

**PROPERTY NEGOTIATIONS BOARD  
PAYNESVILLE CITY HALL CONFERENCE ROOM  
MONDAY, APRIL 6, 2020  
1:30 P.M.**

**Some or all members of the Property Negotiations Board may participate in this meeting by telephone, rather than being personally present at the Property Negotiations Board's regular meeting place at 221 Washburne Avenue, Paynesville, Minnesota. Members of the public can monitor the Board meeting by listening to the meeting by calling 425-436-6367 with access code: 861978.**

**AGENDA**

- I. CALL TO ORDER
- II. CONSENT AGENDA
  - A. Minutes (page 1)
- III. NEW BUSINESS
- IV. OLD BUSINESS
  - A. Former Shopko Building
- V. INFORMATION
- VI. ADJOURN

**Please contact Ron Mergen at 320-243-3714 ext. 230 or at [ron@paynesvillemn.com](mailto:ron@paynesvillemn.com) if you are unable to attend the meeting in person and plan to use the conference call option by calling 425-436-6367 with access code: 861978.**

**Voting Members: Neil Herzberg, Shawn Reinke, Ron Mergen, and Belinda Ludwig.**

This agenda has been prepared to provide information regarding an upcoming meeting of the Property Negotiations Team. This document does not claim to be complete and is subject to change.

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

## REQUEST FOR COMMITTEE/COUNCIL ACTION

**COMMITTEE/COUNCIL NAME:** Property Negotiations Board

Committee/Council Meeting Date: April 6, 2020

Agenda Section: Consent

Originating Department: Administration

Item Number: II - A

**ITEM DESCRIPTION:** Minutes

Prepared by: Staff

**COMMENTS:**

Please review the minutes from the March 30, 2020 Property Negotiations Board meeting.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

Motion to approve the minutes from the March 30, 2020 Property Negotiations Board meeting.

**MINUTES  
PROPERTY NEGOTIATIONS BOARD**

**MARCH 30, 2020**

The meeting was called to order by Shawn Reinke at 1:30 p.m. Members present were Ron Mergen, Public Works Director/Acting City Administrator; Neil Herzberg, and Belinda Ludwig, City Treasurer/Acting City Administrator. Also present were Leo Louis and Steve Peterson.

**Motion was made by Reinke to approve the minutes from the September 23, 2019 Property Negotiations Team Meeting. Seconded by Herzberg and unanimously carried.**

**ELECTION OF OFFICERS**

**Motion was made by Ludwig to elect Reinke as Chair, Herzberg as Vice Chair, and the City Administrator position as Secretary. Seconded by Herzberg and unanimously carried.**

**MEETING SCHEDULE**

**Motion was made by Reinke to set a minimum of one meeting a year; one in February. All other meetings will be set as needed. Seconded by Herzberg and unanimously carried.**

**FORMER SHOPKO BUILDING**

Louis & Peterson were in attendance to determine the interest in the former Shopko building for City services. They are part of a group of individuals that have purchased the building and are open to leasing, lease to own, or an outright purchase. Items of building. The points of discussion included:

- The building is 22,600 ft. sq.
- The lot is 2.2 acres
- City Hall is 5,000 sq. ft.; including the Police Department
- Library currently has 2,800 sq. ft, needs future space of 4,000 to 6,000 sq. ft.
- The undeveloped road to the south has a 66 ft. width, possible development potential
- Move the Library to the former Shopko building
- Move the Library to City Hall, City Hall to the former Shopko building
- Move the Liquor store to the Shopko building
- The Liquor Store and Police Department are not a good mix
- Library and Liquor are not a good mix
- Other ideas, day care, office space, community meeting space, possible County office
- Rent to own option
- Income from tenant
- Cost to purchase
- Cost to lease
- Grant money for the library
- Cost per sq. ft. to remodel \$65.00 per sq. ft.

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- Cost to construct new \$200.00 per sq. ft.
- Donations from investors and the public

There has been discussion on using all or part of the building for a Library, City Hall, and/or Liquor Store. The general consensus was that renting long term would not be desirable by the City. Due to budget constraints it may be difficult to purchase the building outright as well. The thought seemed to revolve around possible leasing it for 5 years and then buying it for \$1 at the end of the lease period. Louis and Peterson did not have figures for rent or a purchase price. The Board asked them to come back to the next meeting with figures. They were also asked to check with potential tenants to see if they would still be interested in renting a section of the building if the City owned it. Louis and Peterson would like a "letter of intent" by mid-May. In conclusion, members noted there is an opportunity here, but more information is needed.

### **NEXT MEETING**

**Motion was made by Reinke to set the next meeting for Monday, April 6, 2020 at 1:30 p.m. Seconded by Herzberg and unanimously carried.**

There being no further business, the meeting was adjourned at 2:44 p.m.