

PORT AUTHORITY OF WINONA MINUTES

DATE: October 13, 2016

PRESENT: Commissioners Cichanowski, Johnson, Glubka, Borzyskowski, Thurley, Lucas and Executive Secretary Sarvi

ABSENT: Commissioner Hansen

STAFF PRESENT: Community Development Director McMartin, Development Coordinator White, Finance Director Burrichter and Community Development Specialist Larson

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 Johnson to approve the August 11, 2016 minutes. The motion carried with all members present voting aye.

2. REMARKS BY PRESIDENT

Nick Larson, Community Development Specialist, provided an overview of the Bluffview Flats development. Nick Larson was heavily involved in the \$6.4 million project with regard to monitoring Small Cities Funds, Davis-Bacon wage rates, HUD standards and monthly draws. The 54 unit complex has been extensively remodeled inside and out. Fifty-three of the fifty-four units are currently leased. The Port Authority provided a \$75,000 deferred loan for the project.

Community Development Director McMartin informed the Commission on upcoming manufacturer's week events and tours.

3. NEW BUSINESS

A. Revolving Loan Fund Guidelines

Community Development Director McMartin provided an overview of the guidelines and mentioned that many of the changes came at the suggestion of the Department of Employment and Economic Development (DEED). Development Coordinator White highlighted some of the proposed changes to the guidelines.

Commissioner Thurley asked if the changes would make it simpler for the applicant and asked if it would help to guarantee repayment. Staff suggested that the changes to the application would probably not impact the applicant. Staff also noted that the Port historically has had an excellent repayment history.

Commissioner Glubka expressed the need to continue the Revolving Loan Committee review of loans. It was noted that while they can no longer

approve loans, it would be appropriate for the Committee to forward recommendations to the Commission.

A motion was made by Commissioner Borzyskowski to approve the proposed changes to the Revolving Loan Fund Guidelines. The motion was seconded by Commissioner Lucas. The motion carried with all present voting aye.

B. Loan Request – Omni Engineering

Community Development Director McMartin gave an overview of the Omni Engineering \$25,000 loan request and past Omni loans, commenting that all previous loans were paid in full and payments had been made on time. Director McMartin noted that staff had discussed the loan with Omni's Chief Financial Officer. The loan would be guaranteed by the principals of the company and staff would verify that all matching fund commitments would be in place prior to distributing funds.

Commissioner Thurley asked about the term of the loan. Staff replied that the \$25,000 loan would be amortized over 5 years at an interest rate of 3%.

Commissioner Glubka made a motion to approve the loan to Omni Engineering; the motion was seconded by Commissioner Thurley. The motion carried with all present voting aye.

C. Request from Metro Plains

Staff provided an overview of Metro Plains involvement in the renovation of the former school into Washington Crossings. They mentioned the Winona Middle School had successfully been repurposed into apartment units which have proven to be very desirable. It was noted that Metro Plains also owned the adjacent auditorium/theater space and that little had been done to improve the space. In order to better preserve the building (make improvements to the downspouts to reduce or eliminate water intrusion into the building) and find a reuse for the structure, Metro Plains had requested the Port forgive roughly \$110,000 of loan interest to help defray those expenses.

Craig Stenson representing Metro Plains indicated that Metro Plains did not know at this time what to do with the auditorium building and any Port funds would be used to take care of the current water issues and contract for a feasibility study designed to determine if the building could be repurposed.

Port Commissioners had several questions with regard to the building and its current state of disrepair. It was clarified that if approved, the interest on the loan would be abated, not deferred. Several Commissioners questioned why the deferred maintenance of the building was not addressed earlier. Commissioners encouraged Metro Plains to seek loans and/or grants to address some of the needed maintenance.

Commissioner Johnson made a motion to deny the request from Metro Plains to defer interest on the Port Loan. The motion was seconded by Commissioner Glubka. The motion carried with all present voting aye.

Commissioners directed staff to continue to work with Metro Plains helping them seek other forms of funding.

D. Consideration of Logo Change

City Manager Sarvi indicated that the City of Winona had recently implemented a new logo. Staff provided the Commission with a copy of the existing logo along with two new logo options. The Commission directed staff to begin to implement a new Port logo.

E. Wells Fargo Quit Claim Deed

Community Development Director McMartin indicated that the Wells Fargo building at 930 Parks Avenue was being sold and the Port had been approached to execute a quit claim deed to clarify some objections to the title.

Commissioner Borzyskowski made a motion to authorize the Port President and Executive Secretary to execute the quit claim deed. The motion was seconded by Commissioner Glubka. The motion carried with all those present voting aye.

4. Financial Report

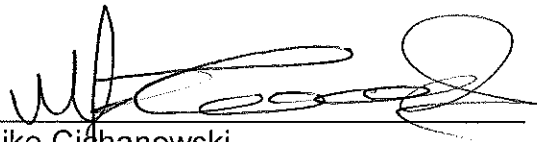
Finance Director Burrichter reported no revenues or expenses out of the ordinary.

5. Adjournment

The meeting was adjourned at 4:45 p.m.



Myron White
Development Coordinator



Mike Cichanowski
President