

# PORT AUTHORITY OF WINONA MINUTES

**DATE:** January 14, 2021

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

**ABSENT:** Commissioner Lucas

**STAFF PRESENT:** Director of Community Development Lucy McMartin, Interim Development Coordinator Nick Larson, Finance Director Jessica Wojahn, & Mayor Scott Sherman

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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 Hansen to approve the December 10, 2020 minutes. The motion carried with all Commissioners present voting aye.

**2. REMARKS BY PRESIDENT**

President Cichanowski welcomed Commissioner Alexander to the Port Authority and congratulated Mayor Sherman.

**3. NEW BUSINESS**

**A. Washington Crossing – Partial Release of Mortgage**

Director of Community Development McMartin presented background of the \$300,000 loan secured by a Mortgage made to Metro Plains in 2004 to assist in the Washington Crossing affordable housing project. Ms. McMartin noted a plat was developed to separate the auditorium portion of the building from the rest of Washington Crossing. Ms. McMartin noted the plat is titled Main Square Annex and the proposed use is to construct a parking structure on the site.

Ms. McMartin noted Metro Plains has requested a Partial Release of Mortgage from the City and Port Authority of Winona. The City approved the partial release on January 4, 2021. The Partial Release of Mortgage is before the Port Commissioners for review and action. Ms. McMartin informed the Commissioners that the release of Mortgage does not affect the Loan Agreement or Promissory Note, which will remain in place. The Mortgage remains in place on the two parcels holding Washington Crossing Apartments.

A motion was made by Commissioner Hansen, and seconded by Commissioner Alexander, to authorize the President and Executive Secretary to execute the partial release of mortgage. All Commissioners present voted aye.

**B. Engineering Contract**

Interim Development Coordinator Larson noted the Commissioners approved the grant agreement with MnDOT to fund the rehabilitation of 998 Riverview Drive dock wall at the December 10, 2020 meeting.

Mr. Larson informed the Commissioners that Port staff had excavation completed to reveal the tiebacks and deadman. This work was done on December 3<sup>rd</sup> and the tiebacks and deadman are in great shape.

Mr. Larson noted the Port Authority has been preparing the Scope of Services and Consultant Service Contract for GRAEF USA Inc. to assemble the final design plan, baseline survey, services, construction/bid specs, and site visits for the 998 Riverview Drive dock rehabilitation. Mr. Larson informed the Commissioners that Graef will provide geotechnical services which will be an additional cost not included in this contract.

A motion was made by Commissioner Alexander, and seconded by Commissioner Hansen, to approve a motion to authorize the President and Executive Secretary to execute the Consultant Service Contract with Graef USA Inc. All Commissioners present voted aye.

**C. Minnesota State Historic Tax Credits**

Director of Community Development McMartin informed the Commissioners the Minnesota Historic Tax Credit was passed into law in April 2010, providing a state 20% tax credit that matches the 20% Federal Historic Tax Credit. Ms. McMartin noted, locally the Federal and State Historic Tax Credit program have been successful to stimulate job growth, increase local tax base, and revitalize historic building by encouraging private investment in historic properties, such as:

- Latsch and Sons Building
- Beck Building @ 109 East Third, Nate and Ally's
- 102 Walnut
- Madison Elementary School
- Central Elementary School
- 151 East Third Street (Mason Jar Building)

Ms. McMartin informed the Commissioners the Minnesota Historic Tax Credit is set to sunset June 30, 2021.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski, to have staff develop a letter of support to

continue the credit and authorize the President of the Port Authority to sign the letter. All Commissioners present voted aye.

**D. MnDOT Land**

Director of Community Development McMartin informed the Commissioners of the process for the land remaining from the Bridge Project is to be first offered to the previous owner at fair market value. If they do not accept, the City/Port Authority may receive an offer to convey from MNDOT and the City/Port Authority may purchase the property at fair market value.

Ms. McMartin noted the Port has received a letter of conveyance for Parcel 81, which is in the center of the block off Fourth Street. The letter of conveyance from MNDOT is for \$30,000. Ms. McMartin noted the previous owner, Charles Sanfilippo has passed away and there is not an interested descendent.

Ms. McMartin indicated there is not access to this parcel off Fourth Street, but this parcel could be part of a larger land assembly for a future development or parking and informed the State that the Port Authority has interest in acquiring additional parcels in the future, excluding the eastern 86 parcel, which is City Council approved to be used by Winona County as part of the jail project.

Ms. McMartin informed the Commissioners when MNDOT conveys parcels there is no assurance of clear title. The parcel is to be used for a public purpose, which can be parking, a park, economic development projects or other public purposes. If the land is sold, it must be at fair market value; if not sold for fair market value, the parcel is returned to the state. Ms. McMartin noted the last three sales of parcel 81 did have warranty deeds.

Commissioner Gorman asked how much it would cost for the entire block. Ms. McMartin indicated the cost to be around \$450,000, based on fair market value establish by the County Assessor's Office. Interim Development Coordinator Nick Larson noted parcel 81 to have a fair market value of \$34,500 per the County Assessor's Office. Commissioner Alexander noted parcels 84, 85, & 86 may not be buildable due to MNDOT setbacks. Ms. McMartin noted parcels 84, 85, & 86 could be part of a larger land assembly. General discussion about the setbacks to the bridge ensued. Staff informed Commissioners that MnDOT was asked to inform the Port if there may be additional parcel are available. Commissioner Borzyskowski noted there were two (2) 86 parcels and asked if both parcels would be unavailable. Ms. McMartin noted there are two 86 parcels because the same person owns both parcels, but the Port Authority would only consider the parcel to the west, as City Council waived their right to the 86 parcel to the east for the county to consider it for the proposed future jail site.

A motion was made by Commissioner Alexander, and seconded by Commissioner Hansen, to approve the attached resolution authorizing the purchase. All Commissioners present voted aye, excluding Commissioner Johnson, who abstained.

**PORT AUTHORITY OF WINONA  
RESOLUTION # 771**

**A RESOLUTION BY THE BOARD OF COMMISSIONERS OF THE  
PORT AUTHORITY OF WINONA, APPROVING THE ACQUISITION OF  
REAL PROPERTY IN WINONA, MINNESOTA, AND DISPENSING WITH  
REVIEW OF THE PURCHASE BY THE WINONA PLANNING  
COMMISSION**

- WHEREAS, the Port Authority of Winona (“Port”) desires to acquire certain real property know as parcel 81 in the Minnesota Department of Transportation Right of Way map for the Highway 43 bridge construction project, legally described on Exhibit A, which is attached hereto and incorporated herein by reference, referred to herein as the “Property”; and
- WHEREAS, the owner/seller of the Property, the Minnesota Department of Transportation (“MNDOT”) is willing to sell the Property for the sum of Thirty Thousand and No/100ths Dollars (\$30,000.00); and
- WHEREAS, the Port desires to acquire the Property to provide parking or redevelopment for the City of Winona; and
- WHEREAS, offer to convey parcel 81 to the Port Authority has been prepared and is attached hereto as Exhibit B; and
- WHEREAS, Quit Claim Deed for proposed sale has been prepared and is attached as Exhibit C; and
- WHEREAS, in accordance with the attached offer to convey MNDOT expressly understands and agrees that the sale/purchase of the Property is contingent upon approval by the Board of Commissioners of the Port Authority of Winona; and
- WHEREAS, if any transaction approval is not obtained by May 31, 2021 (condition # 6 in the letter of conveyance) this shall then be null and void, without further obligation by either party; and
- WHEREAS, Minnesota Statutes, Section 462.356, subdivision 2 states that no publicly owned interest in real property within a city shall be acquired or disposed of until after the planning commission has reviewed the proposed acquisition or disposal and reported in

writing to the Port its findings as to compliance of the proposed acquisition or disposal with the comprehensive plan; and

WHEREAS, the same statute further states, however, that the Port may, by resolution adopted by two-thirds vote, dispense with the requirements of this subdivision when in its judgment it finds that the acquisition or disposal of real property has no relationship to the comprehensive plan.

NOW, THEREFORE, BE IT RESOLVED BY THE PORT AUTHORITY OF WINONA THAT: The Board of Commissioner hereby finds that the proposed acquisition of the Property by the Port is in the best interest of the Port district and the people thereof and in furtherance of the Port's general plan.

BE IT FURTHER RESOLVED THAT: The Board of Commissioners finds that the purchase need not be reviewed by the planning commission as the proposed purchase has no relationship to the comprehensive municipal plan in that the land will be held by the Port for redevelopment purposes or parking and therefore review of the proposed acquisition by the Winona Planning Commission is not required under Minn. Stat. § 462.356, Subd. 2, and is hereby dispensed with as allowed by that statute.

BE IT FURTHER RESOLVED THAT: The Board of Commissioners hereby approves the conveyance and Quit Claim Deed in substantially as to form, subject to the Port's attorney and MNDOT legal counsel agreeing upon minor or technical modifications on final terms and conditions, and authorizes and directs the President and Executive Secretary to: (a) execute the documents substantially in the form hereby approved, but allowing any necessary minor or technical changes negotiated by legal counsel and approved by the President; (b) execute such other documentation as necessary to close on the purchase of the Property by the Port Authority of Winona; and (c) record the quit claim deed and such other documentation as necessary with the Office of the Winona County Recorder.

**E. Update on 60 Main**

Executive Directory Sarvi presented a PowerPoint to the Commissioners describing the history of 60 Main. In 2017, the Port Authority was working with Sherman and Associates until they no longer expressed interest which was in late 2018. The Port Commissioners directed staff to complete a Hotel Study and continue work on the Downtown Strategic Plan. There continued to be interest in 60 Main and Port staff met with three developers who later submitted proposals for development. A summary of the proposals was provided to Commissioners as part of the presentation.

Minnesota Opportunity Zone Administrators, Morrissey, RSP

- Hotel extended stay and compact apartment units to allow for flexibility.
- Another floor longer leases- apartments

- Morrissey Hospitality- experienced
- Amenities- food service, patio on roof, room service
- Parking

Hamilton Real Estate – P and P Hospitality

- Hotel and multi-family Housing
- Emphasized shared amenities
- Experience- expanding to Owatonna, Faribault, and Byron
- Not including retail/restaurant but would work with City
- Parking

C.D. Smith, Latsch Development, Rivers Hospitality

- Hotel and housing (varying sizes)
- Small retail included
- Parking
- Experienced—C.D. Smith: downtown La Crosse & Fastenal.  
Latsch Partnership: historic design and renovation in downtown Winona. Rivers Hospitality: local operator of hotels and restaurants

Commissioner Borzyskowski noted Hamilton Real Estate previously provided a RFP for 60 Main. President Cichanowski noted though 60 Main is a smaller lot; it is expected to be a big development. Commissioner Johnson stated the C.D. Smith, Latsch Partnership, and Rivers Hospitality have been very active in Winona and the community. Commissioner Johnson noted C.D. Smith was involved with a number of transformational development in La Crosse, WI undertaken by Don Weber.

Peter Shortridge of Latsch Partnership spoke of the 60 Main Street project being a great opportunity to complement the Riverfront and Downtown plans and C.D. Smith will be taking the lead on the project.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski, to authorize staff to negotiate a development plan and agreement with the team of CD Smith/Latsch Development/Rivers Hospitality for a period not to exceed 90 days. All Commissioners present voted aye.

**F. Port Tonnage and Barge Activity Report**

President Cichanowski noted there was a lot of tonnage in 2020 and the harbor is an impressive working harbor and is an asset to the region.

President Cichanowski noted the report is informational and for observation.

**4. FINANCIAL REPORT**

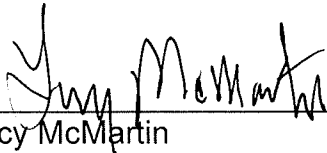
Finance Director Wojahn reported the Finance Department is working through year-end financials and adjustments to the year-end report will be made.

Finance Director Wojahn informed the Commissioners that staff will update the Commissioners on payments to be received from loans made from the Emergency Loan Fund at the next meeting.

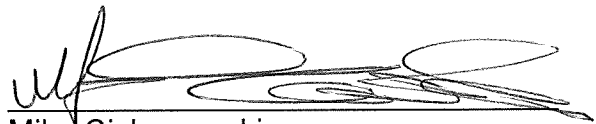
Mr. Larson informed Commissioners that 26 Emergency Loans were made, 13 have been deferred and there is around \$56,000 remaining in the fund. President Cichanowski expressed the importance of letting businesses know about programs including the new PPP offered through local lenders.

**5. ADJOURNMENT**

The meeting was adjourned at 4:42 pm.



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Lucy McMartin  
Director of Community Development



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Mike Cichanowski  
President

PORT AUTHORITY OF WINONA  
 ROLL CALL AND VOTE SHEET

Name	Approval of Minutes	Wash. Crossing	Engineering Contract	MN State Historic Tax Credit	MnDOT Land	Update 60 Main	Port Tonnage and Barge Report	Adjournment
Cichanowski	Aye	Aye	Aye	Aye	Aye	Aye	No vote	Aye
Johnson	Aye	Aye	Aye	Aye	Abstain	Aye	No vote	Aye
Gorman	Aye	Aye	Aye	Aye	Aye	Aye	No vote	Aye
Borzyskowski	1 <sup>st</sup> & aye	Aye	Aye	2 <sup>nd</sup> & aye	Aye	2 <sup>nd</sup> & aye	No vote	Aye
Alexander	Aye	1 <sup>st</sup> & aye	1 <sup>st</sup> & aye	1 <sup>st</sup> & aye	1 <sup>st</sup> & aye	Aye	No vote	1 <sup>st</sup> & aye
Hansen	2 <sup>nd</sup> & aye	2 <sup>nd</sup> & aye	2 <sup>nd</sup> & aye	Aye	2 <sup>nd</sup> & aye	Aye	No vote	2 <sup>nd</sup> & aye
Lucas	Absent	Absent	Absent	Absent	Absent	Absent	No vote	Absent