600)
REVENUES OVER (UNDER) EXPENDITURES	28,927	33,753	(2,502)	799	3,300
FUND BALANCE BEGINNING	66,897	95,824	108,527	106,025	
FUND BALANCE ENDING	95,824	129,577	106,025	106,824	
CASH, BEGINNING	67,227	94,233	132,506	130,004	
CASH, ENDING	94,233	132,506	130,004	130,803	
CASH AS % OF EXPENDITURES	76%	158%	137%	139%	

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
- 382 Acres, 305 acres occupied
- 1,100 jobs
- 2022 Taxable Market Value \$73,821,200
 - 2021 \$67,964,700

**CITY OF NORTH MANKATO, MINNESOTA
PORT AUTHORITY JOINT ECONOMIC DEVELOPMENT - 240
2022 Budget**

	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2022 PROPOSE	+/- 2021/2022
REVENUES					
TOTAL MISCELLANEOUS REVENUES	387,359	11,682	11,594	80,505	68,911
TOTAL TRANSFERS IN	-	-	23,000	-	(23,000)
TOTAL REVENUES	387,359	11,682	34,594	80,505	45,911
EXPENDITURES					
SERVICES AND CHARGES	44,760	35,944	40,000	57,000	17,000
CAPITAL OUTLAY	330,278	-	-	-	-
TOTAL EXPENDITURES	375,038	35,944	40,000	57,000	17,000
REVENUES OVER (UNDER) EXPENDITURES	12,321	(24,262)	(5,406)	23,505	28,911
FUND BALANCE BEGINNING	1,162,052	1,174,373	1,150,111	1,144,705	
FUND BALANCE ENDING	1,174,373	1,150,111	1,144,705	1,168,210	
ADJUSTMENTS FROM CHANGES IN ASSETS AND LIABILITIES					
(INCREASE) DECREASE IN ASSETS					
LOAN RECEIVABLE		1,645	1,733	1,827	88
TOTAL ADJUSTMENTS FROM CHANGES IN ASSETS AND LIABILITIES	-	1,645	1,733	1,827	88
CASH, BEGINNING	12,732	26,614	3,997	324	
CASH, ENDING	26,614	3,997	324	25,656	

TIF Districts

City of North Mankato TIF Project History - YE 2021

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 18	LJP	2021	2010	8	2013	(\$664,046)	\$664,046	\$0	\$0	\$0	\$0	\$5,038	\$73,038	\$68,000
IDD 20	Ziegler	2021	2011	8	2013	(\$772,194)	\$775,434	\$0	\$3,240	\$83,848	\$83,848	\$9,026	\$83,174	\$74,148
IDD 22	Lindsay	2021	2011	8	2013	(\$156,182)	\$167,417	\$0	\$11,235	\$21,498	\$21,498	\$13,722	\$31,312	\$17,590
IDD 23	D & Powder Coating	2025	2014	8	2017	(\$243,398)	\$243,398	\$0	\$0	\$0	\$0	\$5,332	\$58,404	\$53,072
IDD 14	Webster Avenue (Sign Pro)	2027	2000	25	2002	(\$439,643)	\$252,802	\$234,835	\$47,994	\$86,407	\$86,407	\$8,315	\$22,008	\$13,693
IDD 24	Birchwood Cottages	2028	2018	8	2020	(\$80,223)	\$80,223	\$0	\$0	\$0	\$0	\$0	\$30,855	\$30,855
IDD 25	Blue Star Power Systems	2028	2018	8	2020	(\$238,014)	\$238,014	\$0	\$0	\$0	\$0	\$4,612	\$24,820	\$20,208
Dist. 2	Webster Ave (FX Fusion)	2036	2009	25	2011	(\$237,088)	\$61,855	\$159,336	(\$15,897)	\$2,485	\$2,485	\$5,937	\$12,080	\$6,143
IDD 8	Marigold Dairy Phase I	2037	1990	25	2012	(\$2,729,349)	\$483,345	\$1,527,632	(\$718,372)	(\$380,657)	\$114,731	\$5,525	\$70,270	\$64,745
IDD 19	422 Belgrade Redevel.	2039	2010	25	2014	(\$705,886)	\$272,394	\$446,082	\$12,590	\$19,504	\$19,504	\$7,006	\$34,301	\$27,295
IDD 26	Belgrade Redevel.	2047	2019	25	2022	\$0	\$0	\$0	\$0	\$0	\$0	\$13,524	\$72,082	\$58,558 Est.
Total Active TIF Districts						(\$6,577,085)	\$3,549,990	\$2,367,885	(\$659,210)	(\$166,915)	\$328,473	\$82,332	\$550,518	\$468,186

LJP, Ziegler, and Lindsay
decertified in 2021

Belgrade Ave.
(Frandsen Bank) begins
in 2022

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 12/31/21

LOANS RECEIVABLE - A/C 11045
12/31/21

2021
FUND

			ISSUE AMOUNT	ISSUE DATE	MATURITY DATE	LOAN YEARS	INTERVAL PAYMENT	BALANCE 12/31/2021
FUND 229 FEDERAL REVOLVING LOAN - ECONOMIC DEVELOPMENT LOANS								
229	11045	2.50% EQUITY SUPPLY (RAY'S MARKEY#1 - Kevin Boerboom	\$ 61,334.39	7/1/2013	7/1/2023	10	250.00	35,263.39
229	11045	4.00% STANLEY AND BEVERLY DEFRIES (Countryside Refrigeration)	\$ 98,100.00	12/5/2002	12/5/2017	15	594.95	(0.00)
229	11045	4.00% THEUNINCK ROLLING GREEN PROPERTIES LLC	\$ 300,000.00	12/28/2010	1/1/2021	10	1,583.51	(0.00)
229	11045	3.00% D & K POWDER COATING, LLC	\$ 300,000.00	9/15/2014	9/15/2029	15	2,071.74	171,723.48
229	11045	3.00% PORT AUTHORITY - MANKATO BREWERY	\$ 100,000.00	5/18/2015	6/1/2030	15	690.58	62,076.28
229	11045	4.00% Next Gen RF	\$ 300,000.00	10/1/2018	10/1/2033	15	2,219.06	250,595.17
			1,159,434.39					519,658.32

Fund 234 LOCAL REVOLVING LOANS
3.50% MINNESOTA TRUCK & TRACTOR

234	11045		\$ 50,000.00	1/1/2010	1/1/2030	20	289.98	24,452.58
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234 11045 4.000% 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	10,448.37
			75,000.00					34,900.95

Fund 234 NORTHSIDE REVIVALS LOANS
0.00% Kristen Olinger - FORGIVABLE LOAN

234	11045		\$ 2,610.00	4/21/2020	4/21/2026	6	500.00	2,110.00
			2,610.00					2,110.00

LOANS RECEIVABLE - A/C 11045
12/31/21

2021
FUND

			ISSUE AMOUNT	ISSUE DATE	MATURITY DATE	LOAN YEARS	INTERVAL PAYMENT	BALANCE 12/31/2021
	Fund 234	COVID ASSISTANCE LOANS						
234	11045	3.00% AMBER PIETAN TRAVEL AGENCY	2,000.00	5/26/2020	9/1/2026	6	35.94	1,509.92
234	11045	3.00% BLUE SKYE MERCANTILE	7,000.00	4/15/2020	9/1/2026	6	125.78	6,565.26
234	11045	3.00% CIRCLE INN	12,500.00	4/22/2020	9/1/2026	6	224.61	-
234	11045	3.00% CURIOSI-TEA	12,500.00	5/22/2020	9/1/2026	6	224.61	11,723.66
234	11045	3.00% DINO'S PIZZERIA	12,500.00	4/21/2020	9/1/2026	6	224.61	11,723.66
234	11045	3.00% FANTASTIC SAM'S	10,000.00	4/27/2020	9/1/2026	6	179.69	9,378.92
234	11045	3.00% IGNITION FITNESS	12,500.00	6/8/2020	9/1/2026	6	224.61	11,723.66
234	11045	3.00% Js SAMBUSA	11,500.00	6/25/2020	9/1/2026	6	206.64	-
234	11045	3.00% MORIN ENTERPRISES - NEUTRAL GROUNDS	6,000.00	5/6/2020	9/1/2026	6	107.81	5,627.37
234	11045	3.00% NABIL SHOP	6,500.00	9/22/2020	9/1/2026	6	116.80	6,096.29
234	11045	3.00% SOUTHERN MN MARTIAL ARTS	12,500.00	4/17/2020	9/1/2026	6	224.61	12,112.80
234	11045	3.00% SPINNER'S BAR	12,500.00	4/21/2020	9/1/2026	6	224.61	-
234	11045	3.00% TOP KNOT GROOMING	3,900.00	4/29/2020	9/1/2026	6	70.08	3,657.78
234	11045	3.00% UNITED TEAM ELITE	12,500.00	4/17/2020	9/1/2026	6	224.61	11,723.66
			134,400.00					91,842.98

FUND 240 JOINT ECONOMIC DEVELOPMENT
5.25% KAREN LEFEBVRE

240	11045		\$ 65,000.00	9/25/2008	10/15/2038	30	358.93	47,845.14
			65,000.00					47,845.14
		SUBTOTAL PORT AUTHORITY FUNDS	1,436,444.39					696,357.39

Port Authority Debt

Issue/Year	Debt	Project	Funding Source	Amount Issued	12/31/21 Balance	Final Payment
2010D	GO Tax Increment Bonds	Refund Marigold & FX Fusion	Tax Increment	810,000	370,000	2034
2020A (Refunded 2011A)	GO Bonds - Port Authority	Hwy 14 & CSAH 41	Sales Tax	3,215,000	2,250,000	2034
2011B	GO Tax Increment Bonds	422 Belgrade	Tax Increment	455,000	355,000	2035
2021A	GO Tax Increment Bonds	Belgrade Redevelopment (Frandsen Bank)	Tax Increment	425,000	425,000	2037
2021B	Taxable GO Bonds	Hotel Purchase	Lease Revenue	4,500,000	4,500,000	2043
TOTAL DEBT				\$ 9,405,000	\$ 7,900,000	
Other				\$	-	
GRAND TOTAL				\$ 9,405,000	\$ 7,900,000	

Recent Activity - Land Purchases/Sales

- 2017
 - Palmer Bus Service
 - Blue Star Power Systems
- 2018
 - Downtown lot to Spinners
- 2019
 - D&K Powder Coating
- 2021
 - Purchase of Norwood Inn Property and Lease to Hylife Foods

Recent Activity - Loans

- 2018
 - NextGen RF - \$300,000
- 2020
 - COVID 19 Assistance - \$134,400
- 2021
 - Forgivable Loan – WW Land Company for downtown infill building - \$118,600

Recent Activity – TIF Districts

- 2017
 - D&K Powder Coating Modification
 - Birchwood Cottages
 - Blue Star
- 2019
 - Belgrade Ave. Redevelopment (Frandsen Bank building & restaurant building)
- 2021
 - Webster Ave. Industrial Development District established (used for future TIF projects on Webster Ave.)

Questions

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