

# PORT AUTHORITY OF WINONA MINUTES

**DATE:** May 12, 2022

**PRESENT:** President Cichanowski, Commissioners: Borzyskowski, Alexander, Gorman, Johnson, Lucas and Executive Secretary Chad Ubl

**ABSENT:** Commissioner Hansen

**STAFF PRESENT:** Director of Community Development Lucy McMartin and 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 Alexander, and seconded by Commissioner Lucas to approve the April 14, 2022 minutes. The motion carried with all Commissioners present voting aye.

## **2. REMARKS BY PRESIDENT**

None.

## **3. OLD BUSINESS**

### **A. 998 Riverview Drive Rehabilitation Project Completion**

Development Coordinator Nick Larson stated the Port Authority contracted Michels Construction to complete the 998 Riverview Drive dock rehabilitation project with partial funding provided by MnDOT.

Mr. Larson noted Michels Construction has completed the project with the exception of one item. Mr. Larson explained Michels Construction has been on-site to grind welds and touch-up the epoxy coating to the anchors of the four (4) rubbing timbers. Mr. Larson continued that Michels Construction was able to complete the epoxy coating touch-up on the three (3) of the four (4) rubbing timbers, but were unable to complete the lowest rubbing timber as it has been under water. Mr. Larson noted Michels Construction will complete the epoxy coating touch-up once the water level recedes.

Mr. Larson stated the project had a change order and a credit during construction adding a slight increase to the project cost. Mr. Larson noted the change order was for the placement of new rip rap and per the bid specs, compaction testing was to occur as new aggregate was placed to bring the dock up to the level of the sheet pilings. Mr. Larson stated the earthwork subcontractor did not perform compaction testing; resulting in a credit. Mr. Larson informed the Commissioners that staff did consult with Roger Humphrey, the project engineer from GRAEF, along with Director of Public Works Brian DeFrang in regards to the compaction testing not being

completed. Mr. Larson noted both Mr. Humphrey and Mr. DeFrang are confident the aggregate will naturally compact itself due to the fill material being river dredge sand. Mr. Larson stated for greater assurance, if there were to be issues with the compaction the Port is protected because of the Performance Bond Michels Construction issued at the start of the project.

Commissioner Lucas asked for clarification of the final project cost in relation to the change order and credit.

Mr. Larson noted the change order was \$10,588 and the credit was for \$3,000; resulting in a net charge of \$7,588.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski, to approve the attached resolution accepting the work of Michels Construction, Inc. All Commissioners present voted aye.

**B. Kensington Lease Agreement**

Director of Community Development Lucy McMartin noted the Port Authority has leased the parking lot for the use of the Kensington for over thirty (30) years. Ms. McMartin noted staff has been working with Ritch Jacobson, the operator of the Kensington, to develop a Lease Agreement for a term of five (5) years at an annual rate of \$4,500.

Ms. McMartin noted Mr. Jacobson recently informed staff that he is interested in purchasing the parking lot from the Port Authority. Ms. McMartin noted that if there is an opportunity to sell the parking lot at an amount acceptable to the Port Authority there are no penalties for opting out of the lease early.

Commissioner Alexander noted the Port Authority should review the amount charged per parking space. Ms. McMartin noted the lease is structured similar to the Lease Agreement with 102 Walnut at \$100 per space. Commissioner Alexander noted rates should be reviewed as parking lease agreements come up for renewal and noted at even \$300 per space is below-market.

Commissioner Borzyskowski asked who owns the garages on the parking lot. Mr. Larson noted the previous lessee constructed the garages, but the lease states that upon the lease expiring all improvements made to the property would become the property of the Port Authority and if the Port Authority would not want the garages to remain on the property the Port Authority could charge the current lessee for the cost of demolishing the garages.

President Cichanowski noted the Kensington project needs the parking. Ms. McMartin concurred and noted the Port Authority began providing parking for the Kensington project in 1991.

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

#### **4. NEW BUSINESS**

##### **A. Project Updates**

Ms. McMartin noted the rehabilitation of the Exchange Building is being done by Winona Real Estate Group. Ms. McMartin noted the project consists of 29 residential units with a mix of short and long-term rentals. Ms. McMartin noted Winona Real Estate Group may make a request to utilize some of the Port owned parking lot to the south of the building, as the project includes creating a portion of the parking lot to the east of the building into green space.

Ms. McMartin noted staff submitted a Cleanup Grant for the 60 Main Project and the City Council approved to transfer a parcel of city owned land on the 60 Main site to the Port Authority. Ms. McMartin noted staff will be meeting with the development team to discuss the next steps of the development process in the next couple of weeks.

Ms. McMartin noted it is anticipated the closing of the Port's purchase of land from HBC should be completed by the end of June. Ms. McMartin noted HBC has removed the satellite dishes and are in the process of removing the concrete foundations the satellites were mounted to, along with the removal of signage. Ms. McMartin stated HBC provided permission for the Farmer's Market and Park Rec to place signage on the Wizards building.

Ms. McMartin noted the subcommittee meetings for the Comprehensive Plan have begun.

Ms. McMartin informed the Commissioners about a group of Minnesota and Wisconsin counties who are creating a Ports Statistical Area. Ms. McMartin noted the State of Minnesota recognizes Winona as a Port, but the only federally designated port north of lock 10 is St. Paul. Ms. McMartin stated Winona could have access to federal funds if part of a larger district with the Ports Statistical Area.

Ms. McMartin stated staff has extensively researched the proposed Ports Statistical Area and noted there are no financial obligations to be part of the Ports Statistical Area. Ms. McMartin noted a resolution of support is requested to be part of the Ports Statistical Area, which will be brought to a future meeting for the Commissioners' consideration.

Commissioner Lucas asked if the district would extend into Iowa. Mr. Larson noted Illinois and Iowa have partnered to create their own Ports Statistical Area.

Informational item. No vote required.

**5. FINANCIAL REPORT**

Ms. McMartin referenced a \$400,000 transfer noted on page 21. Ms. McMartin noted the \$400,000 was a payment the Port received per the Lease Agreement with CD Terminal LLC to help off-set the over-budgeted cost of the west dock project.

**6. ADJOURNMENT**

A motion was made by Commissioner Borzyskowski, and seconded by Commissioner Alexander to adjourn the meeting. All Commissioners present voted aye. The meeting was adjourned at 4:15 pm.



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Nick Larson  
Development Coordinator



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Mike Cichanowski  
President

**PORT AUTHORITY OF WINONA  
ROLL CALL AND VOTE SHEET  
MAY 12, 2022**

Name	Approval of Minutes April. 14, 2022	998 Riverview Drive Rehabilitation Completion	Kensington Lease Agreement	Project Updates	Financial Report	Adjournment
Cichanowski	Aye	Aye	Aye	Informational	No Vote	Aye
Johnson	Aye	Aye	Aye	Informational	No Vote	Aye
Gorman	Aye	Aye	Aye	Informational	No Vote	Aye
Borzyskowski	Aye	2 <sup>nd</sup> & Aye	2 <sup>nd</sup> & Aye	Informational	No Vote	1 <sup>st</sup> & Aye
Alexander	1 <sup>st</sup> & Aye	1 <sup>st</sup> & Aye	1 <sup>st</sup> & Aye	Informational	No Vote	2 <sup>nd</sup> & Aye
Hansen	Absent	Absent	Absent	Absent	Absent	Absent
Lucas	2 <sup>nd</sup> & Aye	Aye	Aye	Informational	No Vote	Aye