

**MINUTES**  
**Eveleth City Council Workshop**  
**3:00 p.m., August 25, 2015**  
**Council Chambers, City Hall, Eveleth, MN**

Mayor Robert Vlasisavljevich, Present  
Councilor Brian Hoag, Absent  
Councilor Brad Hadrava, Present  
Councilor Brian Lillis, Present  
Councilor Joseph Koivunen, Absent

Also present: City Clerk Administrator Jackie Monahan-Junek; Deputy City Clerk Stephanie Friebe; Consultant Dave Salene

Mayor Vlasisavljevich called the meeting to order at 3:03 p.m.

**1. Discuss Department of Revenue relocation options**

The Minnesota Department of Revenue is seeking a new location. They currently pay the City \$35,000+ per year in lease money for renting the basement of the Eveleth Public Library. Monahan-Junek received an estimate from Architectural Resources to renovate the Eveleth Senior Center, across the street from the Library. It would cost nearly \$530,000 to accommodate the Department of Revenue's needs if the City were to reconstruct the Eveleth Senior Center. Monahan-Junek said she has been searching for another space, but has not yet been able to find anything. It was also mentioned that perhaps the City could seek funding to update the library basement for the Department's specifications.

Thursday morning, Mayor Vlasisavljevich and Monahan-Junek will meet with legislators to discuss this matter further.

**2. Discuss purchase of Fingerhut building, 2 Rivers Auction LLC, and MnDOT office needs**

Dave Salene reported that the title work for the purchase of the Fingerhut building is progressing, but has been cumbersome due to easements, subordinate loans, etc. Salene said he is hoping to have the title issues cleared up by the end of September. MnDOT is interested in leasing the building for three years as work begins on relocating Highway 53. Consultant Dave Salene and Monahan-Junek met in St. Paul with representatives from State Lease Administration.

Bart Kyte, 2 Rivers Auction LLC, is leasing the Fingerhut building from the current owners (Tini) as he is unable to secure financing to purchase the building. The City's intent was to purchase the building, lease it to Kyte (with a purchase option) with Kyte to update the exterior of the building, and to subdivide the land for future development. Monahan-Junek

indicated that Kyte is upset as he was under the impression he could lease the building to MnDOT and keep the lease money. Monahan-Junek said she needs to know the Council's intention for Bart Kyte. Mayor Vlasisavljevich expressed his concerns with junk cars that are being stored at the site.

Discussion took place on constructing a metal building for Bart Kyte, and using the existing Fingerhut building to lease to MnDOT. Salene will move forward with the prospective MnDOT lease.

The meeting adjourned at 3:44 p.m.