

**Red Wing Port Authority Board
Regular Meeting
City Council Chambers
November 4, 2025**

Members Present: Port Authority Board President Paul Reding; Commissioners Bethanie Flattum, Jay Wardle, Wylie Wilson, Donald Kliewer, and Thomas Drazkowski

Members Absent: Commissioner Beise (excused absence)

Others Present: Kyle Klatt, Community Development Director / Port Authority Executive Director; Shari Chorney, Business Development Manager / Staff Liaison; Gary Iocco, Mayor

1. Call to Order

Port Authority Board President Paul Reding called the meeting to order at 4:30 p.m.

2. Pledge of Allegiance

President Reding led the recitation of the Pledge of Allegiance.

3. Roll Call

Roll call was conducted. President Reding and Commissioners Kliewer, Flattum, Wardle, Wilson, and Drazkowski were in attendance.

Motion to Excuse Commissioner Beise

A motion was made by Commissioner Flattum, seconded by Commissioner Kliewer to excuse Commissioner Beise. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

4. Approval of Agenda

A motion was made by Commissioner Flattum, seconded by Commissioner Wilson to approve the agenda as drafted. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

5. Approval of Minutes

A. Motion to Approve October 7, 2025, Port Authority Meeting Minutes.

A motion was made by Commissioner Wilson, seconded by Commissioner Flattum to approve the minutes as drafted. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

B. Motion to Approve October 20, 2025, Port Authority Workshop Minutes.

A motion was made by Commissioner Flattum, seconded by Commissioner Kliewer to approve the minutes as drafted/amended. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

6. Public Comment

President Reding reviewed the public comment procedure.

No one wished to address the Board.

7. Public Hearing

There were no public hearings.

8. Communication Items

A. Executive Director's Report.

Director Klatt highlighted several items from the report:

- Staff have been communicating with the State Historic Preservation Office (SHPO) about any additional steps that must be completed before demolition can commence on the structure. It was determined that there is no need to go through a full study. The developer intends to start demolition in November or December.
- The Port Authority Board conducted a Workshop on October 20, 2025, for the purpose of governance training. Director Klatt put together a summary of the training for each Board Member to have.
- The City of Red Wing conducted a Housing Summit on October 29, 2025, to bring housing advocates and other interested parties together to discuss ways the City can begin to address its housing needs. Director Klatt reported that there was a very good turnout of about 65 people in attendance. Commissioner Flattum stated that it was a forward-looking conversation rather than a rehashing of the past. President Reding stated that he was struck by the need for housing and the impact of housing on growth in Red Wing. President Reding suggested that it might be prudent to poll some of the larger employers in Red Wing to inquire how they see the potential impact of AI on their companies.
- The City Council, at its October 27, 2025, meeting, approved the use of property tax abatement and agreed to issue an abatement bond to support the demolition of the former Central Research Laboratories building at the intersection of Highways 19 and 61. Director Klatt stated that it is necessary to go out for bid on the demolition. The building demolition is expected to occur in January 2026.
- Director Klatt stated that Staff has been working on selecting consultants to work on the Office of Energy Transition Grant, which is the one million dollars the City received for economic development, future, and resiliency planning. RFP's have gone out for developing a financial analysis for the City, and for performing a Land Feasibility Study.
- Port Authority Manager Chorney stated that the Geo-technical work was performed at the Little River Bulkhead and the Mooring Cluster. Results are expected in about a month. Manager Chorney stated that SHPO's report has not yet been delivered.

- Manager Chorney and Commissioner Wilson attended the Upper Mississippi Waterways Association (UMWA), an association of waterway operators, shippers, and other waterway interests working together to promote the economic and environmental benefits of water transportation in the upper Midwest, which held its annual meeting on October 23, 2025. The Port Association will meet with the Minnesota Department of Transportation (MnDOT) twice per year. At the Minnesota Ports Association meeting in August 2025, the ports began clarifying state funds and federal funds and how they interact. The next meeting is scheduled for Tuesday, December 2, 2025, at 4:40 p.m.

A Motion was made by Commissioner Wardle, seconded by Commissioner Drazkowski to approve the Executive Director's Report. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

B. Committee Reports.

There were no committee reports given.

C. Discussion Items.

There were no discussion items.

9. Motions & General Business

A. Motion to Approve September 2025 Balance Sheet and Budget Report.

Commissioner Wardle stated that the balance sheet was not included, and he asked if it was missing this month.

Director Klatt stated that the balance sheet was not included, and the budget summaries were late, partly because they didn't have the information needed from the finance department, but they also noticed that the total for the fund balance wasn't changing from month to month.

Commissioner Wardle stated that the final two pages of the loan summary are difficult to read because they break across two pages.

A motion was made by Commissioner Wardle, seconded by Commissioner Wilson to approve the September 2025 Balance Sheet and Budget Report. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

Manager Chorney offered the clarification that on the loan summary, there are CMA properties that are part of the downtown investment loan. This is not the loan with tenants. The Staghead Loan was paid off when they sold the property.

President Reding stated that the loan is forgivable at the end of ten years.

Director Klatt stated that there is probably a need to create a separate fund for the downtown investment money.

Manager Chorney stated that the loan for Mike's Barbershop is not showing a declining balance. The finance department has been made aware of this concern.

B. Consider Motion to Approve a Purchase Agreement with the Red Wing School District to Acquire the Former Jefferson School Property at 601 Buchanan Street.

Director Klatt reminded the Port Authority Board that at their September 2, 2025, Meeting, authorization was given to negotiate with the Red Wing School District concerning the acquisition of the former Jefferson School Property at 601 Buchanan Street.

Director Klatt stated that since that time, they have been in communication with the School District regarding what a Purchase Agreement may look like.

Director Klatt explained that, in conjunction with their consultants and legal counsel, a Purchase Agreement has been drafted, and each Member has a copy of it.

Director Klatt stated that there are two actions for the Board to take. The first action is to authorize Staff to execute the Agreement. The second action is to allocate up to \$50,000 from the Port Authority Redevelopment Stimulus Account for the use of completing due diligence work to prepare the site for redevelopment activity.

Director Klatt stated that the purchase price for the property would be set at \$1. The closing date would be on or before July 31, 2025.

Director Klatt stated that a Deed Restriction is being requested that would prohibit the building from being used as another school.

Director Katt pointed out the significance of the National Register Designation, which would provide a significant financial incentive for a company to use the building as it is and maintain the historical integrity of the building.

A question was raised about the School District's obligation to maintain the building during the due diligence period. According to Director Klatt, the Port will be insulated from having to move forward with acquiring the building if they find problems that make it cost-prohibitive to move forward with the transfer of ownership.

Director Klatt stated that the building doesn't need to be nominated for the National Registry of Historic Places, but it needs to be eligible to be nominated. During the due diligence period, the Port would take care of Part One to make sure that the building is eligible to be nominated, but the developer of the

property would be responsible for completing Part Two, which is nominating the building for the National Registry of Historic Places. It was noted that it is difficult for schools to receive the designation.

Director Klatt addressed the cost of the site survey. The projected numbers are based on past projects and experiences, and they are intended to prevent us from having to come back for additional funding. If the School District already has a survey, there will be no need for a second one.

Commissioner Wilson asked what the advantage is to the City if the building goes on the National Registry for Historic Places.

Director Klatt stated that the advantage is for tax credits for a potential developer.

Chris Heineman stated that in his experience, the tax credits associated with a property on the National Registry for Historic Places can make or break a deal. There are federal tax credits and state tax credits. Each of them is up to 20% of the total project cost in tax credits. If there is a \$10 million project, which this could easily be, the developer would receive \$2 million in federal tax credits and \$2 million in state tax credits. Chris stated that the tax credits are the single biggest source for bringing a project to fruition.

Commissioner Drazkowski asked if either of the properties in Winona that are very similar in age qualify for the National Registry for Historic Places. Director Klatt was unsure but offered to find out and report back.

Commissioner Kliewer asked if it was possible to have a post-secondary school in the building. Commissioner Kliewer stated that he was a former school board member and experienced a similar scenario, but the building was used by a college that used it as a nursing school.

Chris stated that anything that would be a direct competition to the School District would not be allowed. A college would not be restricted by the language in the contract.

Commissioner Wardle asked if the governing decision would be the motion and vote by the Port Authority Board. The answer is yes.

Commissioner Drazkowski asked why the maintenance wouldn't be included in the language of the contract if the intent is to continue it. Commissioner Drazkowski would like a paragraph added to the Agreement stating that the School District agrees that maintenance has been performed and will continue during the due diligence period.

Chris stated that the only maintenance that is currently being done is maintaining the HVAC systems, and the building is currently insured. Chris stated that if this

redevelopment project does not proceed, the most likely thing to happen next is a demolition project.

A motion was made by Commissioner Wardle, seconded by Commissioner Flattum to approve the Purchase Agreement with the Red Wing School District to Acquire the Former Jefferson Property at 601 Buchanan Street. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

A motion was made by Commissioner Wardle, seconded by Commissioner Flattum to allocate up to \$50,000 from the Port Authority Board's Redevelopment Stimulus Fund to complete the due diligence work that will prepare the site for redevelopment. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

C. Consider Motion to Approve a \$5,000 Sign, Awning, and Façade Grant for Sievers Creative.

Manager Chorney stated that on June 10, 2025, the Port Authority increased the matching grant funds from \$2,500 to \$5,000. On August 5, 2025, the Port Authority decided that two bids were required rather than one.

Manager Chorney stated that Sievers Creative is located at 460 Guernsey Lane. The property was acquired in 2024. Along with being a marketing firm, they also have their own sign studio.

Manager Chorney stated that the application also includes the required two bids, one of which is from Sievers Creative themselves.

Manager Chorney also pointed out that in the Sign, Awning, and Façade Application is a copy of the wording that states previously installed projects are eligible for the Grant if all conditions are met. This is the first Application that has fallen into this category.

Manager Chorney informed the Board that she took some members of the Finance Committee out to Sievers Creative to see the project in person.

Manager Chorney stated that Roger, from Sievers Creative, is present to answer any questions that the Board may have.

Manager Chorney stated that the total project cost is approximately \$20,000, which means that Sievers Creative does qualify for the \$5,000 Grant.

Manager Chorney reminded everyone that the Port Authority Board set aside \$20,000 for the Sign, Awning, and Facade Program. This is the first project of the year, and if approved, the award will bring the balance in the Sign, Awning, and Façade Program down to \$15,000.

Commissioner Kliewer asked where the company that made the second bid is located. Commissioner Kliewer stated that it is an odd situation that a sign company is bidding on their own sign that was previously installed for a grant.

President Reding invited Roger Sievers to approach the podium to answer Commissioner Kliewer's question.

(Roger) came forward and stated that the sign company is Decent Graphics, which is a company that Sievers Creative has worked with to sub some jobs out to. The company is located in Red Wing. The bid was an "apples-to-apples" bid.

Commissioner Kliewer asked if Decent Graphics has completed jobs such as the one for Sievers Creative.

(Roger) stated that Decent Graphics has completed quite a few sign jobs in the area. He specializes in vinyl graphics, but he's done a few signs.

A motion was made by Commissioner Flattum, seconded by Commissioner Wilson to approve a \$5,000 Sign, Awning, and Façade Grant for Sievers Creative. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

D. Consider Motion to Approve Sign, Awning, and Façade Grant in the amount of \$3,850 for La Dolce Vita Art and Café.

Manager Chorney stated that Elizabeth Chang, one of the owners of La Dolce Vita Art and Café, is present to answer any questions that the Board may have.

Manager Chorney stated that the Café is on the main level, and an art studio will be on the upper level, which will showcase a variety of artists, including (Elizabeth), who is also an artist.

Manager Chorney added that this grant request has been a little slow coming to us because of the changes that the Board has made.

Manager Chorney stated that the color of the awning is going before the Historic Preservation Commission, which is why it is listed as pending their approval.

Manager Chorney invited (Elizabeth) to come forward and give the background of what brought her to Red Wing.

(Elizabeth) stated that it was a coincidence that they came to Red Wing. A friend told her that Red Wing was a very "artsy" city. Because she is an artist, (Elizabeth) loved the idea of having her own gallery.

(Elizabeth) loved the high ceilings in the upstairs for the purpose of showing art and for the purpose of creating art.

A motion was made by Commissioner Wilson, seconded by Commissioner Kliewer to approve a Sign, Awning, and Façade Grant in the amount of \$3,850 for La Dolce Vita Art and Café. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

Commissioner Kliewer asked about the remaining amount that was written in the packet.

Manager Chorney stated that she made an error and will correct it.

E. 2026 Final Tax Level and Budget Approvals.

Consider Motion to Approve Resolution No. 347 Certifying the RWPA Final Property Tax Levy for Taxes Payable 2026.

Director Klatt stated that the Board approved a Preliminary Budget in August of 2025. The amount approved was a tax levy of \$561,620.

Director Klatt stated that Staff is not recommending any changes.

Director Klatt stated that the maximum levy that the Port could impose is \$581,473.

A motion was made by Commissioner Flattum, seconded by Commissioner Wilson to approve Resolution No. 347 Certifying the RWPA Final Property Tax Levy for Taxes Payable 2026. A roll call vote was conducted, and the motion carried unanimously by a vote of 6:0.

President Reding asked about the money carried over from one budget year to the next. President Reding wanted to know if it takes a budget amendment to access those funds.

Commissioner Klatt stated that the fund balance prevents the Port Authority Board from having to amend the budget.

Consider Motion to Approve Resolution No. 348 Approving the RWPA Fiscal Year 2026 Final Budgets.

A motion was made by Commissioner Flattum, seconded by Commissioner Wilson to approve Resolution No. 348 Approving the RWPA Fiscal Year 2026 Final Budgets. A roll call vote was conducted, and the motion carried unanimously by a vote of 6:0.

Commissioner Draskowski asked if the demolition of the building is budgeted. The answer is no. Director Klatt stated that the demolition is being paid for by the City Council through the abatement bond process.

F. Consider Motion to Adopt Resolution No. 346, whereby the Red Wing Port Authority does not Waive the Statutory Tort Liability Limits on the Municipal Tort Liability Established by Minnesota.

Director Klatt stated that this comes before the Port Authority Board every year, and the Board always approves it as written. In the past, the Port Authority Board has been consistent with the City Council. Staff recommends that this motion be approved.

Commissioner Wardle asked why the Port Authority Board must consider this motion.

Director Klatt stated that it is his understanding that because the Port Authority Board is a separate entity, it is required to consider the motion.

A motion was made by Commissioner Wardle, seconded by Commissioner Flattum to approve Resolution No. 346, whereby the Red Wing Port Authority does not Waive the Statutory Tort Liability Limits on the Municipal Tort Liability Established by Minnesota. A roll call vote was conducted, and the motion carried unanimously by a vote of 6:0.

G. Consider Motion to Approve 2025 Rules and Policies for Boards, Commissions, and Committees.

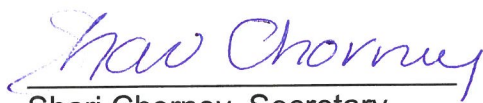
A motion was made by Commissioner Wardle, seconded by Commissioner Wilson to approve 2025 Rules and Policies for Boards, Commissions, and Committees. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

10. Adjournment

A motion was made by Commissioner Wilson, seconded by Commissioner Kliever to adjourn. A vote was conducted, and the motion carried unanimously by a vote of 6:0.

President Reding adjourned the meeting at 5:47 p.m.

ATTEST:


Shari Chorney, Secretary