

PORT AUTHORITY OF WINONA MINUTES

DATE: November 18, 2021

PRESENT: President Cichanowski, Commissioners: Gorman, Borzyskowski, Alexander, Hansen, Johnson, Lucas and Interim Executive Secretary Chad Ubl

ABSENT: None

STAFF PRESENT: Director of Community Development Lucy McMartin, Development Coordinator Nick Larson, Finance Director Jessica Wojahn, & Chief of Police Tom Williams

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 Lucas and seconded by Commissioner Borzyskowski to approve the October 14, 2021 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski noted the Senate Capital Investment Committee visited Winona and toured the Minnesota Marine Art Museum, the Commercial Harbor, 60 Main, and Levee Park.

3. NEW BUSINESS

A. Pro-Build Lease Update

Director of Community Development Lucy McMartin noted the Port approved a lease in June 2021, running through December 2021, with CD Smith Construction with an option for January and February for the use of the building and parking lot to complete the construction of the new Fastenal office building, which is anticipated to be complete by the end of the month.

Ms. McMartin stated Winona County has interest in leasing the parking lot and building while the new jail is constructed, which is anticipated to take two-years.

Chief of Police Tom Williams referenced the handouts of the parking areas on the Pro-Build site and around the Law Enforcement Center provided to the Commissioners. Mr. Williams stated seventy-eight (78) stalls will be eliminated from the north lot of the Law Enforcement Center and there is currently no parking on 3rd Street from Huff to Washington.

Mr. Williams informed the Commissioners that Winona County has proposed the City of Winona park their marked squad cars on 4th Street and to utilize the former Winona Monument Building for parking.

Mr. Williams continued that the marked squads need to be in close proximity to the currently Law Enforcement Center to upload their video footage from the squad cars. Mr. Williams proposed to the Commissioners that the first row (west side) of the Pro-Build parking lot running along Washington Street be reserved for City of Winona Law Enforcement employees.

Commissioner Johnson asked if the existing Law Enforcement Center is going to be demolished or repurposed. Mr. Williams informed the Commissioners that the existing Law Enforcement Center will be repurposed and will accommodate the dispatch center.

Ms. McMartin noted Port staff has met with County staff regarding leasing the parking and the building upon termination of the lease between the Port Authority and CD Smith Construction. The terms of the lease with CD Smith included a six-month lease with a payment of \$8,000 for and an additional payment of \$3,500 to off-set property taxes.

Ms. McMartin requested direction from the Commissioners of negotiating a lease with Winona County and if the Commissioners wish to set aside parking for City of Winona employees housed at the LEC.

Commissioner Johnson suggested a triple-net lease with the County, but to address the needs of the City first. Commissioner Johnson noted the Port invested \$600,000 and should be getting \$60,000 or 10% with the triple-net lease.

A motion was made by Commissioner Alexander, and seconded by Commissioner Lucas, to direct staff to investigate the needs of the City over the County and to begin lease negotiations with Winona County to be brought back to the Commissioners at a future meeting with the terms noted by Commissioner Johnson, including a triple-net lease, an 8% to 10% return, and setting aside the necessary parking spaces for the City of Winona's marked squads, and the for the County to maintain the building and parking lot. All Commissioners present voted aye.

B. 2022 Service Contract for the Winona Main Street Program

Ms. McMartin informed the Commissioners that the Port agreed to fund \$30,000 to the Main Street Program as part of the approved budget.

Winona Main Street Program Manager Ben Strand provided an update to the Commissioners. Mr. Strand noted the Main Street Program has hosted

events downtown since July, such as Big Muddy, Streets-n-Treats, and the Tree Lighting ceremony. Mr. Strand provided summary of downtown investments.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski, to authorize the President and Interim Executive Secretary to execute the Contract. All Commissioners present voted aye.

C. Lease for Dock Facilities in the Commercial Harbor – CD Terminal

Ms. McMartin referenced the proposed lease agreements for both 998 and 890 Riverview Drive included in the agenda packet and reviewed the proposed language with the Commissioners.

Ms. McMartin noted the leases contain language as suggested by the Port's attorney, language required by MMB, and proposed by CD Terminal.

Ms. McMartin noted:

- To reject the last sentence of paragraph 3c, which is required by MMB,
- Paragraph 3a, as CD Terminal prefers a twenty-year lease because CD Terminal is providing an upfront payment, rather than a twenty-year lease with five-year renewals.

A motion was made by Commissioner Johnson, and seconded by Commissioner Hansen, to amended paragraph 3a to a straight twenty-year lease without five-year renewals. All Commissioners present voted aye.

Ms. McMartin reviewed paragraphs:

- 4b—to accept the "Initial Rent Payment" language.
- 4e—to accept the language changes of the term "applicable" and "Lease".
- 5c—to accept the added language noting the Port agrees not to lease the property to another party.
- 9a—to reject the proposed language to strike the Port's right to approve, disapprove, require more information, or require certain modifications to the proposed equipment or improvement in its sole judgement and discretion. MMB requires this language to remain.
- 9d—to reject the added language to reimburse as the Port is offering a straight twenty-year lease.
- 10a—to reject the language change from "operation" to "repair" and to reject the language noting the lessee is not responsible for repairs.
- 14b—to reject the proposed language as it is not acceptable to MMB.

A motion was made by Commissioner Alexander, and seconded by Commissioner Lucas, to approve the changes as noted by the Commissioners and to bring the agreements back for the Commissioners review at a future meeting. All Commissioners present voted aye.

D. Budget for Commercial Harbor Project at 998 Riverview Drive

Ms. McMartin informed the Commissioners that the Port Development Assistance Program operates on a reimbursement basis with the State and staff recommends the Port Authority Commissioners approve loaning funds from the Port General Fund-911 to cover costs during the project.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski, to approve the loans from Fund 911 to Fund 945. All Commissioners present voted aye.

E. 998 Riverview Drive Rehabilitation Consent – Merger

Ms. McMartin informed the Commissioners that Michels Corporation merged with Michels Construction Inc. and a consent is needed by the Port Authority.

A motion was made by Commissioner Johnson, and seconded by Commissioner Hansen, to authorize the President and Interim Executive Secretary to execute the document. All Commissioners present voted aye.

4. FINANCIAL REPORT

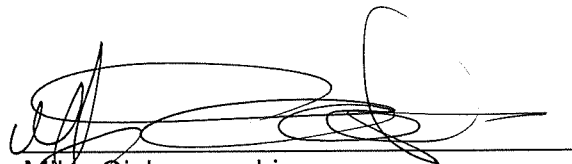
Director of Finance Jessica Wojahn informed the Commissioners that the City Council has tentatively approved the Port Authority's budget without changes.

5. ADJOURNMENT

A motion was made by Commissioner Hansen and seconded by Commissioner Lucas to adjourn the meeting. All Commissioners present voted aye. The meeting was adjourned at 4:47 pm.



Nick Larson
Development Coordinator



Mike Cichanowski
President

**PORT AUTHORITY OF WINONA
ROLL CALL AND VOTE SHEET
NOVEMBER 18, 2021**

Name	Approval of Minutes October 14, 2021	Pro-Build Lease Update	2022 Service Contract for Winona Main Street	Lease for Dock Facilities CD Terminal: 20-year lease	Lease for Dock Facilities CD Terminal: Final Changes	Budget for Commercial Harbor Project @ 998 Riverview Dr.	998 Riverview Drive Rehabilitation Consent-Merger	Financial Report	Adjournment
Cichanowski	Aye	Aye	Aye	Aye	Aye	Aye	Aye	No Vote	Aye
Johnson	Aye	Aye	Aye	1 st & Aye	Aye	Aye	1 st & Aye	No Vote	Aye
Gorman	Aye	Aye	Aye	Aye	Aye	Aye	Aye	No Vote	Aye
Borzyskowski	2 nd & Aye	Aye	2 nd & Aye	Aye	Aye	2 nd & Aye	Aye	No Vote	Aye
Alexander	Aye	1 st & Aye	1 st & Aye	Aye	1 st & Aye	1 st & Aye	Aye	No Vote	Aye
Hansen	Aye	Aye	Aye	2 nd & Aye	Aye	Aye	2 nd & Aye	No Vote	1 st & Aye
Lucas	1 st & Aye	2 nd & Aye	Aye	Aye	2 nd & Aye	Aye	Aye	No Vote	2 nd & Aye