



AUSTIN PORT AUTHORITY

500 Fourth Ave. NE
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AGENDA
PORT AUTHORITY
WEDNESDAY, OCTOBER 25, 2023
CITY HALL – CONFERENCE ROOM
4:00 PM

1. Roll Call
2. Approval of Minutes of the July 19, 2023 Meeting
3. Approve of claims for payment June 23, 2023 – September 28, 2023 (Tom Dankert)
4. Unaudited Financial Statements as of August 31, 2023 (Tom Dankert)
5. Downtown Vision & Strategy Discussion (Austin Chamber of Commerce)
6. Approval of Austin Aspires, United Way Backpack Program, and Hometown Food Security Project Façade Signage
7. Hormel Institute Bonding Request
8. Hormel Institute Vivarium Project Building Modification Request
9. Port Authority Strategic Plan – Prioritization of Development Projects (Jason Baskin)
10. Leads List Examples for Incentives (Craig Clark)
11. Executive Director Report (Craig Clark)
12. Any Other Business
13. Adjourn

MINUTES
PORT AUTHORITY SPECIAL MEETING
WEDNESDAY, JULY 19, 2023
4:00 P.M.
CONFERENCE ROOM A

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

Members Absent: None.

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

Others Present: John Garry (DCA), Patrick Harty (Harty Mechanical), Holly Wallace (City Planning Director), and Craig Popenhagen (CLA Auditors).

President Baskin called the meeting to order at 4:00 p.m.

Item #2. – Approval of minutes of the May 10, 2023 special meeting: Motion by Commissioner Austin, seconded by Commissioner Smith to approve the minutes of the May 10, 2023 special meeting. Carried 7-0.

Item #3. – Approval of claims for payment April 27, 2023 through June 22, 2023: Mr. Dankert discussed the claims paid for the above period totaling \$62,476.49. Mr. Dankert highlighted the payments made for the Walker Building remodel, adding 1,900 square feet now to the International Paper lease. Additionally, the final loan payment was made to HPW LLC for the renovation of the former Paradise Island/Ville properties. No questions noted.

Motion by Commissioner Bjorndal, seconded by Commissioner Ruzek to approve the claims for payment. Carried 7-0.

Item #4. – Audit Presentation: Auditor Craig Popenhagen from CliftonLarsonAllen, LLP presented the audit report to the Board. Mr. Popenhagen noted the following:

- The Port Authority has been issued a clean, or unmodified opinion, meaning these statements are fairly presented.
- New GASB accounting changes require us to now book the present value of leases that are longer than 12 months, meaning the International Paper lease has now been recorded as both a Lease Receivable and offset with a Deferred Inflows of Resources on the Balance Sheet (no income statement effect).
- Designated fund balance has been set aside for the Port Authority's commitment to the infrastructure costs for a new road in the Creekside Business Park.
- As far as internal controls go, we have no findings.
- As far as the Minnesota Legal Compliance, we have no findings.
- The governance letter indicates no changes in policies and no audit adjustments were needed.

Motion by Commissioner Austin, seconded by Commissioner Smith to approve the audited financial statements as presented. Carried 7-0.

Item #5. – Harty Mechanical: President Baskin reviewed the Harty Mechanical project in Creekside Business Park and the actions previously approved by the Port Authority as part of the land sale, including the requirement to add and maintain 5 jobs during the two years following the issuance of the Certificate of Occupancy by the City of Austin. The sale has closed and the project is underway. President Baskin noted we have created the baseline employment number to be used in evaluating the addition of new jobs, but Mr. Harty has expressed concerns that an economic downturn, another pandemic, or some other event Harty cannot control, could disrupt his ability to meet the strict requirements pertaining to job creation under the Developer Agreement. Failure to strictly comply triggers substantial financial obligations owed by Harty to the Port, which would present significant harm to Harty if those financial obligations were to occur during a time when such outside forces were already putting stress on his company. Instead of seeking amendments to the Developer Agreement, Harty requested the Port discuss what approach it might take if such events transpired and include its discussion in the minutes for reference in the future. After all, this issue will be present for years and there may be turnover in board membership. So documenting the Port's views on enforcement now will be helpful to future board members and also to Harty.

Commissioner Bednar asked if this had ever come up before in the Port Authority dealings. Mr. Clark noted he was not aware of a similar situation or request.

Mr. Byram noted the Port Authority will have multiple options to consider if the events described by Harty were to occur, and the choice between those options may depend heavily on the type of occurrence or disruption that is alleged to have frustrated Harty's ability to strictly fulfill its requirements under the Developer agreement. The choice may also depend on the scale of Harty's shortfall in its performance. The Port might choose to forgive, in whole or in part, the shortfall and consider Harty's efforts to have been sufficient. Or the Port might delay the deadlines for job creation in a manner designed to allow Harty to fulfill the requirements on a prolonged timeframe. These decisions will necessarily be made on the circumstances present at the time of the decision and the anticipated changes in circumstances that might improve Harty's ability to meet or exceed the intended goals.

After further discussion it was noted that the Port Authority Board acknowledges that unforeseen circumstances to arise, and sometimes those are beyond the control of those who are doing their best to conform to contractual obligations. The Port is not normally punitive in its approaches to contract enforcement and intends to work with Harty to address such issues in a manner that reflects both the importance of the contractual obligation but also the practical reality existing at the time of enforcement. The Port invites Harty to bring his concerns forward for consideration as they arise, and commits to working with Harty to identify if reasonable accommodations are necessary as a result of events outside of Harty's control, and if so to be reasonable in determining what those accommodations might be based on the practical realities existing at that time.

Harty expressed appreciation for the discussion and stated he was satisfied with the statements made by the board members.

Item #6. – Port Authority Strategic Plan: President Baskin discussed the desire to play more “offense” when it comes to properties the Port Authority owns. President Baskin asked two basic questions, as follows:

1. What is the Port Authority 10-year goal?
2. What are our major strategic imperatives the Port Authority should focus on to achieve those goals?

Board members and staff created a list on the whiteboard of potential goals. Please see attached Schedule A for brainstorming on 10-year goals.

President Baskin then consolidated the list from Schedule A into a more concise 10-year goal list (see attached Schedule B) and had members rank their priorities with yellow post-it flags, as follows:

1. Diversity/expand employer base (2 votes)
2. Creekside Business Park full or X% occupied (4 votes)
3. Diversify/expand tax base (1 vote)
4. Existing Port land fully developed, sold, and new land acquired (10 votes)
5. Develop downtown area (3 votes)
6. Protect and expand housing stock (0 votes)
7. Spec Building (4 votes)

President Baskin then listed on the whiteboard the strategic imperatives to accomplish those goals (see attached Schedule C), as follows:

1. Creekside X% full (1 vote)
2. Spec Building (3 votes)
3. FAARM Project (4 votes)
4. Market available land (6 votes)
5. Acquire new land to develop (2 votes)
6. Shovel ready infrastructure on existing property (4 votes)
7. Mainstreet 2.0 (2 votes)
8. Work with DCA to drive private investment (0 votes)
9. Proactively target and bring in new employers (3 votes)
10. Increase tax levy to max allowed (2 votes)
11. Create pool of funds to pay for infrastructure (6 votes)

President Baskin thanked everyone for their input, and noted he would work with Mr. Clark on using this meeting to create some strategies and goals for review at a future meeting.

Item #7. – Port Authority Owned Properties: Mr. Clark discussed a memo he had outlining land cost in surrounding communities based on his discussion with Ryan Nolander from Hamilton Real Estate in Rochester.

Commissioner Austin noted the prices seem to be all over the board.

Commissioner Smith noted at our next meeting we should review and create a per acre price for our different properties.

Mr. Clark noted that we might price the parcels at different rates based on types of businesses or jobs that the new business will be bringing into the community. Commissioner Smith noted that depends on who we are marketing our property too.

No further discussion.

Item #8. – Executive Director Report: Mr. Clark noted Sarah Wolfe from Wolfe and Company is asking for approval to put a sign over her salon in downtown Austin. We have authority over this exterior because of our prior easement purchase, so any signage needs to be approved by us.

After further discussion, motion by Commissioner Austin, seconded by Commissioner Bjorndal to approve the signage request. Carried 7-0.

Item #9. – Any other business: Commissioner Smith noted we should be looking at Historic District requirements and thinking about areas that this might affect. President Baskin requested Mr. Clark to send out a list of Pros/Cons to designating areas as historical districts.

Item #10. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Bjorndal to adjourn the meeting at 5:50 pm. Carried 7-0.

Approved: _____

President: _____

Secretary: _____

Claims for Payment

Page - 1

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[illegible]

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

Council Check Summary

6/23/2023 - 9/28/2023

[illegible]



500 Fourth Ave. NE
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507-437-9940
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TO: Port Authority Board of Commissioners

FROM: Tom Dankert, Secretary *TD*

DATE: September 26, 2023

RE: Port Authority – August 31, 2023 Financial Report
S:\Port Authority\2023\August 31, 2023 Financial Report.doc

Attached you will find the preliminary financial statements for the eight months ending August 31, 2023. Some of the highlights are noted below:

Combined Balance Sheet (Page 1) – All Funds

- We have \$2,747,246 total cash for the Port Authority. This cash is between the Oak Park Mall Fund, Walker Building and Port Authority General Fund.
- Long-term Assets (Leases, Notes, and Land held for resale) equate to \$1,672,665.
- Fixed Assets (net book value of the Walker Building and the Hormel Institute expansion) amounts to \$20,335,604.

Combined Income Statement (Page 2) – All Funds

- In total, we have \$25,078 of **net income** for the eight months of our year. This includes the \$471,585 of depreciation expense on the Walker Building and the Hormel Institute Building that we own.
- The land sale to NuTek for \$350,000 gain happened earlier this year.

Property Management General Fund Balance Sheet (Page 3)

- The Port Authority Property Management Fund has \$1,141,927 of cash in the bank.
- Loans Receivable (DCA, for example) amount to \$696,429 at August 31, 2023. We have now fully amortized to zero all downtown revitalization loans.
- Land Held for Resale is valued at \$816,609. This includes Creekside Business Park land held by the Port Authority as well as the 13.55 acres by the truck stop along I-90, and the 25 acres of Persinger land that was acquired behind the I90 Kwik Trip.
- We have designated \$546,250 for our share of the match for the EDA grant to install infrastructure in the Creekside Business Park.

Property Management General Fund Income Statement (Page 4)

- The Port Authority has \$26,667 of tax receipts as of August 31, 2023.
- Administrative and General Expenses of \$26,611 includes \$10,357 of loan forgiveness on Salon Azteca, our final downtown forgivable loan with a balance.

Walker Building Balance Sheet (Page 5)

- The Port Authority Walker Building has \$669,931 of cash in the bank.
- The net book value (after depreciation) is \$144,308 for the Walker Building. This includes over \$56,000 of cost related to removing a demising wall such that International Paper can now lease the entire 30,000 square foot facility.
- Fund Balance of \$810,499 exists for the Walker Building.

Walker Building Income Statement (Page 6)

- The Walker Building has \$67,094 of Lease Revenue as of August 31, 2023.
- Administrative and General Expenses, including depreciation, of \$23,557 exists for the eight months of the year.
- Net income of \$64,028 exists for the eight months of 2023.

Oak Park Mall Balance Sheet (Page 7)

- The Port Authority Oak Park Mall fund has cash of \$935,387 as of August 31, 2023.
- Fund Balance of \$381,681 exists for the Oak Park Mall fund. This fund balance has turned positive now that some land sales have occurred (Cobblestone, Slaby, etc.).

Oak Park Mall Income Statement (Page 8)

- The Oak Park Mall fund has \$18,344 of interest income through the eight months of 2023.
- The required \$70,000 annual tax increment payment will be recorded at year-end once the final tax increments are paid to the city.
- Non-operating expenses of \$3,692 are for the 1% loan from the City, to be paid back as tax increments are remitted to the Port Authority, plus the estimated market value loss on investments.
- Net income of \$14,652 exists for the eight months of 2023.

**AUSTIN PORT AUTHORITY
BALANCE SHEETS
AUGUST 31, 2023**

ASSETS	<u>08/31/23</u>
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 2,747,245.98
Taxes Receivable	7,336.92
Accounts Receivable	20,000.00
Due from Other Governments	476.13
Interest Receivable on Loans/Leases	1,331.77
Interest Receivable on Investments	14,300.00
Lease Receivable	111,056.92
Total Current Assets	<u>\$ 2,901,747.72</u>
LONG-TERM ASSETS	
Due From Primary Government	\$ -
Land Held for Resale	840,264.78
Leases and Loans Receivable	832,399.83
Total Long-Term Assets	<u>\$ 1,672,664.61</u>
FIXED ASSETS	
Buildings	\$ 23,510,658.39
Improvements Other Than Building	553,783.47
Machinery and Equipment	2,108,645.54
Total	<u>\$ 26,173,087.40</u>
Less Accumulated Depreciation	(5,837,483.86)
Net	20,335,603.54
Construction In Progress	-
Net Fixed Assets	<u>\$ 20,335,603.54</u>
Total Assets	<u>\$ 24,910,015.87</u>
LIABILITIES AND FUND EQUITY	<u>08/31/23</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers Payable	\$ 7.00
Accrued Interest Expense	-
Deferred Revenue	9,132.97
Bonds Payable, Current Portion	-
Total Current Liabilities	<u>\$ 9,139.97</u>
LONG-TERM LIABILITIES	
Advances from Primary Government	\$ 557,361.79
Due to Austin HRA	25,000.00
Bonds Payable, Net of Bond Discount	-
Total Long-Term Liabilities	<u>\$ 582,361.79</u>
Total Liabilities	<u>\$ 591,501.76</u>
DEFERRED INFLOWS OF RESOURCES	
Lease related	\$ 247,027.83
Total Deferred Inflows of Resources	<u>\$ 247,027.83</u>
NET ASSETS	
Net Assets:	
Invested in Capital Assets, Net of Related Debt	\$ 20,335,603.54
Restricted for Main Street	-
Designated (EDA Creekside street match)	546,250.00
Unrestricted	3,189,632.74
Total Net Assets	<u>\$ 24,071,486.28</u>
Total Liabilities and Net Assets	<u>\$ 24,910,015.87</u>

**AUSTIN PORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2023**

	8 Months 08/30/23
OPERATING REVENUES	
Lease Revenues	\$ 67,094.23
Total Operating Revenues	<u>\$ 67,094.23</u>
OPERATING EXPENSES	
Administrative and General	\$ 45,249.91
Depreciation and Amortization	471,584.67
Total Operating Expenses	<u>\$ 516,834.58</u>
OPERATING LOSS	<u>\$ (449,740.35)</u>
NON-OPERATING REVENUES (EXPENSES)	
Property Taxes	\$ 26,666.67
Intergovernmental	-
Interest Earnings	48,424.00
Market Value Loss	-
Interest Earnings on Loans/Leases	6,216.80
Interest Expense and Fiscal Agent Fees, net	(3,692.00)
Contributions	-
Miscellaneous Revenues	47,202.65
Gain On Disposal of Fixed Assets	350,000.00
Total Non-Operating Revenues (Expenses)	<u>\$ 474,818.12</u>
CHANGE IN NET ASSETS BEFORE TRANSFER	<u>\$ 25,077.77</u>
Transfer In from Primary Government (Capital Contributions)	-
Transfer To from Primary Government	<u>-</u>
CHANGE IN NET ASSETS	25,077.77
NET ASSETS, BEGINNING	<u>24,046,408.51</u>
NET ASSETS, ENDING	<u><u>\$ 24,071,486.28</u></u>

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**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
GENERAL
BALANCE SHEET
August 31, 2023**

ASSETS**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,141,927.42
Taxes Receivable	7,336.92
Accounts Receivable	20,000.00
Due from Other Governments	476.13
Interest Receivable on Loans	302.49
Interest Receivable on Investments	4,929.00
Total Current Assets	<u>\$ 1,174,971.96</u>

OTHER ASSETS

Due From Primary Government	\$ -
Lease Receivable	-
Loans Receivable	696,428.92
Loans Receivable - Downtown Revitalization (forgivable)	-
Land Held for Resale	816,608.79
Total Other Assets	<u>\$ 1,513,037.71</u>

CAPITAL ASSETS

Buildings	\$ 23,201,870.84
Improvements Other Than Buildings	517,098.01
Machinery and Equipment	2,108,645.54
Total	<u>\$ 25,827,614.39</u>
Less: Accumulated Depreciation	<u>(5,636,318.55)</u>
Net	<u>\$ 20,191,295.84</u>
Construction In Progress	-
Net Capital Assets	<u>\$ 20,191,295.84</u>
Total Assets	<u><u>\$ 22,879,305.51</u></u>

LIABILITIES AND NET ASSETS**LIABILITIES****CURRENT LIABILITIES**

Vouchers Payable	\$ -
Retainage Payable	-
Bonds Payable, Current Portion	-
Total Current Liabilities	<u>\$ -</u>

LONG-TERM LIABILITIES

Bonds and Notes Payable	\$ -
Total Long-Term Liabilities	<u>\$ -</u>
Total Liabilities	<u>\$ -</u>

NET ASSETS

Net Assets	
Invested in Capital Assets, Net of Related Debt	\$ 20,191,295.84
Restricted For Main Street	-
Designated (EDA Creekside street match)	546,250.00
Unrestricted	2,141,759.67
Total Net Assets	<u>\$ 22,879,305.51</u>
Total Liabilities and Net Assets	<u><u>\$ 22,879,305.51</u></u>

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(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
GENERAL
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Eight Months Ended August 31, 2023**

	8 Months 8/31/2023
OPERATING REVENUES	<u>\$ -</u>
OPERATING EXPENSES	
ADMINISTRATIVE AND GENERAL	
Legal and Appraisals	\$ 3,887.50
Miscellaneous Expense	-
Board Member Compensation	875.00
Professional Services and Consulting	9,090.93
Improvements Other Than Buildings (Main Street)	10,357.25
Improvements Other Than Buildings	-
Insurance	1,680.00
Property taxes	638.00
Postage and Freight	28.44
Utilities	53.84
Total Administrative and General Expenses	<u>\$ 26,610.96</u>
Depreciation	<u>\$ 466,666.67</u>
Total Administrative and General Expenses	<u>\$ 493,277.63</u>
OPERATING LOSS	<u>\$ (493,277.63)</u>
NON-OPERATING REVENUES (EXPENSES)	
Property Taxes	\$ 26,666.67
Intergovernmental Revenues	-
Interest Earnings	\$ 15,942.00
Market Value Gain (Loss)	-
Interest Earnings on Loan	2,304.17
Contributions (Mayo lot at Creekside)	-
Miscellaneous Revenues	47.65
Miscellaneous Revenues - Option to Purchase (NuTek)	44,715.00
Gain on Sale of Assets (NuTek)	350,000.00
Total Non-Operating Revenues (Expenses)	<u>\$ 439,675.49</u>
CHANGE IN NET ASSETS BEFORE TRANSFER	<u>\$ (53,602.14)</u>
Transfer In - Walker Building	-
Transfer Out - (to primary government)	-
CHANGE IN NET ASSETS	<u>\$ (53,602.14)</u>
NET ASSETS, BEGINNING	<u>\$ 22,932,907.65</u>
NET ASSETS, ENDING	<u><u>\$ 22,879,305.51</u></u>

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**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
WALKER BUILDING
BALANCE SHEET
August 31, 2023**

ASSETS**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 669,931.37
Accounts Receivable	-
Interest Receivable on Leases	1,029.28
Interest Receivable on Investments	4,371.00
Leases Receivable	111,056.92
Total Current Assets	<u>\$ 786,388.57</u>

NONCURRENT ASSETS

Leases Receivable	<u>\$ 135,970.91</u>
Total Noncurrent Assets	<u>\$ 135,970.91</u>

CAPITAL ASSETS

Buildings	\$ 308,787.55
Improvements Other than Building	36,685.46
Total Capital Assets	345,473.01
Less: Accumulated Depreciation	(201,165.31)
Net Capital Assets	<u>\$ 144,307.70</u>
Total Assets	<u><u>\$ 1,066,667.18</u></u>

LIABILITIES AND NET ASSETS**LIABILITIES****CURRENT LIABILITIES**

Vouchers Payable	\$ 7.00
Accrued Payables	-
Unearned Revenue	9,132.97
Total Current Liabilities	<u>\$ 9,139.97</u>

DEFERRED INFLOWS OF RESOURCES

Lease Related	<u>\$ 247,027.83</u>
Total Deferred Inflows of Resources	<u>\$ 247,027.83</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 144,307.70
Unrestricted	666,191.68
Total Net Assets	<u>\$ 810,499.38</u>
Total Liabilities and Net Assets	<u><u>\$ 1,066,667.18</u></u>

5

(UNAUDITED)

**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
WALKER BUILDING
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Eight Months Ended August 31, 2023**

8 Months
8/31/2023

OTHER OPERATING REVENUES

Lease Revenues	\$ 67,094.23
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OPERATING EXPENSES

ADMINISTRATIVE AND GENERAL

Legal and Appraisals	\$ 62.50
Maintenance and Repair of Building	4,430.54
Property Taxes (entire year)	10,662.00
Insurance	536.00
Communications (alarm monitoring)	347.91
Building Maintenance Charge	2,600.00
Total Administrative and General Expenses	\$ 18,638.95

Depreciation	4,918.00
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Total Operating Expenses	\$ 23,556.95
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OPERATING INCOME

\$ 43,537.28

NON-OPERATING REVENUES (EXPENSES)

Interest Earnings on Investments	\$ 14,138.00
Interest Earnings on Lease	3,912.63
Market Value Gain (Loss)	-
Loss on Disposal of Fixed Assets	-
Miscellaneous Revenues	2,440.00
Total Non-Operating Revenues (Expenses)	\$ 20,490.63

CHANGE IN NET ASSETS BEFORE TRANSFERS

\$ 64,027.91

Transfer to Port Authority General Fund	-
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CHANGE IN NET ASSETS

\$ 64,027.91

NET ASSETS, BEGINNING

746,471.47

NET ASSETS, ENDING

\$ 810,499.38

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**AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
OAK PARK MALL
BALANCE SHEET
August 31, 2023**

ASSETS**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 935,387.19
Taxes Receivable	-
Accounts Receivable	-
Interest Receivable on Investments	5,000.00
Total Current Assets	<u>\$ 940,387.19</u>

OTHER ASSETS

Due From Primary Government	\$ -
Land Held for Resale	23,655.99
Total Other Assets	<u>\$ 23,655.99</u>

CAPITAL ASSETS

Construction In Progress	\$ -
Total Capital Assets	-
Less: Accumulated Depreciation	-
Net Capital Assets	<u>\$ -</u>
Total Assets	<u>\$ 964,043.18</u>

LIABILITIES AND NET ASSETS**LIABILITIES****CURRENT LIABILITIES**

Vouchers Payable	\$ -
Advances from Primary Government - Current Portion	-
Total Current Liabilities	<u>\$ -</u>

LONG-TERM LIABILITIES

Due to Austin HRA	\$ 25,000.00
Advances from Primary Government	557,361.79
Total Long-Term Liabilities	<u>\$ 582,361.79</u>
Total Liabilities	<u>\$ 582,361.79</u>

NET ASSETS

Net Assets	\$ -
Invested in Capital Assets, Net of Related Debt	-
Restricted For Unused Economic Development	381,681.39
Unrestricted	<u>\$ 381,681.39</u>
Total Net Assets	<u>\$ 381,681.39</u>
Total Liabilities and Net Assets	<u>\$ 964,043.18</u>

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AUSTIN PORT AUTHORITY
PROPERTY MANAGEMENT FUND
OAK PARK MALL
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Eight Months Ended August 31, 2023

	8 Months 8/31/2023
OPERATING REVENUES	
Donations from Private Sources - Hormel Foundation	\$ -
Intergovernmental	-
Total Operating Revenues	<u>\$ -</u>
OPERATING EXPENSES	
ADMINISTRATIVE AND GENERAL	
Legal and Appraisals	\$ -
Miscellaneous Expense	-
Board Member Compensation	-
Professional Services	-
Improvements Other Than Buildings	-
Insurance	-
Office Supplies	-
Postage and Freight	-
Property Taxes	-
Total Operating Expenses	<u>\$ -</u>
OPERATING LOSS	<u>\$ -</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Earnings	\$ 18,344.00
Market Value Gain	-
Interest Expense on Loan	(3,692.00)
TIF - PAYGO Revenue	-
Gain on Sale of Land	-
Miscellaneous Revenue	-
Total Non-Operating Revenues (Expenses)	<u>\$ 14,652.00</u>
CHANGE IN NET ASSETS	\$ 14,652.00
NET ASSETS, BEGINNING	<u>\$ 367,029.39</u>
NET ASSETS, ENDING	<u><u>\$ 381,681.39</u></u>

Unifying Downtown Vision

AUSTIN, MINNESOTA



AUSTIN AREA
CHAMBER

Doing things in the right order

Vision comes before **strategy**.

Strategy comes before **tactics**.

See it. Think it. Do it.

DOWNTOWN IDENTITY CRISIS

Downtown Austin of the 20th Century

“I live in town, and I do all my shopping and errands downtown once a week.”

Downtown Austin of 2023

“I do my shopping online or at the retail locations on 18th Ave NW. Sometimes I go downtown for coffee or for a meal.”

SPAM[®] MUSEUM

UNIQUE TO AUSTIN

80,000 to 100,000 visitors annually



Good News!

- **The Attractor is here!** Cities would kill to have a built-in attractor like the SPAM Museum!
- **Money pouring in!** Lots of people with money in their pockets beelining for a downtown location.
- **People loooooove it!** Visitors rave about their experience at the SPAM Museum!

Bad News!

In and out. The majority of visitors are only making a quick “pit stop” on road trips to other places.

- They may have lunch, they may fuel vehicles, but then they are back on the road.
- That means Austin isn't perceived as a place to stay - it's a place to pass through.

What If?

What if a Unified Downtown Vision creates:

- **Uninterrupted user experience?** (restaurant/retail/arts/entertainment)
- **Increased tax revenue?** (funding projects like Whitewater and/or reducing tax burden of residents)
- **Core downtown momentum?** (all boats rise in a flood)
- **Helped attract & retain professional employees and families?**
- **Jobs?**
- **A memorable downtown visit that people want to explore again?**

Can it be done?



GALENA, ILLINOIS

Achieving the Vision

COLLABORATION: Impact Austin, Accelerate Austin, DCA, City, Port Authority, Discover Austin, SPAM Museum, Chamber of Commerce, landlords, others

IDENTIFY GAPS: Identify gaps in user experience - Ice cream shop, wine tasting, outdoor dining, bakery, Austin tourist souvenirs, “bodega” with bottled water, batteries, band aids, etc.

PLAN FOR SCALE: Begin with prioritized focus (Main Street from 4th Ave NW to 2nd Ave NW). Expand area in stages.

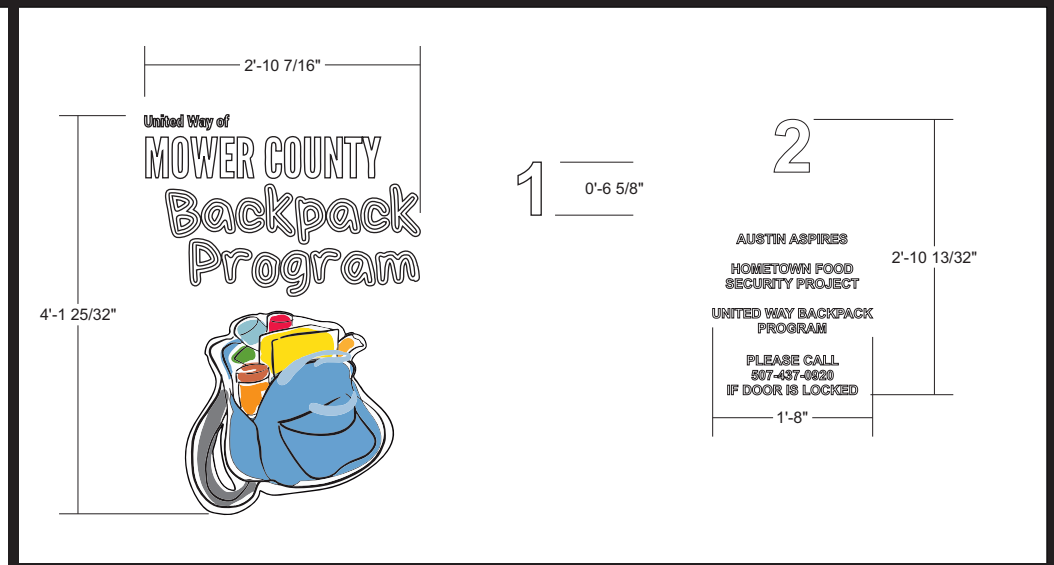
ASSESS RESOURCES: Affected properties (usage/tenants, zoning, condition)

BUSINESS PLANS: Develop specific use plans for focus zone.

GATHER FUNDING: Explore funding sources / mechanisms for property purchase, building improvements, signage upgrades, forgivable start-up loans.



Needs Vector art for all except Austin Aspires



QTY:	???
# of sides	???
Install notes:	???
OAH-	???
COLORS-	
Vinyl:	DIGITAL PRINTED
	WHITE

Actual colors may vary slightly from examples shown due to limitations in the printing process.

ARTWORK PROPERTY OF PRECISION SIGNS LLC.

This is an original unpublished drawing, created by Precision Signs LLC. It is submitted for your personal use in connection with the project being planned for you by Precision Signs LLC. It is not to be shown to anyone outside your organization, nor is it to be used, reproduced, copied or exhibited in any fashion whatsoever. All or any part of this design (excepting registered trademarks) remain the property of Precision Signs LLC. If all or part of this drawing is used without the written consent of Precision Signs LLC, a \$500.00 fee will be charged for the purchase of this custom artwork. **Re: Ferrin vs. Glades Merc. Co. Fla. 1977**

Print Name: _____ Signature: _____ Date: ____/____/____ Approve: ☐ With Changes: ☐

Date: 8/23/23 Prepared for: Austin Aspire Sales Rep: Craig Holschlag Designer: Jeremy Christenson Design #: JC-082223-01-A Scale: 1" = 2'

Notes: JC-082223-01-A

2 - Single sided ACM panels with digitally printed graphics, 1- digitally printed window decal and 2 - cut vinyl door decals.

Job Site address:

318 Main St
Austin, MN
Phone: 507-437-0920
Contact: Jayne, Gema



1000 10th Dr SE Ph: 800-769-9535
Austin, MN 55912
www.precisionsigns.net



Make a POWERFUL First Impression!

Main Office:
1000 10th Dr SE - Austin, MN 55912
Phone: 507-437-7440
www.precisionsigns.net

PROPOSAL SUBMITTED TO: Austin Aspire

BILLING ADDRESS - STREET: 318 Main St

CITY, STATE & ZIP CODE: Austin, MN 55912

JOB SITE ADDRESS - STREET:

CITY, STATE & ZIP CODE:

PHONE: 507-437-0920

CELL:

FAX:

EMAIL:

CONTACT NAME: Jayne \ Gema

SALES REP: Craig Holschlag

We hereby propose to furnish material and labor necessary for the completion of:
JC-082223-01-B

2 Qty - Single sided ACM panels with digitally printed graphics. Price includes installation.

\$1,261.20

1 Qty - digitally printed window decal. Price includes installation.

\$270.73

2 Qty - cut vinyl door decals. Price includes installation.

\$166.67

Note: Price does not include electrical connections, permits or permit acquisition. Price is based on ideal installation conditions. Poor access, awnings and other obstructions, or encountering steel structure within wall will add to installation costs. Precision Signs is not responsible for the condition of wall structure or surface. We are not liable for surface damage and/or discoloration due to preexisting signage, nor are we liable for installation problems arising from poor existing structure. Any needed repair or reinforcement will add to installation costs.

50% deposit due upon order 75% deposit for all electronic message centers and remaining balance due upon completion. 3% fee for credit card payment.

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Authorized Signature _____

Date 8/31/23

ACCEPTANCE OF PROPOSAL. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

NONPAYMENT: REMOVAL OF SIGN. Customer hereby agrees in advance that if payment is not received as provided in this contract, Precision Signs LLC. shall have the right during regular business hours to enter upon customer's premises and remove the sign without notice.

Signature: _____ **DATE** ____/____/____

Deposit Received: \$ _____ **DATE** ____/____/____

FIRST AMENDMENT TO
PRESERVATION AND CONSERVATION EASEMENT

THIS AGREEMENT, made and entered into as of _____, 2023, by and between **Gareth Hataye, manager of Hataye Holdings LLC, and Lindsey Haney, chief manager of Beth McGee Properties LLC** (collectively the “Grantor”), and **THE AUSTIN PORT AUTHORITY**, a public corporation under the laws of the State of Minnesota acting in accordance with the provisions of Minnesota Statutes Chapter 84C, as amended, (the “Grantee”).

WITNESSETH:

WHEREAS, Hataye Holdings LLC holds legal title, subject to a contract for deed vendee’s interest in favor of Beth McGee Properties LLC, of certain real property located in the City of Austin, County of Mower, State of Minnesota, said property being legally described as follows:

See Exhibit A

(hereinafter “Site”); and

WHEREAS, Grantee accepted a preservation and conservation easement to protect and preserve the architectural aspects of the Site under the provisions of Minnesota Statutes Chapter 84C, as amended (hereafter the “Act”); and

WHEREAS, Grantor’s predecessor in title executed a preservation and conservation easement in favor of Grantee on August 9, 2009, and said easement was recorded in the records of the Mower County Recorder on August 11, 2019, as document number A000577146 (the “Easement”); and

WHEREAS, the Easement requires Grantor to maintain and preserve the existing structure on the Site as more completely described in the Easement; and

WHEREAS, the Easement allows for the modification of the appearance or construction of the Exterior Façades (defined in the Easement) only with the prior express written permission of Grantee (as described in the Easement); and

WHEREAS, Grantor desires to install additional exterior signage on the West façade of the structure on the Site, and Grantor has approved the installation of Grantor’s proposed signage on the West Façade as consistent with the purpose and intent of the Easement;


WHEREAS, Grantor has completed said improvements to the West Façade of the structure on the Site consistent with the expectations and approvals of Grantor.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor and Grantee do hereby irrevocably modify and amend the Easement to include and reflect the exterior condition of the West Façade as reflected on Exhibit B.

Except for the modifications reflected in Exhibit B, all terms and conditions contained and described in the Easement as originally recorded remain in full force and effect. This includes, but is not limited to, all depictions of any Façade other than the West Façade as shown and described in the Easement as originally recorded.

IN WITNESS WHEREOF, on the date first shown above, Grantor has signed sealed and delivered this First Amendment to Preservation and Conservation Easement; and Grantee has caused this instrument to be accepted, sealed, executed, and delivered.

Hataye Holdings LLC:


Gareth Hataye, manager

Beth McGee Properties LLC

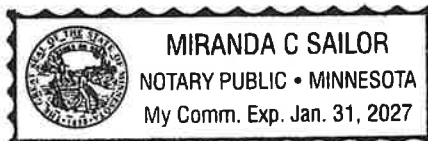

Lindsey Haney, chief manager

STATE OF MINNESOTA)

Freeborn)

MOWER COUNTY)

) ss



On this 14th day of September, 2023, before me, a notary public in and for said County appeared Gareth Hataye, personally known to me, who, being duly sworn, did say that he is the manager of Hataye Holdings LLC, that he is duly authorized to execute this instrument on behalf of Hataye Holdings LLC, and that he does so on behalf of Hataye Holdings LLC.

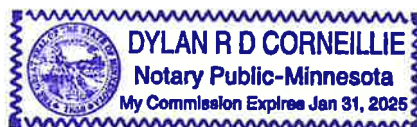

Notary Public

STATE OF MINNESOTA)

MOWER COUNTY)

) ss

On this 27th day of September, 2023, before me, a notary public in and for said County appeared Lindsey Haney, personally known to me, who, being duly sworn, did say that she is the chief manager of Beth McGee Properties LLC, that she is duly authorized to execute this instrument on behalf of Beth McGee Properties LLC, and that she does so on behalf of Beth McGee Properties LLC.




Notary Public

GRANTEE:

The Austin Port Authority

BY: Jason Baskin

Its Chairman

BY: Tom Dankert
Its Secretary

STATE OF MINNESOTA)
) ss
MOWER COUNTY)

On this ____ day of October, 2023, before me, a notary public in and for said County appeared Jason Baskin and Tom Dankert, personally known to me, who, being duly sworn, did say that they are the Chairman and Secretary, respectively, of The Austin Port Authority, that they are duly authorized to execute this instrument on behalf of The Austin Port Authority, and that they do so on behalf of The Austin Port Authority.

Notary Public

**EXHIBIT A
LEGAL DESCRIPTION**

The South 24.75 feet of the Lots 9 and 10, Block 20, Original Village (now City) of Austin, Mower County, Minnesota, together with all rights and obligations contained in the following Agreements.

Party Wall Agreement dated September 9, 1908, and filed March 13, 1909 and recorded in Book 59 of Deeds, page 397, in the office of the County Recorder, Mower County, Minnesota, between Frank Rayman, first party, and E.A. Dalager and J. W.C. Dinsmoor, second parties;

Party Wall Agreement dated August 26, 1939 and filed October 27, 1939 and recorded in Book S of Miscellaneous, page 111, in the office of the County Recorder, Mower County, Minnesota, between Frank B. Rayman, a single person, and Fred L. Rayman and Lucy T. Rayman, his wife, and Fay W. Rayman and Martha L. Rayman, his wife, first parties, and N.F. Banfield corporation, second party;

and subject to the determination of property line contained in the Judgment dated November 7, 1949 and filed November 7, 1949 and recorded in Book 158 of Deeds, page 344, in the Office of the County Recorder, Mower County, Minnesota.

and further subject to a certain Preservation and Conservation Easement recorded August 11, 2009 as Document No.: A000577146, by and between Gareth S. Hataye and Alaina L. Softing-Hataye, husband and wife, and The Austin Port Authority, a Public Corporation.

EXHIBIT B
UPDATED WEST FAÇADE

City of Austin
Craig Clark,
City Administrator



500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773
Phone: 507-437-9941
craige@ci.austin.mn.us
www.ci.austin.mn.us

To: President and Board Members

From: Craig D. Clark, Executive Director

RE: Hormel Institute Bonding Request for \$19.8 million

Representatives from the Hormel Institute has requested the Port Authority serve as the fiscal agent for a State bonding request of \$19.8 million for the Minnesota Bioimaging Center. The funding would be utilized for housing a cryo-electron tomography microscope (cryo-ET) to pair with the current electron microscopy microscope (cryo-EM) and put an addition on to the Hormel Institute. More details are listed in the packet included at Exhibit 1.

This is an initial \$42.8 million total project with additional out year costs by 2028 of \$81.8 million. As with other additions the owner would be the Austin Port Authority with agreement that it will be operated by the Hormel Institute.

As in the past the Port Authority would have to agree to support the project and serve as the fiscal agent for the project. If successful, a project manager would need to be secured. A proposed resolution is included as Exhibit 2 for your consideration.

Dr. Clarke will be at the meeting as well as others from the Hormel Institute.

Port Authority action is requested to approve the resolution (Exhibit 2) of support and authorize the President to sign and secretary attest the agreement.



2024 Capital Budget

Project Information for Nonprofit Capital Requests

Grantee Requesting and Receiving State Funds

Austin Port Authority

2024 Legislative Session State Request Amount (\$ in Thousands) \$ 19,800

Project Summary

Summarize the request in two sentences. Example: "\$10 million in state funds is requested to acquire land, predesign, design, construct, furnish and equip a new building for the ABC Community Group to be located in X."

Max 500 characters

\$19.8 million in state funds is requested to design, renovate existing space, and construct a new building addition to establish the Minnesota Bioimaging Center at The Hormel Institute, University of Minnesota. This center will provide access to state-of-the-art imaging services, expertise and equipment using cryo-electron microscopy (cryo-EM) and cryo-electron tomography (cryo-ET) analyses for all researchers across Minnesota, including University of Minnesota and Mayo Clinic.

Project Description

Describe the project in detail, including scope, total cost (especially if different than the funding amount requested), key funding sources, etc. For new projects, identify the new square footage planned. For remodeling, renovation, or expansion projects, identify the total square footage of current facilities, the square footage to be renovated, and/or the new square footage to be added.

Max 4,000 characters. Textbox continues on next page.

The Minnesota Bioimaging Center (MBiC) will fully leverage and expand The Hormel Institute UMN's unique capabilities for high resolution single particle cryo-electron microscopy (cryo-EM) analysis, extend this to include cryo-ET, and will establish a state-of-the art center for biological imaging research in Austin, MN that operates in service to the needs of research across Minnesota and those of our neighbors throughout the Midwest. It creates a rich ecosystem of training and education opportunities (including K-12 and undergraduate STEM) for the next generation of scientists and innovators, in the rural communities in and around Austin and southeastern MN.

Within the MBiC expansion The Hormel Institute will create a comprehensive learning laboratory for all age learners (K-12 and higher ed) with a further goal of helping teachers with professional development opportunities and curriculum writing that is applicable to current research and STEM activities. MBiC faculty and staff will also be active partners with educators to offer programming that aligns with both Next Generation Science Standards and with Minnesota Science Standards.

Main Goals:

1. Expand the current bioimaging capabilities of The Hormel Institute (e.g., the ability to perform cryo-electron tomography research in addition to cryo-electron microscopy)
2. Increase the capabilities, significance and global impact of research done across MN
3. Create a center that serves a critical need in Midwestern states (MN, ND, SD, IA, NE and beyond)
4. Advance K-12 and higher education STEM goals within southeastern MN and beyond
5. Create jobs and attract new businesses to strengthen the economy of the region

Project Description Continued

6. Overcome space limitations that severely restrict current user base and capabilities across the state. The completed project will create a new, fiscally sustainable, world class biophysics and imaging center within a new wing of The Hormel Institute. The wing will house the bulk of MBiC instrumentation, support laboratories, K-12 and higher education learning spaces, offices for operations staff, and shared common areas for external users/visitors that enhance and encourage collaboration. Upgrades will facilitate the expected 24 hours/day, 7 days/week operation. The new and expanded infrastructure will support versatile space usage while leaving room for bioimaging expansion and updating over the next 20 years. MBiC will add specialist jobs to accommodate the expanded services and user base, offer researchers from across the Midwest direct access to advanced cryo-EM capabilities, and support and advance STEM education in Austin and the surrounding rural communities. Each of these activities will create jobs and bring researchers and collaborators to Austin from across the state, region and beyond.

Impact on Research

Cryo-EM and cryo-ET are the premier technologies for macromolecular structure determination for a broad range of targets thanks to rapid advances in instrumentation and data analysis capabilities, sample production, and biochemical characterization. The last five years have seen a rapid growth in the available use of this technology for biological and health-related breakthroughs. Despite this progress, significant roadblocks remain that prevent the widespread use of state-of-the-art cryo-EM and cryo-ET methods. The capabilities currently available at The Hormel Institute are not replicated at any other institution within MN nor in most of our neighboring states; those we propose here will further advance our capabilities to those equivalent to (or better than) most leading biomedical research institutes nation (and world) wide.

Project Rationale

Why is this project needed? Justify the request.

Max 2,000 characters

The current technology and cryo-EM expertise already differentiates The Hormel Institute from other research centers in the region and most in the U.S. Recent investments include one of the most powerful microscopes in the world – the high-resolution cryo-EM – supercomputing, mass spectrometry, and more. The Hormel Institute's cryo-EM was the 7th to be installed in the world and the only of its kind in Minnesota and several neighboring states.

This project will leverage, dramatically expand, and complement the current bioimaging capabilities at The Hormel Institute, open up this technology across Minnesota, attract researchers from the Midwest that lack these technologies, and offer experiences to K-12 and undergraduate students largely unique in the nation. MBiC will support current and future research and education at the Institute and the growing number of Institute scientists who are advancing The Hormel Institute's mission to accelerate answers to cancer through scientific research.

MBiC was awarded a \$1.5 million grant from CDS (congressionally directed spending) funds to purchase a Focused Ion Beam Miller instrument to allow the addition of cryo-ET imaging to the research capabilities of The Hormel Institute.

The remarkably collaborative effort from our community, region and State is among the very best examples of bi-partisan collaboration. Together, our research benefits us all, preventing and treating cancer and extending lives in Minnesota and beyond.

An important addition to the center is the MBiC Education Lab designed to increase diversity in STEM fields and among STEM educators. By introducing rural students to STEM activities and STEM fields at a young age, as well as featuring the diverse team of researchers at The Hormel Institute, young learners will be able to see themselves as scientists, technologists, engineers, mathematicians, and STEM educators.

Project Timeline

Describe the sequence of the project by month/year (predesign, design, construction, completion, etc.). Summarize other influencing factors or interactions (ex: coordinating the request with other projects).

Max 1,000 characters

The MBiC Project Steering Committee is responsible for the project and timeline, including the feasibility & scope determination, predesign, design, construction, and initiating operations phases.

MBiC is currently in the feasibility and scope phase and the steering committee created a Partnerships and Technology team from Mayo Clinic, University of Minnesota, and partners to identify the core capabilities and equipment needed for long term success and sustainability (completion by March 2024).

The predesign phase is concurrently underway as The Hormel Institute evaluates the existing building footprint to utilize and expand current capabilities within existing space through minor renovations and plans for connecting the new wing of MBiC to create a seamless transition and coordination of existing resources and space with the future expansion.

The design and construction phases for MBiC will kick off in 2024, with a target construction start of early 2025.

Other Considerations

Is there anything else that decision makers should know about this project?

Max 1,000 characters

The Minnesota BioImaging Center leverages the significant investment for 81 plus years by The Hormel Foundation. As the major donor to University of Minnesota, this project offers the opportunity to develop a sustainable and growing economic benefit to the Austin community as well as a unique training and learning experience for students throughout the rural areas of southern Minnesota and nearby states.

Who will own the project?

Max 500 characters

The building for the MBiC project will be owned by Austin Post Authority.

Who will operate the project?

Max 500 characters

The Hormel Institute, University of Minnesota

Who will use or occupy the project?

Max 500 characters

The Hormel Institute and researchers from University of Minnesota, Mayo Clinic, all state and private colleges, universities and research centers in Minnesota, as well as industry partners across the larger Midwest region and beyond. The education lab and workforce training opportunities will be a resource for all students and community members in southern Minnesota and beyond. This breakthrough technology is a magnet for innovative researchers and biologists.

Public Purpose

Max 500 characters

MBiC will build The Hormel Institute and Minnesota's reputation as a top biomedical research destination. The education lab will provide opportunities for STEM fields. The training opportunities of MBiC will provide key workforce training to create a pipeline of innovators and skilled technicians throughout Minnesota.

Description of Previous Appropriations

Max 500 characters

No previous Minnesota State appropriations have been made for this project, but The Hormel Institute did receive 2012 State funding for its last expansion which doubled the size of the facility, adding 20 additional labs and made space for the addition of a cryo-electron microscope.

Project Funding Sources and Costs

The 2024 Session column represents the project, or project phase, for which you are requesting state funds. Enter the source and amount requested from the state, and the sources and amounts pending or committed from non-state funds. Total project funding sources must equal total project costs.

Project Sources (Dollars in Thousands)

Source	Prior Years	2024 Session	2026 Session	2028 Session
State General Fund Cash		\$ 19,800		
UMN/Mayo		\$ 5,000	\$ 4,000	\$ 4,000
The Hormel Foundation		\$ 6,000	\$ 6,000	\$ 1,000
Philanthropy/Industry		\$ 12,000	\$ 12,000	\$ 12,000
Total Project Funding Sources	\$ 0	\$ 42,800	\$ 22,000	\$ 17,000

Project Costs (Dollars in Thousands)

Cost Category	Prior Years	2024 Session	2026 Session	2028 Session
Property Acquisition		\$ 0	\$ 0	\$ 0
Predesign		\$ 500		
Design		\$ 2,000		
Project Management		\$ 2,000		
Construction		\$ 38,300		
Occupancy Costs		\$ 0		
Other				
Total Project Costs	\$ 0	\$ 42,800	\$ 0	\$ 0

Contact Information

Name	Gail Dennison
Title	Director of Development & External Relations
Organization	The Hormel Institute, University of Minnesota
Phone Number	507-437-9604
Email Address	galdenn@umn.edu

Please email completed forms to MMB's Capital Budget Coordinator: Marianne.Conboy@state.mn.us



500 Fourth Ave. NE
Austin, MN 55912-3773

www.ci.austin.mn.us

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

October 25, 2023

Austin Port Authority unanimously voted to support and represent The Hormel Institute to develop the Minnesota Bioimaging Center (MBiC). We respectfully ask for the project to receive \$19.8 m in the 2024 bonding bill. Project leaders have received and will seek matching funding from partners throughout the state (The Hormel Foundation, University of Minnesota, Mayo Clinic) and the community.

The Hormel Institute is a high achieving biomedical research institute with a focus on cancer research. Located in rural Austin, Minnesota, The Hormel Institute has been part of University of Minnesota for over 80 years. Having tripled in size in 2008, the Institute doubled again in size in 2016, thanks to critical bonding support from the State of Minnesota matched by The Hormel Foundation. Today, The Hormel Institute is a premier research center with a vision to become one of the top biomedical research institutes in the USA.

The Minnesota Bioimaging Center leverages state-of-the art bioimaging technology unique to The Hormel Institute into a Center of Excellence in an emerging area of expertise. Importantly, the new center will create a research destination in Austin with significant economic benefit to our community and to the state by attracting researchers from across the Midwest and beyond to access the new technologies and so lead to scientific discoveries that will benefit people worldwide. Reflecting generous support by the Hormel Foundation, The Hormel Institute currently leads in this area of expertise in Minnesota and the region.

The Minnesota Bioimaging Center at The Hormel Institute will:

- Leverage the only high-resolution cryo-electron microscope in Minnesota and several neighboring states, dramatically expand current capacity and capability, compliment and extend current bioimaging capabilities at The Hormel Institute and continue to build Minnesota's reputation as one of the nation's top medical destinations.



500 Fourth Ave. NE
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Fax: 507-434-7197

- Develop a Center of Excellence that includes additional technologies and support for structural biologists/cryo-electron microscopy experts and will seek matching funds from partners including The Hormel Foundation, the University of Minnesota, and Mayo Clinic.
- Create 30+ new jobs while providing new research opportunities, training, and access to these new capabilities (that do not currently exist) for the entire state. Moreover, the center will attract additional researchers from several of our neighboring states that lack access to these new technologies. Already, the project has received letters of support from peer universities in North Dakota, South Dakota, and Iowa.
- Greatly expand the distinctive nature of The Hormel Institute and directly advance the institute's goal to be a top research center in USA.
- Advance K-12 and higher education STEM goals within southeastern Minnesota and beyond, creating a rich ecosystem of training and education opportunities for the next generation of scientists and innovators.

The Austin Port Authority's mission of economic development and job creation supports the upgrades needed for The Hormel Institute to continue to grow as world leaders in biomedical and cancer research. By expanding and improving on their existing area of expertise the project will lead the region in bioimaging technology.

Seeking matching funds from partners including Mayo Clinic, University of Minnesota and The Hormel Foundation will help provide the technologies needed. The Minnesota Bioimaging Center will create jobs, draw, train and collaborate with researchers from around the entire region and beyond, educate students with a "one of a kind" experience in the USA and positively impact families across the state, nation, and world.

Respectfully,

Jason Baskin, President

RESOLUTION NO.

RESOLUTION OF SUPPORT FOR HORMEL INSTITUTE
AND AGREEING TO ACT AS THE LOCAL GOVERNMENT FISCAL AGENT

This resolution supports the official application for a State Capital Bond for building renovations and enhancements from the 2024 Session of the Minnesota legislature for technology enhancements for the HORMEL INSTITUTE in Austin and further agrees that the Austin Port Authority will act as the local government fiscal agent.

WHEREAS, HORMEL INSTITUTE is one our community's premier insititutions in Austin, Minnesota, and has a long history with the University of Minnesota and provides global leadership in the area of cancer research; and

WHEREAS, HORMEL INSITITUTE began in the City of Austin back in 1942 has spent the last seven decades making significant scientific discoversies aimed at improving the health of the world and has spend the last 20+ years reasearching better ways to prevent, detect and treat cancer; and

WHEREAS, HORMEL INSTITUTE is in need of building renovations and enhancements to ensure their scientists have access to the latest tools needed to remain the world leaders in cancer research; specifically state of the art imaging services, cryo-electron microscopy and cryo-electron tomography; and

WHEREAS, the community holds multiple fundraisers throughout each year supporting the HORMEL INSTITUTE and their cancer research; and

WHEREAS, HORMEL INSTITUTE is pursuing a request of \$19,800,000 from the State Legislature and State bond fund for building renovations and enhancements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners for Austin Port Authority does hereby support, encourage, and cooperate in the effort led by HORMEL INSTITUTE to seek state funding; and

BE IT FURTHER RESOLVED that the Austin Port Authority hereby agrees to be the local fiscal agent to receive state bond funds and perform such duties as may be required by the State of Minnesota Constitution and state laws governing the execution of these fiduciary services.

Adopted by the Board this 25th day of October, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

Secretary

President



500 Fourth Ave. NE
Austin, MN 55912-3773

www.ci.austin.mn.us

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

TO: Port Authority Board of Commissioners

FROM: Tom Dankert, Secretary *TJD*

DATE: October 2, 2023

RE: Port Authority – Vivarium upgrades
S:\Port Authority\2023\Vivarium Upgrades memo.doc

As the technical owners of The Hormel Institute expansion (Phase 2) any improvements to the facility require approval from the Austin Port Authority, Minnesota Department of Employment and Economic Development (DEED), and Minnesota Management and Budget (MMB). These approvals are required as part of the financing for The Hormel Institute was from bonding dollars.

The Hormel Institute is looking at a project in the \$150,000 range to improve humidity control in the vivarium with some new doors.

MMB has deferred to DEED for any and all approvals. DEED has conferred with MMB and is in acceptance of the proposed modifications as “consistent with the original project and grant agreement”. Therefore, all we need now is official Port Authority approval (via a resolution) for the project to begin.

Please do not hesitate to give me a call at 437-9959 if you have any questions.

Tom Dankert

From: Wenner, Gerry (DEED) <gerald.wenner@state.mn.us>
Sent: Friday, September 29, 2023 3:27 PM
To: Tom Dankert; 'Sheri Dankert'
Cc: Udoibok, Meredith (DEED); Behrens, Roger F (MMB); Dassier, Irene (DEED)
Subject: RE: Hormel Institute Project Grant #SPAP-12-0010-P-FY12

CAUTION: This email originated from outside the organization.
Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Tom,

As a follow-up to the Austin Port Authority's proposal to modify (through construction) the Vivarium of the Hormel Institute, last week I reviewed the proposal with my Director, Meredith Udoibok.

DEED concurs with MMB's contractual deference to DEED on this matter and contingent upon a formal Austin Port Authority Resolution approving this project, hereby accepts the proposed modification as consistent with the original project and grant agreement.

Please forward to DEED a fully signed copy of the approving Resolution by the Austin Port Authority and a corresponding project budget and timeline.

Have a great weekend!

Gerry Wenner
Office of Community Finance
Economic Development Division
DEED
651-259-7421

From: Tom Dankert [mailto:Tdankert@ci.austin.mn.us]
Sent: Wednesday, September 20, 2023 8:37 AM
To: 'Sheri Dankert' <ssdankert@thehormelfoundation.com>; Wenner, Gerry (DEED) <gerald.wenner@state.mn.us>
Subject: RE: Hormel Institute Project

This message may be from an external email source.

Do not select links or open attachments unless verified. Report all suspicious emails to Minnesota IT Services Security Operations Center.

Gerry, is this all you need to give an approval? We will wait to get Port Authority approval until you give us the OKAY!!

Tom Dankert

From: Sheri Dankert <ssdankert@thehormelfoundation.com>
Sent: Monday, September 18, 2023 8:20 AM
To: gerald.wenner@state.mn.us

Cc: Tom Dankert <Tdankert@ci.austin.mn.us>

Subject: Hormel Institute Project

CAUTION: This email originated from outside the organization.
Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Gerry,

Attached you will find a one page description of what I have received regarding the change that the Hormel Institute through the University of Minnesota is requesting to make as a change.?? It also includes the budget for the project.
??

Please let me know if you require any more detail regarding the project or if this is sufficient to be able to approve the project.

??

Thank you,

Sheri

??

Sheri S. Dankert, CPA

The Hormel Foundation

Phone: 507-437-9800

Email: ssdankert@thehormelfoundation.com

329 North Main Street, Suite 102L

Austin, MN 55912-3478

www.thehormelfoundation.com

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UNIVERSITY OF MINNESOTA

Crookston • Duluth • Morris • Rochester • Twin Cities

Planning, Space, and Real Estate
University Services

451 Donhowe Building
319 15th Avenue SE
Minneapolis, MN 55455

Office: 612-625-5345

Hormel Institute Expenditure Request

Purpose: Vivarium upgrades necessary to improve humidity control

Project Budget: Base Scope of Work only \$130,000
Base + Alternate Scope of Work \$150,000

Base + Alternate Scope of Work		
Construction - Contractor	74,500.00	Includes 5% contractor contingency
Construction - Owner Costs	15,500.00	Includes HazMat Abatement and Lockshop
Non Construction Costs	30,000.00	Includes Design services, CPM, etc.
Subtotal	120,000.00	
Project Contingency (20%)	30,000.00	
Total	150,000.00	

Timeline: Anticipated completion: 6-8 months, dependent upon lead times for doors

Background:

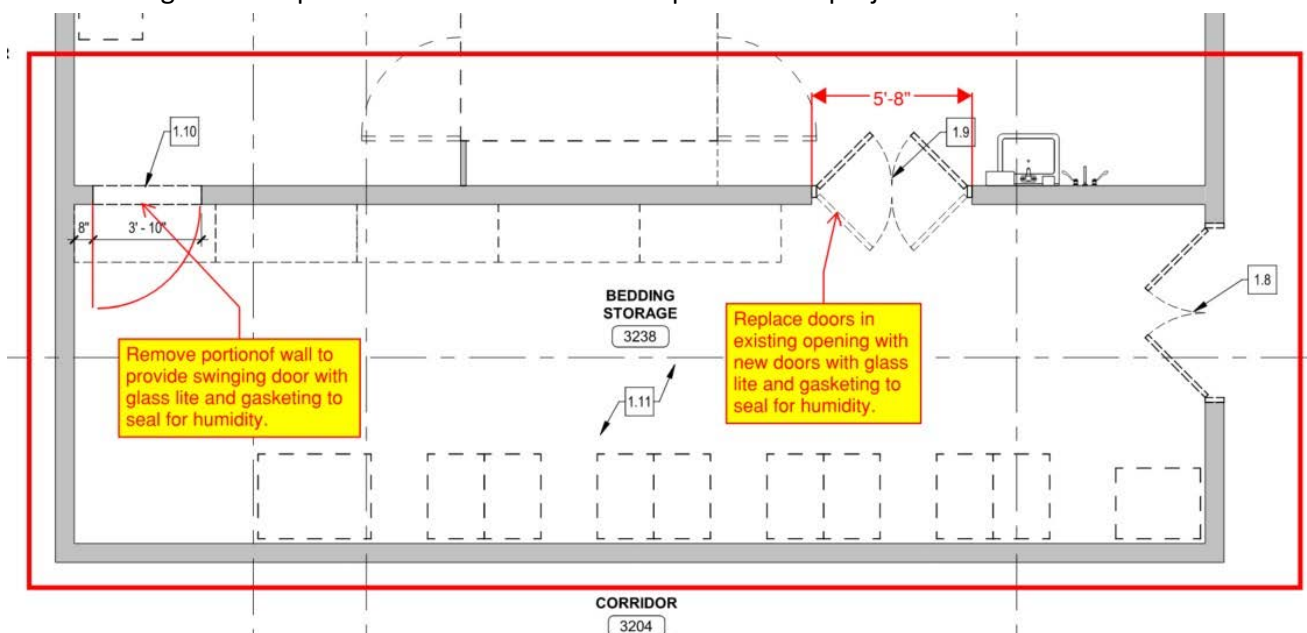
Humidity control in the vivarium is not meeting specifications required to facilitate research and provide optimal conditions. The Hormel Institute seeks expenditure approval for \$150,000 to provide updates to the vivarium to improve humidity control.

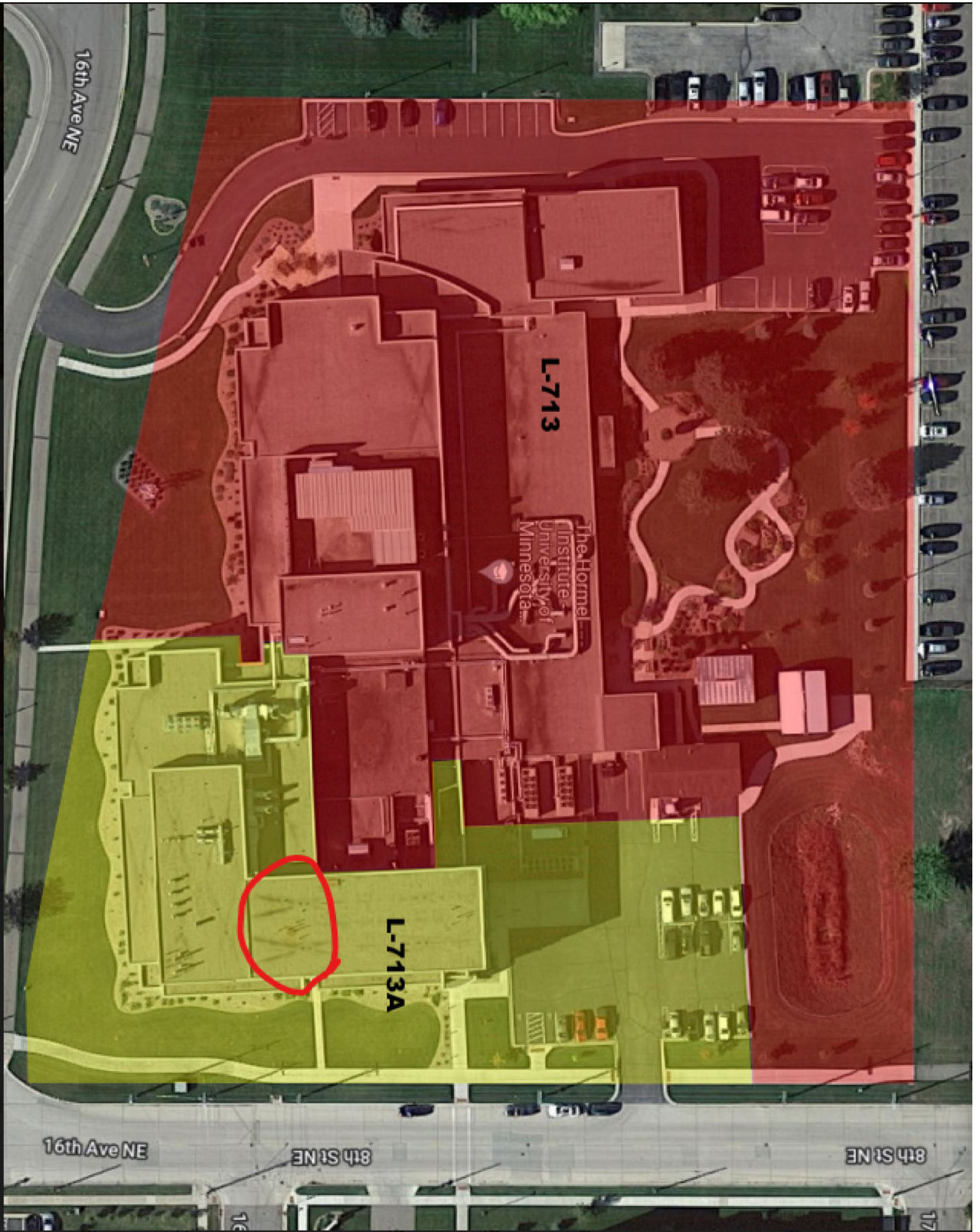
Scope:

The Base Scope of Work includes cutting a new opening in the masonry wall to add a new door and replacing existing doors with. New doors will include glass lites, hardware, and gasketing required to better control humidity in the vivarium.

The Add Alternate Scope includes extending the height of the wall to the structure to mitigate the humidity issue between the storage room and the cage wash/autoclaving rooms.

The drawing below depicts the areas the areas of impact for this project:





RESOLUTION NO.

**APPROVING AN IMPROVEMENT PROJECT
FOR PHASE 2 OF THE HORMEL INSTITUTE**

WHEREAS, the Austin Port Authority holds an interest in “Phase 2” of the Hormel Institute by an agreement dated July 23, 2014 passed via resolution no. 2014-03; and

WHEREAS, funding for “Phase 2” in the amount of \$13,500,000 was appropriated from the Minnesota Legislature to the Port Authority in 2012 and 2014; and

WHEREAS, the Austin Port Authority, Minnesota Department of Employment and Economic Development and the Minnesota Management and Budget offices all must approve of any modifications or improvements to “Phase 2” of the Hormel Institute; and

WHEREAS, the Hormel Institute has requested a project to improve humidity control in the Vivarium; and

WHEREAS, the Austin Port Authority agrees to the necessity of the project to improve humidity control in the Vivarium;

NOW THEREFORE BE IT RESOLVED, the Port Authority Board hereby approves the project to improve humidity control in the Vivarium and authorizes the President and Secretary to execute any documents related thereto.

Passed by the City Council this ____ day of October, 2023.

YEAS

NAYS

ATTEST:

APPROVED:

Port Secretary

President, Austin Port Authority

AUSTIN PORT AUTHORITY STRATEGIC ROADMAP

10-Year Goal

Develop 72 acres by 2033 (50% of available PA acres as of 2023)

Strategic Imperatives

1

Develop Creekside Business Park

KPI: 45 new acres of Creekside development

- Maximize momentum of Nu-Tek investment to build out a bioscience anchored destination
- Utilize to attract & retain high quality local businesses that will positively impact Austin's long-term tax base

2

Strategic Land Portfolio Management

KPI: 5 new acres of non-Creekside development

- Develop & execute CIP for investments needed to prepare non-Creekside properties for development
- Execute strategic land swaps and divestitures of existing Port property
- Identify next generation acquisition target(s) to enable economic growth after Creekside fills up

3

Position Austin for future economic growth

KPI: Develop financial framework by close of 2024

- Develop Growth Master Plan
- Create funding pool for infrastructure development
- Build spec building to amplify revenue & ease business attraction
- Collaborate with key stakeholders to lower barriers & accelerate initiatives (e.g. FAARM) to grow Austin's economic tax base

Lead name	Lead source	Lead type (Attraction, Expansion, Retention, Startup)	Type of business (Distribution, Manufacturing, Service, Retail, R & D, etc)	Sector (Food, Ag, Health, Bioscience)	# of new jobs	Wages	Capital Investment	New Construction or Existing Building	Size of Building	Notes	Utilization of 9 year economic development TIF Y/N	Utilization of Grow Austin Fund Y/N	Job Creation Fund Y/N	MN Investment Fund Y/N Forgivable	Land cost buy down
Nu-Tek Biosciences	CVN	Attraction	Manufacturing	Bioscience	35	\$50k-\$60k \$24.04-\$28.85	\$45,000,000.00	New	60,000	Very small company with high potential	Y	Y	Y	Y	Y
Preventive Care-Rubber Glove Manufacturer	CVN	Attraction	Manufacturing	Health	74	\$40,000-\$120,000 \$19-\$57.69 weighted average \$58,824 or \$28.28	\$36,000,000.00	New	100,000	Existing company					
Ynsect	CVN	Attraction	Manufacturing	Pet Food	70	Unknown at this time	Unknown at this time	New	Unknown at this time	Foreign ownership					
Vortex Cold Storage	CVN	Attraction	Food Storage	Food	26 over two years	\$60k-\$100K \$28.85-\$48.08	\$35,000,000-\$85,000000	New	150,000-450,000	Could extend to a total investment of \$150,000,000					
TPG Steel	CVN	Attraction	Steel manufacturer	Manufacturing	50-145 in two years and 250 in year 4	\$83,200-\$104,000-\$40-\$50	Unknown	New	500,000 minimum						
Project Code Name	DEED	Attraction	Manufacturing Food/Bev	50	unknown	\$60,000,000	Existing	80,000-120,000	Don't know anything about who it is or what they make	Don't know anything about who it is or what they make					
Light manufacturing – marketing material	DCA	Expansion	Manufacturing & Distribution	Consumer Goods	1-5	\$45k-\$70k \$21.63-\$33.65	\$10,000,000.00	New	50,000	Locally connected business for decades					
Specialized Warehouse	CVN	Expansion	Distribution	Food	15	\$45k-\$70k \$21.63-\$33.65	\$15,000,000.00	New	30,000	Locally connected business for decades					
Recreational equipment manufacturer	Local Business Owner	Attraction	Manufacturing	Recreation	10	unknown	\$300,000.00	Existing	10,000-20,000	Cutting equipment in niche industry					
IT Consulting/Call Center	CVN	Attraction	IT Consulting	IT/Customer Service	7-50 over 3 years	\$25k-\$75k \$12.02-\$36.06	\$10,000.00	Existing	5,000	Loves small towns, no capital to invest in project					
Large Distribution Center	DEED	Attraction	Distribution	Food/Bev	200	\$40k-\$100K \$19.23-\$48.08	\$200,000,000.00	New	500,000	Massive investment, many jobs, well-known company					
Chemistry testing	Internet	Attraction	Services	Bioscience	4	\$50k-\$60k \$24.04-\$28.85	\$1,500,000.00	Existing	5,000	Very small company in cutting edge science related field					
Indoor Growing	CVN	Startup	Agriculture	Food/Ag	10	\$30k-\$40k \$14.42-\$19.23	\$2,000,000.00	New or Existing	15,000	Indoor ag entrepreneur starting new company					
Project Metal	DEED	Attraction	Technology	Data Center	10-25	\$60k\$28.85	\$10,000,000.00	Existing	50000+	seeking locations with high energy capacity combined with low per kw/h rates					



Preventive Care, Inc.

**Confidential Request for Preliminary Proposal to members of the
Community Venture Network**

Q1/2 2016

**** CONFIDENTIAL ****

Contact:

Mr. Anil Segat

President

anil@preventivecareinc.com

www.preventivecareinc.com

P.O. Box 337

Rosemount, MN 55068

Incorporated in 1991, Preventive Care, Inc. (PCI) is the business of managed manufacture, sales & distribution of medical & professional glove products with an integrated and patented ALLOGEL® inner coating. The engineered ALLOGEL® inner coating promotes hand health & ease of use for professional users of disposable gloves. Preventive Care also distributes ALLOGEL® coated exam gloves in trademark Copper® and Magenta™ colors in various sectors of the glove market, including dental, medical, lab and research. Preventive Care is a Minnesota USA company, servicing customers globally, with primary markets being the USA & Europe. It has a subsidiary sales/distribution office in Denmark (EuroDispo A/S) & a subsidiary supply chain/logistics & sales office in Malaysia (eXAsia sdn. Bhd.). Preventive Care distributes through a network of dealers/distributors that service glove markets globally, both in private label/large volume or smaller sized dealers that utilize our in-house stocking brands. We are

usually able to tailor our licensing agreements to suite most distribution needs. We look forward to hearing from you.

BRIEF SUMMARY OF RATIONALE AND PROJECT:

According to Vikram Hora, Chairman YTY Group (One of the largest NBR glove manufacturer in the world) “there are five trends that will shape the industry in the years to come: economies of scale are becoming more important, manufacturers are increasingly turning to automated production, establishing and defending intellectual property is becoming paramount, leading businessmen and founders of the industry are nearing retirement age causing generational transitions, and Malaysia’s status as the glove manufacturing center is diminishing as its government focuses on services and hitech manufacturing “.

OBJECTIVE:

TO LEVERAGE PCI/XELA CORP’S INTELLECTUAL PROPERTY (IP) AND FDA PRODUCT MARKET APPROVALS TO AGRESSIVELY GAIN MARKET SHARE AND BRING SUBSTANTIAL RETURNS TO INVESTORS IN A CHANGED BUSINESS ENVIRONMENT WITH A MANUFACTURING FACILITY IN THE US. THE IP INCLUDES TWO US GLOVE PRODUCT & PROCESS PATENTS (& MULTIPLE DERIVATIVE CLAIMS AWARDED & IN PROCESS) AND SEVERAL REGISTERED & ESTABLISHED US TRADEMARKS INCLUDING FOR TWO COLORS FOR MEDICAL & SAFETY GLOVES. PCI HAS DEVELOPED, OBTAINED AND CURRENTLY USES MULTIPLE US FDA APPROVALS (510K) TO MARKET MEDICAL GLOVES COATED WITH ALLOGEL® IN THE US.

BACKGROUND:

Exam gloves are used today in a variety of medical and non-medical applications for safety and infection control. These are non sterile products required to comply with ASTM & FDA standards in the US. Prior to 1988 there were virtually no exam gloves being made in the world.

A few manufacturing facilities that made sterile surgical gloves existed in the US and Europe, using “dipping” technology” pioneered in Germany, the UK and the US. Almost all such gloves until the mid-1990s were made from Natural Rubber (NR), which grew almost exclusively in 5 Asian countries.

With the advent of HIV and other communicable diseases in the late 1980s and the desire for higher hygiene standards in the developed world, OSHA brought in regulations for the workplace in the US that mandated the use of exam gloves to control the spread of infection. Since the supply for these products virtually did not exist, low cost and labor intensive production of NR exam gloves began to emerge close to the raw material source i.e. SE Asia. A handful of factories that did exist in the US were no longer competitive, and therefore had to close their doors.

The industry was heavily subsidized by emerging countries, and with the proximity to the raw material source and abundant cheap labor, this industry flourished and grew rapidly with a

manufacturing base in Malaysia and later in India, Thailand, China and Indonesia.

The glove business over the past 25 years has grown to be about \$7 Billion in worldwide sales today, growing at an annual rate of 8%. The current volume in gloves consumed all over the world is estimated at 180 Billion pieces annually (Top Glove Sdn. Bhd. 2015 annual report; the world's largest producer of gloves). 60 % of the consumption is in the developed world, evenly split between the US and Europe.

With the heavy use of NR gloves in the 1990s, especially in the US and Europe, users started to develop skin allergies resulting from certain NR latex proteins that over a period of time were being absorbed by users. A demand therefore emerged for gloves that did not use NR as the raw material. Manufacturers therefore started to develop gloves made from synthetic materials such as Nitrile Rubber (NBR) and Vinyl (PVC). The first generation of these gloves were uncomfortable and lacked tactile sensitivity, necessary for medical applications.

By the early 2000s the technology had evolved to improve the quality of synthetic exam gloves, with NBR dominating the medical market due to its physical properties being the closest to NR, and PVC taking the lower end of the market for applications such as food handling and janitorial services, which do not require high standards and FDA controls. Never the less problems persist for users as a variety of chemicals such as Sulphur, zinc oxide and accelerators, etc. cause their own allergies for users.

Also in the mid 2000s, a significant demand for unique colors emerged. For example "Pink", a color from the Magenta spectrum is prominent in the glove market. Other unique colors such as Magenta and Purple have found a niche.

Today the size of the NBR exam glove market in the US is estimated at 40 Billion pieces annually. This equates to about \$1.2 Billion in the US and about the same in Europe.

PREVENTIVE CARE, INC. (PCI) & XELA CORPORATION (XELA); Company History and Timeline:

1. The principals of PCI entered the glove business in 1989 with a green field manufacturing joint venture for NR gloves in India. PCI set up a distribution center in Minnesota for the gloves, which were first sold to individual dental practices. The principals of PCI developed one of the first NR gloves using a "coating technology" with its partners, to create a barrier between the hand and NR latex proteins. The business grew steadily into mid 7 figures, but was limited in its growth due to capital constraints.
2. The JV lost its edge in the late 1990s due to the advent of NBR gloves which the JV was not geared to make. PCI suspended the JV and shifted its focus to Malaysia where acceptable quality NBR gloves had begun to emerge. It also shifted its coating technology for NR gloves to Malaysia on a contract basis which had a substantial labor content.
3. In 1994 PCI acquired a surgical glove manufacturing facility in Germany and ran it for 3 years, before it had to close it down due to the 1997 currency crisis in Asia.
4. In the mid-2000s, the principals of PCI developed formulations and an automated process for

coating gloves with the proprietary formulations. This was developed specifically to therapeutically help users and prevent various problems with hands. Patents and trademarks were filed in the US to protect the technology, which were awarded a year or two go; for the purpose of identifying the patented technologies to the market, the patents have been encapsulated into a registered trademark ALLOGEL® (an acronym for the patent's formulation ingredients)

5. About the same time product Color trademarks for MAGENTA® and COPPER® were filed. Both have been granted and registered. In the past few months, the color MAGENTA® mark ascended to the USPTO's Primary Register alongside the color COPPER® mark. This opens up a lucrative protected market for glove sales.

6. XELA Corporation owns the majority of the IP which is then licensed to PCI (XELA acts as an IP development & management holding company organized/marketed under XELA's XELA bio dba.)

7. Notwithstanding capital constraints and significant investments in developing the IP, PCI reached about \$12 Million in sales by 2008 with subsidiary offices in Malaysia and Denmark (European sales & distribution). It licensed its IP to three different manufacturing facilities in Asia, with heavy involvement in their manufacturing operations, including running of the production lines in a recently built factory in Vietnam for NBR gloves. Unfortunately due to a lack of consistent quality discipline, a lack of focus by our partners, low productivity and increasing costs in Asia, we have gone through "peaks" and "valleys", with a very negative affect on PCI's customer base and consequent inability to deliver products consistently and on a timely basis.

8. In the summer of 2015, after analyzing the strength of PCI's business growth trajectory in 2008/09 as a wholesale distributor, an independent business valuation consultant (Shenehon) reported that with a consistent and compliant supply chain, annual sales of \$20 million were projected by 2017.

9. The principals of PCI & XELA are a family (three individuals) with 25+ years of experience (70+ years combined) in the glove & businesses (glove manufacturing, technical, regulatory affairs, standards, logistics, information systems, sales, marketing & customer service, covering three continents). Others in the organization are experienced in the glove business, for example the manager of the Malaysian office is a 20 year veteran of the glove business in various capacities.

10. With its long experience and knowledge of US FDA regulatory & operational environments, PCI has developed and obtained multiple US FDA approvals (510K) to market medical gloves coated with ALLOGEL® in the US. These include NR, NBR, MAGENTA® colored nitrile, and COPPER® colored nitrile.

PROJECT NEEDS:

Land & Facility:

It is anticipated an existing facility to retrofit will not be found and thus we are assuming a build to suit option. Total requirement of about 25 acres for Phae 1 & 2. The land should be relatively flat with ease of access to highways and railways. Rural areas is not an issue as long as the relevant workforce is available.

We envisage a concrete “fab con” type construction with mezzanine floors to accommodate stripping, testing, packing and office areas. About 100,000 + sf. I have attached a “standard” layout of a glove plant in Asia. This will of course have to be modified to suit our needs in the US. The length of the main building will be about 1,000 feet, if we are to maintain a height of about 40 to 50 feet. The thickness of the reinforced concrete floors will depend on the soil and environmental conditions. The floor must be capable of bearing 5 metric tons per piling point. As a minimum I think 2 feet thickness will be required, may be more. A construction engineer will have to determine this based on the site.

Utilities:

Ready access to Natural Gas supply. We estimate a monthly consumption of 2.1 Million cubic meters, or about 800,000 Therms. (Phase 1)

We expect the monthly electricity consumption to be 950,000 Kwh/month on average. (Phase 1)

Clean water is required in the production process. We are estimating that at full capacity the Phase 1 operation will utilize about 46,000 Cubic Meters of water per month.

Since the production process uses various chemicals, the effluent will have to be treated in a water treatment plant to meet the required EPA regulations, before channeling the waste water into sewers. There are alternatives to recycle the water after removing contaminants in the WWT plant, to limit usage and wastage into sewers.

A ready sewer system to the facility is required.

A high speed fiber optic cable system is necessary for the facility to enable internet communication around the clock. Local providers must have this capability.

Cell phone towers are required in close proximity to enable trouble free telecommunications.

Capital Equipment Projection:

The fabricators of glove production lines moved to SE Asia from Ohio and the UK about 20+ years ago. Local entrepreneurs adapted the production line technology to local conditions and manual input. Since then automation has made great strides and many aspects of the production lines now incorporate digital control, management systems and features that originate in Europe or the US. Therefore, to install the production lines in the US will require sourcing of the main hardware (Chains, sprockets, formers, on line tanks, chlorination systems, curing ovens, stripping equipment, etc) from Asia. Other items such as steel frames, pumps, pipes, valves,

electrical components, compressors, storage tanks, packaging equipment, water treatment plant, chillers etc, can be sourced locally. Most of these items will be at equal to or lower cost in the US as compared to Asia for high quality products. We are estimating that about 60% of the production line hardware will be sourced from Asia and the remainder from the US/Germany. 80% to 90% of the installation costs will be local. The breakdown of costs are detailed below which are based on actual bids received from prominent glove production line fabricators based in Malaysia, fully installed. The lead time from start to trial production runs is about 15 months.

a. 5,000 amp electrical wiring connections	700,000	Local
b. Gas boiler & accessories	620,000	
c. On line chlorination system	360,000	
d. Acid fume scrubber	85,000	
e. Chillers and accessories	220,000	Local
f. Compressors and accessories	130,000	Local
g. Lab equipment	75,000	Local
h. 120,000 ceramic formers	400,000	
i. Waste water treatment plant	360,000	Local
j. Conveyor chain	715,000	
k. Compounding and prep tanks	430,000	Local
l. Water storage tanks	70,000	Local
m. Single former dipping lines	7,200,000	
n. Buffer for local installation costs	1,000,000	Local
o. Shipping	500,000	
p. Contingencies	<u>3,135,000</u>	
Total	16,000,000	

Note: total project cost is estimated at \$36,000,000 USD. This includes making many assumptions about market rate real estate land acquisition and construction costs and several other variables. Upon identifying the lead locations, we will refine these estimates and determine which tax, lending and other incentives are applicable to determine the company's investment into the project.

Fully Operational Manpower headcount & costs

	annualized salary	quantity	Total
Production			
line manager	\$ 120,000.00	1	\$ 120,000.00
line supervisor	\$ 80,000.00	2	\$ 160,000.00
line tech	\$ 55,000.00	6	\$ 330,000.00
factory clean techs	\$ 45,000.00	3	\$ 135,000.00
 Compounding & chem systems mgr	 \$ 100,000.00	 1	 \$ 100,000.00
lab manager	\$ 80,000.00	1	\$ 80,000.00
lab supervisor	\$ 60,000.00	1	\$ 60,000.00

lab tech	\$ 45,000.00	4	\$ 180,000.00
Packing			
packing manager	\$ 65,000.00	1	\$ 65,000.00
packing tech	\$ 50,000.00	4	\$ 200,000.00
Warehouse			
warehouse & facilities manager	\$ 60,000.00	1	\$ 60,000.00
warehouse supervisor	\$ 50,000.00	1	\$ 50,000.00
warehouse asst	\$ 45,000.00	2	\$ 90,000.00
maintenance tech	\$ 50,000.00	1	\$ 50,000.00
QA/QC			
QA manager	\$ 65,000.00	1	\$ 65,000.00
QA tech	\$ 45,000.00	4	\$ 180,000.00
preshipment testers	\$ 40,000.00	2	\$ 80,000.00
online QC	\$ 40,000.00	12	\$ 480,000.00
Engineering			
engineering manager	\$ 80,000.00	1	\$ 80,000.00
engineering supervisor	\$ 60,000.00	1	\$ 60,000.00
engineering techs	\$ 47,000.00	4	\$ 188,000.00
Sales/mktg			
sales manager	\$ 80,000.00	1	\$ 80,000.00
sales rep	\$ 50,000.00	3	\$ 150,000.00
Admin			
purchasing mgr	\$ 50,000.00	1	\$ 50,000.00
office mgr & HR	\$ 45,000.00	1	\$ 45,000.00
other admin	\$ 45,000.00	2	\$ 90,000.00
accounting mgr	\$ 70,000.00	1	\$ 70,000.00
acct. asst	\$ 50,000.00	1	\$ 50,000.00
Info systems			
Mgr IT	\$ 120,000.00	1	\$ 120,000.00
support tech	\$ 80,000.00	3	\$ 240,000.00
executive/board			
Chairman	\$ 225,000.00	1	\$ 225,000.00
CEO	\$ 200,000.00	1	\$ 200,000.00
VP	\$ 100,000.00	1	\$ 100,000.00
other board members	\$ 40,000.00	3	\$ 120,000.00
Totals		74	\$ 4,353,000.00

Community Response Information:

We would like to gather preliminary information, review and get clarifying questions answered between now and April 1st. We are planning on attending the April 15th Community Venture Network event to present the company and facilitate dialog with interested parties.

Initially, we would like to gather information on the following:

- Facility related:
 - Existing facilities that meet our needs, if applicable (we are not anticipating any, but want to ask the question)
 - Build to suit options with the available acreage and utility infrastructure
 - Purchase price of land
 - Financing incentives including TIF, tax abatement and other options to help us construct a facility as economically favorable as possible
- Labor related:
 - Labor availability
 - Median county wage information and feedback on whether our proposed wage structure is high, low or appropriate for your area
- Community/State information
 - Things you believe we should be aware of both at a community and state level that differentiate your community and are attractive for operating a business
- Incentives:
 - Note: We have made some overarching assumptions on our total project cost (land, equipment, labor rates, etc...). We want to refine this number upon identifying top locations. Additionally, we want to get a sense of what incentives can apply to help with building the facility, financing equipment and/or labor related incentives to know how much the company will need to contribute and if we'll look for an outside equity partner to also participate.
 - We would like to understand incentives related to a) land and facility; b) capital equipment; c) non cash/tax; d) all others



Contact: Antoine Hubert, CEO

Phone: +33 (0)1 64 93 71 00

Email: ahu@ynsect.com

Website: www.ynsect.com

Ynsect plans to build a dozen new plants worldwide in the next decade. Given its affordable feedstock coupled with one of the largest nutrition markets in the world, the Midwest is an ideal location for Ynsect expansion of operations. We hope to utilize the CVN as a means to identify communities/states who will fit our needs for expansion of operations.

COMPANY OVERVIEW:

Founded in 2011, Ynsect aims to make insects a major, first-class ingredient in feed for pets, fish and plants. YnMeal proteins offer significant health benefits and are produced in our state-of-the-art industrial facilities which are designed with the natural ecosystem in mind, offering a natural, long-term solution to growing global demand for protein. The company draws on pioneering proprietary technology protected by 25 patents to develop "farmhills", which are low-footprint vertical farms used for Molitor breeding. Since its inception, Ynsect has attracted investment of more than \$175 million. It now employs 105 people in France, runs a demo unit there that has been operating since 2016 where the technology has been developed and is laying the foundations for international expansion. In 2019, Ynsect will be constructing a large commercial-scale unit in the vicinity of Amiens (northern France), with a production capacity that outstrips all existing operations.



PRODUCTS & SERVICES:

Ynsect has three main products :

YnMeal™: a highly digestible, natural source of protein concentrate. Ynsect turns Molitor larvae, also called mealworm, into powder form – perfectly suited for farmed fish and crustacean nutrition. YnMeal comprises 5 to 30% of fish feed recipes.

YnFrass™: is balanced in nitrogen, phosphorus and potassium. It has a high organic matter content.

YnOil™: a light oil, rich in polyunsaturated fatty acids, extracted from Molitor larvae via automated mechanical processes. It is a natural source of daily nutrition for farmed fish and crustaceans.



SALES & MARKETING:

Ynsect is becoming the world's largest insect producer, whatever the species, thanks to our unique, highly scalable and pioneering technology. Enabled by deep tech, the entire production process – from feeding to controlling the health and welfare of our insects, and from the sensors used for quality control to harvesting mature insects – is automated. We have 25 patents in more than 40 countries worldwide covering our technology, the products themselves and their different applications. This gives Ynsect the world's largest insect patent portfolio. But ultimately, we need scale to have a significant impact globally.

Against a backdrop of a rapidly expanding animal feed market worth \$500bn globally (expected to reach \$600bn in 2027) and a \$200bn fertilizer market, Ynsect now has international commercial traction with customers across Europe and, increasingly, in Asia too, allowing the company to have secured \$75M in orders over the next four years.

By offering an insect protein alternative to traditional animal and fish-based feed sources, Ynsect can help offset the growing competition for ocean fish stock required to feed two billion more people by 2050, while also alleviating fish, water and soil depletion, as well as agriculture's staggering 25% share of global greenhouse gas emissions. Our goal is simply to give insects back their natural place in the food chain.



MANAGEMENT BIOS:

Antoine Hubert, CEO, Chairman.

Antoine is Ynsect's Chairman and CEO. He also leads the cooperative insect industry association, the International Platform of Insects for Food and Feed (IPIFF) and is a Board Member of Protéine France consortium and LFD. Prior to co-founding Ynsect, Antoine worked on scientific projects in environmental risk assessment, biomass and plastics recycling. He is an agronomy engineer graduate from AgroCampus-Ouest and AgroParisTech. Together with Alexis, he co-founded Worgamic association and the company OrgaNeo.

Jean-Gabriel Levon, Vice-President, Co-founder.

As an engineer from the Ecole Polytechnique graduated from HEC, Jean-Gabriel manages supply chain and strategic marketing. Prior to co-founding Ynsect, Jean-Gabriel was an industrial project consultant at Schlumberger.

Alexis Angot, General Secretary, Co-founder

Alexis manages several Ynsect support functions as General Secretary. He holds a Bachelor's Degree in law, and an MBA from ESSEC Business School. Before co-founding Ynsect, he worked in finance. Alexis co-founded Worgamic association and the company OrgaNeo with Antoine. Alexis graduated from the main French Apiculture School (Société centrale d'Apiculture).

Fabrice Berro, Data Director, Co-founder

Fabrice leads Ynsect farming R&D where he applies his experience in informatics and applied mathematics. He worked at Engie before joining Ynsect.

Benjamin Armenjon, Business Development Director

Benjamin leads B2B sales and marketing activities for Ynsect. Before joining Ynsect in 2014, he held various R&D, production, quality, and sales positions in companies such as Diana and Kemin Nutrisurance. Benjamin has a Ph.D. in food sciences.

Thibaut du Jonchay, Chief Technical Officer

Thibault heads the industrial team driving innovation in farming, processing, and product technologies. Backed by 20 years of industry experience in the related field of ingredient fermentation at Ajinomoto and Tate & Lyle, he leads the quest for innovative insect breakthroughs for premium animal nutrition. He graduated from Mines ParisTech and HEC.

Françoise Lesage, Chief Finance Officer

With an MBA from ESCP EUROPE, Françoise manages Ynsect finances. Françoise has 15+ years of experience driving profitability and business development for international pharmaceutical and animal nutrition companies such as Adisseo.

**Philippe Verdier, IT & OT Director**

Graduated from ENSIACT (Chemical Engineering & DEA of Chemical Engineering) and from ENSEEIHT (Computer Engineer), Philippe heads the IT and OT Department (IT = IT / OT = Automatismes and Industry 4.0). Before joining Ynsect, Philippe spent 10 years at Technip FMC (5 years Process Engineer and 5 years IT Project Manager), 10 years at the Cabot France Industrial Site (IT and Process Automation & Change Management IT and Process Manager) Automation), and 3 years at Schneider-Electric (Senior Process Automation Project Manager). The business sectors covered are as varied as Engineering, Oil & Gas, Petrochemicals and Industrial Automation.

Olivier Salone, Legal Director.

A graduate of the University of Law Paris 2 Panthéon-Assas (DESS Industrial Property), Olivier supports and legally secures the rapid development of Ynsect. With more than fifteen years of experience, both in France and abroad, he has put his skills and know-how to work, particularly in the construction (Freyssinet - Vinci Construction) and gas infrastructure (Teréga - former subsidiary of TOTAL).

Vincent Deperrois, Project Director.

Vincent has 25 years of experience in the management of operations and industrial projects acquired at L'Oréal, Saint-Gobain (Placoplatre) and Adisseo (chemistry and animal nutrition), in France and abroad, particularly in China. He is a former student of Ecole Polytechnique, ENSTA engineer and General Management training at CEDEP.

PROJECT DESCRIPTION:

Ynsect seeks to become the world leader in alternative protein by breeding insects and transforming them into premium ingredients for fish feed, pet food and organic plant fertilizers. \$175 million has been raised in 7 years. Our mission is to tap into the natural goodness of insects at mass-market scale, to help create a sustainable food system and meet the rising demands of global protein consumption – which is predicted to surge by 52% between 2007 and 2030. At capacity, Ynsect's largest farm to date breaking ground in 2019 (?) will produce around 20,000 tons of protein annually.

Along with this new facility at Amiens, the funding will also enable Ynsect to step up their international expansion programme by opening a new factory in North America and other factories in relevant areas in the world.

Given its affordable feedstock coupled with one of the largest nutrition markets in the world, the Midwest is an ideal location for expansion of operations. We hope to utilize the CVN as a means to identify communities/states who will fit our needs for expansion of operations.



FACILITY & GEOGRAPHY NEEDS:

Location drivers :

- Feedstock proximity, availability and price
- Water & Energy availability & price
- Land area availability & soil quality
- Logistic hub for import & export
- Workforce availability & training
- Regulatory (permitting, sanitary agreement, exports, etc.)
- Local incentives
- Etc.

Minimum Quantities :

- Electricity : > 47 MWh/yr
- Steam : > 33 MWh/yr
- Gas : > 15 MWh/yr
- Water : > 150,000 m³/yr
- Land : > 15 ha (= 37 acres)
- Feedstock : > 150 kTn/yr (= 165 k shTn/yr)

FINANCING NEEDS:

Financing Opportunities

- Ynsect equity
- Real Estate loan (dedicated SPV)
- Other loans (corporate loans, equipment leasing...)
- Local grants & subsidies
- Project financing

LABOR:

Ynsect builds its leading position around unique people specialized in a variety of complementary fields:

- **Science:** The heart of Ynsect R&D, our objective is to obtain disciplined knowledge of insect physiology and biochemistry. We aim to discover and develop high-quality products and applications, while reducing environmental impact.
- **Farming & Processing:** Ynsect is poised to become a global insect farmer at global scale. As an early pioneer, Ynsect is already armed with relevant insect-specific experience and expertise. With the world's largest insect patent portfolio, we are determined to retain and widen our leadership position as industry authorities in premium mealworm production.
- **Digital:** Delivering insect products at industrial scale is no easy task. Central to Ynsect's strategy is cutting-edge software and automation to drive production productivity and economies of scale. For Ynsect, digital



- is crucial for competitive advantage. Our IT team seeks to improve insect growth and health, and optimize our production processes at scale.
- Engineering: Operating vertical insect farms at large scale is a huge, untested challenge. We host a team of innovators to help us globalize and standardize automated processes and best practices as we extend our factories around the world.
 - Sales, Business Development, Finance and Administration: Scaling our business demands process and financial discipline. We seek ambitious, growth-minded people to champion Ynsect expansion on a global scale.

Typical Organization on an Ynfarm:

- 6 levels of qualification (1 = Site Manager ; 6 = Operator, in brackets below)
- > 70 people in the following positions:
 - Operators USP & DSP: > 30 ppl [4 to 5]
 - Safety & Quality: > 5 ppl [2 to 5]
 - Maintenance: > 5 ppl [2 to 4]
 - IT & Automation: > 5 ppl [2 to 3]
 - Supply Chain: > 5 ppl [2 to 6]
 - Team leaders: > 10 ppl [3 to 4]
 - Management & Support: > 5 ppl [1 to 4]



VORTEX
COLD STORAGE

Contact: Connor Wray, Partner

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Albert Lea, MN 56007

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THE COMPANY:

Born from the acute need in the Midwest for additional modern, full-service, safe quality food (SQF) cold storage capacity, Vortex Cold Storage is founded with a mission to collaborate with cold chain users to deliver world class cold chain solutions powered by great people, industry leading reliability, and the deployment of modern facilities packed with the latest in technological innovation. The Company's first facility was selected for development in Albert Lea, MN, is currently under construction, and will begin operations in early 2022. With the average age of existing cold storage infrastructure over 35 year and an estimated 100 million square feet shortage of capacity by 2025, Vortex Cold Storage is committed to growing in collaboration with industry users to be a true partner meet their expanding cold chain needs.



PRODUCTS & SERVICES:

Vortex Cold Storage provides full service cold storage and cold chain services to agribusinesses, food manufacturers, food distributors, and retailers. As a full-service third-party public cold storage provider, Vortex fully outsources warehousing and storage activities for clients as a partner in their supply chain. This includes the loading and un-loading of trucks, order picking and management (including case picking as required), blast freezing, product labeling or stenciling, application or removal of dividers, along with other value add warehouse services. By specializing in the construction and operation of cold chain warehouses we bring capital efficiency, operational efficiency, operational excellence, focused innovation, and much needed capacity to cold chain users. Additionally, as we deploy new facilities, we provide opportunities for our partners to have a uniquely strong role in optimizing the various layouts, temperature zones, capacity, and capabilities of our facilities to deliver the outcomes of a world-class partnership that legacy facilities cannot provide.



CUSTOMERS & PARTNERS:

Vortex Cold Storage maintains a strategic pipeline of projects across the country but seeks to prioritize our development and deployment of facilities to align with industry demand and timelines. We cultivate partnerships with regional cold chain users surrounding our pipeline projects to understand the demand and timelines of our partners, incorporate their feedback into our development process, and move projects to the front of the line that have strong user commitments in place. The US Cold Storage market consist of over 950 facilities with 3.6 billion cubic feet of capacity. There are multiple major segments of cold chain users who require this space and drive the demand for significantly more capacity in the coming years.

First, agribusinesses who process food commodities require access to significant cold chain resources, both frozen and refrigerated, to handle the influx and storage of perishable commodities which as fruits and vegetables following their growing and packing seasons. Secondly, food processors and manufacturers who locate their inventories after manufacturing but before distribution to their customers require significant storage and value-add services from cold chain partners to service as the distribution hubs in their supply chains. This core of customers was the original driving force behind the need for, and creation of Vortex Cold Storage. Finally, both distributors and retailers require cold chain space and services to serve as or supplement their own distribution centers. Whether for overflow, cross-dock, opportunity buys, or rapidly expanding e-commerce requirements, retailer and distributors and major users of outsourced cold-chain services.

The total market for cold storage space and services is expected to continue growing at a 13%+ CAGR for the coming decade. During this time, and over the past decade, dramatic advances in construction techniques, design, refrigeration efficiency, information technology, and automation are transforming the capabilities of the cold chain. Companies that invest in facilities that are taking advantage of these advances to transform their supply chains will be the businesses that are positioned to grow and prosper in a rapidly transforming marketplace.

COMPETITIVE LANDSCAPE:

The Cold Storage marketplace has experienced significant consolidation in recent years, with the two largest operators completing significant acquisition and build-out of additional capacity. Lineage Logistics is the largest operator of cold storage facilities in the United States, with a 31.8% share of the market. Lineage has expanded rapidly in the past decade from a small independent operator to become the largest US operator in the market. Americold Logistics is the second largest operator in the United States with a 29% share of the market. Combined these two companies control over 60% of all available capacity, and dwarf their next largest competitors. US Cold Storage is currently the 3rd largest provider of domestic capacity with a 9% share of the market, while VersaCold (a large European operator) is in the 4th position with a 3.8% market share. The remaining 27% of the market is controlled by a variety of independent and regional operators.

PROJECT DESCRIPTION:

Vortex Cold Storage is seeking partner communities in target areas within our development pipeline to select for final site locations. Our facilities are 150,000 – 450,000 square feet of state-of-the-art temperature-controlled storage, along with the cold chain services to support full-service 3PL operations. We utilize a high-clear, fully racked, modular warehouse design that will implement multiple temperature zones and dynamic sizing to meet the regional cold chain needs of our partners. Each of our facilities also make use of the latest in safe and highly energy efficient cooling systems and other cold chain technologies.

SITE REQUIREMENTS:

- 20+ Acre Parcel, shovel ready preferred
- Geotechnical report available for review
- Access to Interstate, US Highway, or State Highway within 5 min.
- Significant electric utility capacity. Existing service at/near site preferred.
- 12” water utility service at/near site.
- Opportunity Zone tract preferred
- New Markets Tax Credit tract preferred
- Adjacent/Near local cold chain partner businesses
- TIF Eligible

FINANCIAL REQUIREMENTS:

Vortex Cold Storage will make significant investments in all new facilities. Initial phases of construction will include \$35 - \$85 million in capital investment with follow-on phases and fell site plans that will bring total investments of \$45 - \$150 million, depending on site size, temperate requirements, and automation capabilities. Our team is well capitalized and bring equity, mezzanine lenders, and senior lenders with a history of executing similar projects to bear on each new facility. Additionally, given our speed of development and the high total investments required, we also look for our successful community partners to provide maximum value across a variety of development incentives to ensure project speed and viability.

PROJECTED EMPLOYMENT:

Job Category	Salary	Year 1	Year 2	Year 3
Shift Supervisor	\$80k	2	3	3
Dock Attendant	\$60K	12	16	18
General Manager	\$100K	1	1	1
Customer Service	\$67K	2	3	3
Officer Manager	\$80K	1	1	1
Community Totals		18	24	26

Vortex Cold Storage makes the recruiting and retention of talented supply chain professionals a top priority at our facilities. In addition to the above direct hires, the presence of a cold storage location bring significant inflow of transportation, maintenance, and support personnel to the communities we partner serve.

TPG STEEL

SAFER . FASTER . LONGER . STRONGER



Chris Sigfrid - CEO

Sean Athey - President



TPG is a steel joist and decking manufacturer that is changing the market for the better.

**Our patented design is far superior to industry standards;
Delivering unmatched safety, strength, and value when compared head-to-head with SJI**



**Current construction lead times have had a crippling effect on the joist and decking market.
TPG Steel is solving this problem by bringing a superior roofing system to the marketplace.**

**TPG STEEL has engineered a game-changing design;
Delivering greater spans and higher strengths at less than half the current industry-standard lead times.**

**Unmatched performance and safety benefits
TPG STEEL's patented roofing system is becoming the fastest growing design in North America**

The logo for TPG STEEL is centered at the top. 'TPG' is in orange and 'STEEL' is in blue. Below it, the tagline 'SAFER . FASTER . LONGER . STRONGER' is in orange. The background is a stylized American flag with stars and stripes.

TPG STEEL

SAFER . FASTER . LONGER . STRONGER

TPG's truss design utilizes steel tubing instead of flimsy channel and angle. Square and rectangular tube construction allows us to span further than traditional designs while eliminating columns.

Our rigid and safer design is built to last and withstand snow, wind, and natural disasters.

Erection and lead times cut in half, allowing us to complete jobs faster than competition.

Creating clear spanning buildings while providing clients with ultimate floor plan flexibility.

TPG STEEL

SAFER . FASTER . LONGER . STRONGER



TPG STEEL

SAFER . FASTER . LONGER . STRONGER

Expansion Opportunities & Insights / Strategic Growth / Resource Development

- ★ Coil storage - JIT warehousing - Cutting - Robotics - Assembly
 - ★ Solid floors, rail, and interstate access are important to us.
- ★ We have the ability to convert a current structure to a TPG system.
 - ★ 500,000 Sq. Ft minimum
- ★ Job creation - 50 scaling to 145 in 24 months. 250 in year 4.
 - ★ Compensation - \$40-\$50/HR
- ★ Strategic and calculated in hiring process aligning with growth.
 - ★ TPG culture