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## AGENDA

**DATE:** October 14, 2021

**TIME:** 4:00 P.M.

**PLACE:** ***MEET AT LEVEE PARK – WINONA TOUR BOAT FOR A TOUR OF THE COMMERCIAL HARBOR - Following the tour, the Port Authority will convene at City Hall, 3<sup>rd</sup> Floor Council Chamber, 207 Lafayette, Winona, MN 55987***

- 1. CALL TO ORDER - APPROVAL OF MINUTES**  
Approval of the minutes from the September 9, 2021 Meeting.
- 2. REMARKS BY PRESIDENT**
- 3. FINANCIAL REPORT**
- 4. CLOSED MEETING PURSUANT TO MINN. STAT. § 13D.05, SUBD. 3 (C)**  
There will be a closed meeting 13D.05, subd. 3 (c) to develop or consider offers or counteroffers for the purchase of property located at 67 Main and a portion of 58 Johnson Street Winona, Minnesota; Port Authority of Winona on **Thursday, October 14, 2021 following the regular Port Meeting at 4:00 p.m.**
- 5. REOPEN MEETING**
- 6. ADJOURN**

## PORT AUTHORITY AGENDA ITEM

**AGENDA ITEM: 1. Approval of Minutes**

**DATE: October 14, 2021**

**ATTACHMENT: Minutes**

Following are the minutes from the September 9, 2021 meeting for Commission's review and approval.

# PORT AUTHORITY OF WINONA MINUTES

**DATE:** September 9, 2021

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

**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 Borzyskowski, and seconded by Commissioner Alexander to approve the August 12, 2021 minutes. The motion carried with all Commissioners present voting aye.

## **2. REMARKS BY PRESIDENT**

President Cichanowski noted a news report of 8 million unemployed people in the U.S. and 10 million open jobs. President Cichanowski stated, historically a role of the Port Authority is to create new jobs, but a bigger issue could be shifting towards getting more people to live in Winona. President Cichanowski noted the need for more housing for people to live and work in Winona.

## **3. NEW BUSINESS**

### **A. ARTCO License Agreement**

Noah Slaby, Manager of ARTCO, provided a presentation for the Commissioners. Mr. Slaby informed the Commissioners that historically the tug industry followed Coast Guard guidelines which have been replaced with more stringent rules known as subchapter M regulations. The safety standards requires tug operators to monitor hull thickness every five (5) years, prove environmental readiness, and have required equipment replacement options. Mr. Slaby continued that ARTCO is making investments into their Winona vessels and in the harbor. Mr. Slaby noted the current tugs are the "White Angel" and the "Sioux Land". The "White Angel" was put into operation in 1978 and "Sioux Land" is schedule to be retired and replaced with a new vessel; the average cost to replace a tug the size of the "Sioux Land" is \$2.5M.

Mr. Slaby provided an overview of the environmental improvements ARTCO is making. Mr. Slaby noted that "deadman" have historically been used in the river, which create environmental concerns to the Fish and Wildlife and the DNR because "deadman" are buried, thus disturbing the shoreline. Mr. Slaby noted rather than using "deadman", piling sets are now used to tie off the barges and they alleviate environmental concerns. Mr. Slaby noted piling sets cost \$12,000

each and anticipate installing eighteen (18) to twenty-two (22) sets. Mr. Slaby noted the importance of the islands in the harbor, as ARTCO is required by the Coast Guard to store barges containing hazardous materials in a restricted area, which the islands provide. Mr. Slaby continued that the Coast Guard requires one (1) tug for every one-hundred (100) barges and the harbor can store up to one-hundred eighty (180) barges.

President Cichanowski noted the low number of barges in August. Mr. Slaby noted August is usually a slower month, but April, May, June, and July were extremely busy due to the higher priced grain market and lower freight costs. Mr. Slaby noted because of the high priced grain market farmers already sold their grain, resulting in ADM not having an August bid for grain.

Director of Community Development Lucy McMartin provided a summary of the new lease agreement. Ms. McMartin stated the current license was for fifteen (15) years and the new license is proposed to be for ten (10) years for ARTCO to be the exclusive barge fleet operator in the harbor. Ms. McMartin noted the new lease would start in 2022 and the first payment would be \$20,000 more than what the Port currently receives and has step increases every two years.

President of CD Corp., Dan Nisbit informed the Commissioners that ARTCO does an amazing job working with the other operators in harbor.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski to authorize the President and Executive Secretary to execute the Extension of the License Agreement. The motion carried with all Commissioners present voting aye.

**B. 998 Riverview Drive Lease Proposal**

Ms. McMartin noted because bids for the rehabilitation of the west dock, which is anticipated to be completed in November or December came in over budget, the Commissioners directed staff to seek lease proposals from CHS and CD Corp. Ms. McMartin noted CHS did not provide a proposal and CD Corp proposed a twenty (20) year lease, provide an upfront payment of \$400,000 at lease signing, annual base fee of \$60,000 and a tonnage fee with annual increases of the lessor of 3% or CPI, and to install a concrete cap within five (5) years.

Ms. McMartin noted when the Port leases land; the lease is usually for five (5) years with renewal options every five (5) years. Ms. McMartin noted when CHS did lease the facility; CHS subleased the facility to CD Corp.

Mr. Nisbit noted in 2017, CD Corp. partnered with Enstructure, which has allowed CD Corp. to expand operations in other ports throughout the U.S., including Red Wing. Mr. Nisbit noted the diversity of the commodities Enstructure and CD Corp. handle, their over 600 employees, and their two (2) largest customers in

Winona are the two (2) largest privately held companies in the U.S.; Koch Industries and Cargill.

Mr. Nisbit noted, if awarded the lease, in addition to the concrete cap, CD Corp. has customers waiting and would construct a large storage building on the site to serve these new customers.

President Cichanowski asked which commodities would be handled on the west dock. Mr. Nisbit noted distiller's grain, additional fertilizer customers, opportunities with the gypsum plant, and steel and rebar products.

A motion was made by Commissioner Lucas, and seconded by Commissioner Alexander to authorize staff to negotiate terms of a Lease Agreement with CD Corp. and return with the new Lease Agreement for Commissioners' review at a future meeting. The motion carried with all Commissioners present voting aye.

**4. FINANCIAL REPORT**

Ms. McMartin spoke with Finance Director Jessica Wojahn, who was unable to attend before the meeting and Ms. McMartin noted Ms. Wojahn did not have anything to report and will provide the county sales tax report at the next meeting.

Development Coordinator Nick Larson noted that though ARTCO's barge numbers were lower in August, August was CD Corp.'s best month of the year, which is most likely contributed to the diversified commodities CD Corp. handles.

**5. ADJOURNMENT**

A motion was made by Commissioner Alexander and seconded by Commissioner Borzyskowski to adjourn the meeting. The motion carried with all Commissioners present voting aye. The meeting was adjourned at 4:26 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  
SEPTEMBER 9, 2021**

Name	Approval of Minutes August 12	ARTCO License Agreement	998 Riverview Drive Lease Proposal	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	1 <sup>st</sup> & Aye	2 <sup>nd</sup> & Aye	Aye	Informational. No Vote	2 <sup>nd</sup> & Aye
Alexander	2 <sup>nd</sup> & Aye	1 <sup>st</sup> & Aye	2 <sup>nd</sup> & Aye	Informational. No Vote	1 <sup>st</sup> & Aye
Hansen	Absent	Absent	Absent	Absent	Absent
Lucas	Aye	Aye	1 <sup>st</sup> & Aye	Informational. No Vote	Aye

## **PORT AUTHORITY AGENDA ITEM**

**AGENDA ITEM: 4. Closed Meeting**

**DATE: October 14, 2021**

The agenda item for this portion of the regular meeting of the Port Authority is to develop or consider offers or counteroffers for the potential purchase of real property located at 67 Main Street and a portion of 58 Johnson Street.

This portion of the properly noticed meeting of the Port Authority will be closed pursuant to Minnesota Statutes, section 13D.05, subdivision 3 (c).

Vice President, Johnson will entertain a motion to close this portion of the meeting.