

# PORT AUTHORITY OF WINONA MINUTES

**DATE:** December 14, 2006

**PRESENT:** Commissioners Glubka, Schwab, Johnson, Thurley and Borzyskowski, and Executive Secretary Sorensen

**ABSENT:** President Cichanowski and Commissioner Kiekbusch

## 1. **CALL TO ORDER – APPROVAL OF MINUTES**

The meeting was called to order at 4:00 p.m. by Vice-President Johnson. A motion to approve the minutes from the November 20, 2006 meeting was made by Commissioner Glubka, and seconded by Commissioner Schwab. The motion carried with all Commissioners present voting aye.

## 2. **REMARKS BY THE PRESIDENT- NONE**

## 3. **NEW BUSINESS**

### **A. *Public Hearing – Sale of Land to Hal Leonard Corporation***

Pursuant to a public hearing notice published on December 2, 2006, the Port Authority Commissioners considered the sale of 12 acres of property in Technology Park to Hal Leonard. The Negotiating Committee recommended the sale to Hal Leonard. Vice-President Johnson, opened the Public Hearing and called for anyone wishing to speak to come forward.

Jerry Grochowski, Vice President of Hal Leonard Corporation explained the expansion project. The project will consist of building a 100,000 square feet of distribution space with potential for 300,000 square feet in the future. Hal Leonard has had a presence in Winona for over 60 years and the company has grown consistently. Mr. Grochowski expressed his appreciation for the Port Authority Negotiating Committee and staff for their work in putting the project together with Hal Leonard.

Vice President Johnson called two more times for anyone wishing to speak at the public hearing. There being none, the public hearing was closed.

Staff confirmed Hal Leonard can use approximately 2,000 cubic yards of sand to fill a lot as part of the purchase and not in addition to the purchase price.

Commissioners Thurley and Borzyskowski complemented Hal Leonard on their expansion plans in Winona.

A motion to allow commencement of moving surcharge material to the site and to approve the resolution regarding the land sale was made by Commissioner Borzyskowski, and seconded by Commissioner Thurley. The motion carried with Commissioners: Glubka, Johnson, Thurley and Borzyskowski voting Aye and Commissioner Schwab abstaining.

**RESOLUTION # 639**

**WHEREAS**, the Port Authority of Winona, pursuant to Minnesota State Statutes, Section 458.196, did place a notice, a copy of which with proof of publication is on file in the office of the Port Authority of Winona, of a public hearing of the proposed sale of property owned by said Port Authority in a legal newspaper, said hearing to be held to determine whether it is in the best interest of the district and the people thereof, and that furtherance of the general plan of the Port Authority development and industrial development to sell the land described in Exhibit "A" attached hereto; and

**WHEREAS**, Hal Leonard has submitted a proposal to purchase said property described in Exhibit "A" which property is owned by the Port Authority of Winona; and

**WHEREAS**, the Port Authority has investigated the facts of the proposed sale of said land and terms and conditions of said sale, and proposed use of said property and the relationship to the City of Winona and its business facilities of the Port Authority of Winona in general; and

**WHEREAS**, the proposed project, presented by Hal Leonard meets the terms and conditions set forth by the Port Authority of Winona as its guide in determining if such proposals are in the best interest of the Port Authority district and the public.

**NOW, THEREFORE, BE IT RESOLVED** by the Port Authority of Winona:

1. That the Board of Commissioners of the Port Authority of Winona hereby finds, determines, and declares that it is in the best interest of the Port district and the people thereof and in furtherance of the general plan to sell said real estate to Hal Leonard.
2. The actions of the Executive Secretary of the Port Authority of Winona in causing public notice of the proposed sale and in describing the terms and conditions of such sale, which have been available for inspection by the public at the office of the Port Authority from and after the publication of the hearing, are in all respects ratified and confirmed.

3. Conditions of the sale include:

- Sale of 12 acres of land to Hal Leonard for \$822,000.
- Six acres will be sold for \$62,000 per acre for a total of \$372,000.
- Six acres will be sold for \$75,000 per acre for a total of \$450,000. This sale will be a Contract for Deed for five years at 0% interest.
- Hal Leonard will rent sand from the Port Authority for \$1.00 per cubic yard. This sand will be used to surcharge the site for the buildings. It is estimated they will need up to 20,000 cubic yards. They will return unused material when the surcharging is completed.
- The Port Authority will support JobZ designation for the property.
- The project must commence on the Phase One site within one year from the purchase date.
- The project for Phase Two must commence within one year following the completion of the Contract for Deed. The Port Authority would reserve the right to purchase this property back from Hal Leonard if a development did not commence within ten years from the date of the Contract for Deed.

Hal Leonard is requesting permission to commence moving the sand for surcharging as soon as possible. The Port is requested to approve this activity for start in December before closing on the land sale.

4. **OLD BUSINESS**

**A. Commercial Harbor Dredging Project Completion**

The certification was presented for work performed by J.F. Brennan Co., Inc., under its contract with the Port Authority of Winona for Dredging the Commercial Harbor. The final estimate is in the amount of \$1,265,528.40. A motion to approve the resolution approving the project, authorizing any changes and approving the final estimate was made by Commissioner Thurley, seconded by Commissioner Borzyskowski.

Commissioner Glubka asked who finalized projects to assure that they are done properly and in accordance with the specifications. Brian DeFrang, City Engineer, responded the Engineering Department, and the Minnesota Department of Natural Resources approved the Dredging project. Vice President Johnson asked if soundings were done, and Mr. DeFrang responded that they were completed and are satisfactory.

The motion was called for a vote with all Commissioners present voting aye.

**RESOLUTION ACCEPTING THE WORK AND AUTHORIZING THE FINAL  
ESTIMATE ON LOCAL IMPROVEMENTS**

**RESOLUTION # 640**

**WHEREAS**, a contract was let for the Site Preparation, Dredging and Dewatering Winona Commercial Harbor; and

**WHEREAS**, the original contract price for these improvements is \$1,350,000; and

**WHEREAS**, change orders to the contract price have been issued in the amount of -\$102,500 bringing the contract price to \$1,265,528.40; and

**WHEREAS**, the contract has been completed according to the plans and specifications; and

**WHEREAS**, the final price for the improvements is \$1,265,528.40.

**NOW, THEREFORE, BE IT RESOLVED** by the Port Authority of Winona, Minnesota:

1. The Port Authority of Winona hereby accepts the work.
2. The Port Authority of Winona hereby approves the change order - \$102,500.
3. The Port Authority of Winona hereby authorizes the final estimate in the amount of \$1,265,528.40.

Passed and adopted by the Port Authority of Winona at a meeting thereof held this 14<sup>th</sup> day of December 2006.

**B. Technology Park Construction Project Phase 1**

The certification was presented for work performed by Winona Excavating Co. of Winona, Minnesota, under its contract with the Port Authority of Winona and City of Winona for Technology Park Construction Phase I. The work has been completed in compliance with the plans and specifications and the final estimate is in the amount of \$1,305,099.98. A motion to approve the resolution approving the project, authorizing any changes and approving the final estimate was made by Commissioner Schwab, Seconded by Commissioner Glubka. The motion carried with all Commissioners present voting Aye.

**RESOLUTION # 641**

**WHEREAS**, a contract was let for the construction of infrastructure for Technology Park Phase I; and

**WHEREAS**, the original contract price for these improvements is \$1,190,146.30; and

**WHEREAS**, a change order to the contract price have been issued in the amount of \$437.50 bringing the contract price to \$1,190,583.80; and

**WHEREAS**, the contract has been completed according to the plans and specifications; and

**WHEREAS**, the final price for the improvements is \$1,305,099.98; and

**WHEREAS**, the City of Winona is responsible for \$93,507.60 of this cost; and

**WHEREAS**, the Port Authority of Winona is responsible for \$1,211,592.38.

**NOW, THEREFORE, BE IT RESOLVED** by the Port Authority of Winona, Minnesota:

1. The Port Authority of Winona hereby accepts the work.
2. The Port Authority of Winona hereby approves the change order \$437.50
3. The Port Authority hereby authorizes the final estimate in the amount of \$1,305,099.98.

Passed and adopted by the Port Authority of Winona at a meeting thereof held this 14<sup>th</sup> day of December 2006.

**5. NEW BUSINESS**

**A. Port Authority Web Page**

The Port Authority reviewed information related to the development of a Web Page dedicated to the Port Authority. Information was presented by Mark Metzler of Vision Design Group. After brief discussion a motion to move forward with the project was made by Commissioner Glubka, seconded by Commissioner Schwab. The motion carried with all Commissioners present voting aye.

**B. Minnesota Marine Art Museum Request**

The Museum is requesting the use of Port Authority property in the Commercial Harbor for the temporary storage of three pontoon barges. A

motion to approve the temporary storage was made by Commissioner Thurley, and seconded by Commissioner Borzyskowski. The motion carried with all Commissioners present voting aye.

**6. FINANCIAL REPORTS**

Mary Burrichter reported on the financial reports. She stated that year end reports would be provided at the next Port Meeting. The reports will be placed on file.

**7. ADJOURNMENT**

Prior to adjournment it was announced that Commissioner Pete Schwab will be leaving the Port Authority after ten years of service. A special farewell will be held at the next Port Authority meeting. Commissioners extended their appreciation and thanks to Pete Schwab for his dedication and service.

A motion to adjourn the meeting was made by Commissioner Borzyskowski, and seconded by Commissioner Thurley and the meeting was adjourned at 4:40 p.m.

---

Lucy McMartin  
Program Development Director