

**MINUTES**  
**PORT AUTHORITY REGULAR MEETING**  
**WEDNESDAY, OCTOBER 23, 2019**  
**4:30 P.M.**  
**CITY HALL COUNCIL CHAMBERS**

**Members Present:** Commissioners Jerry McCarthy, Lee Bjorndal, Michael Bednar, Jeff Austin (4:36 p.m.), Chuck Moline and Jerry Mohrfeld.

**Members Absent:** Commissioner Laura Helle

**Staff Present:** Port Authority Executive Director Craig Clark, Port Authority Attorney Craig Byram, and City Clerk Ann Kasel.

**Others Present:** HRA Director Taggert Medgaarden, Terry Hall

President McCarthy called the meeting to order at 4:32 p.m.

**Item #2. – Approval of minutes of the June 19, 2019 special meeting:** Motion by Commissioner Bednar, seconded by Commissioner Mohrfeld, to approve the minutes of the June 19, 2019 special meeting. Carried 5-0.

**Item #3. – Approval of claims for payment for 06/06/19 to 10/06/19:** Motion by Commissioner Mohrfeld, seconded by Commissioner Moline, to approve the claims for payment for the period of 06/06/2019 to 10/03/2019. Carried 5-0.

**Item #4. – Review Unaudited Financial Statements:** Motion by Commissioner Moline, seconded by Commissioner Mohrfeld, to approve the unaudited financial statements through September 30, 2019. Carried 5-0.

**Item #5. – Approve Fourth Lease Extension and Amendment for International Paper:** City Administrator Craig Clark discussed his memo regarding the fourth extension to the International Paper lease stating the proposed lease would be for a three-year term with an option for two extensions of three-year terms thereafter. International Paper would receive two months of free rent for improvements for insulation and lighting and then a 1.5 percent increase in rent from the base rent rate in 2019. He also stated there is an additional provision in the proposed lease for a six month notice and two months of rent for early release from the lease due to the loss of a primary account.

Mr. Clark requested the board approve the lease subject to International Paper's execution of the lease.

Motion by Commissioner Bednar, seconded by Commissioner Bjorndal, to approve the fourth lease extension and amendment for International Paper. Carried 6-0.

**Item #6. – Review Preservation and Conservation Easement – Austin State Bank Building:** City Attorney Craig Byram discussed the preservation and conservation easement and proposed work on the Austin State Bank building. He stated there were BEEP funds set aside for this project at a previous Port Authority meeting and the developer has been working on plans for the

project since that time. Mr. Byram stated that Port is purchasing an easement on the property which will require the property owner to maintain the building in the mutually agreed upon improved state. He added that this is the same as the preservation and conservation easements that the Port has approved for previous projects. However, there will not be a mortgage placed during the construction period. The property owner will need to pay for the improvements up front and will be reimbursed when the project is complete and the easement attaches to the property.

Commissioner Bjorndal noted there wasn't an Exhibit A or B attached to the document.

City Attorney Byram stated those exhibits will be photos taken at the completion of the project so there is a record of how the improved building looks.

Terry Hall, the owner of the building, stated building will undergo window and door replacements, tuck pointing restoration, the removal of exterior mechanical equipment, the refurbishment of escape stairs, the repair of brick damage and the illumination of the Austin State Bank letters. He believes the project will be a very positive improvement for the downtown.

President McCarthy asked if an elevator is going to be installed in the building.

Mr. Hall stated that the installation of an elevator would be very expensive and he is looking at a chair lift system.

Commissioner Mohrfeld asked if the building is completely leased.

Mr. Hall stated seventy percent of the main and second floors are leased. The basement had water issues and hopefully once that is resolved then a lease can be developed.

City Administrator Craig Clark asked if this was an opportunity zone project.

Mr. Hall confirmed it was.

After further discussion, motion by Commissioner Austin, seconded by Commissioner Mohrfeld, approving the project plans and associated documents for the Austin State Bank Building. Carried 6-0.

**Item #7. – Information on quote for ramp and retaining wall removal:** Mr. Clark noted that there was a ramp and retaining wall on the 107 West Oakland Avenue site that needed to be removed totaling \$16,452. The Port's portion of the bill would be approximately \$8,300. The work has already been completed and Mr. Clark requested approval for payment of the bill.

Moved by Commissioner Moline, seconded by Commissioner Mohrfeld, to approve payment of an invoice in the amount of \$8,300 for ramp and retaining wall removal on the 107 West Oakland Avenue site. Approved 5-0 with Commissioner Bednar abstaining.

**Item #8. – Executive Director Report:** City Administrator Craig Clark stated he is working on several development projects in the City. He asked if there were any objections to having a

residential tenant in the former Gold Cross building for the winter to avoid heating bills. There were no objections noted.

Commissioner Bjorndal asked what was going on with the parcel of land north of the new Kwik Trip.

Mr. Clark stated there have been parties interested in that parcel of land but there is no development yet. The City is looking to extend a road through the piece of land.

**Item #9. – Any other business: South Central Athlete and B & J Bar and Grill Buildings**

City Attorney Craig Byram stated funds were earmarked in January for the South Central Athlete and B&J Bar building south wall project. Both owners of the businesses are on board with the project and work has begun. Mr. Byram stated the project documents are similar to the Austin Bank Building project with the exception that there are existing easements in place on the exteriors of the buildings. When the project is completed, Mr. Byram will file an amendment to the already existing easements to secure the Port Authority’s interest in the property.

Mr. Byram noted that the south wall of these buildings wasn’t visible when the original work was completed. However, due to demolition and development in the downtown, this wall was exposed and needed upgrades.

Moved by Commissioner Austin, seconded by Commissioner Bednar for approval of the project plans and associated documents for the South Central Athlete and B & J Bar and Grill improvement project. Carried 6-0.

**Item #10. Adjournment:** With no further business, motion by Commissioner Austin, seconded by Commissioner Mohrfeld, to adjourn the meeting at 5:11 pm. Carried 6-0.

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

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

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