



# AUSTIN PORT AUTHORITY

500 Fourth Ave. NE  
Austin, MN 55912-3773

[www.ci.austin.mn.us](http://www.ci.austin.mn.us)

507-437-9940  
Fax: 507-434-7197

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**AGENDA**  
**PORT AUTHORITY**  
**WEDNESDAY, OCTOBER 5, 2022**  
**CITY HALL – COUNCIL CHAMBER**  
**4:00 PM**

1. Roll Call
2. Approval of Minutes of the June 27, 2022 Meeting
3. Approve of claims for payment April 1, 2022 – September 22, 2022 (Tom Dankert)
4. Harty Mechanical Offer for Land Purchase of a 10 Acre Portion of 34.156.0110

**CLOSED PORTION OF THE MEETING**

Closed pursuant to Minn. Stat. 13D.05 Subd. 3c (3) to develop or consider offers or counteroffers for the purchase or sale of real property identified as property in the Creekside Business Park as a 10 Acre portion of 34.156.0110.

5. HRA Port Appointed Member
6. Executive Director Report (Craig Clark)
7. Any Other Business
8. Adjourn



**MINUTES**  
**PORT AUTHORITY REGULAR MEETING**  
**MONDAY, JUNE 27, 2022**  
**3:00 P.M.**  
**CITY COUNCIL CHAMBERS**

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

**Members Absent:** None.

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

**Others Present:** Tim Penny (President and CEO of Southern Minnesota Initiative Foundation) and John Garry (President and CEO of the Development Corporation of Austin).

President McCarthy called the meeting to order at 3:00 p.m.

**Item #2. – Approval of minutes of the April 27, 2022 regular meeting:** President McCarthy noted two changes, one for the meeting time to start at 4:00 (instead of 4:30) and the second on the motion to approve the audited financial statements should be by Commissioner Bednar (instead of Commissioner Bjorndal). Motion by Commissioner Austin, seconded by Commissioner Bednar to approve the amended minutes of the April 27, 2022 regular meeting. Carried 7-0.

**Item #3. – SMIF (Southern Minnesota Initiative Foundation) Presentation:** Tim Penny, President and CEO of SMIF presented the Port Authority with an update of the last year and thanked the Port Authority for their annual contribution. Mr. Penny noted their annual book donations, early childhood training sessions, and local loans to entities such as Bella Victoria, Golden Tress, Lansing Corners, and others. Mr. Penny noted SMIF moved over \$20 million of federal dollars to local grants as part of their administration work as a trusted partner of the state and federal government. Mr. Penny noted SMIF also donated \$10,000 to help with the Taopi tornado relief efforts.

**Item #4. – DCA Presentation (John Garry):** John Garry, President and CEO of the Development Corporation of Austin (DCA) and Austin Community Growth Ventures (ACGV) presented the Port Authority with an update of their Joint Strategic Plan for 2022-2025 noting four main priorities:

- Position Austin to grow as a destination for business, innovators, and entrepreneurs at the intersection of food, health, agriculture and biosciences.
- Ensure entrepreneurs and startup businesses have access to the right technical assistance and funding to launch their idea.
- Assist existing firms with access to workforce, infrastructure, capital, and physical space that allow them to remain and continue to grow the community.
- Coordination and collaboration with community partners to make Austin a world-class destination for residents.

Commissioner Ruzek questioned what are people looking for in an incubator. Mr. Garry noted usually we need a big generic space that people can share labs in, and also dedicated space for scientific research.

**Item #5. – Overview of Port Authority Function:** Mr. Clark noted attorney Craig Byram had drafted the memo to outline the history and the role and function of the Port Authority. No questions asked by the Commissioners.

**Item #6. – Open Discussion on Port Authority Priorities:** President McCarthy noted this meeting was to have some ideas/priorities of the Board. The following were discussed:

- Commissioner Baskin noted he is on-line with the DCA and ACGV Strategic Plan. Food, bioscience, health, and agriculture are things we should concentrate on. We have a great opportunity to build out Creekside Business Park.
- Commissioner Ruzek noted Creekside Business Park and Nu-Tek should be our priority. We also need to better promote the community, and review the Velocity Report on what can also be done to expand Austin's opportunities.
- Commissioner Moline stated it was good to see the DCA's focus narrowed. We should continue to "hit singles instead of going for the grand slam" noting many small victories are just as good as one big one. We need to toot our own horn of what we have in Austin, including two free years of education at Riverland Community College thanks to The Hormel Foundation.
- Commissioner Austin noted we need to work more with existing companies, and focus on certain programs.
- Commissioner Bjorndal noted maybe we should look at an incubator building, and a smaller focus is good.
- Commissioner Bednar noted Nu-Tek is a terrific addition. However, our housing stock has deteriorated with too many rentals in town. In order to sell Austin, we also need to back up the statistics that Austin has a great education system. The test scores and passing rates don't indicate such. We also need to continue with downtown development.

**Item #7. – Executive Director Report:** Mr. Clark noted we are still working with the federal government on our EDA grant for infrastructure at Creekside Business Park. Getting a SAMS registration seems to be a big hold-up, with no help from the federal government.

Terry Hall noted that construction is coming along well on the 117 and 119 2<sup>nd</sup> Avenue properties.

Austin Utilities did agree to pick up their share of costs for infrastructure in the Creekside Business Park as part of the EDA grant.

The wetland delineation plan came back showing 0.68 acres in the 25-acre Persinger land site as wetlands. We will need to buy a wetland credit somewhere else in order to utilize this land to full capacity, noting it might cost around \$13,000 for such credit purchase. Mr. Clark noted the Port Authority will proceed with the drainage plan.

**Item #8. – Any other business:** None.

**Item #9. Adjournment:** With no further business, motion by Commissioner Austin, seconded by Commissioner Ruzek to adjourn the meeting at 4:08 pm. Carried 7-0.

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

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

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



# Claims for Payment

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

## Council Check Summary

4/1/2022 - 9/22/2022

[illegible]



**Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.**

## Council Check Summary

Page - 2

4/1/2022 - 9/22/2022

Check #	Date	Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	D
		35.00	APRIL 2022 PORT AUTH MEET		123444	APRIL 2022	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													
75447	4/28/2022		100160 AUSTIN UTILITIES												
		6.73	19383-011 1300 27 AVE NW SIGNA		123827	APRIL 2022	46510	6386			Utilities	Port Authority General	66000	115	
		6.73													
75455	4/28/2022		102509 CHARTER COMMUNICATIONS												
		39.99	WALKER BLDG	00108278	123711	0013045041722	46560	6321			Communications	Port Authority Walker Bui	66000	115	
		39.99													
75523	4/28/2022		101108 MOWER COUNTY TREASURER												
		32.00	PROPERTY TAX	00108644	123666	34.012.0010 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		14.00	PROPERTY TAX	00108644	123667	34.156.0020 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		14.88	PROPERTY TAX	00108644	123668	34156.0040 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		14.00	PROPERTY TAX	00108644	123669	34.156.0050 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		34.00	PROPERTY TAX	00108644	123670	34.156.0070 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		60.00	PROPERTY TAX	00108644	123671	34.156.0090 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		156.00	PROPERTY TAX	00108644	123672	34.156.0100 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		154.00	PROPERTY TAX	00108644	123673	34.156.0110 DITCH	46510	6390			Property Taxes	Port Authority General	66000	115	
		11,292.00	PROPERY TAX	00108644	123665	34.009.0080 WALKER	46560	6390			Property Taxes	Port Authority Walker Bui	66000	115	
						BLDG									
		11,770.88													
75605	5/12/2022		100760 AUSTIN, JEFFREY												
		35.00	APRIL 2022 PORT AUTH MEET		123969	APRIL 2022	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													
75608	5/12/2022		100994 BEDNAR, MICHAELL												
		35.00	APRIL 2022 PORT AUTH MEET		123970	APRIL 2022	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													
75619	5/12/2022		100263 CRC INC												
		6.54	CENTRAL STATION SECURITY		123974	138393	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		6.54													
75646	5/12/2022		110958 HPW LLC												
		223,053.80	DRAW #7 GENERAL LOAN	00108659	123977	DRAW #7	66000	1290	58		Loan - HPW \$185,000 Ville	Fund 66	66000	115	
		223,053.80													
75663	5/12/2022		100763 MCCARTHY, JERRY												
		35.00	APRIL 2022 PORT AUTH MEET		123978	041922	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													
75671	5/12/2022		110010 MOLINE, CHUCK												
		35.00	APRIL 2022 PORT AUTH MEET		123981	APRIL 2022	46510	6306			Personnel Services	Port Authority General	66000	115	
		35.00													

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4/1/2022 - 9/22/2022

Check #	Date	Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	D
<b>76389</b>	<b>7/21/2022</b>		<b>100548 FOX ELECTRIC</b>												
		279.00	REPLACE SPRINKLER FLOW	00005038	125697	40671	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		279.00													
<b>76474</b>	<b>7/21/2022</b>		<b>101594 ULLAND BROTHERS INC</b>												
		40,459.39	27TH AVE NW		125518	EST #1	46510	6530		21107	Improvements Other Than Buil	Port Authority General	66000	115	
		40,459.39													
<b>76508</b>	<b>8/4/2022</b>		<b>100160 AUSTIN UTILITIES</b>												
		6.73	19383-011 27TH AVE SIGNAL		125932	JULY 2022	46510	6386			Utilities	Port Authority General	66000	115	
		6.73													
<b>76524</b>	<b>8/4/2022</b>		<b>100263 CRC INC</b>												
		6.54	CENTRAL STATION SECURITY		125830	140206	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		6.54													
<b>76548</b>	<b>8/4/2022</b>		<b>110958 HPW LLC</b>												
		57,607.85	DRAW #5 EASEMENT 150% OF LOT 10224	0010224	125777	DRAW #5 EASEMENT	46520	6520			Buildings	Port Authority Downtown R	66000	115	
		24,887.00	DRAW #8 GENERAL LOAN-VILLE PARADISE	0010230	125761	DRAW #8 GENERAL LOAN	66000	1290	58		Loan - HPW \$185,000 Ville	Fund 66	66000	115	
		82,494.85													
<b>76577</b>	<b>8/4/2022</b>		<b>101181 OLYMPIC FIRE PROTECTION</b>												
		1,002.78	REPLACE FLOW SWITCH/HORN	0010309	125801	25440107	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		1,002.78													
<b>76705</b>	<b>8/18/2022</b>		<b>110958 HPW LLC</b>												
		60,000.00	THE VILLE/PARADISE ISLAND	00110237	126350	SPRINKLER LOAN	66000	1290	59		Loan - HPW \$60,000 Sprinkler	Fund 66	66000	115	
		60,000.00													
<b>76786</b>	<b>8/18/2022</b>		<b>101594 ULLAND BROTHERS INC</b>												
		32,273.79	27TH AVE NW		126276	EST. #2	46510	6530		21107	Improvements Other Than Buil	Port Authority General	66000	115	
		32,273.79													
<b>76822</b>	<b>9/1/2022</b>		<b>100160 AUSTIN UTILITIES</b>												
		6.73	19383-001 130027TH AVE NW		126697	AUGUST 2022	46510	6386			Utilities	Port Authority General	66000	115	
		6.73													
<b>76836</b>	<b>9/1/2022</b>		<b>102509 CHARTER COMMUNICATIONS</b>												
		39.99	WALKER BLDG	00109616	126526	0013045081722	46560	6321			Communications	Port Authority Walker Bui	66000	115	
		39.99													
<b>76841</b>	<b>9/1/2022</b>		<b>100263 CRC INC</b>												
		6.54	CENTRAL STATION SECURITY		126670	0140823	46560	6402			Repair and Maint. - Structur	Port Authority Walker Bui	66000	115	
		6.54													
<b>76907</b>	<b>9/1/2022</b>		<b>110639 QUADIENT FINANCE USA INC</b>												
		5.28	PORT	00110772	126705	3608	46510	6322			Postage and Freight	Port Authority General	66000	115	

Page - 6

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City of Austin  
500 Fourth Avenue N.E.  
Austin, Minnesota 55912-3773  
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**Craig D. Clark, MPA**  
City Administrator  
507-437-9941  
craigc@ci.austin.mn.us

**To: President and Members of the Port Authority Board**  
**From: Craig Clark, Executive Director of the Austin Port Authority**  
**RE: Requested land sale of the Port Authority to Patrick Harty of 10 acres in Creekside Business Park**

Patrick Harty has requested the Port Authority's consideration of the sale of 10 acres in Creekside Business Park on the east end of 27<sup>th</sup> Avenue NW just north of All Fur Dogs. The outline of his request is included as Exhibit 1. Patrick is expected to be at the Port Authority meeting and present his outline, tell us about Harty Mechanical and be available for your questions. The subject property is generally outlined in Exhibit 2 but has not been platted and therefore is not an official lot of record so you should use this as an approximation. Costs for the survey would be approximately \$1,000.

For your benefit you should appreciate the cost Creekside has associated for the acquisition and initial infrastructure costs. There was a state grant for part of the infrastructure extension and the property has been certified by the State of Minnesota as "shovel ready." The relative costs vary from the west side to the east side based on improvements which have been made within the entire business park. Two-thirds of the property to the east has a relative value of \$30,000 per acre of investment that can be used for context. These costs were incurred long ago and can certainly be viewed as "sunk costs" but are cost associations nonetheless.

Referring back to Exhibit 2, of the 10-acre parcel, you will note approximately 380 lineal feet of roadway for 27<sup>th</sup> Avenue NW for the section which was constructed as part of the All Fur Dogs project. As you may recall, ½ of those costs were borne by the Port Authority and that project total was \$65,080.16 of Port Authority expense with the other half financed by All Fur Dogs (they also have future obligation for the roadway which will go to the south along their western property line). Continuing west on 27<sup>th</sup> Avenue NW the unconstructed section to the blue dotted line is also about 380 lineal feet. Our City Engineer estimates a 30% increase with current pricing and would estimate this to be \$85,000 for this ½ of the northern segment of roadway. The 29<sup>th</sup> Avenue NW section is ironically about the same lineal feet, so another \$85,000 in costs for ½ of the associated costs. This road is likely not needed for construction at this point but these costs should be anticipated as the offer would not permit an assessment of these costs back against Mr. Harty.

The northern ½ of 29<sup>th</sup> Avenue NW also spans a future site for an Austin Utilities water tower. This could be costs associated to Austin Utilities or some portion to the Port Authority depending on the actual final need (it is unlikely AU will need 4 acres at the end of the day).

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**Craig D. Clark, MPA**  
City Administrator  
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craigc@ci.austin.mn.us

The costs for the previously incurred 27<sup>th</sup> Avenue NW, northern ½ of the extended 27<sup>th</sup> Avenue NW and the southern half of a future 29<sup>th</sup> Avenue NW total \$235,080.16. As the developer of the property the Port Authority would incur additional direct costs of \$85,000 for the south ½ of 27<sup>th</sup> Avenue and some portion of the north ½ of 29<sup>th</sup> Avenue NW as it is sorted out with Austin Utilities.

As you know, the City and Port Authority applied and received a Federal EDA grant of \$2.2 million for infrastructure to connect 27<sup>th</sup> Avenue NW east to west. We are proceeding forward with that and anticipate a 2023 construction. Cost pressures exist so the estimated \$4.4 million project costs could be exceeded.

We just will have to see where this takes us and what if any accommodations we want to make or supplement the project with additional funds. This is generally designed as a 50% match program. So, we could (and I would recommend should) apply the buy down of the EDA funds to the extension of 27<sup>th</sup> Avenue NW and the stormwater development fee that we will be able to apply grant funds towards. This would have 25% going to the Harty project costs of 27<sup>th</sup> Avenue and 25% going to the future project to land to the south of 27<sup>th</sup> Avenue NW assuming a project budget of \$4.4 million.

There are also expenses for the regional lift station and for this site which apply on an area basis and would total \$20,700 and a \$15,950 Sewer Access Charge (SAC) plus \$750 per every 20 fixtures. There is also a stormwater development fee of \$10,000 per acre. This is accommodated by the 50% estimated EDA matching grant and could (and I would suggest should) lower the stormwater development fee to \$5,000 per acre for this area.

For the Harty project the City portions (sewer, road, stormwater, lighting, etc.) total (while applying the grant proceeds as previously noted): \$301,480.16 + fixture charges (\$30,148 per acre) and with \$30,000 base investment \$601,480.16 (\$60,148 per acre) for the 10 acres and corresponding City of Austin (not AU) utilities.

As you know in the City of Austin utilities are divided by having portions of them performed by the City and portions by Austin Utilities. Mark Nibaur has provided the following additional information for gas, water and electric costs. As the offer requires no associated utility or road costs, the Port Authority would have to assume these costs to provide a fully ready to go site or have Austin Utilities provide forbearance of their cost. This is something we obviously need Austin Utilities to consider. At present Austin Utilities has provided an estimated area serve charge for their services of \$100,000 which is \$10,000 per acre. They would need to consider this at a Board meeting and should be seen as negotiable based on the final customer load needs. This would take the per acreage cost to \$40,148 without the overall site investment costs and \$70,148 for current and previous investment costs.



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The Port Authority would also have indirect costs of the south portion of the extended 27<sup>th</sup> Avenue NW of \$85,000 and future costs for the north side of 29<sup>th</sup> Avenue NW of \$85,000 (share to AU) but only the 27<sup>th</sup> Avenue NW piece would likely be necessary in the near term.

We also need to appreciate the basis for which the Port Authority/City of Austin will get a return by looking at the future taxes paid on the property. As you know the Port Authority has taken on this land development role because it is not profitable for the private sector to do so and we look at the long-term addition to the tax base, job creation and growth of the community as our motivations. In talking with the County Assessor, she has the following assumptions given the current scope of the project which we understand is in the preliminary stages.

- 10 Acres of land in Creekside: \$360,000
- Concrete Tip up Warehouse – assuming a small amount of office finish, overhead doors and 24’ height. \$76 - \$80 per SF
- Pole Barn style cold storage – assuming a small amount of office finish and overhead doors and 24’ height \$43 - \$45 per SF

\*Sometimes these buildings are more of a ‘shop’ which would add an additional \$6/SF.

The Auditor provided tax amounts for the concrete tip up building option and if the building were a steel building along with the cold storage and land value. This utilizes a \$2,840,000 and \$1,910,000 valuation. Using 2022 tax rates the taxes would be \$96,724 and \$64,463.

Another area to consider is the added job creation. From Mr. Harty’s outline (Exhibit 1) he would anticipate adding five jobs at the new location above an existing 100 employees he anticipates having at the end of this winter. We would establish this and verify employment along with the required wages should this be a final component of a development.

So that you may have some comparative reference I’ve included NuTek/JCW’s manufacturing development agreement as Exhibit 3. You may recall, the general construct of the package was \$16 million in improvements and the creation of 35 good paying jobs. As an incentive they were afforded a manufacturing TIF (allowed by State Statutes) with eligible costs of \$1.25 million over 8 years, approximately 8 acres of land for \$10, a Mower County loan of \$2.5 million and assistance with MIF and JCF applications for NuTek.

This is intended to be a preliminary presentation and I’m looking for your direction as we move forward. Mr. Harty will present his proposal and Port members should ask any questions to clarify the proposal or gain broader understanding. We will then proceed into closed session to discuss the details and gain Port Authority’s direction.



HARTY  
MECHANICAL  
EXPANSION  
AUSTIN, MN

**Harty**  
MECHANICAL INC.



# HARTY MECHANICAL HISTORY

- 1979- Established in Austin as Harty O'Connor by Pat Harty, Renee Harty & Mike O'Connor. Located at 1015 2<sup>nd</sup> Ave NE.
- 1995- Business transitioned into Harty Mechanical led by Pat & Renee Harty. Continued to operate out of the 1015 2<sup>nd</sup> Ave NE location.
- 2006- Moved into current location at 1600 1<sup>st</sup> Ave NE (former Coca Cola Bottling building).
- 2013- 2<sup>nd</sup> generation ownership transition to Patrick & Angie Harty.







Chad McCloud Plumbing Foreman  
The Doyle- University of Minnesota (Dinkytown)



# Current Business Metrics



Nutek Bio Science Facility- Austin, MN

## Current Business Metrics

- Two divisions- Construction & Service.
- Two geographic regions- Southern MN (Mankato, Austin, Rochester) and MSP Metropolitan area.
- 45 fleet vehicles operating throughout Minnesota.
- 3 Year average of 90+ employees.
  - Approximately 20 employees reside in or around Austin.
  - Current service team consists of 17.
  - Current construction team consist of 73.
- Highly trained, highly skilled and highly compensated union field employees.
- Average hourly wage of union service & construction employees.
  - \$45.81 Taxable
  - \$72.53 Total (Taxable & Fringes)

## Expansion Goals

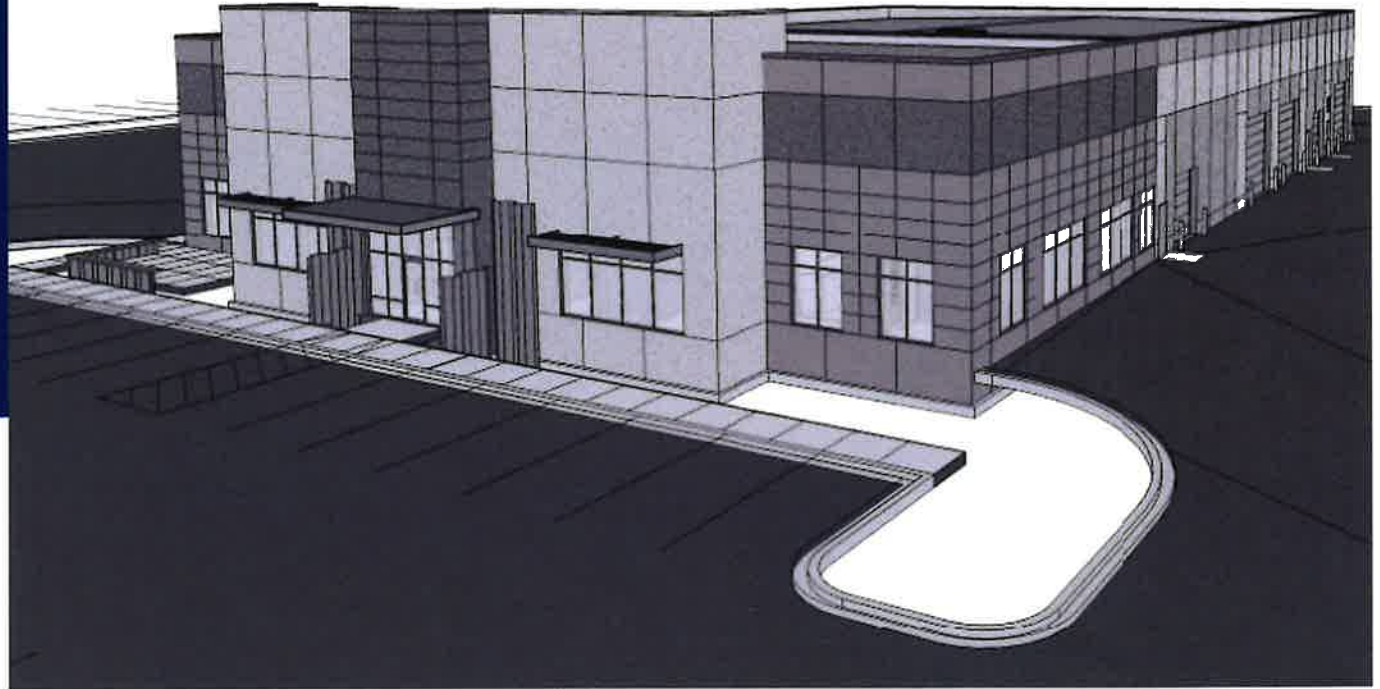
- Increase prefabrication capabilities to keep Harty Mechanical on the cutting edge of our industry.
- Increase office square footage for new positions. CAD technician, estimating and safety positions are needed at this time.
- Improve operating efficiencies with a building tailored to our operations.
- Improve company culture, employee retainage and recruiting by investing back into the company.

## Expansion Details

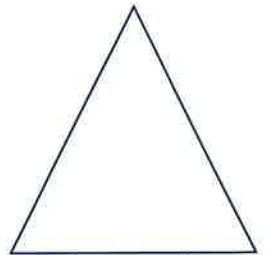
- Phase I- Office (7,500 SF) & warehouse/ fabrication (22,500 SF) facility.
  - Precast or steel building, depending on material leads times and costs.
  - Phase I construction costs estimated at \$3,000,000.
  - Phase I will open five new positions.
- Phase II- Cold storage building (10,000 SF).
- Phase III- Room for future expansion of prefabrication facility.



Schematic  
Design  
Rendering

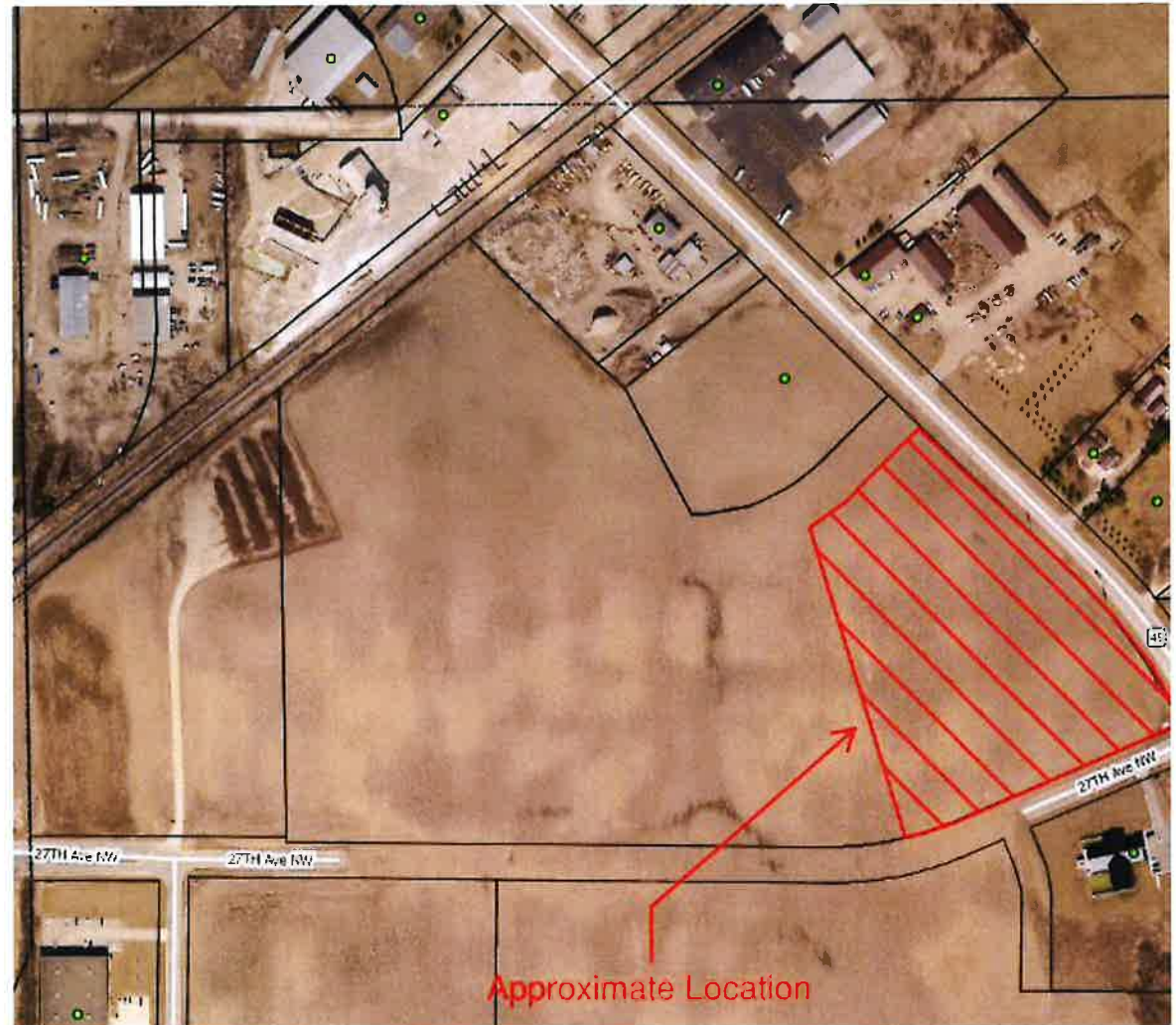


**Harty**  
MECHANICAL INC.



# Proposal

- \$350,000
- 10-acre parcel in Creekside, north of All Fur Dogs.
- Road & utility extensions by City of Austin creating a shovel ready site.





**FRANA**  
companies

**Frana Companies General Contractors**  
633 Second Avenue South Hopkins, Minnesota 55343  
Phone: 952.935.8600 • Fax: 952.935.8644 • [www.frana.com](http://www.frana.com)

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September 30, 2022

Austin Port Authority  
500 4<sup>th</sup> Avenue NE  
Austin, MN 55912

**RE: HARTY MECHANICAL**

To Whom it May Concern,

For over 45 years, Frana Companies has been in the general contractor space for multi-dwelling projects within the Upper Midwest. During this time, we have had the great pleasure of working alongside and contracting with Harty Mechanical. Harty has always offered competitive pricing, quality installations and transparent communication.

Our reputation of building high-quality projects is only as good as the contractors we partner with. We are proud to have Harty Mechanical as one of those trusted partners and look forward to continuing this strong and successful association.

Please let me know if you have any questions or wish to discuss further.

Sincerely,

Mike Benedict  
President  
Tel. 952.908.2664





KRAUS-ANDERSON INC.

Kraus-Anderson Construction Company  
502 2<sup>nd</sup> Ave SW, Rochester, MN 55902

September 30, 2022

Austin Port Authority  
500 4<sup>th</sup> Avenue NE  
Austin, MN 55912

To whom it may concern,

Harty Mechanical has been a valued partner of Kraus-Anderson Construction Company, and will continue to be for years to come. They are a first class organization with outstanding leadership and industry leading employees. We have been fortunate to work with Harty Mechanical on a number of projects throughout our region, and they have been an instrumental part in the growth of our organization. We are excited to continue building upon our great relationship with Harty Mechanical and to see their organization's continued growth and positive impact to our community.

Sincerely, |

Andy Johnson  
Kraus-Anderson Construction Company





# Thank You



**Email**

patrick@hartymechanical.com



**Website**

Hartymechanical.com



**Phone**

507.460.0186



2022 Lac Seul Field Leaders Trip

## Craig Clark

---

**From:** Patrick Harty <patrick@hartymechanical.com>  
**Sent:** Monday, September 19, 2022 6:24 PM  
**To:** Craig Clark  
**Cc:** Jerry McCarthy; Geoff Baker; Mike Postma; Jeff Austin; Jason Baskin; Patrick Harty; Angie Harty  
**Subject:** RE: Port Authority (Harty Mechanical Offer & Details)  
**Attachments:** Owatonna Property; Local 6 Wage Schedule 2022.pdf; Rochester Commercial 5-1-2022.pdf

Craig,

See details included below along with my previous email you requested on the Owatonna property.

- 10 acre parcel in Creekside, previously discussed to the north of All Fur Dogs and assume that is still on the table.
- \$350,000 for the 10 acre parcel. Same offer I received from the City of Owatonna.
  - o Road extension & utility extensions would be by The City of Austin, essentially shovel ready. Same offer I received from the City of Owatonna.
- Building structure.
  - o Office warehouse to be 25,000-30,000 SF. Precast or steel building.
  - o 10,000 cold storage (potential 2<sup>nd</sup> phase with budget constraints)
  - o Lay down area.
- I anticipate the cost to be about \$3,000,000. You requested the value, I am not sure how you currently value warehouse square footage vs office space for tax value.
- Job creation. We are a construction company that fluctuates a lot with the economy. 2021 employee high point was 105, current low for 2022 was last week at 82. Based on my projections we will be back to around 100 late winter. Our office currently includes 10 employees, the remainder are construction or service technicians. How many jobs will be added with the new building? I would anticipate that the new building will open up 5 new positions if we can fill them.
- Wages, a broad question. Two of those will be office positions salary between 50-75k per year. The other positions will be fabrication which are union positions. Our local #6 plumbers & pipe fitters package is \$72.53 per hour, local #10 sheet metal workers package is \$68.31 per hour. I attached our union rate sheets, they can be confusing but I would anticipate a few of you may question those numbers. We employ highly trained, highly skilled & highly compensated union construction & service technicians individuals at Harty Mechanical.

Please let me know if I can answer any other questions.

Regards,

**Patrick Harty**

President

507.437.8201 (w)

507.460.0186 (c)



**ROCHESTER-AUSTIN-ALBERT LEA AREA  
COMMERCIAL & RESIDENTIAL  
SHEET METAL WORKERS LOCAL UNION NO. 10 WAGE SHEET**

**EFFECTIVE MAY 1, 2022 THROUGH APRIL 30, 2023**

	PAY-CHECK	LOCAL			TAXABLE BASE	LOCAL					NATIONAL			TOTAL PKG	TOTAL REMIT TO			
		AFTER TAXABLE BASE				BEFORE TAXABLE BASE					BEFORE TAXABLE BASE				LOCAL CNTRL BD	NAT'L BENE FND		
		VAC	ORGA-NIZING			SUPP PENSION	LOCAL PENSION	HEALTH FUND	APPR FUND	LOCAL I.F.	FCF	NAT'L PENSION	ITI & NEMI				SCHLR & SMOHI	
Family Health Coverage (Plan A):																		
Residential Journeyman	\$28.56	2.00	0.93	31.49	1.58	1.81	11.01	0.89	0.14	0.02	7.32	0.15	0.03	\$54.44	18.38	7.50		
Commercial Journeyman	\$39.05	2.00	0.93	41.98	3.15	3.62	11.01	0.89	0.14	0.02	7.32	0.15	0.03	\$68.31	21.76	7.50		
Commercial Foreman	\$41.55	2.00	0.93	44.48	3.15	3.62	11.01	0.89	0.14	0.02	7.32	0.15	0.03	\$70.81	21.76	7.50		
Commercial General Foreman	\$42.05	2.00	0.93	44.98	3.15	3.62	11.01	0.89	0.14	0.02	7.32	0.15	0.03	\$71.31	21.76	7.50		
Single Health Coverage (Plan A):																		
Residential Journeyman	\$30.06	2.00	0.93	32.99	1.58	1.81	9.51	0.89	0.14	0.02	7.32	0.15	0.03	\$54.44	16.88	7.50		
Commercial Journeyman	\$40.55	2.00	0.93	43.48	3.15	3.62	9.51	0.89	0.14	0.02	7.32	0.15	0.03	\$68.31	20.26	7.50		
Commercial Foreman	\$43.05	2.00	0.93	45.98	3.15	3.62	9.51	0.89	0.14	0.02	7.32	0.15	0.03	\$70.81	20.26	7.50		
Commercial General Foreman	\$43.55	2.00	0.93	46.48	3.15	3.62	9.51	0.89	0.14	0.02	7.32	0.15	0.03	\$71.31	20.26	7.50		
APPRENTICES - Family Health Coverage (Plan B):																		
1	0000-1000	50	\$14.85	1.00	0.93	16.78	0.95	1.81	8.39	0.89	0.14	0.02	3.66	0.15	0.03	\$32.82	14.13	3.84
2	1001-2000	55	\$16.95	1.00	0.93	18.88	1.05	1.99	8.39	0.89	0.14	0.02	4.03	0.15	0.03	\$35.57	14.41	4.21
3	2001-3000	60	\$19.05	1.00	0.93	20.98	1.14	2.17	8.39	0.89	0.14	0.02	4.39	0.15	0.03	\$38.30	14.68	4.57
4	3001-4000	65	\$21.15	1.00	0.93	23.08	1.24	2.35	8.39	0.89	0.14	0.02	4.76	0.15	0.03	\$41.05	14.96	4.94
5	4001-5000	70	\$23.25	1.00	0.93	25.18	1.33	2.53	8.39	0.89	0.14	0.02	5.12	0.15	0.03	\$43.78	15.23	5.30
6	5001-6000	75	\$25.35	1.00	0.93	27.28	1.43	2.72	8.39	0.89	0.14	0.02	5.49	0.15	0.03	\$46.54	15.52	5.67
7	6001-7000	80	\$27.44	1.00	0.93	29.37	1.52	2.90	8.39	0.89	0.14	0.02	5.86	0.15	0.03	\$49.27	15.79	6.04
8	7001-8000	85	\$29.54	1.00	0.93	31.47	1.62	3.08	8.39	0.89	0.14	0.02	6.22	0.15	0.03	\$52.01	16.07	6.40
APPRENTICES - Single Health Coverage (Plan B):																		
1	0000-1000	50	\$19.56	1.00	0.93	21.49	0.95	1.81	3.68	0.89	0.14	0.02	3.66	0.15	0.03	\$32.82	9.42	3.84
2	1001-2000	55	\$21.66	1.00	0.93	23.59	1.05	1.99	3.68	0.89	0.14	0.02	4.03	0.15	0.03	\$35.57	9.70	4.21
3	2001-3000	60	\$23.76	1.00	0.93	25.69	1.14	2.17	3.68	0.89	0.14	0.02	4.39	0.15	0.03	\$38.30	9.97	4.57
4	3001-4000	65	\$25.86	1.00	0.93	27.79	1.24	2.35	3.68	0.89	0.14	0.02	4.76	0.15	0.03	\$41.05	10.25	4.94
5	4001-5000	70	\$27.96	1.00	0.93	29.89	1.33	2.53	3.68	0.89	0.14	0.02	5.12	0.15	0.03	\$43.78	10.52	5.30
6	5001-6000	75	\$30.06	1.00	0.93	31.99	1.43	2.72	3.68	0.89	0.14	0.02	5.49	0.15	0.03	\$46.54	10.81	5.67
7	6001-7000	80	\$32.15	1.00	0.93	34.08	1.52	2.90	3.68	0.89	0.14	0.02	5.86	0.15	0.03	\$49.27	11.08	6.04
8	7001-8000	85	\$34.25	1.00	0.93	36.18	1.62	3.08	3.68	0.89	0.14	0.02	6.22	0.15	0.03	\$52.01	11.36	6.40
TRAINEES:		40	\$16.39	0.00	0.40	16.79	0.00	0.00	0.00	0.05	0.14	0.02	0.00	0.15	0.02	\$17.17	0.61	0.17

**401(k) Elective Deferral:** This contract allows for a 401(k) elective deferral of compensation to the Supplemental Retirement Fund by an employee for most classifications that have an employer contribution to the Fund.

After 1,000 hours of work, trainees must receive health insurance benefits from the Sheet Metal #10 Benefit Fund or a company health plan. See Article XI Section 1.

The Apprentice Supplemental Pension rate equals the Journeyman Supplemental Pension rate minus \$1.25, the balance is then multiplied by the apprentice's base rate percentage.

The current IRS mileage rate is \$.585 per mile.

Contract expires April 30, 2023.

Date Revised: 4/21/2022 4:00 PM



## Local 6, Rochester MN, Wage Schedule:

### NEW CONTRACT 05/01/2022 - 4/30/2025

LOCAL 6 PAY SCALE:	05/01/22-4/30/23	05/01/23-04/30/24	05/01/24-04/30/25
<b>BASE PAY</b>			
JOURNEYPerson	40.11		
VACATION	3.00		
DUES CHECK OFF	2.10		
UA ORGANIZING	.10		
RESIDENTIAL REBATE	.50		
<b>TOTAL BASE PAY</b>	<b>45.81</b>		
<b>FRINGES</b>			
APPRENTICESHIP FUND	1.05		
HEALTH & WELFARE	9.25		
UA PENSION	3.93		
LOCAL PENSION	6.45		
DEFINED BENEFIT	4.40		
ADM. FUND	.14		
MARKET RECOVERY	.00		
ITF	.10		
BUILDING FUND	.35		
RETIREE HEALTH TRUST	1.05		
<b>TOTAL FRINGES</b>	<b>26.72</b>		
<b>TOTAL PACKAGE</b>	<b>72.53</b>	<b>75.53</b>	<b>78.53</b>

<b>FOREMAN: \$3.25 OVER BASE SCALE PLUS FRINGES</b>
<b>GENERAL FOREMAN: \$4.00 OVER BASE SCALE PLUS FRINGES</b>

### APPRENTICESHIP SCALE 5/1/2022 to 4/30/2023

YEAR APPRENTICE	1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>	5 <sup>TH</sup>
Base Pay	21.38	23.09	24.67	30.52	37.52
UA ORGANIZING	.10	.10	.10	.10	.10
*NEW* Residential Rebate	.05	.10	.15	.20	.25
Dues Check-off	.00	1.10	1.20	1.40	1.60
<b>TOTAL BASE PAY</b>	<b>21.53</b>	<b>24.39</b>	<b>26.12</b>	<b>32.22</b>	<b>39.47</b>
<b>FRINGES</b>					
*NEW* Retiree Health Trust	.00	.00	1.05	1.05	1.05
Building Fund	.35	.35	.35	.35	.35
Health & Welfare	10.00	9.50	9.25	9.25	9.25
Apprenticeship	1.05	1.05	1.05	1.05	1.05
Admin Fund	.14	.14	.14	.14	.14
UA Pension	.00	.16	.16	.16	.16
Local Pension	3.10	4.20	5.30	6.45	6.45
ITF	.10	.10	.10	.10	.10
<b>Total Fringe</b>	<b>14.74</b>	<b>15.50</b>	<b>17.40</b>	<b>18.55</b>	<b>18.55</b>
<b>TOTAL</b>	<b>36.27</b>	<b>39.89</b>	<b>43.52</b>	<b>50.77</b>	<b>58.02</b>

[Type here]



## Craig Clark

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**From:** Patrick Harty <patrick@hartymechanical.com>  
**Sent:** Friday, September 9, 2022 10:34 AM  
**To:** Craig Clark  
**Cc:** Patrick Harty  
**Subject:** Owatonna Property

Craig,

As discussed, these two five acre parcels were offered at 35k per acre. I emailed the City of Owatonna on 6/9/22 at 3:01 PM. I had a returned email by 3:03 and a call shortly after with this offer.

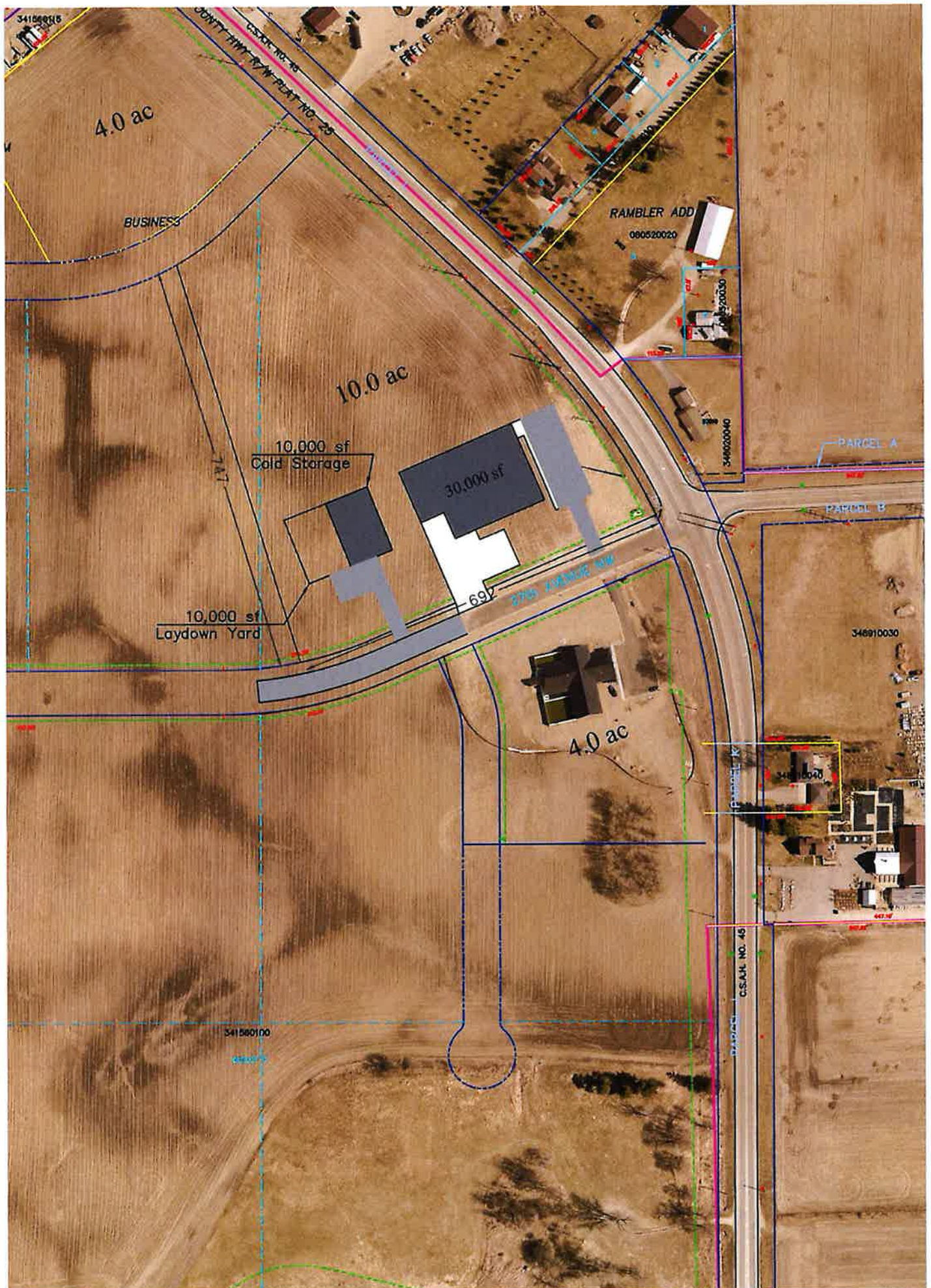


Regards,

**Patrick Harty**  
President

507.437.8201 (w)  
507.460.0186 (c)





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**CONTRACT**  
**FOR**  
**PRIVATE DEVELOPMENT**  
**By and Between**  
**THE AUSTIN PORT AUTHORITY**  
**And**  
**JCW DEVELOPMENT LLC**

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This document drafted by:

HOVERSTEN, JOHNSON, BECKMANN,  
& HOVEY, LLP  
807 West Oakland Avenue  
Austin, MN 55912

## TABLE OF CONTENTS

ARTICLE I. Definitions .....	2
Section 1.1. Definitions.....	2
ARTICLE II. Representations and Warranties .....	4
Section 2.2. Representations and Warranties by Developer .....	4
ARTICLE III. Conveyance of Property .....	6
Section 3.1. Port Recognition of Need for Development .....	6
Section 3.2. Transfer of the Development Property .....	6
Section 3.3. Closing .....	7
Section 3.4. Price .....	7
Section 3.5. Enforcement .....	8
Section 3.6. Place of Document Execution, Delivery and Recording .....	8
ARTICLE IV. Construction of Minimum Improvements .....	9
Section 4.1. Construction of Minimum Improvements .....	9
Section 4.2. Construction Plans .....	9
Section 4.3. Completion of Construction.....	9
Section 4.4. Certification of Construction Expenditures .....	9
Section 4.5. Certificate of Completion .....	9
ARTICLE V. Prohibitions Against Assignment and Transfer .....	10
Section 5.1. Representation as to Development.....	10
Section 5.2. Prohibition Against Transfer of Property and Assignment of Agreement.....	10
ARTICLE VI. Events of Default .....	12
Section 6.1. Events of Default Defined .....	12
Section 6.2. Remedies on Default.....	12
Section 6.3. No Remedy Exclusive.....	13
Section 6.4. No Additional Waiver Implied by One Waiver.....	13
ARTICLE VII. Additional Provisions .....	13
Section 7.1. Port Representatives Not Individually Liable.....	13
Section 7.2. Restrictions on Use .....	13
Section 7.3. Titles of Articles and Sections .....	13
Section 7.4. Notices and Demands .....	13
Section 7.5. Counterparts .....	14
[Signature Page Follows].....	14
EXHIBIT A Description of Development Property	
EXHIBIT B Attachment to Development Property Deed	
EXHIBIT C Certificate of Completion	
EXHIBIT D Project Layout and Exterior Finishes	



## CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT, made this \_\_\_\_ day of January, 2021, by and between The Austin Port Authority, (the “Port”), a public corporation under the laws of the State of Minnesota, having its principal offices at 500 4th Avenue NE, Austin, Minnesota 55912, and JCW Development LLC, a Wisconsin Limited Liability Company having its principal office located at 100 Tower Drive, Beaver Dam, Wisconsin 53916-9178, together with its successors and assigns (the “Developer”).

### WITNESSETH:

WHEREAS, the Port is a municipal corporation organized and existing pursuant to Minnesota Statutes § 469.070; and

WHEREAS, the Port has the duty to promote the general welfare of the Port District and to increase the volume and efficiency of commerce in and through the Port District (Minnesota Statutes § 469.055, Subd. 1); and

WHEREAS, the Port may cooperate with the City of Austin in achieving its industrial development objectives in the Port District (Minnesota Statutes § 469.064); and

WHEREAS, the City of Austin has identified a need for additional quality employment opportunities and has established certain economic development support programs to encourage the creation of such employment; and

WHEREAS, pursuant to Minnesota Statutes Section 469.058, et seq., the Port is authorized to assist in economic development; and

WHEREAS, the Port has determined that the Development Property is property for which economic development thereupon is in the best interests of the district and its people, and that the transactions described herein further the Port’s general plan of port improvement, or industrial development, or both, and as such the Port has approved the Project pursuant to Minnesota Statutes Section 469.058, et seq.; and

WHEREAS, the Port recognizes that Project will result in increased employment and enhancement of the tax base in the Port District (Minnesota Statutes Section 469.174, subd. 12); and

WHEREAS, the Port recognizes the Project herein described would not happen through solely private investment in the reasonable foreseeable future and the net increase in market value for the Development Property will be higher with the provision of support by the City of Austin as described herein, including but not limited to the establishment of an Economic Development Tax Increment Financing District within a Project Area identified in a Tax Increment Financing Plan (Minnesota Statutes Section 469.174) (subject to said District meeting the statutory criteria and being approved by the City of Austin and other required governmental agencies (if any) (See Minnesota Statutes Section 469.175, Subd. 3); and

WHEREAS, an Economic Development Tax Increment Financing District may not have a term that exceeds eight years (Minnesota Statutes Section 469.176, Subd. 1b); and

WHEREAS, revenues derived from tax increments from an Economic Development Tax Increment Financing District must be used to finance eligible costs related to a Development Project under Minnesota Statutes Section 469.048 to 469.068 and 469.174 to 469.1799; and

WHEREAS, the major objectives of the Port in establishing the Project are to provide for economic development, enhanced employment and tax base, and overall improvement in the Port District; and

WHEREAS, the Port believes that the development of the Project pursuant to this Agreement, and fulfillment generally of the terms of this Agreement, are in the vital and best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws under which the development and redevelopment are being undertaken and assisted; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

#### ARTICLE I. Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means Minnesota Statutes, Chapter 469.

“Agreement” means this Agreement, as the same may be from time to time modified, amended or supplemented.

“Approved Lessee” means Nu-Tek Biosciences, LLC, a Minnesota Limited Liability Company having its principal offices at 5400 Opportunity Court, Suite 120, Minnetonka, Minnesota 55343.

“Certificate of Completion” means the certification, in the form of the certificate contained in Exhibit C attached to and made a part of this Agreement, provided to Developer, pursuant to Section 4.5 of this Agreement.

“City” means the City of Austin, Minnesota.

“Construction Plans” means the plans, specifications, drawings and related documents setting forth the construction work for the Minimum Improvements to be performed by Developer on the Development Property which shall be as detailed as the plans, specifications, drawings and related documents submitted to the building inspector of the City, and such other plans or supplements to the foregoing plans as the Port may reasonably request provided such revisions and supplements do not materially increase the cost or scope of the work on the Development Property. Prior to submission to the building inspector of the City, the

Construction Plans will be submitted to the Port for approval. The Port will promptly call a special meeting for the approval of such plans providing public notice as required. Such approval shall not be unreasonably withheld, conditioned, or delayed. Upon approval of the Construction Plans by the Port, such approved plans will substitute and supplant the documents attached hereto as Exhibit D and shall be considered integrated in the definition of Minimum Improvements for all purposes.

“County” means the County of Mower, Minnesota.

“Developer” means JCW Development LLC, a Wisconsin Limited Liability Company with its principle office located at 100 Tower Drive, Beaver Dam, Wisconsin 53916-9178, or its permitted successors and assigns.

“Development Property” means the real property described in Exhibit A attached hereto.

“Development Property Deed” means the Quit Claim Deed attached to which is the language described in Exhibit B.

“Event of Default” means the occurrence of any one or more of the events described in Section 6.1 of this Agreement.

“Minimum Improvements” means the construction of a new manufacturing facility (hereafter “Structure”). The Structure shall include no less than the following:

- (a) A permanent structure with a footprint area, at ground level, of no less than 60,000 square feet, and a total investment by Developer as required under Section 4.4 below;
- (b) The site layout for the Structure shall be materially consistent with the site layout shown in attached Exhibit D;
- (c) The exterior elevations of the Structure shall be materially consistent with the exterior elevations shown in attached Exhibit D;
- (d) The Structure shall be constructed consistent with currently applicable building codes and the development standards found in City Code Chapter 11;
- (e) All exterior finishes and materials shall be materially consistent with those shown in the elevations attached hereto as Exhibit D.
- (f) All signage will comply with City Code section 4.50.
- (g) Minimum Improvements shall specifically exclude any improvements made and furniture, fixtures, and equipment installed by Approved Lessee.

“Project” shall mean the acquisition of the Development Property and the construction and completion of the Minimum Improvements on the Development Property.

“State” means the State of Minnesota.

“Unavoidable Delays” means delays which are the direct result of strikes, delays which are the direct result of unforeseeable casualties to the Minimum Improvements, the Development Property or the equipment used to construct the Minimum Improvements, delays which are the direct result of governmental action, delays which are the direct result of judicial action commenced by third parties, citizen opposition or action, pandemic, or adverse weather conditions or acts of God.

## ARTICLE II. Representations and Warranties

Section 2.1. **Representations by the Port.** The Port makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Port is a public corporation duly organized and existing under the laws of the State. Under the provisions of the Act, the Port has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The execution, delivery, or performance by the Port of any of its obligations pursuant to this Agreement, including the conveyance of the Development Property, does not and will not after the passing of time or giving of notice contradict, contravene, conflict with or result in any violation or breach of any (1) other agreement to which the Port is a party, (2) law, regulation, ordinance, resolution, or statute, or (3) recorded or unrecorded encumbrance, covenant, or restriction affecting the Development Property.

(c) The Port agrees that it will reasonably cooperate with the Developer with respect to any litigation commenced by third-parties in connection with this Agreement.

(d) The Port also agrees to grant to the Developer at Closing any and all non-exclusive easements over, under, on, and through any real property owned or controlled by the Port (or portions thereof), including within the roads contemplated in Section 3.4 hereof, which Developer reasonably requests and to the extent the same do not currently serve the property. Such easements shall include but are not limited to utilities, access, drainage, and stormwater retention and detention. In the event Developer requires access to any real property owned or controlled by the Port for temporary construction, staging, grading and support, the Port agrees to grant to Developer a temporary license agreement for the same over the area. Any requested easements shall be recorded in the office of the Mower County Recorder and shall run with the land, unless otherwise set forth in such easements.

(e) The Port agrees that if Developer incurs other expenses for the enforcement of performance or observance of any obligations or agreement on the part of the Port under this Agreement, the Port shall, within ten days of written demand by the Developer, to pay to the Developer the reasonable fee of such attorneys and such other expenses incurred by the Developer.

Section 2.2. **Representations and Warranties by Developer.** Developer represents and warrants that:



(a) Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Construction Plans, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations), except for variances necessary to construct the Minimum Improvements or requested by Developer and approved by the City.

(b) The Minimum Improvements, as of the date of commencement of construction upon the Development Property, will be an allowed use under the zoning ordinance of the City and applicable to the Development Property.

(c) Developer agrees to acquire the Development Property provided the Development Property is free of the existence of any pollutants, contaminants or environmental damage.

(d) Developer will use its best efforts to obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(e) Developer is a Wisconsin limited liability company, and neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions, or provisions of any restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) Developer agrees that it will indemnify, defend, and hold harmless the Port, its officers, employees, contractors and agents, from and against any and all claims or causes of action arising or purportedly arising out of the actions of Developer in connection with the construction, installation, ownership or operation of the Minimum Improvements, except for claims or causes of action arising or purportedly arising out of the negligent acts or omissions of the Port's officers, employees, contractors or agents.

(g) Developer agrees that it will reasonably cooperate with the Port with respect to any litigation commenced by third-parties in connection with this Agreement.

(h) Subject to the obligations by the Port to be performed pursuant to the terms of this Agreement, Developer acquires the Development Property in its "as is" condition, without any warranties as to the suitability, use or fitness of the Development Property for any purpose.

(i) Whenever any uncured Event of Default occurs as a result of an unexcused act or omission by Developer and the Port shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligations or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten days of written demand by the Port, pay to the Port the reasonable fee of such attorneys and such other expenses incurred by the Port.

ARTICLE III.  
Conveyance of Property

Section 3.1. Port Recognition of Need for Development. The Port recognizes that for the proposed Project on the Development Property to be feasible it is necessary for the Port to furnish the assistance described herein. Further, the Port recognizes that this Project also involves certain grants and assistance from other governmental and private entities all of which rely upon the Port's participation as herein described. Similarly, the Port's participation is contingent upon the Project receiving such third-party grants and assistance more fully described in Section 3.2 below.

Section 3.2. Transfer of the Development Property. Other than expressly provided herein, all costs of conveyance of the Development Property shall be solely borne by the Developer. However, proceeding with closing the conveyance contemplated herein is expressly conditioned upon the Developer's satisfaction with and occurrence of the following conditions precedent that are necessary (the Project is not viable without satisfaction of such conditions) for the Project's viability:

(a) The Development Corporation of Austin securing funding through a loan from the County to support a loan to Developer in the amount of \$2,500,000 payable over a ten year term with interest at no more than 3.25% per annum, secured by a second position mortgage on the Development Property and the Minimum Improvements, and other necessary security (e.g., guarantees) as reasonably determined by the Development Corporation of Austin and the County.

(b) The City establishing a Tax Increment Financing District and TIF Plan related to this project providing a minimum of \$1,250,000 in revenues over a eight-year term to be applied to TIF eligible expenses. TIF eligible expenses will include, to the extent such inclusion is lawful, Developer's actual reimbursement of the costs of constructing the road extension as described in Section 3.4. Such TIF Plan shall require the Approved Lessee or other operator of the Project to maintain employment on the Development Property at or above 15 full-time employees by the first disbursement and 35 full-time employees by the second disbursement of TIF proceeds. To be counted, each such full-time employee shall be compensated at or above 140% of the Federal Poverty Level for a family of four (includes wages and nonmandatory benefits). Such TIF Plan shall include a minimum assessment agreement.

(c) Developer entering into a triple-net, lease agreement with Approved Lessee for a term no less than ten (10) years to occupy and operate the Project after completion on terms acceptable to Developer.

(d) The conveyance of the Development Property is subject to all of the conditions, covenants, restrictions and limitations imposed by this Agreement, and shall also be subject to building and zoning laws and ordinances and all other applicable local, state and federal laws and regulations, and subject to the Reversionary Right described in the following paragraph.

(e) Pursuant to Minn.Stat. § 469.065, subd. 5 and subd. 6, the conveyance of the Development Property shall be subject to a Reversionary Right as hereinafter stated. If Developer

fails to complete construction of the Minimum Improvements on or before December 31, 2022, the Port shall have the right to re-enter and take possession of the Development Property and upon such event, the fee interest conveyed by the Port to Developer shall revert to and revest in the Port (the "Reversionary Right"). Provided no legal action or proceeding has been commenced in dispute of this provision within ninety (90) days of the Port's exercise of the Reversionary Right, Developer shall execute and deliver to the Port a quit claim deed re-conveying Developer's interest in the Development Property. This Reversionary Right shall terminate if the Minimum Improvements as required by this Agreement are substantially completed on or before December 31, 2022.

(f) Developer is satisfied with, and notified the Port in writing within sixty (60) days of the date of this Agreement, of the feasibility and suitability of the Project and Development Property. The Port hereby permits the Developer and its agents, employees, and contractors, the right to enter the Development Property to investigate the condition of title to the Development Property, the physical condition of the Development Property, the zoning of the Development Property, the economic feasibility of the Project, and all matters relevant to the acquisition, usage, operation, valuation and marketability of the Development Property and the Project, as Developer deems appropriate. Such right of investigation shall include, without limitation, the right to have made, at Developer's expense, any appraisals, surveys, and any tests, studies and inspections of the Development Property as Developer may deem reasonably necessary or appropriate, including, without limitation, soil borings, structural and mechanical, tests and inspections, and environmental inspections, tests and audits (including, but not limited to, a Phase I and Phase II environmental site assessment). Developer shall repair and restore any damage to the Development Property caused solely and directly by Developer's investigations (provided that such obligation shall not apply to any damages relating to any pre-existing condition of or at the Development Property). The parties agree that Developer shall have no liability for any condition discovered in or on the Development Property.

If all of the foregoing closing conditions are not satisfied by April 1, 2021 or Developer delivers written notice to the Port of its dissatisfaction with any of the closing conditions set forth in this Section 3.2 by such date, the Developer may terminate this Agreement by delivering written notice thereof to the Port. Upon such termination, the parties shall have no further obligations under this Agreement, except Developer shall reimburse the City for reasonable costs incurred by the City in pursuing the creation of the TIF District and TIF Plan.

Section 3.3. Closing. At or before closing on the conveyance of the Development Property to Developer (the "Closing"), Developer shall pay the actual cost of Closing, including but not limited to any recording costs (including the cost of recording this document), Closing fees, and any necessary filing fees, deed tax and mortgage registration tax regardless of whether said charges are customarily attributed to either a "Buyer" or a "Seller" under local custom.

Section 3.4. Price. Other than the obligations and requirements as described herein, the purchase price paid to the Port by Developer in exchange for Development Property Deed shall be \$10.00, due and payable in full at Closing. In addition to the purchase price, Developer shall reimburse to the Port the costs incurred by the Port in constructing a public road extension along the Northern boundary of the Development Property and terminating at the Northeast corner of the Development Property, as further limited and defined below:

(i) Said road extension shall be constructed in conformance with all applicable regulations and specifications governing the construction of dedicated public roadways within the City, including the following minimum requirements: 10-Ton roadway design; 40 feet in width with curb & gutter; including all necessary underground utilities, subsurface drain tile, turf restoration, and street lighting (the "Work"). The parties hereto understand that the Port is likely to contract with the City of Austin for the construction of this road.

(ii) The location of the road extension shall be in the location mutually approved by Developer and the Port.

(iii) The Port agrees to cooperate and cause the City of Austin and any contractor(s) engaged to complete the work on the road improvements to cooperate with Developer, Approved Lessee, and their contractors during the construction of the Project.

(iv) The Developer's reimbursement for the cost of said road extension shall be paid no later than ninety (90) days after (a) the provision by the Port of a written demand to Developer for such payment accompanied by reasonable documentation supporting the amount requested, including a statement of the publicly bid unit price for each component of the Work, the measurements used to determine the number of units included in the Work, and the total amount demanded.. The road extension will be located as currently shown on the plat of the Property.

(v) Should a road be constructed along the East boundary of the Development Property at some time in the future, the costs of said construction shall be borne by the Developer and other adjacent land owners according to the then applicable assessment policies of the City of Austin applicable to dedicated public roadways.

(vi) The provisions of this Section 3.4 shall survive Closing and the issuance of the Certificate of Completion.

Section 3.5. Enforcement. In the event the Port is required to enforce the terms and provisions of this Agreement against the Developer, and the Port prevails, Developer shall pay any legal costs incurred by the Port in the course of such enforcement. In the event the Developer is required to enforce the terms and provisions of this Agreement against the Port, and the Developer prevails, Port shall pay any legal costs incurred by the Developer in the course of such enforcement.

Section 3.6. Place of Document Execution, Delivery and Recording.

(a) Unless otherwise mutually agreed by the Port and Developer, the Closing shall occur at City Hall, 500 4th Avenue NE, Austin, Minnesota 55912. The Closing date shall be on or reasonably following the date on which the conditions precedent described in Section 3.2 are met, but is anticipated to occur no later than May 1, 2021, or such other date upon which the parties mutually agree.

(b) This Agreement shall be in recordable form and shall be promptly recorded in the office of the Mower County Recorder, at the expense of Developer.

ARTICLE IV.  
Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. Developer agrees that, upon receiving title to the Development Property, it will commence construction of the Minimum Improvements on the Development Property within thirty (30) days of Closing.

Section 4.2. Construction Plans.

(a) As of the Closing, the Port has approved the Construction Plans as submitted by Developer, and the Port must review and approve any material revisions thereto.

(b) If Developer desires to make any material change in the Construction Plans, Developer shall submit the proposed change to the Port for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Agreement and the Port shall approve the proposed change and notify Developer in writing of its approval at the next available Port Authority Board meeting. Any minor modification of the Construction Plans may be approved by the Port's Executive Director. A minor modification is any modification that does not materially alter the size, footprint, gross layout of the Project as shown in Exhibit D, or structural components of the Project.

Section 4.3. Completion of Construction. Subject to Unavoidable Delays, Developer shall have substantially begun construction of the Minimum Improvements within thirty (30) days of Closing, and thereafter Developer must maintain reasonable progress in said construction until the Minimum Improvements are complete. Substantial completion of the Minimum Improvements must occur by December 31, 2022 subject to Unavoidable Delays and any reasonable extension request by Developer. All work with respect to the Minimum Improvements to be constructed or provided by Developer on the Development Property shall be in conformity with the Construction Plans as submitted by Developer and approved by the Port.

Developer shall make reports, in such detail and at such times as may reasonably be requested by the Port, as to the actual progress of Developer with respect to such construction, , provided Developer shall not be obligated to submit such progress reports more than one time per month.

Section 4.4. Certification of Construction Expenditures. Developer shall expend not less than Sixteen Million Dollars and No/100 (\$16,000,000) on the Minimum Improvements on the Development Property. Said minimum investment shall not include equipment, working capital, or other investment made by Approved Lessee in outfitting the Minimum Improvements for its use. Developer shall make such reports and provide such documentation, in such reasonable detail and at such times as may be reasonably requested by the Port as to the expenditures made by Developer for said Minimum Improvements, provided Developer shall not be obligated to submit such reports and documentation more than one time per month.

Section 4.5. Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of

Developer, the Port will furnish Developer with an appropriate instrument so certifying, which Certificate shall be in the form of Exhibit C attached hereto. Such certification by the Port shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction of the agreements, obligations, and covenants in this Agreement by Developer, and its successors and assigns, to construct the Minimum Improvements by the date for the completion thereof. The issuance of the Certificate of Completion shall constitute a conclusive determination that the Reversionary Right has terminated. As used here "substantial completion" shall mean completion to the point where Developer is entitled to, and receives, the issuance of a Certificate of Occupancy by the City under the current adopted Minnesota State Building Code.

(b) If the Port shall refuse or fail to provide any certification in accordance with the provisions of this Agreement, the Port shall, within ten (10) days after written request by Developer, provide Developer with a written statement, indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the reasonable opinion of the Port, for Developer to take or perform in order to obtain such certification.

(c) The Certificate of Completion will not be issued by the Port unless Developer has materially complied (including curing any Event of Default) with all of the terms and provisions of this Agreement.

## ARTICLE V.

### Prohibitions Against Assignment and Transfer

Section 5.1. Representation as to Development. Developer further recognizes that, in view of the importance of the Project to the general welfare of the community, the qualifications and identity of Developer are of particular concern to the community and the Port. Developer further recognizes that it is because of such qualifications and identity that the Port is entering into the Agreement with Developer, and in so doing, is further willing to accept and rely on the obligations of Developer for the faithful performance of all undertakings and covenants hereby by it to be performed.

Section 5.2. Prohibition Against Transfer of Property and Assignment of Agreement. For the foregoing reasons, and until the completion of the Minimum Improvements and the issuance of the Certificate of Completion, Developer represents and agrees that:

(a) Except for as otherwise expressly set forth in this Agreement, until such time as the Port issues and records the Certificate of Completion, Developer will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement, the Development Property, or any part thereof or any interest therein or any contract or agreement to do any of the same, without the prior written approval of the Port, which approval shall not be unreasonably withheld, conditioned, or delayed. The Port shall approve such transfer, sale, or assignment if the assignee thereof is appropriately licensed and authorized to do business in the State of Minnesota, agrees to perform the obligations of Developer in this Agreement, has engaged in the ownership and operation of other commercial property, and if neither the

Assignee or transferee, nor the owners of a majority of its issued and outstanding common stock if it is a corporation, nor its general partners if it is a partnership, have ever been convicted of a felony or been declared bankrupt or insolvent. Notwithstanding any of the foregoing to the contrary, the Port shall have no authority to approve or disapprove any financing or refinancing of the Development Property, and Developer shall be permitted to undertake any such transaction without obtaining any consent from the Port. The Developer may assign its interest in this Agreement (including, but not limited to, the right to accept delivery of the deed of the Property at Closing) to a wholly-owned subsidiary of Developer without the Port's prior written approval, so long as Developer provides Port with prior written notice of such assignment prior to the Closing.

(b) The Port shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that: (i) any assignee shall have the qualifications and financial responsibility, as reasonably determined by the Port, necessary and adequate to fulfill the obligations undertaken in the Agreement by Developer; (ii) any assignee, by instrument in writing satisfactory to the Port and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Port, have expressly assumed all of the obligations of Developer under the Agreement and agreed to be subject to all the conditions and restrictions to the extent that they relate to such party unless Developer agrees to continue to fulfill those obligations, in which case the preceding provisions of this Section 6.2.(b)(ii) shall not apply; provided, that the fact that any assignee of the Development Property, or any other successor in interest whatsoever to the Developer, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in the Agreement or agreed to in writing by the Port) deprive or limit the Port of or with respect to any rights or remedies or controls with respect to the Development Property or the construction of the Minimum Improvements upon the Development Property; it being the intent of this, together with other provisions of the Agreement, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the Agreement) no transfer of, or change with respect to, ownership in the Development Property, or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Port of or with respect to any rights or remedies or controls provided in or resulting from the Agreement with respect to the Development Property and the construction of the Minimum Improvements thereon, that the Port would have had, had there been no such transfer or change; (iii) there shall be submitted to the Port for review all instruments and other legal documents involved in effecting transfer; and if approved by the Port, its approval shall be indicated to Developer in writing.

(c) The transfer restrictions described in this Article V do not apply to Developer's transfer of the Development Property to a wholly owned subsidiary or an entity of which Developer has a controlling interest so long as Developer maintains such controlling interest throughout the period the transfer restrictions would otherwise apply.

ARTICLE VI.  
Events of Default

Section 6.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events:

- (a) Failure by Developer to commence construction by within thirty (30) days after Closing;
- (b) Failure by Developer to complete construction of the Minimum Improvements pursuant to the terms, conditions and limitations of Article IV of this Agreement;
- (c) Failure by Developer to provide any material or substantial statements or information as required to be provided under this Agreement;
- (d) Failure by Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement;

Upon the occurrence of an Event of Default, the Port shall provide the Developer written notice setting for the kind and character of such default. Developer shall have thirty (30) days from the date it receives the Port’s written notice to undertake the cure of such Event of Default. Should Developer fail to timely undertake such cure, the Port may proceed pursuant to and in accordance with Section 6.2 of this Agreement.

Section 6.2. Remedies on Default. Whenever any uncured Event of Default referred to in Section 6.1. of this Agreement occurs, the Port may take any one or more of the following actions:

- (a) Suspend its performance under this Agreement until it receives assurances from Developer, deemed adequate by the Port, that Developer will cure its default and continue their performance under the Agreement.
- (b) Terminate this Agreement and its obligations.
- (c) Withhold the Certificate of Completion until the Developer cures the Event of Default.
- (d) Enforce the Reversionary Right in accordance with Section 3.2(e) for an uncured violation of Section 3.2(e) hereof.
- (e) Take whatever action, including legal, equitable or administrative action, which may deemed reasonably necessary by the Port, including any actions to collect any damages suffered by the Port under this Agreement; or to enforce performance and observance of any obligation, agreement, or covenant of Developer under this Agreement, without regard to whether there is an adequate remedy at law.



Section 6.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Port is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Port or Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VI.

Section 6.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

## ARTICLE VII. Additional Provisions

Section 7.1. Port Representatives Not Individually Liable. No member, official, employee, attorney or agent of the Port shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Port or from any amount which may become due to Developer or successor or on any obligations under the terms of the Agreement, except in the case of willful misconduct.

Section 7.2. Restrictions on Use. Developer agrees for themselves and their heirs, personal representatives and assigns, and every successor in interest to the and Development Property, or any part thereof, that Developer, and such successors and assigns, shall devote the Development Property to, and in accordance with, the uses specified in the Plans and this Agreement or other uses that are in compliance with zoning, building and use ordinances of the City of Austin. Developer shall not discriminate upon the basis of age, race, color, creed, religion, sex, national origin, marital status, status with regard to public assistance, disability, or familial status in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 7.3. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 7.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) In the case of Developer, is addressed to or delivered personally to the mailing or delivery address Developer will, from time to time, furnish to the Port; and

(b) In the case of the Port, is addressed or delivered personally to the Port at 500 4th Avenue NE, Austin, Minnesota 55912, or at such other address as the Port may, from time to time, designate in writing and forward to Developer.

Section 7.5. Counterparts. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Port has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and Developer has caused this Agreement to be duly executed on or as of the date first above written.

THE AUSTIN PORT AUTHORITY

JCW DEVELOPMENT LLC

By: \_\_\_\_\_  
Jerry McCarthy, Its President

By: Westra Living Trust Dated December 1,  
2015, Its Member

By: \_\_\_\_\_  
Tom Dankert, Its Secretary

By: \_\_\_\_\_  
Benjamin D. Westra, Trustee

STATE OF MINNESOTA

ss.

COUNTY OF MOWER

The foregoing was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by Jerry McCarthy and Tom Dankert, the President and Secretary of The Austin Port Authority,  
a public corporation under the laws of the State of Minnesota, on behalf of The Austin Port  
Authority.

(SEAL)

\_\_\_\_\_  
Notary Public

STATE OF WISCONSIN

ss.

COUNTY OF \_\_\_\_\_

The foregoing was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by Benjamin D. Westra, Trustee of the Westra Living Trust Dated December 1, 2015, Member  
of of JCW Development LLC, a limited liability company under the laws of the State of  
Wisconsin, on behalf of JCW Development LLC.

(SEAL)

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**Description of Development Property**

Lot 1 and Lot 4, Block 2, Cook Farm Business Park, City of Austin, County of Mower, State of Minnesota.

**EXHIBIT B**  
**ATTACHMENT TO QUIT CLAIM DEED**

\*The conveyance of the Property evidenced by this Quit Claim Deed ("Deed") is subject to the requirements, terms and provisions of the Contract for Private Development dated \_\_\_\_\_, 2021, and recorded as Document No. \_\_\_\_\_, in the office of the Mower County Recorder (the "Contract") by and between the Port of Austin, Minnesota and [\_\_\_\_\_] LLC, a Wisconsin limited liability company, as successor-in-interest to JCW Development LLC, a Wisconsin limited liability company, pursuant to which Minimum Improvements as described therein, must be completed within one year of the recording of this Deed.

The Contract contains that certain "Reversionary Right" running to and for the benefit of the Grantor.

The parties hereby incorporate the foregoing Reversionary Right into this Deed as a covenant running with the land for a period of one year from the date of the recording of this Deed. The filing of a Certificate of Completion in the office of the Mower County Recorder issued by the Grantor shall be conclusive evidence of the termination of the Reversionary Right in favor of the Grantor and compliance of the Project with all statutory covenants.

Any terms not defined herein shall have the meaning set forth in the Contract.

**EXHIBIT C**  
**Certificate of Completion**

WHEREAS, The Austin Port Authority, a Minnesota public corporation (the "Port"), and [\_\_\_\_], a Wisconsin limited liability company (the "Developer") have entered into a Contract for Private Development (the "Contract") dated \_\_\_\_\_, 2021, and filed in the office of the Mower County Recorder on \_\_\_\_\_, 2021, recorded as Document No. \_\_\_\_\_ regarding certain real property located in the City of Austin and more particularly described in the Contract ("Development Property"); and

WHEREAS, the Contract contains certain conditions and provisions requiring Developer to construct improvements upon the Development Property (hereinafter referred to and referred to in the Contract as the "Minimum Improvements"); and

WHEREAS, Section 4.5. of the Contract requires the Port to provide an appropriate instrument promptly after the substantial completion of the Minimum Improvements so certifying said substantial completion;

NOW, THEREFORE, in compliance with said Section 4.5. of the Contract, this is to certify that Developer has substantially completed the Minimum Improvements in compliance with (a) the conditions and provisions of the Contract relating solely to the obligations of Developer to construct the Minimum Improvements, (b) the approved Construction Plans for the Development Property, and (c) all laws, statutes, regulations, and ordinances applicable to the Development Property and the Project contemplated in the Contract.

FURTHER, upon execution of this Certificate of Completion, the Port hereby forever releases, waives, and relinquishes its Reversionary Right to the Development Property.

Any terms not defined herein shall have the meaning set forth in the Contract.

DATED: \_\_\_\_\_

THE AUSTIN PORT AUTHORITY

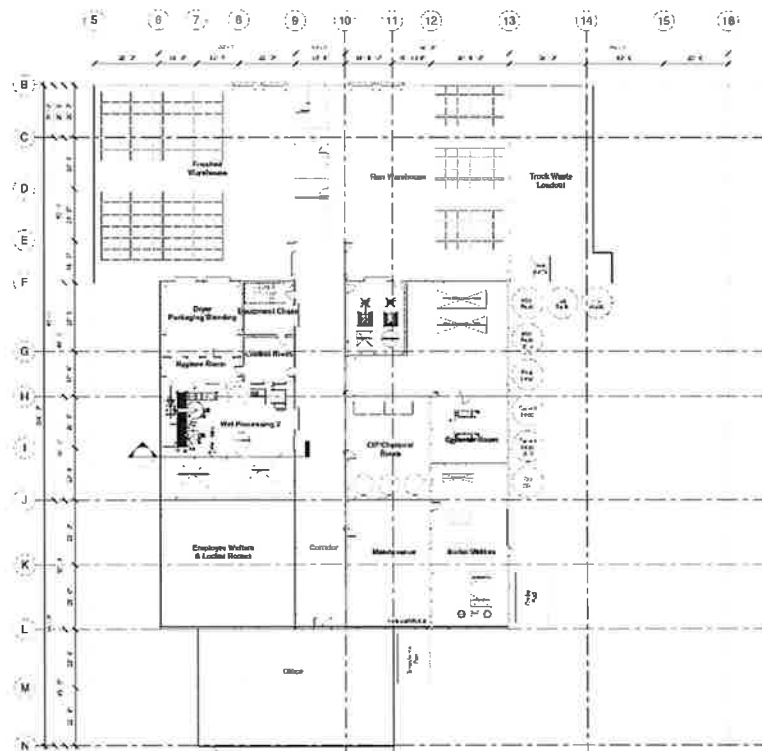
By: \_\_\_\_\_  
Its Chairman

By: \_\_\_\_\_  
Its Secretary



**EXHIBIT D**  
**Project Layout and Exterior Finishes**

[Attached]



1. Finished Floor  
1/4" = 1'-0"

Nu-Tek BioSciences

Peptone Facility

Location, TBD

No.	Revised Description	Date

First Floor Plan

Project Name	010001
Date	12/14
Drawn by	
Scale	1/4" = 1'-0"

**A1**





Aerial Map  
 PROPOSED NEW BUILDING  
 Austin, Mower County, Minnesota

Copyright (Mower County, 2019)  
 Parcel (Mower County, 2023)

