

Zoom Procedures for Port Authority Meeting

All interested parties are invited to participate via electronic means. This meeting is open to the public via web or phone. This meeting begins at 4:00 pm; please log in prior to the start of the meeting. You may exit the meeting at any time.

Port Authority Commissioners and Staff:

- To join the Zoom Meeting via web, go to: <https://zoom.us/j/252527617> and enter Meeting ID: 252 527 617
- To join via phone, dial phone number:

+1 312 626 6799 US (Chicago)

When prompted, enter the following Meeting ID: 252 527 617
Then enter your participant ID if you have one; if not, enter #

For participants:

- Only use one audio source; audio from computer is preferred if available.
- Be aware of background noise from your location.
- If using phone, do not use the speaker function.
- If using a web cam, be aware of what is in your background.
- If you have headphones, please use them as that will limit background noise
- Please mute your audio until you wish to speak. Then unmute your audio, and ask the Chairman for permission to talk.
- If using web access, note the options for you to view the meeting (gallery shows all participants same size)

Other notes:

- Staff will “host” the meeting on a city computer and will manage when participants’ audio is muted / unmuted.
- The public hearing notices included the Zoom meeting information, and also indicated that written comments could be submitted to staff by a set date prior to the Port Authority meeting. These written comments will be provided to the Commissioners either in advance or at the public hearing.



207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
(507) 457-8250
www.portofwinona.com

Mile 725 Upper Mississippi

AGENDA

DATE: April 9, 2020

TIME: 4:00 P.M.

PLACE: Council Chambers, City Hall

1. **CALL TO ORDER - APPROVAL OF MINUTES**

Approval of the minutes from the March 12, 2020 Meeting

2. **REMARKS BY PRESIDENT**

3. **NEW BUSINESS**

A. Port Emergency Loan Program

Staff will present information on the Emergency Economic Development Loan Fund. The purpose is to provide financial assistance to small local businesses directly affected by the Governor's Order during the COVID-19 Pandemic event. If Commissioner's concur, a motion to approve the program would be appropriate.

B. Port Authority Revolving Loan Fund Update

Staff will provide an update on the Revolving Loan Fund.

C. Workforce Housing Development

Staff has been working with Commonwealth Development on a new affordable rental housing development at 602 Mankato Avenue. The Development will serve workforce housing needs. The developer is seeking assistance which will enhance their application for tax credits. If Commissioners concur, a motion to support the project would be appropriate.

4. **FINANCIAL REPORTS**

5. **ADJOURNMENT**

PORT AUTHORITY AGENDA ITEM

AGENDA ITEM: 1. Approval of Minutes

DATE: April 9, 2020

Following are the minutes from the March 12, 2020 meeting for Commission's review and approval.

PORT AUTHORITY OF WINONA MINUTES

DATE: March 12, 2020

PRESENT: Commissioners: Cichanowski, Johnson, Thurley, Borzyskowski, Gorman. Lucas, Hansen and Executive Secretary Sarvi

ABSENT: None

STAFF PRESENT: Community Development Director Lucy McMartin, Finance Director Mary Burrichter, Housing Coordinator, Nick Larson, Development Coordinator Myron White

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 Lucas to approve the February 13, 2020 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski remarked that in the past the Port has had interest in the Middle School Auditorium site, recognizing the deteriorated condition of the building and the possibility that the building may need to be razed. He remarked that recently Main Square development had expressed interest in development of the site with a plan that is consistent with downtown growth plans.

President Cichanowski also recognized that the auditorium is a locally designated historic site and would need to go through the proper community input and approval process.

3. PUBLIC HEARINGS

A. Public Hearing for Tax Forfeited Properties: Proposed Sale of Land

The public hearing regarding the sale of tax forfeited properties at 169 North Baker and 863 East Broadway to Habitat for Humanity was called to order by President Cichanowski.

Mark Becker of Habitat for Humanity referenced the affordable housing partnership Habitat has with local and county governments. The partnership has been successful turning blighted properties into homes for low to moderate income populations.

President Cichanowski asked three times if anyone else would like to provide testimony on the property sale. Hearing none, the public hearing was closed.

A motion was made by Commissioner Lucas and seconded by Commissioner Borzyskowski to move forward with sale of property (Agenda Items 4. A. and 4.B.). The motion was approved with all present voting aye.

4. NEW BUSINESS

A. Purchase Agreement – Habitat for Humanity (863 East Broadway)

A motion was made by Commissioner Borzyskowski and seconded by Commissioner Hansen to approve the purchase agreement for the sale of the 863 East Broadway property to Habitat for Humanity. All Commissioners present voted aye.

B. Purchase Agreement – Habitat for Humanity (469 North Baker)

A motion was made by Commissioner Borzyskowski and seconded by Commissioner Lucas to approve the purchase agreement for the sale of the 169 North Baker property to Habitat for Humanity. All Commissioners present voted aye.

C. Garage Co-Work Request

Development Coordinator White reported that the Port had received a request from the Garage Co-Work Space asking to defer principal and interest payments on their Port Loan for an additional 12 months. Mr. White explained that prior to the Port meeting the Loan Review Committee (Commissioners Borzyskowski and Hansen) had met with Eric Mullen of the Garage.

Commissioner Borzyskowski commented the Committee had some very pointed questions for the Garage and he supported the request.

Commissioner Hansen commented that the Garage provided valuable support for entrepreneurs and support an entrepreneur network.

Garage owner Eric Mullen appreciated the Port's support and provided some insight for the direction of the Garage moving forward.

A motion was made by Commissioner Hansen and seconded by Commissioner Borzyskowski to approve the loan extension for the Garage. All Commissioners present voted aye.

D. Request from Winona Rotary Club – Ride the Ridges

Development Coordinator White outlined a request from Winona Rotary to use Port-owned land in the Schain Industrial Park for their annual Ride the Ridges bicycle event on September 18th, 19th, and 20th. Mr. White went on to explain they would be required to provide proof of insurance and any other necessary permits.

A motion was made by Commissioner Lucas to allow the use of Port property for the event. It was seconded by Commissioner Borzyskowski with all members present voting aye.

E. Consent to File Plat

Director of Community Development McMartin reported that the City had received a Final Plat for the subdivision of parcels at 166 West Broadway. Because the Port holds a mortgage, the Port would need to consent to the proposed plat.

A motion was made by Commissioner Borzyskowski and seconded by Commissioner Thurley to allow for the execution of the proposed consent by the President and Executive Secretary. All Commissioners present voted aye.

F. Resolution of Support – BCS Automotive

Director of Community Development McMartin reported that Port staff had been working with BCS Automotive and the Department of Employment and Economic Development over the past 4-6 weeks on a possible Winona expansion or closure of BCS Winona. That work has included the use of the Minnesota Investment Fund and the Job Creation Fund. Commissioners are asked to request the City Council support the use of those funds.

Chad Heltemes, BCS Automotive, commented that a softening of global sales has required BCS to consider consolidation of BCS Winona, MN and Auburn, N.Y. operations. After completing an exhaustive study, it was determined Auburn, N.Y. would close and the operation would be consolidated to Winona.

A motion was made to approve a resolution of support for the use of MIF and JCF funds for the proposed BCS expansion by Commissioner Lucas. The motion was seconded by Commissioner Thurley with all commissioners present voting aye.

5. FINANCIAL REPORTS

Nothing unusual reported.

5. ADJOURNMENT

A motion was made and seconded to adjourn the meeting. The meeting was adjourned at 4:35.

Myron White
Development Coordinator

Mike Cichanowski
President

PORT AUTHORITY AGENDA ITEM

AGENDA ITEM: 3. A. Port Authority Emergency Loan Fund

DATE: April 9, 2020

ATTACHMENT: Draft Loan Information Sheet

Port Authority staff have been hearing from companies and helping guide businesses through the myriad of programs available to assist during the Covid 19 Crisis. The State has established programs through DEED to be carried out by the Initiative Foundations and financial institutions.

In addition, we have been reviewing the programs offered through the Department of Treasury and the Small Business Administration (SBA) that will guide the programs created through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Many businesses will be helped and there will be some that may have challenges securing funds through state and federal resources. We have been communicating with local lenders who share our concern for businesses that need help. We have developed a program described on the attached summary sheet in conjunction with input from lenders.

WNB Financial and Merchants Bank have partnered in the program if approved by the Port Authority. We will present the latest proposed information and guidelines at the meeting to seek input from Commissioners, and answer questions you may have.

After reviewing the information and guidelines, Commissioners can consider a motion to allocate \$50,000 to match the funding from each partner to develop the loan fund for businesses adversely affected by the COVID 19.

DRAFT



The Port Authority of Winona is looking to establish an Emergency Loan Fund. The purpose is to provide financial assistance to small local businesses directly affected by the Governor's Order during the COVID-19 Pandemic event.

Loan Program Requirements and Terms

- Business is located in the City of Winona.
- Business is directly affected by the Governor's Order ([Click here](#))
- Businesses with employees who have a location in the City.
- Loan will be at 0% interest and amortized over five years.
- Payments will be deferred until January 1, 2021.
- Loans may be repaid in full at any time during the term of the loan without penalty.

Since this fund is only for gap funding to provide quick relief during a time of hardship. A list of programs to assist in more permanent financing is attached for your information.

Please go to www.portofwinona.com for more information and an application.

- **The Business will enter into a loan agreement, personal guarantee and a promissory note.**

What is the maximum amount I can receive?

The maximum amount is \$6,000. There is no set minimum.

What is the interest rate?

0%

When will payments start?

Repayment will begin no later than January 31, 2021.

What can I use the loan for?

The loan can only be used for offsetting payroll expenses or operating capital.

The maximum amount does not cover my needs. What should I do?

The SBA is offering a variety of resources to businesses affected by closure, cancellations and other challenges related to COVID-19.

The State of Minnesota Business Emergency Loan Program will be administered by the Southern Minnesota Initiative Foundation. (507)214-7014 or (507)214-7021 for more information.

PORT AUTHORITY AGENDA ITEM

AGENDA ITEM: 3. B. Port Authority Revolving Loan Fund Update

DATE: April 9, 2020

As of now our loan portfolio remains strong. Upcoming months remain uncertain.

Following the loan fund review, we request a discussion around a possible short term deferral of principal and interest payments on existing loans. Please note we do not have a deferral option on the Gypsoil MIF loan.

If appropriate, a motion clarifying any action would be appropriate.

PORT AUTHORITY AGENDA ITEM

AGENDA ITEM: 3. C. Workforce Housing Development

DATE: April 9, 2020

Background:

The Commonwealth Companies proposed a housing development at 602 Mankato Avenue in 2019 and applied for Housing Tax Credits (HTCs) through Minnesota Housing Finance Agency (MHFA). They did not receive funding. Housing Tax Credits are extremely competitive and it often takes more than one application to secure funding.

Commonwealth is proposing to pursue the development and apply to MHFA for HTCs again this year. Their plan is to construct 41 workforce multifamily rental housing units under the name Water's Edge Apartments to serve a wide range of tenants at various income levels. Occupations such as, teachers, nurses, frontline professionals, and blue collar employees will be served by the Development. The development would complement other recent housing developments, such as the recent senior and market rate developments, allowing for greater housing choices in Winona.

The development will consist of a three story building with a combination of 1, 2, and 3 bedroom units. All of the rental units will be affordable to households earning 80% or less of area median income (AMI), with 9 units being set-aside for households earning 30% of AMI.

Developments that have rent limits often must secure financing using tools such as tax increment financing or tax abatement because the income generated is lower than on a market rate development; leaving a financial gap.

Request for Assistance:

The Commonwealth Companies has requested the use of Tax Abatement assistance as a means to make the development financially feasible. The Commonwealth Companies is applying to MHFA for an allocation of HTCs to generate equity to supplement the first mortgage, but a finance gap of approximately \$135, 674 still exists. The criteria to obtain tax credits is very competitive throughout the state and it is important for local government to contribute to the project as it significantly enhances the application.

Staff is performing a preliminary review of Commonwealth's pro-forma and preliminary Application for Assistance requesting Tax Abatement with the City's financial advisors and consultants. Staff recommends supporting Commonwealth Companies' Water's Edge Apartment development and its' application to MHFA by utilizing Tax Abatement to make the project financially feasible.

Workforce Housing Development

April 9, 2020

Page 2

The proposed development meets community needs as outlined in the Comprehensive Housing Study, Comprehensive Plan and the Mayor's Taskforce on Housing as summarized below:

- Per the Comprehensive Housing Needs Assessment, the vacancy rate for subsidized rental housing units is 0%.
- The development will have income and rent restrictions based on household size to serve low to moderate income earners and the local workforce.
- The redevelopment of areas to construct new affordable housing is noted in the City Comprehensive Plan. In addition the plan designates this underdevelopment parcel to be used for Urban Residential.
- The Mayor's Housing Task Force recommended Tax Abatement as a gap funding source for workforce housing developers making the commitment to maintain affordable housing units.

If Commissioners concur, a motion to have staff proceed with the financial and legal steps to consider Tax Abatement would be appropriate. The Commissioners may recommend that the Winona City Council favorably consider Tax Abatement in support of the proposed Water's Edge Apartments development.