

PORT AUTHORITY OF WINONA MINUTES

DATE: December 14, 2017

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

ABSENT: None

STAFF PRESENT: Community Development Director McMartin, Finance Director Burrichter, Development Coordinator 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 Borzyskowski, and seconded by Commissioner Thurley to approve the November 9, 2017 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski had no remarks.

3. OLD BUSINESS

A. Phase II Geotechnical Services for 128 West 5th Street

Director of Community Development McMartin reported that the Port had received two quotes for Phase II Geotechnical services for the Hardees block. Based on staff review of the proposals, Ms. McMartin recommended approval of the low bid, Landmark Environmental Services. Commissioner Borzyskowski asked when the work might start; Ms. McMartin indicated it would begin early January.

Commissioner Lucas made a motion to approve the Phase II proposal from Landmark Environmental. The motion was seconded by Commissioner Borzyskowski with all present voting aye.

4. NEW BUSINESS

A. DEED/MIF Revolving Loan Funds

Director of Community Development McMartin outlined a one-time initiative authorized by the legislature that would give local units of government who administer DEED funded revolving loan funds additional flexibility with regard to the use of the funds. To gain the added flexibility, DEED would require 20% of the earmarked loan fund be returned to DEED for Minnesota Investment Fund use. Ms. McMartin indicated the City/Port loan fund currently had a balance of \$328,000. She suggested that the Port forward a recommendation to the City Council to earmark \$250,000 of the loan fund for the aforementioned added flexibility (meaning the City/Port would retain \$200,000 while returning \$50,000 to State Minnesota Investment Fund coffers).

Commissioner Glubka asked if communities carry a large loan fund balance. Ms. McMartin indicated that many communities have experienced difficulty loaning available monies due to some of the loan requirements. Commissioner Lucas asked what the "freed-up" funds might be spent on. Ms. McMartin indicated that the next agenda item regarding co-work space might be a use. She also indicated that a community would have the flexibility to use it for any lawful community expenditure it chooses.

A motion was made by Commissioner Glubka to forward a recommendation to the City Council to consider earmarking up to \$250,000 in MIF loan funds for additional flexibility. The motion was seconded by Commissioner Hansen with all present voting aye.

B. Creative/Co-work space for Entrepreneurs

Development Coordinator White indicated that the flexible loan funds may be a possible source of funding for creative/co-work space in Winona. Mr. White went on to explain that the space had been a subject of ongoing conversations between the Port/City, the Chamber, Winona State University College of Business and the St. Mary's University Kabara Institute for Entrepreneurial Studies. Mr. White indicated that City Manager Sarvi had introduced co-work space at an earlier Port Authority meeting.

Mr. White indicated that the group had looked at available space on the corner of Third and Lafayette. He reported that the partnership had expressed a willingness to cover rental costs for the first two years of operation. The request to the Port was to provide flexible financing in the amount of up to \$40,000 to cover start-up and remodeling costs.

Questions followed with regard to ownership of the co-work space. Mr. White stated that final ownership status had not been finalized but the group envisioned that the space could be owned by a private, for-profit limited liability corporation. Other ownership options were discussed.

The Port Authority discussed their support for funding with the following contingencies:

- 1) Approval of the flexible use of loan funds by both the City and DEED.
- 2) Proof of Ownership to include articles of incorporation.
- 3) Assurances by partners with regard to funding rental payments for the first two years.

A motion was made by Commissioner Hansen to approve the concept given the contingencies. The motion was seconded by Commissioner Lucas with all Commissioners present voting aye.

C. Demo Quotes 128 West Fifth Street

Director of Community Development McMartin requested the agenda item be tabled until after the Phase II environmental review is complete and Port staff had an opportunity to explore additional sources of funding the demolition.

5. FINANCIAL REPORT

City Finance Director Burrichter provided information on the County .05 cent sales tax and reported that monthly reports appear to be within budget.

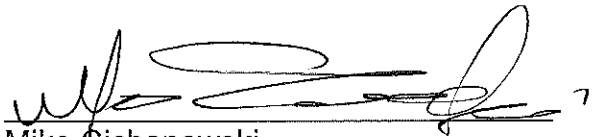
6. ADJOURNMENT

President Cichanowski reported that December was the final Port Authority meeting for Commissioner Glubka. He thanked her for her service to the Port and indicated that the financial expertise she provided the Port Authority will be missed.

A motion to adjourn was made by Commissioner Hansen and seconded by Commissioner Borzyskowski. The meeting was adjourned at 4:50 PM.



Myron White
Development Coordinator



Mike Cichanowski
President