

# PORT AUTHORITY OF WINONA MINUTES

**DATE:** April 15, 2021

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

**ABSENT:** None

**STAFF PRESENT:** Director of Community Development Lucy McMartin and Interim Development Coordinator Nick Larson

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## **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 Lucas to approve the March 11, 2021 minutes. The motion carried with all Commissioners present voting aye.

## **2. REMARKS BY PRESIDENT**

President Cichanowski made comments regarding articles in the Winona Post including the story on the front-page featuring the Port Authority's proposed land purchase of Pro Build. Another story in the second (2<sup>nd</sup>) section of the paper, on page four (4), noted the City of Winona's new construction value of property increased 176% in the past year. President Cichanowski noted these stories of increasing value do not happen unless we think of planning for land assembly, which the Port Authority does as they properties become available for future development projects.

## **3. OLD BUSINESS**

### **A. 169 North Baker Extension**

Interim Development Coordinator Nick Larson noted the Port Authority worked with Habitat for Humanity on a couple of tax-forfeited properties. Mr. Larson noted the Purchase Agreement stated work was to commence within one (1) year from the date the Purchase Agreement was recorded with the Winona County Recorder's Office, which was June 25, 2020 and noted the improvements to be completed and the property be put to its' intended use by December 31, 2021.

Mr. Larson noted due to COVID, Habitat had to suspend construction due to difficulties securing construction materials and volunteers, resulting in Habitat requesting an extension to complete the improvements and to put the property to its' intended use no later than June 2022.

Mr. Larson noted the extension request is to complete the affordable, single-family home at 169 N. Baker.

A motion was made by Commissioner Alexander, and seconded by Commissioner Hansen, to approve the attached resolution granting the extension of the completion date to Habitat for 169 N. Baker. All Commissioners present voted aye.

**B. 863 E. Broadway Extension**

Interim Development Coordinator Nick Larson noted 863 E. Broadway Street is the second (2<sup>nd</sup>) tax forfeited property the Port Authority worked on with Habitat for Humanity. Mr. Larson noted just as the Purchase Agreement for 169 N. Baker, the Purchase Agreement for 863 E. Broadway also stated work was to commence within one (1) year from the date the Purchase Agreement was recorded with the Winona County Recorder's Office, which was June 25, 2020 and noted the improvements to be completed and the property be put to its' intended use by December 31, 2021.

Mr. Larson noted differences between the two projects, as 169 N. Baker had a house and garage razed, foundation work has been completed on the new home, and the Inspections Office has completed a couple of inspections to date. Mr. Larson noted 863 E. Broadway is a vacant lot.

Mr. Larson, noted due to COVID, Habitat had to suspend construction due to difficulties securing construction materials and volunteers resulting in Habitat requesting an extension to commence work in 2022 and complete the improvements to put the property to its intended use no later than June 2023.

A motion was made by Commissioner Alexander, and seconded by Commissioner Hansen, to approve the attached resolution granting the extension to the commencement and completion dates to Habitat for 863 E. Broadway. All Commissioners present voted aye.

**4. NEW BUSINESS**

**A. Purchase Agreement—Pro-Build**

Director of Community Development Lucy McMartin noted per MN Statutes, the Port Authority held a closed session in March related to considering offers or counteroffers for the purchase of real estate located at 165 West Second Street.

Ms. McMartin noted staff has been working with Pro-Build, the owners of 165 W. 2<sup>nd</sup> Street. The building is no longer used by Pro-Build and Ms. McMartin noted the building is in an active area of our downtown. Ms. McMartin added as the Port looks towards the future and does land assembly, this parcel is appropriate to discuss, as the Port has done in two (2) closed meetings.

Ms. McMartin noted staff has worked with the property owner and conducted an appraisal, which the appraisal value is included in the purchase agreement.

Ms. McMartin added that when the Port Authority finalized the 2021 budget, an account was created to purchase land and that fund will be used for part of the purchase and the remainder will come from the General Fund.

Ms. McMartin noted the parcel would be used for interim parking, as was the Hardees lot when the Port purchased the first building in 2006.

A motion was made by Commissioner Alexander, and seconded by Commissioner Lucas, to approve the resolution and purchase agreement authorizing the President and Executive Secretary to execute the document. All Commissioners present voted aye.

**B. Loan Request—Hiatt Industries, LLC**

Ms. McMartin noted the Port Authority held a public hearing regarding the sale of land to Hiatt Industries' for an expansion project. The hearing was held in September 2020. In addition, staff has continued to work the Hiatts while they are preparing construction plans, including stormwater management.

Steve Hiatt of Hiatt Industries, LLC noted they have been working on the project and various steps for over 2 years. Mr. Hiatt noted they have been working on the design of the facility keeping with a similar look to surrounding properties. The complexity of the project has come about while attempting to address the storm water management on the site and challenges to access to the loading dock off Homer Road.

Mr. Hiatt noted they have overcome these obstacles, but to do so increased the cost of the project and limited the size of the facility. Mr. Hiatt noted due to stormwater management requirements, the building size had to be reconfigured and is now roughly 25% smaller.

Mr. Hiatt noted that due to the stormwater management and retention pond requirements, parking, and raising the elevation in relation to the flood plain, the majority of the lot would need to be excavated. Mr. Hiatt noted it is because of all of the before mentioned requirements they are requesting financial assistance.

Ms. McMartin noted that working with the Hiatts on the proposed assistance, it was suggested a deferred loan could be brought forth for Port Commissioners review. The proposed financial assistance was presented and includes a \$30,000, zero percent interest deferred loan, which would be forgiven provided the Hiatts meet conditions set forth in the loan agreement. The conditions require the building to be completed, jobs to be reported, and the business to remain in Winona for at least five years.

President Cichanowski noted this would be the first retention pond in Schain Industrial Park.

Commissioner Johnson thanked the Hiatts for their efforts and for choosing Winona for their project.

Mr. Hiatt noted Hiatt Industries has been in Winona for over 40 years.

Commissioner Borzyskowski asked when the project would break ground.

Mr. Hiatt noted the goal is to break ground mid-June and to be in the building in January or February 2022.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski, to authorize the President and Executive Secretary to execute the loan documents. All Commissioners present voted aye.

**C. 998 Riverview Drive—Dock Rehabilitation Project**

Ms. McMartin noted the Port Authority has been working on the project for three (3) to four (4) years, as the project requires coordinating with MnDOT to secure bond funding. Ms. McMartin added that MnDOT awarded \$487,500 towards the project and the Port would contribute \$196,500 to complete the project.

Ms. McMartin noted the preliminary engineering has been completed and staff has reviewed the plans to install a new sheet pile bulkhead wall in front of the existing sheet pile.

Roger Humphrey of GRAEF USA provided an overview of the project, which includes a new sheet pile design, tie-bars, and hiring local firms. General discussion about the dead-man utilization, capacity and epoxy coating occurred.

Mr. Humphrey noted, the existing dead man will not be used due to elevation changes and the design will use a stiffer sheet piling, which will now be tied back at a different height and length.

Commissioner Johnson asked what the weight restrictions will be for the new dock design and suggested adding an epoxy coating to extend the life of the dock be considered as the specifications are developed. In addition, the weight in pounds per square foot in context of operational uses should be included in the final plans.

Staff suggested the plans be brought back to the Port Authority. A motion was made by Commissioner Alexander, and seconded by Commissioner Lucas for staff to continue to work with GRAEF USA to finalize the design plans to then be reviewed by the Commissioners at future a meeting. All Commissioners present voted aye.

**D. Gypsoil—Subordination and Intercreditor Agreement**

Ms. McMartin informed the Commissioners that the Port made a loan to Gypsoil a few years ago. Ms. McMartin noted Gypsoil is using a new senior lender, which is why Gypsoil is requesting the new Subordination and Intercreditor Agreement. Ms. McMartin added that the City of Winona also provided a loan to Gypsoil and the Subordination and Intercreditor Agreement will be presented to the Council at their April 19<sup>th</sup> meeting.

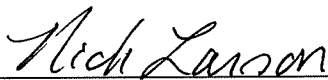
A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski to authorize the President and Executive Secretary to execute the document. All Commissioners present voted aye.

**5. FINANCIAL REPORT**

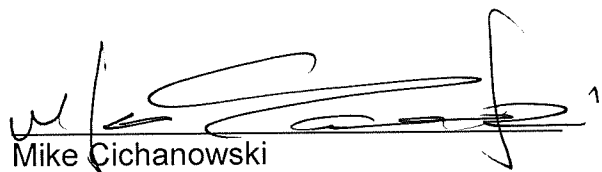
Ms. McMartin noted Finance Director, Jessica Wojahn was unable to be present, but informed the Commissioners that Ms. Wojahn did not note anything substantial on the financial report.

**6. ADJOURNMENT**

A motion was made by Commissioner Hansen and seconded by Commissioner Alexander to adjourn the meeting. The meeting was adjourned at 4:41 pm.



Nick Larson  
Development Coordinator



Mike Cichanowski  
President