CITY OF BAYPORT
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Date: August 4, 2026

To: Minnesota Department of Corrections
Minnesota Department of Administration
Kimberly Sandbulte, Sandbulte Architecture

From: Matt Kline, City Administrator MK

Re: Initial City planning objectives related to the decommissioning and potential redevelopment of the Stillwater Correctional Facility

BACKGROUND

The City of Bayport has been participating in discussions associated with the decommissioning study for the Stillwater Correctional Facility located in Bayport. As part of that process, the City was asked to identify its preliminary planning objectives and priorities to inform future discussions regarding the City's involvement in potential redevelopment of the site. To reiterate, this initial list is preliminary, as the City rightfully assumes that the redevelopment of this site would be a multifaceted project, which would occur over several years. It should also be noted that the objectives listed within this memo are not an exhaustive list, as potential redevelopment options are still in the pre-feasibility study stages.

CITY PLANNING OBJECTIVES

Below, please find the City's initial objectives, listed in order of importance and priority.

1) ***Convey the water system infrastructure to the City***

The City is willing to accept ownership and operation of the water infrastructure, including two on-site wells, treatment facility, and tower. Conveyance of the water supply lines and sewer lines should be considered following/during the master planning process. The treatment system could provide the City with an increased capacity and additional water supply source less susceptible to contamination than the current City system.

2) ***Fund site assessment and master planning efforts***

The City has identified several activities that will need to be completed to evaluate the existing buildings, infrastructure, and overall site conditions in order to identify potential reuse and/or redevelopment opportunities and/or challenges for the property. Major activities will include but are not limited to: an environmental review/site assessment, hazardous materials/contamination survey, archeological survey, appraisal, structural assessment of existing buildings and infrastructure, housing needs study, and economic context study. The City would also request an evaluation of how the property's historic district designation may influence redevelopment opportunities, preservation requirements, available incentives, and long-term project feasibility.

As the host community most dramatically impacted by the decommissioning, the City will work in collaboration with the State and County to complete the site assessment/data collection. However, the City recommends that the State fund these activities directly to adequately prepare the site for future reuse and/or redevelopment. The City would also expect the State to assume responsibility for any outstanding financial obligations in conjunction with the site assessment process.

3) ***Eliminate restrictive covenants and transfer the Bayport Fire Department property to the City***

The City is willing to assume unrestricted ownership of the property (Parcel ID 0302920340002). Restrictive covenants are currently in place per Document #3996396 at the Washington County Recorder's Office. The City requests all restrictions on the property be eliminated, with all related costs assumed by the state.

4) ***Discuss conveyance and/or acquisition with City prior to state surplus process***

The City requests the opportunity to engage with the State regarding potential acquisition or transfer options before initiation of the statutory surplus property process.

CLOSING REMARKS

The City of Bayport would like to reiterate our appreciation for how this process has been conducted. Kimberly Sandbulte and her team, Laura Haag (Department of Administration), and Karl Hunt (Department of Corrections), have been a pleasure to work with. Thank you for allowing Bayport to be directly involved in the decommissioning study process and the opportunity to outline our priority objectives related to the decommissioning and subsequent redevelopment of the site.