

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, APRIL 28, 2021
4:30 P.M.
LOWER-LEVEL CONFERENCE ROOM

Members Present: Commissioners Jerry McCarthy, Jeff Austin, Jason Baskin, Lee Bjorndal (via Zoom), Chuck Moline, and Jerry Mohrfeld.

Members Absent: Commissioner Michael Bednar

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

Others Present: Sally Baker and Sue Loch from the Austin Medical Center Foundation, Victor Baeten from Slaby and Associates.

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

Item #2. – Approval of minutes of the April 5, 2021 special meeting: Motion by Commissioner Moline, seconded by Commissioner Mohrfeld to approve the minutes of the April 5, 2021 special meeting. Carried 6-0.

Item #3. – 12/31/20 Draft audit report: Mr. Dankert noted Craig Popenhagen from CLA was here to present a preliminary audit report, but it is now final with the signing of the representation letter this evening. Mr. Popenhagen noted the following:

- On pages 1-3 we received an unqualified or clean opinion on our financial statements.
- Pages 4-9 are called the Management’s Discussion and Analysis and are a good synopsis of what happened during the year in a more narrative form.
- Pages 10-11 are the Balance Sheets which indicate a decrease from \$27.3 million of assets down to \$26.3 million. Cash increased nearly \$56,000 to a total of \$2,951,254. Land Held for Resale decreased over \$300,000 to end at \$917,286. Capital assets remained the same, with only the depreciation charge reducing the net investment.
- On page 12 is the income statement that shows a change in net assets (decrease) of \$974,262. The depreciation expense of \$800,779 plus the land that the Port Authority “gave” away (Gold Cross Ambulance building to HRA and the 117 and 119 2nd Avenue NE buildings to HPW, LLC) were the prime drivers in this loss.
- On page 13, Mr. Popenhagen noted the cash flows have increased \$55,952 from 2019 operations and the ending cash balance now sits at over \$2.95 million.
- On pages 14-20 are the notes to the financial statements.
- On pages 21-28 are more detailed pages of the funds and their operations, broken down by activity.
- Finally, on pages 29-31 is the report indicating we complied with all of the state compliance requirements and internal controls.

Motion by Commissioner Austin, seconded by Commissioner Bjorndal approving the December 31, 2020 audited financial statements. Carried 6-0.

Item #4. – Mayo land donation in Creekside Business Park: Mr. Clark noted the Mayo Foundation would like to donate back to the Port Authority some land out in Creekside Business Park. President McCarthy noted this land was part of a trade many years ago for where the downtown justice center now sits. Mayo no longer has plans for this site and would like to donate it back to the Port Authority.

Motion by Commissioner Baskin, seconded by Commissioner Austin to accept the donated land. Carried 6-0.

Item #5. – Approve sprinkler loan agreement with HPW, LLC: Mr. Clark noted Terry Hall is continuing his development of the former Austin State Bank building and has requested a 0% sprinkler loan for the building. The estimated cost of the installation is \$62,850 and would include a payback to the Port Authority on a 240-month amortization schedule, with a balloon payment owed after the 120th (10th year) payment.

Commissioner Baskin questioned why we wouldn't just do a 240-month loan without the balloon payment. Mr. Dankert noted this is structured similar to other sprinkler loan agreements. The thought process back then might have centered around a balloon payment with the understanding that if the landlord wanted to, we could mutually agree to continue to accept monthly payments and would probably not require the balloon payment.

Motion by Commissioner Baskin, seconded by Commissioner Mohrfeld approving of the sprinkler loan agreement. Carried 5-0 (Commissioner Moline = Abstained).

Item #6. – Nu-Tek 1st Amendment to Contract for Private Redevelopment: Mr. Clark noted the Nu-Tek project has requested an extension to the closing date, asking to push it back a month to June 1, 2021.

Motion by Commissioner Baskin, seconded by Commissioner Austin to approve the contract amendment with Nu-Tek. Carried 6-0.

Item #7. – Closed meeting: Motion by Commissioner Austin, seconded by Commissioner Moline to close the meeting under Minnesota Statute § 13D.05, subd. 3(c) to develop or consider offers or counteroffers for the purchase or sale of real or personal property. The property to be considered are parcel numbers 34.521.0100 and 34.521.0120. Carried 6-0.

See DVD of closed meeting.

Motion by Commissioner Moline, seconded by Commissioner Austin to open the meeting at 6:00.

Item #8. – Executive Director Report: Mr. Clark noted the Port Authority is expected to be the entity buying the old YMCA and selling it to a developer, as we can claw it back if the development does not proceed. President McCarthy noted we are getting City funds to do this.

Item #9. – Any other business: None.

Item #10. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Baskin to adjourn the meeting at 6:05 pm. Carried 6-0.

Approved: _____

President: _____

Secretary: _____