

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 Thursday, December 17, 2009.

President Hensel called the meeting to order at 7:30 a.m. The following were present: Commissioners Arnold, Hensel, Kirschbaum, Zellmer, Abbott, Steiner and Knutson Executive Vice President Sande, Finance Director Mork and Secretary Gehrke.

#### Approval of the Minutes

On a motion by Commissioner Knutson, seconded by Commissioner Kirschbaum, the minutes of the Port Authority meeting of November 16, 2009 were approved.

#### Report of Executive Vice President

##### A. Grant Request from Laura's Candy, Inc.

Executive Vice President Sande presented a grant request from Laura Dhuyvetter, doing business as Laura's Coffee and Candy Bar. She is proposing to expand her current business into the former Dunn Bros. location at 1745 Commerce Drive, North Mankato. Ms. Dhuyvetter has obtained a lease for the property and would like to make certain leasehold improvements to the property to enable a mid-January 2010 re-opening of the facility. Total proposed start-up costs not including operating capital amount to \$42,240. A grant in the amount of \$14,080 or 1/3 of the start-up costs of \$42,240 is proposed. The balance of the project costs will be funded with a loan from ProGrowth Bank and an equity infusion from the owner. ProGrowth Bank has submitted an SBA 7A application on behalf of the project. Since the premises will be leased, staff is recommended the start-up grant in lieu of any other project subsidy. Commissioner Abbott stated that previous grants were used for building improvements and landscaping and would prefer to see a grant for \$6,000 and a low-interest loan for \$8,000 for this project. The Commissioners discussed using grant funds for the purpose of keeping a storefront open and the tax implications of having an empty building for an extended period of time. Commissioner Knutson reported the Port Authority Commissioners must use their best judgment for the various projects that are brought before them. Commissioner Zellmer noted this is a solid opportunity to fill this building and it could take many administrative man hours to locate a tenant for the building and may cost approximately the same as the proposed grant. Executive Vice President Sande reported the projects that are brought before the Port Authority Commission include a wide range of scenarios including the recent Thin Film Corporation management buyout but ultimately the goal is to retain jobs, expand employment and increase the tax base.

Commissioner Abbott moved, seconded by Commissioner Arnold, to approve a grant in the amount of \$14,080 subject to the condition that the grant funds are used for building modifications and build-out costs including signage and landscaping. Vote on the motion: Arnold, Hensel, Kirschbaum, Zellmer, Abbott, Steiner and Knutson. Motion carried.

It was necessary for Commissioner Hensel to leave the meeting at this time.

B. Purchase Option Agreement – Thomas J. Peterson

Executive Vice President Sande reported an agreement has been reached in principal with Thomas J. Peterson to enter into a purchase option agreement for a five-acre parcel to be platted as Lot 1, Block 1, Northport No. 15 and located at 2150 Howard Drive West. The purchase option agreement will allow Mr. Peterson to plan for the future expansion of his business and the Port Authority to plan for the subdivision of the surrounding property for other projects. Commissioner Abbott moved, seconded by Commissioner Steiner, to approve the purchase option agreement with Thomas J. Peterson. Vote on the motion: Arnold, Kirschbaum, Zellmer, Abbott, Steiner and Knutson, aye; no nays. Motion carried.

Other Business

Executive Vice President Sande reported a request has been sent to the Department of Employment and Economic Development (DEED) for a 120-day extension of the Marigold site infrastructure grant. He reported the banker for the proposed project for this site feels the project is feasible.

Commissioner Zellmer thanked the Commissioners for their service this past year and wished everyone a Merry Christmas.

Executive Vice President Sande reported work will continue on the Belgrade Avenue redevelopment. Tom Bohrer, owner of the Circle Inn, thanked the Port Authority Commissioners for the Central Business District Grant recently awarded for the Circle Inn. He reported the grant kept two jobs at the Circle Inn.

Open Meeting to the Public

Vice President Knutson opened the meeting to the public with no one appearing.

There being no further business, the meeting was adjourned at 8:12 a.m.

---

President

---

Secretary