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AGENDA
PORT AUTHORITY
WEDNESDAY, MARCH 10, 2021
CITY HALL – COUNCIL CHAMBERS
4:00 PM

1. Roll Call.
2. Approval of minutes of the January 27, 2021 meeting.
3. Due diligence request for property along 11th Drive and 14th Street NE. (Craig Clark).
4. Executive Director Report. (Craig Clark)
5. Any other business.
6. Adjourn.

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, JANUARY 27, 2021
4:30 P.M.
LOWER-LEVEL CONFERENCE ROOM

Members Present: Commissioners Jerry McCarthy, Lee BJORNDAL, Jason Baskin, and Jerry Mohrfeld.

Members Appearing via Zoom: Commissioner Chuck Moline.

Members Absent: Commissioner Jeff Austin and Michael Bednar.

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

Others Present via Zoom: Mayor Stephen King, John Garry (DCA), Bob Westra (President of WDS/JCW) and Deneita Schreier (CFO of WDS/JCW).

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

Mayor King addressed the Port Authority Board and thanked them for their important service to the citizens of Austin.

Item #2. – Approval of minutes of the September 23, 2020 regular meeting: Motion by Commissioner BJORNDAL, seconded by Commissioner Mohrfeld to approve the minutes of the September 23, 2020 regular meeting. Carried 5-0.

Item #3. – Claims for Payment: Mr. Dankert discussed the claims paid from September 11, 2020 through January 7, 2021 noting in total, payments made were \$123,715.76. Mr. Dankert noted some of the large unusual payments as follows:

- \$5,000 to the Austin HRA for payment on the original \$50,000 Oak Park Mall redevelopment 0% interest loan.
- \$45,218.54 to HPW LLC for the first draw on their loan for the redevelopment of the former Paradise Island/The Ville buildings.
- \$70,000.00 to HPW LLC for the 0% sprinkler loan at the former Paradise Island/The Ville buildings that were recently sold.

Motion by Commissioner Mohrfeld, seconded by Commissioner BJORNDAL to approve the claims for payment as presented. Carried 5-0.

Item #4. – Election of Officers: Mr. Dankert noted this is the annual meeting for which officers need to be elected. Motion by Commissioner Moline, seconded by Commissioner BJORNDAL to approve the officers for 2021 as follows:

President	Jerry McCarthy
Vice President	Jeff Austin
Treasurer	Lee BJORNDAL
Secretary and Assistant Treasurer	Tom Dankert

Carried 5-0.

Item #5. – Approve Sale of Property located at 102 Main Street S. (PIN 34.095.0020) to MetroFibernet, LLC DBA/MetroNet: Mr. Clark presented a signed purchase agreement from MetroNet for the acquisition of the property located at 102 Main Street South. This property was acquired as part of the Plunkett Law office acquisition by the City of Austin, and then transferred over to the Port Authority. The proposed purchase price is \$50,000 and is contingent upon an environmental review. A Phase I review indicated a repair garage on the property, so MetroNet is in the process of doing a Phase II study. If something comes back with the Phase II evaluation then both parties may back out or re-address the contract at that time. Closing would be 30-90 days after the effective date. As for all Port Authority property sales, there is the standard 20-day objection period for citizens to contest the agreement, so the contract cannot be signed until that expires.

After further discussion, motion by Commissioner BJORNDAL, seconded by Commissioner MOLINE to approve the Purchase and Sale Agreement with MetroNet and to authorize the President and Secretary to sign the agreement. Carried 5-0.

Item #6-7-8. – Approve Developer’s Agreement with WDS/JCW and Approve the Sale of Property PINS 34.156.0030 and 34.156.0060 to WDS/JCW: Mr. Clark presented a signed Contract for Private Redevelopment with JCW Development LLC and W.D.S. Construction Services, LLC for the sale of two parcels in the Creekside Business Park. The sale price is \$10 and includes additional costs for road extensions. The property will be used to construct a 60,000 square foot production facility for NuTek Bioscience for a vegetable and yeast-based proteins/peptones for the Pharma and Food industries. The estimated assessed valuation should be between \$4.3 million and \$4.7 million and will provide 35 good paying jobs within a two-year period. WDS/JCW will construct a building with a minimum actual cost of \$16 million, with an additional \$16 million in equipment for the facility.

In addition, the City Council approved some incentive packages and applications have been forwarded to the State of Minnesota for some additional state funds. Mower County is considering a \$2.5 million loan package as part of the deal also.

Mr. Clark also noted the developer has requested that we combine the two lots as part of the development, so we would also request Port Authority approval to do such.

Development Corporation of Austin (DCA) Executive Director John Garry thanked all for their work on this project that will add great jobs to our community.

Ben Westra, President of JCW thanked staff for their hard work and for having a site ready for this development. Ben noted working with Austin staff on this project was a great experience and went quickly and smoothly.

Motion by Commissioner BASKIN, seconded by Commissioner BJORNDAL to approve the sale and to authorize the President and Secretary to execute the Contract for Private Development after the 20-day objection period. Carried 5-0.

Motion by Commissioner Bjorndal, seconded by Commissioner Moline to authorize staff to complete the combining of the two parcels as requested. Carried 5-0.

Commissioner Moline encouraged the developers to use as many local subcontractors as possible. Mr. Westra noted his intentions to do such and asked staff to forward them contractors that have showed interest in the project.

Item #9. – Executive Director Report: None.

Item #10. – Any other business: None.

Item #11. Adjournment: With no further business, motion by Commissioner Mohrfeld, seconded by Commissioner Bjorndal to adjourn the meeting at 4:59 pm. Carried 5-0.

Approved: _____

President: _____

Secretary: _____

City of Austin
Craig Clark,
City Administrator



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TO: President and Port Board Members

FROM: Craig D. Clark, Executive Director

RE: Property due diligence request for property along 11th Drive and 14th Street NE

The Port Authority was approached with interest in our property along 11th Drive and 14th Street NE. These are two parcels, shown on Exhibit 1, are (1.) 13 acres and (2.) 25 acres respectively.

Patriot Land and Construction Co. LLC and Dean Goette have interest in building a commercial truck wash facility and would like 90 days to perform due diligence on the two parcels. A copy of their request is included as Exhibit 2. This 90-day period provides them assurance that we would not sell the property out from under them though this agreement does not provide any terms of sale. They are aware of our incentives package with NuTek and have hope they might be able to have some similar consideration.

I've made no promises and have left it as the Port Authority is interested in seeing job creation and taxable value added to the community. Similar provisions would be in the context of their producing similar benefits for the growth of Austin or would be considered within this context.

While there could always be someone who would show up at our door and want to offer us a quick purchase of the property, a 90-day period to perform due diligence is a reasonable request. They will continue to work through their items as listed on their outline and the Port Authority would be granted the information as relevant to us for the property should they decide to not move forward. In that regard, the Port has the benefit of this work. By way of example the City did work on the 25-acre site and indicates some wetland concerns. If they perform more due diligence for a continued wetland delineation, we would get the benefit of this work.

Please let me know if you have any questions.

Board action is requested to approve the Executive Director of the Port to sign the agreement and allow them to move forward with their due diligence on the two sites.

Exhibit #1

Mower County Public GIS



PATRIOT

LAND & CONSTRUCTION Co. LLC

Exhibit 2

March 1, 2021

Mr. Craig Clark
Austin Port Authority - City of Austin
500 4th Avenue Northeast
Austin, MN 55912

Re: Letter of Site Control

Dear Mr. Clark,

On behalf of Mr. Dean Goette and myself, we thank you for the numerous conversations related to the potential development of a "State of the Art" Commercial Truck Wash Facility to be developed in the City of Austin, MN.

Pursuant to our most recent conversation, we believe that the property that is situated near a Kwik Trip Convenience Store generally located at the intersection of 14th Avenue North and 11th Drive, near I90 and that is currently owned by the Port Authority of the City of Austin, MN and is comprised of two (2) parcels, 25 acres and 13 acres, approximately.

It is with this letter that we respectfully request up to a ninety (90) day period, granting us "site control" and furthermore, for us to conduct due diligence on the prospects and aspects of such a development, including but not limited to the following:

- i) Site Planning and Project Cost Estimation;
- ii) Discussions with prospective Operators/Tenants;
- iii) Review of the proposed project for available Economic Subsidies;
- iv) Preliminary negotiations to determine the scope of a request to the Port Authority for a disposition/acquisition cost for the property;

This ninety (90) day "Site Control" period would consist of three (3) phases;

- Phase i) Initial period for Site Planning, Project Cost Estimation and Feasibility Analysis;
- Phase ii) Canvassing of Potential Tenant Operators and Project Principals;
- Phase iii) Financial Review and Analysis for Project Feasibility and Identification of any and all applicable Local, State and Federal Economic incentives.

The likely schedule of “due diligence and deliverables” for the project is as follows:

- i) Any site plans, building plans, construction cost estimation, surveys of record and/or sketches related to site planning;
- ii) Any documentation related to the feasibility of the project;
- iii) Any draft documentation related to the ownership and any prospective tenants considered for the project;
- iv) Any original and/or executed documentation related to the ownership, tenancy and/or financing of the project;
- v) Any other project due diligence in the form of financial projections and historical financial information related to the marketplace for the project.
- vi) A list of all parties and associated contact information relevant to any information and consultation provided for the project accordingly;

This “Site Control” period will commence upon the acceptance of this request by the Port Authority and the consideration proposed by us would be one dollar (\$1.00) and other valuable consideration during this due diligence period. We will also advise the Port Authority in each “phase” that we have completed, or in the case that we have determined that the proposed project does not appear to be feasible, or we give notice of the intent to acquire the property. In the case of the former, all of the due diligence created to that point would become available to the Port Authority. In no case will we engage outside contractors or other parties that would create an encumbrance upon the property and we will indemnify and hold the Port Authority harmless through this “site control” period and furthermore surviving any termination on our part.

We Thank You in advance and please advise if you have any questions or concerns.

Sincerely,

Acknowledged and Accepted:

Austin Port Authority

Curt Johnson

Chief Manager

By: _____

Dated: _____

Craig Clark

Its: Executive Director