

# PORT AUTHORITY OF WINONA MINUTES

**DATE:** August 12, 2021

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

**ABSENT:** Commissioner Johnson

**STAFF PRESENT:** Director of Community Development Lucy McMartin, Development Coordinator Nick Larson, and Director of Finance Jessica Wojahn

---

## 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 Alexander to approve the July 14, 2021 minutes. The motion carried with all Commissioners present voting aye.

## 2. REMARKS BY PRESIDENT

None.

## 3. OLD BUSINESS

### A. Kensington Parking Lot Lease Extension

Director of Community Development Lucy McMartin noted in 1991, the Port Authority entered into a 30-year Lease Agreement with Commercial Court Partners for the use of the parking lot located at 160 West Fourth Street to support the redevelopment of the Kensington building. Ms. McMartin noted the project took six (6) years to complete and the Port Authority authorized TIF and provided parking where the Opera House was located.

Ms. McMartin noted the parking was leased for a reduced rate to provide for a public purpose. Ms. McMartin stated the new lease agreement would be for one (1) year to provide time for staff to negotiate a new lease agreement with similar terms of more recent lease agreements to then be brought back at a future meeting for the Commissioners' consideration.

Commissioner Johnson requested staff explore sale and lease terms for the parking lot.

Richard Jacobson, operator of the Kensington, informed the Commissioners of approximately \$500,000 of improvements to exterior painting and elevator are planned in the next six (6) months.

A motion was made by Commissioner Alexander, and seconded by Commissioner Lucas to authorize the President and Executive Secretary to

execute the Extension of the Lease Agreement. The motion carried with all Commissioners present voting aye.

**B. 60 Main-Extend Exclusive Rights to Negotiate**

Ms. McMartin noted the 60 Main project; the parking lot behind the movie theatre has been a priority of the Port Authority since the establishment of Opportunity Winona. Ms. McMartin stated in February, the Port Authority approved of working with the development team of CD Smith, Latsch Development, and Rivers Hospitality for a six (6) month period to develop a plan for a mixed-used project to include housing, hotel, and commercial space. Ms. McMartin noted staff regularly meets with the development team and had an ambitious timeframe of bringing a development agreement back to the Commissioners in six (6) months. Ms. Martin continued that due to the complexity of the project, additional time is being requested to address the vacated rail storage and the parcels of land owned by City and Port in the development area until the end of June 2022.

Executive Secretary reiterated the complexity of the project and noted the lengthy amount of time spent working with the rail companies, and needing to get an appraisal and environmental work completed.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski to approve the attached resolution extending the time period for exclusive negotiations to June 30, 2022. The motion carried with all Commissioners present voting aye.

**PORT AUTHORITY OF WINONA  
RESOLUTION # 782**

**A RESOLUTION BY THE BOARD OF COMMISSIONERS OF THE  
PORT AUTHORITY OF WINONA, EXTENDING THE TIME PERIOD FOR  
EXCLUSIVE NEGOTIATIONS WITH THE DEVELOPMENT TEAM FOR 60  
MAIN**

**WHEREAS**, the Port Authority of Winona ("Port") desires to enter into exclusive negotiations with the previously selected development team of C.D. Smith Construction, Latsch Partnership and Rivers Hospitality (the "Development Team") for the development of 60 Main, depicted on the attached Exhibit A, which is attached hereto and incorporated herein by reference; referred to herein as the "Property"; and

**WHEREAS**, the Port previously reviewed proposals and has determined that it is in the best interests of the Port to pursue a project on the Property consisting of construction of a mixed use structure, including a hotel, along with parking and complementary commercial development (the "Project"); and

**WHEREAS**, the Development Team has requested the exclusive right to negotiate a Development Agreement with the Port for purposes of development of the Project on the Property; and

**WHEREAS**, the Port Authority approved a Resolution on February 11, 2021 to work exclusively for a period of 180 days working toward a Development Agreement and other related agreements as necessary for the Project at 60 Main for Port consideration; and

**WHEREAS**, the Port Authority of Winona and Development Team wish to continue the exclusive right to negotiate a Development Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Port Authority of Winona that: the Board of Commissioners finds that it is in the best interest of the Port district and the people thereof and in furtherance of the Port's general plan to proceed with exclusive negotiations as outlined and under the conditions stated herein above with an extension to June 30, 2022.

**BE IT FURTHER RESOLVED** that Port staff are authorized and directed to negotiate exclusively with the Development Team and draft a Development Agreement and other related agreements, as necessary or applicable, to be reviewed by the Board of Commissioners for future consideration of approval, and that Port staff will make periodic updates of the same to the Port.

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

##### **A. Recommended 2022 Port Authority Budget**

Ms. McMartin provided an overview of the Port Authority Funds listed on the referenced cover sheet of the provided Proposed 2022 Budget and noted details of each fund are located within the referenced Proposed Budget packet.

Ms. McMartin highlighted the recommended 2.8% tax levy for the Port General Fund and Airport Bond.

Ms. McMartin provided a summary of Fund 911, including property taxes coming in as revenue and debt administrative fees that the Port collects for managing the conduit debit for the City.

Ms. McMartin noted "Rents" revenue is \$20,000 less due to selling the Hemker property and "Unloading" revenues are higher with the anticipation both docks being in operation in 2022.

Ms. McMartin noted utilizing \$138,000 in reserves to balance the General Fund and there are sufficient reserves to balance the fund.

Ms. McMartin noted "Professional Fees", which includes Main Street contribution, and cost such as appraisals, engineering and surveying services. She noted "Memberships and Subscriptions", include memberships to the Greater

Minnesota Development Partnership and the Minnesota Port's Association as they advocate for funding for development and the Port at the legislative level.

Ms. McMartin noted the "Capital Expenditure" account with a \$150,000 balance, which the Port began budgeting last year to build capital to assemble land and this account was used in the acquisition of the Pro-Build building.

Ms. McMartin explained the "Transfers-Out" account is for Port matching funds for the Commercial Harbor, Brownfields, and a proposed Downtown TIF.

Ms. McMartin provided a summary of the "Loan Funds", which includes Federal, State, and Local Funds. Ms. McMartin noted money is available in the Federal Fund, but is difficult to utilize due to Federal requirements, such as Davis-Bacon wage rates.

Ms. McMartin noted Fund 946, the "Commercial Harbor" fund, which is included in the City's Capital Improvement Plan should funding be available, the priority projects include accessibility improvements to Levee Park and rail storage improvements.

Ms. McMartin noted the three (3) TIF Funds and added the potential for a new downtown TIF.

Ms. McMartin noted the proposed legal fee schedule from Flaherty & Hood for 2022.

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

1. Approve the recommended property tax levy for Fund 936, the Airport Improvement Bonds, and recommend that the City Council approve the tax levy for this project. The City Council has final approval for this tax levy request.
2. Approve the recommended property tax levy for Fund 911, Port Authority General Fund.
3. Approve, by motion, the 2022 Port Authority budgets including all attached funds and recommending approval of such by the City Council.

The motion carried with all Commissioners present voting aye.

## **5. FINANCIAL REPORT**

Development Coordinator Nick Larson provided a summary of the Revolving Loan Fund Report, along with the Emergency COVID-19 Loan Fund. Mr. Larson noted Metro Plains has a balance of \$300,000 in the Federal Fund and in the first half of 2021; the Port has received approximately \$53,000 in principal payments to the

State Fund, and \$1,148 in principal payments to the Local Fund from The Garage. Mr. Larson informed the Commissioners that all active loan recipients are making their payments and none are delinquent.

Mr. Larson provided a summary of the Emergency COVID-19 Loan Program made possible by contributions from the Port Authority, the Chamber Foundation, WNB, and Merchants Bank. Mr. Larson noted twenty-six (26) loans were made and of the twenty-six (26) loans, the Port agreed to defer the payments of twelve (12) loans until July 20. Mr. Larson continued that the remaining loan recipients are current on their loan payments or have paid off their loan balances.

Mr. Larson noted as of June 30, 2021, \$29,128 of loan repayments have been received from the \$193,200 of loans provided, leaving a fund balance of \$56,000 to be used in the future for businesses needing assistance.

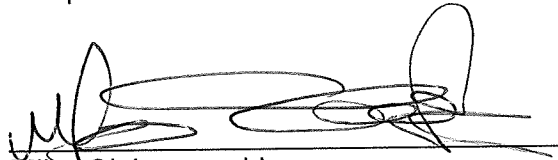
**6. ADJOURNMENT**

A motion was made by Commissioner Alexander and seconded by Commissioner Lucas to adjourn the meeting. The motion carried with all Commissioners present voting aye. The meeting was adjourned at 4:25 pm.



---

Nick Larson  
Development Coordinator



---

Mike Cichanowski  
President

**PORT AUTHORITY OF WINONA  
ROLL CALL AND VOTE SHEET  
AUGUST 12, 2021**

Name	Approval of Minutes July 14 <sup>th</sup>	Kensington Lease	60 Main Extension of Exclusive Rights	2022 Port Budgets	Port RLF and COVID-19 Loans Reports	Tonnage and Barge Reports	Financial Report	Adjournment
Cichanowski	Aye	Aye	Aye	Aye	Informational No Vote	Informational No Vote	Informational No Vote	Aye
Johnson	Aye	Aye	Aye	Aye	Informational No Vote	Informational No Vote	Informational No Vote	Aye
Gorman	Aye	Aye	Aye	Aye	Informational No Vote	Informational No Vote	Informational No Vote	Aye
Borzyskowski	1 <sup>st</sup> & Aye	Aye	2 <sup>nd</sup> & Aye	Aye	Informational No Vote	Informational No Vote	Informational No Vote	Aye
Alexander	2 <sup>nd</sup> & Aye	1 <sup>st</sup> & Aye	1 <sup>st</sup> & Aye	2 <sup>nd</sup> & Aye	Informational No Vote	Informational No Vote	Informational No Vote	1 <sup>st</sup> & Aye
Hansen	Aye	Aye	Aye	1 <sup>st</sup> & Aye	Informational No Vote	Informational No Vote	Informational No Vote	Aye
Lucas	Aye	2 <sup>nd</sup> & Aye	Aye	Aye	Informational No Vote	Informational No Vote	Informational No Vote	2 <sup>nd</sup> & Aye