

PORT AUTHORITY OF WINONA MINUTES

DATE: June 23, 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, Director of Finance Jessica Wojahn

1. CALL TO ORDER

The meeting was called to order by President Cichanowski at 4:00 pm.

2. REMARKS BY PRESIDENT

President Cichanowski did not have remarks.

3. OLD BUSINESS

A. 998 RIVERVIEW DRIVE – DOCK REHABILITATION PROJECT

Bids were received and presented to Commissioners at the meeting on June 10, 2021. The bids were reviewed and Commissioners directed staff to research funding alternatives and report back to the Port Authority Commissioners.

Meeting paused to take roll call: All Commissioners were present either in person or via Zoom.

Staff provided an update on financing options for the Dock Project at 998 Riverview Drive.

Funding for the dock includes Port and MnDOT Funds. The total from MnDOT is \$487,500 and the Port Authority Budgeted \$139,000 during its budgeting process one year ago. MnDOT updated the Port's share in the Grant Agreement to \$196,500. This is not reflected in our current budget, as the amount was not confirmed during the budgeting process.

Director of Community Development Lucy McMartin summarized the low bid and options with the Commissioners identifying the gap of \$408,667 for the Base Bid and Alternate A; and a gap of \$458,627 for the total bid including Alternates A and B.

Next staff outlined that they sought additional funding through MnDOT Port and Waterway Division and were told there was no additional funding. Staff pointed out that the lease should have more value following construction. Another option could be to re-bid the project in one or two years, however, the completion date in the grant agreement with MnDOT is June 2022.

Ms. McMartin reported to Commissioners that she had conversations with CHS and C.D. Corp. CHS formerly leased the dock, who in turn sub-leased the dock to C.D. Corp. until the lease between the Port and CHS expired, which was not renewed so this construction contract could be undertaken. A base fee of \$35,000 with a 3% escalator and tonnage fee with an escalator were part of the dock lease.

The summary of the conversation is that CHS is interested in a lease but noted that it would have to be vetted through CHS Corporate and could not provide dollar amounts. C.D. Corp was interested in providing an upfront payment to enter into a Lease Agreement and was open to tonnage and annual base fees depending on the term of the lease.

Options were outlined including rejecting bids, alternates and a suggested loan from the General Fund to the Commercial Harbor Fund to be repaid later upon receiving the upfront lease payment.

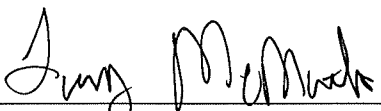
City Manager Steve Sarvi clarified this was an Interfund Loan and as such would be paid back to the Port General Fund.

A motion was made by Commissioner Johnson, seconded by Commissioner Alexander to: Accept the low bid from Michels including the base bid and Alternates A and B for a total of \$1,085,127, authorize staff to continue negotiations for a lease with an upfront payment and to authorize the President and Executive Secretary to execute all contract documents to proceed with the project. All Commissioners present voted aye.

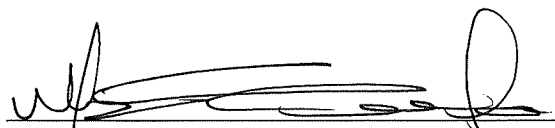
Commissioner Johnson suggested that the City consider adding to its future Capital Improvement Plan, burying the Xcel Energy and communication lines in the downtown area including the Second Street Corridor. Federal funding opportunities may be available.

4. ADJOURNMENT

A motion was made to adjourn the meeting and all voted aye. The meeting was adjourned at 4:16 pm.



Lucy McMartin
Director of Community Development



Mike Cichanowski
President