

HEADQUARTERS FEASIBILITY STUDY

Dear Member:

At the December Board Meeting, your MLEC Board of Directors reviewed a comprehensive Headquarters Building Feasibility Study prepared by Widseth.

Widseth is an independent contractor in Baxter that employs a team of architects, engineers, scientists, and surveyors that designs a host of critical infrastructure projects from commercial buildings to roads and bridges. MLEC engaged Widseth to take an in-depth look at MLEC's current facility and property and determine the feasibility of MLEC remaining in our existing facility, remodeling the existing facility, demolishing the existing facility and rebuilding on the existing site location, or building a new building on a new building site. The ultimate goal of this project is to find the best option that best serves MLEC employees and members in Aitkin, Mille Lacs, and Crow Wing Counties.

To ensure an accountable response to this process, Widseth conducted a needs assessment of the current MLEC facility. Through this process, each MLEC Department Manager provided analysis for their current and future needs, as well as an assessment of how departments could be configured to optimize operational efficiency.

After reviewing the needs assessment and completing a thorough walk-through of the facility, Widseth concluded that the current MLEC headquarters facility and site are in poor condition. According to the consultant, the site and buildings have reached the limit of their useful effectiveness. To stay in the existing building with no expansion improvements would require approximately \$2 million in repair costs over the next two to five years to keep the building operational.

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The current facility has bearing walls that pose structural limitations for remodeling, with existing room configuration and public restroom accesses that could not provide a fully accessible work environment. Existing soil conditions and adjacent wetlands along the north side of the property and to the east make expansion in those areas difficult to impossible.

With the upcoming Highway 169 construction, MLEC will need to close and relocate both existing driveways off of Highway 169. Additionally, the widening of the highway will take an additional 20 feet of property from the southern edge of the MLEC property boundary. This, along with the wetland considerations, make it very difficult to build a modern, efficient complex on the current location. In addition, MLEC would need to relocate its pole yard, shed and trucks, and all materials in its cold storage facility during this approximate two-year construction period. We would need to include



Sarah Cron
CEO

the additional cost of warehousing and inefficiency to the operational expenses during this time. We would also hope there are no major storms while a new facility is being constructed.

While these are only a few highlights of the report, Widseth determined a new facility on a new site is the most appropriate, cost-effective, flexible, and responsible solution that would allow MLEC to serve the membership effectively while minimizing the cost to MLEC members.

Your MLEC Board of Directors is not taking this decision lightly. They will review all of the possibilities over the next month or two, ask more questions, get more answers, run the numbers, and determine what is best for the MLEC employees and members. One thing is for certain, after engaging with Widseth, we do know that our 60-year-old facility no longer serves the business needs of MLEC for today; and, as we grow and change, it will not serve the needs of our future.

Until next month,