

TO: MAYOR AND CITY COUNCIL

FROM: JON RADERMACHER, City Administrator

SUBJECT: CANNON FALLS AREA HISTORICAL SOCIETY, MANAGEMENT AGREEMENT FOR CITY FACILITIES, AND RESOLUTION DETERMINING THE FUTURE USE OF 212 MILL STREET WEST

MEETING DATE: August 5, 2025

BACKGROUND

Council will hear a presentation from Amy Dombeck, President of the Cannon Falls Area Historical Society (CFAHS). CFAHS has been operating out of the Museum for a very long time with an unwritten agreement with the City. The maintenance agreement presented tonight is similar to agreements that I have utilized in past cities in situations where non-profits operate out of city-owned facilities. These agreements are a good means to guide a mutually beneficial relationship, where non-profit groups operate and maintain, to certain levels, these facilities that otherwise might be under utilized or even fall into disrepair. CFAHS has a strong interest in the museum, which is one of, if not the oldest continually standing building in Cannon Falls, and was an early Fire Hall for the City. The agreement has been reviewed by the City Attorney. The CFAHS Board approved this agreement at their July 18th Board Meeting, and we are recommending approval by the City Council tonight.

In addition, a separate resolution is being presented to the Council for approval, to provide direction on the use of the house and garage adjacent to the Museum that was purchased by the City at the request of CFAHS with their pledge of donations to the City to offset the purchase price of the property in 2018. The expectation at that time was the Museum would need the space for operations, and storage. During our discussions creating the agreement, and with the CFAHS Board's establishment of their strategic plan, additional evaluation will take place to assess the need for the house and garage, and whether improvements to the Museum building may accommodate their future needs. Based on the expectation of that work, CFAHS Board asked for a commitment from the City, in the situation that the house be sold, and what would be done with the proceeds of the sale. The resolution acknowledges the past donations that were already made, \$160,000, the purchase price of the home, \$186,000, and would commit the City to use any proceeds of the sale up to \$160,000 to support costs associated with facilities managed by CFAHS. If sold the CFAHS would be relieved of their pledge commitment and the remaining balance of \$26,000. Any proceeds in excess of \$186,000 would be available to be used at the discretion of the City Council, for allowable public purposes.

The purpose of retaining the \$160,000 is to acknowledge the contributions made by CFAHS and use the funds on the facilities that help them operate, which hopefully will support the intent of the original donors. Donations are a huge source of funding for CFAHS and sustain goodwill

between the City, CFAHS and their donors will be instrumental to the future success of the Historical Society and maintenance of the Museum. As discussed in previous meetings, the Museum has some major capital improvement needs with the roof and windows, and donor contributions will be very helpful to both the City and CFAHS to offset those costs and make the improvements necessary to support the future goals of CFAHS and the use of the Museum. Jeopardizing that goodwill and support risks loss of support and the ability for the partnership between the City and CFAHS to maintain a valued historic asset in our community.

STAFF RECOMMENDATION

The Management Agreement and Resolution will be taken in two separate motions; however, based on my conversations and negotiations with CFAHS, they should be considered as contingent upon the other, the intent was understood that in establishing the agreement that has been approved by the CFAHS Board, there would be this resolution for determining the use of the proceeds of the sale, it is determined to be sold.

REQUESTED COUNCIL ACTION

Motion to approve the management agreement with the Cannon Falls Area Historical Society for the facilities at 206 Mill Street West, the Museum, and 212 Mill Street West, the dwelling.

Motion to approve Resolution 2818, Determining the Future use of the Buildings at 212 Mill Street West in Regards to Donations Received from Cannon Falls Area Historical Society.