



January 5, 2018

Kristina Handt
The City of Lake Elmo
3800 Laverne Avenue North
Lake Elmo, MN 55042

**Subject: Proposal for Property Condition and Phase I Environmental Site Assessment
City of Lake Elmo
3800 Laverne Avenue North
Lake Elmo, MN 55042**

Dear Ms. Handt,

Coastal Ecology Group, LLC (DBA CEG Assessments and henceforth referred to as CEG) is pleased to provide the City of Lake Elmo ("the Client") with the following proposal to provide a Property Condition Assessment (PCA) and Phase I Environmental Site Assessment for 3880 Laverne Ave North, Lake Elmo, MN ("the Project").

Project Information

Based on information provided by the Client, CEG understands the property consists of one parcel improved with an 18,000 SF building located at 3880 Laverne Ave North, Lake Elmo, MN.

Scope of Work- ESA

CEG will perform the ESA in general accordance with ASTM E1527-13 Standard Practice for Environmental Site Assessments: Phase I Site Assessment Process, consistent with a level of care and skill ordinarily practiced by the environmental consulting profession currently providing similar services under similar circumstances. The scope of work will include an evaluation of:

The Project history in an attempt to identify any possible ownership(s) and/or uses that would suggest an impact to the environmental integrity of the Project as identified through review of reasonably ascertainable standard historical sources.

Physical characteristics of the Project as identified through review of reasonably ascertainable topographic maps.

Current Project conditions (as applicable), including compliance with appropriate regulations as they pertain to the presence or absence of:

Facility storage tanks, drums, containers (above or below ground), etc.

Transformers and other electrical equipment which utilize fluid which may potentially contain polychlorinated biphenyls (PCBs)

The use of hazardous materials/chemicals and petroleum products, and/or the generation, treatment, storage, or disposal of hazardous, regulated, or medical wastes

An evaluation of information contained in programs such as the NPL, CERCLIS, SHWS, RCRIS, SWF, LUST, and other governmental information systems within specific search distances of the Project. This evaluation will be performed to identify any sites that may have the potential to impact the environmental integrity of the Project. The regulatory agency report provided is based on an evaluation of the data collected and compiled by a contracted data research company. The report is based on a radius search which focuses on both the Project and neighboring sites that may



impact the Project. Neighboring sites listed in governmental environmental records are identified within a specific search distance. The search distance varies depending upon the particular government record being checked. The search is designed to meet the requirements of ASTM Standard E 1527-13. The information provided is assumed to be correct and complete.

Visual observation of the Project and adjacent properties and review of readily available historical and regulatory information to identify the potential for known or suspected migration of hazardous substances or petroleum products in any form, including solid and liquid at the surface or subsurface, and vapor in the subsurface.

Note: This assessment is not intended to comply with E2600 Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions.

In addition, at the Client's request, the assessment will include the following non-scope items:

A review of the physical characteristics of the Project as identified through review of reasonably ascertainable wetlands, floodplain, soils, geology, and groundwater data.

A screening approach for the potential existence of:

Asbestos, including the identification of all suspect materials in accessible areas (interior and exterior). These materials are considered suspect, until tested and proven otherwise. Friable materials are those that can be easily crumbled or pulverized by hand pressure. This screening approach is not a comprehensive (i.e., AHERA-Style) asbestos survey, nor is it intended to fulfill the NESHAP requirements for demolition/renovation purposes, but it is intended to identify the potential for an asbestos hazard in accessible areas. This screening is not intended to be used for demolition, abatement, renovation, or repair work. The basis for "suspect" determination is taken from the materials listed in Appendix G of the United States Environmental Protection Agency (USEPA) publication *Managing Asbestos in Place* (the "Green Book"). Therefore, all materials listed in the Green Book that were installed prior to 1981 are considered suspect with the exception of resilient floor tile, asbestos-cement board (transite), and roofing felt, which are considered suspect, regardless of installation date (these materials continue to be manufactured and installed in the United States). Sampling will not be performed as a part of this assessment.

Radon gas propensity, through the review of the USEPA's Map of Radon Zones for all properties. Sampling will not be performed as a part of this assessment.

Lead-based paint for all properties constructed prior to 1978. The basis for this determination is taken from the Lead Paint Poisoning Act passed by the Congress of the United States that banned the use of lead paint starting January 1, 1978. Therefore, all paint applied prior to 1978 is considered suspect. Sampling will not be performed as a part of this assessment.

Lead in water, based on information provided by the municipal water provider. Sampling will not be performed as a part of this assessment.

Mold, including the identification of visible mold growth, conditions conducive for mold growth, and evidence of moisture in accessible areas of the Project. In addition, CEG will interview Project personnel regarding any known or suspected mold contamination, water intrusion, or mildew like odor problems. Sampling will not be performed as a part of this assessment. CEG notes that this assessment does not constitute a comprehensive mold survey of the Project, and the conclusions made will be based solely on observable conditions in readily accessible interior areas of the Project on the assessment date.

Scope of Work- PCA

CEG will perform the PCA in general accordance with *ASTM E2018-15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*, consistent with a level of care and skill ordinarily practiced by the building science consulting profession currently providing similar services under similar circumstances. The scope of work will include:

- Reconnaissance of the Project to evaluate the general condition of the building and site improvements, review available construction documents relevant to in-place construction systems, life safety, mechanical, electrical, and plumbing systems, and the general built environment.



- Identification of items/systems representative of deferred maintenance and provide cost estimates based on observed conditions, maintenance history and industry standard useful life estimates.
- Review of documented capital improvements completed within the last five-year period and work currently contracted for, if applicable.
- Provide a full description of the Project with descriptions of in-place systems and commentary on observed conditions.
- Provide a *Limited Tier I Survey* of the Project's compliance to Title III of the Americans with Disabilities Act. This will not constitute a full ADA survey.
- Perform a limited assessment of accessible areas of the building(s) for the presence of mold, conditions conducive to mold growth, and/or evidence of moisture. Interviews with Project personnel regarding the presence of any known or suspected mold, elevated relative humidity, water intrusion, or mildew-like odors will similarly be performed. Potentially affected areas will be photographed. Sampling will not be considered in routine assessments.
- Review maintenance procedures with the in-place maintenance personnel.
- Observe a representative sample of the interior tenant spaces/units, including vacant spaces/units, in order to gain a clear understanding of the Project's overall condition. Other areas to be observed include the exterior of the Project, the roofs, interior common areas, and mechanical, electrical and elevator equipment rooms.
- Appropriate inquiries of municipal officials regarding the existence of pending unresolved building, zoning or fire code violations on file, and a determination of the current zoning category, flood plain zone, and seismic zone for the Project.
- Provide recommendations for additional studies, if required, with related budgetary information.

In addition, the assessment will include the following non-scope items:

- Project disclosure information is obtained from CEG's *Pre-survey Questionnaire* (copy included in the Appendices)
- Preparation of the *Modified Capital Reserves Schedule* based upon a 7 year reserve term
- Provide a statement on the Project's Remaining Useful Life
- Determination of Federal Emergency Management Agency (FEMA) Flood Plain Zone and geographic Uniform Building Code Seismic Zone

The following items are excluded from ASTM 2018-15, and are considered outside the scope of a PCA:

- Utilities: Operating conditions of any systems or accessing manholes or utility pits.
- Entering of crawl or confined space areas, determination of previous substructure flooding or water penetration unless easily visible or if such information is provided.
- Walking on pitched roofs, or any roof areas that appear to be unsafe, or roofs with no built-in access, or determining any roofing design criteria.
- Determining adequate pressure and flow rate, fixture-unit values and counts, or verifying pipe sizes and verifying the point of discharge for underground systems.



- Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant-owned or maintained equipment.
- Evaluation of process related equipment or condition of tenant owned/maintained equipment.
- Removing of electrical panel covers, except if removed by building staff, EMF issues, electrical testing, or operating of any electrical devices. Process related equipment or tenant owned equipment.
- Examining of cables, sheaves, controllers, motors, inspection tags, or entering elevator/escalator pits or shafts.
- Determining NFPA hazard classifications, classifying, or testing fire rating of assemblies.
- Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.
- Testing, measuring, or preparing calculations for any system or component to determine adequacy, or compliance with any standard.
- Removing or relocating materials, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or Project which obstructs access or visibility.
- Preparing engineering calculations (civil, structural, mechanical, electrical, etc.) to determine any system's, component's, or equipment's adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiency.
- Taking measurements or quantities to establish or confirm any information or representations provided by the owner or user such as: size and dimensions of the subject Project or subject building, any legal encumbrances such as easements, dwelling unit count and mix, building Project line setbacks or elevations, number and size of parking spaces, etc.
- Reporting on the presence or absence of pests such as wood damaging organisms, rodents, or insects unless evidence of such presence is readily apparent during the course of the field observer's walk-through survey or such information is provided to the consultant by the owner, user, Project manager, etc. The consultant is not required to provide a suggested remedy for treatment or remediation, determine the extent of infestation, nor provide opinions of probable costs for treatment or remediation of any deterioration that may have resulted.
- Reporting on the condition of subterranean conditions such as underground utilities, separate sewage disposal systems, wells; systems that are either considered process-related or peculiar to a specific tenancy or use; waste water treatment plants; or items or systems that are not permanently installed.
- Entering or accessing any area of the premises deemed to pose a threat of dangerous or adverse conditions with respect to the field observer or to perform any procedure, which may damage or impair the physical integrity of the Project, any system, or component.
- Providing an opinion on the condition of any system or component, which is shutdown, or whose operation by the field observer may significantly increase the registered electrical demand-load.
- Evaluating acoustical or insulating characteristics of systems or components.
- Providing an opinion on matters regarding security of the subject Project and protection of its occupants or users from unauthorized access.
- Operating or witnessing the operation of lighting or other systems typically controlled by time clocks or that are normally operated by the building's operation staff or service companies.



- Providing an environmental assessment or opinion on the presence of any environmental issues such as asbestos, hazardous wastes, toxic materials, the location and presence of designated wetlands, IAQ, etc.

CEG is merely providing an opinion. The PCA may not be construed as either a warranty or guarantee of any of the following:

- Any system's or component's physical condition or use, nor is a PCA to be construed as substituting for any system's or equipment's warranty transfer inspection.
- Compliance with any federal, state, or local statute, ordinance, rule or regulation including, but not limited to, building codes, safety codes, environmental regulations, health codes or zoning ordinances or compliance with trade/design standards or the standards developed by the insurance industry. However, should there be any conspicuous material present violations observed or reported based upon actual knowledge of the field observer or the PCA reviewer, they should be identified in the PCA.
- Compliance of any material, equipment, or system with any certification or actuation rate program, vendor's or manufacturer's warranty provisions, or provisions established by any standards that are related to insurance industry acceptance/approval such as FM, State Board of Fire Underwriters, etc.

Fees, Schedule and Deliverable

CEG will perform the above scope of work based on a fee of \$3,300.00. This fee is considered lump-sum and will not be exceeded without prior authorization from the Client. CEG will prepare and furnish one electronic copy of a final report of investigation, which will include an executive summary and recommendations section in accordance with industry standards. Submittal of the final deliverable is anticipated within 15 business days of receipt of this executed proposal.

Client Responsibilities and Authorization

The proposed fee and schedule are based on Client responsibilities that include, but are not limited to, providing timely access to the entire Project, providing accurate Project location information, providing access to knowledgeable building maintenance and engineering staff, and providing available documentation.

CEG appreciates the opportunity to submit this proposal. If this proposal is deemed acceptable, please provide an executed copy of the attached Property Condition Services Assessment Agreement to the undersigned. Should you have any questions or require additional information, please do not hesitate to contact the undersigned at 866.557.6564 Ext. 140 or 480.652.5773.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert A. Tootle", written over a light blue horizontal line.

Robert A. Tootle
Director of National Sales
CEG Assessments, LLC

Attachments: Combo Services Assessment Agreement



SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 5th day of January, 2018, by and between The City of Elmo Lake having offices at 3800 Laverne Avenue North, Lake Elmo, MN 55042, hereinafter referred to as the "CLIENT" and Coastal Ecology Group, LLC, hereinafter referred to as "CEG." CEG Assessments is a registered "doing business as" name of Coastal Ecology Group, LLC.

WHEREAS, the CLIENT desires to have certain services and/or tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, CEG represents that CEG is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties agree as follows:

1. **Scope of Services:** CEG shall perform such services and accomplish such tasks, including furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as CEG responsibilities throughout this agreement and incorporated herein as the "Project."
2. **Delivery Schedule:** CEG will provide a report within 15 business days of execution of this contract.
3. **Project Address:** CEG is conducting the Assessment on a property located at: 3880 Laverne Avenue North, Lake Elmo, MN 55042.
4. **"Project":** CEG agrees to provide the CLIENT with a Phase I Environmental Site Assessment performed to ASTM E1527-13 standards and Property Condition Assessment performed to ASTM 2018-08 standards.
5. **Limitation of Liability:** Client agrees to limit CEG's liability to the maximum value of this agreement.
6. **Report Format:** CEG will prepare and furnish one (1) electronic copy of each final report of investigation, which will include an executive summary and recommendations section in accordance with industry standards.
7. **Fees:** Costs are based on a per unit/site cost.
Number of Sites: One (1) Price Per Site: \$3,300.00 Project Total: \$3,300.00
8. **Payment:** CLIENT agrees and understands that payment is due upon receipt of report.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.

CLIENT:

CEG:

Date: _____

Date: _____