

**MINUTES**  
**PORT AUTHORITY ANNUAL MEETING**  
**WEDNESDAY, DECEMBER 28, 2005**  
**4:30 P.M.**  
**COUNCIL CHAMBERS**

**Members Present:** Commissioners Jerry Mohrfeld, Brian McAlister, Norm Hecimovich, Michael Bednar, Jerry McCarthy, and Larry Maus.

**Members Absent:** Commissioner Georgette Hinkle.

**Staff Present:** Port Authority Director Jim Hurm, Port Authority Attorney David Hoversten, Community Development Director Craig Hoium, and Secretary Tom Dankert.

**Others Present:** Kate Jordahl of Austin Main Street, Inc., Austin Post Bulletin, and Austin Daily Herald

President McCarthy called the meeting to order at 4:30 pm.

**Item #2 Approval of Minutes** – Motion by Commissioner Bednar, seconded by Commissioner Mohrfeld, to approve the minutes of the December 7, 2005 meeting. Carried 6-0.

**Item #3 Claims for Payment**– Mr. Dankert presented the claims for payment for September through November, 2005.

Motion by Council Member Hecimovich, seconded by Council Member Bednar to approve the claims for payment. Carried 6-0.

**Item #4 Unaudited Financial Systems** – Secretary Dankert discussed the unaudited financial statements for the period ending November 30, 2005. Mr. Dankert noted the following:

- The Combined Balance Sheet indicates assets of \$5,209,411 including approximately \$795,000 of cash. Outstanding debt includes \$405,000 of current bonds payable and \$2,201,287 of long-term bonds payable. The Statements of Revenue and Expenses for the eleven months ended November 30, 2005 include net income of \$251,485. This includes the donation of the Silver Bullet to the Austin Port Authority in the amount of \$218,026.83.
- The Austin Packaging Company (APC) Debt Service Fund has deficit cash of \$752,780 and outstanding debt of \$791,922. This fund will eventually turn back into a positive cash balance once the bonds are paid off and APC makes all of the required payments under the current lease agreement. Fund balance has actually increased \$14,296 for the first eleven months due to the higher lease payments we are now receiving.

- The Holiday Inn Debt Service Fund has over \$489,000 of cash and debt totaling \$569,365. This Fund has lost \$24,724 for the first eleven months of the year and will continue to lose funds until the debt is paid off.
- The Port Authority General Fund has approximately \$220,000 of cash, but close to \$85,000 will probably be needed to pay off the bonds with the early bond call as proposed later on the agenda. The outstanding debt is for the Library Lease bonds that are being paid off via the City of Austin's Building Fund. Mr. Dankert noted the Land Held for Resale is our cost into the 13.5 acres of land by the truck stop and the remaining 2.1 acres of land in Burbank Addition.
- The Town Center has cash of approximately \$19,800 for operational cost. Mr. Dankert noted he tries to keep the cash balance in the \$25,000 to \$50,000 range, and use all other cash to pay down the city loan for tenant improvements. The Port Authority still owes the city over \$240,000 for tenant improvements. Income wise, this property still has losses of \$14,452 for the eleven months ended November 30, 2005.
- The Walker Building has over \$65,000 of cash as of November 30, 2005. Net income for the eleven months was \$37,265.
- For accounts receivable, the tenants are paying the monthly rent on a timely basis.

Commissioner Bednar questioned if we were reviewing the APC financial statements. Mr. Dankert noted on about three occasions per year we meet and review the internal financial statements of APC. Additionally, we receive a copy of the audit report, and then return it after our review.

Commissioner Maus discussed the Town Center, noting the Port Authority is doing rather well at the Town Center, except we don't recover the cost of depreciation, which is a paper transaction, not a real cash outflow. Additionally, the Walker Building is netting us almost \$42,000 in new cash after depreciation is added back.

Motion by Commissioner Hecimovich, seconded by Commissioner Maus to approve the unaudited financial statements as of November 30, 2005. Carried 6-0.

**Item #5a Austin Main Street project report**– Kate Jordahl discussed the items that the different committees of Austin Main Street, Inc. are involved in. Ms. Jordahl noted the four committees are working very hard. The Finance Committee has been lining up the different grants and loans in order to have the financing packages available to those that want to use the program. Additionally, the Business Development Committee has just completed a survey of downtown businesses. Four laptops have been donated to the Austin Main Street, Inc. project from Cooperative Response Center, Inc. Several business owners are ready to start remodeling in January. Ms. Jordahl stated 2006 should be a good year as there should be new facades and hopefully no empty storefronts.

Commissioner Bednar questioned what the boundaries for this project were. Mr. Hurm stated from the high school to the river, and from the Spam Museum to roughly Oakland

Avenue (this could include Bell Liquor). Commissioner McCarthy questioned if East Side businesses would be eligible. Mr. Hurm stated no, not at this point as this is intended only for the original downtown area.

Commissioner Mohrfeld questioned who set the boundaries. Mr. Hurm stated Austin Main Street, Inc. did.

**Item #5b Leases** – Mr. Dankert noted there are six leases at the Town Center that are expiring in 2006, and we will be working on lease renewals with these tenants based on the same parameters as the other lease extensions have followed.

Commissioner Bednar questioned if the conference room is available to lease. Mr. Dankert noted the Port Authority could lease this area, but it is heavily used by the tenants.

**Item #5c Old State Theatre report** – Mr. Hoium stated the appraisal is currently being done for Mr. Stouvenel's project at the former Silver Bullet building. It does not appear that this will close in 2005.

**Item #5d Other** – Mr. Hoium stated that the individual that offered an option for the Burbank Addition lot would like to turn that option into an offer if the Port Authority would like to sell the parcel. After further discussion, Commissioners Maus and Bednar stated we originally said we would leave it off the market until Wal-Mart got rolling more, and that is what we should stick with. No objections noted.

Motion by Commissioner Maus, seconded by Commissioner Hecimovich, to adjourn the meeting at 5:08 p.m. Carried 6-0.

Approved: \_\_\_\_\_

President: \_\_\_\_\_

Secretary: \_\_\_\_\_