

MBA Town Hall Summary – Building Sale and Relocation – 18AUG26

Purpose of the Town Hall

The Masonic Building Association (MBA) held a public town hall to provide an update on the current building, discuss the potential sale of the property, explain the process for evaluating offers, and gather input regarding the needs of the member bodies for a future location.

The town hall was informational and intended to gather feedback. Any decision regarding an offer to purchase the building will be made by the MBA Board, which consists of two representatives from each dues-paying body.

Current Building and Financial Position

The MBA reported that the organization remains on track to meet its budget goals. The investment fund has been rebuilt and is performing well.

York Rite transitioned from tenant status to the MBA's per-capita membership structure in December 2025. Historical comparisons of per-capita rates and building usage were also reviewed.

An upgrade to the audio/visual system in the Large Lodge has been completed and simplified. Instructions are posted at the equipment cabinet.

Proposed Sale of the Building

In April 2026, the MBA engaged NAI to discreetly market the property. No public signage was placed in order to limit speculation while the market was being tested.

In June 2026:

- A marketing package was completed.
- The property was listed at \$1.6 million based on available comparable properties.
- Approximately 20 industry contacts were approached.
- Six property tours resulted from the marketing effort.

On July 28, 2026, the MBA received a full-price offer of \$1.6 million.

Key provisions of the offer included:

- A 180-day due diligence period.
- The seller may leave certain furniture, fixtures, and equipment.
- The potential buyer has expressed flexibility regarding a 6- to 12-month lease-back period.
- The property is being marketed primarily for its land value.
- The buyer is aware of the building's condition and will conduct its own due diligence.

The original offer included a 24-hour acceptance period, which the MBA did not accept. The buyer has nevertheless continued discussions and remains interested.

The MBA will work with NAI to negotiate terms that provide sufficient time for relocation and protect the interests of the member organizations.

Financial Implications

At a \$1.6 million sale price, an estimated 6% brokerage commission would equal approximately \$96,000. After brokerage fees and customary closing expenses, preliminary estimates place net proceeds at approximately \$1.4 million, before transition-related expenses.

Potential additional expenses include:

- Lease-back rent.
- Moving expenses.
- Temporary or long-term storage.
- Build-out or renovation of a future facility.
- Other relocation expenses.

Commission arrangements may also be negotiable.

Importantly, proceeds from the sale are not intended to fund normal operating expenses. Sale proceeds would be maintained separately for property and relocation-related purposes. Existing operating budgets and per-capita obligations will continue.

Sale Approval Process

The MBA Board has final responsibility for evaluating and voting on any purchase offer.

The Board must provide at least 72 hours' notice before a special meeting to consider an offer.

The MBA and NAI will develop a formal checklist of acceptable sale terms so that future offers can be evaluated consistently. The Board will make decisions using these established criteria rather than submitting individual offers to public town hall votes.

Primary MBA contacts working with NAI are:

- Dustin Johnson
- Aaron Zahn
- Brian Pulling

Members are encouraged to communicate questions, concerns, and facility requirements through their respective MBA representatives.

Relocation Strategy

The MBA is working with NAI to identify a future location that meets organizational needs while remaining financially sustainable.

A lease-back of the current building could provide additional time to secure and prepare a replacement facility.

The anticipated timeline may include approximately:

- 6–12 months of lease-back, depending on negotiations.
- Approximately 12 months for build-out or renovations once a suitable property is secured.
- A possible overall relocation horizon of 18–24 months.

The Board emphasized that the building should not be sold without a viable relocation strategy. Past examples were discussed in which organizations experienced membership declines after selling facilities without securing an appropriate replacement.

Future Facility Requirements

Each member organization is being asked to determine its actual space and storage requirements.

The MBA's preliminary criteria for a future facility include:

- Adequate parking.
- Appropriate storage.
- Multiple meeting rooms capable of hosting concurrent meetings.
- Lodge or ceremonial space.
- Dining and food-service capability.
- Flexible scheduling.
- Accommodation for large or non-reschedulable events.
- Potential multipurpose community use.
- Compliance with zoning, occupancy, fire, accessibility, and other regulatory requirements.

The MBA recognizes that the current building contains more space than is routinely required. Some downsizing and shared-space compromises will likely be necessary.

Leasing vs. Purchasing

Both leasing and purchasing remain under consideration.

Potential advantages of leasing include shifting responsibility for major building repairs and capital expenses to a landlord.

Purchasing may provide greater long-term control and could allow different portions of a property to be used or leased in different ways.

The MBA is also open to:

- Property exchanges or trade arrangements.
- Flexible or modular meeting-room configurations.
- Partnerships that could provide contingency meeting space.

No final decision has been made regarding leasing versus purchasing.

Scheduling and Major Events

Future facilities may require increased coordination among member bodies.

Certain significant events that cannot easily be rescheduled will require priority consideration. A formal scheduling and conflict-resolution process is expected to be developed.

External partners, including the Shrine, may also be considered as contingency locations when necessary.

Revenue Opportunities and Compliance

The MBA discussed whether a future facility could support additional revenue-generating uses such as:

- Weddings.
- Graduations.
- Conferences.
- Community events.
- Other rentals.

Any such use would need to be evaluated carefully for zoning, occupancy, fire protection, parking, nonprofit status, and potential property-tax consequences.

NAI and other professional resources will assist in determining the requirements and financial implications of prospective properties.

Archives and Historical Records

The Masonic Lodge holds significant historical materials, including records dating to the 1870s.

Concern was expressed that these materials should not be handled as a last-minute part of the relocation.

A proposal was discussed to:

- Scan and index historical records.
- Create a searchable digital archive.
- Preserve digital backup copies using archival methods.
- Place important physical originals with an appropriate historical repository or otherwise maintain them in archival-quality storage.

Additional work is needed to determine policies for basement materials, including what should be scanned, retained, transferred, stored, or disposed of.

The archival proposal will be brought forward through the appropriate MBA representatives for formal consideration.

Key Action Items

The MBA and its representatives will continue work in the following areas:

1. **Sale Criteria**
Develop a formal checklist with NAI for evaluating purchase offers, including acceptable due diligence periods, closing timelines, and lease-back provisions.
 2. **Buyer Negotiations**
Continue discussions with the current prospective buyer regarding the \$1.6 million offer and possible 6–12 month lease-back.
 3. **Voting Procedures**
Confirm the MBA's formal voting procedure, required majority, and 72-hour notice requirements for special meetings involving purchase offers.
 4. **Member Needs Assessment**
Each representative should consult with their organization and identify its actual requirements for:
 - Meeting space.
 - Storage.
 - Dining.
 - Scheduling.
 - Major events.
 - Other specialized needs.
 5. **Minimum Facility Requirements**
Establish a minimum viable facility configuration to guide the property search.
 6. **Relocation Costs**
Develop realistic estimates for lease-back rent, moving, storage, renovations, and build-out expenses.
 7. **Lease vs. Purchase Analysis**
Continue evaluating both leasing and purchasing options, including properties outside Sioux Falls and potential property trades.
 8. **Scheduling Policy**
Develop a process for shared scheduling, priority events, conflict resolution, and contingency venues.
 9. **Compliance Review**
Evaluate zoning, assembly occupancy, fire protection, restroom, parking, tax, and nonprofit requirements for prospective properties.
 10. **Archives and Records**
Develop a formal plan for digitization, long-term preservation, storage, custody, and disposition of historical records and basement materials.
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What Representatives Are Asked to Do Now

The most immediate responsibility of each representative is to communicate this information to their respective body and gather specific feedback regarding future facility needs.

Representatives should begin identifying:

- How much meeting space their body actually requires.
- How often the space is used.
- Storage requirements.
- Dining or kitchen requirements.
- Accessibility or parking requirements.
- Areas where the organization could share space or make concessions.

That information should then be returned to the MBA so it can be incorporated into the formal needs assessment and property-search criteria.

The overall objective remains to make a financially responsible decision regarding the current property while ensuring that the Masonic organizations represented by the MBA have a suitable, sustainable, and unified home for the future.