

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, JULY 15, 2025
4:00 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jason Baskin (4:30), Geoff Smith (left at 5:04 p.m.), Kris Heichel, Jeff Austin, and Tim Ruzek.

Members Absent: Commissioners Michael Bednar and Lee Bjorndal.

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

Others Present: Tim Penny of the Southern Minnesota Initiative Fund (SMIF) and John Garry of the Development Corporation of Austin.

Vice-President Austin called the meeting to order at 4:00 p.m.

Item #2. – Approval of minutes of the April 30, 2025 special meeting: Motion by Commissioner Heichel, seconded by Commissioner Smith to approve the minutes of the April 30, 2025 special meeting. Carried 4-0.

Item #3. – Claims for Payment: Claims paid from April 11, 2025 through July 3, 2025 noting in total, payments made were \$26,513.25. Mr. Dankert discussed some of the larger unique expenses we had in this time period.

Motion by Commissioner Heichel, seconded by Commissioner Ruzek to approve the claims for payment as presented. Carried 4-0.

Item #4. – Review of June 30, 2025 Unaudited Financial Statements: Mr. Dankert gave the Port Authority Board an update of their financial standing as of June 30, 2025, as follows:

- Overall cash in the bank is at \$3,033,594
- Long-term assets (leases, land, etc.) is at \$1,384,737
- Net book value of the fixed assets (Walker Building and Hormel Institute) is at \$19,029,844
- Overall, there is a net loss of \$232,810 for the first six months of the year, however, \$355,105 of this loss is the result of depreciation on the two fixed assets noted above.

Mr. Dankert then reviewed the individual funds that make up the totals discussed in the above bullet points.

Motion by Commissioner Smith, seconded by Commissioner Ruzek to approve the unaudited financial statements as presented. Carried 4-0.

Item #5. – SMIF Presentation: Tim Penny, Executive Director of the Southern Minnesota Initiative Fund (SMIF) thanked the Port Authority for their annual \$6,000 in financial support. Mr. Penny noted he is retiring at the end of July. Mr. Penny discussed SMIF and the three areas that they work on, including:

- Early Childhood Initiatives

- Entrepreneurship
- Small Towns

About one-third of their time and resources goes into each one of those strategic areas. Mr. Penny stated they were hired by the State of Minnesota to distribute \$20 million of Covid grants when the pandemic hit, and roughly 10% of the SMIF overall budget is raised through these local funds.

DCA Executive Director John Garry discussed the cooperation between the DCA and SMIF to help new development here in Austin and the surrounding areas.

Commissioner Ruzek asked what additional economic development can we do together. Mr. Penny stated SMIF is good at handling the technical issues such as, QuickBooks and other financial reporting, and connecting small businesses with SBA financing.

Item #6. – Future Opportunities for Downtown Discussion: President Baskin noted he would like to table this and discuss it further at a future Port Authority meeting, but for now wanted to inform all that the Chamber of Commerce and some downtown businesses would like discussion of the downtown area. Commissioner Heichel questioned if there had ever been discussion about requiring a certain % of downtown be required to have retail. Mr. Clark noted this is generally not looked at favorably by building owners, but there are more conversations to be had on the subject.

Item #7. – Strategic Road Map Discussion: Mr. Baskin reviewed the recent strategic plan that the Port Authority Board approved, garnering discussion on the three strategic imperatives:

1. Develop Creekside Business Park – Mr. Baskin noted NuTek paid for the First Right of Refusal's and Options on the immediately adjacent property out in the Creekside Business Park, so that helps with that goal.
2. Strategic Land Portfolio Management – Mr. Baskin noted tonight in the closed portion of the meeting we will be discussing a proposed development in the 13.55 acres along I-90. This site has some contamination but we have been working with a grant to identify the Brownsfield site, needing an action plan and MPCA enrollment.
3. Position Austin for future economic growth – Mr. Baskin noted we are working on the comprehensive plan with the city which will include a to-do list of action items that will need to be reviewed.

Item #8. – Executive Director Report: Mr. Clark noted the agreement with Harty Mechanical for their development in the Creekside Business Park was to include the hiring of five jobs within one year of the acceptance of the Certificate of Completion. Mr. Harty called today to discuss the letter from the Port Authority regarding the hirings, noting that they need to complete some internal construction before bringing on the five new jobs. Mr. Clark noted the agreement is from the date of the Certificate of Completion, which has been issued a year ago. Mr. Clark noted we will continue to work with Mr. Harty to get a resolution.

Mr. Clark noted Mr. Trihus came in and paid the first half lease of the 25-acre property north of the I-90 Kwik Trip last week, but we are still waiting for the insurance certificate.

Item #9. – Any other business: None.

Item #10. Closed Session: Motion by Commissioner Austin, seconded by Commissioner Ruzek to close the meeting under Minnesota Statute § 13D.05 subd. 3(c) for the purpose of considering offers to sell an interest in real property at 5:04 p.m. The three properties are 34.905.0060, 34.905.0010, and 34.009.0080. Caried 5-0.

See DVD of closed meeting.

Motion by Commissioner Austin, seconded by Commissioner Ruzek to reopen the meeting at 5:30 p.m. Carried 4-0.

Item #11. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Ruzek to adjourn the meeting at 5:51 pm. Carried 4-0.

Approved: _____

President: _____

Secretary: _____