

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, JUNE 19, 2019
4:30 P.M.
LOWER LEVEL CONFERENCE ROOM

Members Present: Commissioners Jerry McCarthy, Lee Bjorndal, Laura Helle, Michael Bednar, Jeff Austin, and Jerry Mohrfeld.

Members Absent: Commissioner Chuck Moline.

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

Others Present: Jennifer Nelson of the Southern Minnesota Initiative Foundation, Dean Slaby from Slaby and Associates and Mike Cooper representing Qdoba.

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

Item #2. – Approval of minutes of the April 24, 2019 special meeting: Motion by Commissioner Mohrfeld, seconded by Commissioner Helle to approve the minutes of the April 24, 2019 special meeting. Carried 6-0.

Item #3. – Approval of claims for payment for 04/12/19 to 06/06/19: Mr. Dankert discussed the claims for payment for the above time period. Mr. Dankert discussed payments to Mower County Treasurer for the Walker Building 2019 taxes (\$10,948.00), the 50% down payment on the Creekside Business Park sign (\$6,516.61), and the \$6,000 payment to SMIF. In addition, payments to the Board for the April 24 meeting were also highlighted.

Motion by Commissioner Bjorndal, seconded by Commissioner Mohrfeld to approve the claims for payment for the period of 04/12/2019 to 06/06/2019. Carried 6-0.

Item #4. – SMIF Presentation: Jennifer Nelson representing the Southern Minnesota Initiative Foundation (SMIF) presented the annual report for SMIF along with some other handouts. Ms. Nelson thanked the Port Authority for their \$6,000 contribution to SMIF, and that annually SMIF invests over \$5 million into the region with their activities. Ms. Nelson noted there are working on some solutions to the child care shortage in our region.

Commissioner Bednar questioned how many other city's in Mower County make contributions. Ms. Nelson noted she would have to double check, but believes Austin is the only one.

Item #5. – Request of Slaby and Associates for a change to the use restrictions on the out lot: Mr. Clark discussed his memo regarding the former Farmer's Market lot that was recently sold to Slaby and Associates as part of the old HyVee redevelopment project. Mr. Clark noted this lot is to have two separate buildings on it, but the current restrictions on the east side of the lot require a 4,200 square foot fast casual restaurant to be part of the development. Slaby and Associates have requested a change to allow for an 1,800 square foot Qdoba restaurant and a

2,200 square foot T-Mobile store. In return, they would reserve at least 1,400 square feet in the east building for a fast-casual restaurant.

Dean Slaby noted the goal is to have these stores open in the spring of 2020. Mike Cooper noted he feels comfortable with the proposal and is working on clearing up one sticking point in the proposed lease with Slaby and Associates.

Motion by Commissioner Helle, seconded by Commissioner Austin to approve of the modified restriction agreement with Austin MN LLC for the former Farmer's Market lot. Carried 6-0.

Motion by Commissioner Austin, seconded by Commissioner Bjorndal to approve of the Limited Waiver of Transfer Restriction with Austin MN LLC. Carried 6-0.

Item #6. – Port Authority Levy: Mr. Clark discussed the possibility increasing the tax levy for the Port Authority from the current \$40,000 up to the maximum allowed by law, currently \$212,000. Mr. Clark noted, that while we do have healthy fund balances right now, we never know what might come down the line and liquidate everything we have. President McCarthy questioned how much cash we really had. Mr. Dankert noted in the \$2.2-\$2.5 million range.

President McCarthy noted that without a pending project, he is hesitant on increasing the levy.

Commissioner Austin noted it would give us more flexibility, but with nothing eminent the City might need this money as they have been directed to keep the levy increase at between 0% and 4%.

Commissioner Bjorndal agreed, noting it is difficult to justify now.

Commissioner Helle noted maybe we could just take some “baby steps” to increase the levy each year, and maybe ask for \$60,000 for 2020 from the City Council.

After further discussion, motion by Commissioner Helle, seconded by Commissioner Austin to approve requesting \$60,000 in tax levy funds for the 2020 budget. Carried 6-0.

Item #7. – Discuss details of leasing the old Gold Cross Ambulance building: Mr. Clark requested blanket authority to negotiate whatever lease he deems appropriate without having to come back to the Port Authority for specific approval, due to our limited meeting schedule.

Commissioner Bednar noted when we accepted this donation, she was told that this would be a business district and we would not be getting into the rental business. Mr. Clark noted a plan will be forthcoming from Planning and Zoning to look at this mixed identity area of both businesses and homes, in an effort to convert the homes to businesses in this entire area. Until that is done, we would like to just rent out the facility.

Commissioner Helle noted she is comfortable with allowing Mr. Clark negotiate the business lease, but if somebody wants the house to rent for residential that it should come back to the full Board for a discussion.

President McCarthy noted he wants to ensure a tenant is paying all of the utility bill.

After further discussion, motion by Commissioner Helle, seconded by Commissioner Austin to approve Mr. Clark renting out for commercial use the former Gold Cross Building for a term of under one year under whatever terms he deems appropriate. Carried 6-0.

Item #8. – Executive Director Report: Mr. Clark noted the County recently voted down the tax abatement request by Craig Hoiium’s development group for the downtown Grand Stay hotel. The development agreement required all three parties (City, County, School) to approve an abatement or the agreement was null and void. Mr. Clark noted he will meet with Mr. Hoiium to discuss next steps.

Mr. Clark noted The Hormel Institute has decided to not go forward with use of some bonding money that was approved in this last legislative session due to changes within the organization.

Mr. Clark noted the new entrance sign at Creekside Business Park will be installed in 4-6 weeks.

Item #9. – Any other business: None.

Item #10. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Helle to adjourn the meeting at 5:27 pm. Carried 6-0.

Approved: _____

President: _____

Secretary: _____