

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, APRIL 30, 2025
4:30 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jason Baskin, Lee Bjorndal, Geoff Smith, Kris Heichel, Michael Bednar, Jeff Austin, and Tim Ruzek.

Members Absent: None.

Staff Present: Port Authority Executive Director Craig Clark.

Others Present: Craig Popenhagen and Sterling Shatek of CLA (Auditors), John Garry of the Development Corporation of Austin.

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

Item #2. – Approval of minutes of the April 30, 2025 special meeting: Motion by Commissioner Heichel, seconded by Commissioner Austin to approve the minutes of the April 30, 2025 special meeting. Carried 7-0.

Item #3. – Claims for Payment: Claims paid from January 4, 2025 through April 10, 2025 noting in total, payments made were \$705.55.

Motion by Commissioner Austin, seconded by Commissioner Bednar to approve the claims for payment as presented. Carried 7-0.

Item #4. – Preliminary Audit Report Presentation: The final audit is all signed off and ready to be printed noted Mr. Popenhagen. No exceptions noted during the audit.

- On page 12 the Walker Building lease is up at the end of 2025, so only one year of lease shown here.
- On page 14 comparing revenues and expenses, in 2023 the Port Authority expended funds in 2024 for infrastructure related to the Harty Mechanical building, hence driving up the 2024 expenses.
- Page 14 shows a net loss of \$762,818, but depreciation is \$712,626 of that loss, on paper.
- On page 15 the cash position only decreased by \$56,065 leaving the Port Authority is still strong in its cash position at year-end.
- There will be a slight change on Note 4 on Capital Assets as depreciation will be broken out by asset class.

Motion by Commissioner Smith, seconded by Commissioner Austin to approve the preliminary audit report as presented. Carried 7-0.

Item #5. – Impact Austin Comprehensive Plan Presentation: John Garry, Executive Director at the Development Corporation of Austin (DCA) discussed the massive effort to update the comprehensive plan for the City of Austin. Impact Austin is coordinating this effort throughout the community. Mr. Garry went through his PowerPoint presentation, noting Impact Austin is advocating for Austin through this coordinated effort.

Mr. Garry discussed different districts, including the downtown district and culture/arts corridor.

President Baskin questioned how the Port Authority can support these efforts. Mr. Garry noted getting people and projects downtown would have a huge impact.

Item #6. – Ag land lease for 25 acres: Mr. Clark noted he has been working with John Trihus to lease the 25 acres of land along 14th Street NE for hay and growing vegetables. Adjustments could be done based on development or unworkable land. Originally, we looked at a three-year lease, but we are now focusing on a four-year lease, with annual rental revenues of:

- \$5,625 in 2025
- \$5,625 in 2026
- \$6,250 in 2027
- \$6,250 in 2028

Motion by Commissioner Austin, seconded by Commissioner Bednar to approve the land lease with John Trihus for the 25 acres located along 14th Street NE. Carried 7-0.

Item #7. – NuTek MIF Reporting: Mr. Clark gave an update of a \$325,000 from the State, to the Port Authority then to NuTek, for which NuTek was to create 35 jobs. However, they have only created 30 jobs, even after the one-year extension. Mr. Clark noted the pay rate is higher than required by the state for those 30 jobs.

Mr. Clark noted they have submitted the report to the state and are waiting to see what they want us to do to close out that grant.

For informational purposes only.

Item #8. – Executive Director Report: Mr. Clark noted we have received a proposal for a new lease from International Paper for which they would like two, one-year extensions with an option for two more years after that. The rate International Paper has proposed a rate increase of 2% annually. The Port Authority approved a consultant called NAI Legacy to review lease rates and facilities in Austin, but unfortunately NAI Legacy has gone “radio silent” and is not communicating with us. Mr. Clark noted he would like approval to work with Ryan Nolander to gauge market rates. Commissioner Bjorndal noted Ryan would be a good source for this.

Mr. Clark noted stump grinding at the 25-acre and 13-acre site will be completed by mid-May.

John Garry also gave a presentation at the Chamber meeting that looks at inflows and outflows of jobs from Austin. Please review at your leisure.

The City Council also is looking into a drainage study from MnDOT that might want to use the 13-acre site for a retention pond, and this might be able to be used for our 25-acre site as well. No decisions have been made.

The Walker Building roof is in rough shape, so we are getting estimates and alternatives to replace the roof in 2025/2026.

We are still waiting for the Certificate of Occupancy and the reporting of the 5 new jobs required as part of that land deal.

Commissioner Smith noted his first impression of the 2% offer from International Paper seems low.

Discussion ensued on the 13-acre site and retainage ponds.

For the next meeting, President Baskin noted we should look to see how we are doing on our Mission and Vision statements.

Item #9. – Any other business: None.

Item #10. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Bjorndal to adjourn the meeting at 5:23 pm. Carried 7-0.

Approved: _____

President: _____

Secretary: _____