



City of
Blue Earth

**CITY OF BLUE EARTH
AGENDA
CITY COUNCIL WORKSESSION
MONDAY MAY 21, 2018 @ 4:30 P.M.**

Call to order.

Roll call.

Old Business.

1. Ron Ziegler –CEDA- Recommendations for 3 Sisters Project
 - a. Project Memo
 - b. Asbestrol Quote
 - c. DeMars Demo bid

New Business.

Adjourn.

By Order of the Blue Earth City Council

Timothy Ibisch

City Administrator

Post @ City Hall-Friday, May 18, 2018 through Monday, May 21, 2018

Distribute to Mayor & Council members-Media & file

Letter of Intent

Date: May 7, 2018

To: Timothy Ibisch, City Administrator

CC: Mary Kennedy, Blue Earth EDA

From: Janie Hanson, on behalf of the Rural Renaissance Project

Re: Intention to acquire the 3 Sisters buildings in Blue Earth, MN

The Rural Renaissance, a new 501(c)3 organization, is offering a Letter of Intent to take ownership of the 3 Sisters Buildings, with a proposed transfer date of July 11, 2018, subject to certain conditions to close as outlined below.

Requested from Seller:

- Purchase price will be \$1.00 for all three properties
- Abstracts be provided or reproduced, as well as any existing title work
- Properties to be free of any outstanding real estate taxes, special assessments or liens
- \$150,000 grant to be funded on July 11, 2018
- Asbestos abatement as outlined in the May 3, 2018, Memo to be completed by Seller before May 29, 2018
- Demolition of obsolete mechanicals as quoted by DeMars (see attached Memo) to begin June 12, 2018, and paid for by Seller
- City to provide liability insurance and temporary utilities as required for abatement and demolition
- Access to property available to the Rural Renaissance team as needed for design, media, and fundraising requirements
- Ongoing grant writing support from EDA Coordinator
- Buyer will work with Blue Earth EDA on loan package

The Rural Renaissance requests a decision by the City of Blue Earth to accept Letter of Intent and vote to proceed with the aforementioned construction items at May 7, 2018, City Council meeting.

Attachments:

- Memo to City Council dated May 3, 2018
- Asbestrol quote
- DeMars quote

MEMO



Date: May 3, 2018

To: Timothy Ibisch, City Administrator

CC: Mary Kennedy, Blue Earth EDA

From: Janie Hanson, Connect the Grey

Re: Update on 3 Sisters redevelopment for Blue Earth City Council

Key updates:

- Community engagement update
- Hazardous materials inspection report
- Hazardous materials abatement quotes
- Pre-construction selective demolition
- Letter of Intent from Rural Renaissance for transfer of ownership of 3 Sisters buildings

Community engagement:

- An information session and community meeting to introduce the Rural Renaissance Project, vision for the 3 Sisters buildings, and development team to local community and business leaders was held on Wednesday, May 2, 4:30-7:00 pm. Highlights include:
 - 109 total attendees
 - Top 4 desired uses, as voted on by attendees:
 - Deli/coffee/bakery
 - Healthy eating/whole foods
 - Art gallery/studio
 - Wine bar
 - Many positive comments during and after the session, including in person feedback, and testimonials via email and social media:
 - "Thanks for your impressive presentation on your project, Blue Earth is very fortunate to have you considering the Three Sisters..."
 - "Your group did a wonderful job tonight and I am grateful for your vision. I would like to offer up any help I could bring...opportunities are plentiful if people communicate vision and passion."
 - "Everyone was so excited... I loved every minute!"
 - "Great to see so much participation from the group. That's rare in meetings!"
 - "We so need this!"
 - "Let's make this happen!"
 - "It was fun to feel the positive energy of the local community giving their input with clever, viable ideas and expressing their excitement about this unique opportunity. I am fully behind the project, and I can't wait to see it come to fruition!!"
- Connect the Grey is actively working with Mary Kennedy, Blue Earth EDA, and other Rural Renaissance volunteers to identify and apply for relevant grants and other funding opportunities.

Hazardous materials inspection:

- Inspection completed by APEX Envirocare on March 20, 2018.

- Reports attached. Items listed in red exceed current limits and are recommended to be removed prior to demolition, including some pipe insulation, composite floor tile and window caulking as the main products that will need to be abated.
- Invoice for inspection and report: \$1,200.00
- Request payment to Apex by City of Blue Earth or EDA (or confirmation that payment has already been made on this invoice.)

Hazardous materials abatement:

- Quotes received from four providers, all attached. Recommend engaging Asbestrol, Inc (\$29,600) to complete this work. Reputable and experience firm, as well as closest to the location. Ready to start once given approval.
- Other bidders included EPS (\$33,800), Blue Earth Environmental (\$44,304), Mavo Systems (\$44,400).
- Requirements on-site: temporary power to operate generators for the negative air pressure equipment, water available for various work activities. City may coordinate with either Asbestrol directly or with Tim Auringer, project manager for DeMars Construction, to get these items scheduled and in place for abatement work.
- Request budget and approval from City to engage Asbestrol for abatement work beginning in May, and City assistance to obtain the temporary power and water service required.

Pre-construction selective demolition:

- To facilitate the early stage construction work that would be needed onsite regardless of future uses for the 3 Sisters buildings (CtG proposal, other uses different from the CtG proposal, full demolition etc.) we request budget and approval to engage DeMars Construction to begin selective demolition phase of work in early June (removing water damaged materials, obsolete mechanicals, etc.)
- Detailed estimate provided in attached letter, costs expected to be less than \$40,000.
- City would be responsible for any permits or liability insurance required for this work.
- Connect the Grey received bids from two other contractors in addition to DeMars for completing the 3 Sisters project and selected DeMars based on both experience and cost.

Letter of Intent:

- The Rural Renaissance, a new 501(c)3 organization, is offering a Letter of Intent to take ownership of the 3 Sisters Buildings, with a proposed transfer date of July 11, 2018, subject to certain conditions to close as outlined in the attached letter.

Attachments:

- Hazardous Materials Reports from APEX
 - 126 S Main St
 - 128 S Main St
 - 130 S Main St
- Invoice from APEX
- Quotes for abatement
 - Asbestrol, Inc
 - Blue Earth Environmental
 - Environmental Plant Services, Inc
 - Mavo
- Demolition estimate from DeMars Construction
- Letter of Intent from Rural Renaissance



LICENSED, EPA CERTIFIED
ASBESTOS ABATEMENT
REMOVAL, DISPOSAL & ENCAPSULANT

PO BOX 1041
AUSTIN, MN 55912
Phone (507)433-2390
Fax (507)433-4030
Email: office@asbestrol.com

April 4, 2018

Tim Auringer
DeMars Construction

Email: tim@demarsgc.com
Phone Number: (507)420-7740

Scope of work – Removal and disposal of asbestos containing materials identified by Apex Envirocare LTD asbestos building survey dated March 26th 2018 for 3 buildings located at 126, 128 and 130 South Main Street Blue Earth, MN

Dear Tim,

Asbestrol, Inc. will provide all labor and material necessary to remove and dispose of the defined materials in compliance with Federal, State and Local regulations for the sum of **\$29,600.00**

NOTE – TSI removal will be done with the wrap and cut procedure and is limited to accessible pipes. Pipes that may be behind walls, ceiling chases, etc. are not included in my bid

General Notes:

- Building owner is to remove all movable items from the work area prior to the project start date
- Building owner will provide electric and water service
- Please allow 10 working days from the “Notice to Proceed” to obtain the required permit

NOTE – Permit is required for friable asbestos only. Nonfriable removal could start within a few days of “Notice to Proceed”

Thank you for the opportunity to provide a quote for this project. If you have any questions, or to schedule the work, please contact our office.

Sincerely,

Brian Landherr
Brian Landherr
Manager

Approved by

Date



May 3, 2018

Janie Hanson
Connect the Grey
530 North Riverfront Drive, Suite 260
Mankato, MN 56001

Re: Three Sisters Demolition Process

Dear Ms. Hanson:

As construction work begins at the Three Sisters buildings, we would like to offer a look ahead to the anticipated demolition activities that can be expected. The first step of the process is to complete the asbestos materials abatement. An asbestos materials building survey was prepared by Apex Envirocare for each of the building on March 26, 2018.

If the City Council approves the proposed bid for abatement provided by Asbestrol, this work can begin upon execution of agreement between the two parties. There is typically a 10-day notification period required, so the work could foreseeably be conducted in late May. The City of Blue Earth will need to provide temporary power to the site as well as temporary water for the abatement operations.

Upon conclusion of the abatement work, DeMars Construction would like to begin on the remaining selective demolition of the interiors of the spaces. Our preliminary schedule indicated June 12, 2018 as the date for this demolition work to begin.

The demolition work will include demolition of interior finish items, such as floor coverings and acoustical ceilings, miscellaneous interior wall removals, doors and window removals, plumbing piping and fixtures, HVAC ductwork and equipment, and electrical demolition. Cost for this work is estimates as follows:

General Demolition	\$15,000
Ceiling Demolition	\$2,500
Plumbing Demolition	\$5,000
HVAC Demolition	\$5,000
Electrical Demolition	\$7,500
Exterior Demolition	\$5,000.

Final costs for the demolition will be determined based upon man hours expended to conduct the work. I fully anticipate that the actual costs for demolition activities will be less than the \$40,000 estimated above. DeMars Construction will coordinate placement of the demolition dumpsters with the City of Blue Earth and include drop, hauling, and dump charges in the amounts above.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T. Auringer', with a stylized flourish at the end.

Tim Auringer
Project Manager