

NEW HISTORY

EXECUTIVE SUMMARY

Date: February 9, 2024
To: City of Northfield
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Anna Watson, Anna.Watson@ci.northfield.mn.us
Project: Northfield Post Office, 14 Bridge Square, Northfield MN
Regarding: City Acquisition of Post Office Site
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We understand that the City of Northfield is considering a potential acquisition of the United States Postal Service (USPS) Post Office in downtown Northfield in order to promote and prepare for future private redevelopment on and around this site. The post office is located within the Northfield Commercial Historic District and is currently owned and operated by the USPS. USPS has provided the City with a template Letter of Intent (LOI) and Real Estate Exchange Agreement (Agreement) that specifies a process for city acquisition of the site. Per these terms, the City is responsible for providing USPS with a replacement site; designing and constructing a new post office building to meet USPS requirements; and relocating USPS operations to the new building. USPS must own the replacement site and building. The City is responsible for all costs associated with this property exchange, including (but not limited to) due diligence on the replacement site and historic post office; USPS compliance with its operational, financial, legal and regulatory requirements; design and construction of the new post office building; and USPS relocation. City costs are at risk throughout the process, as most costs are non-refundable regardless of whether the parties close. Post-closing restrictions outlined in the LOI and Agreement include (but are not limited to): City liability for any environmental contamination discovered on the replacement site in future; restrictions on the sale of the historic post office within the next ten years; and potential deed restrictions for the historic post office based on floodplain regulations and/or to preserve the building's historic features.

New History's attached process roadmap shows three options: 1) no intervention, 2) facilitation of downtown development without post office site acquisition, and 3) city acquisition per the USPS process. For Options 1 and 2, more collaboration with City staff is needed to input details. For Option 3, the roadmap outlines an expected high-level timeline and rough order of magnitude costs for city acquisition of the post office, including construction of a replacement facility. The process may take 4 – 6 years and cost in the range of \$2-3 million for the City to complete.

We understand that the city has identified the northwest corner of 5th Street and Washington Street as the site for the replacement post office facility, as part of a planned redevelopment of the existing parking lot with a new municipal liquor store and parking. Critical path next steps may include: vetting the feasibility, cost, and timeline of the development of the replacement site; engaging key city stakeholders and assessing community support of the acquisition plan; and further refining the process roadmap for each of the three options.

