

REPORT / RECOMMENDATION



To: Members of the Edina Housing & Redevelopment Authority **Agenda Item #:** III.

From: Bill Neuendorf *Bill Neuendorf*
Economic Development Manager

Action
Discussion
Information

Date: April 10, 2013

Subject: Resolution No. 2013- 06, Professional Services for Acquisition of 3930 West 49-1/2 Street

Action Requested:

Adopt Resolution.

Information / Background:

The Housing and Redevelopment Authority (HRA) previously entered into a purchase agreement to acquire the property at 3930 West 49-1/2 Street for a price not to exceed \$2,650,000. The purchase terms provided the HRA with a due diligence period to fully evaluate the property conditions.

At the HRA's request, Barr Engineering conducted a Phase I Environmental Assessment and limited Phase 2 environmental testing. Evidence of contaminants related to dry cleaning operations was discovered on the site and the Seller has agreed to additional time to more fully evaluate the conditions.

Soil contamination is not an unusual finding when redeveloping properties in an aging business district such as 50th and France. The purpose of the additional testing is to fully understand the costs and time required to clean up the site. The costs of the environmental testing are the responsibility of the HRA. Based on the extent and nature of the contamination, the purchase price or acquisition terms could potentially be renegotiated.

Barr Engineering proposes to conduct further testing to determine the extent of contamination. Once the full extent is known, a remediation plan can be developed in cooperation with the property owner and MPCA.

To date, Barr has provided services valued at \$15,200. This additional scope is likely to raise the full contract amount to \$30,600. An additional \$15,000 is requested to be authorized to allow for the development of a remediation plan. This final work, if needed, is proposed to be authorized by the HRA Executive Director and would bring the total value of the contract to \$45,600.

Attachments:

Resolution No. 2013-06
Barr Engineering Proposal dated April 10, 2013

RESOLUTION NO. 2013-06
AUTHORIZING PROFESSIONAL SERVICES FOR
ACQUISITION OF 3930 WEST 49-1/2 STREET

WHEREAS, on February 5, 2013, the Edina Housing and Redevelopment Authority (HRA) approved a purchase agreement to acquire real property located at 3930 West 49-1/2 Street; and

WHEREAS, the HRA and property owner executed the agreement on February 11, 2013; and

WHEREAS, during the course of the HRA's due diligence, evidence has emerged to indicate the presence of environmental contamination on the site consistent with dry cleaning operations; and

WHEREAS, professional services are needed to further study the environmental conditions and determine a remediation strategy, if necessary; and

WHEREAS, Barr Engineering has successfully completed the Phase I Environmental Assessment for the property and proposes further evaluation of the site for a total amount not to exceed \$30,600.

NOW, THEREFORE, BE IT RESOLVED, the Edina Housing and Redevelopment Authority approves the Professional Services agreement with Barr Engineering and authorizes the Chair and Executive Director to execute the documents necessary to carry out the work.

BE IT FURTHER RESOLVED, that in the event that additional professional services related to a remediation plan for the site are necessary, the Executive Director is authorized to amend this contract to a maximum total amount of \$45,600.

Dated: April 16, 2013.

Attest: _____
Ann Swenson, Secretary

James B. Hovland, Chair

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS
CITY OF EDINA)

CERTIFICATE OF EXECUTIVE DIRECTOR

I, the undersigned duly appointed and acting Executive Director for the Edina Housing and Redevelopment Authority do hereby certify that the attached and foregoing Resolution is a true and correct copy of the Resolution duly adopted by the Edina Housing and Redevelopment Authority at its Regular Meeting of April 6, 2013, and as recorded in the Minutes of said Special Meeting.

WITNESS my hand and seal of said City this _____ day of _____, _____.

Executive Director

April 10, 2013

Mr. Bill Neuendorf
City of Edina
4801 W. 50th Street
Edina, Minnesota 55424

Re: Proposal - Limited Phase II Investigation
3930 49½ Street West, Edina, Minnesota

Dear Bill:

Barr Engineering Company is pleased to submit this proposal for conducting a limited Phase II Investigation (Investigation) at 3930 49½ Street West, Edina, Minnesota (Property). The purpose of this Investigation is to confirm the absence or presence of shallow groundwater contamination associated with the findings of the Phase I environmental site assessment (ESA) and Limited Phase II Investigation regarding the historic on-site dry cleaner and off-site dry cleaner located potentially upgradient. The previous Limited Phase I Investigation indicated the presence of volatile organic compounds (VOCs) associated with dry cleaner operations in the soil and in soil gas beneath and immediately adjacent to the existing building.

The analytical results of the Investigation will be used to determine if the shallow groundwater concentrations meet or exceed current Minnesota Department of Health's (MDH's) Health Risk Limits (HRLs).

Scope of Work

Barr will provide the following scope of work:

- Update the project-specific health and safety plan (PHASP) prior to performing the site sampling visit.
- Mobilize to the site.
- Retain a drilling firm to advance up to four soil probes to 30 to 40 feet below the ground surface (bgs) that will be converted to temporary monitoring wells to collect shallow groundwater samples. Temporary monitoring well locations may vary depending on utility locations and accessibility in the field.
- Observe the well installation, conduct field screening, and collect shallow groundwater samples.
- Collect soil samples from the soil probes if the organic vapor readings as measured with a photoionization detector (PID) exceed 10 parts per million (ppm).
- Collect one groundwater sample from each temporary monitoring well and submit the samples for laboratory analysis of volatile organic compounds (VOCs) by EPA method 8260.
- Survey the ground surface and top of temporary well casing and collect spatial data.

- Complete a file review, at MPCA's office, for the Hooten Cleaner property, located up-gradient from the Property.
- Prepare a letter report, which presents the findings and results of the investigation and provides recommendations and conclusions for potential further actions based on these findings and results.

Field tasks and documentation will be collected in accordance with Barr's standard operating procedures (SOPs) applicable to the project.

Schedule

Barr will plan to initiate the file review and conduct the field work during the week of April 15, 2013. A five-day turnaround time for the analytical results will be requested from Legend Technical Services, of St. Paul, Minnesota, to accommodate the project schedule. Assuming the field work starts on the scheduled date, Legend is able to provide results within the five-day turnaround time, and the files are readily accessible at MPCA's office, Barr will prepare a verbal report by April 29, 2013, a draft Phase II letter report by May 3, 2013, and a final report upon receipt of comments.

Estimated Cost

Our estimated cost for completing the Investigation \$15,400, and is broken down as follows:

	Expense Breakdown			
	Barr Labor (Field + Report)	Equipment + Expense	Barr Subcontractors	Total
Phase II Cost Estimate	\$9,900	\$500	\$5,000	\$15,400

Cost estimate includes:

- Roundtrip travel to Property
- Field preparation (contracting, safety plan development, and coordination)
- Field implementation (drilling and analytical fees included)
- Project management
- Conference calls and e-mail correspondence
- File review at MPCA's office for the Hooten Cleaner site
- Phase II draft and final reports

The cost assumes that Barr and its subcontractors will have access to the Property prior to and during the field work the week of April 15, 2013, and that the City of Edina will provide access to and permits for work within the sidewalk. Additionally, Barr assumes that no soil samples will be collected; however, as indicated above, if contaminated soil (PID reading above 10 ppm) is encountered, soil samples will be collected for chemical analysis for VOCs by EPA method 8260. You will be notified if contaminated soil is encountered. The cost to analyze additional soil samples is \$82.50/ sample.

Assuming the field work can be completed in two days, Barr is seeking an additional \$15,400.00 for this work under Barr's February 27, 2013, contract with the City of Edina for a contract total of \$30,600

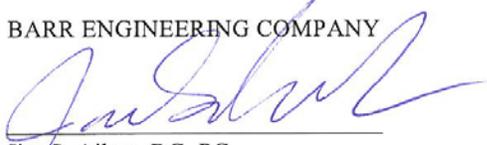
(including the initial Phase I ESA (\$2,900) and the previous Limited Phase II Investigation (\$12,300)). Barr will charge our costs on a time and expense basis and will not exceed the above cost estimate without prior approval from the City of Edina.

Please indicate your acceptance of this proposal by signing this proposal and returning a copy.

Thank you for the opportunity to provide assistance on your project. If you have any questions, please call Mary Sands or me at 952-832-2740 or 952-832-2725, respectively.

Sincerely yours,

BARR ENGINEERING COMPANY

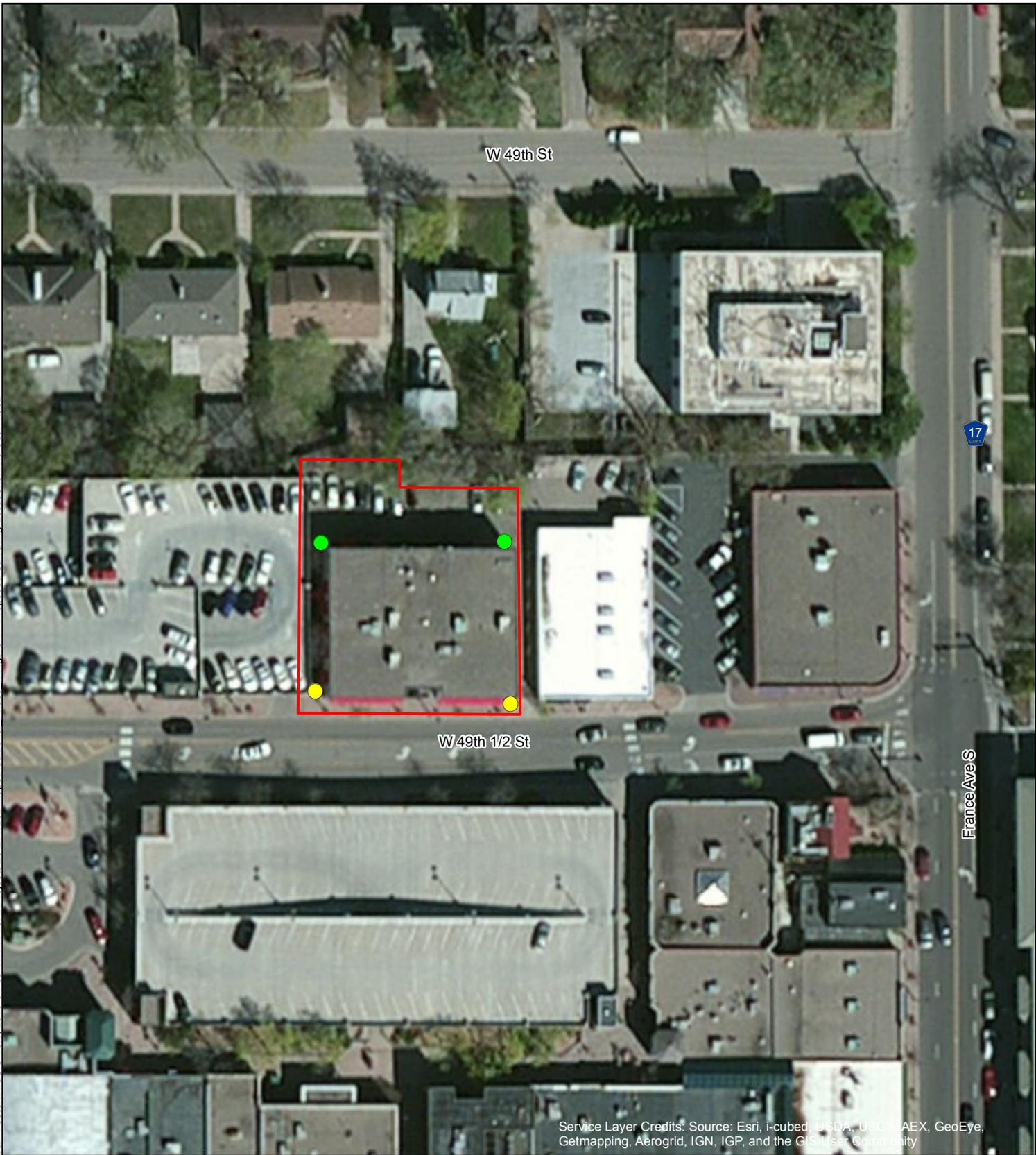


Jim S. Aiken, RG, PG
Its Vice President

Accepted this ____ day of _____, 2013

By _____

Its _____



- Approximate Property Boundary
- Proposed Shallow Groundwater Sampling Location
- Potential Shallow Groundwater Sampling Location

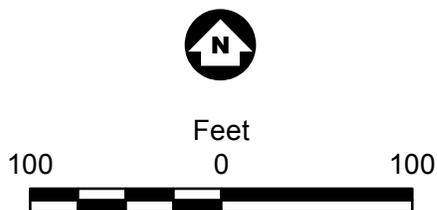


Figure 1

PROPOSED SAMPLING LOCATIONS
3930 49 1/2 Street West
Edina, Minnesota