SPECIAL MARY MACDONALD COMMITTEE
SPECIAL JOINT MEETING WITH
CITY COUNCIL & EDA

Purpose was to review and discuss the results of the Mary MacDonald
Facility Condition Assessment conducted by Kraus-Anderson

4:00 P.M. January 14, 2026

Present**:** Steve VanHouse
Shane Hoff
Juel Salveson

Excused: Joe Baltich
Gary Thompson

Lana Fralich, City Administrator
Pete Auvinen, Kraus-Anderson
Mauri Solomon, Kraus-Anderson
Mayor Wade LeBlanc, City Council, P&Z
Richard DeRosier, City Council, EDA, P&Z
Ben Bautch, City Council
Nelson French, EDA, P&Z
Beth Smuk, EDA
Donny Thompson, EDA via ZOOM
Ron & Barb Bautch
Marcia Oates
David Samuel
Mary Stefanich Hoffman
Carolyn Hudyma
Shelley Cheney
Gerry Cheney

Mayor LeBlanc called the City Council meeting to order at 4:00 p.m.

Mary Mac Board Chair VanHouse called the Mary MacDonald meeting to order at 4:00 p.m.

EDA Chair French called the EDA meeting to order at 4:00 p.m.

It was noted there was a quorum of the Planning & Zoning Board attending.

The purpose of the meeting is to review and discuss the Facility Conditions Assessment of the Mary MacDonald building as completed by Kraus-Anderson.

Councilor Hoff presented a summary highlighting the importance of the Mary Mac building to the city. The Mary MacDonald Business center currently holds 7 businesses in which 5 are growing, 24 full time equivalent jobs, $1.1M in payroll, $6.5M in goods and services. It is also the location of key community uses and benefits including recovery and mental health counseling, only vaccine provider, only pharmacy in the immediate area and growing, veteran services, health & human services, emergency management, affordable clothing and household items, funerals, weddings, and other

special events, karate classes, Pickleball, youth groups, historical society, food shelf, and Ruby's Pantry.

Pete Auvinen, Kraus-Anderson stated the Facility Condition Assessment is for informational purposes to help the city make decisions regarding the Mary MacDonald building.

Mauri Solomon, Kraus-Anderson presented the assessment for review which included information relating to the building built in 1965 and is approximately 57,027 square feet. The assessment identified $11.4M of deferred maintenance needs over the next ten years with $9.8M of that needing to occur soon (2026 year) as they have been deemed critical or poor. The Facility Condition index, which is an industry standard to compare deferred maintenance costs to the value of building replacement, has rated the condition of the overall building as "poor". The assessment broke out the deferred maintenance costs into divisions including: Interior Construction- $5,864,791 (52%), Roof- $2,013,603 (18%), Exterior Enclosure- $924,690 (8%), Site work/Building Earthwork- $344,690 (3%), Electrical- $393,746 (4%), Mechanical Controls- $370,676 (3%), HVAC- $1,032,814 (9%), Plumbing- $99,320 (1%), Fire Protection- $49,000 (0%), Special Construction- $52,000 (0%), and Equipment Furniture- $226,525 (2%).

Key findings included roof replacement, exterior building envelope such as tuckpointing and brick repair, repair of tiles and entrance overhangs, leaking windows (lintels), upgrading of electricity, ADA compliance needs, trip hazards, parking lot repairs, asbestos and lead removal, repair water damage to ceilings and walls, replace steam boilers, and upgrading kitchen equipment and cooler to make usable. Discussion followed regarding the extent of repairs needed, replacement of flooring, inflation effecting the delay for needed repairs, and interruption to businesses during repairs.

Lengthy discussion followed regarding operations, revenues and expenses, and cash flow. There was discussion on the importance of the businesses to the community and subsidizing the building to maintain services. Discussion continued on various options to help with operations including raising rents, transferring utilities to businesses, shortening the use and winterizing a portion of the building, asking businesses for help in improvements, adding housing options. Discussion continued how to generate funding through grants, loans, paying debt services, impacts to tax payers, conducting a needs assessment with existing businesses to determine what size building a new facility would need to be, costs of developing a new facility, demolition of old building, selling the building, having business become owners of the building to share more in costs, using volunteers to help with repairs, look at other underutilized buildings in the city to move businesses to. Comments made relating to the survey, inviting businesses to attend, and consider the human/job factor and not just the cash flow.

Discussion returned to the timing for repairs, what would the most critical repairs, and what repairs could be delayed, with the most critical being the roof, exterior envelope, electrical, asbestos/lead removal, and ADA compliance for entrances. KA recommended that most of these be conducted in 2026 as outlined in their report, but if delayed would need to add inflationary costs. There was a

review of the tool created for the building to help manage the long-term capital planning of the building.

Gerry Cheney suggested the next Mary Mac meeting on February 11th be held in the Bay Area Vineyard Church in the Mary Mac building. It was also requested that a copy of the Facility Assessment and an invite be sent to business owners in the Mary Mac building.

Motion by VanHouse second Salveson to adjourn the Mary Mac meeting at 5:37 p.m. MOTION CARRIED.

Motion by French second Smuk to adjourn the EDA meeting at 5:37 p.m. MOTION CARRIED.

Motion by Bautch, second FitzGerald to adjourn City Council meeting at 5:37 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson

Attest:

Wade LeBlanc, Mayor

Lana Fralich, City Administrator