

Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

CC Regular Session

7.9.

Meeting Date: 09/13/2016
Submitted For: Patrick Brama, Administrative Services
By: Patrick Brama, Administrative Services

Information

Title:

Approve Right-Of-Way Acquisition Loan Fund (RALF) Application: Case of 6401 Highway 10

Purpose/Background:

PURPOSE

(1) consider the attached concept application for the Metropolitan Council Right-Of-Way Acquisition Loan Fund (RALF). NOTE: once all documentation can be obtained (appraisals, ESAs, etc.), staff will bring back this case/ application for formal adoption/ authorization.

(2) consider authorizing staff to complete the attached work order, not-to-exceed \$54,500.

BACKGROUND

RALF Program

Land needed for future Highway 10 right-of-way can be lost to development (or redevelopment) because MnDOT is unable to purchase highway right-of-way until the time a road is programmed for actual construction. To address this, the 1982 Minnesota legislature established a revolving loan fund program to acquire undeveloped (or underdeveloped) property located within an officially-mapped metropolitan highway right-of-way that is threatened by development (or redevelopment).

In 2010 the Metropolitan Council suspended its 30-year old RALF program to assess its financial effectiveness, ensure that loans being made are consistent with the TPP, and determine what changes, if any, should be made to the program. The Metropolitan Council reinstated the program in 2014 with stricter eligibility requirements. Since then, however, the Metropolitan Council has not made any loans to the City of Ramsey (or any other city). The current balance of RALF is \$14.3M.

The Metropolitan Council recently reconsidered their new program criteria, and made an adjustment. As of August 12, 2016 the Metropolitan Council will now allow for "commercial hardships" applications. In summary, this means the City of Ramsey can now use the RALF program again--hence, the reason this case is now in-front of the City Council.

Link 1:

http://metro council.org/Transportation/Planning-2/Transit-Plans,-Studies-Reports/Highways-Roads/Right-of-Way-Acquisition-Loan-Fund.aspx

Link 2: http://metro council.org/News-Events/Transportation/Newsletters/Commercial-property-could-be-eligible-under-change.aspx

City of Ramsey use of RALF (old plan)

In the early to mid-2000's the City of Ramsey purchased several properties located along U.S. Highway 10 via the Metropolitan Council Right-Of-Way Acquisition Loan Fund (RALF). These properties were purchased based on the "old" US Highway 10 plan that called for the highway to be completely shifted north, adjacent to the BNSF tracks, throughout the entire city. The City adopted the MnDOT/ Metropolitan required "Official Map" in 2004 to reflect our intention to purchase properties for future Highway 10 improvements.

Highway 10 Access Planning Study (new plan)

In 2014, MnDOT and Anoka County, in cooperation with the Cities of Ramsey and Anoka, conducted the Hwy 10 Access Planning Study to re-examine and identify the ultimate amount of access, types of access, and locations of access to Hwy 10 between the Anoka/Sherburne County line and the Rum River. This study was completed so that high-benefit improvements that are fiscally responsible could be identified so that improvements can be funded, programmed and implemented incrementally to improve the corridor's mobility and safety, for motorists and pedestrians, in a timely manner.

In summary, the new Highway 10 Access Planning Study (Highway 10 plan) does not require Highway 10 to be shifted north to the BNSF rail line throughout Ramsey, and results in a much lower demand for "full" property acquisition (in comparison to the former Highway 10 plan). Subsequently, the new Highway 10 plan reduces the demand on the RALF program. Please see attached maps for visuals/ details.

Link 3: http://www.dot.state.mn.us/metro/projects/hwy10study/

6401 Highway 10

Property was formerly a Shell gas station, which included two sub-lease tenants (Cousins Subs and Taco Johns). All businesses closed in early 2015. Owner listed property with Calhoun Companies previously, and is now listing with Colliers. Due to various local forces (changed access to site, and a low absorption of retail space) the next user for this site will need to convert from a gas station to another use (i.e. office or a different form of retail). The property owner has indicated his priority is to have 6401 Highway 10 sold by the end of 2016, regardless of the buyer.

The property owner is "willing seller" and is willing to sell this property below market value. This property is officially mapped, and is needed for full accusation in the old and new Highway 10 plans. Outside of helping accomplish the US Highway plans, by purchasing this property (and demolishing/ cleaning-up), the City would be able to clean up a blighted property, and improve the visibility of a struggling retail node.

RALF Application, 6401 Highway 10

Please see attached draft application. Staff would like to know if the Council would like to see any changes to this application, or if any concerns with staff's approach exists. Staff intends to complete the attached "work-order" to complete a full/ final application (obtain appraisals, ESAs, pre-demo surveys, etc.).

SIDEBAR: because the RALF program hasn't been used since 2010, the Metropolitan Council would like to use the Ramsey application as the "BETA-Test" to their new review process. Staff will be reviewing our application with Metropolitan Council and MnDOT staff in late-September.

Notification:

NA

Observations/Alternatives:

Please see attached.

Funding Source:

The City's Public Improvement Revolving Fund (i.e. our Road Improvement Fund) will act as the temporary funding source (for the attached work-order). The RALF program will act as the final/ comprehensive funding source (will also pay-back our PIR fund, if we are awarded). This funding method is consistent with past practice for the City of Ramsey.

Recommendation:

Authorize staff to finalize the attached application for use of Metropolitan Council Right-Of-Way Acquisition Loan Fund (RALF); including authorizing staff to complete the attached work order, not-to-exceed \$54,500.

NOTE: once all documentation can be obtained (appraisals, ESAs, pre-demo survey, etc.), staff will bring back this case/ application for formal adoption/ authorization by the Council.

Action:

Motion to:

Authorize staff to finalize the attached application for use of Metropolitan Council Right-Of-Way Acquisition Loan Fund (RALF); including authorizing staff to complete the attached work order, not-to-exceed \$54,500.

NOTE: once all documentation can be obtained (appraisals, ESAs, pre-demo survey, etc.), staff will bring back this case/ application for formal adoption/ authorization by the Council.

Attachments

[RALF Application 6401 Hwy 10 \(DRAFT Application\) 08302016](#)

[Work Order](#)

[Comparison Maps \(old v new plan\)](#)

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 09/08/2016

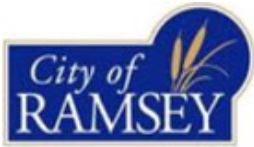
Reviewed By

Kurt Ulrich

Date

09/08/2016 02:06 PM

Started On: 08/30/2016 02:02 PM



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CC Regular Session

7. 13.

Meeting Date: 01/24/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Information

Title:

Right-Of-Way Acquisition Loan Fund (RALF) Program: Case of 6401 Highway 10: Consider Purchase Agreement [CASE MAY BE CLOSED TO PUBLIC]

Purpose/Background:

PURPOSE

- (1) Previous Case: on 09/13/2016, the Council approved the attached draft application for the Metropolitan Council Right-Of-Way Acquisition Loan Fund (RALF). The Council also authorized staff to complete the due-diligence work outlined in the attached budget, not-to-exceed \$54,500.
- (2) This Case: the purpose of this case is to consider approving the attached Purchase Agreement. Once approved, staff will enter into an Purchase Agreement with the Seller. Staff will then be in a position to complete the final required due-diligence (i.e. removal of tanks, and Phase II ESA).
- (3) Future Case: in future case, once the Phase II ESA (i.e., environmental review) is completed, the Council will be ready to submit a final/ formal application to the Metropolitan Council for RALF funding. NOTE: the Metropolitan Council has previously approved Ramsey's pre-application, and encouraged the City to submit a final application, once due-diligence is completed.
- (4) Close purchase agreement: receive Metropolitan Council funding.
- (5) Demolish and clean-up site: site will be ready for U.S. Highway 10 improvements.

BACKGROUND

RALF Program

Land needed for future Highway 10 right-of-way can be lost to development (or redevelopment) because MnDOT is unable to purchase highway right-of-way until the time a road is programmed for actual construction. To address this, the 1982 Minnesota legislature established a revolving loan fund program to acquire undeveloped (or underdeveloped) property located within an officially-mapped metropolitan highway right-of-way that is threatened by development (or redevelopment).

In 2010 the Metropolitan Council suspended its 30-year old RALF program to assess its financial effectiveness, ensure that loans being made are consistent with the TPP, and determine what changes, if any, should be made to the program. The Metropolitan Council reinstated the program in 2014 with stricter eligibility requirements. Since then, however, the Metropolitan Council has not made any loans to the City of Ramsey (or any other city). The current balance of RALF is \$14.3M.

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Highway 10 Access Planning Study (new plan)

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Link: <http://www.dot.state.mn.us/metro/projects/hwy10study/>

6401 Highway 10

Property was formerly a Shell gas station, which included two sub-lease tenants (Cousins Subs and Taco Johns). All businesses closed in early 2015. Owner listed property with Calhoun Companies previously, and is now listing with Colliers. Due to various local forces (changed access to site, and a low absorption of retail space) the next user for this site will need to convert from a gas station to another use (i.e. office or a different form of retail). The property owner has indicated his priority is to have 6401 Highway 10 sold by the end of 2016, regardless of the buyer.

The property owner is "willing seller" and is willing to sell this property below market value. This property is officially mapped, and is needed for full accusation in the old and new Highway 10 plans. Outside of helping accomplish the US Highway plans, by purchasing this property (and demolishing/ cleaning-up), the City would be able to clean up a blighted property, and improve the visibility of a struggling retail node.

RALF Application, 6401 Highway 10

Attached is the City's draft RALF application for 6401 Highway 10. The City Council approved this application in September 2016. The Metropolitan Council & MnDOT staff team approved Ramsey's pre-application, and have encouraged Ramsey to submit a final application, when all due diligence is completed.

A major component of the City Council's approval or the pre-application in September included the completion of due-diligence (environmental assessments, appraisal, pre-demo survey, title work, etc.). The attached work order generally outlines said work. At this point, most work has been completed (Phase I ESA, pre-demolition survey, title work, appraisal). Outstanding items include a Phase II ESA.

Notification:

NA

Observations/Alternatives:

Due Diligence Items

Pre-Demolition Survey

Generally, the purpose of the pre-demolition survey is to identify hazardous materials within a building, before they are disturbed during demolition. Based on the pre-demolition survey, and the age of the building (not old), no major issues are anticipated by staff during the demolition of this building. It should be noted,

two items were flagged as issues. One item was the car wash, and the several tanks of chemicals that remained on the site. Staff disclosed this concern with the seller. They have removed all liquids from the tanks. Staff has also added language to the PA to reflect this item. The second item was the underground oil tanks (discussed more below). Please see attached survey for details.

Phase I ESA

Generally, the purpose of a Phase I ESA is to do research on a property--to determine if physical testing of soils is needed. The Phase I ESA did come up with several recognized environmental conditions (REC). This gas station, was once a part of a larger site, which was home to several businesses over the years (several auto oriented). The larger site has experienced various environmental issues in the past, which have been documented with the MPCA. Additionally, this site is a gas station, which includes underground storage tanks for petroleum. With these two general items in mind, the various identified RECs will justify/ demand a Phase II ESA be completed on this project. NOTE: it appears that the MPCA has generally cleared (written closure letters) RE previous issues on the site. Please see attached ESA for details.

Phase II ESA

Generally, the purpose of a Phase II ESA is to physically test soils for potential contamination. Staff has been advised by Bruan InterTech (the company that completed the Phase I ESA), that we should consider completing tank removal, before we close on purchasing this site, for two reasons. First, if we purchase the site, with tanks remaining in the ground, we will hold some liability over those tanks, and any potential subsequent leaks (i.e. we are exposing the City to more potential liability). Secondly, regardless if we remove the tanks now, or after closing on a purchase, we will need to complete a Phase II ESA (mandated by the State after tank removal). The only difference is, if we wait until after we close on purchasing the property, we would then need to complete two Phase II ESAs. In summary, we can save money on Phase II ESAs by removing the tanks before closing. Please see attached ESA for details.

Appraisal

The asking price for this property is \$695,000. The appraisal came back at \$645,000. Staff has updated the attached purchase agreement accordingly. Staff is waiting to hear back from the seller on this item. Please see attached appraisal for details.

Title Work

The title work generally came back clean. The City Attorney did find a glitch in the chain of title (i.e. who the owner was). That item has been addressed by the Title Company, and the attached purchase agreement has been updated accordingly. Please see attached title work for details.

Funding Source:

Funding Source

-short term-

The City has a an account in place today, that captures revenues from all Ramsey-owned properties located along Highway 10, that were purchased via RALF, and are currently being leased to private organizations. This "Internal Ramsey RALF Fund" can *ONLY* be used on expenses related to RALF/ properties purchased via RALF. The balance of that account is \$186,000 roughly. Staff is using this account as a temporary/ short-term project funding source (due-diligence costs).

-long term-

The long term/ permanent funding source proposed for this project is the RALF program. The the background section of this case describes the program. The attached application describes the City's proposal. Once the purchase agreement is closed, all costs will be funded via this new RALF program loan.

Staff Funding Source Comment

In the event the City doesn't close on this purchase agreement, we would not receive a new RALF award from the Metropolitan Council, we would be liable to cover our upfront due-diligence expenses (i.e. costs incurred before closing). In that situation, we those costs would be permanently charged to our "Internal Ramsey RALF Fund."

Project Budget

Please see that attached 2-page project budget. The overall project budget covers all costs. The due-diligence project budget only covers costs incurred to the City before closing.

From an overall project budget perspective, we are trending in the right direction (down slightly). From a due-diligence budget perspective, costs are trending higher. The reasons costs are higher, for the due diligence budget, is for two reasons:

First, staff's proposed strategy on the Phase II ESA/ tank removals has changed. We are proposing to remove the tanks before closing on the purchase of this property (i.e. during the due diligence process). Although it may appear this is a "new" project cost, it is not entirely—staff originally anticipated removing the tanks after closing, during demolition. Second, the cost to remove the tanks, and complete the required State testing/ documentation, was more than staff originally anticipated.

Recommendation:

Please see attached email MEMO from the City Attorney.

Staff recommends moving this project forward, and approving the attached purchase agreement. The major next hurdle is removing the underground petroleum tanks and completing the Phase II ESA. If that process is clean, we should be in a good position to close on the purchase. If not, we will need to bring back this case for further discussion (i.e. what is the scope of contamination/ remediation? how do we clean up the site? what will the funding source be?, etc.)

Action:

Motion to:

Approve the attached agreement with Series Sunfish of Athans Holdings, LLC for the purchase of Lot 2, Block 1, Sunfish Commons; subject to final review and amendments by the City Attorney.

--and--

To authorize staff to complete final due-diligence: including removing the underground storage tanks and completing a Phase II ESA.

Purchase Agreement Status

Attached to this case is the current draft of the purchase agreement. This agreement will be updated on Monday 01/23. Staff, various attorneys, and the buyer are currently negotiating final details.

Attachments

Final Clean PA

Pre Demolition Survey

Phase I ESA

PHASE II ESA (proposal)

Appraisal

Title Work

Attorney Email

Budgets (2 pages)

RALF Application (draft)

Braun Comments

Seller Redline PA

Buyer Redline PA

Form Review

Inbox

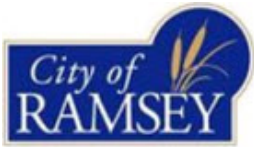
Kurt Ulrich
Patrick Brama (Originator)
Form Started By: Patrick Brama
Final Approval Date: 01/20/2017

Reviewed By

Kurt Ulrich
Patrick Brama

Date

01/19/2017 05:03 PM
01/20/2017 01:56 PM
Started On: 01/18/2017 03:54 PM



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CC Regular Session

7.3.

Meeting Date: 04/11/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Information

Title:

Adopt Resolution #17-04-080 Authorizing the City of Ramsey to Purchase Real Property and Submit a RALF Program Application to the Metropolitan Council

Purpose/Background:

PURPOSE

Consider approving the attached resolution formally authorizing the city to purchase 6401 Highway 10 and officially apply for Metropolitan Council RALF Program funding.

BACKGROUND

This case was brought to the City Council on 09/13/2016 and 01/24/2017. Please reference those cases for detailed background on this project.

UPDATES

At the 01/24 Council meeting, the City entered into a purchase agreement with Athans Holdings for the acquisition of 6401 Highway 10, and authorized staff to complete remaining property acquisition due diligence (Phase II Environmental Site Assessment (ESA), UST/ Pump Removal, State Inspection of UST Removal). That work was recently completed by Braun InterTech.

Overall, the Braun InterTech work went well. The Phase II ESA came back without any major concerns--and Bruan InterTech supports the City's purchase of 6401 Highway 10. NOTE: see actual Phase II ESA report for details--some very minor items did come up during the Phase II ESA.

RE the remaining due diligence items, staff included a line item budget in the RALF application of \$52,000. The estimate provided by Braun for this work was \$40,260. The actual project costs were \$52,535. A major reason for the difference was due to change-orders submitted to Braun from the tank-removal sub-contractor (about \$10,000). Staff is currently working with Braun and the sub-contractor to find a resolution/ settlement on this particular item. Staff has not approved said change orders. Staff will keep the Council posted on this item. Regardless of how this item unfolds, staff believes we can still move forward with the attached RALF application, as-is.

Lastly, it should be noted, during the UST (underground-storage-tank) removal, a minor gas leak occurred; which, did result in a response from the Ramsey Fire Department and Centerpoint Energy, and slightly delayed said work. No property damage occurred, and no injuries/ health concerns occurred.

NEXT STEP

A major component of any purchase agreement is the "inspection period" (also know as the "due diligence" period). As mentioned, the City has completed remaining due diligence items for the proposed property acquisition. The "inspection period" for this purchase agreement officially ends on 04/12/2017. At that time, if the City decides they

want to continue pursuing the purchase of this property, our earnest money goes non-refundable (\$25,000), and we enter into the "closing period" of the purchase agreement. We formally take that step by providing something known as a "notice-to-proceed" to the seller. The City is now ready to provide the seller with a "notice-to-proceed" to closing, as described in the purchase agreement.

NOTE: our purchase agreement requires approval from the Metropolitan Council (for a RALF loan) before the City will close. In the event the Metropolitan Council does not approve our RALF application, the City can still walk away from this purchase agreement. In that scenario, we would lose our earnest money, and all of the dollars we have spent to-date (due diligence). We have until July 01, 2017 to close. We expect to close in early June.

Observations/Alternatives:

ATTACHED:

- (1) Resolution 17-04-080.** This resolution is the purpose of this case. It outlines Council action being taken.
- (2) RALF Application.** This is the application staff will be providing the Metropolitan Council.
- (3) RALF Loan.** This is the draft RALF loan agreement between the City and Metropolitan Council.
- (4) Purchase Agreement.** This is the land acquisition agreement between the City of Ramsey and Athans Holdings.
- (5) Due Diligence.** This is all of the due diligence completed on this project, wrapped into one single attachment. This is very long. If Councilmembers would like individual documents, please email staff.

Funding Source:

-short term-

The City has a an account in place today, that captures revenues from all Ramsey-owned properties located along Highway 10, that were purchased via RALF, and are currently being leased to private organizations. This "Internal Ramsey RALF Fund" can ONLY be used on expenses related to RALF/ properties purchased via RALF. The balance of that account is \$186,000 roughly. Staff is using this account as a temporary/ short-term project funding source (due-diligence costs).

-long term-

The long term/ permanent funding source proposed for this project is the RALF program. The the background section of this case describes the program. The attached application describes the City's proposal. Once the purchase agreement is closed, all costs will be funded via this new RALF program loan. NOTE: there is a chance that the Metropolitan Council does not agree with our project budget, and doesn't reimburse the City for everything we ask.

Recommendation:

Staff is comfortable moving forward with formally applying to the Metropolitan RALF program. Staff has had several conversations with MnDOT and the Metropolitan Council RE this project. Both groups have previously provided preliminary support for this application, and recent conversations with both groups have also been positive.

RE the actual purchase of 6401, based on information in-hand, and discussions with Bruan InterTech / the City Attorney, staff is comfortable with recommending purchase of this property. With the contingencies below in mind, it appears both the site and building are clean, and usable for the proposed future use (right-of-way).

(1) Minor trace vapor contamination in soils exists, minor trace water contamination exists, and minor trace contamination in soils exists. Braun has indicated findings on this site DO NOT exceed industry maximums (they are below). These findings are not surprising for a redevelopment site, with several past auto-related users. Based on information in hand, Braun does not have any concerns using this site for a future roadway, and doesn't anticipate any major remediation. The MPCA has provided closure letters on the water contamination item in the past. Please see actual Phase II ESA for official information/ details.

(2) Outside of various standard items (items found in all buildings), the pre-demolition building survey came back clean. Braun did leave a contingency RE the roof liner--per industry standards, the roof should be tested

for asbestos. That roof has not been tested because it would have required destruction to the roof liner, and seller was opposed to said work (back in 2016). Now that this project is further along, the seller has provided staff authorization to get a core sample from the roof. Staff has a work order in now. This item is considered to be low risk--due to the age of construction for this building. However, to be safe, staff is ordering this work to occur before closing.

(3) General note: regardless of the amount of due diligence completed by the buyer (City in this case), we cannot have 100% assurance of a clean site and clean building. We can only limit risk, to the best of our ability. There is a chance contamination exists that was not picked up during our due diligence process/exercises.

Action:

Motion to:

Adopt Resolution #17-04-080 Authorizing the City of Ramsey to Purchase Real Property and Submit a RALF Program Application to the Metropolitan Council

Attachments

Resolution 17 04 080

RALF Application

Loan Agreement (template)

Purchase Agreement

Due Diligence Docs

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 04/06/2017

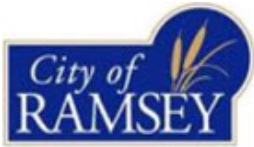
Reviewed By

Kurt Ulrich

Date

04/06/2017 10:36 AM

Started On: 04/04/2017 03:43 PM



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CC Regular Session

7. 11.

Meeting Date: 07/25/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Information

Title:

Authorize Hakanson Anderson to Develop Plans & Specifications for the Demolition/ Clean-up of 6401 Highway 10 (former Sunfish Lake Gas Station)

Purpose/Background:

PURPOSE

Authorize Hakanson Anderson to Develop Plans & Specifications for the Demolition/ Clean-up of 6401 Highway 10 (former Sunfish Lake Gas Station).

BACKGROUND

6401 Highway 10 was recently purchased via the State R.O.W. Acquisition Loan Fund. Please see 01/24/2017 CCRS, Case 7.13 for details and background information on the RALF program, 6401 Highway 10, and the City's reason for purchasing this property. The City purchased 6401 Highway 10 with the intent to demolish the existing blighted building and to clean up the site. The purpose of this case is to begin the process of demolition.

Notification:

NA

Observations/Alternatives:

(1) Attached to this case is a **proposal from Hakanson Anderson** (which includes a timeline) to provide professional services for the demolition and clean-up of 6401 Highway 10, also known as the *Sunfish Express*. The purpose of this case is to consider acceptance of this proposal..

(2) Attached to this case is a **very preliminary/ draft site restoration plan**. In summary, staff is proposing to fill the building pad with asphalt and stripe for parking. The existing/ remaining asphalt parking lot and drive lanes will remain in place. If the Council authorizes the attached work order, Hakanson Anderson will further refine.

(3) Attached to this case is a very **preliminary/ draft lease agreement** with the next door shopping center to lease the parking lot that will cover the former Sunfish Gas Station. Staff is still negotiating this agreement--changes are expected.

Funding Source:

Staff preliminary estimated project budget**

1. Demolition, \$60,000-\$90,000
2. Redo Building Pad w/ Asphalt, \$60,000-\$70,000
3. Contingency: \$15,000
4. Soft Costs: \$20,000,-\$35,000

Total: \$155,000 -- \$210,000

**Very preliminary/ draft form budget. Changes will occur. This will be updated by Hakanson Anderson.

Item 1 and 3 will be covered by the City's RALF Loan for this project. Item 4 will be covered by the City's internal RALF Account (roughly \$75,000 balance). Item 2 will be covered by a former TIF district (Likely TIF 1 or TIF 2). Staff is working with the Metropolitan Council on Items 2 and 4--and attempting to wrap that into the RALF Loan.

Recommendation:

Considering current staffing levels, and other workload priorities, staff is not able to complete this work internally for the foreseeable future. In order to keep this project moving forward, staff suggests approving the attached Hakanson Anderson work order.

NOTE/ REMINDER: this is a redevelopment project. The City has done significant pre-demolition and pre-development research on this property. We have done our best to eliminate the risk of an unknown issue on this site. Note, however, the risk still exists that that the demolition and excavation process will uncover something unexpected that may result in increased project costs.

Action:

Motion to:

Approve the attached work order authorizing Hakanson Anderson to provide professional services for the demolition and clean-up of 6401 Highway 10.

Attachments

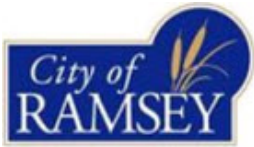
HA Proposal 07172017

DRAFT PLAN

DRAFT LEASE

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	07/19/2017 03:20 PM
Form Started By: Patrick Brama		Started On: 07/17/2017 03:06 PM
Final Approval Date: 07/19/2017		



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CC Work Session

2. 2.

Meeting Date: 08/08/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Information

Title:

Demolition/ Clean-up of 6401 Highway 10 (former Sunfish Lake Gas Station)

Purpose/Background:

PURPOSE

Discuss strategy on how to proceed with this project. Staff will provide more information at the meeting.

(A) Contract Method

Do we split the work into two contracts? --one contract for the demolition and one contract for the paving. Or, do we utilize one single contract. There are benefits to both approaches.

(B) Timing

Do we attempt to complete this entire project in late 2017? Or, do we play it safe and do everything in early 2018? Or, do we split the project into two (complete demolition in 2017 and allow for paving in early 2018). There are trade-offs for each options (risk / reward).

(B) Restoration

Staff would like to reaffirm the originally proposed approach (attached)--to remove the building and replace the building pad with asphalt--and keep other existing surrounding asphalt in place. NOTE: this is a very preliminary plan (for the sake of getting the concept on the table). Hakanson Anderson will be refining/ updating--some changes will occur--the Council will see this plan again in the future.

BACKGROUND

6401 Highway 10 was recently purchased via the State R.O.W. Acquisition Loan Fund. Please see 01/24/2017 CCRS, Case 7.13 for details and background information on the RALF program, 6401 Highway 10, and the City's reason for purchasing this property. The City purchased 6401 Highway 10 with the intent to demolish the existing blighted building and to clean up the site.

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

NA

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Recommendation:

Utilize timeline/ approach #1 included in the attachments. Restore the building pad with pavement (per attached).

Staff anticipates this approach to be the lowest cost (in terms of both upfront capital costs and long term maintenance), will keep the site looking professional (perception of city/ Hwy 10), will be the fastest approach (the building should be down by winter), and will allow for temporary reuse by the neighboring retail node (including a potential lease and payment of some property taxes).

Action:

Consider staff's recommendation for moving forward.

Attachments

DRAFT PLAN

Timelines

Form Review

Inbox

Kurt Ulrich
Patrick Brama (Originator)
Kurt Ulrich
Form Started By: Patrick Brama
Final Approval Date: 08/03/2017

Reviewed By

Jo Thieling
Patrick Brama
Kurt Ulrich

Date

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