

PORT AUTHORITY OF WINONA MINUTES

DATE: May 13, 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, Development Coordinator Nick Larson, City Engineer Ryan Meiners, and Director of Finance Jessica Wojahn

1. CALL TO ORDER – APPROVAL OF MINUTES

The meeting was called to order at 4:00 pm by Commissioner Hansen. A motion was made by Commissioner Borzyskowski and seconded by Commissioner Lucas to approve the April 15, 2021 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

None

3. PUBLIC HEARING

A. Parcel 81, former MnDOT Land

Director of Community Development Lucy McMartin, noted the Port Authority acquired excess land at 266 W. 4th Street; also known as Parcel 81 from the MnDOT bridge project for \$30,000. Ms. McMartin stated since that time Fastenal has acquired the remaining parcels on the block and has interest in acquiring Parcel 81 from the Port Authority.

Ms. McMartin noted as part of the public record staff received an email regarding the sale of land from John Finn, 352 W. 4th Street, Winona, MN.

Pursuant to a public hearing notice published on Wednesday, April 28, 2021, Commissioner Hansen opened the public hearing to accept public comment on the proposed sale of Parcel 81 to Fastenal Company Purchasing. The proposed price is the same amount the Port bought it for, \$30,000.00.

Mr. Finn's email read: "I appreciate the City's foresight in acquiring a portion of the Huff, 4th, and 3rd Street block in order to have some control over its development. However, from recent news coverage it's not clear just how this bargaining leverage will be used. While something other than a parking lot would have been my wish, I hope it will at least be consistent with the 2020

Downtown Strategic Plan in regards to beautification and place making (chapters 3 and 4).”

“Although detailed expectations for parking lots in particular are not in the Downtown Plan, I recall attending public meetings where urban design consultants did address those. Whether their suggestions have been adopted or not, I think the spirit of the Plan's Chapters 3 and 4 call for landscaped islands and some bump-outs with trees around the perimeter or at least no opposition to future boulevard trees. Lighting design should be considered along with how best to plow and store or remove snow so as not to damage included landscaping or the bridge area walking path area. Realize that this is the River Crossing and Riverview Drive entrances to downtown.”

“Will you expect objections to the added expense and less than maximum number of parking spaces? Yes, but please don't settle for a gravel parking lot ('land banking' until another use?) with a promise to allow public parking during Steamboat Days fireworks night.”

Commissioner Hansen asked a second and third time for additional public comment. Hearing none, Commissioner Hansen closed the public hearing.

A motion was made by Commissioner Alexander, and seconded by Commissioner Lucas, to direct staff to proceed with a purchase agreement and deed for future Port action. All Commissioners present voted aye with the exception of Commissioner Johnson, who abstained.

4. NEW BUSINESS

A. WinCraft Inc.

Ms. McMartin noted Port Authority staff has been meeting with WinCraft to encourage the expansion project under consideration to be located in Winona. Ms. McMartin informed the Commissioners that WinCraft is considering a new 120,000 sq. ft. facility adjacent to their current facility at 1301 Innovation Drive. Ms. McMartin noted Fanatics acquired WinCraft in December of 2020 and they are looking to expand at one of their multiple locations throughout the country.

Ms. McMartin stated the proposed development project meets the statutory requirement for economic development districts outlined in Minnesota State Statute.

Ms. McMartin informed the Commissioners that WinCraft anticipates hiring 25 new employees because of the Expansion Project, but will state a lower goal of 15 jobs in the agreement.

Ms. McMartin noted the City and Port Authority will be holding separate public hearings on the proposed Economic Development TIF District on Monday, May 17, 2021. Ms. McMartin stated that staff will provide the TIF Plan at that time and will hold a public hearing regarding the business assistance.

A motion was made by Commissioner Borzyskowski, and seconded by Commissioner Alexander to:

- 1) A motion to approve the business assistance (subsidy) with the goals of providing at least fifteen (15) jobs at a wage of \$15.50 per hour within two (2) years of project completion.
- 2) A motion to proceed with the next steps in the process to facilitate the development in Winona, Minnesota.

All Commissioners present voted aye.

B. 998 Riverview Drive—Dock Rehabilitation Project

Development Coordinator Nick Larson noted the Port Authority has been working with GRAEF USA to complete the bid documents and specifications for the west dock rehabilitation at 998 Riverview Drive; to include applying an epoxy coating to the sheet pile and to note the load capacity of the dock on the spec sheets, as the Commissioners previously requested.

Mr. Larson noted through the engineering process GRAEF USA needed to make numerous changes to the design of the dock relative to the Pre-Engineering completed by Wenzel Engineering. Mr. Larson noted Port staff, GRAEF USA, and CD Corp. collaborated extensively to make sure the final design plans will meet current and future needs of the dock operator(s). Mr. Larson informed the Commissioners that the bid specs include optional items to give the Commissioners some flexibility when the time comes to consider the bids, as the Pre-Engineering estimate was from 2018. Mr. Larson noted the Pre-Engineering estimated cost of the project was \$687,000, with \$487,500 committed from MnDOT and \$196,500 from the Port and stated material costs have increase since that time.

Mr. Larson noted the current bid specs call for finishing the dock surface with aggregate for a year or so to give the material time to settle, just as the Port did on the east dock in 2011. Mr. Larson stated the Port could make a future request to MnDOT for additional funding to place a concrete cap on the west dock surface.

General discussion occurred regarding the dock design, current use of loading only, and the possibility of loading and unloading in the future once the concrete cap is installed. A motion was made by Commissioner Johnson, and seconded by Commissioner Alexander to proceed with bidding the project out based on the present design. All Commissioners present voted aye.

C. St. Anne's of Winona Request from Benedictine Health

Ms. McMartin informed the Commissioners that the Port Authority can approve conduit debt for eligible entities to gain attractive financing rates for large projects. Ms. McMartin noted the Port Authority issued conduit debt obligations in 2004 and 2010 to finance projects for St. Anne's. Ms. McMartin continued that St. Anne's is now owned by Benedictine Health, who is looking to refinance their facilities in eleven cities and in Winona. The refinancing would be through the Duluth EDA. Commissioners considered the Resolution consenting to the issuance of the bonds by the Duluth EDA and approving a cooperation agreement. A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski Alexander to approve the resolution. All Commissioners present voted aye.

**RESOLUTION NO. 2021-777
PORT AUTHORITY OF WINONA, MINNESOTA
RESOLUTION CONSENTING TO THE ISSUANCE OF REVENUE BONDS
BY THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND
APPROVING A COOPERATION AGREEMENT**

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

Section 1. Definitions. The capitalized terms used in this resolution have the meanings assigned below:

2021 Bonds: means DEDA's revenue bonds, proposed to be issued in one or more series in an aggregate maximum principal amount of \$150,000,000.

Authority: means the Port Authority of Winona, Minnesota.

Authorized Officers: means the President and Executive Secretary of the Authority.

Bond Counsel to DEDA: means Fryberger, Buchanan, Smith & Frederick, P.A.

Borrower: means Saint Anne of Winona.

Benedictine: means Benedictine Health System d/b/a Benedictine, the sole member of the Borrower.

Board of Commissioners: means the governing body of the Authority.

City: the City of Winona, Minnesota.

Cooperation Agreement: means the Cooperation Agreement between DEDA and the Authority relating to the exercise of joint powers under the Housing Program.

DEDA: means the Duluth Economic Development Authority, Minnesota.

Housing Program: means the Multifamily Elderly Housing Program and Program for Financing A Multifamily Rental Housing Development attached as Exhibit A.

Host Municipalities: means the Cities of Ada, Byron, Crookston, Hastings, Minneapolis, New Brighton, Osseo, Owatonna, Red Wing, Rochester and Shakopee, Minnesota, DEDA and the Port Authority of Winona.

Prior Bonds: means the Authority's Housing Revenue Refunding Note, Series 2004 (Saint Anne of Winona Project), and Housing Facility Revenue Note, Series 2010 (Saint Anne of Winona Project).

Prior Bonds Issuer: means the Authority.

Project: means constructing, improving, renovating, furnishing and equipping senior housing and health care facilities located at 1347 West Broadway, Winona, Minnesota, by the Borrower.

Section 2. General Recitals.

A. The Prior Bonds Issuer previously issued the Prior Bonds to finance or refinance, as applicable, the Project.

B. The Project is owned and operated by the Borrower as a senior living facility.

C. Through its operation of the Project, the Borrower provides health care and senior housing services available to residents within the jurisdiction of the Authority and in the surrounding area.

D. We have been informed by Bond Counsel to DEDA that Benedictine has requested that DEDA issue the 2021 Bonds to refund the Prior Bonds and other outstanding obligations incurred by affiliates of Benedictine with respect to senior living facilities located in the jurisdictions of the Host Municipalities.

E. Bond Counsel to DEDA has informed the Authority that (i) Minnesota Statutes, Section 469.155, subdivision 12 provides that DEDA may issue the 2021 Bonds to refund the Prior Bonds only with the consent of the Prior Bonds Issuer, which is the Authority; and (ii) since the Project is located within its jurisdiction, Minnesota Statutes, Section 471.656, subdivision 2(2) requires the Board of Commissioners to consent by resolution to the issuance by DEDA of any portion of the 2021 Bonds allocable to financing or refinancing the Project.

F. The City adopted Ordinance No. 3612 authorizing the Authority to exercise the powers conferred onto the City by the Housing Act.

G. The Authority has previously approved the Housing Program for the Project.

H. In order to permit DEDA to rely on the Housing Program in conjunction with the issuance of the 2021 Bonds, DEDA has requested that the Authority enter into the Cooperation Agreement.

Section 3. Consent. The Authority consents to the refunding of the Prior Bonds by DEDA, waives any notice of redemption required to be provided to the Authority, agrees that all documents for the refunding of the Prior Bonds, including any notices and termination documents, may be given and executed without further consent, action or execution by the Authority and authorizes Benedictine and its officers and agents to take all actions and execute all documents for the refunding and redemption of the Prior Bonds, including any required notices and termination documents. The Authority consents to the issuance by DEDA of the 2021 Bonds to finance and/or refinance the Project.

Section 4. Affirmation of the Housing Program. The Housing Program is affirmed and ratified and may be relied upon by DEDA in the issuance of the 2021 Bonds.

Section 5. Approval; Execution and Delivery.

A. The Cooperation Agreement is made a part of this Resolution and is approved in substantially the form on file with the Authorized Officers. The Authorized Officers are authorized and directed to execute and deliver the Cooperation Agreement in substantially the form on file with the Authorized Officers.

B. The execution by the Authorized Officers of the Cooperation Agreement is conclusive evidence of its approval in accordance with the terms of this Resolution.

Section 6. Authorization to Staff. The Authorized Officers and other officers of the Authority (individually or with one or more other officers of the Authority or their designees) are authorized and directed to (a) provide a certified copy of this resolution to DEDA or its representatives, along with all proceedings and records of the Authority relating to the subject matter of this resolution, and any other affidavits and certificates required by DEDA to show the facts relating to the Authority respecting the subject matter of this resolution, as the facts appear from the books and records in the Authority's custody and control or as otherwise known to them; and (b) in connection with the Project, the issuance of the 2021 Bonds and the refunding of the Prior Bonds, and on any future date in connection with the 2021 Bonds, take any other action, including holding hearings, or execute other documents, including approvals, consents and certificates, required or deemed appropriate on the request of DEDA or its agents for performance of the Authority in connection with the subject matter of this resolution.

D. Information Barge and Tonnage Report

The Commissioners were provided with the 2021 Year to Date barge and tonnage reports.

5. FINANCIAL REPORT

Finance Director Jessica Wojahn noted the monthly financials were fairly standard. Ms. Wojahn noted the Finance Department is working on the annual report, which should be done for next month's meeting.

Commissioner Borzyskowski asked for an update about the half percent sales tax increase.

Ms. Wojahn noted the Commissioners will be provided an update at a future meeting.

6. ADJOURNMENT

A motion was made by Commissioner Johnson and seconded by Commissioner Alexander to adjourn the meeting. All Commissioners present voted aye. The meeting was adjourned at 4:31 pm.



Nick Larson
Development Coordinator



Mike Hansen
Treasurer

**PORT AUTHORITY OF WINONA
ROLL CALL AND VOTE SHEET
MAY 13, 2021**

Name	Approval of Minutes	Parcel 81, former MnDOT Land	Wincraft Inc.	998 Riverview Drive Dock Rehabilitation Project	St. Anne's Request for Benedictine Health	Informational Barge and Tonnage Report	Financial Report	Adjournment
Cichanowski	Aye	Aye	Aye	Aye	Aye	No Vote	No Vote	Aye
Johnson	Aye	Abstain	Aye	Aye	Aye	No Vote	No Vote	Aye
Gorman	Aye	Aye	Aye	Aye	Aye	No Vote	No Vote	Aye
Borzyskowski	2 nd & Aye	Aye	2 nd & Aye	Aye	2 nd & Aye	No Vote	No Vote	2 nd & Aye
Alexander	1 st & Aye	1 st & Aye	1 st & Aye	1 st & Aye	1 st & Aye	No Vote	No Vote	1 st & Aye
Hansen	Aye	Aye	Aye	Aye	Aye	No Vote	No Vote	Aye
Lucas	Aye	2 nd & Aye	Aye	2 nd & Aye	Aye	No Vote	No Vote	Aye