

PORT AUTHORITY OF WINONA MINUTES

DATE: April 9, 2020

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

ABSENT: None

STAFF PRESENT: Director of Community Development Lucy McMartin and Development Coordinator Myron White

1. CALL TO ORDER – APPROVAL OF MINUTES

The meeting was called to order at 4:00 PM by President Cichanowski. President Cichanowski provided instructions on participation in the Zoom meeting.

A motion was made by Commissioner Borzyskowski and seconded by Commissioner Thurley to approve the March 12, 2020 minutes. The motion carried with all Commissioners present voting aye.

2. REMARKS BY PRESIDENT

President Cichanowski remarked that the Army Corps of Engineers continues to work on a disposal plan for dredge materials. He noted the importance of river commerce, a 9-foot channel and the efficient movement of commodities. Recognizing the ongoing challenge of finding placement for materials, President Cichanowski urged the Corps to look for opportunities to find locations that offer permanent placement of dredged materials.

3. NEW BUSINESS

A. Port Emergency Loan Program

Staff reported that, because of the Covid 19 outbreak, many of Winona's small businesses are struggling. Monies for these businesses from both the Department of Employment and Economic Development and the Small Business Administration have been very competitive and are seemingly drying up.

Staff proposed a Port-managed loan program to help fill the unmet needs in the community. The loan program:

- Would be funded with \$150,000, with \$50,000 each from the Port, WNB Financial, and Merchant's Bank
- 0% interest
- Deferred payments until January 2021

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Commissioners had several questions:

- Commissioner Gorman asked if loans were done in concert with banks
Staff: Port staff has shared loan policies with participating banks and received comment.
- Commissioner Thurley asked about Port working with the Chamber
Staff: The Port is working with the Chamber on the program. The Chamber's 501(c) 3 arm will be taking donations from parties who might want to contribute to the loan program.
- Commissioner Borzyskowski asked about loan decisions and use of loan proceeds
Staff: Director McMartin proposed that staff (Lucy McMartin, Nick Larson and Myron White) would make loan decisions internally. Loan proceeds could be used for payroll/operating/working capital.
- Commissioner Hansen asked about the \$6,000 limit on loans
Staff: With limited funding, staff felt \$6,000 could provide assistance to 25-30 local businesses
- Commissioner Johnson commented that he liked the idea of keeping it simple, \$6,000 loans with a \$100 monthly payback seemed very doable for most small businesses.

Commissioner Johnson made a motion to approve the proposed \$150,000 loan program with loans up to \$6,000 at 0% interest and 5 years payback with first payment due January 2021. All Commissioners present voted aye.

Staff also suggested a policy that may provide relief for businesses that currently have Port loans. Staff requested that they be allowed to defer principal and interest payments on existing Port loans for up to 3 months.

- Commissioner Lucas questioned if 3 months was enough
Staff: The thought was to provide 3 months relief with the option to review the loan once again after 3 months.
Commissioner Hansen suggested the business would need to request the deferment. Commissioners Hansen and Johnson both suggested that after the initial 3-month deferment, additional deferment requests go to loan committee. Commissioner Johnson made a motion, seconded by Commissioner Hansen; to allow staff to defer principal and interest payments on existing loans for up to 3 months with any request for additional deferment is reviewed by the Port Loan Review Committee. All Commissioners present voted aye.

B. Port Authority Revolving Loan Fund Update

Development Coordinator White provided an overview of Port loans.

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C. Workforce Housing Development

President Cichanowski recused himself from this agenda item and passed the gavel to Vice President Johnson.

Director McMartin indicated that Housing Specialist Nick Larson has received a request from Commonwealth Development asking for support for a proposed workforce housing project at 602 Mankato Avenue. The Developer has stated local assistance would enhance the competitiveness of their Tax Credit application. The Port's recommendation, in the form of a \$135,000 City of Winona Tax Abatement, would be forwarded to the City Council.

Staff pointed out there are currently no vacancy in existing workforce housing units in the City.

- Commissioner Borzyskowski asked the duration of the proposed abatement.
Staff: Estimated it to be 11 years
- Commissioner Hansen asked if there had been conversations regarding Tax Abatement with Winona County.
Staff: Had directed Commonwealth to make contact with Winona County regarding support for the project.

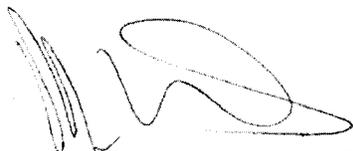
Commissioner Lucas made a motion to provide support for the 602 Mankato Avenue project as proposed. The motion was seconded by Commissioner Hansen. All Commissioners present voted aye. President Cichanowski abstained from the vote.

4. FINANCIAL REPORT

Port Commissioners were provided the most recent financial report.

5. ADJOURNMENT

The meeting was adjourned at 4:55 pm.



Myron White
Development Coordinator

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Michael Cichanowski
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Mike Cichanowski
President