

# PORT AUTHORITY OF WINONA MINUTES

**DATE:** November 12, 2020

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

**ABSENT:** None

**STAFF PRESENT:** Director of Community Development Lucy McMartin, Finance Director Jessica Wojahn, & Community Development Specialist 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 Thurley to approve the September 10, 2020 minutes. The motion carried with all Commissioners present voting aye.

2. **REMARKS BY PRESIDENT**

President Cichanowski had no remarks.

3. **NEW BUSINESS**

**A. Midwest Co-Pack (MWCP) Financing**

Director of Community Development McMartin provided an overview of Midwest Co-Pack's owner, Amy Paris purchasing the former Ferrara Candy Company building at 1000 W. 5<sup>th</sup> Street in 2017. Ms. McMartin referenced MWCP expansion plans being dependent upon securing financing from the Port Authority and the State of Minnesota DEED's Minnesota Investment Fund and Job Creation Fund. Ms. McMartin noted the Port loan would be \$75,000, with payments being deferred for the first year and thereafter would be by a 5-year loan with a 3% interest rate.

Amy Paris of MWCP testified that the business has acquired seven (7) new customers in the past three (3) years and recently secured a large contract for several years to manufacture healthier grade products at a higher profit margin than the former Ferrara products yielded. The proposed expansion requires building rehabilitation, facility/equipment upgrades and the hiring of new employees. Amy Paris noted MWCP has hired fourteen (14) new employees and projects the need to hire another fifty (50).

A motion was made by Commissioner Lucas, and seconded by Commissioner Borzyskowski, to approve the resolution authorizing the President and Executive Secretary to execute the loan document with MWCP, approve the resolution of support of the Minnesota Investment Fund, and resolution of support of the Job Creation Fund. All Commissioners present voted aye.

**RESOLUTION # 766**  
**Approving Midwest Co-Pack, LLC Loan and Authorizing the President and Executive Secretary to Execute Loan Documents**

**WHEREAS**, the Authority administers a Revolving Loan Fund (the "Loan Program") for the purpose of encouraging business growth and/or expansion projects for local companies; and

**WHEREAS**, Recipient operates Midwest Co-Pack, LLC (MWCP), a contract packaging operation as well as a food grade producer of confectionaries. MWCP has applied to the Authority for a Revolving Loan in the amount of Seventy-Five Thousand and 00/100 Dollars (\$75,000.00) (the "Loan") to assist with an expansion program into new market sectors (the "Project"); and

**WHEREAS**, Recipient is the owner of the subject property upon which the Project will occur located at 1000 West Fifth Street, Winona, MN 55987, (the "Property"); and

**WHEREAS**, the Port Authority has determined that the Recipient's loan application is consistent with the intent of its Loan Program and has agreed to make a loan in the principal amount of Seventy-Five Thousand and 00/100 Dollars (\$75,000.00); and

**NOW, THEREFORE, BE IT RESOLVED** by the Port Authority of Winona, Minnesota:

1. The Port Authority of Winona approves a Port Revolving Loan as outlined above to Midwest Co-Pack, LLC.
2. The Port Authorizes President Mike Cichanowski and Executive Secretary Stephen T. Sarvi to execute of the Loan Document between the Port and MWCP.

**RESOLUTION # 767**  
**REQUESTING SUPPORT OF MINNESOTA INVESTMENT FUND APPLICATION ON BEHALF OF MIDWEST CO-PACK, LLC**

**WHEREAS**, the Port Authority of Winona acts as the economic development agency for the City of Winona; and

**WHEREAS**, the City of Winona is deemed to be the legal sponsor for economic development projects that choose to utilize benefits provided by the Minnesota Investment Funds; and

**WHEREAS**, Midwest Co-Pack, LLC, Winona has chosen to expand their operations in Winona; and

**WHEREAS**, in order to make the Winona expansion feasible, MWCP has elected to request the City to apply for Minnesota Investment Funds on their behalf which was approved following a public hearing on November 2, 2020 at the City Council Meeting.

**NOW, THEREFORE, BE IT RESOLVED** that the Port Authority of Winona hereby supports the Midwest Co-Pack, LLC's application for funding via the Minnesota Investment Fund program.

**RESOLUTION # 768  
REQUESTING SUPPORT OF MINNESOTA JOB CREATION FUND APPLICATION  
ON BEHALF OF MIDWEST CO-PACK, LLC**

**WHEREAS**, the Port Authority of Winona acts as the economic development agency for the City of Winona; and

**WHEREAS**, the Minnesota Department of Employment and Economic Development requires the City of Winona City Council to consider and support a resolution for all Job Creation Fund applications; and

**WHEREAS**, Midwest Co-Pack, LLC, Winona has chosen to expand their operations in Winona; and

**WHEREAS**, in order to make the Winona expansion feasible, Midwest Co-Pack, LLC has requested and received support from the City on November 2, 2020.

**NOW, THEREFORE, BE IT RESOLVED** that the Port Authority of Winona hereby supports the Midwest Co-Pack, LLC application for funding via the Job Creation Fund program.

**B. 2021 Service Agreement for Winona Main Street**

Director of Community Development Lucy McMartin explained the approved 2021 Budget in August included funding for the Winona Main Street and part of the agreement is an annual service contract with the Winona Area Chamber of Commerce to implement the Winona Main Street Program.

Ben Stand, Main Street Program Manager, provided an overview of how Main Street is supporting downtown business and hosting downtown events:

- In coordination with the City of Winona, Main Street has hosted "Dine Out Downtown" of Friday nights.
- Inaugural "Streets and Treats" on Halloween.
- Collaborated with the Chamber of Commerce to distribute approximately \$400,000 of CARES Act Funding to 42 downtown businesses.

- Continues to promote the Port Authority Emergency Fund to downtown businesses.
- Highlighted the \$22.5 million invested into downtown through property construction, improvements, and transactions.

A motion was made by Commissioner Borzyskowski, and seconded by Commissioner Lucas, to approve the Service Contract. All Commissioners present voted aye.

**C. License Agreements**

Director of Community Development Lucy McMartin explained current License Agreement with Latsch Building Partnership LLC was to facilitate the redevelopment of 120 East Second Street in 2015, which included the acquisition of 106 East Second Street, the former Gunderson Eye Clinic. 106 East Second Street is being sold to Two Thirty LLC, requiring an amendment to the current license agreement.

A motion was made by Commissioner Johnson, and seconded by Commissioner Thurley, to approve authorizing the President and Executive Secretary to execute the First Amendment to the License Agreement with Latsch Building Partnership LLC, to enter into a License Agreement with Two Thirty LLC, and to Consent to a Sublicense Agreement between Latsch Building Partnership LLC and Two Thirty LLC. All Commissioners present voted aye.

**D. WinCraft Option of Right of First Refusal (ROFR)**

Director of Community Development Lucy McMartin explained that WinCraft had an option and ROFR agreement for the 3 acre parcel of Lot 3, Block 3 with the Port Authority when the Port Authority sold land to WinCraft in 2015. Ms. McMartin noted within the agreement, WinCraft would pay \$50,000 per acre during the first three (3) years of the agreement; in the final two years if another party makes an offer, WinCraft could exercise their option to purchase the parcel for the price offered by another party; or at such price determined by the Grantor (Port Authority) whichever is greater. Ms. McMartin informed the Commissioners the agreement expired in January and WinCraft has expressed interest to renew the option. Ms. McMartin asked the Commissioners for direction to enter into a new ROFR with the terms of the now expired contract or to restructure the terms of a new ROFR agreement.

General discussion took place regarding the plans for expansion on the lot. And whether it was soon or were they looking to protect their interest in expanding. The subject of the size of lot three took place and questions if the entire parcel would be necessary.

Commissioner Lucas asked if there had been any interest from others since the option expired. McMartin reported there had not been.

Direction was given to staff to meet with WinCraft about their future plans for expansion and to bring back a proposal at the next Port Authority meeting. A motion was made by Commissioner Lucas directing staff to discuss with WinCraft their needs for a future expansion project and to bring a new ROFR agreement to the December meeting was seconded by Commission Johnson with all Commissioners present voted aye.

**4. FINANCIAL REPORT**

Finance Director Wojahn reported that there were no extraordinary revenues or expenses.

**5. ADJOURNMENT**

The meeting was adjourned at 4:45 pm.



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Lucy McMartin  
Director of Community Development



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Mike Cichanowski  
President