



Heritage Preservation Commission

Regular Meeting

Tuesday, January 27, 2026, 6:30 PM
106 Center Street

Members of the public may attend the Heritage Preservation Commission meeting either in person or by joining via Zoom either online or by telephone at:

<https://us02web.zoom.us/j/86445229919?pwd=duW54f0EzPM7lsIycheLKRJjEd9K1A.1>

Meeting ID: 864 4522 9919

Passcode: 546067

One tap mobile

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Some items on this agenda are important enough to City Councilmembers that a quorum of the Council may be present to receive information leading to their future deliberations and eventual decision.

AGENDA

1. Call to Order/Roll Call
2. Agenda Approval
3. Consent Agenda
4. Citizen Reports or Comments
5. New Business
 - A. 10 Water Street Project Site Alteration Permit
6. Unfinished Business
7. Communications and Reports
 - A. Next Regular City Council Meeting - February 2, 2026
 - B. Next Regular HPC Meeting - February 24, 2026
8. Future Agenda Items
9. Adjournment

MEMORANDUM

Re: Item 5(a) 26 Water Street. – Application for
Preliminary Planned Unit Development (PUD)

Date: January 27, 2026

To: Heritage Preservation Commission

From: Julia Mullin, Community Development Director,
Amy Lucas, Historic Preservation Consultant

APPLICANT: Matt Mithun

PROPERTY OWNER: Same

LOCATION: 26 Water Street

CASE NO.: HPC No. 26-01

60/120-DAY REVIEW

DEADLINE: January 9, 2026/March 10, 2026 (extension letter sent)

Application

The applicant, Matt Mithun, Mithun Companies, has submitted a Site Alteration Permit (SAP) to demolish the rear 55 feet of the Tonka Theater (1945) and the theater addition (1989) at 26 Water Street. The SAP also proposes to rehabilitate the remaining portion of the Tonka Theater with commercial at the ground floor and a theater in the second floor balcony. The SAP proposes to alter the theater façade and design a new rear back wall. The theater is being razed to make room for a surface parking lot and an apartment building.

Summary Of Findings

1. The City of Excelsior designated the local and National Register Excelsior Commercial Historic District to protect historic properties and ensure compatible alterations. A major impetus for designating historic districts has been to protect properties from parking lot development and incompatible new construction.
2. The Tonka Theater is a contributing building in the district and the character-defining feature of a movie theater is the auditorium. The proposed demolition would permanently damage the significance and integrity of the building and the historic district. The two-block historic district is a rare, cohesive group of commercial buildings that tell Excelsior's development history from 1866-1955.
3. Allowing the demolition without meeting the City Code requirements of evidence of structural failure, cost analysis for rehabilitation, market and reuse studies, and evidence of inordinate hardship, would be precedent-setting for future demolition reviews in the historic district and for Landmark properties in Excelsior. Up to this point, the continuous development pressures of incompatible construction in Excelsior have been prevented by consistently following the statutes in the city code.

Background and Previous Reviews

The applicant purchased the property at 26 Water Street (Tonka Thater) with the attached 28 Water Street (currently Lago Tacos) in 2003 for \$1,250,000. The building at 26 Water Street continued to operate as a theater and appears to have closed during 2020 Covid epidemic. The theater briefly opened in 2022 but closed and has not been reopened.

On March 20, 2024, the HPC reviewed the sketch plan review/concept review of the proposed development at 10 Water Street. At that time, the development proposed a hotel on the vacant lot at 10 Water Street and did not propose any demolition of the historic theater. The sketch plan included plans for re-using the existing theater building and 1989 addition as event space, cinema, rooftop deck, and food/concessions that would support the hotel use. (Fig. 1).

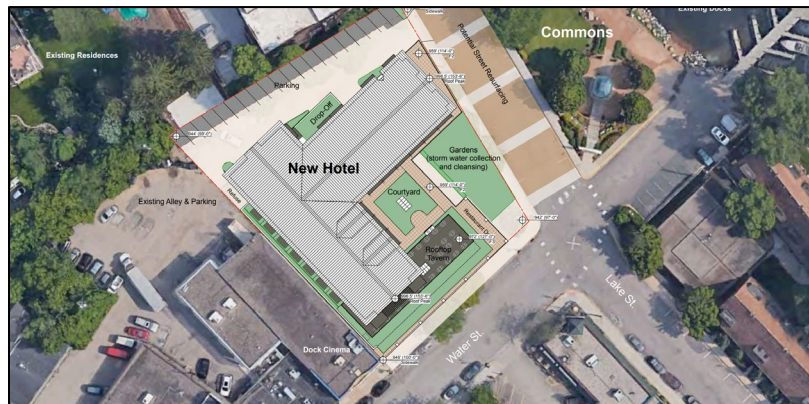


Fig. 1. March 2024 site plan reviewed by HPC

In 2025, the project scope changed. The applicant could have returned to the HPC with a concept plan including the proposed demolitions for the purpose of obtaining the Commission's comments and recommendations as stated in Sec. 10-12 (b)(1) but did not. Instead, the applicant applied for a Preliminary Planned Unit Development (PUD) application to build an apartment building and demolish the rear (full auditorium) of the historic theater at 26 Water Street. (Figs. 2 and 3). At their meetings of April 29, May 27, and June 17, 2025, the HPC commented on the Preliminary PUD application and approved HPC Resolution 2025-04 (attached) providing findings of fact on conformity with approved design standards and guidelines and recommendations. The recommendations for the design of the new building were forwarded to the Planning Commission and City Council as required by Ordinance, Sec. 20-11. The HPC stated in HPC Resolution 2025-04 that the non-contributing 1989 theater addition, which was built outside the period of significance for the historic district and is non-contributing to the historic district, and not visible from Water Street, is acceptable for demolition. The HPC did not recommend approval of the demolition or partial demolition of the historic Tonka Theater. The HPC resolution documented that a Site Alteration Permit for the proposed demolition is required for HPC review per city code.

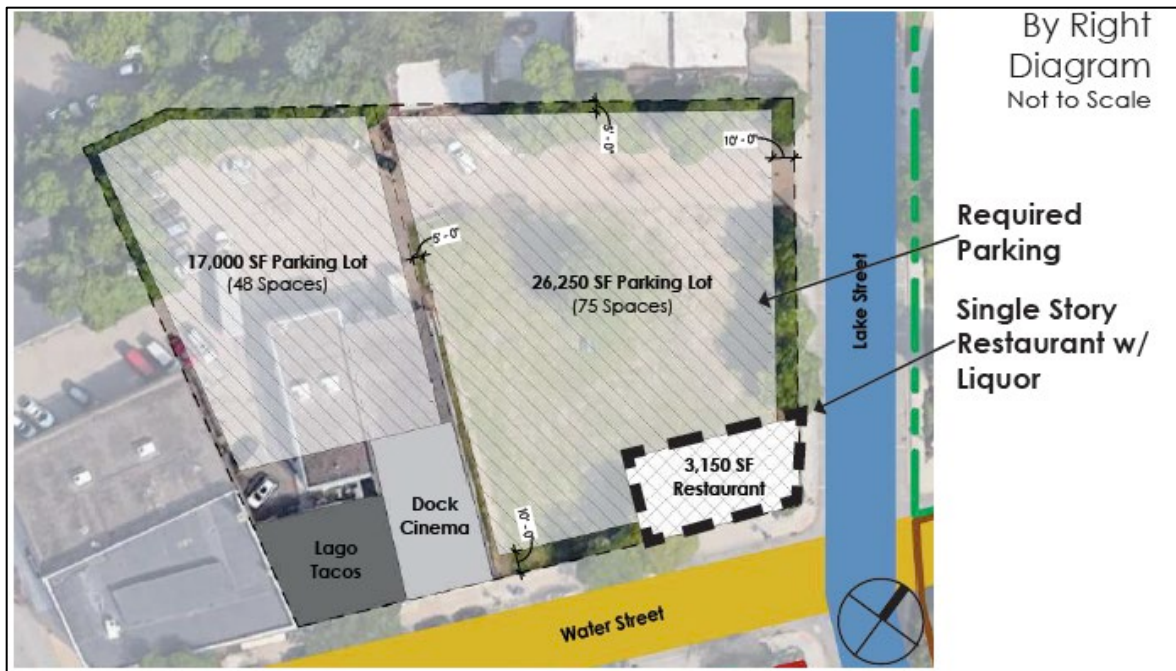


Fig. 2. April 2025 site plan reviewed by HPC

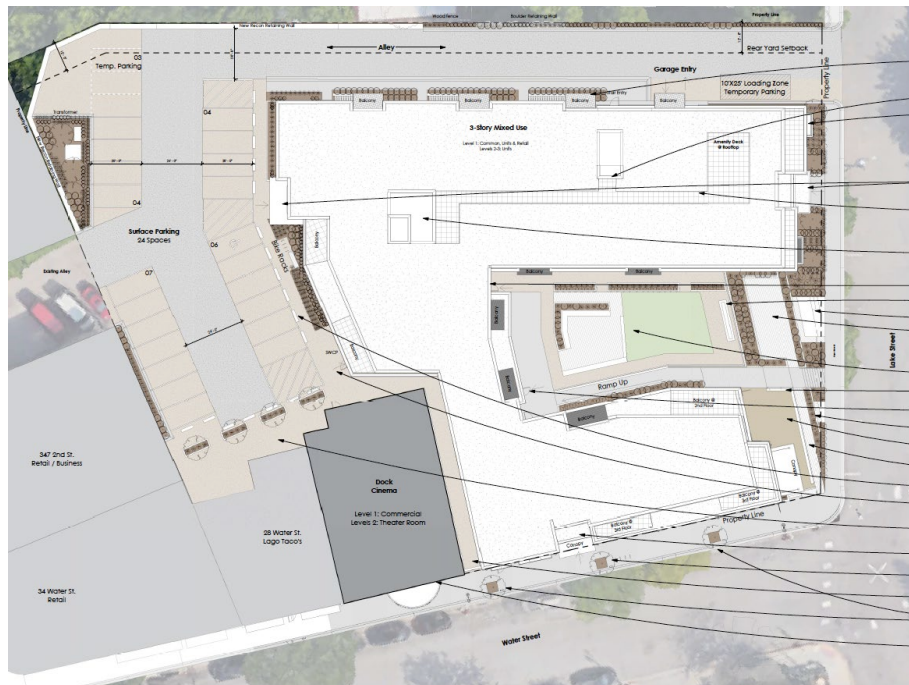


Fig. 3. April 2025 site plan reviewed by HPC (plan does not match aerial photographs of site in Fig. 4)

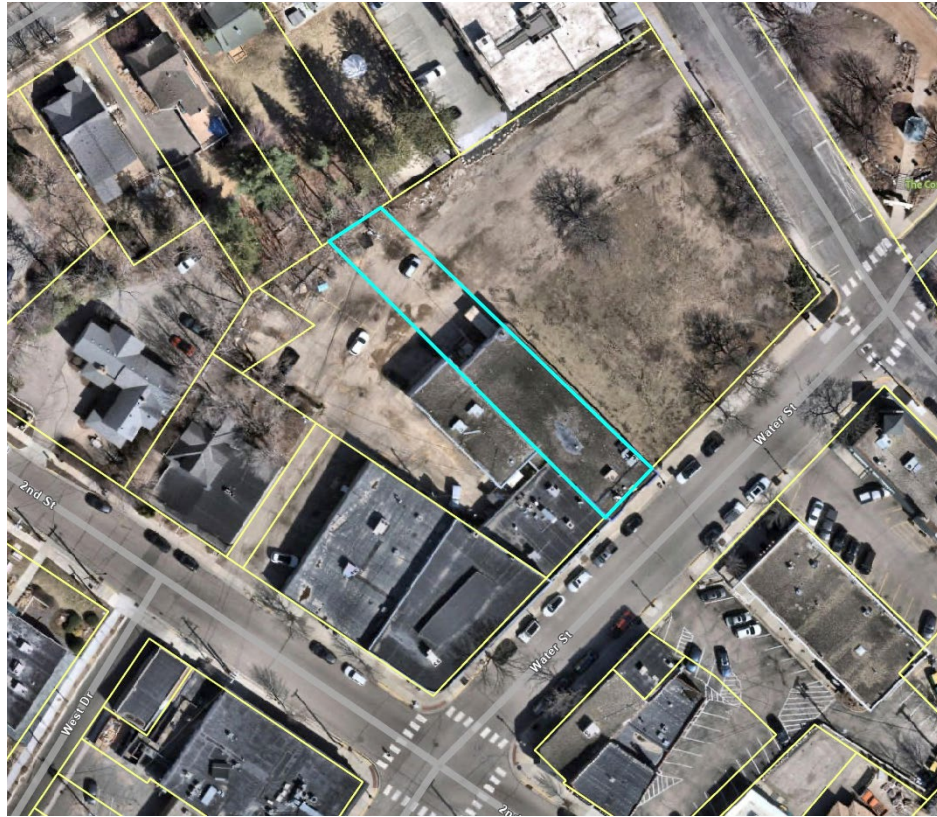


Fig. 4. Hennepin County Property aerial map of Tonka Theater in blue outline.

Landmark History

The two-story, Streamline Moderne Tonka theater at 26 Water Street was built in 1945. The building is a contributing building in the local Excelsior Commercial Historic District (listed 1998) and the National Register of Historic Places Excelsior Commercial Historic District (listed 2021). The period of significance for the district is 1886-1955. The theater is an important reminder of Excelsior's entertainment history and has been a community entertainment and gathering space for over 70 years. The theater building is a physical example of the building's past and is designated as a historical and architectural reminder of its history, but the "use" is not designated.



Fig. 5. Tonka Theater, façade, from SAP application.

The Tonka Theater was designed by Minnesota architects, Liebenberg and Kaplan. The previous theater (1940) burned in January 1945 and the new theater was poured-concrete fireproof construction with a stucco exterior. The Streamline Moderne style emerged during the 1930s-1940s and the minimal design was in response to the economic restraint necessary during the Great Depression. The horizontal buildings favored white exteriors with flat roofs and integrated the design elements within the simple form. The Tonka Theater features a smooth, white stucco façade and fluted grooves are integrated into the curved wall at the upper floor. The theater was built with an auditorium for approximately 500 (original seats have been replaced) and a balcony. Two restrooms were in the lobby. In ca. 1972, the balcony was enclosed to create a smaller theater at the second floor above the lobby. In 1989, a second theater was built on the parcel at 28 Water Street behind the one-story Hennessy Building (1955, contributing) (present-day Lago Tacos). At an unknown date (ca. 1970s), a corridor was built into the side of the Hennessy Building to access the 1989 theater. The 1970s wood siding at the façade continues over this corridor addition. The original plans for the Tonka Theater are located in the Northwest Architectural Archives at the University of Minnesota.

The architects, Liebenberg and Kaplan, are responsible for a number of Minnesota movie theaters. Jacob “Jack” Liebenberg (1893-1985) and Seeman Kaplan (1895-1963), graduates of the University of Minnesota architecture school, formed a partnership in 1923 and became one of the most successful architecture firms in Minnesota. The firm specialized in “prestigious homes, Jewish temples, and movie theaters” (Lathrop, *Minnesota Architects*). The firm is responsible for the state’s first theater built for sound pictures in 1928 (Granada a.k.a. Suburban World in Minneapolis) and embraced the Art Deco and Moderne styles to welcome the modern age of motion pictures. A survey of the firm’s surviving theaters has not been completed, but many of their theater designs in Minneapolis have been lost; including the Strand (1933, razed 1975), the Faust (1934, razed 1989), the Campus/Oak Street Cinema (1935, razed 2011), the Gopher (1938, razed 1980) and the Rialto (1937, razed 1980). A few of the firm’s theaters, located around the state, have

been individually listed in the National Register of Historic Places; they include the Hennepin/Orpheum Theatre, Hollywood Theater and the Ely State Theater.

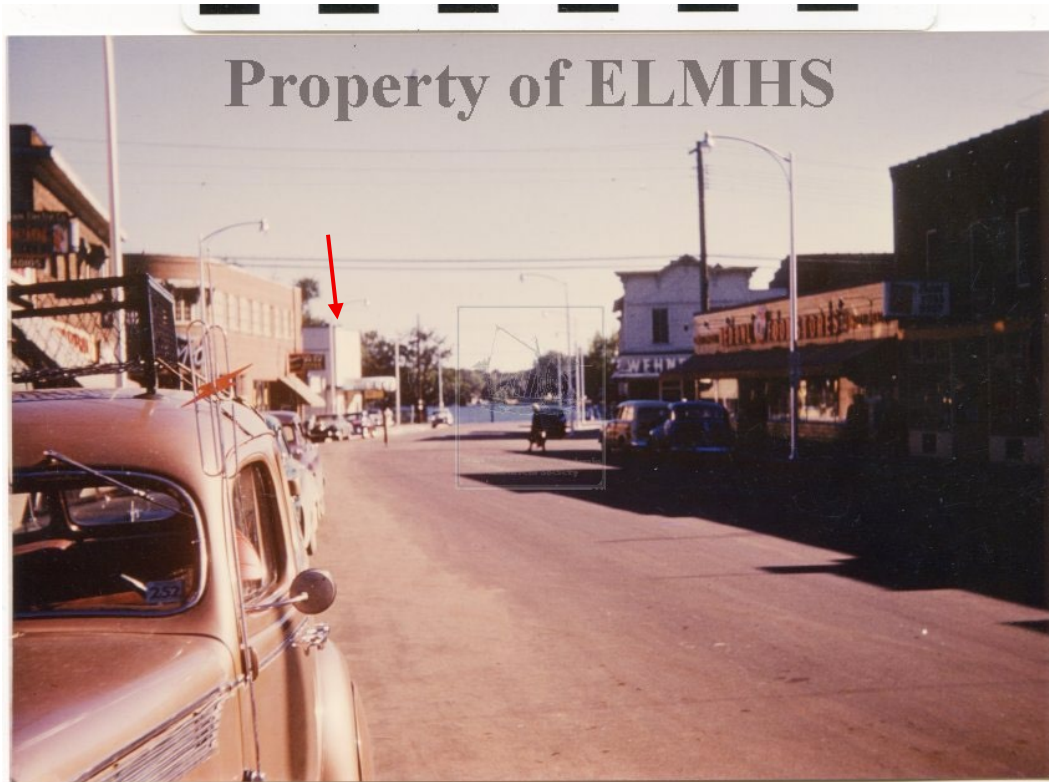


Fig. 6. Water Street in 1949



Fig. 7. Water Street in 1950



Fig. 8. Water Street in ca. 1950

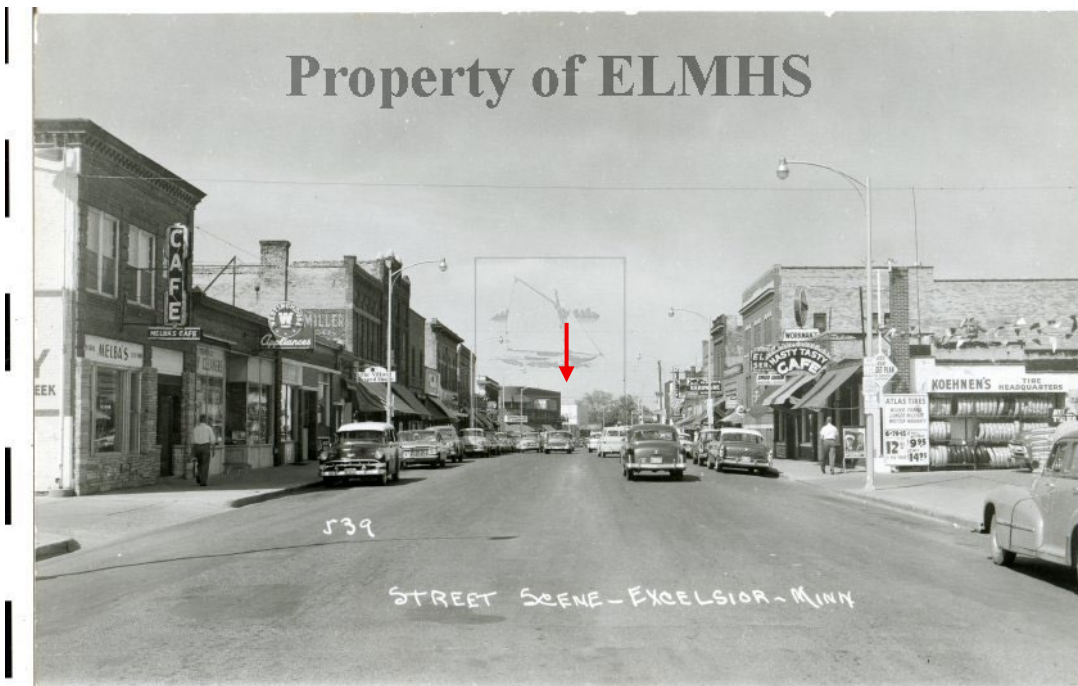


Fig. 9. Water Street in 1959



Fig. 10. Water Street in 2025

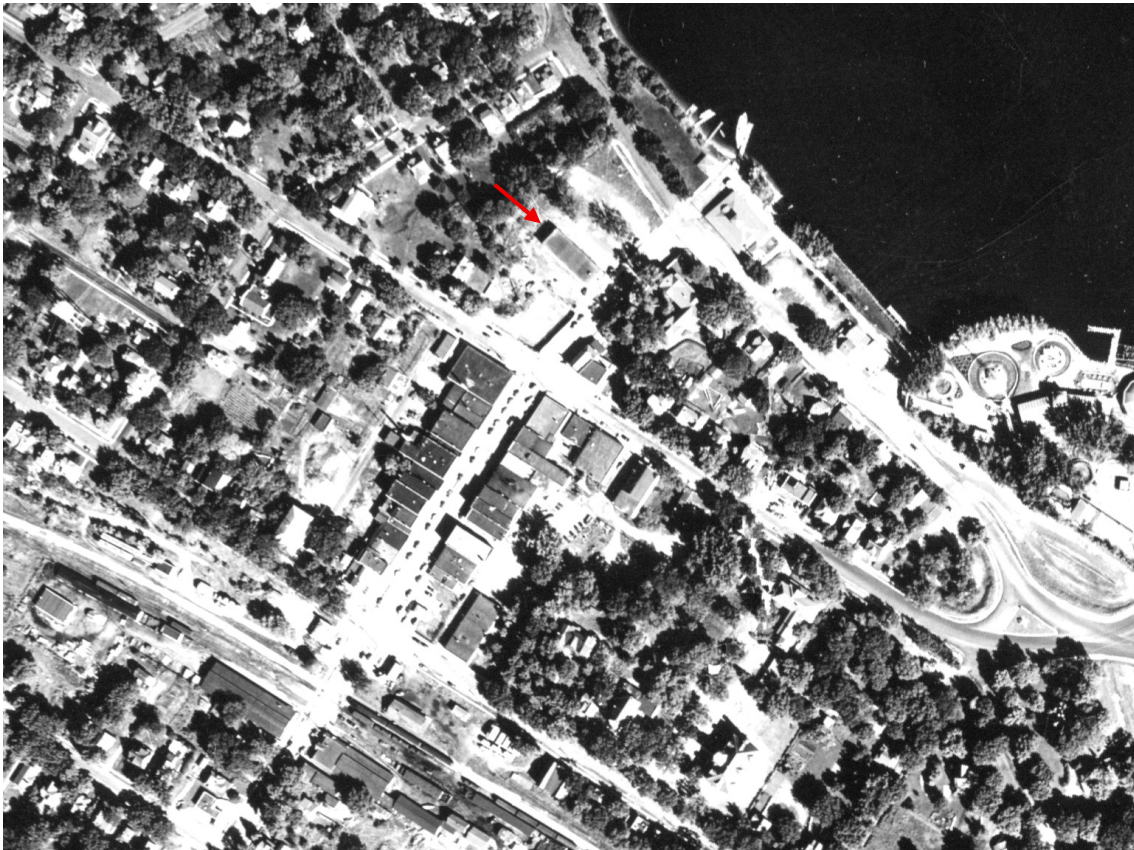


Fig. 11. Excelsior Commercial Historic District in 1945



Fig. 12. Excelsior Commercial Historic District in 1955



Fig. 13. Excelsior Commercial Historic District in 1962

Proposal for Demolition and Renovation of Remaining Portion of Building

Demolition

The applicant claims to meet the definition from City Ordinance, Chapter 20, for “partial demolition” rather than “demolition” which state:

1. *Demolition.* Any act that destroys or removes more than 30 percent of the building or other structure.
2. *Demolition, partial.* Partial demolition includes any act which destroys a portion of a building consisting of not more than 30% of the floor area of the building, and where the portion of the building to be demolished is not readily visible from the street. Partial demolition also includes the demolition or removal of additions or materials not of the period of significance on any exterior elevation when the demolition is part of an act of restoring original historic elements of a building and/or restoring a building to its historical mass and appearance.

The applicant did not provide plans of the existing Tonka Theater. Instead, the applicant provided the demolition plan overlayed on the proposed new construction design (Fig. 14). This proposal does not provide the HPC with accurate measurements of extant features, especially at the balcony level, for comparison to demolition plans. The applicant proposes to demolish the 1989 addition to the Tonka Theater and the rear 55 feet of the Tonka Theater. The remaining 69 feet of the theater building will be renovated. The first floor will have commercial uses, and the second floor will have a theater; tenants for these spaces have not been identified. Plans and seating for the theater were not provided. The lobby will be renovated with two stairs, an elevator, and restrooms will be moved to the attached corridor building. Portions of the balcony floor will be cut and removed to provide room for two, code-compliant stairs and an elevator; the measurements for balcony floor demolitions are not provided.

The applicant claims to be removing only 30% of the original building and follows the definition of “partial demolition” rather than “demolition.” The City’s calculations differed from the applicants because the applicant included the 1970s corridor as part of the original building and the applicant did not calculate the basement into the calculations.

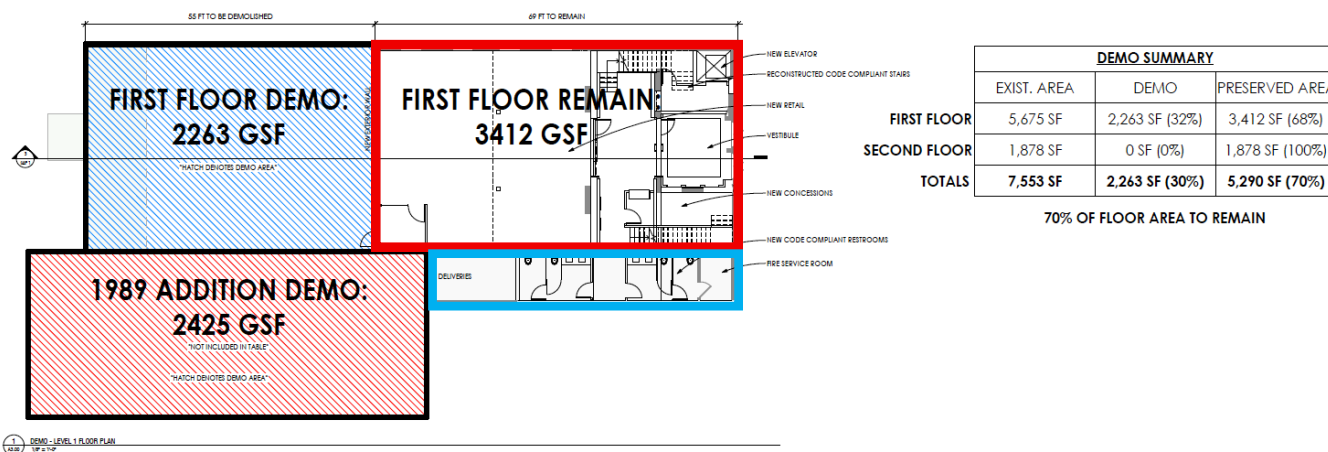


Fig. 14. Proposed NEW floor plan overlayed with demolition plan. Proposes new stairs, bathrooms, adding an elevator. Applicant did not provide EXTANT plans of theater. Original theater outlined in red. 1970s corridor outlined in blue.

City of Excelsior calculations:

	Existing (Original Theater)	Proposed for Demolition
Footprint of Original Theater without 1970s corridor	5,085 sf	2,263 sf
Second floor (balcony)	1,878 sf	0 sf (but some portions will be removed for elevator/stairs)
Basement	702 sf	702 sf
TOTAL	7,665 sf	2,965 sf (39%)

The applicant claims 0% of the balcony floor area will be removed, but the proposed new stairs and elevator will remove portions of the balcony floor. The applicant's calculations include the 1970s hallway addition as floor area, which is not part of the original building and should not have been included in the demolition calculations. The basement floor was not included in the applicant's demolition calculations. The applicant is fully demolishing the interior of the building; all interior finishes and walls will be removed. The applicant is removing 39% of the original building. Therefore, this proposal does not meet definition of "Partial Demolition" and is considered under the findings for "Demolition."

Renovation

At the façade, the wood siding and the marquee will be removed (Figs. 15 and 16). At this time, it is unknown what historic fabric remains under the wood siding. A new marquee and new entrance system are proposed. The proposed marquee and façade renovation do not match the original design as depicted in photographs. The "TONKA" signage is proposed for the top of the canopy, but was originally attached to the sign band of the curved canopy. The openings and sign boards do not follow the design in historic photographs. Materials are unclear and listed as "accent materials;" specifications for the doors were not provided. Following the proposed demolition a new rear elevation is proposed; this wall will be stucco with three, fixed windows and an offset door system. Materials are described as "accent materials" and specifications for the windows and doors were not provided.

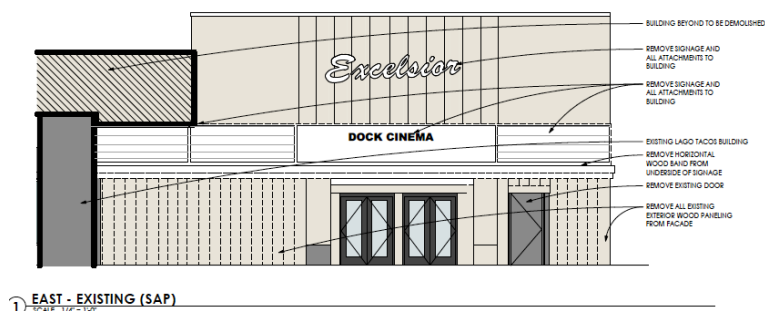


Fig. 15 Current facade

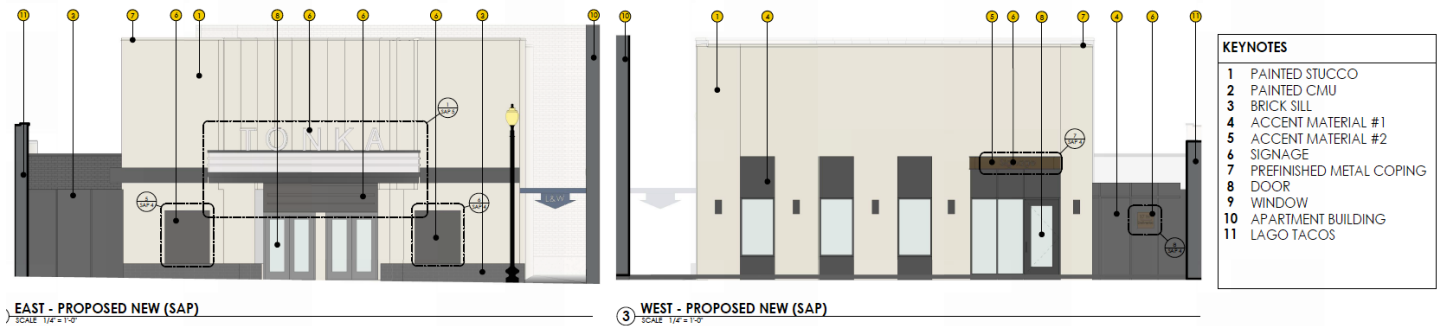


Fig. 16. Proposed elevations

Chapter 20 of Excelsior City Code for Demolition authorizes the review and states:

Sec. 20-3. Definitions

Demolition. Any act that destroys or removes more than 30 percent of the building or other structure.

Sec. 20-12. Demolition and relocation.

- (a) *Purpose.* The demolition or relocation of historic resources is deemed detrimental to the public interest and shall only be permitted pursuant to prescriptions of this section.
- (b) *Concept review.* Prior to submission of a formal site alteration permit application seeking demolition approval, a concept plan may be submitted for the purpose of obtaining the commission's comments and recommendations prior to the owner spending significant time and expense in the preparation of reuse plans when applying for a site alteration permit for the demolition or moving of a historic resource.
 - (1) The property owner requesting a concept review shall submit preliminary drawings of any proposed building or addition, current photographs of the property and reasons for the requested demolition or moving of the historic resource.
 - (2) After discussion with the owner, the Commission may provide preliminary feedback on the proposed reuse of the property and the removal or demolition of the historic resource. The commission's comments on such a concept plan shall not be binding on any subsequent site alteration permit applications seeking demolition approval.
- (c) *Non-contributing structures.* Any non-contributing structure must first be evaluated and considered for contributing status prior to issuance of a site alteration permit for a total demolition.
- (d) *Public hearing.* In applications involving the demolition or relocation of a historic resource, the commission shall hold a public hearing as set forth in this chapter.
- (e) *Action by commission.* Upon receiving an application requesting the demolition or relocation of a landmark or a contributing site located in an historic district, the commission within 60 days after receipt of the application shall either approve or deny such application. If the commission finds that probable cause exists to reuse the historic resource, the commission may extend the review time to 90 days from the receipt of the application, and notify the applicant of such postponement.
- (f) *Engineer study.* In any case involving the demolition or relocation of a historic resource, before granting approval or requiring a postponement, the commission may require the city engineer, structural engineer, or historic preservation architect, at the owner's expense, to provide them with a report on the state of repair and structural stability of the structure under consideration.
- (g) *Alternative undertakings.* Within the initial review period of such demolition of any historic resource, the commission shall take steps to ascertain what the city council can or may do to preserve such building, including consultation with private civic groups and interested private citizens and including investigation of the potential use of the power of eminent domain when the preservation of a given building is clearly in the interest of the general welfare of the community and of certain historic and architectural significance. The commission may also require a reuse study be completed, at the owner's expense, to determine potential reuses of the building proposed to be demolished.

- (h) *Total demolition and relocation criteria.* In determining the appropriateness of any application for the demolition or relocation of a landmark or contributing building in a historic district, the commission shall use the following criteria:
- (1) The architectural significance of the building or structure.
 - (2) The historical significance of the building or structure.
 - (3) Despite evidence of the owner's efforts to properly maintain the structure, retention of the resource constitutes a hazard to public safety that cannot be eliminated by economic means available to the owner, including the sale of the structure on its present site to any purchaser willing to preserve the structure.
 - (4) Whether a building or structure is linked, historically or architecturally, to other buildings or structures, so that their concentration or continuity possesses greater significance than the particular building or structure individually.
 - (5) The significance of the building or structure or its proposed replacement in furthering the comprehensive plan's goals.
 - (6) The condition and structural integrity of the building or structure, as indicated by documentation prepared by a qualified professional or licensed contractor, or other information, provided to the commission for examination.
 - (7) Effect on surrounding properties.
 - (8) Inordinate hardship. This inquiry is concerned primarily with the relationship between the cost of repairing a building or structure and its reasonable value after repair. An inordinate hardship is an instance when preservation will deprive the owner of reasonable economic use of the property. Any hardship created by action of the applicant—including any condition resulting from the applicant's own neglect of the building or structure—shall not be considered in support of any application. To establish inordinate hardship under this section the applicant must submit evidence that rehabilitation of the building or structure is impractical and that the applicant cannot make reasonable economic use of the property. Such evidence may include proof of consideration of plans for adaptive reuse, and attempts to sell, rent or lease the property.
- (i) *Additional matters considered.* In addition to the general criteria listed in subsection 20-12(h), the applicant must also demonstrate:
- (1) If requesting demolition, that the structure cannot be practically moved to another site in Excelsior.
 - (2) If requesting relocation, that structure can be moved without significant damage to its physical integrity and the applicant can show the relocation activity is the best preservation method for the character and integrity of the structure.
- (j) *Review criteria for partial demolition.* In reviewing an application requesting a site alteration permit for partial demolition, the Commission shall apply the following criteria:
- (1) The partial demolition is required for the renovation, restoration, or rehabilitation of the structure; and
 - (2) The applicant has mitigated, to the greatest extent possible:
 - a. Impacts on the historic importance of the structure or structures located on the property; and
 - b. Impacts on the architectural integrity of the structure or structures located on the property.
- (k) *Post-demolition or post relocation plans.* The commission shall not approve a site alteration permit for demolition or relocation without reviewing at the same time post-demolition plans. The approval of a site alteration permit for demolition or relocation shall be conditioned on issuance of a site alteration permit and all other city approvals for the new construction on the site.
- (l) *Action by commission.* If the commission approves the demolition or relocation, it shall direct the zoning administrator to process the application ten days after commission approval in order to provide a period of time within which a party may appeal the commission's decision to the city council.
- (m) If the commission denies application, it shall immediately inform the zoning administrator in writing. The commission shall notify the applicant of their right to appeal and furnish the applicant with a copy of the decision.
- (n) *Demolition permit.* No permit to demolish a landmark, a contributing or non-contributing resource may be issued without the issuance of a building permit for a replacement structure or project for the property involved.

Required Findings for Demolition of a Contributing Building in a Historic District:

Sec. 20-12 (h) In determining the appropriateness for any application for the demolition or relocation of a landmark or contributing building in a historic district, the commission shall use the following criteria:

(1) The architectural significance of the building or structure.

The Tonka Theater at 26 Water Street is a contributing structure to the local and National Register Historic District. The two-story Streamline Moderne theater was designed by renowned architects, Liebenberg and Kaplan. The building retains the significant character-defining features of a theater including the prominent façade with marquee and the theater auditorium space. The scale, sightlines, sloped floor and acoustics were engineered for large groups and gave power to the theater experience. The building has good integrity and continues as a unique architectural landmark in Excelsior.

In an effort to refute the demolition design as a “facadectomy” the SAP application states that the demolition “maintains the visible massing, street-facing façade, and the historically significant portions of the building.” All of the contributing buildings in the historic district and all parts of these buildings are significant; the portions that are not visible or street-facing are significant. They are standing reminders of the size, scale, massing of their construction period and the mass behind the façade continues to tell the story of how the building operated. The significance of a building and its mass is not diminished because it is not visible. Most of the district’s buildings share party walls and the mass of many of the buildings is not visible at the street. Additionally, the theater’s mass is visible from Lake Street and Lake Minnetonka.

(2) The historical significance of the building or structure.

The Tonka Theater is a significant landmark in the history of Excelsior and provided public entertainment and enrichment experiences for over 70 years. The theater space is a rare civic space in Excelsior and is significant as a community gathering place. During its use, the theater’s patrons invigorated the community and contributed to street traffic and night traffic and provided commercial activity to the surrounding businesses. The theater auditorium was a purpose-built civic space designed for the shared experience.

(3) Despite evidence of the owner’s efforts to properly maintain the structure, retention of the resource constitutes a hazard to public safety that cannot be eliminated by economic means available to the owner, including the sale of the structure on its present site to any purchaser willing to preserve the structure.

The owner has not proven that retention of the theater is a hazard to public safety. The owner has not tried to sell the building nor has the owner provided plans for rehabilitating the entire structure.

(4) Where a building or structure is linked, historically or architecturally, to other buildings or structures, so that their concentration or continuity possesses greater significance than the particular building or structure individually.

The two-block Excelsior Commercial Historic District has 32 contributing buildings. The cohesive district is unique because it features multiple commercial building types and a range of architectural styles from 1886 until 1955. The buildings are linked historically and architecturally and tell the story of Excelsior’s commercial history; they feature examples of a pharmacy, grocery, two fraternal organization buildings, an auto repair building, an auto dealership, multiple commercial buildings and one movie theater. The size and scale of each of these buildings reflects their historic use and the concentration of so many intact historical examples is exceptional. The continuous economic stability of the district is partially due to the high integrity and cohesiveness of the historic buildings.

The applicant states that the “proposed demolition will remove the 1989 additions, which is not part of the historic designation.” This is incorrect. The historic district is a contiguous district with boundaries and all of the buildings, contributing and non-contributing, are part of the historic designation. The non-contributing 1989 addition is part of the historic designation as are vacant lots that are also inside the district boundaries. The retention of open space and non-contributing buildings in historic districts allows for HPC design review guidance of new construction and additions AND ensures compatibility and integrity in the historic district.

(5) The significance of the building or structure or its proposed replacement in furthering the comprehensive plan’s goals.

The demolition of a contributing building in a historic district is not supported in Excelsior's Comprehensive Plan which states:

1. *Heritage properties are scarce, non-renewable community resources, the preservation, protection, and use of which are critical to the public welfare. When historical and architectural resources are destroyed, they are gone forever.*
2. *Heritage preservation is an important public service and a legitimate responsibility of city government. Historic buildings, sites, and districts give the City much of its special character and community identity.*
3. *Saving significant historic resources for the benefit of future generations is always in the public interest.*
4. *Collaboration between the private and public sectors is absolutely necessary to preserve the City's significant historic resources.*
5. *Not everything that is old is worth preserving, nor is heritage preservation concerned primarily with the creation of museums or other public attractions. To be considered for preservation, a property must be demonstrably significant in history, architecture or archaeology, and it must also be adaptable for modern needs and uses.*
6. *Heritage preservation is entirely compatible with economic development and growth. Preservation pays, and everybody profits by reusing historically significant buildings and adapting them to new, economically viable uses.*

Retention and rehabilitation of the theater meets all of Excelsior's Comprehensive Plan Preservation Guiding Principles. Demolition of the theater does not follow the adopted Comprehensive Plan. The property has demonstrated significance in history and architecture and is a contributing building in the local and National Register historic district. The Comprehensive Plan recognizes rehabilitation and accepts that a building can be adapted for modern needs and uses. The Comprehensive Plan and the HPC design review support the adaptation of historic buildings and very few of Excelsior's historic buildings retain their original use. The applicant has never provided a reuse plan that would evaluate viable uses. The applicant has never produced rehabilitation plans for the property or economics of rehabilitation, therefore, the City of Excelsior HPC has never been able to review the potential reuse options and their design.

- (6) *The condition and structural integrity of the building or structure, as indicated by documentation prepared by a qualified profession or licensed contractor, or other information, provided to the commission for examination.*

The owner provided a report from Meyer Borgman Johnson (MBJ), structural engineers, dated October 27, 2025. The report found the concrete building to have "acceptable structural performance" and recommended further investigation into the roof and settlement at rear. No photos of the roof or any holes in the roof were provided, but the report noted that water intrusion was noticed at the lobby ceiling tiles; the lobby is the portion of the building the applicant wants to retain. The report noted the slope at the rear egress is steep and should be reconstructed; the costs were not presented for this option, but the City of Excelsior and HPC support the life-safety alterations. The report noted three "incidents of wall cracking at the back wall" stucco, but admitted that the interior wall coverings were not removed and the extent of damage through the building is unknown. The photograph appears to show typical stucco cracks. Nor did the report explain how the "clayey soils" would be handled during the proposed construction of the new development next door. It is unknown if the new construction would damage the foundation of the historic theater. It is unclear why the applicant/owner has not repaired the "active roof leak" because the report noted it could lead to corrosion. These conditions do not warrant demolition and appear to be simple repairs, but the applicant did not provide costs for these repairs. Staff conducted a site visit of the building on Thursday, May 29, 2025, and the owner explained that the roof leaks had been repaired and there were no open areas in the roof.

The owner provided a report from The Javelin Group, environmental consultant, dated October 23, 2025. The firm assumed asbestos in the ceiling and floor tiles and lead paint on wood, but no actual testing was completed on the building. Nor were any costs for abatement provided. The firm recommended an asbestos and lead-based paint testing and noted that abatement for asbestos would be required before demolition. Therefore, abatement costs are required for demolition AND rehabilitation.

These reports do not recommend demolition of a historic resource and costs associated with the repairs and testing were not provided per code requirements.

(7) *Effect on surrounding properties.*

The demolition of the Tonka Theater would be detrimental to the historic district and streetscape. It is unclear if the neighboring new construction will damage the foundation of the surrounding properties.

Furthermore, approval of the demolition would set a precedent for the future of the surrounding historic properties. The City of Excelsior has never approved a demolition of a contributing building in the historic district. The theater is not structurally unsound and the opportunities for reuse have never been provided. It appears the demolition is for new development and surface parking and retention of the historic property has never been evaluated.

(8) *Inordinate hardship. This inquiry is concerned primarily with the relationship between the cost of repairing a building or structure and its reasonable value after repair. An inordinate hardship is an instance when preservation will deprive the owner of reasonable economic use of the property. Any hardship created by action of the applicant—including any condition resulting from the applicant's own neglect of the building or structure—shall not be considered in support of any application. To establish inordinate hardship under this section the applicant must submit evidence that rehabilitation of the building or structure is impractical and that the applicant cannot make reasonable economic use of the property. Such evidence may include proof of consideration of plans for adaptive reuse, and attempts to sell, rent or lease the property.*

The applicant has not proven hardship. The property with neighboring lot (28 Water Street) was purchased for \$1,250,000 in 2003. The Tonka Theater parcel at 26 Water Street is assessed at \$573,00 and the Hennepin County property assessor maintains this assessment. The building operated as a theater until 2020 and briefly in 2022. The owner claims the original use is obsolete and has not listed the property for sale. The HPC and the City of Excelsior have never required the theater remain in theater use therefore the reuse and market for the theater are unknown. The 1989 theater addition, Hennessy Building (Lago Tacos) and Hennessy building corridor are on parcel 28 Water Street and assessed for \$1,215,000. The Tonka Theater (26 Water Street) is on its original parcel and assessed at \$573,000. The property has not been listed for sale, but the current assessment of \$573,000 would guide the sale.

The structural and environmental reports do not provide a cost analysis for repairs and abatements. The applicant noted roof and structural issues and it is unclear how the applicant decided on the portion of the building to retain. The SAP application includes a proposal from K2 Construction on the demolition and new construction. The costs are not included, but the proposal explains that "Rake Shoring" will be used to support the exterior walls during construction; It suggests that only the exterior theater walls will remain. The SAP application claims structural issues, but the owner wants to retain half of the building and does not cite undue costs or structural repairs in the permit application for the remaining theater portion.

The economic hardship is impossible to ascertain if the applicant does not provide the economic costs for rehabilitation vs. new construction. The owner has never provided plans/costs for preservation of the entire theater or for adaptive reuse with a new use in the building. The owner has not provided economic evidence to support impracticality of rehabilitation. Excelsior has multiple examples of rehabilitation and receiving high economic returns on the investment. It has not been proven that rehabilitation will reduce the property values and, in Excelsior, historic buildings usually sell for higher than assessed values.

Additionally, the owner has never provided any other use to the City other than a theater. The owner has not provided tenant names or tenant signage to the building and the City cannot require the building remain a theater. While many Excelsior residents have a shared historic bond for continuing the theater use as a community space, the HPC's design review is not based on use and the HPC cannot require a theater use. Furthermore, there is nothing to hold the owner to the proposed second-story theater and interior plans could change in the future without HPC review. The owner has already claimed that theaters are obsolete, so the inclusion of a theater is confusing in the application.

Excelsior's City Code, Comprehensive Plan and *Preservation Design Manual* welcome the opportunity for a new use in the building. Movie theaters are one of the most reused and adapted buildings across the country. They are centrally located, well-situated on Main streets and have large volumes with clear, open spans and, in many cases, they have fireproof construction. They have been successfully renovated, often using historic rehabilitation tax credits, into performing arts theaters, bowling alleys, art centers, community centers, nightclubs, wedding venues, religious venues, lecture halls, co-working spaces, restaurants/bars/liquor stores, libraries, sports arenas/gyms/climbing, recording studios and even apartments. In fact, the theater space could support the proposed new construction with amenity spaces like workout rooms, party rooms, dog runs, which would allow for more apartments in the new construction.

Because this building is a contributing building in a National Register Historic District, it is eligible for historic rehabilitation tax credits. The state and federal credit allows for a 40% credit off the cost of the rehabilitation. The applicant has not provided evidence of investigating historic tax credits. The building will be ineligible for future tax credit applications if the character-defining features of its building type are removed. The auditorium space is THE character-defining feature of a theater. Any repairs to the building, including a new roof or stucco repair, is an eligible expense with historic tax credits. Additionally, costs to rehabilitate the building into a new use are covered; these include new code compliant stairs, elevator, restrooms, HVAC, and even leveling floors. To qualify for historic tax credits, the owner's rehabilitation costs must be more than the adjusted basis for the building. The current assessment is \$573,000 and the adjusted basis calculation would be lower because the owner has owned the building since 2003. The repairs of the roof and stucco combined with code compliant upgrades would easily be accomplished within the historic tax credit parameters. Additionally, the repairs covered by historic tax credits are less than the structural costs of razing half of the building auditorium and building a new roof and wall, which are not covered by the historic tax credit program.

(i) *Additional matters considered. In addition to the general criteria listed in subsection 20-12(h), the applicant must also demonstrate:*

(1) *If requesting demolition, that the structure cannot be practically moved to another site in Excelsior.*

The applicant is not proposing relocation, nor has the applicant provided evaluation or costs for moving.

(2) *If requesting relocation, that structure can be moved without significant damage to its physical integrity and the applicant can show the relocation activity is the best preservation method for the character and integrity of the structure.*

The applicant is not requesting relocation.

Required findings for Site Alteration Permit application for façade and rear elevation alterations:

In determining the review for a Site Alteration Permit (SAP) for exterior alterations, the HPC shall be guided by: 1) *Secretary of the Interior's Standards for Rehabilitation*, 2) *Preservation Design Manual* and 3) the "Additional Criteria for Proposed Alteration within an historic district." The SAP review includes the proposal for the rehabilitation of the remaining portion of the theater.

The applicant's SAP application misuses a number of terms (preservation, rehabilitation, restoration) that are defined by the National Park Service in the *Standards* and repeated in Excelsior's *Preservation Design Manual*. They are repeated below for clarity.

Preservation

Preservation is defined as "the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property." Buildings that retain and reflect the historic character of the district serve as the backbone among new and altered structures. It is impossible to overstate the importance of maintenance. As buildings weather, deteriorate, age, and erode, maintenance is easy to postpone. Simple preventative measures such as caulking windows, repainting exposed and worn surfaces, and guarding against water leakage are time-proven money savers.

Rehabilitation

Rehabilitation is defined as "the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values." Rehabilitation often involves the undoing of previous generations of maintenance, such as removing layers of old paint, peeling off applied wood siding, and uncovering original floors. Repair and alteration make it possible to introduce a contemporary use while preserving those portions and features of the property that are significant to its historic, architectural, and cultural values.

Restoration

Restoration is defined as "the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time by means of the removal of features from other periods in its history and reconstruction of missing features from the restoration period." Excelsior has buildings that are historically and/or architecturally significant, but have been altered. Restoration is the process of returning the structure to its original appearance. Restoration, however, does not imply the creation of a precious museum piece. The structure must have an economically feasible use in order to justify restoration.

1. *The Secretary of the Interior's Standards and Guidelines for Rehabilitation state:*

2. *A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.*

The HPC does not govern or review 'use.' The HPC reviews alterations proposed for historic properties and guides the alterations towards minimal damage to the defining characteristics of the historic resources. A character-defining feature is what a building type is most associated with, and examples include a steeple for a church, grain elevator for a mill, canopy for a gas station. The character-defining feature of the Tonka Theater is the auditorium, and the applicant is proposing to remove the auditorium and create a theater in the balcony space. The balcony theater is not a replacement of the use and the HPC does not review or require historic uses to remain in place. This SAP proposal removes THE character-defining feature and permanently alters the building, site and environment. The demolition is not "minimal change" and the proposal does not follow the guideline.

The City cannot guarantee or require a theater use. There is nothing to preclude the owner from changing use after the SAP applications are approved.

3. *The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*

A movie theater building type is recognized by its auditorium. The removal and alteration of this historic space does not meet the guidelines.

4. *Each property shall be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.*

The applicant should remove the historic wood siding at the façade and base the rehabilitation on the unknown conditions behind the siding. At this time, the proposed façade design is conjectural. The applicant proposes a new marquee that is similar to the historic marquee, but the recreation of a theater marquee without the theater space projects a false history.

5. *Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.*

The exterior alterations of the 1989 theater addition, corridor addition (ca. 1970s) into the neighboring building and facade siding (ca. 1970s) have not acquired significance and retention is not recommended. The current marquee was also installed after the district's period of significance and may be replaced.

6. *Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.*

The most “distinctive feature” of a movie theater is the auditorium space and removal of the space is not recommended. The applicant proposes to retain the stucco Streamline Moderne façade, which is an important design finish and preservation is recommended. The applicant proposes to replace the non-historic marquee, which does not characterize the historic property during the period of significance and is not an example of historic finish or craftsmanship. Replacement of the marquee follows the recommendations.

7. *Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old design, color, texture, and other visual qualities and where possible, materials. Replacement of missing features shall be substantiated by documentary, physical or pictorial evidence.*

The owner notes that the roof and rear stucco wall are deteriorated, but the deterioration does not require demolition. The guidelines recommend repair over demolition. The applicant proposes to alter the façade and replace the non-original marquee, but the design does not match pictorial evidence and should be redesigned. The façade conditions under the wood siding should be evaluated and repaired rather than replaced, if extant.

8. *Chemical or physical treatments, such as sandblasting, that cause damage to historic materials that characterize the property. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.*

The applicant notes that surface cleaning will be undertaken in a gentle method and follow preservation standards. The applicant should submit samples of exterior repair for review.

9. *Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.*

The property does not have archaeological significance.

10. *New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.*

The applicant is proposing demolition of the theater auditorium for the new construction of a surface parking lot. This proposal destroys the historic materials and integrity that characterize the Tonka Theater and demolition is not recommended. The neighboring new construction proposal does not protect the history integrity of the property or the historic district. Furthermore, the applicant has not provided a construction plan for monitoring seismic damage to the neighboring historic properties.

11. *New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.*

The proposed new construction/apartment building proposes removal of the theater auditorium and destroys the form and integrity of the historic property. This guideline and the potential future removal of the apartment building does not apply because the historic property is demolished before construction. The demolition of the theater cannot be reversed.

This guideline provides guidance for non-permanent change. For example, if the auditorium was enclosed for a future use, then the alterations should be designed so they are not permanently damaging and can be removed. A theater in Minneapolis built stepped platforms over the sloped floor for restaurant use; the platforms did not damage the historic flooring. Reversible changes meets the guidelines, but the SAP proposes demolition and does not meet the guideline.

2. The *Preservation Design Manual* applicable guidelines findings:

The *Preservation Design Manual* was adopted to guide alterations to historic properties. It does not provide design guidance for post-demolition design. The proposed rear wall requires the removal of the rear of the theater and is considered under the 'demolition' review and is not part of the SAP review. The following guidelines consider the proposed alterations to the Tonka Theater facade.

General Storefront Guidelines:

GS.3 If replacement is necessary, new elements should duplicate the original element closely in form, proportions, and profile.

The original theater store front is covered with wood siding. The siding should be removed and façade evaluated before design proposal. The new design should be guided by extant building fabric and historic images.

Door Guidelines:

D.5 The installation of new doors should closely resemble the design and proportions of the original door. Wood is preferred material, but steel or aluminum with baked enamel finish may also be used. Metal frame doors may be more appropriate than wood frame doors on later architectural style such as Art Deco façades.

The original doors have been replaced with aluminum system. The new system may be aluminum and should reflect the style. Specifications and details are necessary for review.

D.9 When replacing a door, use a design that an appearance similar to the original. Where the original design is unknown, use a door design associated with the building style or type.

The original doors have been removed. The proposed new entrance system should be based on historic images. Specifications and details and materials of proposed doors are necessary for review.

Architectural Detailing Guidelines

AD.2 When restoring or working on a historic building, property owners are encouraged to restore any ornamentation that may have been removed previously.

The SAP proposes to replace the non-historic marquee and replace with a marquee that is similar to original design in historic images. The design of the marquee appears to meet the guidelines, but signage should be attached to the sign band. After the non-historic wood siding is removed, the remaining design and materials should be evaluated. The design may change following the removal of the siding. Historic images indicate that decorative metal bands were located above the entrances.

3. The “*Additional criteria for proposed alterations within designated historic districts*” findings:

a) The alteration is compatible with and will ensure continued significance and integrity of all contributing properties in the historic district based on the period of significance for which the district was designated.

The Tonka Theater is a contributing building to the historic district. The entire theater was built during the period of significance. The theater auditorium is THE character-defining feature of a movie theater. Approving the demolition of the auditorium does not maintain integrity for the building or the historic district.

b) Granting the site alteration permit will be in keeping with the spirit and intent of this chapter and will not negatively alter the essential character of the historic district.

The demolition of the Tonka Theater is not in keeping with the spirit and intent of the preservation chapter of the city code. The City of Excelsior did not designate the historic district locally and nationally to allow demolitions and partial demolitions of contributing buildings. In fact, a major impetus for designating commercial districts has been to protect properties from parking lot development and incompatible new construction.

Furthermore, it is important to understand the precedence of the proposed demolition. Allowing the demolition would not only alter the significance of the Tonka Theater and the historic district, it is also setting a precedent. Allowing the demolition without any evidence of structural failure, cost analysis for rehabilitation, market and reuse studies, or evidence of inordinate hardship, will set a precedent for future demolition reviews in the historic district and for landmarks in Excelsior.

RECOMMENDED HERITAGE PRESERVATION COMMISSION ACTION

Adopt HPC Resolution No. 2026-01 To approve the demolition of the 1989 theater addition at 28 Water Street and deny the demolition of the Tonka Theater at 26 Water Street. Approve the SAP alterations proposed for the façade of 26 Water Street with conditions for further details.

ATTACHMENTS

- 1) SAP Application
- 2) HPC Resolution 2026-01
- 3) HPC Resolution 2025-04 Providing Findings of Fact on Conformity with Approved Design Standards and Guidelines and Recommendations

City of Excelsior
Heritage Preservation Commission
Resolution No. 2026-01

A Resolution Denying a Site Alteration Permit
for the rear demolition and rear wall design of the Tonka Theater at 26 Water Street
and
Approving the façade alterations, with conditions, of the Tonka Theater at 26 Water Street and
the demolition of the theater addition (1989) at 28 Water Street

WHEREAS, Matt Mithun of Mithun Companies, the owner of the Tonka Theater (1945) at 26 Water Street and the theater addition (1989) at 28 Water Street, Excelsior, MN 55331, (“Applicant”) has applied for a Site Alteration Permit for the demolition of the theater addition (1989) at 28 Water Street, demolition of the rear 55 feet of the Tonka Theater at 26 Water Street, and alterations to the façade and rear elevations of the Tonka Theater;

WHEREAS, the Heritage Preservation Commission (“HPC”) considered Applicant’s application and its meeting on January 27, 2026.

NOW, THEREFORE, IT IS RESOLVED, that the Applicant is hereby denied a Site Alteration Permit to demolish the rear 55 feet and build a new rear wall of the Tonka Theater at 26 Water Street based on the following findings of fact,

AND, the Applicant is hereby approved a Site Alteration Permit to renovate the façade of the Tonka Theater at 26 Water Street with conditions and for the demolition of the theater addition of 1989 at 28 Water Street based on the following findings of fact.

FINDINGS OF FACT

1. Matt Mithun, Mithun Companies, owner of 26 Water Street and 28 Water Street, Excelsior, MN 55331 (“Applicant”) has applied for a site alteration permit to demolish the rear 55 feet of the Tonka Theater at 26 Water Street, renovate the façade of 26 Water Street, create a new rear wall design at 26 Water Street and demolish the theater addition (1989) at 28 Water Street.
2. The Tonka Theater at 26 Water Street was built in 1945 and is a contributing building in the local Excelsior Downtown Historic District (listed 1998) and the National Register of Historic Places Excelsior Commercial District (listed 2021). The Tonka Theater was designed by the prominent master architecture firm, Liebenberg and Kaplan, and is a significant example of the Streamline Moderne style in Excelsior. The theater is also significant as a physical reminder of Excelsior’s entertainment history and provided the region with a community and gathering space for over 70 years. The building retains integrity and continues to reflect its history as a movie theater with original design, massing, materials and scale.

3. The addition to the Tonka Theater at 28 Water Street was built in 1989. The addition was built outside the period of significance for the historic district, 1886-1955, and is not a contributing addition in the historic district.
4. The owner purchased the parcels at 26 Water Street and 28 Water Street in 2003 for \$1,125,000. The parcel at 28 Water Street has the Hennessy Building (1955, present-day Lago Tacos tenant) and the theater addition (1989) connected to the neighboring Tonka Theater. The property is assessed at \$1,215,000. The Tonka Theater at 26 Water Street ceased operations in 2020; the parcel at 26 Water Street is assessed at \$573,000.
5. At the HPC meeting on March 20, 2024, the commission considered a sketch plan for a hotel development on the parcel at 10 Water Street, that included re-use of the Tonka Theater, both the original building and the 1989 addition, for event space, cinema, rooftop deck, and food/concessions to support the hotel. No demolition was proposed at this time. The HPC commented that the proposed hotel building did not meet the standards of the Preservation Design Manual because it was too tall and not compatible with the established guidelines for the Downtown Historic District.
6. At the HPC meetings on April 29, May 27, and June 17, 2025, the commission considered an application for a Preliminary Planned Unit Development (PUD) application for construction of a mixed use development at 10 Water Street that included a partial demolition of the rear of the Tonka Theater and the 1989 addition in order to accommodate surface parking and a new building. The commission approved HPC Resolution 2025-04 providing findings of fact and making recommendations to the City Council that included the finding that the city must review and approve a Site Alteration Permit for the proposed demolition of the Tonka Theater.
7. At the City Council meetings on July 21 and August 4, 2025, the City Council considered the application for a Preliminary PUD and approved resolution 2025-42 approving the Preliminary PUD with the condition, among other conditions, that a Site Alteration Permit application for the proposed demolition and the new construction be submitted to the City and approved.
8. Section 20-3 of the Excelsior City Code defines “demolition” as “Any act that destroys or removes more than 30 percent of the building or other structure” and defines “partial demolition” as “any act which destroys a portion of a building consisting of not more than 30% of the floor area of the building, and where the portion of the building to be demolished is not readily visible from the street. Partial demolition also includes the demolition or removal of additions or materials not of the period of significance on any exterior elevation when the demolition is part of an act of restoring original historic elements of a building and/or restoring a building to its historical mass and appearance.”
9. The applicant is removing 40% of the original building, which is defined as “demolition” in Excelsior City Code. The portion of the building to be demolished is visible from Water Street and Lake Street. The demolition of the 1989 addition is not part of an act of restoring the original

historic elements of the building and/or restoring the building to its historical mass and appearance. The applicant's calculations for demolition included the 1970s hallway addition to the Tonka Theater. This addition is not part of the original building and the applicant is demolishing more than 30 percent of the original theater building.

10. Section 20-12 (h) of the Excelsior City Code states "In determining the appropriateness of any application for the demolition or relocation of a landmark or contributing building in a historic district, the commission shall use the following criteria:"

- 1) The architectural significance of the building or structure.
- (2) The historical significance of the building or structure.
- (3) Despite evidence of the owner's efforts to properly maintain the structure, retention of the resource constitutes a hazard to public safety that cannot be eliminated by economic means available to the owner, including the sale of the structure on its present site to any purchaser willing to preserve the structure.
- (4) Whether a building or structure is linked, historically or architecturally, to other buildings or structures, so that their concentration or continuity possesses greater significance than the particular building or structure individually.
- (5) The significance of the building or structure or its proposed replacement in furthering the comprehensive plan's goals.
- (6) The condition and structural integrity of the building or structure, as indicated by documentation prepared by a qualified professional or licensed contractor, or other information, provided to the commission for examination.
- (7) Effect on surrounding properties.
- (8) Inordinate hardship. This inquiry is concerned primarily with the relationship between the cost of repairing a building or structure and its reasonable value after repair. An inordinate hardship is an instance when preservation will deprive the owner of reasonable economic use of the property. Any hardship created by action of the applicant—including any condition resulting from the applicant's own neglect of the building or structure—shall not be considered in support of any application. To establish inordinate hardship under this section the applicant must submit evidence that rehabilitation of the building or structure is impractical and that the applicant cannot make reasonable economic use of the property. Such evidence may include proof of consideration of plans for adaptive reuse, and attempts to sell, rent or lease the property.

11. Section 20-12 (i) of the Excelsior City Code states "In addition to the general criteria listed in subsection 20-12(h), the applicant must also demonstrate:

- (1) If requesting demolition, that the structure cannot be practically moved to another site in Excelsior.
- (2) If requesting relocation, that structure can be moved without significant damage to its physical integrity and the applicant can show the relocation activity is the best preservation method for the character and integrity of the structure.

12. Section 10-12(g) of the Excelsior City Code for “alternative undertakings” states “Within the initial review period of such demolition of any historic resource, the commission shall take steps to ascertain what the city council can or may do to preserve such building, including consultation with private civic groups and interested private citizens and including investigation of the potential use of the power of eminent domain when the preservation of a given building is clearly in the interest of the general welfare of the community and of certain historic and architectural significance. The commission may also require a reuse study be completed, at the owner's expense, to determine potential reuses of the building proposed to be demolished.”
13. Section 20-12(k) of the Excelsior City Codes states “The commission shall not approve a site alteration permit for demolition or relocation without reviewing at the same time post-demolition plans. The approval of a site alteration permit for demolition or relocation shall be conditioned on issuance of a Site Alteration Permit and all other city approvals for the new construction on the site.” The HPC shall also review the proposed changes to the Tonka Theater.
14. In making a determination whether to approve or deny an application for a Site Alteration Permit for the Tonka Theater façade alterations, the commission shall be guided by *The Secretary of the Interior's Standards and Guidelines for Rehabilitation* and the *Preservation Design Manual* and the “Additional Criteria for Proposed Alteration within an historic district.”

CONCLUSIONS OF LAW

1. The demolition of the Tonka Theater at 26 Water Street is not consistent with the required findings per Section 20-12 of the Excelsior City Code for demolition and is not permitted.
2. The demolition and proposed alterations are not consistent with the guidance in *The Secretary of the Interior's Standards and Guidelines for Rehabilitation* or the *Preservation Design Manual*.
3. The Tonka Theater at 26 Water Street is architecturally significant. The Tonka Theater at 26 Water Street is a contributing structure to the local and National Register Historic District. The two-story Streamline Moderne theater was designed by renowned architects, Liebenberg and Kaplan. The building retains the significant character-defining features of a theater including the prominent façade with marquee and the theater auditorium space. The scale, sightlines, sloped floor and acoustics were engineered for large groups and gave power to the theater experience. The building has good integrity and continues as a unique, architectural landmark in Excelsior. The auditorium is the character-defining architectural feature of the Tonka Theater and removing it permanently damages the historic integrity of the building and will remove the building as “contributing” resource in the historic district.
4. The Tonka Theater is historically significant. The Tonka Theater is a significant landmark in the history of Excelsior and provided entertainment and enrichment experiences for over 70 years. The theater space is a rare civic space in Excelsior and is significant as a community gathering place. During its use, the theater's patrons invigorated the community and contributed to street

traffic and night traffic and provided commercial activity to the surrounding businesses. The theater auditorium was a purpose-built civic space designed for the shared experience and remains as a physical reminder of its time.

5. The owner has not proven that retention of the Tonka Theater is a hazard to public safety that cannot be eliminated by economic means. The owner has not tried to sell the building. The owner has not provided plans or costs for reuse or rehabilitation of the entire theater.
6. The Tonka Theater is linked historically and architecturally to the buildings in the Excelsior Commercial Historic District and their concentration and continuity possesses greater significance as a whole. The two-block Excelsior Commercial Historic District has 32 contributing buildings. The cohesive district is unique because it features multiple commercial building types and a range of architectural styles from 1886 until 1955. The buildings are linked historically and architecturally and tell the story of Excelsior's commercial history; they feature examples of a pharmacy, grocery, two fraternal organization buildings, an auto repair building, an auto dealership, multiple commercial buildings and one movie theater. The size and scale of each of these buildings reflects their historic use and the concentration of so many intact historical examples is exceptional. The continuous economic stability of the district is partially due to the high integrity and cohesiveness of the historic buildings.
7. The demolition of the Tonka Theater is not supported in Excelsior's adopted Comprehensive Plan which states:
 1. *Heritage properties are scarce, non-renewable community resources, the preservation, protection, and use of which are critical to the public welfare. When historical and architectural resources are destroyed, they are gone forever.*
 2. *Heritage preservation is an important public service and a legitimate responsibility of city government. Historic buildings, sites, and districts give the City much of its special character and community identity.*
 3. *Saving significant historic resources for the benefit of future generations is always in the public interest.*
 4. *Collaboration between the private and public sectors is absolutely necessary to preserve the City's significant historic resources.*
 5. *Not everything that is old is worth preserving, nor is heritage preservation concerned primarily with the creation of museums or other public attractions. To be considered for preservation, a property must be demonstrably significant in history, architecture or archaeology, and it must also be adaptable for modern needs and uses.*
 6. *Heritage preservation is entirely compatible with economic development and growth. Preservation pays, and everybody profits by reusing historically significant buildings and adapting them to new, economically viable uses.*

Demolition of the Tonka Theater is not supported by Excelsior's Comprehensive Plan Preservation Guiding Principles. The property has demonstrated significance in history and architecture and is a contributing building in the local and National Register historic district. The Comprehensive Plan supports rehabilitation and accepts that a building can be adapted for modern needs and uses. The Comprehensive Plan and the HPC design review support the

adaptation of historic buildings and very few of Excelsior's historic buildings retain their original use. Theaters are adaptable for modern needs and uses and multiple examples exist in the country. The applicant has never provided a reuse plan that would evaluate viable uses. The applicant has never produced rehabilitation plans for the property or economics of rehabilitation, therefore, the City of Excelsior HPC has never been able to review the potential reuse options and the related design. Retaining the Tonka Theater is a "legitimate responsibility of city government" and saving historic resources benefits future generations and is always in the public interest.

8. The two condition reports provided to the HPC did not recommend demolition. The report from Meyer Borgman Johnson (MBJ), structural engineers, dated October 27, 2025, found the concrete building to have "acceptable structural performance" and recommended further investigation into the roof and settlement at rear. No photos of the roof or any holes in the roof were provided, but the report noted that water intrusion was noticed at the lobby ceiling tiles; the lobby is the portion of the building the applicant wants to retain. The report noted the slope at the rear egress is steep and should be reconstructed; the costs were not presented for this option, but the City of Excelsior and HPC support life-safety alterations. The report noted three "incidents of wall cracking at the back wall" stucco, but noted that the interior wall coverings were not removed and the extent of damage through the building was unknown. The photograph appears to show typical stucco cracks. The report from The Javelin Group, environmental consultant, dated October 23, 2025 assumed asbestos in the ceiling and floor tiles and lead paint on wood, but no actual testing was completed on the building. Nor were any costs for abatement provided. The firm recommended an asbestos and lead-based paint testing and noted that abatement for asbestos would be required before demolition. These two reports did not provide evidence that the building is not sound and cannot be rehabilitated into modern uses.
9. The demolition of the Tonka Theater will negatively affect surrounding properties. The demolition will be detrimental for its loss to Excelsior's history and streetscape. Approving the demolition of a designated historic property without meeting the standards for review will set a precedent for the future of Excelsior's historic landmarks. The City of Excelsior has never approved a demolition of a contributing building in the historic district. The theater is not structurally unsound and the opportunities and costs for reuse have never been provided. Approval of the demolition without meeting the required findings will have significant long-term negative effects on the future of Excelsior's historic buildings.
10. To prove inordinate hardship the applicant must provide the costs of repairing and value after repair and submit evidence that rehabilitation is impractical. The property is assessed at \$573,000. The owner claims the original use is obsolete, but the City and HPC have never required the original use be retained. The property has never been listed for sale so the potential for rehabilitation and new uses have not been explored through a sale and/or new ownership. The costs for roof or structural repairs were not provided, but they cannot be more than the project costs provided by K2 Construction for "Rake Shoring" the building for demolition and reconstruction. The building is eligible for the Historic Rehabilitation Tax Credit program, but the owner has not provided exploration of the program. Additionally, if the owner claims hardship

then it is unclear why half of the building is still being retained. The owner has never provided rehabilitation costs or tried to sell the building and inordinate hardship has not been proven.

11. The applicant has not provided costs or evaluation for relocating the building per Section 20-12(h) of the Excelsior Codes.
12. The demolition of the rear half of the Tonka Theater is not recommended for approval and, therefore, the new rear wall of the theater is not approved.
13. *The Secretary of the Interior's Standards and Guidelines for Rehabilitation* and the *Preservation Design Manual* and the "Additional Criteria for Proposed Alteration within an historic district" guide the proposed theater façade alterations. The non-historic siding should be removed in order to evaluate the remaining historic fabric at the façade. The proposed design should be based on historic images and remaining fabric under the wood siding.
14. The applicant has not identified any tenants at this time. A "theater" is proposed for the second floor, but tenant signage does not identify this tenant.
15. The SAP does not meet the two "additional criteria for proposed alterations within designated historic districts" per Section 20-12 (h). The alteration is not compatible with and will not ensure continued significance and integrity of the district. Granting the site alteration permit is not in keeping with the spirit and intent of the Excelsior preservation code and it will negatively alter the essential character of the historic district. In fact, allowing a demolition of a contributing building in the historic district without meeting the findings per City Code sets a significant precedent for future historic demolition reviews.
16. Section 20-12 (g) of the Excelsior City Code for *Alternative Undertakings* states "Within the initial review period of such demolition of any historic resource, the commission shall take steps to ascertain what the city council can or may do to preserve such building, including consultation with private civic groups and interested private citizens and including investigation of the potential use of the power of eminent domain when the preservation of a given building is clearly in the interest of the general welfare of the community and of certain historic and architectural significance. The commission may also require a reuse study be completed, at the owner's expense, to determine potential reuses of the building proposed to be demolished." Excelsior's guidelines, comprehensive plan and city code welcome the opportunity for a new use in historic buildings. Movie theaters are one of the most reused and adapted buildings across the country. They are centrally located, well-situated on Main streets across the United States and have large volumes with clear, open spans and in many cases, they have fireproof construction. They have been successfully renovated, often using historic rehabilitation tax credits, into performing arts theaters, bowling alleys, art centers, community centers, nightclubs, wedding venues, religious venues, lecture halls, co-working spaces, restaurants/bars/liquor stores, libraries, sports arenas/gyms/climbing, recording studios and even apartments. These rehabilitations guide new

uses and often have skylights and new openings. The theater space could support the proposed new construction with amenity spaces like workout rooms, party rooms, dog runs, which would allow for more apartments in the new construction. A reuse study is recommended.

CONDITIONS

1. The applicant shall remove the non-historic wood siding at the façade before further façade improvements are undertaken. The proposed alterations should be based on the historic images and remaining historic fabric. The final façade alterations and design shall be submitted to HPC staff for final review.
2. Specifications of the proposed door systems at the façade shall be submitted to HPC staff for final review. The door design should be guided by historic images and remaining historic fabric under the wood siding.
3. Signage on the marquee shall be placed on the sign band of the marquee and submitted to HPC staff for final review.
4. Tenant signage for the building shall be submitted in a Site Alteration Permit application for HPC review.
5. A reuse study shall be completed to determine potential reuses of the building. The reuse study should provide the economics of repairs to the building, costs for rehabilitation, comparison of costs for repair and partial demolition.
6. The property owner must maintain the building and prevent further deterioration.
7. Seismic monitoring during construction at neighboring parcels should be undertaken to protect historic resources.

Adopted by the Heritage Preservation Commission of the City of Excelsior, Minnesota, this 27th day of January, 2026.

HERITAGE PRESERVATION COMMISSION

Tim Caron, Chair

City of Excelsior
Heritage Preservation Commission
Resolution No. 2025-04

A Resolution Providing Findings of Fact On the Conformity with Approved Design Standards
and Guidelines and Recommendations to the City Council on the PUD Preliminary Plan
Application for a Mixed-use Development and Renovation of the Tonka Theater Building at 10
Water Street

WHEREAS, Matt Mithun, Water & Lake LLC, 950 Wayzata Blvd., Ste. 104, Wayzata, MN 55391 (“Applicant”) has submitted a Planned Unit Development (PUD) Preliminary Plan application for a mixed-use development and renovation of the Tonka Theater Building at 10 Water Street; and

WHEREAS, the Heritage Preservation Commission (“HPC”) considered the application and its conformance with the Preservation Design Manual Guidelines at their meeting on April 29, 2025; and

WHEREAS, the HPC directed staff to prepare recommendations to the City Council based on the HPC’s review of the project.

NOW, THEREFORE, IT IS RESOLVED, that the HPC provides recommendation to the City Council in the form of this resolution.

FINDINGS OF FACT

1. Matt Mithun, Water & Lake LLC, 950 Wayzata Blvd., Ste. 104, Wayzata, MN 55391 (“Applicant”) has submitted to the City a PUD Preliminary Plan application.
2. The applicant proposes a mixed-use development and the renovation of the Tonka Theater building at 10 Water Street.
3. The location of the proposed project is in the Excelsior Downtown Historic District and in the National Register Excelsior Commercial District.
4. Pursuant to Sec. 65-7(b)(4) of the city’s Zoning Ordinance, if the subject property is located within Excelsior’s historic district, then the PUD Preliminary Plan application shall be reviewed by the HPC prior to the Planning Commission’s review of the request. The HPC shall make findings of fact on the project’s conformity with approved design standards and guidelines and forward such findings to the City Council.
5. At the HPC meeting of April 29, 2005, the HPC voted 4-0 to direct staff to draft a resolution with findings and recommendations for the City Council based on the Commission’s review of the proposed project and bring the resolution to the May 27, 2025, meeting for HPC approval. At the HPC meeting of May 27, 2025, there were questions regarding the historic status of the Tonka Theater and potential loss of

designation due to demolition. The resolution was continued to a special meeting of the HPC on June 17, 2025.

ADDITIONAL FINDINGS OF FACT AND RECOMMENDATIONS

1. The Commission prefaces its findings and recommendations with the following: The proposed project sites comprise an important location in the City and in both the Excelsior Downtown Historic District and National Register Excelsior Commercial District. The HPC considers the precedent it sets when it makes recommendations about proposed projects in the district.
2. The height of the proposed building should meet the Preservation Design Guidelines standard for height of new construction in the district: *A new building's height should relate to the average height of existing adjacent structures* (NC.1). The proposed height of the building on Water Street (over 40 feet) exceeds both the average height of adjacent structures in the district and the height of the tallest building in the district and the block in which it is situated. The height of the new construction along Water Street should be no taller than the two-story Tonka Building (Second and Water) (28'-29') or the Dock Cinema building (24.75'). These are the tallest buildings on this side of Water Street, and both are contributing structures in the historic district. A one-story building, Hennessy Building (Lago Tacos) (14.5'), is contributing and adjacent to the historic theater.
3. The proportions of the stories of the front façade on the proposed new building are not compatible with the adjacent historic buildings on the streetscape. Preservation Design Guideline NC.2 states: *Façade proportion of new construction should be compatible in height and width to its adjacent buildings and the streetscape. The Commission recommends that* the height of each story should be reduced to make the building more compatible in scale and proportion with other buildings in the downtown historic district and to reduce the overall building height. In addition, the large mass of the proposed building obscures the small-scale nature of Excelsior's historic district. The historic scale of Water Street is one of the most defining aspects of the district. The historic district is a mix of one and two-story buildings; there are no three-story buildings on Water Street or in the district. Visually, the 3-4 story new building will be highly visible, looming behind and above the historic buildings on the block from much of Water Street. The size, proportions and spacing of the historic buildings is also not continued along the proposed Lake Street elevation, which is highly visible from The Commons, the historic Port of Excelsior, and Lake Minnetonka.

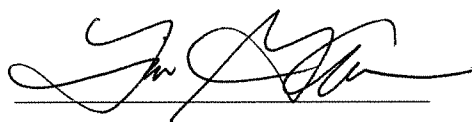
4. There are no balconies on the second level of buildings on Water Street; rather, there are masonry walls with regular patterns of vertical windows with projecting masonry sills. The proposed recessed balconies with glass railings create a non-historic elevation along Water Street. These large square openings are ceiling-to-floor and are not characteristic of historic elevations along Water Street. They do not meet the Preservation Design Guidelines on relationship of solids to voids: *The ratio of window area to solid wall should be similar to neighboring buildings* (NC.8). The Commission recommends an alternative design to the recessed balconies on the upper story on Water Street.
5. The proposed windows and doors do not meet historic guidelines for size and proportion of façade openings. Preservation Design Guidelines state: *The size and proportion of window and door openings should be similar to those on surrounding facades* (NC.7). The windows on the ground floor are tall compared with most openings in the historic district. On the ground floor level, the windows and doors should not be floor to ceiling; a bulkhead is recommended to resemble buildings along Water Street. The Commission also recommends that more verticality should be added to windows in upper stories and should more closely resemble the windows in historic buildings in the district which do not have large square openings. In addition, the Commission recommends that a door should be added to each bay in the proposed building so that it better reflects the pattern of historic storefronts in the district. The doors do not have to be operational today, but they would provide flexibility for future use of the space.
6. The proposal for the rear of the Tonka Theater building calls for a new storefront entrance and display windows in the rear. This is contrary to the standard for rear entries, which should not look like a primary street entrance.. Preservation Design Guidelines state: *Rear entrances on existing buildings shall clearly be secondary entrances and avoid the appearance of a primary façade* (BEA.8).
7. The darker brick color and the architectural detail that have been added since sketch plan review are significant changes that make the building more compatible with those in the downtown historic district. The Commission recommends incorporation of additional ornamentation on the building facade to break up the large windows.
8. The proposed use of fiber cement or concrete panels on the Water Street façade of the proposed building does not conform to the Guidelines for new construction materials “New construction façade should be composed of materials similar to surrounding facades.” (NC.9). These materials are not used on the facades of surrounding buildings in the district.
9. Rooftop decks are not permitted in the downtown historic district unless the deck is located on the rear most part of the building, the upper story or parapet wall screens the

deck from the street, and the deck does not exceed 200 square feet in size (BEA.19). The applicant should submit the locations of mechanical equipment and vents. It is recommended that they be placed on the roof or at rear of building and that they be appropriately screened.

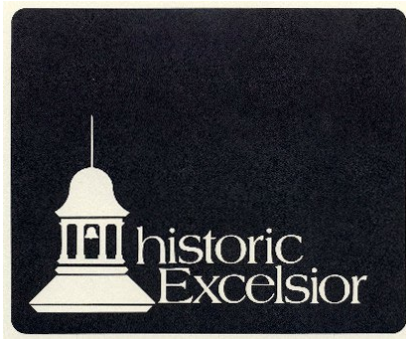
10. A Site Alteration Permit application is required to be reviewed by the HPC for the proposed partial demolition of the historic Tonka Theater building. Information about the existing condition of the theater building is needed in order for the HPC to consider the partial demolition request. The later theater side addition from 1989 that is non-contributing (and not visible from Water Street) is acceptable for demolition. Additional details will need to be provided to the HPC for any proposed exterior alterations to the Tonka Theater building in connection with the proposed renovation.
11. Section 20-12 of the City Code states that “The demolition or relocation of historic resources is deemed detrimental to the public interest ...” It is critical that the downtown historic district designations, both local and national, which the city has earned are not harmed by this project. The HPC has never approved a demolition or partial demolition of a contributing building in the downtown commercial historic district. This decision can be precedent setting for future reviews.
12. The proposed partial demolition of the theater building should be considered in the context of its broader implications for the Downtown Historic District as a whole. The proposed partial demolition of the Tonka Theater building, which is a contributing building in a National Register district, is likely to remove the building from the National Register listing and deem it ineligible for future historic rehabilitation tax credits.

Adopted by the Heritage Preservation Commission of the City of Excelsior, Minnesota, on this 17th day of June 2025.

HERITAGE PRESERVATION COMMISSION



Tim Caron, Chair



City of Excelsior

339 Third Street, Excelsior, MN 55331

Telephone: 952-474-5233 Email:

APPLICATION FOR A SITE ALTERATION PERMIT

Applicant's Name: _____

Address: _____

Telephone: _____

Authority to file application:

☐ Ownership

☐ Tenant

☐ Other _____

If not Owner, Owner's Name: _____

Address: _____

Telephone: _____

Project Address: _____

Do you have an architect/engineer or other designer for this project?

☐ Yes

☐ No

Name: _____

Address: _____

Attach the following materials for all applications:

☐ A current photograph of the exterior sides of the building (or site) where work will take place.

☐ A scaled elevation drawing of the sides of the building illustrating the work to be performed.

☐ A scaled site plan (for any site changes).

I hereby certify that the above information, the checklist below and all accompanying documents and information are true and accurate to the best of my knowledge.

R. Matt Mithun

Applicant's signature

Date

Site Alteration Permit Checklist Overview

The Excelsior Heritage Preservation Commission (HPC) reviews land use activities that may affect Excelsior's historical and architectural attributes and has prepared a checklist to assist you in applying for a Site Alteration Permit. In addition to the general materials listed on page 1, applicants should refer to the checklist below for additional requirements applicable to particular types of projects. A summary of HPC Guidelines are also available at Excelsior City Hall.

Please be thorough in completing the checklist. The decision of the HPC will be based on the completed checklist and other materials you submit. Any unidentified alterations not shown on the checklist or application materials will need to be discussed with staff and possibly returned to the HPC for further review. Work completed without the HPC's approval is in violation of the City Code and may be subject to fines or penalties. The Excelsior City Staff is available to answer questions regarding the application and checklist. You may contact them at 952-474-5233.

HERITAGE PRESERVATION COMMISSION

Site Alteration Permit Checklist

NATURE OF SITE ALTERATION (check all that apply):

- ☐ SIGNAGE (Complete Section 1 below)
- ☐ CHANGES IN MATERIAL OR ADDITIONS (Complete Section 2 below)
- ☐ NEW CONSTRUCTION (Complete Section 3 below)
- ☐ DEMOLITION (Complete Section 4 below)
- ☐ RELOCATION OF STRUCTURE (Complete Section 5 below)
- ☐ LANDSCAPE OR PARKING ALTERATIONS (Complete Section 6 below)

1. SIGNS AND AWNINGS:

- ☐ Dimensional elevation drawn to scale identifying materials, colors, and lettering style. Include height, width and depth.
- ☐ Description of any proposed lighting.
- ☐ Description of location.

For a wall sign, show how and where it will be attached. For free-standing sign, show height measured from the existing and proposed grade and site plan with sign location and dimensions from property lines and dimensions from structures on lot.

2. CHANGES IN MATERIAL AND ADDITIONS:

- ☐ Scaled elevation drawing indicating proposed alterations. Minimum scale $1/4" = 1'0"$.
Color scale rendering is required for major alterations (those requiring City Design Standards approval). Include door and window design when proposed to be altered. Manufacturer's catalog data must be used, if applicable.
- ☐ Description of all exterior materials and colors.
Include all proposed materials samples and paint chips of proposed colors.
- ☐ Site plan showing dimensions of lot and location and dimensions of existing structures on lot.
Include location and dimensions of all proposed additions.
- ☐ Photographs of existing conditions from all elevations.
Historic photographs should accompany any request to return a structure to an earlier historic appearance.

3. NEW CONSTRUCTION:

- ☐ Scaled elevation drawing showing all sides and dimensions. Minimum scale $1/4" = 1'0"$.
Color scale rendering is required for all new construction. Include door and window design and description of all exterior design elements. Manufacturer's catalog data must be used, if applicable.

- ☐ Elevation drawings to scale showing relationship to height and massing of adjacent structures.
- ☐ Photographs of proposed site and adjoining properties.
- ☐ Site plan including building footprint and all landscape and parking features.
- ☐ Elevation drawings and material and color details for exterior features.
Include roofs, steps, doors, windows, siding, porches, foundations, walls, etc.
- ☐ Scale model may be required for major construction, as determined by the HPC.

4. DEMOLITION:

- ☐ Justification for proposed demolition.
Provide documentation that a building classified as historic is incapable of earning any economic return on its value as appraised by a qualified real estate appraiser. Provide proof that all reasonable alternatives for re- use and restoration have been exhausted.
- ☐ Proposed use of site after demolition.
Include plans and construction schedule for proposed structures and evidence of compatibility with all zoning and comprehensive plan requirements. Plans must demonstrate compatibility with adjacent historic structures or sites.
- ☐ Photographs of all structures to be demolished.

5. RELOCATION OF STRUCTURE:

- ☐ Photograph of existing structure on existing site.
- ☐ Photograph of proposed site and map of location.
- ☐ Reasons for request to move structure.
Information for relocations shall be the same as demolition (for the removal of a structure from a historic site or district) and new construction (for the relocation of a structure to a site within a historic site or district).

6. LANDSCAPE AND PARKING ALTERATIONS:

- ☐ Site plan showing location and layout.
- ☐ Description or depiction of materials, dimensions and design.
Include location and type of vegetation.
- ☐ Photograph of affected areas of site.

Procedure for Review of Site Alteration Permits

The application for a Site Alteration Permit, completed checklist and all supporting information must be received **no later than 21 calendar days** prior to the Heritage Preservation Commission meeting. Incomplete applications will not be reviewed by the Commission. The Heritage Preservation Commission normally meets the fourth Tuesday after the fourth Monday each month. Applicants are strongly encouraged to attend the meeting.

Decisions of the Heritage Preservation Commission may be appealed by filing notice with the City Clerk within 10 business days following the meeting.

The Site Alteration Permit does not relieve the property owner from the responsibility of obtaining any other required permits. Building permits and other permits may be required even if a Site Alteration Permit is not required. For more information, please contact Excelsior City Hall.

NOTICE TO PERSONS COMPLETING THIS FORM

Please be advised that the information requested in this application is sought for the purpose of evaluating your request.

Any information you submit with this application may be made available to various City employees, City officials, members of City boards or commissions, and the public.

You may refuse to provide any of the information requested but that refusal may limit the City's ability to act on your request or result in the denial of that request. If you believe that any information you are providing constitutes private or confidential data under the Minnesota Government Data Practice Act and you want to limit the dissemination of that data, please contact the City Manager prior to submitting that information to discuss whether dissemination of that data may be limited.

Please sign and date below and return with your application as confirmation that you were provided with this Notice.

R. Matt Mithun

11/6/25

Signature

Date

City Staff Use Only:

Downtown Historic District:

- ☐ Contributing
☐ Non-contributing

Designated Historic Site No. _____

Type of Alteration:

- ☐ Major change in materials/addition (subject to Design Standards review)
☐ Minor change in materials/addition (not subject to Design Standards review)
☐ New construction/relocation
☐ Landscape/parking alterations
☐ Demolition/relocation
☐ Signage/awning (Sign permit must also be filed)

Current Zoning: R-1 R-2 R-3 R-4 B-1 B-2 B-3 B-4 B-5 P Other : _____

Application deemed complete on _____ by _____

Heritage Preservation Commission Action:

On _____, the action requested in the foregoing application was:

☐ Approved

Conditions:

☐ Disapproved

Reasons:

City Council Determination on Appeal of HPC Action:

On _____, the City Council took the following action on the appeal:

- ☐ Sustained HPC Action
☐ Overturned HPC Action

City of Excelsior
Julia Mullin, Community Development Director
350 Highway 7
Suite 230
Excelsior, MN

Re: Approval of Site Alteration Permit for the Tonka Theater

Ms. Mullin:

On behalf of Mithun Enterprises, please find attached an application for a Site Alteration Permit (SAP) under Chapter 20 of the Excelsior City Code to authorize partial demolition and rehabilitation of the Tonka Theater structure located at 26 Water Street (the "Theater"). This proposal forms a key component of the broader redevelopment of 10 Water Street, introducing multifamily housing, retail, and restaurant uses on the adjacent parcel while preserving and reinvesting in the historic theater building itself.

Taking into account the feedback received from the Heritage Preservation Commission ("HPC") and in preliminary development plan review before the City Council and Planning Commission, the development team has refined its preliminary proposal to reduce demolition to only 30 percent of the original structure, retaining 70 percent for stabilization and reuse. The revised plan represents the least-intrusive, preservation-compliant path toward a commercially viable reuse of the Theater while maintaining its historic character. The portion proposed for removal is confined to the rear third of the building, which is structurally compromised and lacks character-defining features. By limiting demolition to these noncontributing, unsafe elements, the plan allows the remainder of the structure including its significant historic materials, spatial relationships, and architectural features to be retained and preserved. Retaining that compromised section is neither safe nor financially defensible. This plan is the fullest extent of rehabilitation that remains structurally and economically achievable.

I. History of the Tonka Theater

The Tonka Theater's history began in 1940 as a single-screen movie house. After being destroyed by fire in 1945, it was rebuilt with special approval due to wartime material restrictions, reopening with an art-deco façade. The original "barrel" design with arched ceilings was replaced by the current simpler concrete design. In the 1970s, a second theater was added, followed by a third in 1989. The proposed demolition will remove the 1989 addition, which is not part of the historic designation, along with a limited portion of the original building.

Within the City's submission for preservation, it described the Tonka Theater as a "two story concrete movie theater with a flat roof" with "additions not visible from Water Street." The report

remarks that the “building’s only ornamentation is a curved, fluted panel on the second floor.” These descriptive features will be retained by the plans.

I. Scope and Purpose of Work

Selective demolition will target areas affected by foundation settlement, roof deterioration, and grade differential, as documented in the Structural Condition Assessment (AET, Oct 27, 2025). The primary façade, marquee, and two-story theater volume will be retained, stabilized, and rehabilitated. Interior work will restore the historic theater's use, preserving its civic function. The adjacent parcel will be developed for multifamily, retail, and restaurant spaces designed to complement, not mimic, the historic form. This Project complies with the City Code, including reference to the Secretary of the Interior’s Standards for Rehabilitation, the Preservation Design Manual, and all findings required for alterations within the Historic District.

II. The revised Site Alteration Plans (SAP) meet the definition of a “Partial Demolition” under Section 20-12 of the City Code.

Under the Excelsior City Code “Partial Demolition means:

any act which destroys a portion of a building consisting of not *more than* 30 percent of the floor area of the building, and where the portion of the building to be demolished is not readily visible from the street. Partial demolition also includes the demolition or removal of additions or materials not of the period of significance ... as part of restoring original historic elements of a building and/or restoring a building to its historical mass and appearance.

This proposal fits this definition: it involves demolishing structurally compromised portions of the Theater and removing the 1989 addition, which is outside the period of significance. The demolition will not be visible from Water Street and will maintain the Theater’s historic massing. Accordingly, the partial demolition standards outlined in 20-12 J apply.

III. Consistency with the Secretary of the Interior’s Standards for Rehabilitation

The proposed rehabilitation of the Theater is guided by the Secretary of the Interior’s Standards for Rehabilitation (the “Standards”), ensuring that the property’s historic purpose, character, and integrity are retained and preserved while accommodating contemporary needs. This approach prioritizes the continuum of importance advanced by the Standards- not all features are equal and the SAP protects and repairs significant historic features and materials. The proposed plans limit alternation while integrating life-safety, accessibility, and systems upgrades in a manner that does not diminish the Theater’s defining qualities. The following discussion explains how the scope, methods, and materials proposed meet these Standards by balancing the Theater’s continued viability and public safety with the preservation of its authentic historic fabric and setting.

1. *Use for Historic Purpose:* A historic property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment. The Theater will continue to be used for its historic purpose as a community gathering place.

2. *Retention of Historic Character:* The alteration proposed is compatible with and ensures continued significance and integrity of the Theater. Granting the SAP preserves the

essential character of the property by retaining the theater's historic scale, massing, and civic function while addressing structural failures that threaten the building's long-term viability. While this plan proposes alteration, it is necessary to preserve the theater use and create a functional, safe, ADA-compliant space for ongoing attendance. This restores the vibrancy of the site

3. *Authentic Record of Time and Place:* Each historic property shall be recognized as a physical record of its time, place, and use. Demolition should preserve to the extent possible, in this case 70% of the original structure, original materials as a primary document of the history of the building, reflecting the technology, craftsmanship, and cultural values of the time the Theater constructed (technically, rebuilt after the initial fire at the property after initial construction). After further study, it is possible to only demolish 30 percent of the original structure and still correct the structural issues described within the engineer's report. All replacement materials will be consistent with existing materials to the extent possible, as demonstrated on the attached plan set.

4. *Recognition of Significant Changes:* Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved. As described during concept plan review, the portion of the building that is not original and constructed outside of the period of significance will be fully removed. There is no evidence to show that the additions 1980's are significant. The wood paneling along the current façade shall be removed and the Theater restored to the original stucco material as shown in the attached plan set. The former Pizza Hut building that was previously demolished was attached to the Theater. The original Theater exterior was damaged by this adjacent structure, leaving a clear demarcation on the northeast side of the building where the former restaurant stood. To the extent appropriate and possible, the Theater exterior will be refined to mirror the original stucco of the 1940's theater.



5. *Preservation of Distinctive Features:* Distinctive features, finishes, and construction techniques shall be preserved. As previously described, the reconstructed 1945 Theater was crafted as a wartime- concrete block facility. The curved ceiling of the 1940 structure was not rebuilt. The original art deco fluting on the Water Street façade will be retained and preserved.

6. *Repair Rather Than Replacement:* Deteriorated historic features shall be repaired rather than replaced where possible however it is important to note that there has been broad and extensive change to this building over time. Where necessary, new features will match the old in design, color, texture, and material. The original Cinema marquee was removed upon expansion of the Theater in the 1970's. However, the fluted grooves above the original and current sign have remained and will be restored and are consistent with the period's

use of bold geometric shapes. Because the original marquee was destroyed, the historic marquee will be rebuilt and installed as a replica of the original design.

7. *Gentle Treatment Methods*: The surface cleaning of the exterior structure will be undertaken using the “gentlest means possible” as described within the Standards in order to ensure the building is maintained during construction. Rehabilitation will incorporate compatible paint coating systems following proper surface preparation and the building will be repainted with colors that are historically appropriate to the building.

8. *Protection of Archeological Resources*: The Standards require preservation of significant archeological resources. Based upon consultant review, no such items have been found on site. During the construction process protective measures will be undertaken to preserve any such resources.

IV. *The proposed alteration is consistent with the findings required by the City Code.*

1. The proposed alteration is compatible with, and will maintain the significance and integrity of contributing properties in the District based on its designated period of significance.

Between 1981 and 1982, the Historic Preservation Commission (HPC) designated thirty historic sites, which were subsequently approved by the City Council. The Theater was not among those sites originally designated. It was not until the completion of a further designation study in August 2002, that the Theater was identified as a contributing structure within an expanded historic district.

The revised district boundaries reflect Excelsior’s changing commercial development patterns from the late 19th and early 20th centuries, centering on Water Street and extending east along Second and Third Streets. The district captures the city’s transformation from a lakeside tourist destination to a suburban service center, with a period of significance spanning from the 1870s through approximately 1955.

By preserving over 70 percent of the structure, retaining the height of the Theater, and being intentional about restoration to the original marquee, the rehabilitation maintains the characteristics that defined the Property during its period of significance. The rear volume of the Theater, which is not visible from Water Street, plays no role in defining visual rhythm or pedestrian experience of the district. By addressing structural issues and removing non-contributing additions, the project maintains the integrity and significance of the Property within the district.

2. Revisions to the Theater are consistent with the spirit and intent of the preservation ordinance and will not negatively impact the essential character of the historic district.

Granting the site alteration permit aligns with the intent of Chapter 20 by preserving the essential character of the historic district. The project focuses on restoring the Theater’s historic use and appearance while ensuring safety and accessibility. The proposed changes are designed to enhance the district’s vibrancy without negatively impacting its historic essence, ensuring that the district’s character is respected and preserved.

At the prior HPC meeting, concerns were raised that approving the removal of a significant portion of the structure could establish a precedent for “facadectomies” thereby negatively impacting the essential character of the district. However, this proposal is fundamentally different and is not a “facadectomy.” The removal in question involves 1) non-contributing additions and 2) a limited portion of a deteriorated component of the original building as referenced within the attached structural engineering report. A true “facadectomy” contemplates retaining only the principal face of the building while constructing a completely new internal structure including changes in height, additional floors, and use.

The proposed removal neither diminishes the essential character of the Theater nor compromises its presence within the historic district. The proposed demolition does not remove distinctive materials, features, finishes, or construction techniques relevant to the integrity of the Theater. Instead, it reflects a reasoned, preservation-oriented response that maintains the entire visible massing, street-facing façade, and the historically significant portions of the building, only removing the structurally compromised elements in order to allow constructive reuse.

3. Proposed changes to the Theater do not threaten its role as a contributing structure.

A contributing classification means that a property adds to the historic association and/or architectural importance for which the district is significant. It must have been present during the district’s historic period of significance and must physically retain a majority of the architectural characteristics representing that era. In this case, in addition to the proposed SAP retaining the significant contributing features (like the art deco façade) it notably retains historic integrity. There is no proposal to move the structure, eliminate the physical characteristics that are reflective of the period of significance, and the Mithun team has worked diligently to ensure that the restored site will evoke the sense of time and place of its historic period. Perhaps most importantly the retention of the historic use of the Property as a theater continues to convey its importance as a community gathering place.

4. Proposed changes to the Theater do not threaten the scope of the District.

It is also important to note that the partial demolition of a contributing structure located at the “edge” of a historic district does not compromise the integrity of or protections of the District as a whole. The proposed changes to the Theater and construction of the Project will not alter the boundaries of the District. While the former Pizza Hut building was not a historic structure, the land it occupied remains within the designated District.

5. Partial demolition is required for the rehabilitation of the structure.

The Structural Condition Assessment (SCA) confirms that the broader building meets structural performance thresholds for safety and access, but acknowledges areas of significant structural deterioration. In particular 1) existing soil conditions allow for structural movement which is evident in exterior and interior cracking of the walks and foundation and 2) long term water intrusion creates risk of deterioration within the structural steel decking of the roof.

As described within *NPS Preservation Brief 15: Preservation of Historic Concrete*, the building displays characteristic signs of failure in concrete include cracking and staining. Cracking occurs in most concrete but will vary in depth, width, direction, pattern, and location, and can be either active or dormant. Active cracks as referenced in the SCA can widen, deepen, or migrate

through the concrete, while dormant cracks remain relatively unchanged in size. Some dormant cracks, such as those caused by early age shrinkage of the concrete during curing, are not a structural concern but when left unrepaired- in this case for over 70 years, can provide convenient channels for moisture penetration and subsequent damage.

Structural cracks can be caused by temporary or continued overloads, uneven foundation settling, seismic forces, or original design inadequacies. The SCA shows that structural cracks in this case are likely related to uneven foundation settling and original design constraints. Structural cracks are active if excessive loads are applied to a structure or if settlement is ongoing- and here settlement is ongoing.

The removal of non-historic concrete blocks from a historic structure are permissible under the Standards where the portion removed is determined to be outside the period of significance of the property, lack historic or architectural significance, or are so deteriorated that their integrity cannot be restored. Here not only does the portion of the building in question lack historic and architectural significance, but it is also deteriorated to the extent that its integrity cannot be restored. Removal is consistent with the overall historic character of the structure and the district.

By removing a portion of the rear section of the building, both the foundation work can be completed while also bringing the property into ADA compliance. Water intrusion and foundation settlement can be fully repaired through the SAP proposed here and without destruction of the historic materials, features and spatial relationships that characterize the Theater. The proposed SAP is essential for rehabilitation of the structure and mitigates to the greatest extent possible, impacts on its historic importance.

V. Inordinate Hardship

This application advances a viable rehabilitation plan for the Theater. One that preserves its defining historic signature elements, returns the building to productive use, and meets the Standards when evaluated in totality. The limited removal of deteriorated, non-character-defining materials is essential to returning the building to a state of utility and ensuring long-term preservation of the portions and features that do convey its historic significance. As detailed in the application, the cumulative effect of the proposed work is consistent with the Property's historic character and achieves the central purpose of the rehabilitation standards: facilitating continued use of a historic resource while retaining the qualities that make it eligible.

However, if partial demolition is not permitted especially where the record establishes it is both necessary and appropriate, the only remaining regulatory path for ownership is total demolition under the code's inordinate-hardship provision. That language requires the City to consider whether denial of a SAP effectively deprives the owner of reasonable economic use of the property. The structure as it stands today has no reasonable future. This is not pure conjecture or even a unique experience for this property. Under the code, inordinate hardship focuses on the relationship between (1) the cost of repairing the structure in its current deteriorated condition and (2) its reasonable value after repair.

Ownership has pursued multiple avenues for constructive reuse of the Theater, both as a theater or as a component of a larger project. One path- an associated entertainment venue with a hotel was rejected by policymakers. Hypothetical statements such as "turn it into a brewery" or "it can be fully converted into a restaurant and office space" ignore the structural realities of the building and the market context. Another path often cited is to simply reopen the

theater, while ignoring the needs of the property- like ADA compliance and mold remediation and the economic realities of the underlying business. For decades, as the industry shifted to bigger multiplexes with dozens of screens and intensive effects driven screening experiences independent exhibitors began collapsing. The collapse accelerated with the rise of in-home streaming services, followed by Covid-19. To the point that few independent exhibitors and theaters remain today.

Places like the Tonka Theater are not economically viable. Studies show a structural shift in consumer behavior: a 2020 Statista consumer survey confirmed widespread preference for at-home streaming over in-theater attendance, while the New York Times reported that nearly half of pre-pandemic moviegoers were no longer purchasing tickets at all. The casual moviegoing segment, once essential to the economic sustainability of small theaters, has eroded. Meanwhile, the cost of attendance has increased, concessions prices have become a barrier for families, and outdated facilities have further diminished the perceived value of the theater experience.

These consumer shifts intersect with broader industry disruptions. Labor-related production delays and strikes have tightened release schedules, reducing the number of films available to independent theaters. The dominance of effects-heavy blockbusters has left many patrons seeking alternatives that smaller theaters cannot reliably provide. This combination of decreased demand, fewer available titles, and elevated operating costs has created significant challenges for small, historic theaters nationwide. This is well documented and not unique to this Property.

Against that backdrop, the City's inordinate hardship provision supplies the necessary legal framework should partial demolition be denied. Under the ordinance, the inquiry centers on whether the preservation mandate would deprive the owner of reasonable economic use of the property. The analysis turns on the relationship between the cost of repairing severely deteriorated components and the property's reasonable post-repair value.

This local standard aligns with broader preservation jurisprudence. Courts addressing hardship in historic-preservation contexts distinguish between legitimate standards such as "substantial financial hardship" and the constitutionally impermissible requirement that an owner prove a complete denial of all reasonable use. The question is whether preservation restrictions impose undue financial burdens or render viable economic use unachievable. Judicial decisions evaluate factors including the feasibility of alternative uses, the compatibility of proposed alterations with the landmark's character, and whether the reviewing body rigorously investigated alternatives that would minimize harm. Historic-preservation zoning operates as an overlay on traditional zoning authority, typically constrained by enabling statutes, and must balance owners' rights with the governmental interest in preserving historic resources. This framework demands careful attention to economic impacts and the availability of adaptive reuse options while avoiding unnecessary harm to a historic property.

In this case, insisting on retention of deteriorated, non-character-defining components that cannot be feasibly rehabilitated would make it impossible to return the theater to safe, functional, code-compliant use. Under such circumstances, the ordinance contemplates evidence demonstrating that rehabilitation is impractical and that reasonable economic use cannot be achieved, including feasibility analyses, cost/value comparisons, adaptive-reuse scenarios, and attempts to sell, rent, or lease the property. As previously presented to staff, advisory boards and the City Council- all of these factors exist and are well documented.

The ownership group is expressly seeking to avoid total demolition of the structure. By proposing a narrow, preservation-consistent partial demolition as part of an overall rehabilitation that satisfies the Standards, the SAP preserves the building's historic character, returns it to productive use, and avoids the need to invoke the hardship framework that could otherwise trigger consideration of full demolition under the City's own code.

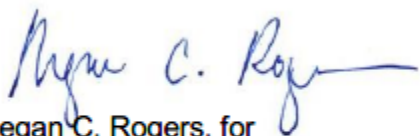
VI. Conclusion

Under federal regulations, "rehabilitation" refers to returning a building to a state of utility through repair or alteration, enabling efficient use while preserving significant historic, architectural, and cultural features. 36 C.F.R. § 67.2(b).

The proposed work aligns with this definition, involving alterations only as needed to ensure the building is safe, usable, and code-compliant, maintaining its historic role as a community gathering place. Alterations are limited to non-character-defining, structurally compromised, or heavily modified areas lacking integrity. These changes address structural deterioration, foundation settlement, roof failures, and non-compliant egress conditions documented in the SCA.

We respectfully request approval of the Site Alteration Permit for the partial demolition and rehabilitation of the Tonka Theater. The proposal preserves over 70% of the structure, ensuring the theater's historic materials, features, and character are retained and sensitively treated. The project complies with the Excelsior City Code, integrating compliance measures into its scope, sequencing, and construction methodologies. It balances preservation with revitalization, maintaining the theater's historic character while introducing new uses on the adjacent parcel for long-term viability. We appreciate your consideration and look forward to collaborating with the City to finalize any necessary conditions for this historically respectful and code-compliant rehabilitation.

Sincerely,



Megan C. Rogers, for
Larkin Hoffman

Direct Dial: (952) 896-3395

Direct Fax: (952) 842-1847

Email: mrogers@larkinhoffman.com

City of Excelsior
Julia Mullin, Community Development Director
350 Highway 7
Suite 230
Excelsior, MN

Re: Site Alteration Permit for Tonka Theater

History and Period of Significance

The Tonka Theater was constructed in 1940 by the Streater Lumber Company of Spring Park, MN at a cost of \$30,000. The 500-seat theater opened on April 26, 1940, operated by Lyle Carisch and Raymond Lee of the Wayzata Theater Company. The east portion of the building facing Water Street was a two-story mass with a semi-circular canopy with a marquee. The façade above the canopy had a gentle recessed curve that was fluted. Behind (to the west) of the two-story mass, there was one story mass with a barrel vault roof which contained the theater.

In January of 1945 the theater suffered a severe fire. Despite material rationing due to World War II, the War Production Board granted the project clearances to rebuild. The reconstruction was designed by Liebenberg & Kaplan Architects and Engineers. According to the Excelsior-Lake Minnetonka Historical Society, "the reconstruction salvaged much of the original building, but the new building was described in the local paper as "strictly modern and fireproof. Nautical murals of steamboats and docks were added to the auditorium as well.""

The name of the theater was changed to the Excelsior Theater in the 1960s, and there were some renovations during this time, but the full extent of those renovations are unknown. In the years between 1972 and 1974, many modifications were made to the historic theater, most of which are still currently in place. The curved canopy was removed and replaced with the flat band marquee that exists today. The rough-hewn wood siding that exists today was also added at this time. The upper level balcony was extended and enclosed to create the second theater space. The name was changed again, this time to Dock Cinema.

In 1989 an addition was added along the south side of the building, which accommodates a theater that seats approximately 225.

The "Period of Significance" for the Excelsior Commercial Historic District is 1886-1955. Features, materials, and spaces built outside of the period of significance are non-historic. For the Tonka Theater these include:

- 1989 Addition
- Storefronts and doors
- Flat Band Marquee

- Rough wood facing exterior
- Rough wood trim and wall facing in interior
- Upper level modified, extended, and enclosed balcony
- Acoustic materials and fabrics on walls in original theater and balcony
- Audience seats in original theater and upper balcony
- Restrooms
- Acoustic tile ceiling in lobby

Our rehabilitation of the Tonka Theater would restore elements from the period of significance and create a more authentically contributing building to the Excelsior Commercial Historic District.

Reasonable Economic Use of the Property

The Dock Cinema operated successfully through the 2000's and began to face financial challenges the following decade as the industry shifted to bigger multiplexes with 10+ auditoriums. The advent of in-home streaming services posed another challenge for the industry, followed by COVID-19, which was the death knell for many exhibitors. The Dock attempted to open its doors after the pandemic, but the financial hurdle was insurmountable. When the cinema was occupiable it could not cover its own operating costs on an annual basis. Rehabilitation of the building for that primary use does not create reasonable economic use of the property, is impractical, and nonviable. Adaptive reuse of a functionally obsolescent, purpose-built building comes with substantial costs and does not create reasonable value for those costs.

Over the last six years as the doors were temporarily and then permanently closed, we have been working through concepts to remodel and reopen the space. After a few iterations, one concept that was deeply explored was to continue showing movies in the 1989 theater while using historic tax credits to restore the original auditorium as a restaurant and event space. Ultimately, the prohibitive design constraints of historic tax credits for adaptive reuse of a functionally obsolescent, purpose-built building and the numbers did not work.

When we purchased the 10 Water St. land next door, the plan was refined giving us the best chances for restoration and reuse becoming part of an overall project. The hotel concept that we presented to the City of Excelsior was denied. All of the concepts up until that point kept the original building intact, but with the denial of the hotel project, no longer could the full event space be supported. This has led us to where we are today, one final attempt to keep a meaningful portion of the building, restoring the historic front façade, marquee, lobby and revitalizing the historic use.

Thank you for your consideration.

Prepared For



Project

Lake & Water
10 Water St., Excelsior, MN 55331

Phase

Preliminary PUD

**NOT FOR
CONSTRUCTION**

Issuance

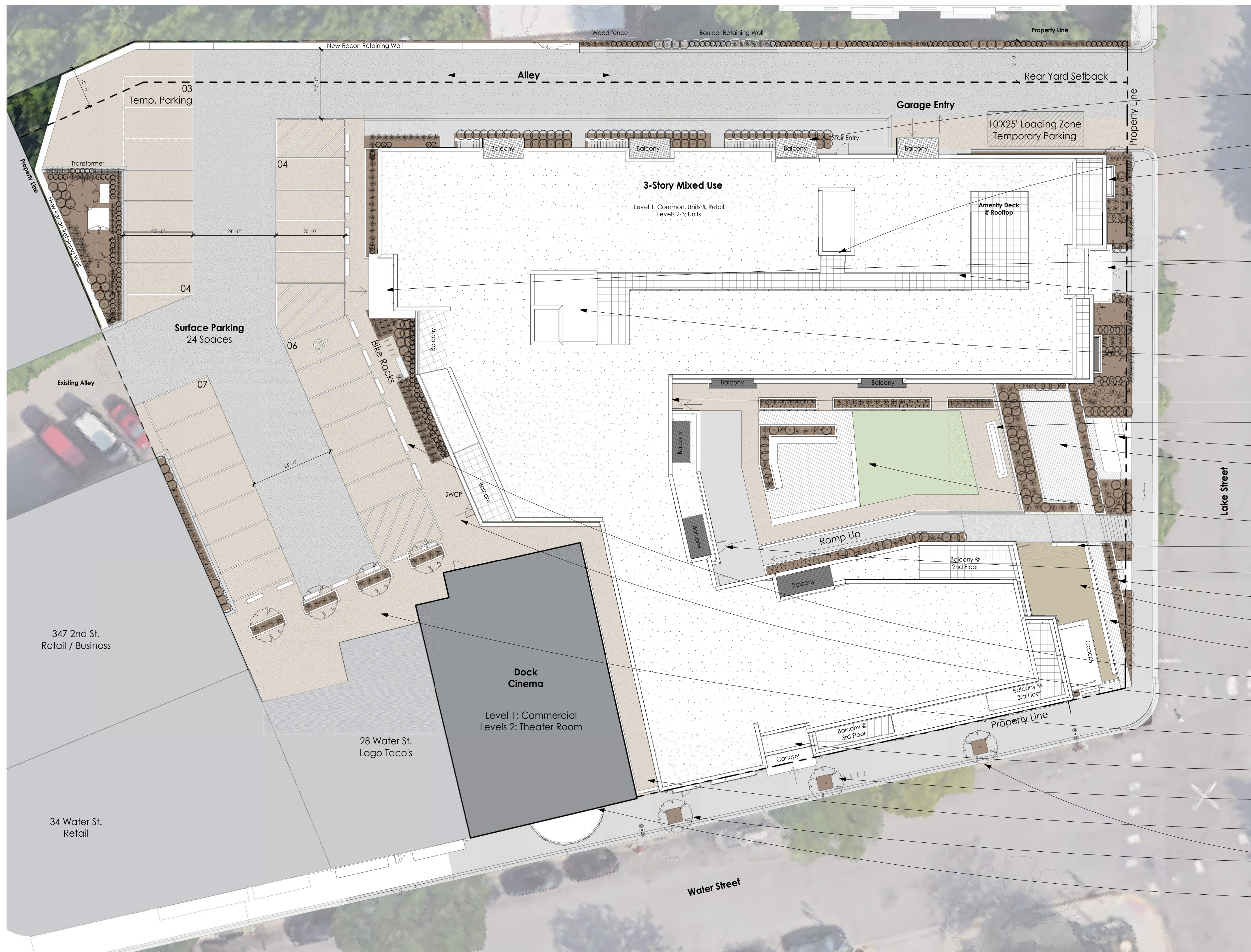
Preliminary PUD 04.01.2025

...

...

...

Revisions

**1 Architectural Site Plan**

SCALE 1/16" = 1'-0"

1st Floor: Walk up units, Typ.
2nd - 3rd Floor: Balconies, Typ.Stair Shaft & Access
2nd - 3rd Floor: Balconies, Typ.**Apartment Entry**

Walkway to Amenity Deck

Elevator Shaft & Access

Apartment Entry

Fire Pit

Public Seating

Public Porch

Amenity Deck w/ fire pit area and grill station

Plaza & Plaza Steps

Apartment Entry

Public Seating

Dining Patio

ADA Ramp

Rock Curb Stops

Retail Corridor Entry

Colored Concrete

Retail Entry

Existing Tree

Pedestrian Connection/ Alley

New Tree

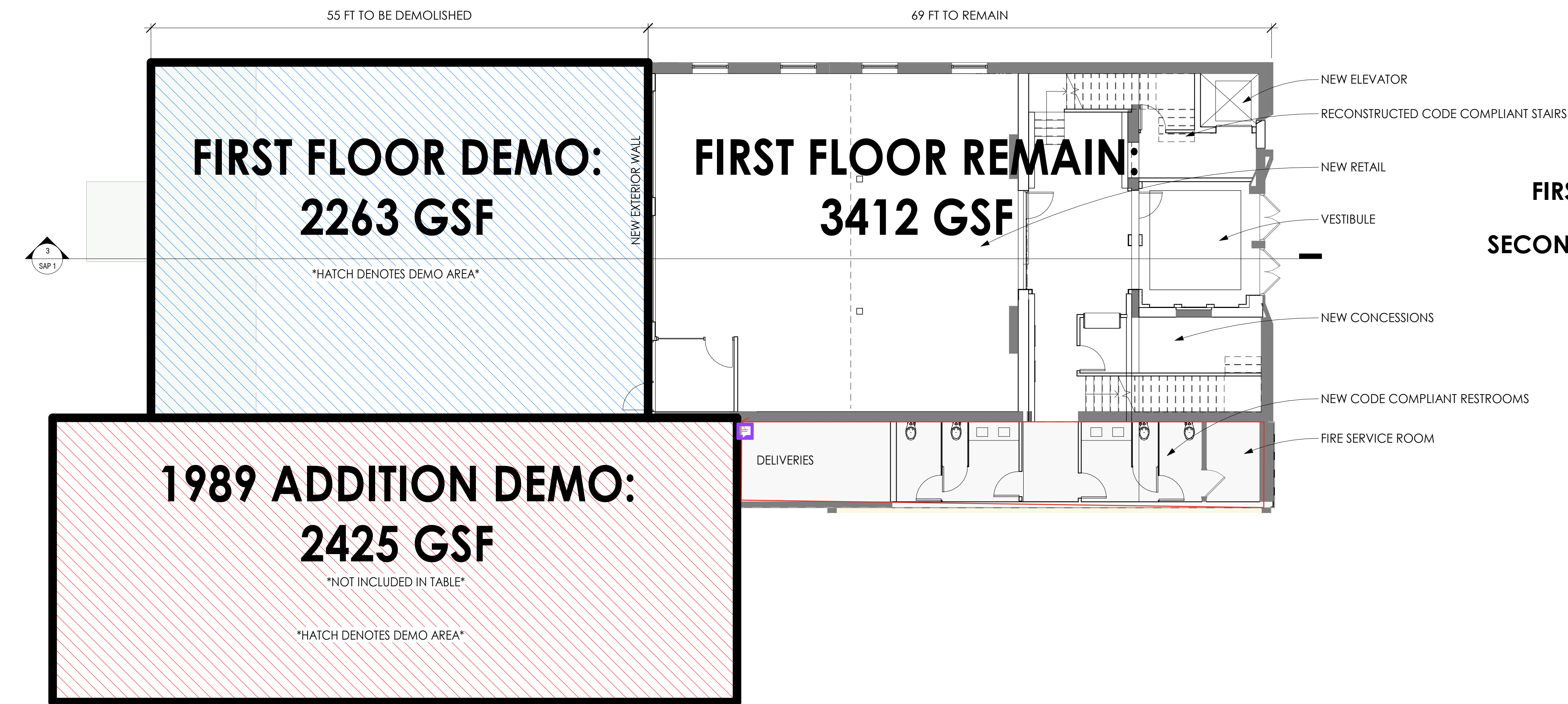
Dock Cinema Renovation
- Facade Restoration
- 1st Floor Commercial Space
- 2nd Floor Theater Room**224158A****Architectural Site
Plan****A02**



DOCK CINEMA

SITE ALTERATION PERMIT SET



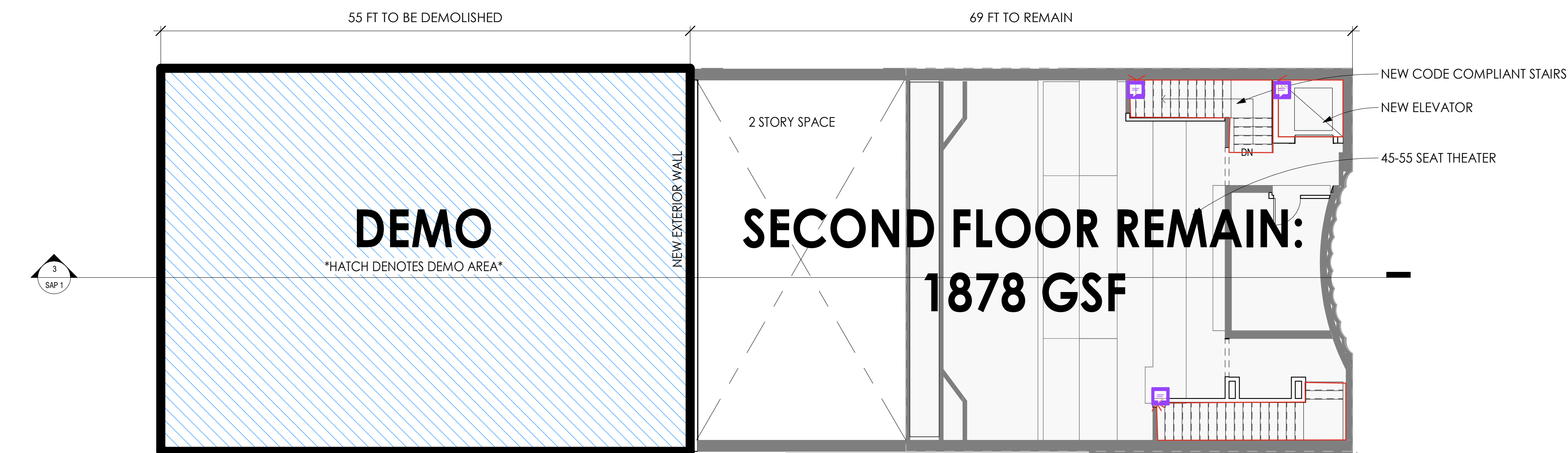


FIRST FLOOR
SECOND FLOOR
TOTALS

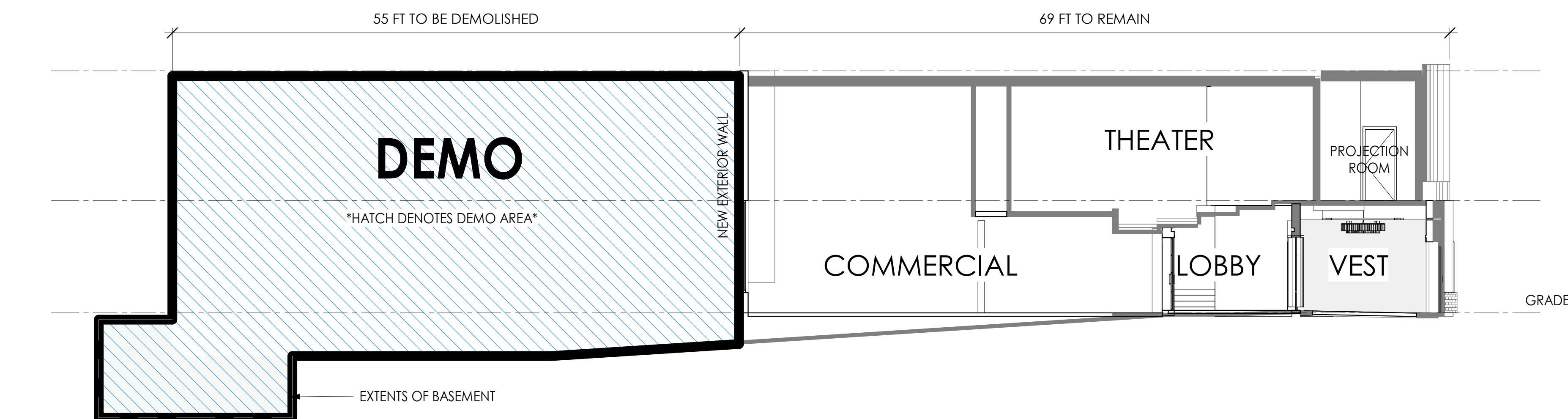
DEMO SUMMARY		
EXIST. AREA	DEMO	PRESERVED AREA
5,675 SF	2,263 SF (32%)	3,412 SF (68%)
1,878 SF	0 SF (0%)	1,878 SF (100%)
7,553 SF	2,263 SF (30%)	5,290 SF (70%)

70% OF FLOOR AREA TO REMAIN

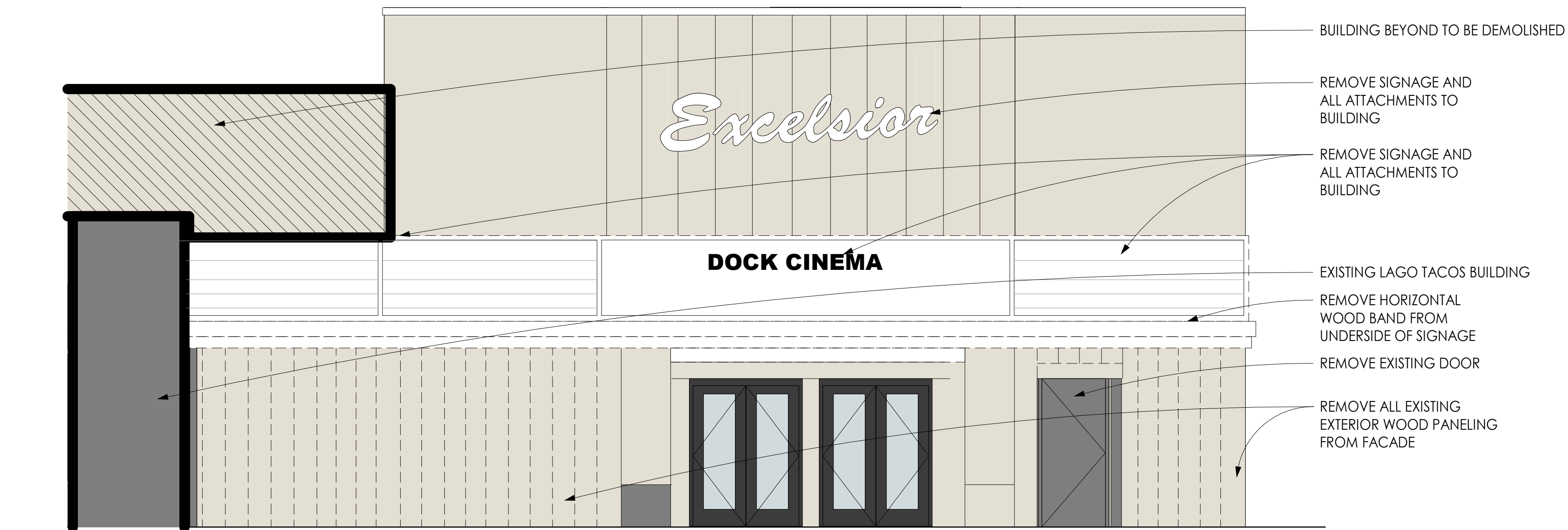
1 DEMO - LEVEL 1 FLOOR PLAN
A3.00 1/8" = 1'-0"



2 DEMO - LEVEL 2 FLOOR PLAN
A3.00 1/8" = 1'-0"



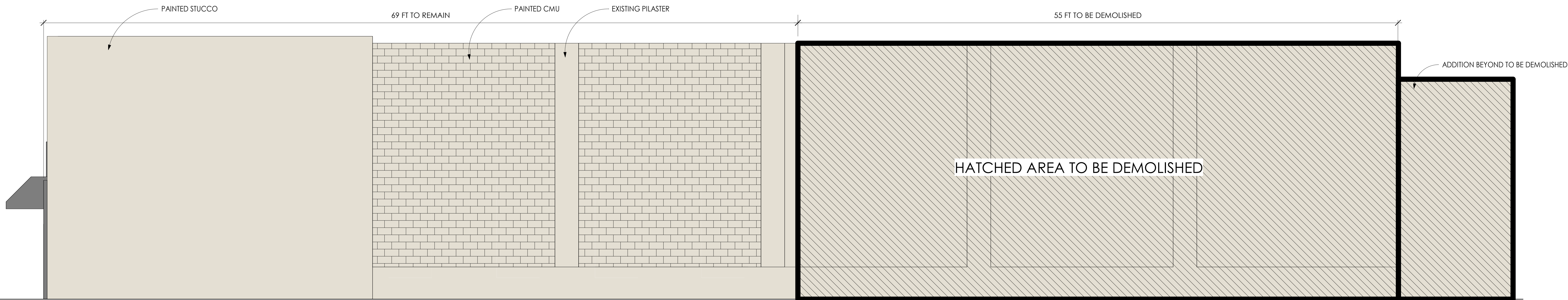
3 DEMO - BUILDING SECTION
A0.02 1/8" = 1'-0"



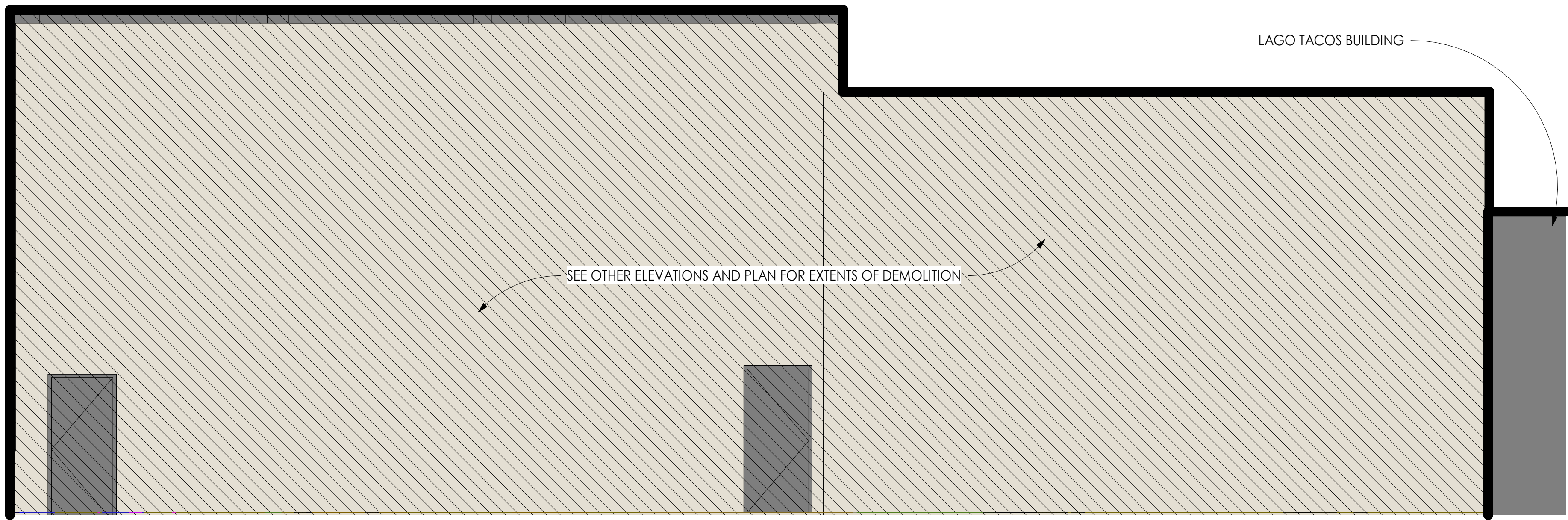
1 EAST - EXISTING (SAP)
SCALE 1/4" = 1'-0"



CINEMA CURRENT CONDITION



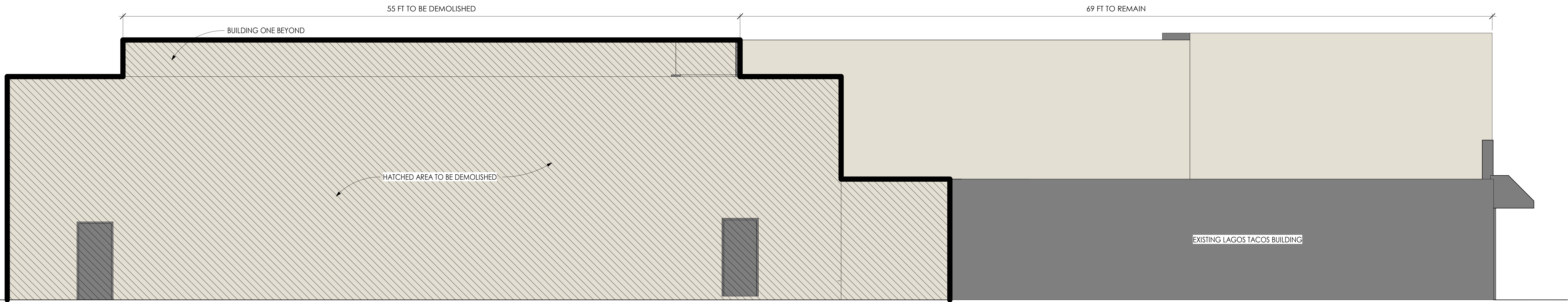
2 NORTH - EXISTING (SAP)
SCALE 1/4" = 1'-0"



1 WEST- EXISTING (SAP)
SCALE 1/4" = 1'-0"

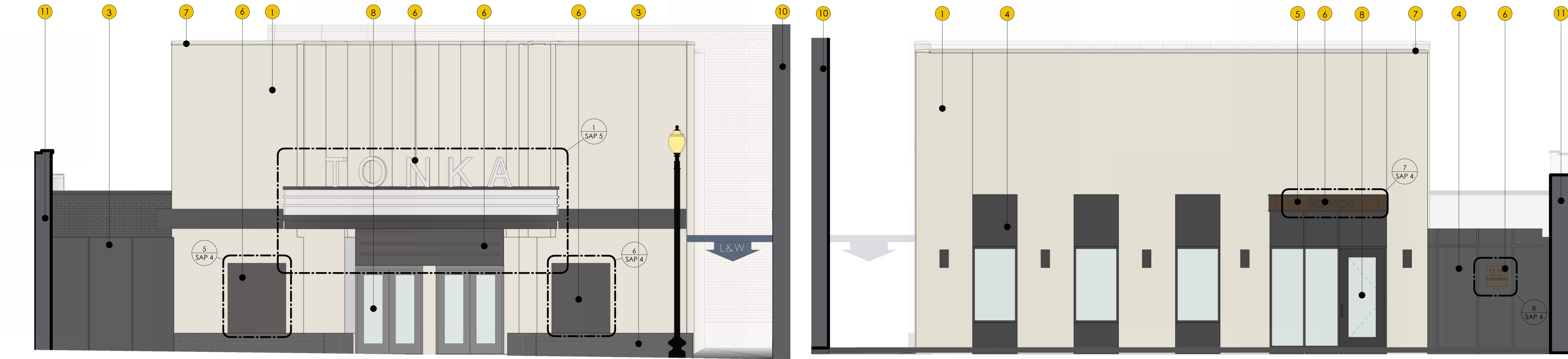


EXISTING CINEMA PHOTOS



2 SOUTH - EXISTING (SAP)
SCALE 1/4" = 1'-0"

PROPOSED NEW



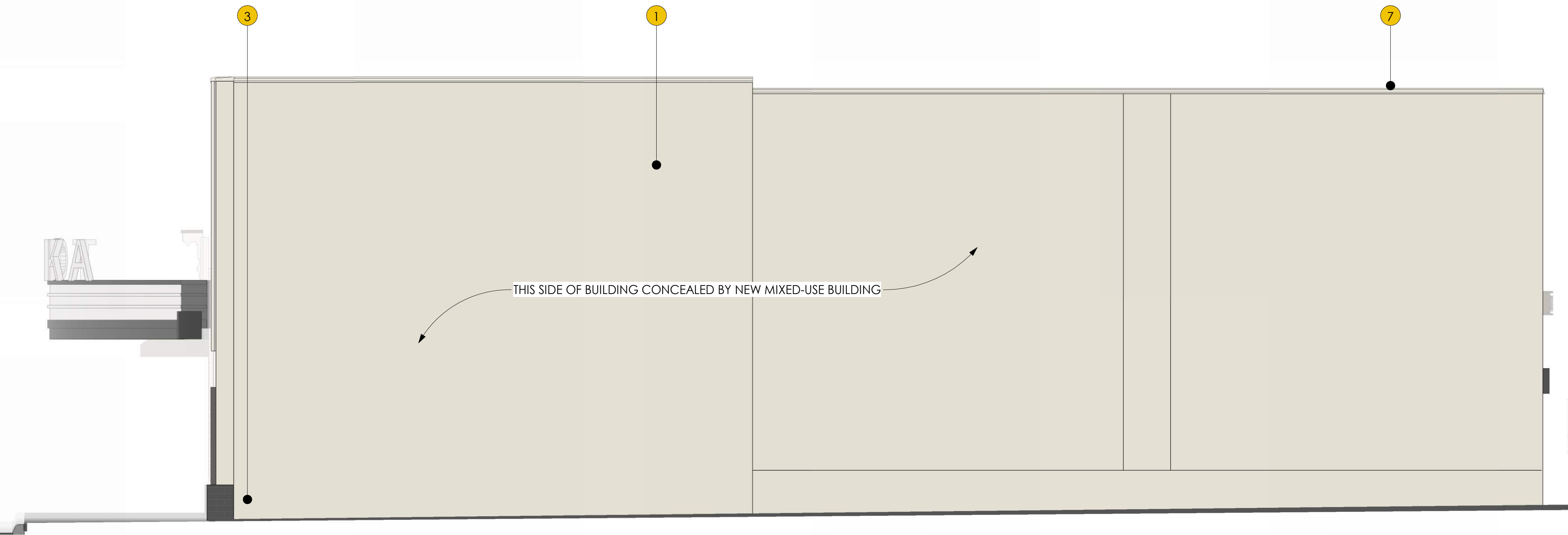
KEYNOTES	
1	PAINTED STUCCO
2	PAINTED CMU
3	BRICK SILL
4	ACCENT MATERIAL #1
5	ACCENT MATERIAL #2
6	SIGNAGE
7	PREFINISHED METAL COPING
8	DOOR
9	WINDOW
10	APARTMENT BUILDING
11	LAGO TACOS

1 EAST - PROPOSED NEW (SAP)

SCALE 1/4" = 1'-0"

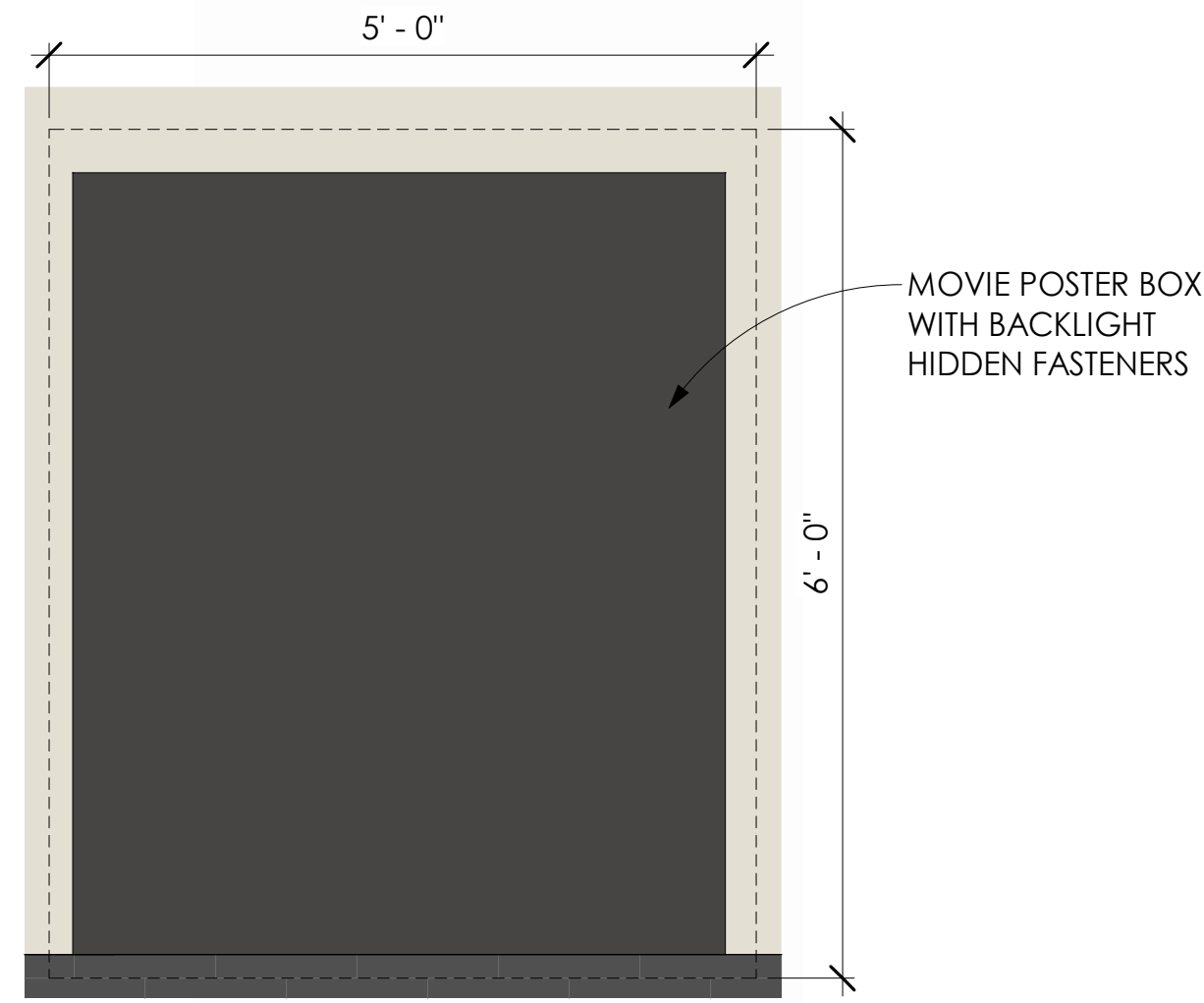
3 WEST - PROPOSED NEW (SAP)

SCALE 1/4" = 1'-0"



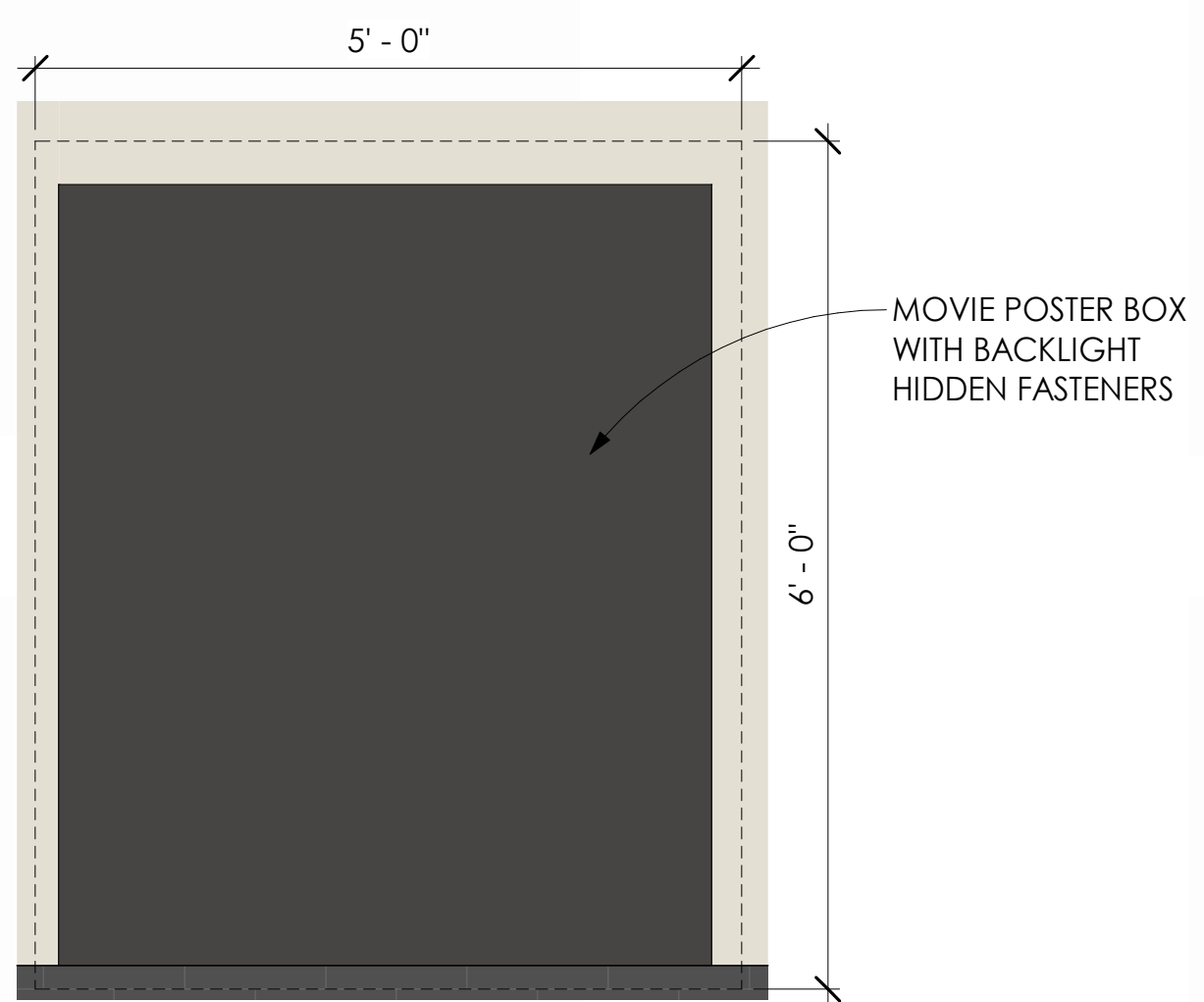
2 NORTH - PROPOSED NEW (SAP)

SCALE 1/4" = 1'-0"



5 SIGNAGE - EAST 2 PROPOSED NEW (SAP)

SCALE 3/4" = 1'-0"



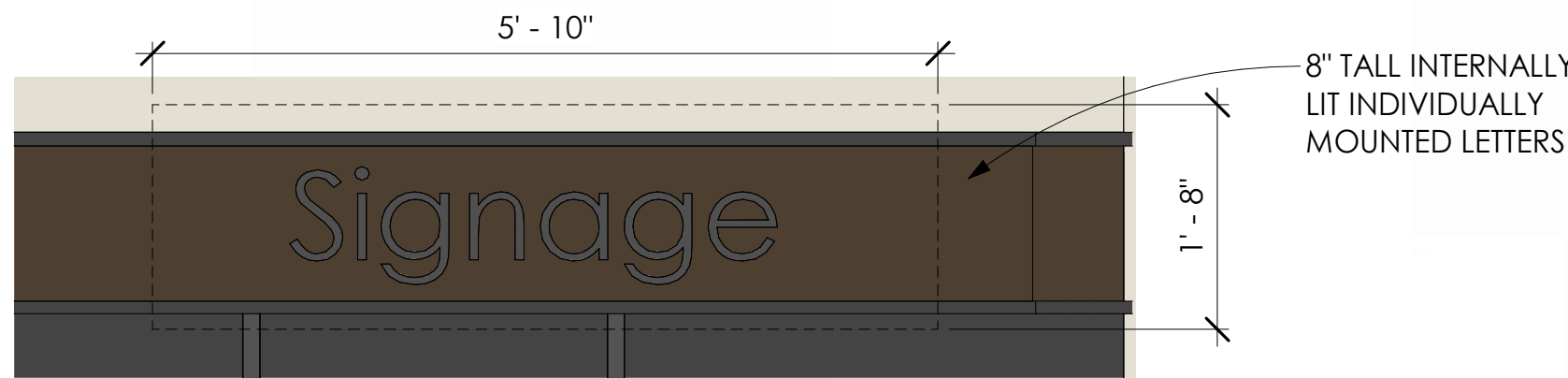
6 SIGNAGE - EAST 3 PROPOSED NEW (SAP)

SCALE 3/4" = 1'-0"



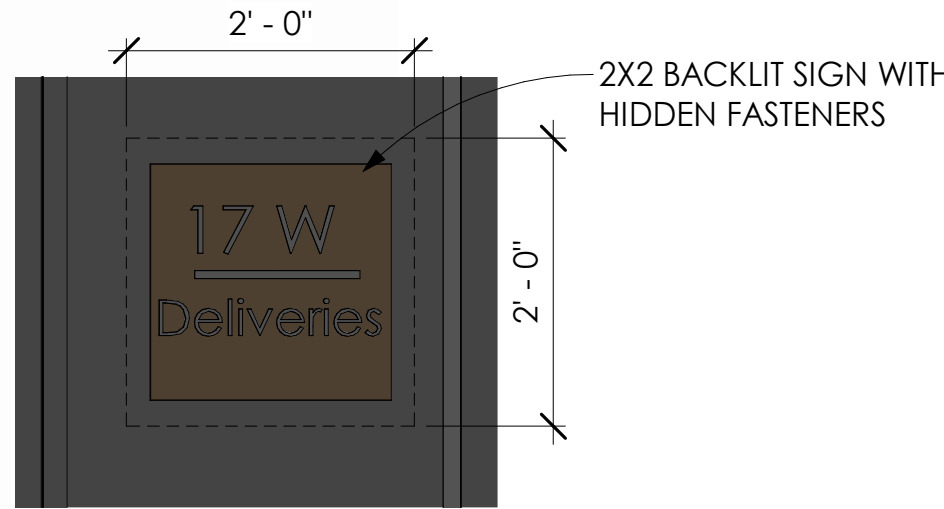
4 SOUTH - PROPOSED NEW (SAP)

SCALE 1/4" = 1'-0"



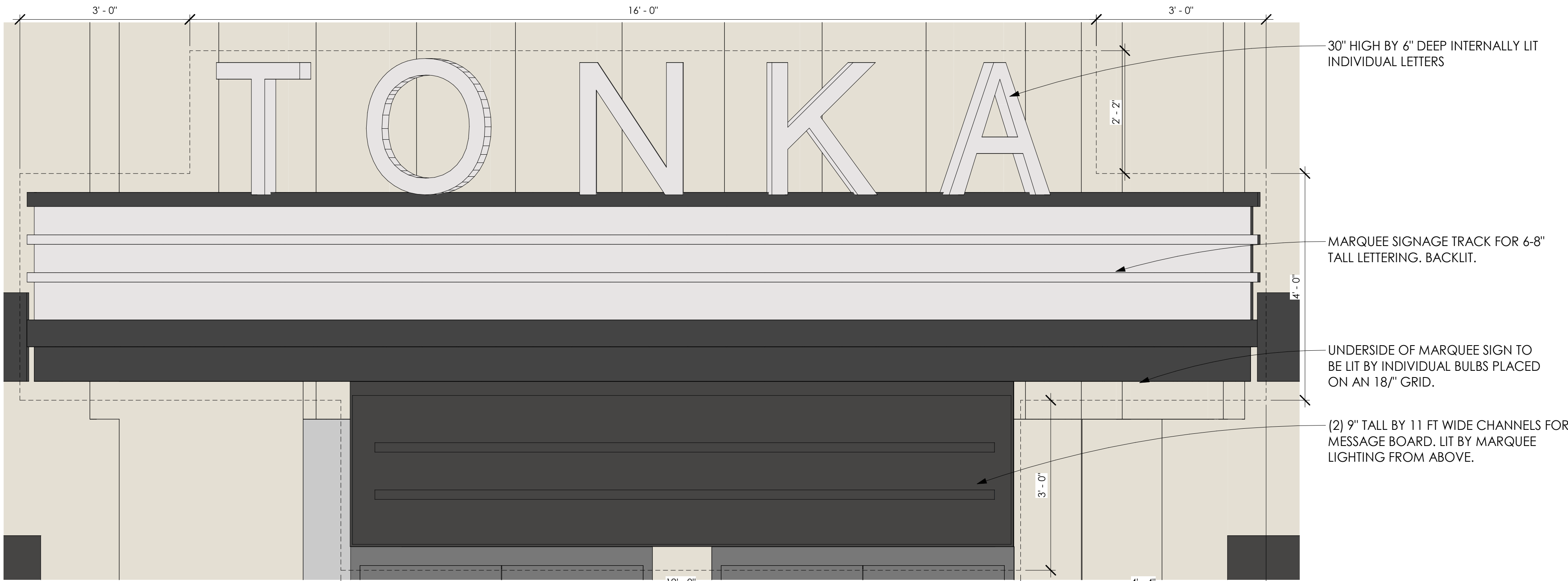
7 SIGNAGE - WEST 1 PROPOSED NEW (SAP)

SCALE 3/4" = 1'-0"



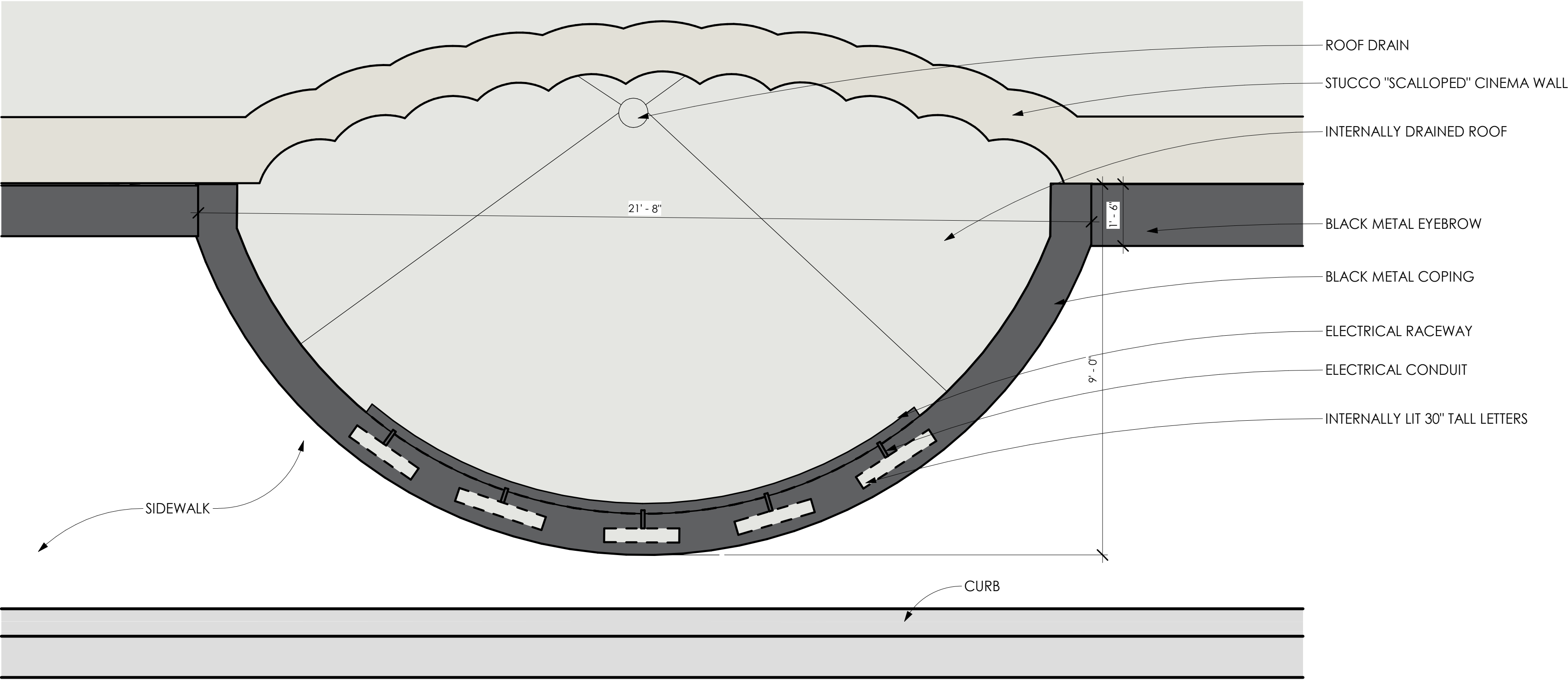
8 SIGNAGE - WEST 2 PROPOSED NEW (SAP)

SCALE 3/4" = 1'-0"



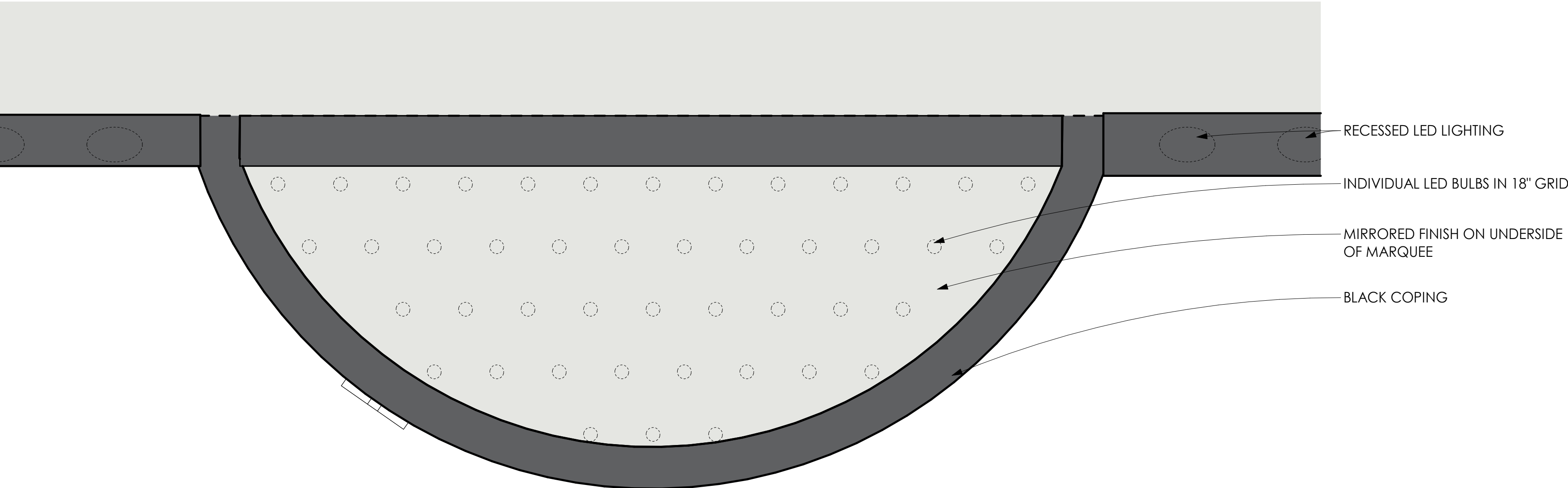
1 SIGNAGE - EAST 1 PROPOSED NEW (SAP)

SCALE 3/4" = 1'-0"



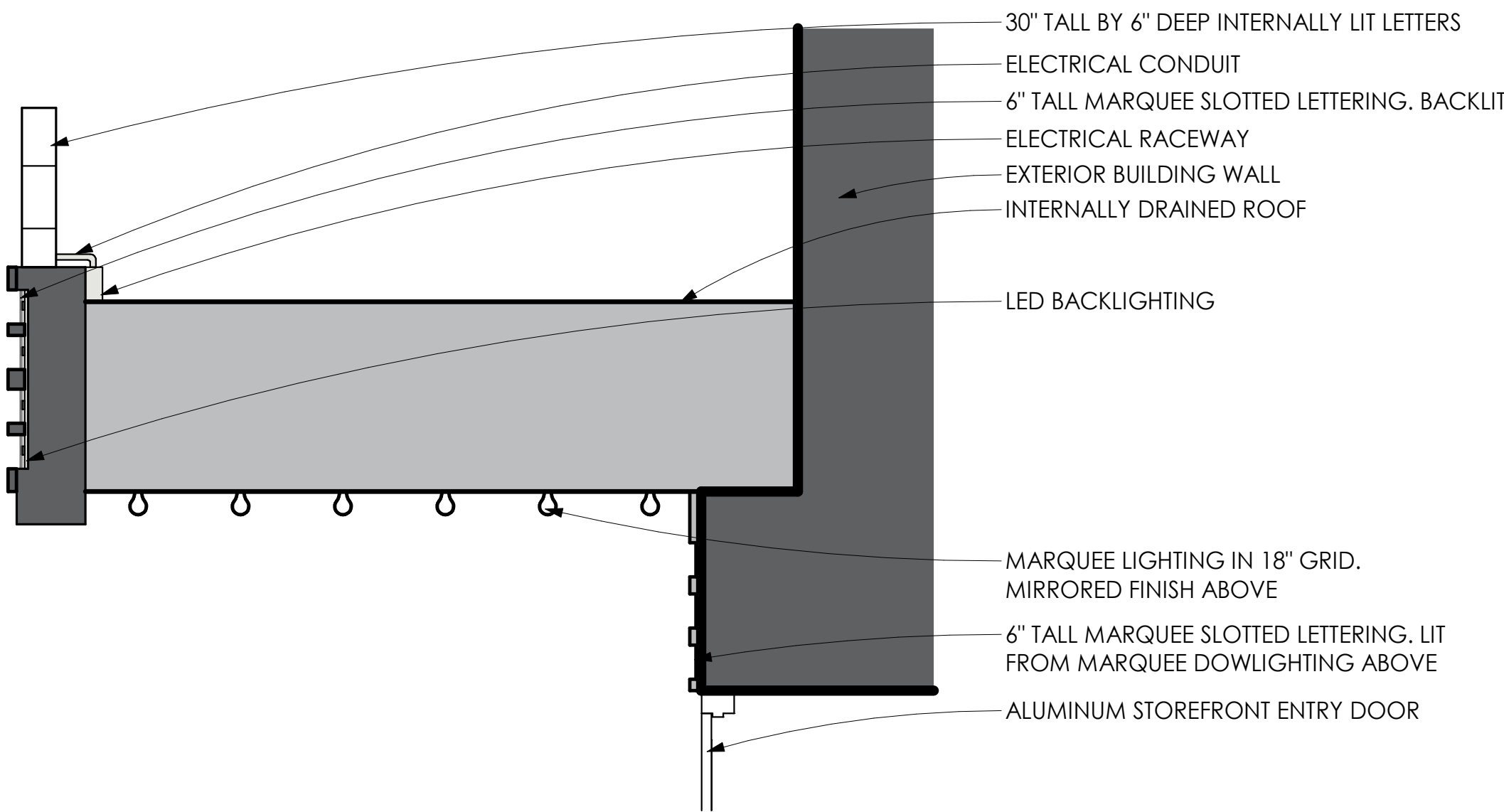
2 SIGNAGE - EAST 1 PROPOSED NEW PLAN (SAP)

SCALE 1/2" = 1'-0"



3 SIGNAGE - EAST 1 PROPOSED NEW RCP (SAP)

SCALE 1/2" = 1'-0"



6 SIGNAGE - SECTION

SCALE 1/2" = 1'-0"



ABOVE: MARQUEE PRECEDENTS



LEFT: SLOTTED LETTER IMAGES



October 20th, 2025

Matt Mithun

Mithun Enterprises Inc

900 Wayzata Blvd East, Suite 130

Wayzata, MN 55391

Excelsior Dock Cinema – Historic Preservation

Dear Mr. Mithun,

Per your request, we have completed an initial analysis of the Excelsior Dock Cinema project to determine the best strategies for mitigating the impact of renovations on this historic property located in Excelsior, Minnesota.

Building Overview:

Originally constructed in 1940 and expanded in 1975, the Excelsior Dock Cinema – located at 26 Water Street in downtown Excelsior, MN – spans 11,102 square feet. This building has long been a historic landmark in the community. Although it briefly reopened in 2022, the theater has remained vacant since March 2020.

Scope of Work:

The current owner, Mithun Enterprises, plans to revitalize the theater into a functional, modern space. This will require extensive renovations, which include the following:

- Contaminated Materials Abatement (Asbestos & Mold)
- Code Compliance Improvements (ADA, Emergency, MEP, Fire Protection, & Energy)
- Structural Repairs, Reconstruction, & Floor Leveling
- Circulation Enhancement
- Roof Replacement
- Façade Repairs & Reconstruction
- Full Interior Renovation

The Remediation and deconstruction phase is expected to take approximately 1 to 2 months, while the build-back and reconstruction phase is projected to take around 4 to 6 months.

Goals & Concerns:

Our primary goal is to preserve the building's historic character and architectural integrity throughout the renovation process. Given the scope of work, heavy equipment will be required, which necessitates meticulous planning and execution to avoid any damage to existing structural elements that will remain.



Means & Methods:

David Kalogerson brings over 20 years of experience in construction management and has led more than 300 commercial construction projects, including several notable historic renovations:

- Malcolm Yards Market (1889)
- Stillwater Armory (1922)
- Keg & Case Market (1937)
- Forgotten Star Brewery (1940)
- Union Depot Restaurant & Bar (1917)

These projects have equipped Mr. Kalogerson with best practices for working with historic structures, such as selective demolition, vibration monitoring, the use of tracked (rather than wheeled) equipment, structural element reuse, and specialty temporary shoring.

One particularly effective method we propose using for this project is Rake Shoring to support the exterior walls during structural modifications. This technique was successfully implemented during the Malcolm Yards Market project, allowing us to preserve a 136-year-old fire-damaged structure.

Please see the photos below for reference:



Malcolm Yards Market – BEFORE Construction



Malcolm Yards Market – BEFORE Construction



Malcolm Yards Market – DURING Construction



Malcolm Yards Market – DURING Construction



Malcolm Yards Market – AFTER Construction



Malcolm Yards Market – AFTER Construction



The Rake Shoring concept enables secure support and preserve the portions of the building that will remain intact, while allowing for a precise saw cut between the areas to be retained and those designated for demolition. Once the building is fully separated – at the roof, exterior walls, floor slab, and strip foundation – major demolition work can proceed without risking damage to the preserved structure. This sequence is essential, as a portion of the building’s rear must be removed to allow access for the large tracked equipment required to complete the interior Scope of Work.

Summary:

We are fully committed to maintaining the historic and architectural significance of the Excelsior Dock Cinema. By utilizing proven best practices and specifically incorporating Rake Shoring during demolition, we are extremely confident in our ability to preserve and protect this important landmark.

I would be happy to personally tour the Malcolm Yards Market with you and its owner to demonstrate firsthand how these methods can be successfully applied to the Excelsior Dock Cinema.

Please let me know if you have any questions.

Thank you!

David Kalogerson

President - K2 Construction

STRUCTURAL CONDITION ASSESSMENT

of the
Dock Cinema
Excelsior, Minnesota

October 27, 2025

MBJ

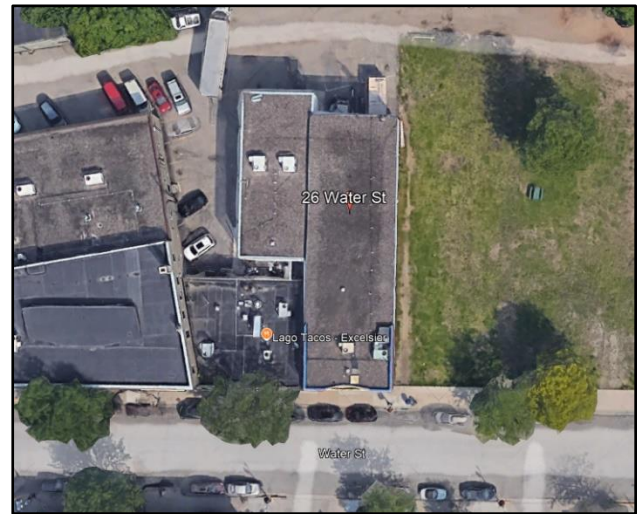
Project Address: 26 Water Street
Excelsior, MN
Date: October 27, 2025

To: Tim Marco, Mark McLane
Marco McLane

Prepared By: Matt Thomas, PE

Meyer Borgman Johnson
801 Nicollet Mall, Suite W2000
Minneapolis, MN 55402

MBJ Comm. No: M25.357.0



Please contact Matt Thomas, PE at 612-338-0713 or mthomas@mbjeng.com if you have questions regarding this report.

EXECUTIVE SUMMARY

A walk-through assessment was conducted on September 29, 2025 to review the overall condition of the downtown Excelsior Dock Cinema facility. The facility is comprised of an original 1940s-era theater building and an adjacent theater addition that was added in 1989.

This report summarizes our findings with respect to the condition and the necessary structural repairs, strengthening, or replacement that we find would be necessary to re-establish the facility as an occupiable and functional building use.

INTRODUCTION

The purpose of this Structural Condition Assessment is to investigate the existing facility located at 26 Water Street in Excelsior to evaluate the conditions of the structural elements and systems. An evaluation of the 1989 theater addition is not included in this report. The scope of investigation included

the visible areas of the basement mechanical area, the main floor and 2nd floor balcony areas, the exterior masonry walls, and interior structural framing were visible or exposed via selective demolition efforts. Findings were limited to areas where structural elements were exposed for observation. Methods of investigation included a review of past documentation, including previous building fit plans and a historic review report by New History dated February 7, 2022.

Visual observations of the exposed structural conditions and limited measurements were taken as needed to develop a basic level of understanding of the condition of the existing structural elements.

This report will provide a summary of our assessment study findings which will include recommendations to retrofit or strengthen, if necessary, damaged or deficient structural elements, photos of these structural elements that can inform the cost determination to be prepared by a general contractor, and recommendations for further testing or investigative work that may be needed based on the observed conditions.

GENERAL DESCRIPTION OF STRUCTURE

The primary theater and associated entry lobby is generally fully covered by finish materials allowing for limited observations of the structural configurations or condition. Areas of limited selective demolition were made to allow for observation of key structural configurations or interfaces.

The primary structural system for the building consists of a steel joist and steel beam roof system supporting a steel metal deck at the two-story high theater volume. A cast-in-place concrete structure (slabs, beams, walls) is used for the two-level lobby and 2nd floor balcony/theater space. When the 2nd floor balcony was converted to an upper level theater, dimensional lumber wood framing and concrete masonry was used for new wall and floor framing. Wood framed overframing appears to have been used above the original concrete balcony framing. A majority of the building's exterior walls are masonry and brick construction with a cementitious/stucco coating.

OBSERVATIONS

Main floor

Observations at the main floor (theater and lobby) include:

1. Water intrusion was noted at a portion of the lobby area at about the midlength of the building. Deteriorated ceiling tiles and extensive wetness and molding conditions were noted on the fixed seats and carpet at extensive areas.
 - a. Recommendation: Repair compromised roof area. Refer to recommendations by others for mitigation of moisture-impacted finishes.
2. The slab-on-grade slopes down to the main theater screen/stage area. The egress access at the alley end of the building appears to be quite steep and not compliant with ADA requirements

for slope and width. Although not a structural performance issue, extensive modification to the structural framing would be required to mitigate this condition.

- a. Recommendation: Amend both egress ways by demolishing and reconstructing the structural concrete framing over the mechanical basement area at the 'north' end of the building. Some reconfiguration of the basement mechanical may be necessary to allow for this reconstruction and for clearance for proper egress. See Figures 1 and 2.



Figure 1: Narrow and steep concrete slab at egress



Figure 2: Concrete construction at steep egress ramp

2nd Floor

Observations at the 2nd floor balcony and projection room include:

1. The concrete construction of the 2nd floor and the roof slab over the 2nd floor appeared to be in good condition. No structural issues were identified in the limited observations of the exposed structure. It was noted that the roof slab opening for access to the roof hatch is not compliant with several requirements related to safe worker access.
 - a. Recommendation: If renovations proceed for the building, we recommend that modifications to the existing roof hatch location or protective equipment for fall prevention and protection be considered.

Roof

Observations of the roof structure include:

1. As noted previously, it was observed that there is an active roof leak that is allowing moisture to enter the main theater space. Where we were able to observe the roof structure through openings made in the ceiling finishes, the steel roof joists bottom chord rods (deformed 'rebar' rods) have very minimal protective coating and have areas of surface corrosion. The steel roof deck also has spotty evidence of corrosion. The steel beams appear to have a more intact primer or coating protection. Exposure to moisture accelerates existing or previous corrosion effects.

- a. Recommendation: Where the roof is experiencing water intrusion, we recommend a plan to address corrosion and deterioration at the adjacent structural steel deck and steel joists. We recommend that an inspection be made of the whole roof area to investigate the extent of structural deterioration that will require structural work. See Figure 3.



Figure 3: Steel roof framing (not at roof leak area)

2. The roof framing appeared to be quite flat with minimal slope. One roof drain on the main roof was noted. Areas of ballast were not well distributed and the membrane may be compromised due to age and lack of ballast coverage. Roof elevations and degree of slope were not measured.
 - a. Recommendation: Further analysis of the roof structure, slope, and drainage is required. We recommend a budget for new roofing, additional drains, and/or tapered insulation (which may affect the parapet condition) be considered.

Exterior walls

Observations of the exterior and basement walls include:

1. A significant vertical crack was noted at the back wall of the main theater building wall in the stucco exterior. It is expected that the crack extends through the wall and is not just a shrinkage crack in the stucco material. This crack may be related to other cracked conditions at the

northeast portion of the building. See below of overall recommendations related to foundation conditions and the exterior wall.



Figure 4: Vertical crack at back wall of building

2. There is a small partial basement level housing mechanical equipment at the north end of the building. The access to this level is limited to one narrow door and stairway. The basement is constructed with both cast-in-place concrete and concrete masonry walls. At the east end of the south wall of this basement area, stairstep cracking was noted in the masonry wall indicating settlement of the foundations and east wall of the building has occurred. See Figure 5. Refer also to recommendations below of comments regarding foundation conditions at the east wall.



Figure 5: Basement wall cracking adjacent to east wall (looking south)

3. At the 'east' (lake side) exterior wall facing the empty lot additional stair step cracking was noted at about the 1/3 point location (from the back wall). The cracking projected through the exterior stucco finish and appeared to correspond to a concrete block module (8-in high and wide step increments). See Figure 6.



Figure 6: Cracking at east (lakeside) wall

4. The three incidents of wall cracking at the back wall, basement CMU, and exterior east wall indicate that there has been some settlement of the foundation condition at the 'northeast' portion of the building. Although significant structural distress has not yet been noted, there is potential for additional differential structural movement. Additionally, a review of the soil borings acquired in 2005 by Bruan Intertec and reproduced in AET's geotechnical report dated August 11, 2023 shows that there is a layer of organic clay material immediately adjacent to the Dock Cinema building east wall. This location of this weaker soil layer coincides with the stair step cracking in the east wall and may indicate a generally softer soil condition at this northeast area of the building.
 - a. Recommendations:
 - i. Further investigation of the soil conditions at the northeast portion of the building is warranted to understand the performance expectations of the building for long-term behavior as well as the risks associated of maintaining the integrity of the Dock Cinema building when adjacent construction would occur.
 - ii. To prevent further movement of the building foundations and to preclude settlement movement during adjacent construction several foundation stabilization techniques exist, including: traditional underpinning, micropile or helical pier foundations, or jet-grouting. Based on the clayey material conditions, soil stabilization methods such as permeation grouting would not be successful.
 - iii. With its relatively rigid exterior wall materials (CMU, brick, and stucco) we recommend that precautions be taken during any adjacent construction to control vibrations through selective methods to minimize the potential for further settlement related cracking. The back portion of the building appears to be most sensitive to this potential settlement risk.

CONCLUSIONS

In general, the original building structure has shown acceptable structural performance, but areas of potential structural deterioration and observed structural settlement have been noted. Accessibility and mold/fungal issues have also been identified and should be remedied in accordance with recommendations by others. Structural work advised includes investigation and mitigation, as needed, of roof sloping and drainage issues, and settlement risk related to foundation strengthening and support.

A key area that will require structural investigation and likely retrofit work is the roof structure deterioration due to the failed roofing condition. Additionally, settlements where cracking of the CMU walls was noted in the back portion of the building, where ongoing and progressive settlements are possible due to clayey soils, should be investigated and mitigated to prevent further damage.



LIMITATIONS

The professional engineering opinions and recommendations contained in this report exclusively concern structural elements, based on visual observation of accessible areas as defined by the limits of the scope of investigation and documents available to us at the time of this report. This assessment does not constitute a warranty or guarantee of performance, including future or latent conditions of the structure, nor does it provide verification of original structural design capacity, occupancy loading requirements or other code compliance, or compliance with existing documents, except where explicitly noted.

We appreciate the opportunity to prepare this report for your use. If you have any questions, please do not hesitate to contact us.

Sincerely,

MEYER BORGMAN JOHNSON

A handwritten signature in black ink that reads 'Matt Thomas'.

Matt Thomas, PE



October 23, 2025

Mr. Tim Marco
Marco McLane Development
tim@marcomclane.com

RE: PRELIMINARY ENVIRONMENTAL ASSESSMENT

Dock Cinema
10 Water Street
Excelsior, MN 55331
JAVELIN Project #2025-P0238-0210

Dear Mr. Marco,

The Javelin Group, Inc. (JAVELIN) has completed a Preliminary Environmental Assessment of the subject property known as the Dock Cinema Redevelopment site located at 10 Water Street in the city of Excelsior, MN. The Dock Cinema facility is a former movie theatre that originally opened in the 1940s and was closed permanently in 2022. The theatre has two movie screens, the main theater is located on the main floor while the smaller 2nd theater is located within the former balcony.

PURPOSE

The purpose of the Preliminary Environmental Assessment was to conduct a walk-through of the Dock Cinema facility to observe site conditions regarding the presence of suspect asbestos-containing materials, lead-based paint, and mold and to provide information regarding future renovation and/or demolition activities associated with the structure.

SITE OBSERVATIONS

JAVELIN conducted a visual inspection of the building for the presence of asbestos-containing materials (ACMs), lead-based paint and mold on October 10, 2025. JAVELIN representative and Minnesota Department of Health (MDH) licensed asbestos inspector and lead risk assessor, John Findley (MDH Licenses #ASB-671 & Lead-40) conducted the visual inspection.

The building has remained vacant since 2022 and exhibits signs of significant water damage from leaking roofs. The inspection was limited due to lack of sufficient lighting to observe all details of the building.

Suspect Asbestos-Containing Materials

Asbestos-containing materials (ACMs) are often present in old movie theaters constructed before the 1980s. It was used extensively for its fire-retardant, soundproofing, and insulating properties. While its use has been restricted for decades, ACM remains a hazard if disturbed during demolition or renovation. Suspect ACMs observed during the walk-through included the following:

- **Floor Tiles & Mastic** – JAVELIN observed suspect ACM 12”x12” floor tiles & mastic in the lobby area and the main floor theater. The floor tiles were observed in good to poor condition. Additional floor tiles/mastic may be present under carpeting.

- **Ceiling Tiles** – Suspect ACM ceiling tiles were observed in the main floor lobby area. These materials were in damaged condition.
- **Wall Tiles & Adhesive Pucks** - Suspect ACM wall tiles & adhesive pucks were observed in the main floor lobby area and the projection room. These materials were in damaged condition.
- **HVAC Vibration Dampener Material** – Suspect ACM HVAC dampener material was observed on HVAC duct work throughout the building. The material was observed in good to damaged condition.
- **Plaster Walls** – Suspect ACM plaster walls were observed throughout the facility. The walls were damaged in several locations. Asbestos-containing plaster was used in buildings where fire risk is high such as theaters and boiler areas.
- **Wallboard** - Suspect ACM wallboard was observed in the lobby and projection room. The walls were damaged in several locations. In older theatres, a wall often lined with asbestos cement board separated the projection room from the main auditorium as a fire safety measure. The intense heat of old projectors made film reels a significant fire risk.
- **Safety Curtains:** The iconic, heavy front curtains used in theaters from the 1940s to the 1980s were often made with asbestos to prevent fire from spreading from the stage to the audience.
- **Insulation:** Asbestos was used for sound and thermal insulation in walls, ceilings, and ductwork, especially in enclosed spaces with poor ventilation. Spray-on coatings were often applied to ceilings and beams for fireproofing and acoustics.
- **Lighting equipment:** Older lighting fixtures and resistance dimmers from the 1950s and 1960s often used asbestos for insulation on cables and to protect users from heat.

Lead-Based Paint

Buildings constructed before 1978 are likely to have lead-based paint, with the risk increasing the older the building is. The U.S. banned lead-based paint for residential use in 1978, but structures built before this date may still contain it, often under newer layers of paint.

Painted surfaces within the theatre building should be assumed to contain lead until a lead inspection is conducted. Painted surfaces were observed in generally poor water-damaged condition.

Renovation Activities - Commercial buildings undergoing renovation must comply with regulations regarding lead-based paint, particularly those built before 1978. While the regulations are most stringent for child-occupied facilities, including day cares, preschools, and schools, all commercial properties must follow federal and state standards for worker safety.

Demolition Activities - For commercial non-residential demolition in Minnesota, the Minnesota Pollution Control Agency (MPCA) generally does not require testing for or removal of lead-based paint before a structure is torn down. The key regulations focus on proper disposal of the demolition debris, which can be sent to a suitable solid waste landfill.

OSHA's Lead in Construction standard (1926.62) applies to all construction work where employees might be exposed to lead, including renovation and demolition activities.

Mold

Significant water-damage of interior building components and furnishings was observed during the walk-through. Significant mold growth was observed on walls, ceilings, carpets, theater seats, theatre curtains, and other surfaces.

Renovation Activities - In Minnesota, neither MDH nor the MPCA have specific regulations for mold during non-residential commercial building renovations. Instead, authorities rely on general guidance, state hazardous waste laws, and federal OSHA worker protection standards. For significant mold contamination, OSHA regulations focus on worker safety that typically require respirator protection, full body suit with head and foot coverings, and containment enclosures.

Demolition Activities - During non-residential commercial building demolition, there are no specific Minnesota Department of Health (MDH) regulations for mold. In addition, the MPCA does not have specific regulations for mold during non-residential commercial building demolition, as it is not considered a regulated hazardous waste.

CONCLUSIONS & RECOMMENDATIONS

JAVELIN observed suspect ACMs, suspect lead paint, and significant mold impacts to the site facility. Recommendations going forward depend on whether the building will be renovated or demolished as outlined below:

Renovation Activities – If the building is renovated the following procedures should be implemented:

- **ACMs** – Prior to commencement of renovation activities, conduct a comprehensive asbestos survey of the building to identify ACMs. Identified ACMs that will be disturbed during renovation activities must be abated by a licensed asbestos abatement contractor in accordance with state and federal regulations.
- **Lead-Based Paint** – For most commercial buildings, the EPA's Renovation, Repair, and Painting (RRP) rule does not apply unless the facility is child-occupied. A child-occupied facility is a building, or portion of a building, built before 1978 where children under the age of six are present for at least six hours a day, two or more days a week. This can include daycare centers, preschools, and kindergarten classrooms, even if they are in a larger commercial building. If the existing building will be a part of the proposed apartment building, then the RRP Rule may apply. The RRP rule has significant requirements for proper removal, containment and disposal of lead paint.

OSHA Regulations still apply to commercial buildings to protect workers during renovation activities where lead paint is present.

- **Mold** – Identified mold-impacted materials should be remediated by contractors with mold remediation experience in accordance with OSHA regulations. OSHA regulations focus on worker safety that typically require respirator protection, full body suit with head and foot coverings, and containment enclosures.

Demolition Activities - If the building is demolished the following procedures should be implemented:

- **ACMs** – Prior to commencement of demolition activities, conduct a comprehensive asbestos survey of the building to identify ACMs. Identified ACMs must be abated by a licensed asbestos abatement contractor in accordance with state and federal regulations.

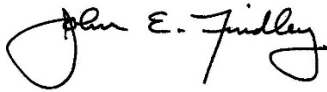
- Lead-Based Paint – There are no specific requirements regarding handling of lead paint during non-residential demolition of structures. The EPA Renovation, Repair and Painting Rule (RRP) does not apply to total demolition of a structure. However, the OSHA standard 1926.62 applies to all construction-related demolition work where employees may be exposed to lead.
- Mold – Mold impacted materials can remain in the building during demolition and demolition waste can be sent to a demolition landfill.

Based on the type of activity planned for the redevelopment; renovation or demolition, specific requirements for ACMs, lead-based paint, and mold may apply. Renovation of the structure will typically be significantly more stringent with regards to lead-based paint and mold remediation and therefore more costly.

If you have any questions, please do not hesitate to contact us at (952) 380-3668.

SINCERELY,

THE JAVELIN GROUP, INC.



JOHN E. FINDLEY, M.S.
SENIOR ENVIRONMENTAL PROFESSIONAL