

MINUTES
PORT AUTHORITY SPECIAL MEETING
TUESDAY, SEPTEMBER 7, 2021
4:30 P.M.
LOWER-LEVEL CONFERENCE ROOM A

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

Members Absent: Commissioner Chuck Moline.

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

Others Present: Curt Johnson (Patriot Land and Construction Co. LLC.).

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

Item #2. – Approval of minutes of the June 15, 2021 regular meeting: Motion by Commissioner Bednar, seconded by Commissioner Ruzek to approve the minutes of the June 15, 2021 regular meeting. Carried 6-0.

Item #3. – Approve sale of property for PIN 34.460.1040, 34.865.0541, 34.865.0610, and 34.579.0010: Executive Director Craig Clark discussed the proposed sale of the four parcels known as the former YMCA to Nate Stencil for a proposed 91-unit apartment complex. Public advertising of this public hearing has been done with the 10 days advance notice, and if the sale is approved by the Port Authority Board, then we can have a closing 20 days after this meeting, assuming that nobody files a petition in court to stop the sale. Mr. Clark stated the only thing that is holding this up at this point is the title work. Port Authority Attorney Craig Byram noted that we are giving a quit claim deed to Stencil, but happy that their title company in Rochester is doing the title search as there are some complicated parcels within this proposed sale.

Commissioner Bednar questioned what direction the building would sit. Mr. Clark noted it would face the Mill Pond.

After further discussion, motion by Commissioner Baskin, seconded by Commissioner Bjorndal to approve the sale of property to Nate Stencil. Carried 6-0. We will now wait the required 20-day holding period before a closing can occur.

Item #4. – Creekside Business Park infrastructure grant opportunity: Mr. Clark discussed the potential to receive a grant for Creekside Business Park to help expand the physical infrastructure at the Port Authority owned facility. Total estimated costs would be \$2,350,000 for the Port Authority/City extensions plus another \$721,000 in extensions (for Austin Utilities) and another \$660,000 to loop the systems together (for Austin Utilities). This brings the total cost to \$3,731,000. The federal grant provides a 50/50 matching requirement, however due to Covid the federal/local match could be 80/20.

The City would propose to use existing fund balance for our match if successful. Additionally, the Port Authority will need to expend around \$10,000 for help with submission of the grant, for which Austin Utilities has been asked to pay 50% of those costs.

Commissioner Bjorndal confirmed that the Port Authority then would not be responsible for the infrastructure costs (only the \$10,000 submission costs). Commissioner Baskin confirmed that the infrastructure improvements are contingent upon getting the grant.

This item is for informational purposes only.

Item #5. – Review purchase agreement with Patriot Land & Construction Co. LLC for property along 14th Street NE: Mr. Clark noted he has continued to work with Patriot Land & Construction Co. on the development along 14th Street NE for a new truck wash out facility. Mr. Clark noted the updated purchase agreement has some tweaks from the one in the packet, notably the purchase price of \$319,220 includes the \$63,000 estimated cost of the new road.

Curt Johnson of Patriot noted he is working with Jeff Gross at US Bank and will probably be using an SBA loan, combined with hopefully some S.M.I.F. funds. Mr. Johnson noted they wanted first right of refusal on the outlots as since they have announced this potential project, they have been contacted by others including towing companies and repair shops that might want to co-locate with them, so the size of the facility is a work-in-progress. Mr. Johnson noted they need roughly 11 acres, but would like the cost to be changed to reflect a cost per square foot, and would equate to around \$0.67 per square foot based on whatever survey comes out for the final footprint needed.

Commissioner Ruzek questioned how much bigger this facility would be compared to the current G&R Truck Wash. Mr. Johnson noted G&R Truck Wash is approximately 18,000 square feet, and this proposed facility would be closer to 50,000 square feet. Additionally, if this went through then the current G&R Truck Wash facility would be repurposed.

Commissioner Ruzek questioned how far this would be from Natures Ridge. Mr. Johnson estimated around 800 feet. Mr. Ruzek noted his concern for nice homes being built in Natures Ridge and that this facility might be better suited for a different location. This site has a better potential for some other use noted Commissioner Ruzek. Mr. Johnson noted this will be a state-of-the-art facility and will control any smell that emits from the site.

Commissioner Baskin stated this is a net positive gain for the community. Mr. Clark noted there is not much job growth here, but there is an increase in the tax value. Commissioner Bjorndal noted the current G&R Truck Wash is not in a good location. Commissioner Bjorndal also noted people in Natures Ridge will be impacted by this.

Commissioner Bednar noted that Natures Ridge is already one road away from an industrial zone as is. Mr. Clark agreed, noting buyer beware of lots in Natures Ridge.

Motion by Commissioner Baskin, seconded by Commissioner Bednar to move forward with publications and a public hearing to officially sell the land. Carried 6-0. Mr. Johnson noted he would work with the City to send out notices to property owners in the area.

Item #6. – Update on 17th Street NE street project: Mr. Clark briefly updated the board noting our cost will be around \$63,000 for which we are working with Patriot Land and Construction to cover this cost as part of the development proposal.

Item #7. – Executive Director Report: None.

Item #8. – Any other business: None.

Item #9. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Bjorndal to adjourn the meeting at 5:25 pm. Carried 6-0.

Approved: _____

President: _____

Secretary: _____