

PORT AUTHORITY OF WINONA MINUTES

DATE: September 10, 2020

PRESENT: Port President Cichanowski, Commissioners: Johnson, Thurley, Borzyskowski, Gorman, Hansen and Executive Secretary Sarvi

ABSENT: Commissioner Lucas

STAFF PRESENT: Director of Community Development Lucy McMartin, Finance Director Jessica Wojahn, & Development Coordinator Myron White

1. CALL TO ORDER – APPROVAL OF MINUTES

The meeting was called to order at 4:00 PM by Commissioner Cichanowski. A motion was made by Commissioner Borzyskowski and seconded by Commissioner Thurley to approve the August 12, 2020 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski had no remarks.

3. PUBLIC HEARING

A. Public Hearing Sale of Land in J T Schain Industrial Park

Director of Community Development McMartin provided an overview of the proposed sale of Lot 3, Block 2, which is a 2.7 acre Port Authority parcel in the JT Schain Industrial Park. Director of Community Development McMartin referenced the Project Proposal submitted by Hiatt Industries, to develop the parcel and expand their operations in Winona. The agreed upon selling price for the 2.7 acre parcel is to be \$160,000.

President Cichanowski opened the Public Hearing.

Crystal Hiatt of Hiatt Industries testified that the business has been operating in the Winona area for 35 years. Hiatt Industries manufactures and distributes goods for the agricultural and automotive industries as well as consumer products. They propose construction of an 18,000 s.f. building with office, manufacturing and warehouse facilities.

President Cichanowski asked a second time if there was anyone else wishing to testify at the public hearing. After a third request input into the public

hearing and hearing no response, President Cichanowski closed the public hearing.

President Cichanowski asked Commissioner if they had any questions regarding the proposed project:

- Commissioner Borzyskowski asked if the primary entrance would be located off Homer Road. The Hiatt's confirmed, yes.
- President Cichanowski asked about the issue relating to low overhead lines. Staff and the Hiatt's responded that they have been working with Xcel and other users on raising the lines along Homer Road.
- Commissioner Thurley asked about job creation. The Hiatt's explained that they plan to hire 2 people within a year of the opening of their new facility and 8-10 additional people within 5 years.
- Construction is to begin in the spring of 2021 with possibly some earthwork and grading being done in late 2020.

A motion was made by Commissioner Borzyskowski, and seconded by Commissioner Hansen, to approve the resolution authorizing the sale of land and execution of necessary agreements. All Commissioners present voted aye.

RESOLUTION # 765

A RESOLUTION BY THE PORT AUTHORITY OF WINONA APPROVING THE SALE OF REAL PROPERTY IN WINONA, MINNESOTA, AND DISPENSING WITH REVIEW OF THE SALE BY THE WINONA PLANNING COMMISSION

WHEREAS, the Port Authority of Winona (the "Port"), pursuant to Minnesota State Statutes, Section 469.065, 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 the Port in a legal newspaper, said hearing to be held to determine whether it is in the best interest of the Port district and the people thereof, and in furtherance of the general plan of the Port and economic development in the Port district to sell the land described in Exhibit A, which is attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the Property described in Exhibit A is owned by the Port;
and

WHEREAS, Hiatt Industries, LLC (the "Buyer") has submitted a proposal to purchase the Property described in Exhibit A for use as part of an industrial development project (the "Project"); and

WHEREAS, pursuant to Minnesota Statutes, Section 469.065, subd. 7, a conveyance of the Property must not be made until the Buyer gives the Port plans and specifications for the Project to develop the Property sold by the Port to the Buyer, and the Port must approve the plans and specifications in writing; and

WHEREAS, the Port has investigated the facts of the proposed sale of said Property, the terms and conditions of said sale, received and reviewed the preliminary Project plans and specifications (attached hereto as Exhibit B), the proposed use of said Property, and the relation of the Project use to the improvement of business in the City of Winona and the Port district in general; and

WHEREAS, the Buyer is willing to purchase the Property from the Port for the purchase price of One Hundred Sixty Thousand and No/100ths Dollars (\$160,000.00); and

WHEREAS, a draft Purchase Agreement and Quit Claim Deed for conveyance of the Property to the Buyer for the Project has been prepared and is attached hereto as Exhibit C; and

WHEREAS, in accordance with the attached draft Purchase Agreement, the Port and Buyer expressly understand and agree that the sale of the Property is contingent upon approval by the Board of Commissioners of the Port; and

WHEREAS, if any transaction approval as provided in the Purchase Agreement is not obtained by the closing date stated in the Purchase Agreement, the Purchase Agreement shall then be null and void, without further obligation by either party; and

WHEREAS, Minnesota Statutes, Section 462.356, subdivision 2, provides that no publicly owned interest in real property within a municipality shall be acquired or disposed of until after the planning commission has reviewed the proposed acquisition or disposition and reported in writing to the governing body of the Port its findings as to compliance of the proposed acquisition or disposition with the comprehensive plan; and

WHEREAS, the same statute further states, however, that the governing body may, by resolution adopted by two-thirds vote, dispense with the requirements of this subdivision when in its judgment it finds that the

acquisition or disposal of real property has no relationship to the comprehensive plan; and

WHEREAS, the proposed conveyance of the Property, presented by the Buyer, meets the terms and conditions set forth by the Port as its guide in determining if such proposals are in the best interest of the Port district and the public.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of Winona that:

1. The Board of Commissioners 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 Port plan to sell the Property to the Buyer for the Project pursuant to the plans and specification for the Project on the Property.

2. The Board of Commissioners hereby approves the Project plans and specifications for the Project as submitted by the Buyer attached hereto as Exhibit B and finds, determines and declares that the same are in the best interest of the Port district and the people thereof and in furtherance of the general Port plan.

3. The Board of Commissioners hereby finds that the proposed sale of the Property for the Project has no relationship to the Winona Comprehensive Plan, and therefore review of the proposed sale by the Winona Planning Commission is not required under Minnesota Statutes, Section 462.356, Subd. 2, and is hereby dispensed with as allowed by that statute.

4. 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 and Project, 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.

5. The Property is being sold for \$160,000.00 in accordance with the terms and conditions contained in the Purchase Agreement and Quit Claim Deed attached hereto as Exhibit C.

6. The Board of Commissioners hereby approves the attached Purchase Agreement and exhibits thereto in order to accomplish the sale of that certain Property described therein, and authorizes and directs the President and Executive Secretary to execute the Purchase Agreement substantially in the form hereby approved, allowing for minor or technical changes as determined by the City Attorney, and such other documents, including but not limited to the approved Quit Claim Deed, as are necessary to accomplish the conveyance and close on the sale of the Property by the Port to the Buyer. The Buyer shall record the requisite instruments of sale, as applicable, in the Office of the Winona County Recorder.

4. NEW BUSINESS

A. Black Squirrel Properties-Proposed Amendments to JT Schain Restrictive Covenants

Director of Community Development McMartin explained that Michael Onstad, owner of Black Squirrel Properties and owner of two parcels in the JT Schain Industrial Park has contacted the Port Authority wishing to amend the Protective Covenants that were established for the JT Schain Park. The covenants were put in place in June of 1988 when the Park was established. Mr. Onstad requested the following amendments:

- Article 2: 6(C): All off street parking areas shall be surfaced with concrete or bituminous material.
Mr. Onstad proposed gravel parking be allowed
- Article 5: 3(C): Any use that offers goods or services for sale to the general public.
Mr. Onstad requested the ability to offer goods for sale to the general public.

The Port Authority is still an owner of property in the Park, it has the authority to weigh in/vote to either approve or deny the proposed amendments. Staff requested direction from the Port Authority. Because the Hiatt's have been approved to purchase the Port Parcel in JT Schain, they were asked for input. The Hiatt's indicated they opposed any changes to the existing covenants.

Commissioner Johnson made a motion that directs Ms. McMartin to represent the Port and vote in opposition to any changes to the JT Schain Protective Covenants. The motion was seconded by Commissioner Hansen with all members present voting aye.

B. Support of Business Assistance/Subsidy to BCS Automotive Enterprises LLC

Development Coordinator White explained that as part of the financing package for BCS, the City Council is required to hold a public hearing and vote on a proposed Business Subsidy. Mr. White asked the Port Authority to forward their support to the City Council.

A motion of support of the proposed business assistance/subsidy was offered by Commissioner Thurley and seconded by Commissioner Borzyskowski. All Commissioners present voted aye.

C. Review and Approval of Port/BCS Automotive Loan Documents

Development Coordinator White explained that the Port Authority had approved a loan to BCS Automotive in May of 2020 for their expansion in Winona. At that time the loan documents were not in their completed form. Mr. White pointed out that complete loan documents were supplied to Commissioners and asked the Port Authority to consider the resolution offered.

A motion was made by Commissioner Thurley and seconded by Commissioner Borzyskowski to approve the resolution approving the loan and execution of loan documents to BCS. All Commissioners present voted aye.

**RESOLUTION # 764
SUPERCEDING RESOLUTION #761
Approving BCS Automotive Loan and Authorizing the President and
Executive Secretary to Execute Loan Documents**

WHEREAS, the Authority administers a Revolving Loan Fund (the "Loan Program") for the purpose of encouraging business growth and/or expansion projects for local companies; and

WHEREAS, Recipient operates BCS Automotive Interface Solutions US, LLC, a tier one supplier to the automotive industry, and has applied to the Authority for a Revolving Loan in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00) (the "Loan") to assist with an expansion program into new market sectors (the "Project"); and

WHEREAS, Recipient is the owner of the subject property upon which the Project will occur located at 5752 Industrial Park Road, Winona, MN 55987, PID No. 32.320.0360, (the "Property"); and

WHEREAS, the Port Authority has determined that the Recipient's loan application is consistent with the intent of its Loan Program in that their expansion will retain 90 quality manufacturing jobs in Winona and create an additional 117 quality manufacturing jobs within the next two years. The Port has agreed to make a loan in the principal amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00); and

WHEREAS, a portion of the above-mentioned loan amount, Fifty Thousand and 00/100 Dollars (\$50,000.00), may be forgivable if certain job and wage goals are met.

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

1. The Port Authority of Winona approves a Port Revolving Loan as outlined above to BCS Automotive Interface Solutions US, LLC.
2. The Port Authorizes President Mike Cichanowski and Executive Secretary Stephen T. Sarvi to execute of the Loan Documents.

D. Sand Requests – Technology Park

Director of Community Development McMartin reported that the demand for dredge sand has remained high throughout the summer and much of the Port's sand in the Technology Park has been utilized. McMartin explained that the Port Authority has three remaining requests for sand:

- Fastenal: 10,000 yards
- Hiatt Mfg: 5,000 yards
- RTP: 35,000 yards

Because we likely do not have 50,000 yards available in the Technology Park, Ms. McMartin offered the following suggestions:

- Encourage Fastenal to utilize sand that has deposited adjacent to Dick's Marine
- Reserve 5,000 yards for the Hiatt Manufacturing project in JT Schain
- Allow RTP to use what is left, understanding it is probably something less than the 35,000 yards requested
- In the future, as sand becomes available, a charge of \$1 per yard be administered

A motion was made by Commissioner Hansen to approve distribution of sand as proposed along with a charge of \$1 per yard for other future projects. The motion was seconded by Commissioner Borzyskowski. Commissioner Johnson abstained from voting, all remaining members present voted aye.

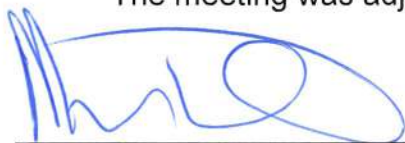
Staff suggested they would come back to the Port Authority for other requests to confirm the charge.

5. FINANCIAL REPORT

Finance Director Wojahn reported that there were no extraordinary revenues or expenses.

6. ADJOURNMENT

The meeting was adjourned at 4:45 pm.



Myron White
Development Coordinator



Mike Cichanowski
President