



Port Authority Mission Statement

The Red Wing Port Authority is the primary leader for promoting economic and industrial development, together with identifying and coordinating redevelopment for the purpose of enhancing the tax base, promoting employment and contributing to the economic vitality and quality of life of the City of Red Wing.

Port Promise

The Red Wing Port Authority allows our city to proactively seek out, attract and retain businesses that add to the long-term vitality of our community.

Statement of Intent

We gather today in this room as one people to discuss and attend to the matters of Red Wing. Together, as a government body and as community members, we agree to treat everyone with courtesy, dignity, and respect. We will listen to all sides of an issue, encourage participation, support each other, act with honor and accountability, and inspire pride in our community. This we commit as we open this meeting.

Meeting Announcement and Agenda

Port Authority Board Special Meeting

Location: City Council Chambers, 315 West 4th Street, Red Wing, MN & Virtually

Date: Wednesday, June 24, 2026

Time: 8:00 AM

This meeting will be held in the City Hall Council Chambers and virtually via Webex at the same time. Members of the public can join this meeting either in person at City Hall or virtually. [Join the meeting via Webex](#). To join via telephone, please dial (415) 655-0001. Enter access code 2551 851 4499 and password 2026 when prompted.

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Excusal of Members**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
- 6. Motions & General Business**
 - 6.A. Consider Motion to Extend Purchase Agreement and Deadline of the Jefferson School Acquisition.
This agenda item is dependent on the City Council's decision at their June 22, 2026, meeting, and the School Board's decision at its June 23, 2026, meeting.
- 7. Adjournment**

Accommodations for signing interpreter, Braille, large print, etc. can be made. Call City Hall at 385.3600 seven days prior to the need. Hearing assistance devices are available during meetings.



TO: Red Wing Port Authority Board

FROM: Kyle Klatt, Community Development Director

Agenda Item No.: 6.A. – Jefferson School Site Purchase Agreement Extension

Meeting Date: June 24, 2026

ACTION REQUESTED:

The Port Authority is being asked to consider approving an amendment to its purchase agreement with the Red Wing School District concerning the potential acquisition of the former Jefferson School property at 601 Buchanan Street as follows:

- 1) Motion to authorize staff to execute an amended purchase agreement with the Red Wing School District to acquire the former Jefferson School property at 601 Buchanan Street, specifically to extend the deadline for completion of all contingencies to October 31, 2026.

ATTACHMENTS:

1. First Amendment to Purchase Agreement – Draft
2. Purchase Agreement – 601 Buchanan Street

SUMMARY:

At its September 2, 2025 meeting the Red Wing Port Board authorized staff to negotiate with the Red Wing School District to acquire the former Jefferson School property at 601 Buchanan Street with the expectation that an acquisition agreement would be considered at a future meeting. The purchase agreement was approved at the Port Authority's November 2025 meeting and executed by both parties on December 15, 2025. The agreement specifies a purchase price of \$1 and gives the Port until June 30, 2026 to complete due diligence items that will make the site much more attractive to potential private developers and facilitate future redevelopment activities.

Due to the length of time to complete the various due diligence items and recent action by the City Council to rezone the site to allow greater flexibility for potential multi-family uses, staff has asked that the Red Wing School District consider a time extension to provide the Port Authority with additional time to complete its due diligence work and developer selection process prior to

completing the purchase. The School District will be considering the extension request at its June 23, 2026 meeting. Staff will provide an update to the Port Authority at its June 24th meeting if this extension is approved by the district.

BACKGROUND:

Over the last several months, staff has been working to complete the due diligence items for the site in order to better position the property for reuse, including:

- Review of title work for the property.
- A Phase I Environmental Review that identified potential hazardous materials in the building, including known and potential asbestos containing materials (ACM), and a potential hazard associated with an above-ground storage tank.
- A Phase II Environmental Review that eliminated some of the potential ACM as a future issue (roof and window materials) and cleared the site from any future issues associated with the storage tank.
- Boundary and title survey work through the preparation of an ALTA Survey for the site.
- Ongoing work to complete a Part 1 Historic Tax Credit Evaluation to determine whether the building will qualify for inclusion on the National Register of Historic Places and be eligible for using historic tax credits. This application has progressed through the required state review and is now under review by the National Park Service.

As part of its due diligence work, staff also reached out to several developers to solicit their feedback about the site and found that the property is generally viewed as a viable redevelopment site, but two major issues consistently emerged as barriers: the lack of clarity concerning the density allowed on the site and the need for significant financial assistance. The Red Wing City Council recently voted to rezone Jefferson School to help support future redevelopment of the site; this zoning will become effective in roughly two weeks.

During the June 8th Council discussion on the proposed rezoning action for the Jefferson School, the City Council's actions included specific direction to the Red Wing Port Authority concerning its future efforts to solicit a developer for the site. The Council requested that as part of a future request for proposals (RFP), the Port Authority consider the following:

- 1) Limiting the maximum density of the project to 24 units per acre with a maximum total number of residential units of 52.
- 2) Establishing a maximum allowed height for any new buildings at three stories or 35 feet.
- 3) Requiring that the project includes a playground and/or preserves existing open space on the site.

As noted above, the deadline for action by the Port Authority to move forward with the purchase agreement and express satisfaction with all listed purchase contingencies is June 30th. Because the Port Board is still waiting to finalize the historic evaluation and has not yet issued an RFP for the project, staff is recommending that the Board consider an extension to provide

additional time to complete these items. The Finance Committee will be discussing a draft RFP document at its July 1st meeting; the draft RFP is slated for review by the Port Board on July 7th.

Because the ability to extend the purchase agreement deadlines is contingent on action by the School District as well, staff will present an update from the School Board meeting during the Port Authority's meeting. Regardless of any action (or lack of action) on the part of the School Board, the Port Authority will need to discuss how it wants to proceed under the terms of the current agreement or a potentially amended agreement.

RECOMMENDATION:

Staff recommends the action noted above in "Action Requested".

FIRST AMENDMENT TO PURCHASE AGREEMENT

This First Amendment to Purchase Agreement (“Amendment”) is made this ____ day of _____, 2026, by Independent School District No. 256, Red Wing, a Minnesota public school district (“District”), and the Red Wing Port Authority, an economic development agency (“RWPA”).

WHEREAS, the District and RWPA entered into a Purchase Agreement dated December 15, 2025 (the “Purchase Agreement”), wherein the District agreed to sell and the RWPA agreed to purchase the Property described in the Purchase Agreement.

WHEREAS, the District and RWPA desire to amend the Purchase Agreement in accordance with the terms and conditions of this Amendment.

NOW, THEREFORE, in consideration of the covenants herein contained, the District and RWPA hereby amend the Purchase Agreement as follows:

1. The first paragraph of Paragraph 2 is deleted and replaced with the following:

The RWPA’s Contingencies. The obligations of the RWPA under this Agreement are contingent upon each of the following being completed to the RWPA’s satisfaction on or before October 31, 2026 (“Contingency Date”):

2. The first sentence of Paragraph 3 is deleted and replaced with the following:

Closing. The Closing on the purchase and sale of the Property contemplated by this Agreement (the “Closing”) shall occur on November 30, 2026, or such sooner date as agreed upon by the parties (the “Closing Date”).

3. Except as specifically amended herein, the terms and conditions of the Purchase Agreement shall remain in full force and effect. To the extent any terms of this Amendment conflict with the terms of the Purchase Agreement, the terms of this Amendment shall prevail.
4. This Amendment may be executed in any number of counterparts and each shall have the same effect as if each copy were signed by all parties. The parties to this Amendment further agree that electronic and/or facsimile signatures on this Amendment or any agreement related hereto shall be treated with the same force and effect as original signatures.

[signature page to follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the date first above written.

INDEPENDENT SCHOOL DISTRICT NO. 256, RED WING

By: _____
Ryan Riester, Board Chair

Dated: _____

By: _____
Jennifer Tift, Clerk

Dated: _____

RED WING PORT AUTHORITY

By: _____
Wylie Wilson, Treasurer

Dated: _____

By: _____
Kyle Klatt, Executive Director

Dated: _____

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made as of this 15th day of December, 2025 (the "Effective Date") between Independent School District No. 256, Red Wing, a Minnesota public school district ("the District") and the Red Wing Port Authority, an economic development agency ("the RWPA").

RECITALS

WHEREAS, the District owns certain real property known as the Jefferson School, located at 601 Buchanan St, Red Wing, MN 55066, identified as Parcel ID No. 555801360, and legally described in the attached Exhibit A (the "Property");

WHEREAS, pursuant to Minnesota Statutes section 465.035, any Minnesota public corporation may lease or convey its lands for a nominal consideration, without consideration, or for such consideration as may be agreed upon to the state, to any governmental subdivision, or to another public corporation, when authorized to do so by its governing body; and

WHEREAS, the District wishes to convey the Property to the RWPA as provided for in this Agreement.

AGREEMENT

In consideration of this Agreement, the District and the RWPA agree as follows:

1. **Purchase Price and Manner of Payment.** The District agrees to sell to the RWPA, and the RWPA agrees to receive from the District, the Property for the total purchase price of one dollar (\$1.00), payable upon closing of the purchase.
2. **The RWPA's Contingencies.** The obligations of the RWPA under this Agreement are contingent upon each of the following being completed to the RWPA's satisfaction on or before June 30, 2026, ("Contingency Date"):
 - a. **Title.** Title to the Property shall have been found acceptable, or been made acceptable, in accordance with the requirements and terms of Section 7 below.
 - b. **Inspection.** The RWPA shall have determined that it is satisfied in its sole and absolute discretion and opinion with the results of and matters disclosed by any and all soil tests, well tests, engineering inspections, hazardous waste and environmental reviews and general inspections of the Property, including but not limited to reviewing or obtaining a new Phase I Environmental Assessment of the Property. All such tests, inspections and reviews are to be obtained at the RWPA's sole cost and expense.
 - c. **Document Review.** The RWPA shall have determined that it is satisfied with its review and analysis of any records relating to the Property.

- d. **Historic Tax Credit Eligibility.** The RWPA shall have obtained approval of a “Part 1 – Evaluation of Significance” historic tax credit certification indicating that the Property is eligible for listing in the National Register of Historic Places. The District shall reasonably cooperate with the RWPA in seeking the requested certification, including but not limited to signing the application prepared by the RWPA.
- e. **Survey.** The RWPA may, at the RWPA’s cost and discretion, obtain a current ALTA survey of the Property prepared by a registered and licensed land surveyor. The RWPA shall determine whether it is satisfied in its sole and absolute discretion and opinion with the results of the survey.

If any of the above contingencies has not been timely satisfied, then this Agreement may be terminated, at the RWPA’s option, by written notice from the RWPA to the District delivered on or before the Contingency Date (the “the RWPA’s Termination Notice”). If the RWPA’s Termination Notice is not timely delivered, all such contingencies shall be deemed satisfied and waived by the RWPA, and the RWPA shall be obligated to proceed to Closing on the Closing Date. Upon timely delivery of the RWPA’s Termination Notice, neither party shall have any further rights or obligations under this Agreement. The contingencies set forth in this Section 2 are for the sole and exclusive benefit of the RWPA, and the RWPA shall have the unilateral right to waive any such contingency by written notice to the District.

- 3. **Closing.** The Closing on the purchase and sale of the Property contemplated by this Agreement (the “Closing”) shall occur on July 31, 2026, or such sooner date as agreed upon by the parties (the “Closing Date”). The Closing shall take place at the offices of Knight Barry Title (“Title Company”), or at such other place as may be agreed to between the parties. The District agrees to deliver possession of the Property to the RWPA on the Closing Date.
- 4. **The District’s Closing Documents.** On the Closing Date, the District shall execute, where appropriate, and/or deliver to the RWPA the following (collectively, “the District’s Closing Documents”):
 - a. **Deed.** The District shall execute a warranty deed (“Deed”) conveying its right, title and interest in fee title to the Property to the RWPA, free and clear of all encumbrances, except the following Permitted Encumbrances:
 - i. Property taxes and special assessments, if any, to be allocated between the parties as provided in Section 6 of this Agreement;
 - ii. Building codes and laws and ordinances relating to zoning, land use, and environmental matters; and
 - iii. Easements and Restrictions and Covenants of Record that do not interfere

e. **Attorneys' Fees.** Each of the parties will pay its own attorneys' fees.

7. **The District's Deliveries and Title Examination.** The District's deliveries and Title Examination will be conducted as follows:

- a. Within thirty (30) days after the Effective Date hereof, the District shall deliver to the RWPA, to the extent said documents are within the District's custody or control, true copies of any documents of significance to ownership, operations, and/or management of the Property, including, but not limited to: 1) all available site, plat, civil, building, and survey plans; 2) copies of all environmental site assessments and soils reports ("Existing Environmental Reports"); 3) copies of all structural studies, reviews, and communications concerning regulatory, zoning, and insurance matters; 4) copies of ADA studies, communications with regulatory agencies or schedules of ADA work remaining to be completed by the District; 5) documents concerning existing septic tanks or wells; and 6) title work.
- b. **The District's Title Evidence.** The RWPA shall, within ten (10) days after the Effective Date, order a commitment ("Title Commitment") for an Owner's Policy of Title Insurance insuring title to the Property, issued by the Title Company, and deliver copies thereof to the District and the RWPA as soon as reasonably practicable after receipt from the Title Company. The Title Commitment will commit the Title Company to insure title to the Property subject only to the Permitted Encumbrances.
- c. **The RWPA's Objections.** On or prior to the Contingency Date, the RWPA may make written objections ("Objections") to the form and/or contents of the Title Commitment, and to any Survey of the Property as the RWPA may elect to obtain at the RWPA's sole cost. If any Objections relate to any matters platted or designated on a Survey obtained by the RWPA, such Objections shall include a copy of the Survey. The RWPA's failure to make Objections within such time period will constitute waiver of Objections. The matters shown on such Survey or Title Commitment and not objected to by the RWPA in writing within such time shall be "Permitted Encumbrances" hereunder. The District will have ten (10) days after receipt of the Objections to elect to cure or take no action with respect to the Objections. If the Objections are not cured within such ten (10) day period, the RWPA will have the option to do either of the following through the delivery of written notice to that effect to the District within fifteen (15) days after the District's receipt of the Objections:
 - i. Terminate this Agreement; or
 - ii. Waive the Objections and proceed to close, in which event the waived Objections shall become Permitted Encumbrances and the District shall have no further obligation or liability with respect to such waived Objections, which shall be set forth as exceptions in the Deed.

8. **Operating Prior to Closing.** During the period from the Effective Date to the Closing Date, and except for the Permitted Encumbrances, the District shall execute no contracts, leases or other agreements regarding the Property that are not terminable on or before the Closing Date, without the written consent of the RWPA, which consent may be withheld by the RWPA at its sole discretion.
9. **The RWPA Access.** During the period between the Effective Date and the Contingency Date, the District shall allow the RWPA, and the RWPA's agents, access to the Property without charge and at all reasonable times for the purpose of the RWPA's investigation and testing of the Property. The RWPA shall pay all costs and expenses of such investigation and testing and shall, to the extent permitted by law, indemnify, defend and hold the District and the Property harmless from all costs, liens and liabilities relating to the RWPA's activities. The RWPA shall further repair and restore any damage to the Property caused by or occurring during the RWPA's testing and return the Property to substantially the same condition as existed prior to such entry.
10. **Representations and Warranties by the District.** The District represents and warrants to the RWPA as follows:
 - a. **The District's Authority.** The individuals executing this Agreement represent to the RWPA that they have the legal authority to execute this Agreement.
 - b. **Title to Property.** The District owns the Property free and clear of all encumbrances except the Permitted Encumbrances.
 - c. **Environmental Laws.** To the best of the District's actual knowledge, and except as may be set forth in, and without any investigation other than, the Existing Environmental Reports, if any, no toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, and any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601-9657, as amended) have been generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on the Property in violation of any environmental laws. To the best of the District's actual knowledge, and except as may be set forth in, and without any investigation other than, the Existing Environmental Reports, if any, there are no substances or conditions in or on the Property that may support a claim or cause of action under Resource Conservation and Recovery Act ("RCRA"), CERCLA or any other federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements, including without limitation, the Minnesota Environmental Response and Liability Act, Minn. Stat. Ch. 115B ("MERLA") and the Minnesota Petroleum Tank Release Cleanup Act, Minn. Stat. Ch. 115C.
 - d. **Rights of Others to Purchase/Possess the Property.** The District has not entered

into any other contracts for the sale or conveyance of the Property, nor has the District granted any rights of first refusal or options to purchase or convey the Property. No person or entity other than the District is entitled to possession of the Property. The District represents that there are no tenants or third parties in possession of the Property.

- e. **Violations.** The District has not received any written notice of any violations of legal requirements (such as, but not limited to, zoning, building, fire, health, environmental or waste disposal requirements) with respect to the Property that have not been entirely corrected.
- f. **Proceedings.** The District has not received any notices and is not aware of any action, litigation, investigation, condemnation or proceeding of any kind pending or threatened against the District or any portion of the Property, including any notice of actual or threatened special assessments or reduction or curtailment of utility services.
- g. **FIRPTA.** The District is not a “foreign person”, “foreign partnership”, “foreign trust” or “foreign estate” as those terms are defined in Section 1445 of the Internal Revenue Code.
- h. **Wells.** To the best of the District’s actual knowledge, there are no wells located on the Donation Property.
- i. **Storage Tanks, Individual Sewage Treatment Systems.** To the best of the District’s actual knowledge, no above ground or underground tanks, and no individual sewage treatment systems are located on or about the Donation Property.
- j. **Blocked Persons.** The District has not received written notice that District is:
 - (1) listed on the Specifically Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury (“OFAC”) pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 Sept. 25, 2001 (“Order”) and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the “Lists”);
 - (2) a person who has been determined by competent authority to be subject to the prohibitions contained in the Order; or
 - (3) owned or controlled by, or acts for or on behalf of, any person or entity who is (x) on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Order, (y) a citizen of the United States who is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United

States law, regulation or Executive Order of the President of the United States, or (z) an “Embargoed Person,” meaning any person, entity or government subject to trade restrictions under U.S. law, including , but not limited to the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated under such acts

To the extent permitted by law, the District will indemnify and defend the RWPA, its successors and assigns, against, and will hold the RWPA, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys’ fees, that the RWPA incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after the Closing.

11. **Representations and Warranties by the RWPA.** The RWPA represents and warrants to the District that the RWPA has the requisite power and authority to enter into this Agreement and perform it.
12. **Damage; Condemnation.** If, prior to the Closing Date, the Property is damaged or destroyed by fire or other casualty, or eminent domain proceedings are commenced against all or any part of the Property, the District shall promptly give notice to the RWPA of such fact and at the RWPA’s option (to be exercised within fifteen (15) days after the District’s notice), this Agreement may be terminated, in which event neither party will have further obligations under this Agreement.
13. **Assignment.** Neither party may assign any right or delegate any duty hereunder without the prior written consent of the other.
14. **Notices.** Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement if it is directed to the District by delivering it personally to the District, or if it is directed to the RWPA by delivering it personally to the RWPA; or if mailed by United States registered or certified mail, return receipt requested, postage prepared; or if sent cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to the District:	Independent School District No. 256, Red Wing Attn: Bob Jaszczak 2451 Eagle Ridge Drive Red Wing, MN 55066
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If to the RWPA:	Red Wing Port Authority Attn: Kyle Klatt, Executive Director 419 Bush Street Red Wing, MN 55066
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Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by mail, that the time for response

to any notice by the other party shall commence to run two (2) business days after the same is deposited in the United States Mail; and provided, however, that if notice is given by overnight courier, that the time for response to any notice by the other party shall commence to run one (1) business day after the same is deposited with the overnight courier. Any party may change its address for the provision of notice by giving written notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change.

15. **Default.** If either party shall default in any of their respective obligations under this Agreement, the other party, by notice to such defaulting party specifying the nature of the default (“Default Notice”). If the defaulting party fails to cure such default in the manner required by this Agreement within thirty (30) days of its receipt of a Default Notice, then the non-defaulting party may, by written notice to the defaulting party, terminate this Agreement through the delivery of written notice to that effect to the defaulting party. Each of the District and the RWPA agree that the right to terminate this Agreement shall be the sole remedy for a default of the other party, except for: (a) a default of the RWPA under Section 10 or a default of the District under Section 11, which in either case shall permit the non-defaulting party to pursue all rights and remedies available to the non-defaulting party under law or in equity.

16. **Miscellaneous.**

- a. **Entire Agreement.** This Agreement embodies the entire agreement between the parties and cannot be varied, except by the written agreement of the parties. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties. All exhibits attached to, and recitals set forth above, are hereby incorporated into this Agreement by this reference.
- b. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and together which shall constitute one and the same Agreement. Signatures on this Agreement transmitted electronically shall be deemed to be valid and binding to the same extent as original signatures.
- c. **Headings.** The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation hereof.
- d. **Dates.** Time is of the essence with respect to this Agreement.
- e. **Enforceability.** If any provision of this Agreement is adjudged to be invalid or unenforceable by a court of competent jurisdiction, this Agreement should be construed as if such invalid or unenforceable provision had not been inserted herein and should not affect the validity or enforceability of the remainder of this Agreement.
- f. **Controlling Law.** This Agreement has been made under the laws of the State of

Minnesota, and such laws will control its interpretation.

- g. **Binding Effect.** This Agreement binds and benefits the parties and their successors and assigns.
- h. **Construction.** All of the parties to this Agreement have participated freely in the negotiations and preparation hereof. Accordingly, this Agreement should not be construed more strictly against any one of the parties.

EXECUTED as of the last of the dates indicated by the signatures below, which will be deemed to be the “Effective Date” hereof for all purposes.

[signature page to follow]

INDEPENDENT SCHOOL DISTRICT NO. 256, RED WING

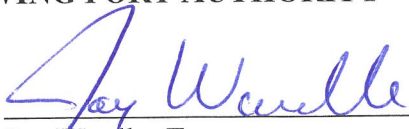


Ryan Riester, Board Chair



Jennifer Tift, Board Clerk

RED WING PORT AUTHORITY



Jay Wardle, Treasurer



Kyle Klatt, Executive Director

Exhibit A

Legal Description

Block 16, West Extension of Sweneys Addition to Red Wing, according to the recorded plat thereof, County of Goodhue, State of Minnesota.