

MEMORANDUM

October 6, 2020

TO: Rob Sarro, County Administrator

FROM: Dan Wedge, Executive Director of Services

RE: Facility – 431 Helen Ave, Otsego Property (formerly Rock Tenn)

In July 2020 the Board of Commissioners approved the request to develop a request for proposal (RFP) for the demolition of the former Rock Tenn facilities and the removal of the foundations. The developer with prior interest in the property estimated his cost for demolition and removal of the building debris at \$400,000, and the removal of the foundation at \$800,000 for a total of \$1,200,000 not including fill or grading. At the Allegan County Brownfield Redevelopment Authority (ACBRA) meeting on August 11, 2020 it was suggested to remove concrete to 4-6 feet below ground level and leaving the remaining concrete as an option. The ACBRA suggested seeking cost proposals for three scenarios 1.) Demo and removal of the buildings, 2.) Removal of concrete 4 feet below grade, and 3.) Complete removal of all foundations.

Several RFP's from other current and recent paper mill demolitions project were reviewed by County Administration. This review prompted further discussion with the local site supervisor for the EPA and with the City Manager for the City of Plainwell on the current demolition of the Plainwell paper mill. Both recommended the hiring of an environmental contractor to develop the RFP for a variety of reasons. The environmental contractor would develop the Request for Proposal and provide the follow but not limited to:

- Review site conditions review and preparation of a Data Gaps summary.
- Verification of existing conditions to historical reports
- Development of the contractor scope of technical specification detailing the work to be performed for decommissioning. This will be prepared based on findings during the pre-demolition inspection, sampling, and surveying.
- Develop bid milestone schedule for the decommissioning bid.
- Prepare reports, surveys, drawings, material safety data sheets, and similar resources as required and provided by Allegan County (Due Care Plan). The bids will be written to include a lump sum price and time-and-material rates for the decommissioning bid.
- For the time-and-material pricing, develop a standard bid sheet so that Contractors will provide a uniform set of labor and equipment rates for bid comparisons.
- Assist Allegan County in procuring the decommissioning contractor through a competitive bidding process.

This process would ensure the bidders take into account the County's liabilities for the removal of the building debris.

Based on a review of the historical documentation that was provided for the Site, additional assessment Building Decommissioning Assessment (BDA) activities are recommended for inclusion in the Bid Documents preparation. The contractors also recommend the following activities be considered in the development of the RFP:

- Confirmation of the quantification of Universal Wastes (including fluorescent bulbs, HIDs, mercury containing devices, battery devices)
- Confirmation of the quantification of PCB containing items (transformers, capacitors, ballasts, paint)
- Sampling of materials for disposal and/or reuse
- Identification and quantification of impacted materials to meet regulatory requirements
- A limited Asbestos-Containing Materials (ACM) survey to identify, verify, and quantify potential ACM materials if the existing reports do not meet the regulatory requirements

On September 30, 2020 the ACBRA met and discussed the RFP development and advantages of also doing a BRP. A motion was made: *Brownfield Redevelopment Authority recommends to the Board of Commissioners that the County develop a brownfield plan and RFP for demolition simultaneously so that all eligible expenses to be recovered.*

Cost proposals were requested from two environmental consultants (one working on the Plainwell project and one that conducted the Phase I & Phase II on Rock Tenn). Both firms are familiar with the property. The potential cost for RFP development of the three scenarios range between \$25,000 and \$36,600. Both have advised that 30 days for development is reasonable from the time of a signed agreement. The estimated cost for a Brownfield Redevelopment Plan (BRP) is approximately \$20,000.

Through this process it has been asked how the County will pay for the estimated \$1,200,000 in demolition and cleanup cost as well as the RFP and BRP. The options available are:

1. Hire a consultant to develop an RFP for demolition and removal and to develop a Brownfield Redevelopment Plan (BRP). The County would proceed immediately with RFP development utilizing Tax Reversion Funds or other County funds (up to \$40,000). All other work would be incorporated into the BRP (plan development up to \$20,000 eligible for reimbursement) to be recuperated through financing tools, primarily expected to be Brownfield Tax Incremental Financing.
2. Hire a consultant to develop a BRP and an RFP for demolition and removal. The County would proceed immediately with the BRP which would include development and release of a RFP (after the BRP is approved) initially utilizing Tax Reversion Funds or other County funds (plan development and RFP costs up to \$60,000 eligible for reimbursement). All work is expected to be recuperated through financing tools, primarily expected to be Brownfield Tax Incremental Financing.
3. Hire a consultant to develop an RFP for demolition and removal. The County would proceed immediately with RFP development utilizing Tax Reversion Funds or other County funds (up to \$40,000). Demolition and removal work could be done in part or in whole, or phased in. All work would be completed utilizing County funds or grants that may be acquired. Reimbursement of County funds would likely be limited to sale proceeds.

Recommendation: Proceed with Option 2.

For additional information please contact me at 269-686-4529.