AUSTIN PORT AUTHORITY

500 Fourth Ave. NE
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AGENDA

PORT AUTHORITY
WEDNESDAY, MAY 13, 2026
CITY HALL COUNCIL CHAMBERS
4:30 PM

1. Roll Call

2. Approval of Minutes of the April 22, 2026 Meeting

3. Public Hearing to consider request regarding the sale of a northern 5-acre parcel of real property located at the 25-acre site (34.905.0101)

4. Discussion on the potential sale of real property identified as 34.521.0100.

5. Adjourn

MINUTES
PORT AUTHORITY MEETING
WEDNESDAY, APRIL 22ND, 2026
5:00 P.M.
CITY COUNCIL CHAMBERS

Members Present: **Steven Leif, Jeff Austin, Geoff Smith, Tim Ruzek, Kris Heichel, Lee Bjorndal, President Jason Baskin**

Members Absent:

Staff Present: **Port Authority Executive Director Craig Clark, Port Authority Attorney Craig Byram, Port Authority Assistant Treasurer Emily Burns, Port Authority Secretary Brianne Wolf**

Others Present: **Britten Swanson**

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

Item #2. – Approval of Minutes from the January 28, 2026 meetings:

Motion by Commissioner Ruzek, seconded by Commissioner Heichel approving the minutes from the January 28, 2026 meeting. Carried.

Item #3. – Approval of Claims for Payment – January 1, 2026 – March 31, 2026:

Motion by Commissioner Smith, seconded by Commissioner Bjorndal approving the claims from January 1, 2026 – March 31, 2026. Carried.

Item #4. – Review of March 30, 2026 Unaudited Financial Statements:

Commissioner Heichel asked about the $1,293.75 in charges for professional services and consulting. Assistant Treasurer Emily Burns was unsure what these charges were for and stated she would look into this and send more information to Port Authority once she found out.

Item #5. & 5a. – Britten Swanson Truck Wash & discussion of sale of five acres of real property at the 25-acre site located at 34.905.0101

Executive Director Craig Clark presented to the Port Authority a development agreement with BTC Enterprises. Mr. Clark stated they're proposing to build a semi-truck wash on five acres of a 25-acre parcel on 14th Street NE. This is something they first discussed back in January. This is a $3 million project that includes an approximately 11,000-square-foot building, along with all the necessary site and infrastructure improvements. The development will follow the site plan and elevations included in the packet, and the agreement includes a standard reversionary clause to protect the Port Authority if the project doesn't move forward.

Mr. Clark stated from a financial standpoint, the developer would purchase the land at $75,000 per acre, contribute to drainage costs, and pay their share toward the construction of 12th Avenue NE. He stated the bigger discussion points for the Port Authority are the road and infrastructure.

Updated estimates put the total cost at about $1.68 million for the along that corridor. That includes the road, drainage, and site grading to create shovel-ready lots.

Mr. Clark is recommending completing that work all at once while crews are mobilized; it's the most efficient and cost-effective approach. They do have the fund balance within the Port Authority to support this, and similar to other projects, they would look at assessing benefiting properties for a portion of those costs. He stated from a strategic standpoint, this project fits well. They've been intentional about keeping Creekside for higher-end industrial users, and this site gives them a place for more service-based or utilitarian development such as the truck wash. He stated the developer has been working with him for several months. They've got direct industry experience and have shown a lot of initiative in bringing this project forward.

Mr. Swanson stated he noticed issues with a need for a truck wash approximately two years ago. He looked at purchasing the G&R Truck Wash, but it needed many updates. He then decided he would like to build a new facility. The facility he is proposing would be bio-secure. There would be the removal of woodchips off site weekly and it would have a system in place to mitigate odor. This facility would also be located in an industrial zone.

President Baskin stated this is essentially a two-part decision:

1. whether to sell the five-acre parcel, and
2. whether to invest in building the road.

The key question for the Port Authority is whether to move forward now or pause for a broader strategic discussion on how to best prioritize available resources. While the road would make the site more marketable, there is also value in stepping back to evaluate overall development priorities and how to make larger sites more accessible moving forward.

Commissioner Bjorndal is opposed to building a road. He would like to know if they can move forward with the project without building the road.

City Attorney Craig Byram stated to move this project forward, a plat must go through the full approval process. That includes review by engineering, fire, police, ambulance, utilities, and ultimately the Planning Commission. As part of that process, the internal road dedication will likely be required. It serves as the primary access that makes the entire 25-acre parcel viable for future development. The plat will include a defined right-of-way for that road, and based on standard review practices, staff will likely require it as a condition of approval.

Mr. Byram stated the real question isn't whether a road will be built, it's when it will be built and that timing has financial implications. If they sell off parcels now without constructing the road or planning for its cost, they risk putting themselves in a position later where development cannot continue without the road, but they no longer have sufficient land value or revenue to fund it. The intent behind the current approach is to ensure that each development within the 25-acre site contributes its fair share toward the eventual infrastructure costs. That way, the burden doesn't fall disproportionately on future phases or the Port Authority.

Mr. Byram stated if they move forward without that strategy, they risk fragmenting the site and creating a situation where completing the development becomes significantly more expensive or impractical. In short, the road is very likely a requirement for full build-out. The key decision now is how they plan for and distribute that cost either proactively as development occurs, or reactively at a higher cost later.

President Baskin stated he is comfortable moving forward with the project as proposed. At some point, they're going to have to build that road. They've been sitting on this remaining 20-acre site for 15 to 20 years, and they haven't seen a lot of strong development interest. That tells him access is part of the issue. From a strategic standpoint, building the road makes sense. Costs are only going to increase over time, not decrease. More importantly, it gives them flexibility. Once the road is in, they can market and sell smaller parcels much more easily. Right now, it's harder to attract development when the conversation includes uncertainty about future infrastructure. With the road in place, they can offer ready-to-develop sites, which is much more appealing to potential buyers. His position is that they move forward with the project and acknowledge that the road is part of the long-term plan.

Motion by Commissioner Austin, seconded by Commissioner Smith to approve the agreement as it stands, with the sale of five acres and the development of property. Carried 5-1. (Nay Commissioner Bjorndal)

A public hearing will be held on May 13, 2026 for the sale of five acres of real property.

Item #6. – Other Business

Executive Director Craig Clark stated once the comprehensive plan is adopted, they can start to move forward with discussion of the Growth Master Plan.

Motion by Commissioner Austin, seconded by Commissioner Heichel, to adjourn the meeting at 5:23 p.m. Carried.

Approved: ____________________________

President: ____________________________

Secretary: ____________________________

City of Austin
Craig Clark,
City Administrator

AUSTIN
GROWING TOGETHER

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April 16, 2026

TO: President and Port Board Members

FROM: Craig D. Clark, Executive Director

RE: Sale of 5 acres on the north section of our 25 acre parcel 34.905.0101

The Port Authority met on January 28, 2026 to consider the sale of 5 acres of property at our 25 acre site (34.905.0101) along 14th Street NE for the purpose of developing a new semi-truck wash. As the outcome of those discussions, I am bringing forward a contract for private development (Exhibit 1) and the sale of the land.

The details of the development agreement are as follows:

- Requirement to build a building of 11,000 square feet with a total project cost of $3 million;
- Development will be materially consistent with the layout and exterior elevations in Exhibit D;
- Maintain reversionary rights of the land if project does not advance;
- Payment to the Port Authority for the land of $75,000/acre or $375,000;
- Payment for the property's share of the drainage plan of $7,500;
- Payment of a 5 acre proportional share (20% estimated at $242,000) of the construction of 12th Avenue NE on the south side of the property and
- Other provisions to ensure the proper delivery and execution of the project.

The Port Authority would be responsible for the cost of the road that would benefit smaller lots that would be anticipated adjacent to the new 12th Avenue. This cost was estimated in 2022 at $640,000 plus drainage related costs for the project.

If the Port Authority approves the terms of the development agreement we would need to set a public hearing and then the sale can move forward given a 20-day objection period. We would also need to survey the property to create the 5-acre parcel and other parcels on the remaining acreage.

Let me know if you have any questions.

CONTRACT

FOR

PRIVATE DEVELOPMENT

By and Between

THE AUSTIN PORT AUTHORITY

And

BTC ENTERPRISES LLC

This document drafted by:

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

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CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT, made this _____ day of _____________, 2026, by and between **The Austin Port Authority**, (the "Port"), a public corporation under the laws of the State of Minnesota, having its principal offices at 500 4th Avenue NE, Austin, Minnesota 55912, and **BTC Enterprises LLC**, a Minnesota limited liability company having its principal office located at 813 245th Avenue, Fairmont, Minnesota 56031-4610, together with its successors and assigns (the "Developer").

WITNESSETH:

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

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

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

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

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

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

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

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

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

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

ARTICLE I.
Definitions

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

"Act" means Minnesota Statutes, Chapter 469.

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

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

"City" means the City of Austin, Minnesota.

"Construction Plans" means the plans, specifications, drawings and related documents setting forth the construction work for the Minimum Improvements to be performed by Developer on the Development Property which shall be as detailed as the plans, specifications, drawings and related documents submitted to the building inspector of the City, and such other plans or supplements to the foregoing plans as the Port may reasonably request.

"County" means the County of Mower, Minnesota.

"Developer" means BTC Enterprises LLC, a Minnesota limited liability company with its principal office located at 813 245th Avenue, Fairmont, Minnesota 56031, or its permitted successors and assigns.

"Development Property" means the northernmost 5 acres of the real property identified by the Mower County Assessor as PIN # 34.905.0101 (hereafter "the Port Property"). The Port Property is legally described as follows:

> All that part of the Northeast Quarter of the Southeast Quarter of Section 35, Township 103 North, Range 18 West, Mower County, Minnesota, described as follows:
>
> Beginning at the southeast corner of said Northeast Quarter of the Southeast Quarter;
>
> Thence North 00' 55' 46" West a distance of 330.00 feet on the east line of the Southeast Quarter of Section 35;

Thence South 89' 14' 49" West a distance of 660.00 feet, parallel with the south line of said Southeast Quarter, to the west line of the East 660 feet of said Northeast Quarter of the Southeast Quarter;

Thence North 00' 55' 46" West a distance of 988.03 feet on the west line of said East 660.00 feet, to the northwest corner of said East 660 feet;

Thence South 89' 25' 33" West a distance of 587.19 feet on the north line of said Southeast Quarter, to the southeasterly right-of-way line of the Chicago & Northwestern Transportation Company, now abandoned;

Thence Southwest a distance of 145.30 feet, on the southeasterly right-of-way line of said abandoned Railroad, and on a nontangential curve, concave to the Northwest with a central angel of 01' 26' 25", a radius of 5,779.59 feet, a chord bearing of South 31' 41' 48" West, and a chord length of 145.29 feet, to the west line of said Northeast Quarter of the Southeast Quarter;

Thence South 01' 04' 16" East a distance of 1,197.27 feet on the west line of said Northeast Quarter of the Southeast Quarter, to the southwest corner thereof;

Thence North 89' 14' 49" East a distance of 1,322.56 feet on the south line of said Northeast Quarter of the Southeast Quarter, to the point of beginning;

Subject to an easement for public street and utilities over, under and across the East 22.00 feet of the South 47.00 feet of said Northeast Quarter of the Southeast Quarter.

The Development Property is generally depicted and shown in **Exhibit A** attached hereto, with the final legal description for the Development Property subject to survey and platting as may be required under applicable regulations.

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

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

"Minimum Improvements" means the construction of a new truck-wash facility (hereafter "Structure"). The Structure shall include no less than the following:

(a) A permanent structure with a footprint area, at ground level, of no less than 11,000 square feet, and a total investment by Developer as required under Section 4.4 below;

(b) The site layout for the Structure shall be materially consistent with the site layout shown in attached Exhibit D;

(c) The exterior elevations of the Structure shall be materially consistent with the exterior elevations shown in attached Exhibit D:

(d) The Structure shall be constructed consistent with currently applicable building codes and the development standards found in City Code Chapter 11;

(e) All exterior finishes and materials shall be materially consistent with those shown in the elevations attached hereto as Exhibit D.

(f) All signage will comply with City Code section 4.50.

"Project" shall mean the cost of platting and surveying the Port Property, cost of acquisition of the Development Property, the cost of construction and completion of the Minimum Improvements on the Development Property, and the cost of the fulfillment of the financial obligations described in Section 3.4.

"State" means the State of Minnesota.

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

ARTICLE II.
Representations and Warranties

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

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

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

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

(d) The Port also agrees to grant to the Developer at Closing any and all non-exclusive easements over, under, on, and through any real property owned or controlled by the Port (or portions thereof), including within the roads contemplated in Section 3.4 hereof, which

Developer reasonably requests and to the extent the same do not currently serve the property. Such easements shall include but are not limited to utilities, access, drainage, and stormwater retention and detention. In the event Developer requires access to any real property owned or controlled by the Port for temporary construction, staging, grading and support, the Port agrees to grant to Developer a temporary license agreement for the same over the area . Any requested easements shall be recorded in the office of the Mower County Recorder and shall run with the land, unless otherwise set forth in such easements.

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

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

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

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

(c) Subject to Section 3.2(a), Developer agrees to acquire the Development Property provided The Port has secured and recorded a plat delineating the Development Property as a separate lot for conveyance to Developer, or has otherwise secured the approvals of relevant authorities to split the Port Property conveying only the Development Property at this time.

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

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

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

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

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

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

ARTICLE III.
Conveyance of Property

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

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

(a) Developer securing and recording an approved Plat of the Port Property, to establish and define a new "Lot" for the Development Property consistent with Exhibit A attached hereto, and containing such infrastructure and easements as may be required by applicable authorities for Plat approval. Such Plat shall delineate the remainder of the Port Property, not included in the "Lot" for the Development Property as a single "Outlot A". The Plat shall include such minimum public and utility easements, rights of way, detention ponds or other mandatory infrastructure as may be required by the applicable authorities prior to their approval of said Plat. The actual costs of said plat and platting process, including any survey costs recording costs and approval fees, shall be paid by Developer.

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

(c) Pursuant to Minn.Stat. § 469.065, subd. 5 and subd. 6, the conveyance of the Development Property shall be subject to a Reversionary Right as hereinafter stated. If Developer fails to complete construction of the Minimum Improvements on or before the first anniversary of the date of closing, or should Developer fail to fulfill the financial obligations described in Section 3.4 below, the Port shall have the right to re-enter and take possession of the Development Property and upon such event, the fee interest conveyed by the Port to Developer shall revert to and revest in the Port (the "Reversionary Right"). Provided no legal action or proceeding has been commenced in dispute of this provision within ninety (90) days of the Port's exercise of the Reversionary Right, Developer shall execute and deliver to the Port a quit claim deed re-conveying Developer's interest in the Development Property.

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

If all of the foregoing closing conditions are not satisfied by July 1, 2026 or Developer delivers written notice to the Port of its dissatisfaction with any of the closing conditions set forth in this Section 3.2 by such date, the Developer may terminate this Agreement by delivering written notice thereof to the Port. Upon such termination, the parties shall have no further obligations under this Agreement.

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

Section 3.4. Price. Other than the obligations and requirements as described herein, the purchase price paid to the Port by Developer in exchange for Development Property Deed shall be Three-hundred and Seventy-five Thousand Dollars ($375,000.00), due and payable in full at Closing (the "Purchase Price").

In addition to the Purchase Price, Developer shall pay to the Port at closing the sum of $7,500 in exchange for a license to use the Port's drainage study and drainage plans for the Port property in the Developer's construction of the site grading and drainage necessary on the Development Property as shown on Exhibit A (and on the final Plat prepared consistent with Exhibit A). The costs of such site grading and drainage on the Development Property is solely the responsibility of Developer. Any future site grading or drainage work needed on the remainder of the Port Property, shall be solely the responsibility of the Port.

In addition to the Purchase Price, Developer shall reimburse to the Port twenty (20%) of the costs incurred by the Port in designing and constructing a public extension along the southern boundary of the Port Property as shown and depicted on Exhibit A, as further defined and required by the Platting process. This obligation is further limited and defined below:

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

(ii) The location of the road extension shall be in the location generally shown on Exhibit A attached hereto.

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

(iv) The provisions of this Section 3.4 shall survive Closing.

(v) Fulfillment of the obligation described in this Section 3.4 shall be fully satisfied prior to the issuance of the Certificate of Completion and waiver or termination of the Port's reversionary right.

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

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

(a) Unless otherwise mutually agreed by the Port and Developer, the Closing shall occur at City Hall, 500 4th Avenue NE, Austin, Minnesota 55912. The Closing date shall be on or reasonably following the date on which the conditions precedent described in Section 3.2 are met, but is anticipated to occur no later than July 1, 2026, or such other date upon which the parties mutually agree.

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

ARTICLE IV.
Construction of Minimum Improvements

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

Section 4.2. Construction Plans.

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

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

Section 4.3. Completion of Construction. Subject to Unavoidable Delays, Developer shall have substantially begun construction of the Minimum Improvements no later than November 1, 2026, and thereafter Developer must maintain reasonable progress in said construction until the Minimum Improvements are complete. Substantial completion of the Minimum Improvements must occur by first anniversary of the date of closing subject to Unavoidable Delays and any reasonable extension request by Developer. All work with respect to the Minimum Improvements to be constructed or provided by Developer on the Development Property shall be in conformity with the Construction Plans as submitted by Developer and approved by the Port.

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

Section 4.4. Certification of Construction Expenditures. Developer shall expend not less than Three Million Dollars and No/100 ($3,000,000.00) on the Project. Developer shall make such reports and provide such documentation, in such reasonable detail and at such times as may be reasonably requested by the Port as to the expenditures made by Developer for the Project, provided Developer shall not be obligated to submit such reports and documentation more than one time per month.

Section 4.5. Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements and the payment by Developer of the financial obligations described in Section 3.4, all in accordance with those provisions of the Agreement relating solely to the obligations of Developer, the Port will furnish Developer with an appropriate instrument so certifying, which Certificate shall be in the form of Exhibit C attached hereto. Such certification by the Port shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction of the agreements, obligations, and covenants in this Agreement by Developer, and its successors and assigns, to construct the Minimum Improvements by the date for the completion thereof, and fulfillment of the financial obligations described in Section 3.4. The issuance of the Certificate of Completion shall constitute a conclusive determination that the Reversionary Right has terminated. As used here "substantial completion" shall mean completion of the construction of the Minimum Improvements to the point where Developer is entitled to, and receives, the issuance of a Certificate of Occupancy by the City under the current adopted Minnesota State Building Code.

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

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

ARTICLE V.
Prohibitions Against Assignment and Transfer

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

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

(a) Except for as otherwise expressly set forth in this Agreement, until such time as the Port issues and records the Certificate of Completion, Developer will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement, the Development Property, or any part thereof or any interest therein or any contract or agreement to do any of the same, without the prior written approval of the Port, which approval shall not be unreasonably withheld, conditioned, or delayed. The Port shall approve such transfer, sale, or assignment if the assignee thereof is appropriately licensed and authorized to do business in the State of Minnesota, agrees to perform the obligations of Developer in this Agreement, has engaged in the ownership and operation of other commercial property, and if neither the Assignee or transferee, nor the owners of a majority of its issued and outstanding common stock if it is a corporation, nor its general partners if it is a partnership, have ever been convicted of a felony or been declared bankrupt or insolvent. Notwithstanding any of the foregoing to the contrary, the Port shall have no authority to approve or disapprove any financing or refinancing of the Development Property, and Developer shall be permitted to undertake any such transaction without obtaining any consent from the Port. The Developer may assign its interest in this Agreement (including, but not limited to, the right to accept delivery of the deed of the Property at Closing) to a wholly-owned subsidiary of Developer without the Port's prior written approval, so long as Developer provides Port with prior written notice of such assignment prior to the Closing.

(b) The Port shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that: (i) any assignee shall have the qualifications and financial responsibility, as reasonably determined by the Port, necessary and adequate to fulfill the obligations undertaken in the Agreement by Developer; (ii) any assignee, by instrument in writing satisfactory to the Port and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Port, have expressly assumed all of the obligations of Developer under the Agreement and agreed to be subject to all the conditions and restrictions to the extent that they relate to such party unless Developer agrees to continue to fulfill those obligations, in which case the preceding provisions of this Section 5.2.(b)(ii) shall not apply; provided, that the fact that any assignee of the Development Property, or any other successor in interest whatsoever to the Developer, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in the Agreement or agreed to in writing by the Port) deprive or limit the Port of or with respect to any rights or remedies or controls with respect to the Development Property or the construction of the Minimum Improvements upon the Development Property; it being the intent of this, together with other provisions of the Agreement, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the Agreement) no transfer of, or change with respect to, ownership in the Development Property, or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Port of or with respect to any rights or remedies or controls provided in or resulting from the Agreement with respect to the Development Property and the construction of the Minimum Improvements thereon, that the Port would have had, had there been no such transfer or change; (iii) there shall be submitted to the Port for review all instruments and other legal documents involved in effecting transfer; and if approved by the Port, its approval shall be indicated to Developer in writing.

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

(d) The transfer restrictions described in this Article V do not apply to Developer's transfer of the Development Property or Assignment of this Agreement to Developer's primary mortgage secured lender (mortgage lien recorded the Development Property) for the purpose of such lender's assumption and performance of Developer's obligations hereunder so long as such lender, as assignee, agrees to assume Developer's obligations under this Agreement in all respects. This expressly includes the ability of Developer to assign to such lender Developer's future financial obligations under this Agreement for the purpose of protecting such lender's interest in the Development Project against the Port's exercise of its reversionary right hereunder.

ARTICLE VI.
Events of Default

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

(a) Failure by Developer to commence construction by within thirty (30) days after Closing;

(b) Failure by Developer to complete construction of the Minimum Improvements pursuant to the terms, conditions, and limitations of Article IV of this Agreement;

(c) Failure by Developer to provide any material or substantial statements or information as required to be provided under this Agreement;

(d) Failure by Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement;

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

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

(a) Suspend its performance under this Agreement until it receives assurances from Developer, deemed adequate by the Port, that Developer will cure its default and continue their performance under the Agreement.

(b) Terminate this Agreement and its obligations.

(c) Withhold the Certificate of Completion until the Developer cures the Event of Default.

(d) Enforce the Reversionary Right in accordance with Section 3.2(e) for an uncured violation of Section 3.2(e) hereof.

(e) Take whatever action, including legal, equitable or administrative action, which may be deemed reasonably necessary by the Port, including any actions to collect any damages suffered by the Port under this Agreement; or to enforce performance and observance of any obligation, agreement, or covenant of Developer under this Agreement, without regard to whether there is an adequate remedy at law.

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

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

ARTICLE VII.
Additional Provisions

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

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

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

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

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

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

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

[Signature Page Follows]

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

THE AUSTIN PORT AUTHORITY

By:____________________________
Jason Baskin, Its President

By:____________________________
Tom Dankert, Its Secretary

BTC ENTERPRISES LLC

By: [signature]
Britten Swanson, Its: President

STATE OF MINNESOTA
ss.
COUNTY OF MOWER

The foregoing was acknowledged before me this _____ day of ______________, 2026, by Jason Baskin and Tom Dankert, the President and Secretary of The Austin Port Authority, a public corporation under the laws of the State of Minnesota, on behalf of The Austin Port Authority.

(SEAL)

____
Notary Public

STATE OF MINNESOTA
ss.
COUNTY OF MARTIN

The foregoing was acknowledged before me this 16th day of April, 2026, by Britten Swanson, President of BTC Enterprises LLC, a Limited Liability Company under the laws of the State of Minnesota.

(SEAL)

[signature]
Notary Public

PETER A ODGREN
Notary Public - Minnesota
My Commission Expires Jan. 31, 2030

EXHIBIT A

Description of Development Property

The Development Property is intended to be as shown here:

FIGURE 6: PRELIMINARY GRADING AND DRAINAGE PLAN (SHEET 1 OF 2)

DECEMBER 2022

Exhibit 2

BOLTON & MENK

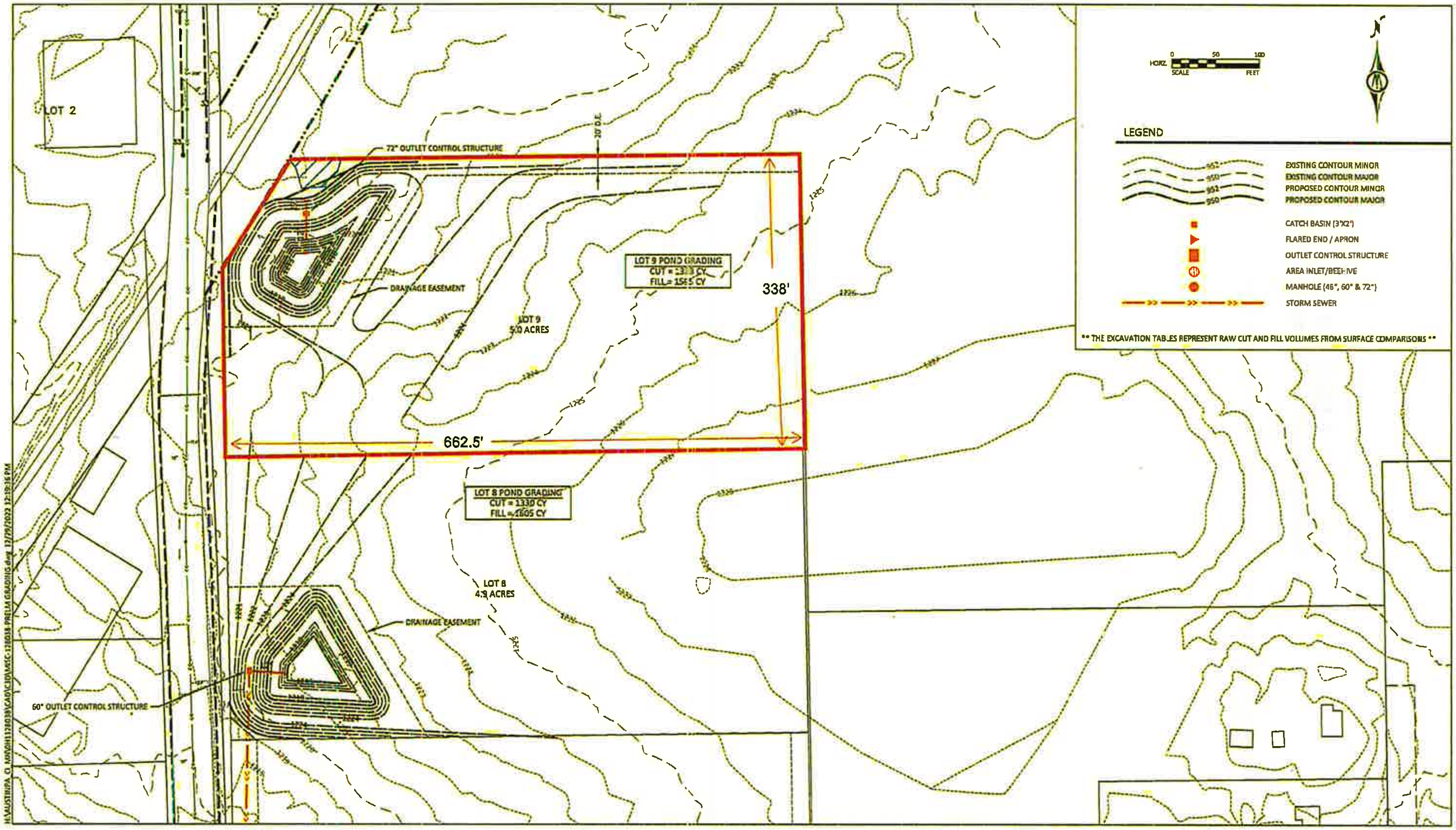


EXHIBIT B
ATTACHMENT TO QUIT CLAIM DEED

*The conveyance of the Property evidenced by this Quit Claim Deed ("Deed") is subject to the requirements, terms and provisions of the Contract for Private Development dated ____________, 2026, and recorded as Document No. ______, in the office of the Mower County Recorder (the "Contract") by and between the Port of Austin, Minnesota and [________________], a [____________________], pursuant to which Minimum Improvements as described therein, must be completed within one year of the recording of this Deed, and certain financial obligations must be fulfilled as per terms outlined in said Contract.

The Contract contains that certain "Reversionary Right" running to and for the benefit of the Grantor as a means of securing performance of the above requirements.

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

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

EXHIBIT C
Certificate of Completion

WHEREAS, The Austin Port Authority, a Minnesota public corporation (the "Port"), and BTC Enterprises LLC, a Minnesota Limited Liability Company (the "Developer") have entered into a Contract for Private Development (the "Contract") dated _______________, 2026, and filed in the office of the Mower County Recorder on _______________, 2026, recorded as Document No. __________ regarding certain real property located in the City of Austin and more particularly described in the Contract ("Development Property"); and

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

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

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

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

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

DATED:______________________

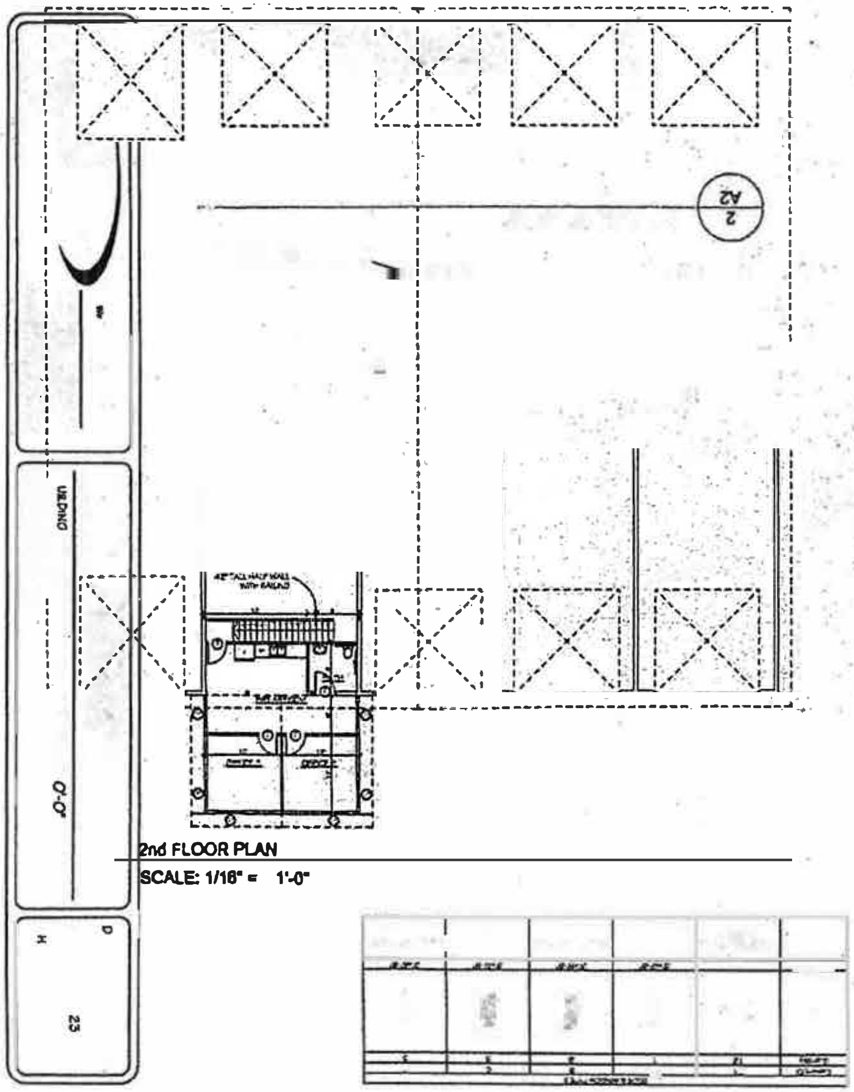
THE AUSTIN PORT AUTHORITY

By:____________________________________
Its Chairman

By:____________________________________
Its Secretary

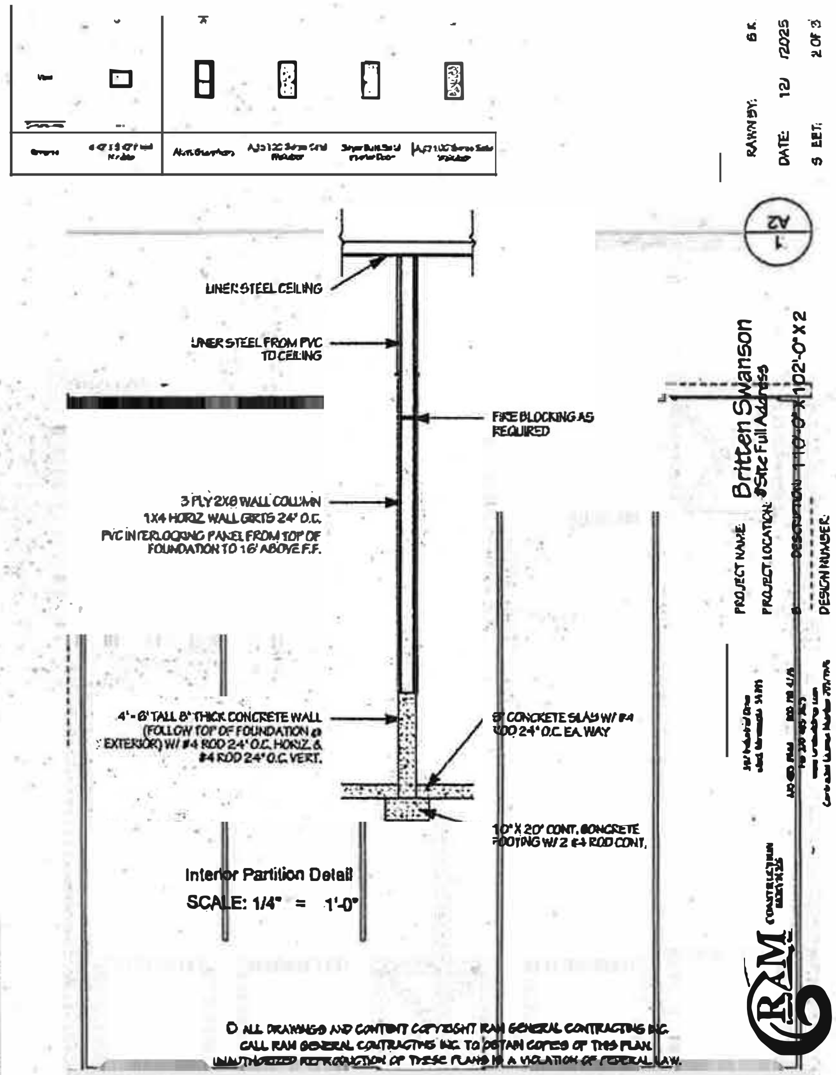
<u>EXHIBIT D</u>
Project Layout and Exterior Finishes

[Attached]



2nd FLOOR PLAN

SCALE: 1/16" = 1'-0"



Interior Partition Detail

SCALE: 1/4" = 1'-0"

RAM

PROJECT NAME: Britten Swanson

PROJECT LOCATION: Site Full Address

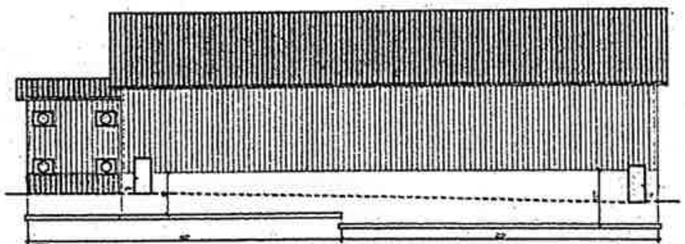
DESCRIPTION: 110'-0" X 102'-0" X 2

DESIGN NUMBER:

DRAWN BY: B.K.

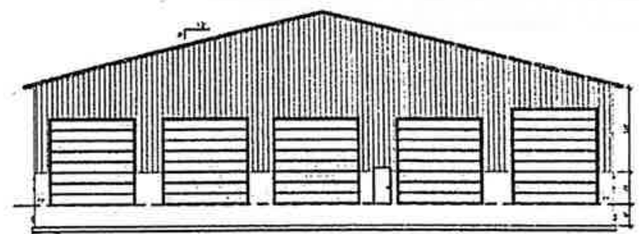
DATE: 12/ /2025

SHEET: 2 OF 3



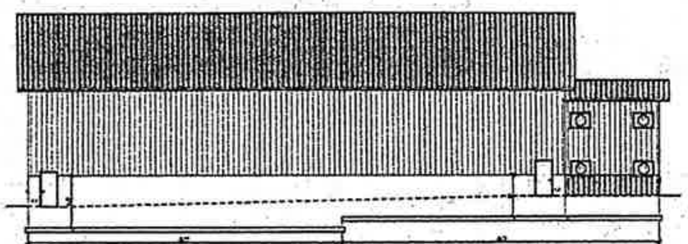
1 / A3 **EAST ELEVATION**

SCALE: 1" = 20'



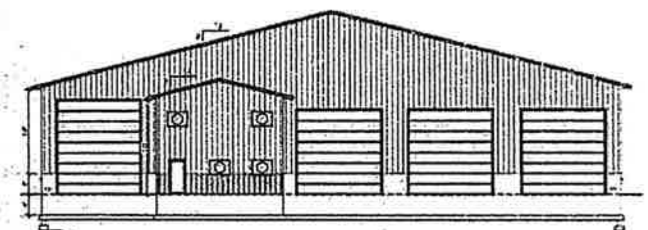
2 / A3 **NORTH ELEVATION**

SCALE: 1" = 20'



3 / A3 **WEST ELEVATION**

SCALE: 1" = 20'



4 / A3 **SOUTH ELEVATION**

SCALE: 1" = 20'

RAM CONSTRUCTION SERVICES

PROJECT NAME: Britten Swanson

PROJECT LOCATION: #Site Full Address

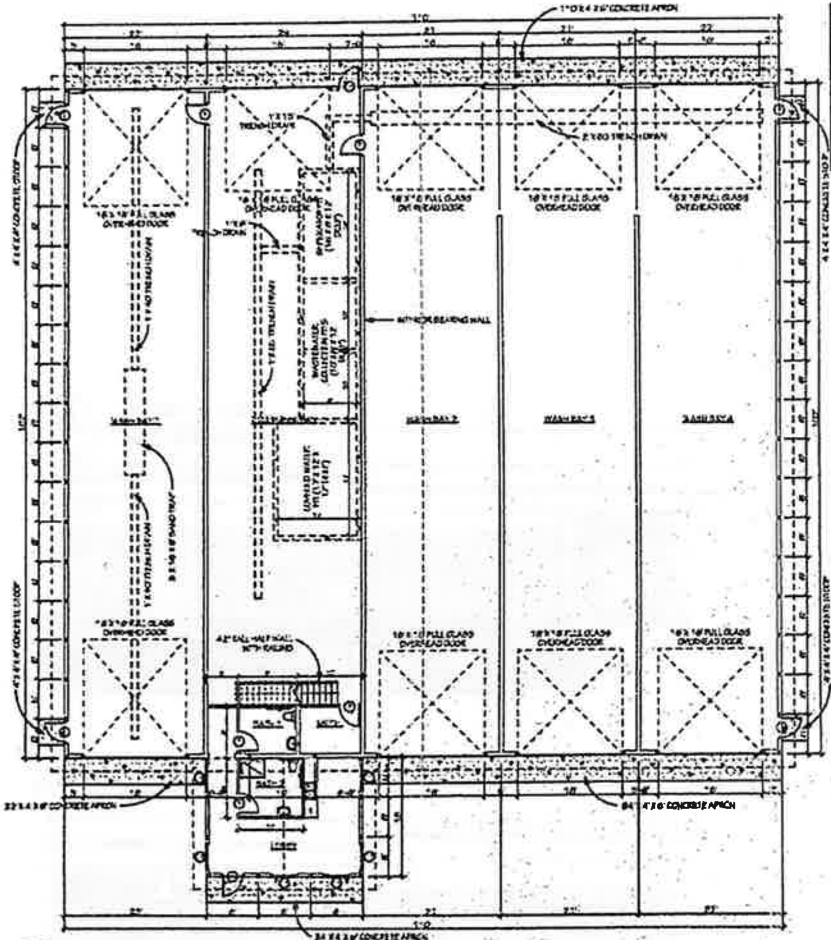
BUILDING DESCRIPTION: 110'-0" X 102'-0" X 20'-0"

DESIGN NUMBER:

DRAWN BY:

DATE:

SHEET:



1 A1 **1st FLOOR PLAN**

SCALE: 1/16" = 1'-0"

DOOR & WINDOW TYPES					
[illegible]	[illegible]	A	B	C	[illegible]
Quantity	[illegible]	1	6	3	3
View					
Dimensions	--	3'x6'8"	3'x6'8"	3'x6'8"	3'x6'8"
Remarks	4'-0" X 3'-0" Fixed Window	Alum. Storefront	AJ 5100 Series Solid Door	[illegible]	AJ 7100 Series [illegible]

RAM CONSTRUCTION SERVICES

PROJECT NAME: Britten Swanson
PROJECT LOCATION: #Site Full Address
BUILDING DESCRIPTION: 110'-0" X 102'-0" X 20'-0"
DESIGN NUMBER:

DRAWN BY: S.K.
DATE: 12/23/2025
SHEET: 1 OF 3

Item #4

City of Austin
Craig Clark,
City Administrator

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

July 15, 2025

TO: President and Port Board Members

FROM: Craig D. Clark, Executive Director

RE: Port Authority Sale of Property of 34.521.0100

The Port Authority is being asked to consider the sale of property we own behind the former Shopko building on 18th Avenue NW (Exhibit 1). This is a one-acre parcel which was a remnant from our acquisition of the former HyVee store and has poor accessibility.

Owners of the former Shopko building, Lincoln Highway LLC, needed an overhang on the south end of their building for Ollie's to accommodate shipments of product. This pushed into what was the existing fire lane for the building. Given where the property lines are at, there was no room to accommodate an adjusted fire lane without pushing into the northwest corner of our Port Authority property.

In discussions with the owner's representative, I let them know that we either needed some proposed compensation for the encumbrance of the new fire lane on our property or they could purchase our entire lot. They chose to make an offer for the entire lot by providing a letter of intent (Exhibit 2). Their proposed price is $15,200 which is the County's assessed value.

As with any sale of Port Authority property, we will need to hold a public hearing and, presuming approval, wait for the 20 day objection period.

Port Authority action is requested to support preliminary sale of the property, 34.521.100, and set a public hearing date for formal approval.

Tax Parcels: 34.521.0100

Exhibit 1

Property Detail

Parcel ID/PIN: 34.521.0100
Physical Addr: ,
Deeded Acres: 1.05
Property Class: COMMERCIAL

Current Owner:
AUSTIN PORT AUTHORITY
500 4TH AVE NE
AUSTIN MN 55912
Ownership Type: Sole Ownership

Tax Legal:
SubdivisionName OAK PARK MALL SUBDIVISION Lot 010 Block 001 SubdivisionCd 34521

2026 Tax Statement Values

Net Tax Capacity	$ 0
Est Market Value	$ 15,200
Est Market Value Land	$ 13,100
Est Market Value Improv	$ 2,100
Taxable Market Value	$ 0
Taxable Market Value Land	$ 0
Taxable Market Value Improv	$ 0
Referendum Market Value	$ 0

LETTER OF INTENT
(Non-Binding)

Date: 5/1/2026

Buyer:
Lincon Hwy LLC
3113 S University dr, Fort Worth TX 76109

Seller:
Austin Port Authority

Re: Letter of Intent to Purchase Raw Land

Property Address / Description: Parcel ID – 34.521.0100

---

1. Purchase Price

The proposed purchase price for the Property shall be:
$15,200.00

---

2. Earnest Money Deposit

Buyer shall deposit **$0** as earnest money within [0] days of executing a Purchase Agreement.

---

4. Closing

Closing shall occur within **[30] days** after the execution of the Contract.

---

5. Title and Survey

Seller shall provide marketable title. Buyer may obtain a survey at Buyer's expense unless otherwise negotiated.

---

7. Property Condition

The Property shall be conveyed in its current **“as-is, where-is”** condition, unless otherwise agreed in writing.

---

8. Governing Law

This LOI shall be governed by the laws of the State of Minnesota.

---

9. Non-Binding Agreement

This LOI is non-binding and intended solely for discussion purposes. A binding agreement will only be created upon execution of a mutually acceptable Purchase Agreement.

If these terms are acceptable, please sign below to indicate your interest in proceeding.

Buyer:

Name:
Title (if applicable):
Date:

Seller:

Name:
Title (if applicable):
Date:

Accepted and Agreed to as of the date first written above.