**ALBERT LEA PORT AUTHORITY**

**MINUTES**

**February 7, 2018 - 7:30 a.m.**

**Regular Meeting**

**Albert Lea Business Development Center**

 CALL TO ORDER & NOTATION OF ROLL

The Regular Meeting of the Albert Lea Port Authority was called to order on Wednesday, February 7, 2018 at 7:30 a.m. by President Rasmussen. Roll was noted by Noelle Hagen.

COMMISSIONERS PRESENT: Vern Rasmussen, Jr., Nate Jansen, Ginny Larson, Mark Heinemann, Bryan Skogheim, Sarah Hensley, Rich Murray

COMMISSIONERS ABSENT: None

EX-OFFICIO MEMBERS PRESENT: Chad Adams, City of Albert Lea representative

EX-OFFICIO MEMBERS ABSENT: Mike Lee, Freeborn County representative; Tom Newell, Business Community representative

STAFF MEMBERS PRESENT: Ryan Nolander, Executive Director; Noelle Hagen, Small Business & Marketing Manager

STAFF MEMBERS ABSENT: Jillayne Raetz, Board Secretary

GUESTS: Wyeth Anderson, City of Albert Lea intern

APPROVAL OF MINUTES FROM JANUARY 3, 2018 MEETING

The minutes from the January 3, 2018 meeting were reviewed. Commissioner Heinemann made a motion to approve the minutes as presented, seconded by Commissioner Jansen. President Rasmussen asked for any discussion and hearing none, the motion carried 7 in favor; 0 opposed.

 RESOLUTION PA-18-06 AUTHORIZING PAYMENT OF CLAIMS

The claims were presented for review. Executive Director Nolander noted a few items on this month’s claims including; loans, interest, and payments to the Vitality Center and Greater MN Partnership. Nolander noted that the sponsorships to the Vitality Center and Greater MN Partnership are spilt between all the entities. Commissioner Jansen made a motion to accept the claims as presented in the amount of $26,706.09, seconded by Commissioner Heinemann. President Rasmussen asked for any discussion and hearing none, the motion carried 7 in favor; 0 opposed.

 EXECUTIVE DIRECTOR’S REPORT

* ZRB Building Project Update
	+ The temporary certificate of occupancy is scheduled to be issued mid-February. Due to not having high enough water pressure for the sprinklers, a fire pump needs to be installed. This will be a change order around $70,000 dollars. Nolander has been closely watching the budget and we’re currently $40,000 below what we budgeted for as a contingency and we’re doing well with construction interest. We are approved for up to $3.7 million in financing, but we are working to keep it at $3.5 million or below.
	+ Several items have come up that have resulted in change orders and additional costs. ZRB has been a great partner through the process. Pam Sander, President of ZRB, contacted Nolander in January to let him know that if any other things come up due to Winter construction or change orders made by her team that she will make sure ZRB is covering those costs.
	+ The ZRB team is hopeful that they will be moving into the building the end of February, and moved out of the ALEDA Spec #1 building by the end of March.
* Bank Building Update
	+ City Manager Chad Adams, Executive Director Ryan Nolander, and Natalie Siderius of MN DEED met to discuss potential incentives and assistance for the business start-up looking to occupy the first floor of the former Freeborn Bank Building. They discussed how state funding could possibly be used in the project and first floor build out.
	+ Executive Director Nolander explained that some of the state programs could not be used for the renovation of the building if the City remains the owner of the building and leases it to the start-up. There is a possibility to set it up as a “condo” in which the start-up company would essentially “buy” the first floor from the City. This might allow them access to more of the state programs. They will meet with the start-up business later this week to discuss the options and different scenarios.
	+ This is a great opportunity to create skilled jobs. The company currently has about 15 employees and plan to grow to 30-50 jobs paying over $50,000 per year.
	+ They feel they will run out of space by June or July in their existing building so the hope is to get this moving along so that construction can be completed and the necessary public hearings held.
* Northbridge Mall
	+ Bonton has announced that they are closing stores across the country under their brand, which includes Herbergers and Younkers. Neither of the local stores in Albert Lea or Austin were on the list for closure. It is believed that Bonton will file for bankruptcy and reorganization in the near future which might include the closing of more stores.
	+ Two gentlemen have shown interest in purchasing the mall and doing a project with it. Commissioner Heinemann, Dan Dorman, and City Manager Chad Adams met with them (while Nolander was at the EDAM Conference). They feel that they were not able to get any real answers about a plan from the interested party, but will continue to answer any questions they have. They recommended that the gentlemen create a detailed plan before they would approach local investors asking for support.
* School District Facilities
	+ Executive Director Nolander attended the Albert Lea School Board Special Meeting on January 23rd. The meeting was regarding passing a new referendum for facilities updates. The referendum would essentially be a continuation of the current bonding as, citizens won’t see an increase in their taxes if it passes, however the wording must state that it is an increase. Due to this, the school board would like to have a special election on May 8th so that the supporters will turn out to vote and there will be less confusion.
	+ The plans include improving the Halvorson Elementary gymnasium to be a full-size gym as well as updating outdoor facilities and fields at the Hammer Complex.
* Business Retention Visits
	+ Wells Fargo Bank, Albert Lea: Executive Director Nolander met with Patrick Bell and Josh Burgess of Wells Fargo on January 9. They discussed the ZRB project and financing and expressed their disappointment in not being asked to finance the entire deal. Executive Director Nolander explained that to make it a community project Greater Jobs member banks were asked if they were interested in buying participation into the financing, which Wells Fargo was not interested in.
	+ Minnesota Energy Resources (MERC): Executive Director Nolander met with Jeff Larson on February 1. Jeff Larson is filling in for Rory Lenton who recently retired. Nolander voiced frustration that MERC is not as available to the community as, for example, Freeborn-Mower Cooperative Services is. It is frustrating for local industrial clients to have their needs taken care of through the customer service line instead of a key accounts manager. The representative responsible for clients in our area is responsible for 90 other communities which also makes it difficult to deliver good customer service and be present in communities. MERC plans to be a Greater Jobs member for 2018. Commissioner Skogheim has contact information for who we need to talk to for industrial clients and will pass it along to Nolander.
* Audit Prep
	+ Auditors will be onsite the week of February 26 and staff will spend the next couple weeks on audit prep.
* Upcoming Meetings & Conferences to Note:
	+ Senate Bonding Tour – 1/9/18
		- Senate Bonding Committee did a tour of Riverland and talked to local community representatives about the Blazing Star Trail/Landing projects and Riverland Community College’s bonding projects. Riverland did make it in the Govenor’s bonding bill, Blazing Star projects did not.
	+ EDAM Winter Conference – 1/18/18 ~ 1/19/18
		- Executive Director Nolander reported that the event was good and that it was great to network with peers. Nolander made a connection in DEED finance while there that’s helping with the bank building project financing.
* Reminder next meeting is Tuesday, March 6.

 EX-OFFICIO UPDATE

Freeborn County – Mike Lee, Freeborn County Representative

* Absent, nothing to report.

City of Albert Lea – Chad Adams, City of Albert Lea Representative

* Housing summit last night went well. Approximately 50 attendees including local contractors, realtors, bankers, developers and landlords. There was great discussion and information was gleaned through a live survey put together by Wyeth Anderson, City Intern. Anderson will be presenting results at the upcoming council work session. A few of the issues mentioned include the lack of market rate housing in $750-$850 range, lack of rehab dollars for existing homes and apartments, issues and objections to current inspection codes, and diversity of housing options.
* Blazing Star Landing update: The City has been working with a master developer that wants to develop the entire site. The developer wants to do a public/private investment where they own and build the community center however, this could cause issues with eligibility for state funding. The City is working on getting a letter of intent to show legislature that they have someone who wants to invest and that bonding dollars are needed.
* Pro Trucking: A forgivable loan was approved for $30,000 of gap funding for the tax increment financing that didn’t produce the projected amount. The company is doing well and adding jobs.
* There are upcoming opportunities at the capital to speak about economic development.
* Chamber Director Search Committee: the committee will meet Monday (Feb 12) to review the 6 applicant’s resumes and determine who they will follow up with for interviews.

Chamber of Commerce – Tom Newell, Business Community Representative

* Absent, nothing to report.

 COMMISSIONER/OTHER ITEMS

* None

 ADJOURNMENT

 Commissioner Jansen made a motion to adjourn the meeting, seconded by Commissioner Murray. The motion carried 7 in favor, 0 opposed. The meeting adjourned at 8:20 a.m.

Filed and attested February 7, 2018.

 Noelle Hagen

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President Interim Board Secretary