

PORT AUTHORITY OF WINONA MINUTES

DATE: July 12, 2018

PRESENT: Commissioners: Cichanowski, Thurley, Borzyskowski, Lucas, Hansen, Gorman and Executive Secretary Sarvi

ABSENT: Commissioner Johnson

STAFF PRESENT: Finance Director Mary Burrichter, Development Coordinator Myron White

1. CALL TO ORDER – APPROVAL OF MINUTES

The meeting was called to order at 4:00 PM by President Cichanowski. A motion was made by Commissioner Lucas and seconded by Commissioner Borzyskowski to approve the June 14, 2018 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski recognized the acquisition of PlastiComp by PolyOne, a global leader/provider of polymer materials.

3. OLD BUSINESS

A. REQUEST FROM THE WINONA COUNTY HISTORICAL SOCIETY (WCHS)

Development Coordinator White provided an outline of the WCHS request for assistance to provide parking for the facility. The request showed a WCHS investment of \$200,000 earmarked for acquisition and improvements along with a request for a deferred/forgivable loan in the amount of \$69,969. The Port funds would be used for the demolition of two blighted structures at 118 and 120 West Fourth Street as well as asbestos abatement and sewer/water disconnects.

A motion was made by Commissioner Borzyskowski and seconded by Commissioner Thurley to approve the resolution recognizing the blighted conditions at 118 and 120 West Fourth Street and providing the requested assistance to eliminate the identified blight. All those present voted aye.

RESOLUTION # 744

Resolution Providing Assistance to the Winona County Historical Society to Remove Blighted Buildings and Improve Parking Facilities at 118/120 West 4th Street

WHEREAS, pursuant to Minnesota Statutes, Section 469.058, the Port Authority of Winona (the "Authority") established on May 15, 2000 the Downtown Economic Development District (the "Economic Development District") and has adopted a Development Plan therefor (the "Development Plan"), which the Authority has and continues to implement; and

WHEREAS, Minnesota Statutes, Section 469.058, specifically provides in part that:

1. A port authority may advance and spend public money for the purposes in sections 469.048 to 469.068, and to provide the means to develop marginal property; and
2. Sound development of the economic security of the people in port authority cities depends on proper development of marginal property, and the general welfare of the residents of port districts requires remedies for the injurious conditions of marginal property by appropriate means; and
3. Marginal property cannot be developed without public participation and assistance in: (1) acquiring land, (2) planning, (3) financing of land assembly in the work of clearance and development, and (4) making necessary improvements for developing; and
4. When the development of marginal property cannot be done by private enterprise alone, it is in the public interest to advance and spend public money, and to provide the means to develop marginal property; and

The decline of marginal lands often cannot be reversed except by developing all or most of those lands, and private development thereof may be uneconomic and practically impossible because of costs and lack of legal power.

WHEREAS, the Winona County Historical Society (the "Recipient") has requested forgivable loan in the amount of \$69,969.00 from the Authority to assist it with a project pursuant to the Development Plan to demolish two blighted/marginal buildings located at 118 and 120 West 4th Street, respectively (the "property") and to redevelop the same with a parking lot to provide parking to the Recipient's patrons, volunteers and employees (the "project"); and

WHEREAS, the Recipient's need for parking is the result of the loss of Recipient's parking previously leased from the Authority as a result of the Main Square Development Project; and

WHEREAS, in order to achieve the objectives of the Development Plan and particularly to make the property available for redevelopment in conformance with the Development Plan, the Authority has determined it is in the best interest of the Authority to assist the Recipient with the financing of certain costs of the project; and

WHEREAS, the property is eligible for assistance since it is located within the Economic Development District; and

WHEREAS, the Authority may declare the property within the Economic Development District as marginal property as defined in law and provide assistance to the same; and

WHEREAS, Minnesota Statutes, Section 469.048, Subd. 5, provides in part that: Marginal property means property that suffers from lack of use or improper use of areas, resulting in stagnant or unproductive land that could contribute to the public health, safety and welfare; and

WHEREAS, 118 West 4th Street suffers from the following blighted conditions as marginal property:

1. Substandard condition/deferred maintenance
2. Long term vacancy/beyond economic life
3. Deteriorated and/or ineffective waterproofing

; and

WHEREAS, 120 West 4th Street suffers from the following blighted conditions as marginal property:

1. Substandard condition/deferred maintenance
2. Long term vacancy/beyond economic life
3. Deteriorated and/or ineffective waterproofing

; and

WHEREAS, based on the foregoing, the property suffers from a lack of use and improper use of such areas, resulting in stagnant and unproductive land that could otherwise be redeveloped through removal of the blighted buildings located thereon and contribute to the public health, safety and welfare of the community; and

WHEREAS, the Authority hereby finds that, in accordance with Minnesota Statutes, Section 469.048, Subd. 5, that the above-referenced property has been determined to be "marginal property"; and

WHEREAS, the Authority hereby finds that the redevelopment of the property is in fulfillment of the Development Plan and is in the best interests of the City and the Authority, and the health, safety, morals and welfare of residents of the City; and

WHEREAS, the Authority has previously adopted and submitted criteria for awarding business subsidies in the Economic Development District that comply with the Business Subsidy Law following a public hearing held on May 15, 2000; and

WHEREAS, the Authority has been an advocate of the elimination of blighted conditions within the Economic Development District and the proposed project is in furtherance of such objectives; and

WHEREAS, the Recipient has demonstrated that the costs related to the elimination of the blighted conditions and the creation of Recipient's parking would not occur but for the financial assistance from the Authority.

NOW, THEREFORE, BE IT RESOLVED that the Port Authority of Winona hereby approves a \$69,969.00 Deferred/Forgivable Loan from the Port General Fund for the project and authorizes the President and Executive Secretary to sign the loan documents.

B. SETTLEMENT AND RELEASE AGREEMENT – FAIRWAY SIGNS

Development Coordinator White explained that when the Hardees property was acquired we were not made aware of an existing lease agreement with Fairway Outdoor Advertising for a billboard on the property. In an effort to move the Main Square project forward in a timely fashion, staff recommends approval of the proposed Settlement and Release Agreement with Fairway.

Commissioner Borzyskowski asked if the agreement required Fairway to remove the sign. Staff replied it was Fairway's responsibility.

A motion was made by Commissioner Hansen and seconded by Commissioner Lucas to authorize the President and Executive Secretary to execute the Settlement and Release Agreement. All those present voted aye.

C. PLAN APPROVAL – MAIN SQUARE DEVELOPMENT

Pete Schwab of Schwab Construction walked through the plans for the Main Square Development that were included in the Port agenda packet. The Port's responsibility is to review and determine if the plans for the project as presented are generally consistent with the plans that were originally proposed. With a property transfer expected to take place on July 27, excavation/construction would be expected to proceed in early August. Completion of Phase 1 of the construction project is scheduled for early in 2020. If all goes as planned, the Phase II portion of the project could begin while Phase 1 construction is still in progress.

Commissioner Lucas asked about landscaping: Mr. Schwab walked through the landscape plans.

Commissioner Gorman asked about deliveries. Mr. Schwab indicated that deliveries would likely be to the back of the building but final logistics were being worked on.

Commissioner Thurley asked about demo of the Hardees building and the possibility of using a portion of the site for interim parking. Mr. Schwab indicated that Hardees demo would be one of the first tasks. Mr. Schwab went on to explain that with demo and excavation taking place, the site would need to be closed to parking.

A motion was made by Commissioner Hansen and seconded by Commissioner Lucas to approve the resolution accepting the plans for Main Square Development.

RESOLUTION # 745

Resolution Approving Plans and Specification for the Main Square Development LLC and Hiawatha Education Foundation Redevelopment Project

WHEREAS, the Port Authority has reviewed the plans and specifications for the development of Main Square Development LLC and the Hiawatha Education Foundation; and

WHEREAS, the plans for development show the property will be put to its intended use; and

WHEREAS, The Planning Department of the City of Winona will review the Site Plan in accordance with the Unified Development Code and follow the normal development process.

NOW, THEREFORE, BE IT RESOLVED, by the Port Authority of Winona that the plans and specifications show the property shall be devoted to its intended use and meets the requirements set forth in paragraph 4.C. of the Purchase Agreement.

4. NEW BUSINESS

A. DREDGE SAND PLACEMENT – ARMY CORPS OF ENGINEERS

Development Coordinator White outlined the Army Corps proposed Right of Entry Agreement to place dredge materials on Port - owned land in the Technology Park. Mr. White went on to explain that, if approved by the Port, the

Corps would then seek permission from the City to offload materials at the East End Boat Harbor.

Commissioner Borzyskowski asked if we might approach the Corps to dredge some of the high spots in the boat harbor.

A motion was made by Commissioner Borzyskowski and seconded by Commissioner Thurley to enter into a Right of Entry Agreement with the Army Corp. The motion was approved with all those present voting aye.

B. REDEVELOPMENT GRANT

Development Coordinator White requested that the Port Board endorse an application to the Minnesota Department of Employment and Economic Development for a redevelopment grant. The purpose of the grant would be to assist in some of the redevelopment costs associated with the Fastenal Office Project.

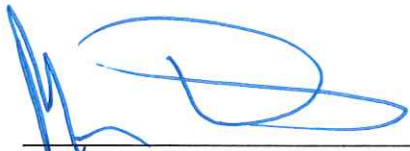
A motion was made by Commissioner Lucas and seconded by Commissioner Hansen to prepare the grant for Winona City Council consideration would be appropriate. All those present voted aye.

5. FINANCIAL REPORT

Finance Director Burrichter provided the latest County sales and use tax figures.

6. ADJOURNMENT

A motion was made by Commissioner Lucas and seconded by Commissioner Hansen to adjourn the meeting. The meeting was adjourned at 4:40 pm.



Myron White
Development Coordinator



Mike Gichanowski
President