

Red Wing Port Authority 2023 Annual Report



Staff

Kyle Klatt (Community Development Director / Executive Director), Shari Chorney (Port Authority Manager), (Community & Economic Development Facilitator) – Position Open Since March 2022).

Port Authority Board

Beth Flattum (President), Pam Dahl (Vice President), Jay Wardle (Treasurer), Paul Reding (Assistant Treasurer), Ralph Rauterkus (Secretary), Evan Brown (City Council), and Becky Norton (City Council).

Harbor Committee

William Simmons, Mike Hill, Ron Collett, Greg Genz (Ex-Officio), Michael Hosfeld, Paul Pfluger, Shari Chorney (Staff Liaison), Joe Melson (Staff Liaison), Lynn Nardinger (Staff Liaison).

Major Accomplishments

1. The Red Wing Port Authority successfully applied and was awarded a \$1.9 million grant from Port Infrastructure Development Program (PIDP). The PIDP is a discretionary grant program administered by the Federal Maritime Administration. The federal monies equal 80% of the project costs for two of the Port's major river projects, including the Little River Bulkhead Rehabilitation and replacement of the four Mooring Clusters located adjacent to Red Wing Grain. The Port was also awarded PDAP funding from the state to cover the required local match for these projects in the amount of \$503,948. Both projects are expected to be completed in 2024.
2. The City of Red Wing executed the TIF Agreement for the Avanti (Block 27) redevelopment project, and demolition of the buildings within the block was completed by the end of the year. The Port Authority participated in a groundbreaking ceremony to mark the commencement of construction on the 36-unit apartment building.
3. The Port Authority negotiated a draft purchase and redevelopment agreement for sale of the former Bauer Built Building with Rebound Partners and recommended a financial assistance package to support the project using a combination of Tax Increment Financing, Port development funds, small

cities development funds, PACE (energy efficiency) loans, and reduced land sales price. The City Council did not move forward with the agreement as drafted, and the Port and City will determine next steps for the building in 2024, which could include a revised purchase agreement and financial incentives or a different project.

4. The Port Authority created a process to seek proposals for development the former Central Research Property. The Port received two responses to the request for offers and decided to work with Blue Water Farms towards a potential sale a redevelopment of the site into a fish hatchery and aquaponics facility. The Port completed a Phase 1 Archaeological Study that did not identify the need for further studies prior to development of the property.
5. The Port Authority adopted revisions to the sign and awning grant program to further clarify the minimum requirements for the program and encourage higher quality designs. The program was extended through the end of 2023.
6. The Port Board created a new loan program called the Advancing Entrepreneurs Loan Program. This program was designed to advance opportunities to individuals of color, woman, and veteran owned businesses by partnering with our RWI and others to proactively assist and nurture diverse Red Wing businesses. The program was initially provided with \$100,000 of funding that the Port received through the American Rescue Plan Act.
7. The Port Authority approved three loans of \$20,000 each through the Advancing Entrepreneurs Loan Program, including loans to Celeste Beauty Max, Gather and Graze, and River City Therapy Center.
8. The Port Board authorized extension of the West End District Business Assistance Program for an additional year and allocated up to \$150,000 from its redevelopment stimulus fund towards the program. The goal of the program is to assist and implement future redevelopment projects in the West End area.
9. The Port Board amended the technical assistance grant program to include the Old West Main area. The program provides up to \$7,500 in funding to address broader infrastructure challenges and opportunities for one or more buildings related to such things as accessibility, sustainability and parking.
10. The Port Authority approved one grant of \$7,500 through the Technical Assistance Grant program to support further environmental investigations on the former car wash site at 1315 Old West Main Street.
11. The Port Authority reviewed a proposal to rezone two parcels within the River Bluffs Business Park to allow for an affordable housing project by Three Rivers Community Action. The Port Authority recommended against approval of the zoning, and the rezoning action was denied by the City Council.
12. Staff, working with Walker Consultants, prepared a draft Parking Study and Strategic Plan for downtown Red Wing. The study will be presented to the City Council in 2024 for formal adoption.

13. The Harbor Committee meet periodically to review matters pertaining to the riverfront and port. The Harbor Commission reviewed a structural analysis for the Continental Grain/Levee Mooring Clusters and reviewed new leases for the marinas and ADM lease renewal.
14. The Port Board approved the lease renewal with ADM.
15. Port Staff participated in quarterly meetings with the City's economic development partner organizations. The focus of the meetings was to discuss projects of shared interest between the participating organizations.
16. Staff completed business retention visits with six local businesses.
17. The Port Board approved one Public Relations matching grant totaling \$5,000 to the Big Turn Music Festival.
18. The Port Authority issued matching grants worth \$10,294 that assisted five businesses in the Sign, Awning & Façade Grant Program. A little over half of the available funds for these grants were used in 2023.
19. Staff and the Port Authority continued working with its operator for the Little River Bulkhead (CD Terminal), which successfully moved 92,486 tons of product across the bulkhead, including Slag, Rebar, Scrap Metal, Salt, Coke, and Cotton Seed in 2023, this was down from 146,681 tons in 2022. The decrease was due to flooding, which then lead to low water and the inability to get barges to the Little River Bulkhead.
20. The Harbor Commission/Committee and Port Authority had 29 river boat stops.
21. The Port Authority continued to utilize the Harbor Commission for input and recommendations on various marina/waterfront topics, including review of a preliminary river modeling report for the Little River Bulkhead area.
22. Staff and the Port's Strategic Committee continued to meet with local foundation representatives on supporting further downtown redevelopment and renewal. The committee (along with foundation representatives) worked with developers considering the former Associated Bank building and other potential project sites in downtown.
23. The Port Authority extended its contract with New History to provide professional technical assistance on downtown and west end development opportunities.
24. The Port Authority Board developed and approved a 2024 budget of \$674,773 with a tax levy decrease to \$504,770; the Port's 2023 year-end fund balance (as of December 2023) was \$712,270.

25. The Port Authority participated in various meetings with the Minnesota Ports Association, developing a state capital bonding request to the state legislature for 2024. Red Wing identified four projects related to improvements at the Little River Bulkhead, repair/replacement of the Red Wing Grain dolphins, adding a mooring cluster near the Levee wall for riverboats, and completing river modeling and potential waterway improvements. The combined total estimated cost of all port waterway improvements is \$6,516,446 (with expected 80% bond financing or federal grants).