

PORT AUTHORITY OF WINONA MINUTES

DATE: February 18, 2021

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

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

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 January 14, 2021 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski had no comments.

3. OLD BUSINESS

A. 60 Main-Exclusive Negotiation

Director of Community Development McMartin noted the Commissioners discussed and reviewed three (3) proposals for 60 Main at the last Port Authority Meeting. Commissioners authorized staff to negotiate with the team of CD Smith/Latsch Development/Rivers Hospitality for a period not to exceed 90 days.

Ms. McMartin noted that Port staff has met with CD Smith/Latsch Development/Rivers Hospitality to discuss the 60 Main project and requested the Port and CD Smith/Latsch Development/Rivers Hospitality work towards a Development Agreement, which includes title and survey work, along with updating environmental phase I and phase II due to new MPCA requirements.

Ms. McMartin noted CD Smith/Latsch Development/Rivers Hospitality is requesting 180 days from the date of the adoption of the Exclusive Negotiations resolution to create a Development Agreement and related documents. The January 14, 2021 authorization did not include language working exclusively with CD Smith/Latsch Development/Rivers Hospitality and included the general term, Development Plan. The process to get to a Development Agreement requires time and money and CD Smith/Latsch

Development/Rivers Hospitality wants to ensure 60 Main will not be sold to another party during the period of negotiations.

Commissioner Borzyskowski noted working exclusively with CD Smith/Latsch Development/Rivers Hospitality is a good route to take, as 60 Main is an important downtown project.

Commissioner Lucas asked if staff will be meeting with CD Smith/Latsch Development/Rivers Hospitality on a regular basis to ensure progress towards a Development Agreement during the 180 days.

Port staff is scheduled to meet every other week with CD Smith/Latsch Development/Rivers Hospitality, and will meet more frequently as needed. Ms. McMartin noted the Commissioners will be given regular progress updates.

Executive Secretary Sarvi noted at the end of the 180-day term staff and Commissioners can evaluate and discuss the progress of 60 Main.

President Cichanowski noted there is a lot of work to be completed in the next six (6) months. Commissioner Johnson asked if CD Smith/Latsch Development/Rivers Hospitality will assemble a six (6) month timeline and provide drawings and schematics to the Commissioners.

The Port Commissioners heard from Mike Krolczyk, Senior Vice President of C.D. Smith Construction explained the next steps involve land assembly, work with the railroad on the storage tracks and to begin with plans and financial pro formas for the project.

General discussion about the importance of the project and timeline were discussed. A motion was made by Commissioner Alexander, and seconded by Commissioner Lucas, to authorize the attached resolution approving the exclusive right to negotiate with the developer to bring forth the terms and conditions of a Development Agreement in 180 days. All Commissioners present voted aye.

PORT AUTHORITY OF WINONA
RESOLUTION # 772

A RESOLUTION BY THE BOARD OF COMMISSIONERS OF THE
PORT AUTHORITY OF WINONA, APPROVING EXCLUSIVE NEGOTIATIONS
WITH THE DEVELOPMENT TEAM FOR 60 MAIN

WHEREAS, the Port Authority of Winona ("Port") desires to enter into exclusive negotiations with the previously selected development team of C.D. Smith Construction, Latsch Partnership and Rivers Hospitality (the "Development Team") for the development of 60 Main, depicted on the attached Exhibit A, which is attached hereto and incorporated herein by reference; referred to herein as the "Property"; and

WHEREAS, the Port previously reviewed proposals and has determined that it is in the best interests of the Port to pursue a project on the Property consisting of construction of a mixed use structure, including a hotel, along with parking and complementary commercial development (the "Project"); and

WHEREAS, the Development Team has requested the exclusive right to negotiate a Development Agreement with the Port for purposes of development of the Project on the Property; and

WHEREAS, the Development Team and Port desire to work exclusively for a period of 180 days from the date of this resolution to negotiate and draft a Development Agreement and other related agreements as necessary for the Project at 60 Main for Port consideration; and

WHEREAS, the Development Team expressly understands and agrees that the Development Agreement and other agreements, including for the sale of the Property are contingent upon approval by the Board of Commissioners of the Port Authority of Winona; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of Winona that: the Board of Commissioners finds that it is in the best interest of the Port district and the people thereof and in furtherance of the Port's general plan to proceed with exclusive negotiations as outlined and under the conditions stated herein above.

BE IT FURTHER RESOLVED that Port staff are authorized and directed to negotiate exclusively with the Development Team and draft a Development Agreement and other related agreements, as necessary or applicable, to be reviewed by the Board of Commissioners for future consideration of approval, and that Port staff will make periodic updates of the same to the Port.

3. NEW BUSINESS

A. Call for Public Hearing to Consider Sale of Land

Ms. McMartin noted to the Commissioners that the Port must hold a public hearing before the sale of land and the setting of public hearing is to ensure the sale of land meets the Port's objectives.

Ms. McMartin informed the Commissioners that when WinCraft undertook the 2015 project, they had an option to purchase the adjacent parcel of Lot 3, Block 3, consisting of 4.35 acres. The option has expired. Ms. McMartin noted WinCraft has since been acquired by Fanatics and at the December 10, 2020 meeting Commissioners approved the Certificate of Compliance and Consent to Assignment and Assumption to WinCraft.

Ms. McMartin noted WinCraft is interested in purchasing Lot 3, Block 3 for an expansion project. John Killen, President and CEO of WinCraft thanked the Commissioners and staff for their support. Mr. Killen noted since the sale to Fanatics, WinCraft has maintained all of the jobs in the Winona community with the exception of Dick Pope who retired.

Mr. Killen noted that globally, Fanatics has over 2 million square feet in facilities and is interested in adding more to maximize their operations. Mr. Killen informed the Commissioners that WinCraft is considering an 80,000 – 82,000 square foot manufacturing/warehouse facility on the site but are still in the evaluation stage including undertaking soil borings to learn of the soil conditions.

Mr. Killen noted Fanatics is a growth company and this proposed expansion is anticipated to add 20 – 25 jobs and possibly more in the future.

Commissioner Hansen noted re-platting the site to make it more buildable has occurred in past discussions. Commissioner Johnson suggested realigning the north property line may help with the logistics of the building on the lot and provide options for a larger building.

Mr. Killen confirmed WinCraft will look into the site possibilities and informed Commissioners they would like to complete a pleasing development and Fanatics has a team developing a ten (10) year plan for growth and expansion.

Ms. McMartin noted for the purpose of the public hearing, staff will publish the legal description of Lot 3, Block 3 and to include the expanded area to the north Lot 3, Block 3; known as Lot 4, Block 3.

A motion was made by Commissioner Alexander, and seconded by Commissioner Borzyskowski, to approve a motion to approve the attached resolution to set a public hearing for the sale of Lot 3, Block 3 and to include the parcel to the north, Lot 4, Block 3. All Commissioners present voted aye.

**PORT AUTHORITY OF WINONA
RESOLUTION # 773**

**RESOLUTION SETTING PUBLIC HEARING REGARDING THE PORT
AUTHORITY SALE OF LAND IN TECHNOLOGY PARK**

WHEREAS, the Port Authority of Winona (the "Port"), pursuant to Minnesota Statutes, Section 469.065, may sell or convey land; and

WHEREAS, Minnesota Statutes, Section 469.065 Subd. 2. requires a public hearing to be held on the sale of land upon published notice, including the time and place of the hearing and that the public may see the terms and conditions of the sale at the Port's office and that at the hearing the authority will meet to decide if the sale is advisable.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of Winona that:

1. A hearing shall be held on Thursday, March 11, 2021 at 4:00 p.m. in the Council Chambers, 207 Lafayette Street, Winona, MN, via electronic means to consider the sale of land located at 1365 Innovation Drive, in Technology Park, and that at the hearing the Port Authority will meet to decide if the sale is advisable. The public may see the terms and conditions of the sale at the Port Authority's Office.
2. The Assistant Executive Secretary shall notice such hearing on the proposed sale in accordance with applicable law.

B. Appointment of Nominating Committee

President Cichanowski appointed Commissioner Lucas, Gorman, and Borzyskowski. A motion to approve the appointments to the Nominating Committee for review and consideration at the next meeting. No vote required.

5. FINANCIAL REPORT

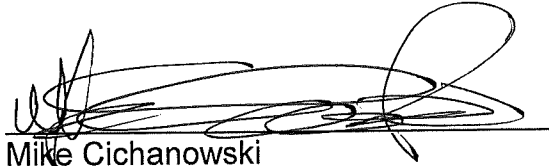
Finance Director Wojahn reported payments are being received from loans made from the Emergency Loan Fund.

6. ADJOURNMENT

A motion was made by Commissioner Borzyskowski, and seconded by Commissioner Johnson to adjourn the meeting. The meeting was adjourned at 4:28 pm.



 Lucy McMartin
 Director of Community Development



 Mike Cichanowski
 President

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

Name	Approval of Minutes	60 Main Exclusive Negotiations	Call for PH Sale of Land	Appointment of Nominating Committee	Adjournment
Cichanowski	Aye	Aye	Aye	No Vote	Aye
Johnson	Aye	Aye	Aye	No Vote	2 nd & Aye
Gorman	Aye	Aye	Aye	No Vote	Aye
Borzyskowski	1 st & Aye	Aye	2 nd & Aye	No Vote	1 st & Aye
Alexander	2 nd & Aye	1 st & Aye	1 st & Aye	No Vote	Aye
Hansen	Aye	Aye	Aye	No Vote	Aye
Lucas	Aye	2 nd & Aye	Aye	No Vote	Aye