

**Red Wing Port Authority Board
Regular Meeting
City Council Chambers
December 2, 2025**

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

Members Absent: All members in attendance

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

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 not conducted. President Reding stated that everyone was present and requested that the roll call not be conducted.

4. Approval of Agenda

A motion was made by Commissioner Flattum, seconded by Commissioner Wardle to approve the agenda as drafted. A vote was conducted, and the motion carried unanimously by a vote of 7:0.

5. Approval of Minutes

A. Motion to Approve November 4, 2025, Port Authority Minutes.

A motion was made by Commissioner Flattum, seconded by Commissioner Beise to approve the minutes as drafted. A vote was conducted, and the motion carried unanimously by a vote of 7:0.

6. Public Comment

No one was present to address the Board.

7. Public Hearing

President Reding stated that there are no public hearings scheduled.

8. Communication Items

A. Executive Director's Report.

Director Klatt and Manager Chorney highlighted several items from the report:

- Director Klatt stated that Staff has continued to work on addressing all regulatory and review agency requirements ahead of the planned demolition

of the former Fleischmann Malting building. There is a need to do some additional archaeological investigations on the property. There will be some on-site investigation during the demolition process. Demolition is now in the developer's hands to mobilize when they are ready to go.

- Director Klatt noted that the Red Wing City Council recently authorized completion of work within the Jackson Street right-of-way needed to establish a train whistle-free zone throughout the City. The City will be installing a traffic channelization system at Jackson Street in early 2026 and will not need to use a quad gate system that would have been considerably more expensive.
- Director Klatt also stated that, in conjunction with its action on Jackson Street, the City Council authorized Staff to prepare conceptual plans for pedestrian improvements at the Broad Street crossing.
- Director Klatt stated that Staff provided the Port Authority's adopted budget to the City's finance department for consideration at the City Council's Truth in Taxation meeting scheduled for December 8, 2025, at 6:00 p.m.
- Director Klatt stated that the City Council's ad-hoc committee is expected to meet again with representatives of the Prairie Island Indian Community (PIIC) in early December regarding the former Bauer Built property. The PIIC has the City's permission to operate up to eight cannabis facilities throughout the State. Both parties have worked to develop a draft of a potential lease agreement. There will be more discussions in the coming months.
- Executive Director Chorney stated that Staff and AMI received preliminary results from the geotechnical borings for both the Mooring Cluster site and the Little River Bulkhead. The soil conditions encountered at the Little River Bulkhead were poor, and AMI is evaluating options for constructing a new bulkhead. AMI is still working through environmental assessments. The hope is to meet with AMI next week and narrow the findings to at least two options.
- Director Klatt stated that the City of Red Wing has signed the loan agreement with DEED to provide funding for the demolition of the former Central Research Laboratories building at the intersection of Highways 19 and 61. The next step in the process will be closing on the abatement bond that will be used to guarantee payments on the loan principal and interest. The anticipation and hope are that the work will be completed by the end of next week.
- Director Klatt drew everyone's attention to the attachments that were included with the Director's Report.

B. Committee Reports.

President Reding stated that there were no committee meetings and therefore no committee reports.

C. Discussion Items.

There were no discussion items.

9. Communication Items

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

A motion was made by Commissioner Wardle, seconded by Commissioner Drazkowski to approve the October 2025 Balance Sheet and Budget Report. A vote was conducted, and the motion carried unanimously by a vote of 7:0.

Director Klatt stated that there are a couple of loans that continue to show up on the Loan Sheet and should be removed. Director Klatt stated that he discussed the Capitol Accounts with the Finance Director. In the past, there has been no reporting on the balance of the Downtown Investment Fund. This will be discussed later in the evening. Director Klatt suggested that a separate account be created for the Downtown Investment Fund.

B. Consider Recommendation to Approve Funding from Downtown Investment Fund for Block-38 Elevator Addition Feasibility Study.

A motion was made by Commissioner Drazkowski, seconded by Commissioner Wardle to table the motion for funding from the Downtown Investment Fund for Block-38 Elevator Addition Feasibility Study. A vote was conducted, and the motion carried unanimously by a vote of 7:0.

Manager Chorney came forward and spoke about the physical location of Block-38. Several images were projected as well. A shared elevator has been discussed by the Port Authority Board for at least eight to ten years.

Manager Chorney stated that many of the current property owners would consider creating apartments above their retail space if the apartments were accessible by elevator.

Director Klatt added that the Technical Systems Grant Program allows people to file for funding of up to \$7,500 through the Downtown Investment Fund for the purpose of investigative work on the buildings. In the case at hand, it would not be appropriate to use the Technical Systems Grant Program because there are several investors coming together.

Director Klatt stated that Staff has been encouraging the property owners to work together on the project. Staff is looking for a recommendation from the Board to present to the City Council to use the Technical Systems Grant Program funds for the stated purpose.

President Redding stated that the appropriate next step would be to table this to allow some of the questions to be fleshed out before making a recommendation.

Commissioner Flattum asked President Reding what curiosities he was referring to. President Reding stated that there are questions surrounding who would ultimately own the elevator, how the elevator would be managed and maintained, and what the ballpark estimate of the cost of an elevator is. President Reding stated that his limited personal experience with elevators is that the actual cost can be startling. If there were an expectation of some cost sharing, the affected

parties would likely want a good-faith estimate of those costs prior to moving forward. President Reding explained that he is not interested in spending additional money on a study without having answers to his or the property owners' questions.

Commissioner Flattum asked who the decision-maker of the physical location of the proposed elevator would be. Manager Chorney stated that the architects would make the location decision.

Commissioner Flattum also stated that the property owners may come to some decisions, and asked how will the sale of their current property impact those decisions in the future.

Commissioner Kliewer asked if the elevator idea was driven by Staff, the Port Authority Board, or the property owners. Manager Chorney stated that the concept was a product of all the above.

Commissioner Kliewer pressed and asked again if this is something that the property owners want to do. Manager Chorney stated that the property owners want to see if the project is feasible.

Commissioner Kliewer asked why the property owners are not present for the meeting, and he raised concerns about whether the property owners want any "skin in the game." Director Klatt stated that the project idea resurfaces when the former Staghead Building was purchased by new owners.

Commissioner Kliewer asked how many properties in the Downtown area are without elevators, and how people access the upstairs portion of the property now. Director Chorney stated that people use stairs, and one property owner must access their upstairs space through their neighbor's property.

Director Klatt stated that most of the buildings that are over three stories high have an elevator, with a few exceptions.

Director Klatt added that most of the buildings that are under three stories do not have elevators.

Commissioner Drazkowski asked if there is a common hallway behind the buildings. Director Chorney did not know the answer to the question.

Commissioner Wardle thanked President Reding for his input because Commissioner Wardle was familiar with the cost of the elevator that was put into his three-story church building, and the cost was more than \$300,000.

Commissioner Wardle stated that some further conversations with the property owners are warranted.

C. Consider Motion to Approve an Amended Consulting Proposal for General Consulting Services 2026 and to Perform an Evaluation of Historical Significance for the Former Jefferson School Building.

A motion was made by Commissioner Flattum, seconded by Commissioner Beise to approve an amended consulting proposal for general consulting services 2026 and to perform an evaluation of historical significance for the Former Jefferson School Building. A vote was conducted, and the motion carried unanimously by a vote of 7:0.

Director Klatt stated that over the past four years, the City has been engaging with New History to provide consulting services and assistance to the Port Authority Board that is specifically focused on the redevelopment of existing buildings.

Director Klatt stated that Staff is requesting that the Port Authority Board authorize Staff to execute an updated agreement with New History to carry their services forward through 2026.

Director Klatt stated that Staff have been judicious in their use of the consulting offered by New History, and the work that has been completed by New History would have gone undone because of the current staffing level for the City.

Commissioner Drazkowski asked what projects have utilized the consulting services of New History that total \$11,000. Director Klatt answered that there have been a mixture of discussions surrounding the Bower Building, a lot of general Downtown work, and the Maltery Project.

Commissioner Flattum stated that the cost is closer to \$8,000 rather than \$11,000.

President Reding asked why the retainer wouldn't be used for the former Jefferson School Building Project until it is depleted, and add another contract later. Director Klatt explained that this is essentially what is being done.

D. Preparation for 2026 Annual Workshop: Discuss 2025-2029 Work Plan Progress and Potential Updated Actions for 2026 [Updated 2025 Work Plan Progress Report and Recommended 2026 Priority Actions to be Posted on 12/1/25].

Director Klatt stated that this item was added to the agenda because last year, the Port Authority Board strongly suggested that there be a discussion about the Work Plan before the Annual Meeting, which centers on the details.

Director Klatt reminded everyone that he provided an updated Five-Year Plan.

Director Klatt added colors to the Plan and stated that blue indicates the item is

completed, green indicates that the item is an ongoing project, yellow indicates that the item is essentially a project that is on hold, and red indicates areas that need some attention.

Director Klatt stated that regarding the Central Research Property, the Loan Agreement has been executed, and Staff is waiting to get the copy back from DEED, which will allow the City to move forward with the closing on the bond.

Director Klatt stated that the City is planning to go out for bid on the demolition work and hopes to present it at the City Council Meeting in January.

Director Klatt stated that Staff attempted to put together some suggestions for the things that are big items of concern for 2026. The first item is the redevelopment of the former Jefferson School Building. The second priority is the demolition of the Fleishman Maltery Site. The third priority is the demolition of the Former Research Building. The fourth priority is the Energy Transition Grant.

Director Klatt stated that there should be a comprehensive review or plan that focuses on the waterway. Director Klatt stated that an annexation plan needs to be considered, and there is a need to continue supporting redevelopment in the Bauer Built Property. City Council has taken the lead in this.

Director Klatt stated that developing a branding strategy and a marketing initiative.

Commissioner Flattum stated that there are a lot of priorities, but there are none that seem to be appropriate to remove.

President Reding stated that no matter how much planning goes into a project, it almost always takes more than the allotted time frame.

E. Port Authority Meeting Calendar for 2026 [Proposed Board, Workshop, and Committee Schedule to be Posted on 12/1/25].

Director Klatt stated that a calendar is submitted to the City Clerk each year that shows the Regular Meetings of the Port Authority Board. A more comprehensive calendar would be helpful.

Director Klatt would like to schedule the Workshop Meetings so that Commissioners can plan around them.

Director Klatt stated that Staff would like to schedule the Workshop Meeting for the Five-Year Plan in early February of 2026 and then a Workshop Meeting in September or October.

Director Klatt added that Staff would like the Committee Meetings to be put on the calendar in advance. The Finance Committee is already scheduled to meet

on the third Wednesday of every month at 8:00 a.m.

Director Klatt stated that the Strategic Committee has been meeting quarterly on the third Wednesday of the month Downtown with the City's philanthropic partners at 1:00 p.m.

Director Klatt stated that the Marketing Committee is not currently scheduled. Staff requests that their meetings be scheduled in advance. Director Klatt pointed out some specifics that have been added to the 2026 calendar.

Commissioner Kliwer stated that the June 2, 2026, meeting date will not work for him. Commissioners Flattum and Drazkowski agreed.

President Reding suggested that there be a line item on the agenda for a Budget Update in October of 2026.

Commissioner Kliwer noted that the November 3, 2026, Meeting falls on election night. Director Chorney explained that typically, the Port Authority Board will begin an election night meeting at 3:30 p.m.

Commissioner Drazkowski stated that the Preliminary Levy and Budget Review was on the agenda in August, and there was very little discussion; rather, it was just approved. November 3rd came, and it was almost like a rubber stamp. He asked if that could be added to the October agenda rather than the August agenda. Director Klatt stated that August is the statutorily required time to have it on the agenda.

Director Klatt asked if an evening Workshop Meeting is preferable to a Saturday morning Workshop Meeting.

There was consensus that evenings work better than Saturdays.

Director Chorney stated that weekday mornings are also available.

There was consensus that a weekday morning was preferable to an evening.

March 2, 2026, will be the first Workshop Meeting on the calendar at 7:00 a.m.

10. Adjournment

A motion was made by Commissioner Wilson, seconded by Commissioner Kliwer to adjourn the meeting. A vote was conducted, and the motion carried unanimously by a vote of 7:0.

President Reding adjourned the meeting at 5:44 p.m.

ATTEST:


Shari Chorney, Secretary

