

**SPECIAL
CITY COUNCIL MEETING – WORKING SESSION
CITY HALL COUNCIL CHAMBERS
FEBRUARY 19, 2019
6:00 P.M.**

AGENDA

- I. CALL TO ORDER**

- II. NEW BUSINESS**
 - A. Assisted Living – Craig A. Hanson Will Be In Attendance (page 1)**
 - B. 2019 Leadership Retreat**
 - C. Schedule A Meeting With School Board & Administration and Township Board Of Supervisors & Clerk (page 9)**

- III. OLD BUSINESS**
 - A. AMPI Project – Update**
 - B. 2019 Street & Storm Sewer Drainage Project – Update**
 - C. Public Works Facility – Update**
 - D. Parks & Equipment – Update**
 - E. City Hall Security – Update**
 - F. K-9 – Update**
 - G. Staffing – Update**
 - H. Blighted Property – Update**
 - I. Downtown Revitalization & Redevelopment – Update**
 - J. Review Strategic Plan – 2015 Leadership Retreat (page 10)**

- IV. ADJOURN**

The agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville City Council. This document does not claim to be complete and is subject to change.

BARRIER FREE: All Paynesville City Council meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall at (320) 243-3714 early so that the necessary arrangements can be made.

Jennifer Welling

From: Renee Eckerly
Sent: Monday, February 11, 2019 9:47 AM
To: Craig Hanson; leo@louisind.com; Jamison Kohout; Peter Jesh
Subject: RE: Assisted Living

Craig,
There is no reason for you to attend this evenings City Council meeting. You had requested to be on the agenda for the City Council working session on Tuesday, February 19, 2019 at 6:00 pm to discuss your project proposal.

Renee Eckerly
City Administrator – Economic Development Director
221 Washburne Avenue
Paynesville MN 56362
(320) 243-3714 ext. 227

From: Craig Hanson [mailto:craig@hanlawoffice.com]
Sent: Monday, February 11, 2019 9:40 AM
To: Renee Eckerly <Renee@paynesvillemn.com>; leo@louisind.com; Jamison Kohout <jamison@summitdevelopmentco.com>; Peter Jesh <peter@summitdevelopmentco.com>
Subject: Assisted Living

Renee.

I hope you are doing well. I was wondering if there is a reason for me to attend tonight's council meeting. Looks like the agenda item regarding the DT redevelopment is simply a report and a scheduling session for upcoming meetings. Is that correct?

Craig A. Hanson

Hanson Law Office, PA

24707 County Road 75

St. Augusta, MN 56301

O: 320.257.3388

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craig@hanlawoffice.com

www.hanlawoffice.com

Rush City Senior Living project is now open to accredited investors.



PRINCIPLE MANAGERS



✶ Craig A. Hanson *present 1-22-19*

Craig owns a private law firm and offers more than 15 years of experience advising individuals and small to large businesses on real estate, investment, and management matters. In addition to his law degree, he has an MBA, a BA in healthcare finance, and a background advising clients in tax matters. Craig has been an attorney for many private equity company transactions such as development groups on hotels and redevelopment (which included Federal New Market Tax Credits, TIF financing and other sophisticated financing structures) and has acted as inside counsel for a \$300 million (sales/year) trailer manufacturer.

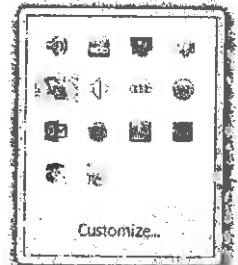
Outside of his practice, Craig is involved in multiple business operations assisting clients in all stages of tactical and strategic business planning including a number of residential developments. Craig has advised and assisted with the development of assisted living facilities, hotels, apartments and residential properties. Craig has advised companies in the areas of

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Outside of his practice, Craig is involved in multiple business operations assisting clients in all stages of tactical and strategic business planning including a number of residential developments. Craig has advised and assisted with the development of assisted living facilities, hotels, apartments and residential properties. Craig has advised companies in the areas of corporate formation, mergers and acquisitions, governance, joint ventures, and other strategic business arrangements and has drafted and negotiated commercial agreements. Craig has demonstrated experience working with public sector projects such as a project in Detroit Lakes, Minnesota. This project entailed extensive work with the city and DNR to ensure appropriate development that met local and tourist needs as well as environmental requirements. He was involved in a redevelopment project in Platteville, Wisconsin where a mixed-use redevelopment included combining the visions of the city and local university to develop a project that would meet the needs of the local community and University.

Jamison T. Kohout

Jamison has 18+ years of real estate investment experience. As the Land Acquisition Manager of the Minnesota Division of the 3rd largest publicly owned home builder in the USA (2016-2018), Jamison sourced, engaged, and negotiated the acquisition of over 1,000 current and future housing lots with assembled properties exceeding 20% IRR. As a licensed real estate broker, Jamison invests, develops, manages, and finances real estate. Jamison has transacted over \$10 million in MLS and non-MLS transactions annually, assisting hundreds of buying and selling clients as well as builders and developers. He is an expert in identifying value in distressed or underdeveloped real estate. As President of Landsource LLC, Jamison has acquired bank owned developments, vacant land, and redevelopment properties for builder and investor partners. Jamison is the Founder and VP of Real Assets LLC and Real Assets II LLC, achieving a balance sheet of over \$20 million in total assets and over \$5 million in equity. As Partner of Venture Development Group LLC, Jamison acquires and manages apartment, single family home, and townhome rental properties



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* Jamison T. Kohout - Present 1-22-19

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Peter Jesh

Peter has been President of Summit Development, Inc since its inception in 2005. He is an expert in land purchase negotiation and market analysis. Over the past decade, he has developed strong relationships with the most respected architects, builders and management firms throughout the senior living business community. His experience also includes working with city officials and their financial advisors to maximize the sustainability and financial viability of senior living projects.

In addition to his BA in Marketing and Operations Management from the University of St. Thomas, Peter has extensive experience in all areas of finance, including market and cash flow analysis and capital structure which are vital in the analysis of operations and long-term sustainability of senior living projects. Peter has successfully developed seven senior living communities comprised of 497 units. Peter has developed, co-developed, raised capital and managed the disposition of senior living projects in the following communities; Mahtomedi, Maplewood, Moundsvew and Cambridge.

In Rush City, Peter recently achieved full approvals that included the purchase of an already operating 20 unit building which included developable land where an additional 52 units will be constructed in winter of 2018. Part of this negotiation resulted in beneficial TIF and tax abatement participation on the part of the city and county for this expanded senior living facility.

Peter provides guidance for the capital structure and day to day operations for new developments. He is directly involved in working with Silver Creek's partners assisting with new acquisitions and structuring partnerships with senior housing demand analysts, certified accounting review agencies, senior living management companies, bank and FHA HUD specialists, real estate investment trusts, architects, general contractors, interior designers, and engineers for senior housing development.



David S. Eberle

David has 30 years of experience in the financial sector, specifically real estate investment. He joined The Arden Group, a \$500M+ private equity fund, in 2017. He is Managing Director of Investor Relations.

Prior to this, David was a Principal and Director of Fund Management for a large Midwest based real estate firm. David spent 8 years as an owner and partner in Demeter, LLC. Demeter utilized equity from Harvard Management Company and provided investment management for a real estate portfolio. Harvard invested in David's thesis to capitalize on a statutory arbitrage dislocation in agricultural real estate, primarily in the Midwest. David's responsibilities with Demeter included developing Private Placement Memorandums, interfacing with attorneys and CPA's, identification, purchase and sale of properties, as well as all fundraising activities and investor communications.

David spent nearly 10 years with W.P. Carey, leaving as an Executive Director before forming Demeter, LLC. He has held the following Securities Licenses: Series 7, General Securities and the Series 24, Principals License. He has been directly involved in raising over \$5 billion in investor equity for real estate assets located throughout the United States.

David graduated from St. John's University in Collegeville, MN with a Bachelor of Science Degree in Management.

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Lee W. Hanson - Senior Advisor

Lee is a Principal at Gray Plant Mooty (the longest-standing law firm in Minneapolis, Minnesota) and concentrates his practice in closely held business law, including mergers and acquisitions, sales, estate planning, agricultural matters, business, commercial real estate, and tax planning.

Gray Plant Mooty's Private Equity team regularly assists clients in their efforts to raise and invest private equity. We represent both growth-oriented companies and private equity firms in venture capital and other private equity transactions. Gray Plant Mooty's business finance attorneys are involved with all stages of private equity ranging from seed capital to venture capital to mature private equity transactions, including management and other leveraged buyouts and recapitalizations.

Gray Plant Mooty represents angel investors, venture capital, and other private equity funds, and mezzanine lenders in evaluating, structuring, negotiating, and documenting their investments and in their due diligence investigations of investment opportunities. As a full-service law firm, Gray Plant Mooty draws upon resources in all areas of the firm to assist clients in the due diligence investigations of their potential investments and to develop efficient investment structures.

Some of Lee's accomplishments are highlighted in "Business Central" a central Minnesota Business Journal.

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Renee Eckerly

From: Renee Eckerly
Sent: Tuesday, February 12, 2019 11:45 AM
To: Matt Bullard; Dwiese001@hotmail.com
Subject: Schedule meeting with City Council

Matt & Don,

I am trying to schedule a meeting with yourself, the School Board and Township Supervisor. The reason for this meeting is because of all the newly elected people. It would be good to have a working session discussion to see what is on each boards agenda and maybe how we can help each other.

I am trying to schedule evening meeting in April at the City Hall.

Does any of these dates work for your people at 6:00 pm for an hour

April 9, 15, 16, 29, 30

Renee Eckerly
City Administrator – Economic Development Director
221 Washburne Avenue
Paynesville MN 56362
(320) 243-3714 ext. 227

STRATEGIC PLAN – 2015 Leadership Retreat

February 12, 2019

Note: anything underlined is updated information from February 12, 2019

Goal #1- Increase staffing to accommodate City growth and increasing demands

- Liquor Store – will need to get authorization from the City Council to start the hiring for one person, possible two (1 manager, 0 full time, 4 part time, 4 14-hr part time)
- Police Department – full time police secretary/bookkeeper and full time police officer hiring process has started. (1 chief, 3 officers, K-9 Jerry)
- Public Works – will need to get authorization from the City Council to start the hiring process for 1 seasonal 67 day employee. (1 director, 3 full time, 3 part time, 1 67-day)
- City Administration – fully staffed (1 City Administrator, 1 Admin Assistant, 1 Motor Vehicle Specialist, 1 Finance Specialist, 1 Customer Service Specialist, 1 Finance Technician (position eliminated), 1 Social Media Specialist, 1 ½ Building Official.)

Goal #1 was **COMPLETED** as of December 31, 2017. As of February 12, 2019, Police Secretary/Bookkeeper, Police Officer, Firefighter positions are in the hiring process. Lifeguards, liquor store clerk(s) and 67 day seasonal part-time will be coming to City Council for approval to start the hiring process.

Goal #2 – Redevelop & revitalize downtown Paynesville

- ~~Blandin Group is working on this~~
- ~~Bring back the City's Enhancement Committee – Has not been done; waiting on Blandin Group to give list of people interested on being on the committee~~
- ~~Pat Flanders rehab concepts for the Corner Drug block~~
- ~~Downtown Enhancement Group came to City Council on Sept. 25, 2017 and requested: Peterson requested the City do the following:~~
 1. ~~Appoint Council members to the task force – Thompson & LeBeau done Sept 25, 2017.~~
 2. ~~Influence the bike trail route – on the Working session agenda for February 8, 2018.~~
 3. ~~Buy the Corner Drug building – Council has consider against the purchase as of September 11, 2017; listed on each Council agenda as a reminder. a. Eckerly is creating report on revenue from sale of property in Opportunity Park and Airport View plats.~~
- Eckerly is working with Chuck DeWolf, Bolton & Menk on a bike route through town to the high school. Please review the draft layout included in the packet.
- City Council has approved working with a consultant on planning the redevelopment of downtown. Downtown tour and first meeting scheduled for March 19, 2019.
- City looked into demolish of Corner Drug but stopped when learned that it was attached to Eats & Treats building.

Goal #3 – To address the City's economic development efforts one store at a time

- Opportunity Park lot(s) – One lot left (78,036 square feet) between Kwik Trip and McDonalds for sale. Marketing
- Airport View plat – Marketing the remaining 5 lots or 11.94 acres of land for sale
- Heatherwood Plat 3 – Sold 8 lots in 2017 & 2018. Marketing the remaining 14 lots for sale.
- Market the lots on Minnie Street

Goal #4 – To address the City's housing needs

- Apartment complex - sold to Pete Yarmon fall of 2018, no idea if he will be building phase II. Money paid back to city for sale of land.
- Craig Hanson and Leo Louis – discussing assisted living in downtown area with the city.

Goal #5 – To follow through with annexation plans

- Eckerly has contacted Spooner to attend the April 19 2018 Working Session.

Goal #6 – To follow through with existing and current programs and projects.

- This is an ongoing process, Eckerly will check on this

Goal #7 – To address the need for improved City facilities

- Liquor Store has two years left on lease with Teals Management. Liquor Board is starting discussing on options to present to Council.
- Discussion has started on a new Public Works facility.
- Discussion has started on a new Emergency Services facility, which would include police, fire, possible ambulance and other policing agencies.
- Eckerly has contact Lon Negan for the architect drawing of the front counter remodel to be shown to the surveillance companies. After surveillance cost have been obtained a meeting of the ad hoc committee can be scheduled.
- Advertising for RFP for Architect services for a new Public Works building.

Goal #8 – To develop a community identity

- The Blandin Group is working on this

Goal #9 – To improve communication and collaboration with other jurisdictions

- On this evening agenda to schedule a meeting with School Board & Township Supervisor, since there are a lot of new faces.

Goal #10 – To adapt to new mandates affecting the Police Department

Goal #11 – To address evolving social issues

- Refugee restrictions
- Protests