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AGENDA
PORT AUTHORITY
WEDNESDAY, APRIL 30, 2025
CITY HALL COUNCIL CHAMBERS
4:30 PM

1. Roll Call
2. Approval of Minutes of the January 22, 2025 Meeting
3. Approve of Claims for Payment January 4, 2025 – April 10, 2025 (Tom Dankert)
4. Preliminary Audit Report Presentation (Craig Popenhagen of CLA)
5. Impact Austin Comprehensive Plan Presentation (John Garry)
6. Ag land lease for 25 acres (Craig Clark)
7. NuTek MIF Reporting - verbal (Craig Clark)
8. Executive Director Report (Craig Clark)
9. Any Other Business
10. Adjourn

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, JANUARY 22, 2025
4:30 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jason Baskin, Lee Bjorndal, Geoff Smith, Michael Bednar, Jeff Austin, and Tim Ruzek.

Members Absent: Commissioner Kris Heichel.

Staff Present: Port Authority Attorney Craig Byram, Port Authority Executive Director Craig Clark and Port Authority Secretary Tom Dankert.

Others Present: None.

President Baskin called the meeting to order at 4:30 p.m.

Item #2. – Election of Officers: Mr. Dankert noted this is the annual meeting for which officers need to be elected. Commissioner Smith made a motion as follows, seconded by Commissioner Bednar without further discussion:

| | |
|-----------------------------------|--------------|
| President | Jason Baskin |
| Vice President | Jeff Austin |
| Treasurer | Lee Bjorndal |
| Secretary and Assistant Treasurer | Tom Dankert |

Carried 6-0.

Item #3. – Approval of minutes of the December 18, 2024 special meeting: Motion by Commissioner Ruzek, seconded by Commissioner Austin to approve the minutes of the December 18, 2024 special meeting. Carried 6-0.

Item #4. – Claims for Payment: Mr. Dankert discussed the claims paid from October 11, 2024 through January 3, 2025 noting in total, payments made were \$6,173.27. Mr. Dankert noted the only unusually large payment as follows:

- \$5,000 to the Austin HRA for payment on the original \$50,000 Oak Park Mall redevelopment 0% interest loan.

Motion by Commissioner Bednar, seconded by Commissioner Ruzek to approve the claims for payment as presented. Carried 6-0.

Item #5A. Closed session under Minnesota Statute 13D.05, subd. 3(c) for the purpose of consideration of NuTek renewal of the Option to Purchase and Right of First Refusal agreement.

Item #5B. Closed session under Minnesota Statute 13D.05, subd. 3(c) for the purpose of consideration of Right of First Refusal and Option to Purchase on parcels 08.035.0050 and 08.035.0020.

Motion by Commissioner Austin seconded by Commissioner Bjorndal to close the session under Minnesota Statute 13D.05, subd. 3(c) for the purpose of consideration of NuTek renewal of the Option to Purchase and Right of First Refusal agreement AND close the session under Minnesota Statute 13D.05, subd. 3(c) for the purpose of consideration of Right of First Refusal and Option to Purchase on parcels 08.035.0050 and 08.035.0020 at 4:35 p.m. Carried 6-0.

See DVD of Closed Session.

Motion by Commissioner Austin, seconded by Commissioner Bednar to open the closed meeting at 5:03 p.m. Carried 6-0.

Item #6. – Any possible action on consideration of NuTek renewal of the Option to Purchase and Right of First refusal agreement: Motion by Commissioner Austin, seconded by Commissioner Ruzek to approve of the following with NuTek:

- Option to Purchase agreement = \$25,680
- Right of First refusal = \$4,984

Both payments due upon signing by all parties. Carried 6-0.

Item #7. – Any possible action on consideration of Right of First Refusal and Option to Purchase on parcels 08.035.0050 and 08.035.0020: Motion by Commissioner Bjorndal, seconded by Commissioner Austin to not exercise the Option to Purchase and Right of First Refusal agreement on parcels 08.035.0050 and 08.035.0020. Carried 5-1 (Commissioner Ruzek = Nay).

Item #8. – Discuss Port Authority property improvement of 25-acre and 13-acre parcel: Mr. Clark noted the City approved a bid to Carr's Tree Service to remove some trees that are affected by Emerald Ash Borer. Mr. Clark contacted the tree service to see about a cost to remove some scrub trees and grind stumps at our 25-acre property and the 13-acre property by the Interstate Kwik Trip. This tree removal might make the property look better for marketing purposes. Carr's Tree Service has quoted us \$20,000 to do such work and Mr. Clark recommends approval.

Commissioner Ruzek questioned if the tree removal would really do that much to improve the look to the areas. Mr. Clark noted a realtor would tell you to clean up your house to have a better chance at selling the house, and at a higher price. This is our attempt to "clean up" the area. Mr. Ruzek noted he thought the money would be better spent elsewhere.

Motion by Commissioner Austin, seconded by Commissioner Bednar to approve the contract with Carr's Tree Service for \$20,000 to remove some scrub trees on these two plots of Port Authority land. Carried 5-1 (Commissioner Ruzek = Nay).

Item #9. – Executive Director Report: Mr. Clark received an agreement from NAJ Legacy to get a "Brokers Opinion of Value" of the Walker Building in an effort to see what the market rate for this facility is in Austin. The agreement is for \$1,200 and was previously approved to get this done at a prior Port Authority meeting. This is for informational purposes only.

The City is in the process of completing a Comprehensive Plan, and noted that if Port Authority Board members want to attend the meetings to get involved in the plan, that there are several meetings coming up. Mr. Clark noted it is very important to get as many people involved as possible.

Mill on Main, second phase, is still being worked on by the developer.

Mr. Clark discussed the strategic plan and a PowerPoint presentation of the I-90 Business Park and Creekside.

- Mr. Clark noted a laundry list of things we need to look at including subdividing and paying for the project. The 13-acre site has an estimate of \$807,471 for a cul-de-sac and road per a 2023 estimate. Additionally, there could be in excess of \$2 million in cleanup costs.
- On the 25-acre site has an estimated \$1,085,000 in street costs, plus another \$1,048,000 for retention ponds.
- Creekside has an estimated \$1,060,000 of costs if we want to add 5th Street NW as a cul-de-sac.

Commissioner Bjorndal asked if we have any serious calls on these properties. Mr. Clark noted not really, but DEED is bringing forward much larger projects that would exceed our acreage here. DCA did do a rail analysis in Creekside, and it is not a much-used track.

Commissioner Smith questioned state funds for the clean up of the 13-acre site. Mr. Clark noted to get DEED grants, you need to have a project in place. We could put a parking lot over the contaminated area, which then reduces the total cost.

Item #10. – Any other business: None.

Item #11. Adjournment: With no further business, motion by Commissioner Bjorndal, seconded by Commissioner Austin to adjourn the meeting at 5:30 pm. Carried 6-0.

Approved: _____

President: _____

Secretary: _____

Claims for Payment

1/4/2025 - 4/10/2025

| Check # | Date | Amount | Supplier / Explanation | PO# | Doc No | Inv No | BU | Obj | Sub | Subledger | Account Description | BU Description | Co | Dept | D |
|---------|-----------|--------|--|-----------|--------|-----------------|-------|------|-----|-----------|------------------------------|---------------------------|-------|------|---|
| 85901 | 1/30/2025 | 6.92 | 100160 AUSTIN UTILITIES 19383-011 27TH AVE NW SIGNAL | | 145405 | JANUARY 2025 | 46510 | 6386 | | | Utilities | Port Authority General | 66000 | 115 | |
| | | 6.92 | | | | | | | | | | | | | |
| 85902 | 1/30/2025 | 35.00 | 100760 AUSTIN, JEFFREY 01/22/25 PORT AUTH MTG | | 145299 | JANUARY 2025 | 46510 | 6306 | | | Personnel Services | Port Authority General | 66000 | 115 | |
| | | 35.00 | | | | | | | | | | | | | |
| 85908 | 1/30/2025 | 35.00 | 108535 BASKIN, JASON 01/22/25 PORT AUTH MTG | | 145301 | JANUARY 2025 | 46510 | 6306 | | | Personnel Services | Port Authority General | 66000 | 115 | |
| | | 35.00 | | | | | | | | | | | | | |
| 85913 | 1/30/2025 | 35.00 | 100994 BEDNAR, MICHAELL 01/22/25 PORT AUTH MTG | | 145302 | JANUARY 2025 | 46510 | 6306 | | | Personnel Services | Port Authority General | 66000 | 115 | |
| | | 35.00 | | | | | | | | | | | | | |
| 85915 | 1/30/2025 | 35.00 | 104907 BJORN DAL, LEE 01/22/25 PORT AUTH MTG | | 145303 | JANUARY 2025 | 46510 | 6306 | | | Personnel Services | Port Authority General | 66000 | 115 | |
| | | 35.00 | | | | | | | | | | | | | |
| 85920 | 1/30/2025 | 39.99 | 102509 CHARTER COMMUNICATIONS INTERNET SERVICE | 00122465 | 145304 | 175464801011425 | 46560 | 6321 | | | Communications | Port Authority Walker Bui | 66000 | 115 | |
| | | 39.99 | | | | | | | | | | | | | |
| 85928 | 1/30/2025 | 7.58 | 100263 CRC INC CENTRAL STATION SECURITY | 00005349 | 145306 | 0162414 | 46560 | 6402 | | | Repair and Maint. - Structur | Port Authority Walker Bui | 66000 | 115 | |
| | | 7.58 | | | | | | | | | | | | | |
| 85952 | 1/30/2025 | 281.25 | 100675 HOVERSTEN JOHNSON BECKMAN HOVEY PORT AUTH GENERAL REPRESENTATIVE | 000000351 | 145160 | 181628 | 46510 | 6309 | | | Professional Services | Port Authority General | 66000 | 115 | |
| | | 281.25 | | | | | | | | | | | | | |
| 85997 | 1/30/2025 | 2.50 | 110639 QUADIENT FINANCE USA INC POSTAGE | | 145290 | 31253670 | 46510 | 6322 | | | Postage and Freight | Port Authority General | 66000 | 115 | |
| | | 2.50 | | | | | | | | | | | | | |
| 86004 | 1/30/2025 | 35.00 | 103347 RUZEK, TIM 01/22/25 PORT AUTH MTG | | 145318 | JANUARY 2025 | 46510 | 6306 | | | Personnel Services | Port Authority General | 66000 | 115 | |
| | | 35.00 | | | | | | | | | | | | | |
| 86016 | 1/30/2025 | 35.00 | 107550 SMITH, GEOFF 01/22/25 PORT AUTH MTG | | 145322 | JANUARY 2025 | 46510 | 6306 | | | Personnel Services | Port Authority General | 66000 | 115 | |
| | | 35.00 | | | | | | | | | | | | | |
| 86150 | 2/13/2025 | 6.86 | 110639 QUADIENT FINANCE USA INC PORT | | 145721 | 3608 | 46510 | 6322 | | | Postage and Freight | Port Authority General | 66000 | 115 | |
| | | 6.86 | | | | | | | | | | | | | |

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

Council Check Summary

1/4/2025 - 4/10/2025

| Check # | Date | Amount | Supplier / Explanation | PO# | Doc No | Inv No | BU | Obj | Sub | Subledger | Account Description | BU Description | Co | Dept | D |
|---------|-----------|-------------------------------------|---------------------------------|----------|--------|-----------------|-------|------|-----|-----------|------------------------------|---------------------------|-------|--------|---|
| 86212 | 2/27/2025 | 6.92 | 100160 AUSTIN UTILITIES | | 145975 | FEBRUARY 2025 | 46510 | 6386 | | | Utilities | Port Authority General | 66000 | 115 | |
| | | 6.92 | 19383-001 1300 27 AVE NW SIGNA | | | | | | | | | | | | |
| 86221 | 2/27/2025 | 39.99 | 102509 CHARTER COMMUNICATIONS | | 145842 | 175464801021425 | 46560 | 6321 | | | Communications | Port Authority Walker Bui | 66000 | 115 | |
| | | 39.99 | WALKER BLDG | 00122733 | | | | | | | | | | | |
| 86343 | 3/13/2025 | 7.58 | 100263 CRC INC | | 146124 | 163598 | 46560 | 6402 | | | Repair and Maint. - Structur | Port Authority Walker Bui | 66000 | 115 | |
| | | 7.58 | CENTRAL STATION SECURITY | 00005358 | | | | | | | | | | | |
| 86394 | 3/13/2025 | 40.77 | 101124 NAPA | | 146071 | 295780 | 46560 | 6402 | | | Repair and Maint. - Structur | Port Authority Walker Bui | 66000 | 115 | |
| | | 40.77 | UNIT HEATER BELTS | 00122598 | | | | | | | | | | | |
| 86400 | 3/13/2025 | .69 | 110639 QUADIENT FINANCE USA INC | | 146185 | 3608 | 46510 | 6322 | | | Postage and Freight | Port Authority General | 66000 | 115 | |
| | | .69 | PORT | | | | | | | | | | | | |
| 86462 | 3/27/2025 | 40.00 | 102509 CHARTER COMMUNICATIONS | | 146413 | 175464801031425 | 46560 | 6321 | | | Communications | Port Authority Walker Bui | 66000 | 115 | |
| | | 40.00 | WALKER BLDG | 00122744 | | | | | | | | | | | |
| 86590 | 4/10/2025 | 6.92 | 100160 AUSTIN UTILITIES | | 146613 | MARCH 2025 | 46510 | 6386 | | | Utilities | Port Authority General | 66000 | 115 | |
| | | 6.92 | 19383-001 SIGNAL LIGHT | | | UTILITIES | | | | | | | | | |
| 86602 | 4/10/2025 | 7.58 | 100263 CRC INC | | 146659 | 0183863 | 46560 | 6402 | | | Repair and Maint. - Structur | Port Authority Walker Bui | 66000 | 115 | |
| | | 7.58 | CENTRAL STATION SECURITY | 00005365 | | | | | | | | | | | |
| | | 66000 Port Authority Property Mgmt. | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | 705.55 | |
| | | | | | | | | | | | | Report Totals | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | 705.55 | | | |

Board of Commissioners
Austin Port Authority
Austin, Minnesota

We have audited the financial statements of the Austin Port Authority (the Authority) as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated January 13, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2024.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Supplementary information in relation to the financial statements as a whole

With respect to the combining schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

Other information included in annual reports

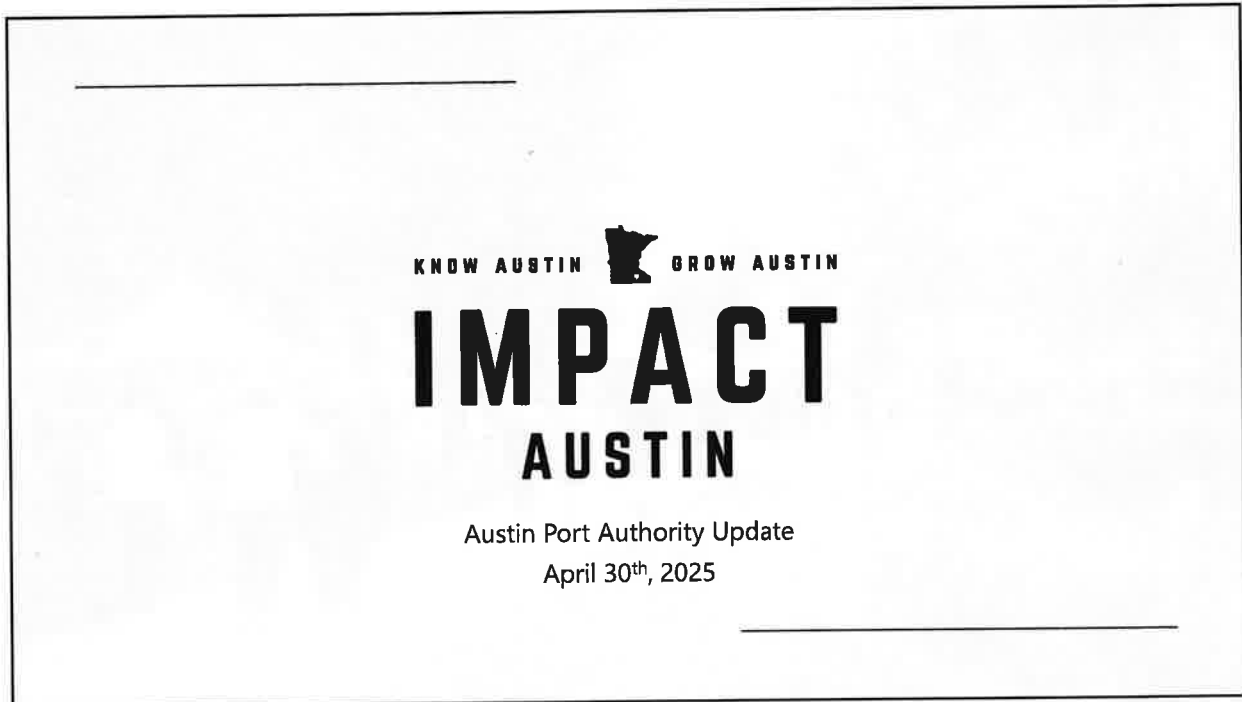
Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the organization schedule. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Austin, Minnesota
REPORT DATE



1

Who is Impact Austin?

- Part of the **Development Corporation of Austin** organization
 - Austin Community Charitable Fund, Austin Community Growth Ventures
- Aligning Priorities
 - Position Austin to be a destination for businesses, innovators and entrepreneurs at the intersection of food, health, agriculture and biosciences.
 - Ensure entrepreneurs and startup businesses have access to the right technical assistance and funding to launch their idea.
 - Existing firms have access to workforce, infrastructure, capital, and physical space that allow them to remain and continue to grow in the community.
 - Coordination and collaboration with community partners to make Austin a world- class destination for residents.

2

Impact Austin Steering Committee

- Leadership group that functions as a committee of Austin Community Charitable Fund (part of DCA)
- Members Include
 - City of Austin, Mower County, Austin Public Schools, Hormel Corporation, Hormel Foundation, Riverland Community College, Mayo Clinic, the Development Corporation of Austin

3

What do we do?

- Comprehensive Planning
 - Community Engagement
 - Food System Strategy + Communities of Practice
 - Downtown District Councils
- Quality of Life Enhancement
 - Downtown Austin Support
 - Expansion of Tax Base
 - Tourism
 - Housing
 - Business Support
 - Placemaking
 - Events
 - Beautification/Public Art



4

Comp Plan 2045 Big Picture

- Planning Began Fall of 2024
- Continue through Dec 2026
- Community Engagement
 - Project Website (CompPlan2045.com)
 - Open House
 - Online Surveys
 - In person meetings/workshops
 - Communities of Practice + District Councils
 - PAC/TAC
- Final Plan for BOTH the City of Austin and Mower County



**COMPREHENSIVE
PLAN 2045**
MOWER COUNTY | CITY OF AUSTIN

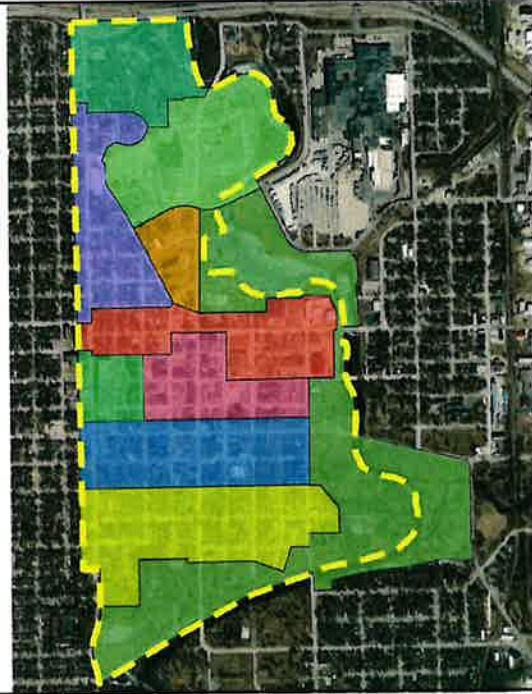
5

Food
System
Strategy



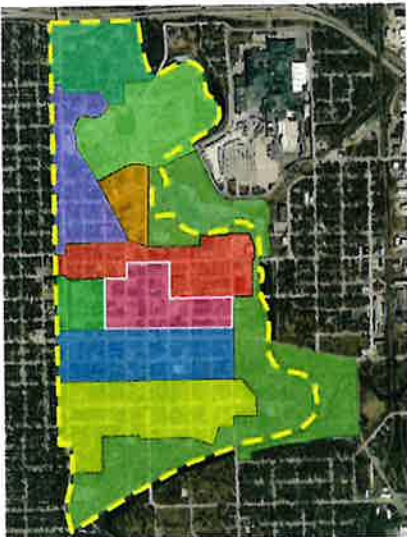
6

Downtown District Councils



7

City Center District Council



Membership

- Austin Area Chamber of Commerce (chair), Brick Furniture, Accurant Financial, Superior Cannabis Company, Austin City Council, The Style Lounge, MOD Medspa, Downtown Building Owners, SPAM Museum, First Farmers & Merchants Bank

Future Projects/Next Steps

- Complete Downtown Bench Program
- Activate and Enhance City Center
- Coalition to support, and advocate for Downtown Catalytic Project (Downtown Hotel)



8

Brand & Story CoP

Membership

- Discover Austin (Chair), Development Corp. of Austin, Hormel Foods, Riverland Community College, Hormel Institute, Mower County, City of Austin, Mayo Clinic, Austin Public Schools, Bremer Bank

Vision Statement

- The incredible stories being shared about the food assets and opportunities in Mower County and Austin are the catalyst for economic development, social engagement, a growing tourism industry and cultural celebration.

Key Takeaways/Next Steps

- Identification of Austin/Mower County as a *Glocal* (Global/Local) Destination.
 - Business Community, Food/Bev, Celebrations/Events, Healthcare and Research
- Identify strategies to support Austin/Mower as a *Glocal* Destination



9

Access & Equity CoP



Membership

- United Way, Hometown Food Security (Chair), Hormel Institute, SEMCAC, Mayo Clinic, Mower County, Hormel Foods, Riverland, Welcome Center, CLUES, Salvation Army

Vision Statement

- We are a community where every neighbor has equitable access to nutritious, culturally affirming food that is grown sustainably, supports local economies, and nurtures community health and well-being.

Key Takeaways/Next Steps:

- Development of an expanded multi use space for service organizations and the community
- Application with up-to-date map of Food Resources
 - Walkshed Map Overlay
- Develop Priority Assessment Matrix to Guide CoP

10

Education CoP



Membership

- Riverland Community College, Austin Public School District, local farmers.

Vision Statement

- Our education community plays a pivotal role in equipping individuals with the skills, knowledge, and expertise necessary to meet the demands of a diverse and sustainable food industry, positioning Austin and Mower County as a *center of excellence* for culinary, food science, agriculture, food technology and innovation, nutrition and health.

Key Takeaways/Next Steps

- Supporting Riverland hosted Agricultural Summit in June
 - Comp Plan Food System work integration
- Supporting APS with implementation of ProStart
 - Culinary Arts and Restaurant Management Program

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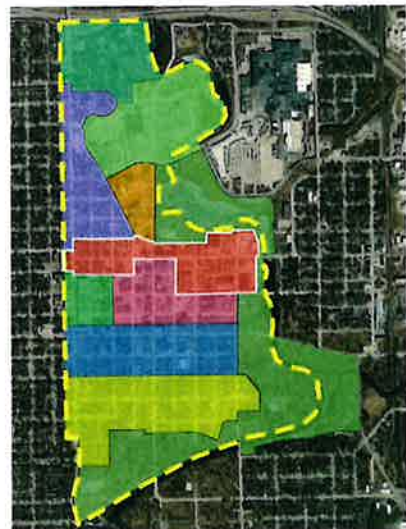
4th Avenue District Council

Membership

- City of Austin Staff, Mower County Staff, YMCA, Austin Area Arts (Paramount Theatre), B&J Bar & Grill, St Augustine Church, Austin Public Library, Historic Hormel Home

Key Takeaways

- "Culture and Arts Corridor" in Downtown Austin
 - Trail Access, Food/Bev, Paramount, Placemaking Opportunities
- Identification of three distinct areas within the district
 - Pocket Neighborhood, Key Development Zone, Gateway to Downtown
 - Strategy Development to support these three distinct sections



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Other Groups, CoPs and District Councils

- Planning Advisory Committee (PAC)
- Technical Advisory Committee (TAC)
- Activation (CoP)
- Arts & Culture (CoP)
- Oakland Avenue (DC)
- Food Production (CoP)



13

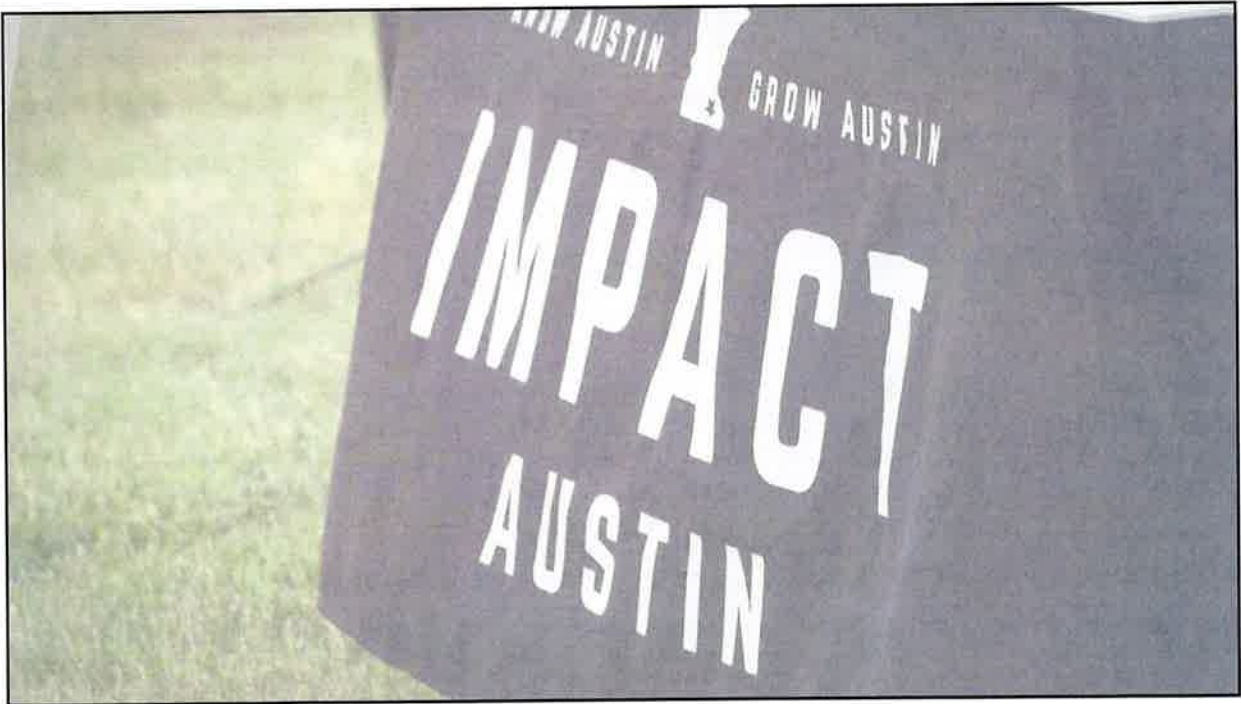
Velocity Playbook & Comp Plans

- Community of Practices
 - Information, strategies, and engagement will be utilized in relevant chapters in the Comprehensive Plans
 - Full "playbook" will be included as an adopted appendix to the overall plans
- Downtown District Councils
 - A downtown frameworks plan – City of Austin Comprehensive Plan
- Urban 3
 - Economic Analysis
- Civitas
 - Cedar River Regional Park
- Place Strategies
 - Downtown Development (Commercial and Residential)
- Karlin Endy
 - Food System Strategy
- DMOProz
 - Tourism plan + Discover, Austin organizational support

14



15



16

City of Austin
Craig Clark,
City Administrator



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Austin, Minnesota 55912-3773
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craigc@ci.austin.mn.us
www.ci.austin.mn.us

TO: President and Port Board Members

FROM: Craig D. Clark, Executive Director

RE: Lease proposal for 25 acres

With the clearing of the 25 acres of our land along 14th Street NE it came to the notice of John Trihus who reached out to me with interest in working the land. He intends on growing vegetables and haying part of the land. He appreciates the land has been fallow for some time and will take some work. As a result, he suggested a three-year agreement.

Carr's tree service still has a handful of stumps to grind and plans on doing that in May but Mr. Tribus is willing to work with things as they are.

The lease agreement, modeled after the one we have for our property at Creekside and included as Exhibit 1, and provides the following general components:

- Lease rate of \$225 per acre in year one and increasing \$25 each year thereafter;
- Provides flexibility to the Executive Director of the Port to adjust the acreage based on its functionality to grow crops;
- Provides flexibility for the sale or development of all or part of the parcel by paying expenses to the farmer of what they have incurred and
- Outlines several other restrictions under "technical specifications."

Port Authority action is requested to approve the lease agreement and authorize the President to sign and Secretary attest the agreement.

FARM LEASE

THIS AGREEMENT is made this ____ day of _____, 2025, by and between the Austin Port Authority, a Minnesota municipal corporation, herein called LESSOR, and John Trihus, herein called LESSEE.

Section 1. Description of the Farm. In consideration of the rental and covenants specified below, the Lessor hereby leases to the Lessee real property located in Mower County, State of Minnesota, described as follows:

Approximately 25 acres more or less bearing Mower County Property Identification Number 34.905.0101 and located in the Northeast Quarter of the Southeast Quarter of Section 35, Township 103, Range 18 (map is attached here as Exhibit A).

Section 2. Use of Property. The Farm is to be used for the purpose of agricultural crops.

Section 3. Length of Lease. This lease is for a term of crop three years beginning on _____, 2025, and ending on December 31, 2027, unless otherwise terminated as hereinafter set forth.

Section 4. Rent. As and for rent of the above described Farm, Lessee shall pay Lessor the following annual payments. Said amount shall be due as follows: One half will be paid on or before June 15 of each year, and the remaining one half on or before December 1 of each year.

| | | | |
|------|-------------------|-----------------------|---------------------|
| 2025 | \$225.00 per acre | \$5,625.00 total rent | \$2,812.50 payments |
| 2026 | \$250.00 per acre | \$6,250.00 total rent | \$3,125.00 payments |
| 2027 | \$275.00 per acre | \$6,875.00 total rent | \$3,437.50 payments |

Said rate may be adjusted by mutual agreement upon the discovery and determination that some substantial portion of the leased land is not reasonably capable of being used for raising agricultural crops, however, Tenant shall employ reasonable efforts (e.g., ripping of the soil) to prepare and condition such areas where possible so that such areas can be used in subsequent years. Any such areas will be documented in writing by the parties representatives along with the resulting rate adjustment for the current crop year's rent.

Section 5. If development occurs during the time of the lease, the Lessor will have the right to reduce the acreage to be rented and the corresponding payment will be reduced on the same ratio as the reduction in land. Lessor will take reasonable steps to coordinate such development to occur either prior to planting or subsequent to harvest of the current year's agricultural crop. However, if this cannot be reasonably be accommodated, Lessee's current crop year expenses will be reimbursed according to Section 6 below.

Section 6. Expenses. Lessee shall pay for all expenses for the planting and harvesting of said crops, including but not limited to cost of tillage, sowing, and harvesting, and further the cost of all seed and fertilizer, if any. If the lessor shall cancel the lease, or delete any acreage from the lease for reasons other than those related to a rent adjustment under Section 4 above, the tenant shall be entitled to reimbursement for expenses incurred in the current crop year but shall not be entitled to payment for any crops growing on the acres removed from the lease. Costs related to preparing any acres for which a rent adjustment has been allowed under Section 4 above, will be prorated over the remaining length of the lease after the cost was incurred. Example, if such costs equaling \$30/acre were made in the first year of the lease, the loss of 20 acres in the last year of the lease would be reimbursed at \$10/acre for total of \$200. Lessee shall document the costs tenant asserts are subject to proration prior to incurring said costs, and Lessor shall document its approval of said costs within 7 days of receipt. Only improvements that have been preapproved in writing by the Lessor will be eligible for pro ration. Terms of reimbursement shall be mutually agreed to by the Lessee and Lessor.

II. TECHNICAL SPECIFICATIONS

- A. Farm Land Rental: The farm land available shall be that as shown on the attached map. The following conditions shall be followed:
1. The described property shall be used only for agricultural crop purposes.
 2. No equipment will be stored on the property when not in actual use. Irrigation equipment, which causes an obstruction or interference will not be used on the property.
 3. Lessee shall not commit, suffer or permit any non-agricultural waste on said property, Lessee agrees to comply with all state laws, local ordinances or other governmental regulations in connection with pest and weed control, land use, etc., or which may be required by such authorities.
 4. Lessee covenants and agrees to cultivate, irrigate, fertilize, prune, harvest and otherwise farm the premises in accordance with approved practices of good husbandry and in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the premises in good repair and keep the farm free and clear of noxious weeds all at Lessee's expense.
 5. Lessee agrees not to assign or sublet the above leased premises, or any part thereof, without first obtaining the prior written consent of Lessor.
 6. Lessee agrees that it will, at the expiration of the Lease, quietly yield and surrender the aforesaid leased premises to Lessor in as good condition and repair as when taken, reasonable wear and tear and damage by the elements excepted.
 7. Lessor agrees to pay all taxes imposed upon the property.
 8. Lessee agrees to pay Lessor all costs and expenses, including attorney's fees, in any action brought by the Lessor to recover any costs for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.
 9. Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licenses, family or guests while on or about the leased premises, along with all risk of damage to property owned or used by Lessee while upon the leased premises, and agrees to save harmless the Austin Port Authority for all claims, suits, costs, losses, damage and expenses arising out of such claims or losses.
 10. Anything herein contained to the contrary notwithstanding, this Lease may be terminated and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. If the leased area, or any portion thereof, is needed by the Lessor for development purposes, the Lease may be terminated upon three (3) months written notice to the Lessee.
 11. Lessee shall obtain liability insurance to cover this agreement naming the Austin Port Authority as an additional insured.
 12. Lessee shall not be liable for any rent accruing after early termination of the lease.

IN TESTIMONY WHEREOF, both parties have signed this lease this ____ day of _____, 2025.

ATTEST:

AUSTIN PORT AUTHORITY

BY: _____
Jason Baskin, Chairman

BY: _____
Tom Dankert, Secretary

BY: _____
John Trihus, Lessee

Map of PIN 34.905,0101