

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, JANUARY 24, 2024
4:30 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jason Baskin, Lee Bjorndal, Geoff Smith, Michael Bednar, Jeff Austin, Kris Heichel (5:35 pm), 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: None.

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

Item #2. – Election of Officers: Mr. Dankert noted this is the annual meeting for which officers need to be elected. Commissioner Bednar made a motion as follows, seconded by Commissioner Ruzek without further discussion:

President	Jason Baskin
Vice President	Jeff Austin
Treasurer	Lee Bjorndal
Secretary and Assistant Treasurer	Tom Dankert

Carried 6-0.

Item #3. – Approval of minutes of the October 25, 2023 regular meeting: Motion by Commissioner Smith, seconded by Commissioner Austin to approve the minutes of the October 25, 2023 regular meeting. Carried 7-0.

Item #4. – Claims for Payment: Mr. Dankert discussed the claims paid from September 29, 2023 through January 4, 2024 noting in total, payments made were \$6,846.25. Mr. Dankert noted some of the large unusual payments as follows:

- \$5,000 to the Austin HRA for payment on the original \$50,000 Oak Park Mall redevelopment 0% interest loan.
- \$1,427.03 for a hot water heater replacement at the Walker Building.

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

Item #5. 2023 Unaudited Financial Statements: Mr. Dankert noted the preliminary financial statements for the period ending 12/31/23 are as follows (noting we still have a February 1 check run to include, along with calculating actual depreciation versus the estimates we currently use):

- Page 1 Combined Balance Sheet shows total cash of \$2,986,251 and long-term assets of \$1,554,553. Fixed Asset net book value is now at \$20,099,756.
- Page 2 Combined Income Statement has a net loss of \$5,968 after depreciation. Taking out depreciation (non-cash item) and the gain would have been closer to \$700,000 as we had a land sale (Harty Mechanical) and first right of refusal agreements (NuTek) that were received.

Breaking down the above combined elements into each different operation includes:

- Page 3 Balance Sheet of Property Management shows available cash of \$1,292,183, loans receivable of \$610,047 with no downtown loans currently outstanding.
 - Land held for resale is at \$816,609.
 - Designated fund balance of \$400,000 for infrastructure commitments for Harty Mechanical, plus \$50,000 for a BEEP commitment to the HRA.
 - Designated fund balance of another \$546,250 for our share of an EDA match grant for infrastructure through the Creekside Business Park.
- Pages 5 and 6 Walker Building shows cash of \$723,864 on net income of \$119,987.
- Pages 7 and 8 Oak Park Mall include \$970,205 of cash and \$479,849 of fund balance.

Commissioner Smith questioned if the Downtown BEEP program has any progress. Mr. Dankert noted the HRA is working on one right now, but it was not in a final form to bring forward for your discussion yet.

Motion by Commissioner Bjorndal seconded by Commissioner Austin to approve the preliminary financial statements as presented. Carried 7-0.

Item #6. – Executive Director Report: Mr. Clark noted we received a letter from the MPCA noting the 13.55-acre Port Authority land on I90 near the Kwik Trip has been found to not have an identifiable responsible party for any cleanup. Therefore, this is good news and we can then use some grant funds to do a Phase I study and go after additional grants to clean up any contamination that is found.

Mr. Clark noted NuTek is behind on their payments for the First-Right-of-Refusal for property to the east of their facility. Mr. Clark noted they expect a big contract in March and then they could ramp up the hiring and make the payments. Currently they have hired 26 of the required 35 employees according to the DEED grant. They anticipate that they will get to 35 employees by year-end, but not by the current March 31, 2024 deadline. Mr. Clark noted he is in discussion with DEED on the next steps for not hitting the employment goals.

Mr. Clark noted we were successful in getting a \$1.6 million grant to help with infrastructure costs at the Creekside Business Park. We could still be eligible for up to another \$400,000 of grant funds, but we need to wait to see where the construction bids come in at first. Construction should start sometime after May 1, 2024.

Mr. Clark requested board members respond regarding a discussion we had regarding competing industries in town that might want to buy our land. President Baskin requested Mr. Clark re-send the email to all board members.

Mr. Baskin questioned the status of NuTek. Mr. Clark noted based on discussions with them the economy slowed down but they expect this big contract in the next few months. Mr. Clark noted he will also call JCW who lease the building to NuTek to see if they are current on lease payments.

Item #7. – Any other business: Commissioner Baskin noted Harty Mechanical is making good progress on the construction of their new building in the Creekside Business Park.

Commissioner Baskin also noted the Hormel Institute is working on support for their \$20 million bonding request and is garnering a lot of support.

Item #8. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Bednar to adjourn the meeting at 4:54 pm. Carried 7-0.

Approved: _____

President: _____

Secretary: _____