

# ***Fergus Falls***

*Port Authority*

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## MEMORANDUM

TO: Port Authority Commissioners  
Rolf Nycklemoe  
Bill Sonmor  
Mayor Ben Schierer  
News Media

FROM: Klara Beck,

DATE: January 11, 2024

A Port Authority meeting will be held on **Tuesday, January 16, 2024** in the Council Chambers of City Hall at **5:15 PM**

The Agenda is as follows:

- 1) Approval of Meeting Minutes from October 16, 2023 & Approval of the Agenda
- 2) New Business
  - a) Election of Officers
- 3) Old Business
- 4) Adjourn

For accommodations if you have special needs, please call 332-5400 or 1-800-627-3529, TTY, Voice, ASCII (Minnesota Relay Service)

Fergus Falls Port Authority Minutes  
October 16, 2023

The Fergus Falls Port Authority held a regular meeting on Monday October 16, 2023 at 4:30 pm in the City Hall Council Chambers. Chair Bridget Leonard called the meeting to order at 4:30 pm and the following Port Authority Commissioners were in attendance in the Council Chambers: Leonard, Hicks, Thompson, Petersen, and Schoeneck. Absent were Kremeier and Rufer.

**Minutes**

A motion and second were made by Thompson and Petersen to approve the agenda and the minutes from August 21, 2023. Motion carried.

**Race Track Lease Renewal - I-94 Speedway Inc.**

Andrew Bremseth stated that staff met with the owner of I-94 Speedway Inc., and he has requested that their lease be extended to a three-year agreement to accommodate the needs of the annual WISSOTA 100 racing event. Staff suggests approval of renewing the Race Track lease with I-94 Speedways Inc. for the years of 2024-2026. The 12.07 acres of the land that I-94 Speedways has been leasing from the Port Authority is adjacent to the racetrack and has served as parking, car staging, and camping for the WISSOTA 100. The acres leased and cost per acre would remain the same in 2024-2026 and would be paid on an annual basis. The Race Track (West Port Authority property) rent would be 12.07 acres x \$170 per acre.

A motion and second were made by Thompson and Schoeneck to enter into a three-year lease with the Race Track to lease a portion of the Port Authority West property as presented. Motion carried.

**Farm Lease Renewals -Bradow Farms**

Andrew Bremseth stated staff suggests approval of renewing the farm lease with Bradow Farms for 2024. The Port has been in a lease agreement with Bradow Farms for several years to farm the former Norgren property and West Port property near the racetrack. The acres leased and cost per acre would remain the same in 2024. The East Port property (Norgren site) rent would be 132.70 acres x \$115 per acre. The West Port property rent would be 35.85 acres x \$170 per acre. Andrew mentioned that the lease agreement gives the Port the right to terminate all or a portion of the leased property if an economic or housing development opportunity arises to sell the property. If that happens a crop appraiser would be hired to determine the value of the crop and the appraised value would be paid to the lessee.

A motion and second were made by Schoeneck and Hicks to approve the 2024 farm leases with Bradow Farms. Motion carried.

**Authorization to Engage an Appraiser / Surveyor for a possible Land Exchange with the DNR**

Andrew Bremseth explained that the Port Authority property located north of Fergus Home and Hardware is encumbered by a DNR Conservation Easement, which prohibits development of the property. Recently, the Port was approached (through a letter of intent) by a local manufacturer interested in 8 acres of this property for future expansion. To accommodate this request and future industrial expansion, the Port needs to address the Conservation Easement.

Andrew stated that staff has been in contact with the DNR to discuss what needs to happen to accommodate this request and it seems they might be interested in a "fair swap" for this easement. In other words, we could potentially shift the conservation easement to another property the Port Authority owns, if there is similar value. The DNR has indicated that appraisals would need to be complete to ensure the similar value and surveys would have to be done as well to parcel off the correct amount of land and to have a legal description for the purposes of the easement and future transaction.

Andrew explained that the Port has received quotes for appraisals and surveying work totaling around \$13,000. He noted that services could vary slightly based on what services are selected. Andrew stated that we will need to work with the DNR to determine the appropriate appraisal options from the quote. Andrew explained that the cost of this work will be carried by the Port Authority, with the intention of being recouped through a future land sale. Staff needs to have additional dialogue with the DNR about the timing of this work and ensure both entities are on the same page, but we

wanted to get authorization now to begin this work at the appropriate time.

There was some discussion about the cost of the appraisals and surveying services, and how interested is this local manufacturer in actually purchasing the land if we are able to make the swap. It was noted that this property could also be accessed through the water tower property by an easement owned by the City. There was some discussion about the letter of intent and what is expected by both parties. Andrew stated that he felt the DNR is moving in the direction of a swap.

A motion and second were made by Hicks and Schoeneck to authorize staff to engage consultants for appraisal and surveying work to complete the DNR conservation easement swap. Motion carried.

The meeting adjourned at **4:45 pm**.

*Jill M. Hanson*

DRAFT