

PORT AUTHORITY OF WINONA MINUTES

DATE: December 10, 2020

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

ABSENT: None

STAFF PRESENT: Director of Community Development Lucy McMartin, Development Coordinator Myron White, Finance Director Jessica Wojahn, & Community Development Specialist Nick 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 Borzyskowski and seconded by Commissioner Thurley to approve the November 12, 2020 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski congratulated and thanked Commissioner Thurley for his 16 years of service and dedication while serving as a Port Authority Commissioner in completing numerous projects, including but not limited to, Wenonah Canoe moving operations to Winona from Vancouver, B.C., Pelzer Street, Marine Art Museum, and Washington Crossings Apartments. Commissioner Thurley thanked the Port Authority for the recognition plaque he received.

President Cichanowski congratulated WinCraft on their sale to Fanatics.

3. NEW BUSINESS

A. Certificate of Compliance/Completion

The Port Authority of Winona sold property in Technology Park to facilitate WinCraft's expansion in 2015. The Quit Claim Deed has restrictions, covenants and conditions to facilitate the project completion. Director of Community Development Lucy McMartin noted when the Port sells property as a Quit Claim Deed there are six conditions to be met and by state statute the purchaser is required to develop the property and put the property to its' intended use. Director of Community Development Lucy McMartin informed the Commissioners that all conditions have been met by WinCraft.

A motion was made by Commissioner Thurley, and seconded by Commissioner Hanson, to authorize President Cichanowski and Executive Secretary Sarvi to execute the Completion and Compliance Certificate. All Commissioners present voted aye.

CERTIFICATE OF COMPLIANCE/COMPLETION

WHEREAS, the Port Authority of Winona, Minnesota a body politic and corporate under the laws of the State of Minnesota (the "Grantor"), by Quit Claim Deed, dated February 27, 2015, and recorded in the Office of the County Recorder in and for the County of Winona, State of Minnesota, as Document No. A-586356, on February 27, 2015 (the "Deed"), conveyed to Richard J. Pope/Wincraft/WB Properties, LLC, a limited liability company under the laws of the State of Minnesota (the "Grantee"), the following legally described real property, in Winona County Minnesota to-wit:

Lots One and Two (1 and 2), all in Block Three (3), Technology Park, according to the recorded plat thereof, Winona County, Minnesota;

Also, that part of Lot Three (3), said Block Three (3), Technology Park, lying westerly of a line distant 120.00 feet easterly of, as measured at right angles to, and parallel with the common boundary line between said Lots Two and Three (2 and 3) and its extensions;

Subject to easements and restrictions of record.

; and

WHEREAS, said Deed contained certain restrictions, covenants and conditions set forth in paragraphs 1 through 6 of said Deed; and

WHEREAS, said Grantee has performed and satisfied the above-referenced restrictions, covenants and conditions in said Deed insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that the restrictions, covenants and conditions set forth in paragraphs 1 through 6 of said Deed are hereby terminated and released absolutely and forever insofar as they apply to the real property legally described herein, and the County Recorder in and for the County of Winona, State of Minnesota, is hereby authorized to accept for recording and to record the filing of this instrument, to be the conclusive determination of the satisfactory termination and release of the said restrictions, covenants and conditions set forth in paragraphs 1 through 6 of said Deed, and that said Deed shall otherwise remain in full force and effect.

B. Consent to Assignment and Assumption

Director of Community Development Lucy McMartin explained the City and Port entered into TIF Development Agreement February 12, 2015, and a First Amendment to the Development Agreement June 21, 2017 with Richard J. Pop/Wincraft/WB Properties, LLC. Director of Community Development McMartin noted the property is being transferred to WinCraft Inc. and due to

TIF statutes, Port and City approvals to consent to the assignment and assumption of the TIF Development agreement are required.

President Cichanowski asked John Killen of WinCraft to provide the Commissioners an overview of the transfer and asked Commissioners if they had any questions regarding the assignment and assumption of the TIF Development Agreement:

- Mr. Killen informed the Commissioners the number one (1) concern of WinCraft for when looking for a purchaser was maintaining jobs for their current employees and for Winona. Mr. Killen noted the purchaser, Fanatics is a global sports apparel company and WinCraft will continue to produce "hard goods" at the Winona location as a Minnesota company and may look at expanding in the future.
- Commissioner Lucas asked if the City Council also needed to approve the assignment and assumption.
- Director of Community Development McMartin informed the Commissioners that the assignment and assumption will be presented to the City Council on December 21 and the Council will be informed of Port approval.
- Commissioner Borzyskowski asked for clarification of what are the "hard goods" manufactured by WinCraft.
- Mr. Killen informed the Commissioners that "hard goods" are non-apparel items or items you do not wear, such as, pennants, lanyards, or "Homer Hankies".

A motion was made by Commissioner Borzyskowski, and seconded by Commissioner Lucas, to approve the Assignment in substantially the form submitted, and to approve the attached resolution allowing President Cichanowski and Executive Director Sarvi to sign the consent to the Assignment and Assumption of the TIF Development Agreement. All Commissioners present voted aye.

RESOLUTION NO. 769

RESOLUTION APPROVING THE ASSIGNMENT AND ASSUMPTION
OF DEVELOPMENT AGREEMENT

A. WHEREAS, the Port Authority of Winona (the "Authority") and the City of Winona (the "City") entered into a Development Agreement, dated February 12, 2015, and entered into a First Amendment to Development Agreement dated June 21, 2017 (together, the "Development Agreement") with WinCraft, Incorporated, a Minnesota corporation (the "Company") and Richard J. Pope/Wincraft/WB Properties LLC, a Minnesota limited liability company (the

"Landlord"). The Landlord desires to assign its interest in the Development Agreement pursuant to an Assignment and Assumption of Development Agreement (the "Assignment") by and between the Landlord and Company.

B. WHEREAS, a draft of the Assignment has been submitted to the Board of Commissioners for approval.

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

1. The Board of Commissioners hereby approves the Assignment in substantially the form submitted, and the President and the Executive Secretary are hereby authorized and directed to execute the Consent and Acknowledgement of the Authority to the Assignment on behalf of the Authority. In the absence of the President or the Executive Secretary, any document authorized by this resolution to be executed may be executed by an acting or duly designated official.

2. The approval hereby given to the Assignment includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Authority officials authorized by this resolution to execute the Assignment. The execution of the Assignment by the appropriate officer or officers of the Authority shall be conclusive evidence of the approval of the Assignment in accordance with the terms hereof.

C. New Grant Agreement with MnDot

Development Coordinator Myron White presented information on the 998 Dock Minnesota Port Assistance application and the Grant Agreement to fund the rehabilitation of the west dock (998 Riverview Drive). Development Coordinator Myron White informed the Commissioners that final engineering will be completed after initial excavation occurs to create bid documents and anticipates construction to start in 2021.

- President Cichanowski asked if the excavation to expose the back of the dock wall and examine how the existing dock wall is tied-in has been completed.
- Development Coordinator Myron White informed the Commissioners that Zenkè Excavating is scheduled to conduct the excavation next week.
- Commissioner Lucas asked if costs go up, is the \$487,500 all the State will allocated.
- Development Coordinator Myron White confirmed the State will only allocate the \$487,500 and an option to keep the project on budget would be to do the concrete cap as a separate project at a later date.
- Commissioner Hanson noted the contingency costs built into the pre-engineering estimate.
- Director of Community Development Lucy McMartin informed the Commissioners that the Minnesota Ports Association informed MN DOT of

their concerns regarding increased costs, considering it is a two (2) year period from the time of application to requesting bids.

A motion was made by Commissioner Lucas, and seconded by Commissioner Thurley, to approve the Resolution authorizing the President and Executive Secretary to execute the General Obligation Bond Grant Agreement. All Commissioners present voted aye.

RESOLUTION # 770

Resolution Authorizing the Execution of State General Fund Bond Agreement & Committing Local Funds for the 998 Riverview Drive West Dock Rehabilitation Project

WHEREAS, pursuant to Minnesota State Statute 469.048-469.068 and 469.089, the Port Authority of Winona supports the establishment of the design and construction of a rehabilitated dock wall for the Port Authority-owned dock located at 998 Riverview Drive, within the City boundaries of Winona, Minnesota; and

WHEREAS, under the provisions contained in Minnesota Laws of the State of Minnesota has allocated \$487,500 of General Obligation Bond Proceeds to the Port Authority of Winona to design and construct a bulkhead wall system to rehabilitate the west dock wall at 998 Riverview Drive.

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

1. The Port Authority of Winona authorizes President Mike Cichanowski and Executive Secretary Stephen T. Sarvi to execute of the General Obligation Bond Grant Agreement with the State of Minnesota to enable the receipt of the awarded funding.
2. Per Minnesota Statute Chapter 469.056, the Port Authority of Winona has the legal authority to enter in to said agreement with the Minnesota State Department of Transportation.
3. The Port Authority as part of its 2020 budget has committed its share of local funds to fully fund the projects anticipated costs and can encumber funds to 2021 to continue to meet the projected costs in 2021.
4. The Port Authority of Winona agrees to cover any costs that exceed the amount of funds provided by the State General Obligation Bonds necessary to complete the project.

D. Emergency Loan Program

Community Development Specialist Nick Larson noted the Port approved the creation the Emergency Loan Fund to assist local businesses affected by COVID-19 and Governor Walz's Executive Orders in April. Community Development Specialist Larson informed the Commissioners that of the twenty-six (26) committed loans, thirteen (13) were to businesses are "Places

of Accommodation”, including bars, restaurants, exercise facilities, and tour businesses that are now affected by Governor Walz’s most recent Executive Orders. Community Development Specialist Larson recommended deferring payments for the thirteen (13) affected business and asked for direction from the Commissioners.

- Commissioner Borzyskowski asked how much is left in the fund.
- Community Development Specialist Nick Larson noted \$56,800 remains in the fund.
- President Cichanowski noted the fund started with \$250,000.
- Commissioner Lucas asked what the amounts of the loans for the thirteen (13) affected businesses are.
- Community Development Specialist noted the loan amounts ranged from \$2,000 to \$20,000.

A motion was made by Commissioner Johnson, and seconded by Commissioner Borzyskowski, to authorize staff to prepare loan amendment documents to defer payments for the thirteen (13) affected businesses until July 20, 2021. All Commissioners present voted aye.

4. FINANCIAL REPORT

Finance Director Wojahn reported the 2nd payment of the tax settlement has been received and is in-line with the previous years.

- Director of Community Development Lucy McMartin noted it is good sign that businesses were able to pay the 2nd half payment of property taxes.
- Commissioner Thurley asked about the collection of sales tax figures.
- Finance Director Jessica Wojahn noted sales taxes figures are usually reported quarterly, but can send figures available to date.
- President Cichanowski noted the barge numbers looked strong.
- Commissioner Johnson asked if there was any information from the Corps about dredging the port.
- Community Development Director Lucy McMartin noted maintenance dredging happens from time-to-time and is permitted by the MPCA and the Port should do soundings, as the Corp will not.

5. ADJOURNMENT

The meeting was adjourned at 4:38 pm.



Lucy McMartin
Director of Community Development



Mike Cichanowski
President