REQUEST FOR COUNCIL ACTION

Date: 10/24/11 Item No.: 11.a

Department Approval

City Manager Approval

Cttyl K. mill

Item Description: Public Hearing to Amend the City's Redevelopment Plan and Industrial

Development District # 1 Plan in Conjunction with the Sale of Bonds to Finance

the Construction of a new Fire Station and Park Improvements

BACKGROUND

At the October 10, 2011 City Council meeting, the Council established a public hearing to amend the City's Redevelopment Plan and Industrial Development District # 1 Plan in conjunction with the sale of bonds to finance the construction of a new fire station and park improvements.

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These Plans will be used in conjunction with the City's Port Authority powers which will be formally enabled in the form of an ordinance. The creation of the ordinance will require separate Council action. These Plans were created in 1990 and modified in 1991 to encompass the entire City. They were enacted to guide future redevelopment activities including public facilities and amenities.

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The City's Bond Counsel believes the existing language within these Plans satisfies the requirements necessary to issue fire station bonds under the City's Port Authority. However, to ensure the City's intent with regard to funding a new fire station and the proposed park improvements is clearly communicated, it is suggested that these Plans be amended. Once the Plans are amended, the City Council will be asked to authorize the issuance of the bonds under the City's Port Authority.

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To maximize the marketability of the bonds while preserving the lowest possible borrowing rate, it is recommended that the City issue no more than \$10 million in bonds per year. By doing so, the bonds will be considered under IRS Regulations to be 'bank qualified'. This means that smaller, local banks will be able to bid on the bonds which should effectively drive the interest rates down – by an expected 0.25%. This translates to an overall savings of approximately \$900,000 in borrowing costs on the proposed bonds.

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Based on this approach, it is suggested that the Council consider the following tentative timeline:

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Bond Sale Timeline (tentative)

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October, 2011 Authorize the sale of \$10 million in bonds (\$8 million for the fire station and \$2 million for parks)

November, 2011 Date of sale for \$10 million

293031

April, 2012 Authorize the sale of \$10 million in bonds for parks

May, 2012 Date of sale for \$10 million

December, 2012 Authorize the sale of \$7 million in bonds for parks

January, 2013 Date of sale for \$7 million

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Based on this timeline, all \$27 million of the proposed financing package will be completed or in process by the end of 2012, yet the City will still ensure that the bonds will remain 'bank qualified'.

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POLICY OBJECTIVE

The issuance of bonds to finance the construction of a new fire station and park improvements is consistent with the goals established by Imagine Roseville 2025, and prior Council directives.

43 FINANCIAL IMPACTS

An \$8 million bond for the Fire Station is expected to have an annual impact of approximately \$36, or \$3 per month for a typical home. The annual debt service would be approximately \$735,000.

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A \$19 million (overall) bond for Park Improvements is expected to have an annual impact of approximately \$70, or \$6 per month for a typical home. The annual debt service would be approximately \$1,430,000.

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STAFF RECOMMENDATION

Staff recommends the Council approve the attached resolution amending the City's Redevelopment Plan and Industrial Development District # 1 Plan in, conjunction with the sale of bonds to finance the construction of a new fire station and park improvements.

53 REQUESTED COUNCIL ACTION

Approve the attached resolution amending the City's Redevelopment Plan and Industrial Development
District # 1 Plan in, conjunction with the sale of bonds to finance the construction of a new fire station and
park improvements.

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Prepared by: Chris Miller, Finance Director

Attachments: A: Resolution to amend the City's Redevelopment Plan and Industrial Development District #1 Plan, in

conjunction with the sale of bonds finance the construction of a new fire station and park improvements.

B: Amended Redevelopment Plan and Industrial Development District #1 Plan

EXTRACT OF MINUTES OF A MEETING OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE

HELD: October 24, 2011

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville,
Minnesota, was duly called and held at the City Hall on October 24, 2011, at 6:00 p.m.,
The following members were present:

and the following members were absent:

Member ______ introduced the following resolution and moved for its adoption:

RESOLUTION NO. _____

RESOLUTION APPROVING MODIFICATIONS TO THE REDEVELOPMENT PROJECT AREA AND INDUSTRIAL DEVELOPMENT DISTRICT NO. 1 PLAN

- 1. WHEREAS, the City of Roseville, Minnesota (the "City") has heretofore established the Redevelopment Project Area and Industrial Development District No. 1 (the "Project Area"); and there is a proposal to modify the Redevelopment Project Area and Industrial Development District No. 1 Plan for the Project Area pursuant to and in accordance with Minnesota Statutes, Sections 469.001 through 469.047 (the "Act"); and
- 2. WHEREAS, the City has investigated the facts and has caused to be prepared modifications to the Redevelopment Project Area and Industrial Development District No. 1 Plan pursuant to the Act to provide for a redevelopment project consisting of redeveloping various components of its park system and the construction of a new fire station because of water infiltration, mold problems, and general deterioration at an existing fire station located at Woodhill and Lexington avenues (the "Project"); and
- 3. WHEREAS, it is desirable and in the public interest that the City undertake the Project, as provided in the "Modifications to the Redevelopment Project Area and the Industrial Development District No. 1 Plan", dated October 24, 2011 (the "Plan"), a copy of the which has is on file with the County Manager and has been provided to the City Council; and
- 4. WHEREAS, the Project described in Plan is a redevelopment project within the meaning of Minnesota Statutes, Section 469.002, Subd. 14, for the purpose of redevelopment as set forth in the Act.
- WHEREAS, the modifications to the Plan will carry out the purposes and policies of the Act; and

6. WHEREAS, the City consulted with its Planning Commission and the City held a public 95 hearing on the Plan on the date hereof, after having published a notice of public hearing in the official 96 newspaper of the City, conducted a public hearing on the Plan and received public comments on the 97 same; and 98 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville, Minnesota, 99 as follows: 100 The land in the Project Area would not be made available for redevelopment (a) 101 without the financial aid to be sought. 102 The Plan for the Project Area in the City will afford maximum opportunity, 103 consistent with sound needs of the City as a whole, for the redevelopment of such area by 104 private enterprise. 105 The Plan conforms to the general plan for the development of the City as a (c) 106 whole. 107 (d) The City Council of the City of Roseville, Minnesota, does hereby approve the 108 Plan as described herein. 109 The motion for the adoption of the foregoing resolution was duly seconded by member 110 __, and upon a vote being taken thereon, the following voted in favor thereof: 111 and the following voted against the same: 112 113

Whereupon said resolution was declared duly passed and adopted.

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REDEVELOPMENT PROJECT AREA AND INDUSTRIAL DEVELOPMENT DISTRICT NO. 1 PLAN, AS MODIFIED DATED: October 24, 2011

INTRODUCTION

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In 1990 the City of Roseville established Redevelopment Project Area and Industrial	
Development District No. 1 (the "Project Area") in connection with the redevelopment of the	
NCR-Comten facility. The City provided NCR-Comten with financial assistance to retain jobs	S
and to expand their workforce. The City purchased 14.5 acres of land from NCR-Comten whi	ch
was developed as a City park. In 1991 the City enlarged the Project Area to provide financial	
assistance in connection with single-family and multifamily residential property rehabilitation.	

The City of Roseville is proposing to modify the Redevelopment Project Area and Industrial Development District No. 1 Plan in order to specifically include the construction of public safety facilities and park system improvements within the Project Area.

Summary

The City is seeking to modify the Redevelopment Project Area and Industrial Development District No. 1 Plan to provide for public safety facilities and park system improvements to fulfill the public purpose objectives of prevention of the causes of blight and to protect the health, safety and welfare of the community.

DEFINITIONS

For the purposes of clarity, the following terms defined in this Plan shall have the following meanings given to them.

<u>Blighted Area</u> means any area with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.

<u>Development</u> means those developments and redevelopments described in this Plan in connection with which the City intends to incur public redevelopment costs as described in the Plan, the purpose of which is for the proposed construction of public infrastructure improvements, public facilities, redevelopment to prevent the causes of blight and economic development to create jobs and enhance the tax base.

Housing Project means any work or undertaking to provide decent, safe, and sanitary dwellings for persons of low income and their families. Such work or undertaking may include acquisition or provision of buildings, land, equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances, streets, sewers, water service, utilities, site preparation, landscaping, administrative, community, health, recreational, welfare, or other purposes. "Housing project" also includes the planning of the buildings and

improvements, the acquisition of property, the demolition or removal of existing structures, the construction, reconstruction, alteration, and repair of the improvements and all other work in connection therewith.

Housing Development Project means any work or undertaking to provide housing for persons of moderate income and their families. This work or undertaking may include the planning of building and improvements, the acquisition of real property which may be needed immediately or in the future for housing purposes, the construction, reconstruction, alteration and repair of new or existing buildings and the provisions of all equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, utilities, site preparation, landscaping, administrative, community health, recreation or welfare or other purposes.

<u>Plan</u> means the City of Roseville Redevelopment Project Area and Industrial Development District No. 1 Plan prepared, and amended pursuant to the provisions of Minnesota Statutes, Sections 469.001 to 469.047 and Section 469.058 which provides an outline for the development or redevelopment of the area and is sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses; and (2) to indicate general land uses and general standards of development or redevelopment.

Project is an "Industrial Development District" as described in Minnesota Statutes, Section 469.058, Subdivision 1, and a "Redevelopment Project" or a "Housing Project" or a "Housing Redevelopment Project" as defined in Minnesota Statutes, Section 469.002, Subdivision 14, and means any work or undertaking to establish a system of industrial developments and:

- (1) to acquire blighted area and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight;
- (2) to clear any areas acquired and install, construct or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with the Redevelopment Plan;
- (3) to sell or lease land so acquired for uses in accordance with the Redevelopment Plan;
 - (4) to prepare a Redevelopment Plan, and to incur initiation, planning, survey and other administrative costs of a Redevelopment Project, and to prepare technical and financial plans and arrangements for buildings, structures, and improvements and all other work in connection therewith; or
 - (5) to conduct an urban renewal project. The term "urban renewal project" may include undertakings and activities for the elimination or for the prevention of the development or spread of slums or blighted or deteriorating areas and may involve any work or undertaking for the purpose constituting a redevelopment project or any rehabilitation or conservation work. For this purpose, "rehabilitation or conservation work" may include (i) carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements; (ii) acquisition of real property and demolition, removal, or rehabilitation of

buildings and improvements thereon where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, or to otherwise remove or prevent the spread of blight or deterioration, to promote historic and architectural preservation, or to provide land for needed public facilities; (iii) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project; (iv) the disposition, for uses in accordance with the objectives of the urban renewal project, of any property or part thereof acquired in the area of the project; provided that the dispositions shall be in the manner prescribed in Sections 469.001 to 469.047 for the disposition of property in a redevelopment project area; (v) relocation within or outside the project area of structures that will be restored and maintained for architectural or historic purposes; (vi) restoration of acquired properties of historic or architectural value; and (vii) construction of foundations and platforms necessary for the provision of air rights sites.

The term "Redevelopment Project" also means a redevelopment project initiated as then provided by law and approved by the governing body of the City prior to July 1, 1951 as prescribed by Minnesota Statutes 1949, Section 462.521.

The term "industrial developments" means any undertaking that promotes an economic development purpose set forth in Minnesota Statutes, Sections 469.152 through 469.1651.

<u>Project Area</u> means that area described in this Plan in which the City intends to undertake Projects.

REDEVELOPMENT PROJECT AREA AND INDUSTRIAL DEVELOPMENT DISTRICT NO. 1

Policy

It is hereby declared to be the policy of the City to protect and promote the welfare of the citizens of the City by employing all means necessary and appropriate to satisfy the foregoing needs: (1) the acquisition and rehabilitation of property; and (2) the provision of infrastructure, other public improvements and public facilities to promote redevelopment, economic development and the creation of employment opportunities. The Redevelopment Project Area and Industrial Development District No. 1 Plan provides a legal basis to consider implementation of a viable financing mechanism that funds the public redevelopment cost, as defined in Minnesota Statutes, Section 469.033, Subdivision 1, of the Development and the cost of redevelopment of the Development pursuant to Minnesota Statutes, Sections 469.048 to 469.068, (collectively "Development Costs"), which in turn enables redevelopment of property and redevelopment of public facilities to prevent the causes of blight and affords opportunities for economic development and job creation.

The Plan enunciates the legal authority for the involvement of the City in the development and redevelopment process. In addition to being a guide for the physical development and the continual management of the Development and Project, the Plan offers an opportunity to coordinate Project Area improvements with the Comprehensive Plan and other county, regional, state and national goals and objectives.

116	Statutory A	<u>uthority</u>			
117 118 119 120 121	Chapter 469 Developmen	City of Roseville has granted to it under the provisions of Minnesota Statutes, the power to undertake Projects. By undertaking a Project in connection with a t, the City has the ability to provide the Development with financial assistance and a portion of redevelopment costs, thus making the Development financially			
122 123	<u>Description</u>	of Redevelopment Project Area and Industrial Development District No. 1			
123 124 125 126	(collectively	velopment Project Area and Industrial Development District No. 1, as enlarged the "Project Area") is described on Exhibit A attached hereto. The City is not e Project Area.			
127	Developmen	at Proposals			
128 129 130		in the Project Area the City intends to provide for public safety facilities, parkland nd park system improvements, and pathway acquisitions and improvements.			
131	Redevelopment Plan Objectives				
132 133	The C	City seeks to achieve the following objectives through this Plan:			
134	1.	Improve the financial base of the City.			
135 136	2.	Provide maximum opportunity, consistent with the needs of the City for development by private enterprise.			
137	3.	Provide increased employment opportunities.			
138	4.	Encourage the retention and expansion of existing intensive businesses.			
139 140	5.	Preserve and encourage the rehabilitation and/or expansion of structures within the Project Area.			
141 142	6.	Achieve a high level of design and landscaping quality to enhance the physical environment.			
143 144	7.	Create effective buffers, screens, and/or transitions between residential and non-residential uses to minimize the potential blighting effects of divergent land uses.			
145 146	8.	Provide recreational opportunities and provide public safety facilities for residents of the City.			

Acquire land or space which is vacant, unused, underused, or inappropriately

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used.

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149 150	10.	Acquire property containing structurally substandard buildings and remove structurally substandard buildings for which rehabilitation is not feasible.
151	11.	Eliminate blighting influences which impede potential development.
152	12.	Eliminate or correct physical deterrents to the development of land.
153 154	13.	Provide adequate roads, sidewalks and other public improvements to enhance the area for new development.
155 156	14.	Coordinate elements of the City's Comprehensive Plan with these project objectives.
157 158	15.	Provide maximum opportunity, consistent with the needs of the City, for development by private enterprise.
159	Project Activ	<u>vities</u>
160 161 162 163	Comprehensi Development	ity envisions the development of the Project Area in accordance with the ve Plan for the City, the zoning and subdivision ordinances and this Plan. proposals which are submitted will be reviewed to determine conformance with the nd regulations.
164 165 166 167	City a broad a	esota Statutes, Section 469.012, and Sections 469.048 through 469.068, grants the array of powers to undertake a Project. The City will perform all Project activities e statute and in doing so anticipates that the following activities may be
168	1.	Acquisition/Clearance/Redevelopment/Rehabilitation.
169 170 171 172 173	public project private project necessary to p	ity may acquire and clear property for the development and redevelopment of its or public improvements. The City may acquire property for the development of its including rehabilitation. The City may assist in rehabilitation of buildings when prevent blighting conditions or the prevention of blight. Land acquisition will be thin the requirements of the Uniform Acquisition and Relocation Act.
174	2.	Site preparation and construction of buildings.
175 176 177 178	including stre	rties acquired by the City may be prepared for development and redevelopment, et, curb, gutter, bituminous, flood prevention improvements, subsoil correction, and nent of greenways, walkways, common access corridors and public parks. In City may choose to construct new facilities.
179	3.	Vacation of public land and easements/Dedication of new rights-of-way.

3. Vacation of public land and easements/Dedication of new rights-of-way.

When public land easements no longer serve a public purpose, the land or the easements

may be vacated for development by the City or private developer. In addition, to promote new

development or enhance the general safety and welfare of the community, new rights-of-way may be dedicated.

4. <u>Incentives for commercial/industrial expansion and development.</u>

The City may provide financial incentives and other forms of public assistance for the retention, development and/or expansion of commercial business and industry. The provision of these forms of public assistance may be financed through tax increment and other revenues.

5. Public Improvements.

The City may construct public improvements such as streets, traffic signals, sanitary sewer, storm drainage, including the separation of storm and sanitary sewers, waterlines, parking, parks and open space, public attraction centers, and public safety facilities as it deems necessary and desirable for the implementation of a Project.

6. Maintenance.

Maintenance of improvements undertaken by the City may include the improvement of public lighting, streetscaping, parking, signs, traffic control devices, pedestrian improvements and other improvements listed in paragraph 5 above.

7. Administration.

The City will administer the improvements contemplated by this modified Plan.

Findings of Public Purpose

It is hereby determined by the City that the proposed modifications are considered necessary to maintain core public services consistent with the goals and objectives outlined in the Imagine Roseville 2025 process as well as established City Council priorities. It is further determined that the proposed facilities and improvements are primarily for the purpose of replacing existing facilities, infrastructure and amenities. Studies have indicated that parks enhance the market value of homes adjacent to or near parks and generally benefit all properties within the community. In addition, creating and maintaining parks stimulates the economy and provides economic benefits to the community. Attached hereto as Exhibit B are articles describing these benefits. In connection with the relocation of the existing fire station located at Woodhill and Lexington attached hereto at Exhibit C are studies indicating the water damage and mold growth in the existing fire station.

Project Financing

The City proposes to utilize its port authority and the powers granted to it by the state legislature to issue general obligation bonds to provide for the proposed public safety facilities and park system improvements described above.

216 EXHIBIT A

217 City of Roseville, MN Boundary Map

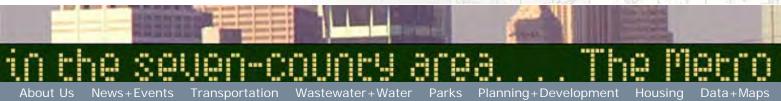


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EXHIBIT B

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Parks and open space increase value of nearby homes

Study in Washington County quantifies increased values

How much more are you willing to pay for a home near a natural area: a park or trails, for example, a wooded area, a lake or wetland? In Washington County it's \$15,000, according to a new economic impact report due out at year's end.

It has long been suspected that residents of the Twin Cities area value open space and natural areas and are willing to pay more to live near them, but it hasn't been quantified—until now.

The economic sense of preserving natural areas

Research commissioned by the **Embrace Open Space (EOS)** campaign confirms that property values are higher for homes located near public parks and open space and now, in Washington County in the east metro, we know how much higher.

"Minnesotans intuitively know that being near natural areas increases home values," said Susan Schmidt, State Director for the Trust for Public Land (TPL). "What this study does is put a dollar figure on the importance of natural amenities to home buyers. Higher home values, in turn, benefit local units of government.

"What it shows," said Schmidt, "is the benefit and wisdom of investing in our region's natural resources. Setting aside land for parks, improving water quality, protecting wetlands and wildlife, providing recreational opportunities—it all pays off, in terms of preservation, quality of life, and in actual dollars and cents."



The Embrace Open Space study showed that homes within 100 feet of a natural area were, on average, worth \$15,000 more than similar homes surrounded by other homes.

In the case of Washington County, the study evaluated home purchases between 2002 and 2005, and removed other variables affecting values such as floor area, lot size, and number of bedrooms, for example. The study found home buyers willing to pay \$15,000 more for a home within 100 feet of a natural area.

When \$15,000 in added value, per home, is applied to all homes next

to natural areas throughout the county, the study concluded the total property value increase countywide amounted to \$162 million.

Study may be expanded to other counties

The study of home values started with Washington County, with additional analysis likely in other metro counties. The research follows up on a survey conducted in 2005, which showed that nearly two-thirds of Twin Cities residents would pay between 10 and 25 percent more for a home that was within walking distance to

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Embrace Open Space website

The study quantifies the increased value of homes near open space.

The study may be expanded to other counties in the future.

The Washington County bonding measure will add \$12 per \$100,000 in property value to a resident's property tax bill.

Nationwide on Nov. 7, 78 percent of local conservation funding measures were approved.

open space.

"The economic impact report takes the research and evaluation to the next level," said Jenna Fletcher, program coordinator for the EOS initiative. "It's our hope and goal, as we continue this work, that we provide residents, decision makers, local officials, developers and others with facts with which to make informed decisions about investment, acquisition and preservation of natural areas."

Metro communities approved ballot measures

Washington County residents, in fact, were asked on the Nov. 7 ballot whether to authorize \$20 million in bonds for environmental protection and preservation. The referendum passed, which will prompt a \$12 increase per \$100,000 in property value.

"No one much cares for the prospect of property tax increases," said Steven Dornfeld, a member of the Washington County Parks and Open Space Commission, as well as the Metro Council's Public Affairs Director. "But when you're talking about the kind of growth that the county and region are going to experience in coming years, it's a small price to pay to

In Andover, 54% of voters said "yes" to a \$2 million bond measure to preserve water, wildlife and natural habitat areas.

In Plymouth, 64% of voters approved raising \$9 million to acquire land for open space, greenways and parks. This is the second open space measure to pass in the city in 11 years.

make sure we preserve the qualities that attracted residents here in the first place."

County officials say the money will be used exclusively for purchasing and protecting land.

Two other communities, Andover and Plymouth, in November also approved bond measures to raise money for parks and open space acquisition and development. Since 1988, Minnesota communities have approved 22 conservation ballot measures of 27 proposed, raising over \$111 million for land and water conservation.

Across the nation on Nov. 7, according to TPL, voters in 23 states cast ballots on 130 different state and local conservation funding questions, and 102 – or 78 percent – were approved.

See the 2005 survey that launched the EOS initiative at the Embrace Open Space website. For a copy of the economic impact report due out at the end of the year, contact Embrace Open Space at 651-999-5306.

EOS is a collaborative working to increase awareness of the importance of natural areas in the Twin Cities region. There are more than a dozen participants, including the Metropolitan Council.

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Study: Open space near homes pays off

In Hennepin County, homes within 200 feet of a park, natural area or greenway get an average property value boost of \$16,300 because of their proximity to open land, a study has found.

The benefit of large parks extends even further. Open areas of 50 acres or more lend increased value of 3 to 4.8 percent to homes up to a half-mile away, the study says.

These are the findings of a property value analysis by Embrace Open Space, a program of The Trust for Public Land, a St. Paul-based land conservation advocacy group.

"We are interested in raising public awareness of the benefits of conserving natural areas," said Jenna Fletcher, program coordinator for Embrace Open Space.

With funding from the McKnight Foundation, Three Rivers Park District and others, the study used census data, home sale and other information to conclude that Hennepin County's "total increase in property values due to the presence of open space is \$3.6 billion." That value generates \$36 million in tax revenues a year, the study calculates.

Embrace Open Space said it chose to study Hennepin County because of "its rapid population growth and degree of unprotected natural resources."

Addressing common questions about how conserving land affects tax revenues, the study says that tax revenues lost by keeping land as open space can be "offset in part if homes adjacent to open space have greater value and produce higher property tax revenue."

"We are trying to build the arguments for why should cities and counties and townships invest in parks and natural areas," Fletcher said.

Not only does the study show the benefit to properties close by, but it also shows that all properties benefit "just because there is open space in a city," she said. "If a city increases its investment in open space, we can predict the increase in home values."

Embrace Open Space plans to present the study to selected cities this summer. Hennepin County will use the information in discussions with developing cities about saving critical natural areas, said Rosemary Lavin, assistant director of environmental services for the county.

"There is a view that the county has a fair amount of open space, but we've got continuing development that is occurring throughout the county," Lavin said.

The open space study gives cities an economic reason, in addition to the natural environmental benefits, to balance land preservation with development, she said.

The study found that 18 percent of Hennepin County is open space and about a third of that is the parks, trails and natural lands in the Three Rivers Park District.

The study estimates that Three Rivers park lands and natural areas have increased home values by \$369 million -- a figure that translates to \$3.5 million a year in property tax revenues for Hennepin County.

Three Rivers contributed \$10,000 to the study to get that kind of detail about "what it is we bring to the community," said Three Rivers Commissioner Marilyn Corcoran.

"It helps to confirm that the trails and the open space combined are important to people, important to their quality of life, and we can validate that claim isn't just a hollow comment," she said.

Some people are "truly skeptics as to the value of a trail and open space," Corcoran said.

Boe Carlson, Three Rivers' governmental relations administrator, said, "I think everybody feels that parks are a good thing." What the study shows is they are also "a good investment of public dollars."

Laurie Blake • 612-673-1711

Gotham Gazette - http://www.gothamgazette.com/article/parks/20090624/14/2949

Good Parks Are Good for the Economy by Anne Schwartz 24 Jun 2009



Photo (c) re:kuwait

By the time the first section of the High Line opened in June to wide acclaim, dozens of new buildings had already sprouted up around it, including a glass-curtained hotel that floats above the park and a series of residential towers designed by world-renowned architects. City officials have predicted that development sparked by reinventing the abandoned elevated rail line as a park will bring \$4 billion in private investment and \$900 million in revenues to the city over the next 30 years, the Times reported.

The surge in development spurred by the High Line is the latest exhibit in the growing stack of evidence that having beautiful, well-maintained parks is much more than a nice amenity cities can ignore when times are hard. Creating and maintaining parks stimulates the economy and also provides quantifiable recreational and environmental benefits along with other services and savings to taxpayers.

In the most recent analyses of the economic benefits of parks, a study found that Central Park contributed \$1 billion to the city's economy in 2007. A broader assessment by the Center for City Park Excellence of The Trust for Public Land quantified the real economic benefits that parks provide, using examples from cities around the country.

In supporting the seemingly quixotic vision of West Side residents Joshua David and Robert Hammond, founders of Friends of the High Line, to save the old railway and make it a linear park -- and in incorporating it into the city's planning process for the far West Side -- Mayor Michael Bloomberg indicated he understood the impact public space can have on a city's economic growth. The mayor further recognized the link between parks and prosperity in his sustainability plan, PlaNYC 2030, which aims (though, since the recession, at a slower pace) to create new parks and plazas citywide.

Until the fiscal problems hit last year, the Bloomberg administration had modestly boosted the budget for operating and maintaining the parks department, to about \$270 million a year. But next year's budget cuts about \$13 million from parks maintenance, eliminating 250 summer workers as well as \$3 million for tree pruning. This follows the previous year's reductions, for a total cut of \$24 million since 2007.

The parks budget has not had consecutive cuts of this magnitude in more than 15 years. Advocates worry that the reductions could start the city back on the path to the dismal conditions of the 1970s and '80s, reversing a parks revival that contributed to the city's economic resurgence.

"I think we're going to see the consequences through the park system," said Christian DiPalermo, executive

director of the parks advocacy group New Yorkers for Parks. "We're already strained to take care of our parks, and you're going to see the care go down."

How Parks Boost the Economy

Such cuts could turn out to actually cost the city money. Fine parks contribute to the economy by increasing property values and, as a result, real estate tax receipts. A 2008 analysis found that the completion of the Greenwich Village section of the Hudson River Park raised real estate prices in the adjacent two blocks by 20 percent.

In 2003, a study by Ernst & Young and New Yorkers for Parks looked at the results of investment in six city parks, with supplemental data from 30 additional parks. It found that real estate values were higher on blocks closest to well-managed and maintained parks, such as Prospect Park.

Parks also attract tourists and residents who come to events and activities or who just want to enjoy the surroundings, generating economic activity inside and near the park. Central Park attracts more than 25 million visitors a year, about one fifth of whom come from outside the city, according to "The Central Park Effect," which was prepared by the economic analysis firm Appleseed for the Central Park Conservancy. The study determined that in 2007, spending by visitors and enterprises in the city's most famous park directly and indirectly accounted for \$395 million in economic activity. This activity, as well as increases in property values near the park, generated \$656 million in revenues for the city in 2007.

"Measuring the Economic Value of a City Park System," released in April by the Center for City Park Excellence at The Trust for Public Land, analyzed seven ways that city parks provide economic benefits: property values, tourism, direct use, health, community cohesion, clean water and clean air. Starting with conservative assumptions of park use and other variables, researchers calculated dollar values for each of these benefits in a different city.

In San Diego, for example, the study determined that, with slightly less than 5 percent of tourists coming to the city especially to visit the parks, park-derived tourist spending in 2007 totaled \$114 million. That generated \$8.6 million in direct sales and other tax revenue as well as a collective increase of \$40 million in residents' wealth.

By offering free or inexpensive recreation, parks also save residents money. In Boston, for example, the study determined that the economic value of direct park use was \$354 million.

The health benefits of exercise in parks offer further savings. The study calculated \$19.9 million in medical savings realized by residents in Sacramento because of active recreation in parks.

According to the report, "numerous studies have shown that the more webs of human relationships a neighborhood has, the stronger, safer and more successful it is." Well-used parks offer many ways for neighbors to get to know each other, and efforts to create, save, or care for parks create further community cohesiveness. This "social capital" can reduce a city's costs for policing, fire protection and criminal justice. Because the economic value of social capital can't be measured directly, the report cited as a proxy the amount of time and money residents contributed to "friends" groups and other park-oriented organizations and agencies.

Parks also provide quantifiable environmental benefits: Trees and vegetation absorb runoff and reduce costs for treating stormwater; they also absorb air pollutants. Using Philadelphia as an example, the study found that the city's park system saved \$5.9 million in 2007 in stormwater management costs. In 2005, the 4,839 acres of tree cover in 7,999 acres of Washington, D.C. parkland produced savings of \$1.13 million in air pollutant removal.

Investment Required

To capture the economic benefits of parks, however, a city must invest in their upkeep. Parks help the economy when they are well maintained and well used. They can have a negative effect when they are neglected, attracting vandalism, drug-dealing and other crime. During the New York City fiscal crisis of the 1970s and '80s, dirty, worn and dangerous parks became a potent symbol of the city's decline.

The parks system, compared to other city services, takes a relatively small amount of money to maintain.

Although the parks department operating budget has increased since the lows of the early 1990s, the number of park properties has increased by 20 percent, and the department still runs on a budget that park advocates say is not adequate to keep the entire system in good repair.

Especially at risk are parks in the outer boroughs and in lower-income neighborhoods, which have not benefitted as much from the private funding that burnishes the city's flagship parks. Users of some parks and sports fields still contend with trash, locked bathrooms and lack of maintenance. Daily News columnist Denis Hamill described these types of conditions recently inrecounting his experiences as a baseball dad in Queens.

Many of the neighborhoods surrounding these parks have been affected disproportionately by the mortgage crisis and declining real estate prices. Given the economic benefits of well-used and maintained parks -- and the increased need for free recreation and relaxation during a time of financial stress for many residents -- can the city afford to pare down the parks budget further?

Anne Schwartz, in charge of the parks topic page since its inception in 1999, is a journalist who specializes in environmental issues.



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Gotham Gazette - http://www.gothamgazette.com/article/parks/20090624/14/2949

EXHIBIT C



1929 County Road C2 Wo Roseville, Minnesota 551 651.635.90 Fax 651.635.90 www.atc-enviro.cc

November 17, 2006

Mr. Pat Dolan Public Works Supervisor City of Roseville 2660 Civic Center Drive Roseville, MN 55113

Re: Limited Initial Microbial Evaluation

City of Roseville Fire Station Woodland and Lexington Roseville, MN 55113 ATC Project Number: 22.25172.0003

Dear Mr. Dolan:

Mr. Pat Dolan of City of Roseville, Inc. authorized ATC Associates Inc. (ATC) to perform a limited initial microbial evaluation at the Fire Station located at Woodland and Lexington Avenue, in the City of Roseville, Minnesota. This evaluation included a visual inspection for water damage, causes of water damaged areas, mold growth, and air sampling for mold spore concentrations. This evaluation was performed to evaluate if mold was present in the basement of the Fire Station building.

This report presents the results of the air sampling for mold spores conducted on November 9, 2006 by Mr. John R. Bissen of ATC.

BACKGROUND INFORMATION

The Fire Station building is a single level commercial building with masonry block walls, a vehicle drive-in bay area, concrete slab-on-grade floor and a below grade, poured concrete foundation basement associated with the eastern half of the building. The building is located on the northeast corner of the City of Roseville municipal property. Interior finishes in the Fire Station Building included sheetrock walls, 2-foot by 4-foot drop in acoustical ceiling tiles, carpeting over concrete slab floors, ceramic tile floors in bathrooms and painted concrete walls and floors in the basement.

Mr. Pat Dolan, Public Works Supervisor, accompanied ATC and provided access to the Fire Station Building during the site visit.

According to Mr. Dolan, the concern associated with the Fire Station Building is the potential mold impact of Parks and Recreation materials stored in the basement of the Fire Station. Mr. Dolan had

reported that water associated with snowmelt and rainwater had caused water to penetrate into the basement on a number of occasions during the last year. He also advised that the site had had the roof replaced in 2005. The services requested of Mr. Dolan were to conduct limited mold aerosol sampling to assess the mold levels in the air as this has become a concern expressed by city, fire and volunteer personnel who occupy the Fire Station Building. The fire personnel occupy the engine garages, dispatch office, Chief and staff offices, day room, bathroom and shower area, and the conference room. The city employees temporarily occupy the meeting room and kitchenette to the southwest and the Historical Society volunteers have temporary occupation of the offices to the northwest of the Fire Station Building.

OBSERVATIONS

Mr. Bissen of ATC conducted the site visit on November 9, 2006. Moisture meter readings were collected using a Delmhorst BD-2100™ Moisture Test Meter.

The following visual observations were made during the evaluation:

- ATC did observe suspected microbial growth on the water damaged ceiling tiles in the stairwell leading to the basement
- ATC did observe potential minor mold growth on the walls of the basement in the southwest corner, below the old widow basin and sill.
- ATC did observe odors in the basement consistent with sewer gases. ATC also observed dry floor drains, urinal traps and suspected a number of vent/ traps that were potentially dry but not observable due to their location.
- ATC did observe an exhaust pipe from the water heater located in the generator room, which
 was connected to the chimney along the south wall of the basement. The chimney displayed
 organic matter such a bird nesting material in the access, which was observed to be without
 the cover.
- ATC did observe efflorescence associated with the concrete block walls below the windows of the west side of the Fire Station Building.
- During the visual inspection no unusual odors were detected in the Day Room, bath and shower area of the Fire Fighter's area.
- Moisture meter readings collected from walls and flooring throughout the Fire Station identified readings of less than 1% moisture, which were considered acceptable.

AIR SAMPLING AND RESULTS

ATC conducted bioaerosol sampling for total (non-viable) mold spores in the Fire Fighter's Day Room, basement and hallway of the Historical Society, as well as outdoors for comparison to the natural environment. Zefon Air-O-Cell™ microbial spore trap cassettes were used to collect samples of airborne non-viable spores for 10 minutes at a flow rate of 15 liters per minute. The flow rate of the vacuum pump was calibrated prior to and following each sample collection.

The air samples were submitted to Hygeia Laboratories, Inc. in Stafford, Texas for analysis of predominant mold taxa and estimated concentrations.

Table 1 presents a synopsis of the non-viable mold air sampling results.

		/iable Mold Air S re Station, Rosevi		
Location	Fire Fighter's Day Room	Historical Society Hallway	Basement	Outdoors, east side of building near entrance to Building
Sample Number	RSV-1	RSV-2	RSV-3	RSV-4
Spore	Туре	Spore	Concentration (Spores/m3)
Alternaria	13	7	13	213
Ascospores	640	53	27	2,773
Basidiospores	2,400	373	213	4,907
Botrytis	-	-	-	13
Cladosporium	267	240	93	5,600
Epicoccum	7	-	-	120
Nigrospora	7	-	-	93
Other brown	7	13	27	13
Other colorless	-	7	-	13
Penicillium/Aspergillus types	2,027	400	373	587
Pithomyces	•	-	-	13
Rusts	7	13	7	27
Smuts, <i>Myxomycetes, Periconia</i>	33	27	53	640
Stemphylium	-	7	-	-
Oidium	13	40	33	-
Total Spores/m ³	5,421	1,180	839	15,012

Appendix A includes the results of the non-viable (spore trap) mold air sampling.

DISCUSSION

Total non-viable spore concentrations found in the Fire Fighter's Day Room (5,421 spores/m³), the Historical Society Hallway (1,180 spores/m³) and the basement (839 spores/m³) were similar and lower than outdoor (15,012 spores/m³) total non-viable spore concentrations, with similar mold taxa dominating the samples. *Penicillium/Aspergillus* types were detected at a higher concentration in the Fire Fighter's Day Room when compared to the Historical Society Hallway, basement and outdoor samples, which were similar in concentration. Therefore, it appears that a reservoir of *Penicillium/Aspergillus* and Basidiospores types of mold may exist in or near the Fire Fighter's Day Room.

It should be noted that this was a non-intrusive investigation and it is possible that water damaged materials and fungal growth may be present in other areas of the building. This includes, but is not limited to, wallboard, wall cavities, pipe/duct insulation above ceilings and in chases, and wall insulation.

CONCLUSIONS

In a building, indoor airborne mold concentrations and types will be similar to or lower than outdoor airborne mold concentrations and types, indicating that indoor mold reservoirs and/or amplification (growth) sites are not present. Based on the non-viable spore concentrations from the air sampling

Limited Microbial Evaluation Roseville Fire Station Building Roseville, Minnesota

conducted at the site, ATC is of the opinion that a reservoir of *Penicillium/Aspergillus* and Basidiospores types of mold exists in or near the Fire Fighter's Day Room

RECOMMENDATIONS

Based upon the above observations and results, ATC recommends:

- 1. ATC recommends additional, intrusive investigation to locate the reservoir of mold in or near the Firefighter's Day Room.
- 2. ATC recommends additional sampling of the air within the site to measure Volatile Organic Compound (VOC) gases, such as methane, as a result of the potential gas release from the dry sanitary sewer traps within the basement area.
- 3. ATC recommends sampling for Carbon Monoxide (CO) within the basement area to determine the extent of combustion gas discharge from the water heater as it relates to the chimney and open condition of the chimney. ATC also recommends assessing the function of the chimney, such as determining if the chimney is clogged with bird nests or other matter. This condition should be remedied to ensure the draft effect needed from the chimney is functioning properly. ATC also recommends replacing the cover of the chimney.

LIMITATIONS

This report has been prepared to assist City of Roseville, Inc. in evaluating the microbiological impact at the Roseville Fire Station located at Woodland and Lexington, in the City of Roseville, Minnesota 55113. ATC provided these services consistent with the level and skill ordinarily exercised by members of the profession currently practicing under similar conditions. This statement is in lieu of other statements either expressed or implied. This report is intended for the sole use of City of Roseville, Inc. The intent of the report is to aid the building owner, architect, construction manager, general contractors, and potential demolition and abatement contractors in locating fungi growth (mold). This report is not intended to serve as a bidding document nor as a project specification document and actual site conditions and quantities should be field-verified. The scope of services performed in execution of this evaluation may not be appropriate to satisfy the needs of other users, and use or re-use of this document, the findings, conclusions, or recommendations is at the risk of said user. Although a reasonable attempt has been made to locate suspect fungi (mold) in the areas identified, the inspection techniques used are inherently limited in the sense that only full demolition procedures will reveal all building materials of a structure and, therefore, all areas of potential fungal growth. The size of the area impacted by fungal growth is based on professional judgment and practicality. Additionally, other possible building material hazards such as asbestos and lead-based paint were not included as part of this evaluation and may require proper sampling for identification prior to disturbance. Other unidentified microbiological impact may be located within walls, ceiling cavities, below flooring or grade, and other nonaccessible areas. Caution should be used during any remediation activities.

Additionally, the passage of time may result in a change in the environmental characteristics at this site. This report does not warrant against future operations or conditions that could affect the recommendations made. The results, findings, conclusions, and recommendations expressed in this report are based only on conditions that were observed during ATC's inspection of the site.

Thank you for this opportunity to be of service to City of Roseville, Inc. If you have any questions, please feel free to contact us at (651) 635-9050.

Sincerely,

ATC ASSOCIATES INC.

Charles D. Cashman, P.H.

Project Manager

Daniel Shimoda, CIH Senior Reviewer

Named J. Showed CIH

Attachments

APPENDIX A

Laboratory Results of Sampling for Airborne Non-Viable Mold

Spore Trap Report

November 10, 2006

Mr. John Bissen ATC Minneapolis 1929 County Road C2 W

Roseville, MN 55113

(Hygeia SOP-06)

Hygeia Laboratories Inc. 3924 Bluebonnet Drive Stafford, TX 77477 (281) 242-1000 (281) 242-1030 Fax www.hygeialabsinc.com

Hygeia Reference No.: 00022060032HO Date Collected:. November 7, 2006 Date Received: November 8, 2006 Date Analyzed: November 10, 2006

Hygeia Sample ID	499	945	499	46	499	47	499	48	
Client Sample ID	RSV-1			RSV-2		RSV-3		RSV-4	
Location		Day Room	Historical Soc		Basement		Outside		
Volume (L)		50	150		150		150		
Background Debris*	very heavy		heavy		mode		very h		
Sample Description		ir-O-Cell	Zefon Air	r-O-Cell	Zefon Air	-O-Cell	Zefon Ai	r-O-Cell	
	Spores/m³	%	Spores/m³	%	Spores/m³	%	Spores/m³	%	
Alternaria	13	<1	7	<1	13	2	213	1	
scospores	640	12	53	4	27	3	2,773	18	
asidiospores	2,400	44	373	32	213	25	4,907	33	
Bipolaris/Drechslera group									
Botrytis							13	<1	
Chaetomium									
Cladosporium	267	5	240	20	93	11	5,600	37	
Curvularia									
Epicoccum	7	<1					120	<1	
usarium									
ligrospora	7	<1					93	<1	
Other Brown	7	<1	13	1	27	3	13	<1	
Other Colorless			7	<1			13	.<1	
Penicillium/Aspergillus types	2,027	37	400	34	373	44	587	4	
Pithomyces							13	<1	
Rusts	7	<1	13	1	7	<1	27	<1	
Smuts, Myxomycetes, Periconia	33	<1	27	2	53	6	640	4	
Stachybotrys									
Stemphylium			7	<1					
Torula									
Jlocladium									
Zygomycetes									
Other:									
Oidium	13	<1	40	3	33	4			
Total Spores / m³	5,4	121	1,1	80	83	9	15,0	012	
Comments								•	

^{*}Background debris is an indication of amounts of non-fungal biological and non-biological particulate matter present on the sample and is characterized as very light, light, moderate, heavy or very heavy. Heavy background debris may obscure spores, reducing spore visibility during analysis. Consequently, spore counts from heavy background debris should be considered minimal.

Page 1 of 1

This report may not be reproduced except in full, and only with the written approval of this laboratory. Please contact Hygeia regarding any questions about these results, this report, or the analytical methods employed.

Mr. John Bissen ATC Minneapolis

Project: 22.25172.0003 Task 1 City of Roseville Fire Station

Hygeia Laboratories Inc.
3924 Bluebonnet Drive
Stafford, TX 77477
(281) 242-1000 (281) 242-1030 Fax
www.hygeialabsinc.com

Hygeia Reference No.: 00022060032HO

Analyst Cindy Benoit Date 11/10/2006

Cindy Benoit Spore Trap

Lab Director Date 11/10/2006

Thank you for using Hygeia Laboratories Inc. We strive to provide superior quality and service.

Hygeia is a participant in AIHA's Environmental Microbiology Proficiency Analytical Testing program. EMPAT # 167400.

The data within this report is reliable to two significant figures.

Liability Notice:

Hygeia Laboratories Inc. and its personnel shall not be held liable for any misinformation provided to us by the client regarding these samples or for any misuse or interpretation of information supplied by us. Liability shall extend to providing replicate analyses only. This report relates only to samples submitted and analyzed.

Confidentiality Notice:

The document(s) contained herein are confidential and privileged information, intended for the exclusive use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of the document(s) is strictly prohibited. If you have received this document in error, please immediately notify us by telephone to arrange for its return. Thank you.

Guidelines for Interpretation:

No accepted quantitative regulatory standards currently exist by which to assess the health risks related to fungal and bacterial exposure. Fungi and bacteria have been associated with a variety of health effects and sensitivity varies from person to person.

Several organizations, including: the American Conference of Government Industrial Hygienists (ACGIH); the American Industrial Hygiene Association (AIHA); the Indoor Air Quality Association (IAQA); the United States Environmental Protection Agency (USEPA); and the Centers for Disease Control (CDC) have all published guidelines for assessment and interpretation of mold resulting from water intrusion in buildings.

Interpretation of the data and information within this document is left to the company, consultant, and/or persons who conducted the fieldwork.

Form FP1.1 Rev.0 10/06/2003

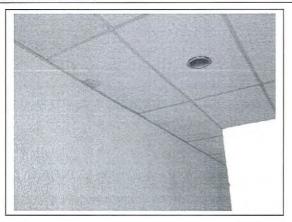
Request for Laboratory Services / Chain of Custody Send Report To John Bissen Hygeia Laboratories Inc. 3924 Bluebonnet Drive Stafford, TX 77477 Company Name ATC - Roseville (281) 242-1000 (281) 242-1030 Fax Company Address 1929 County Road C2 West City, State, Zip 55113 Purchase Order No. Phone (651) 635-9050 Fax (651)635-9080 Bill To Client Project No. 22.25172.0003 Task 1 Address Client Project Name City of Roseville Fire Station City, State, Zip_ No. Sample Submitted: Fax (Phone (24 hrs Turnaround Time: Standard (7-10 business days) 3-5 days ☐3 hrs 8 hrs Report Results By: Fax (____)____ Cell/Pager () Phone () E-mail Bissen22@atc-enviro.com Comments/Additional Instructions: Collected By: Bissen Date: 11-7-06 Total vol. Sample le Location Description 191945 RSV-1 Z D Fire Fighter Day Room 150 L 498946 RSV-2 Z D Historical Society Hallway 150 L 49 6947 RSV-3 Z D Basement 150L RSV-4 Outside 150 L (U) 8 (2) (O) ไป T 'Z=Zefon BIO=Biocell BR=Burkhard M5=Micro 5 CYD=Cyclex-D |P=Impaction Plate CP=Contact Plate T=Tape S=Swab BL=Bulk D=Dust W=Water

2ST=Spore Trap D=Direct Exam QD=Quantitative Direct Exam (Post-Remediation Only) QF1/QF3=Quantitative Fungal 1/3 Media (PF=Fungal ID for IP CPF=Fungal ID for CP MycA=Aflatoxin MycD=Deoxynivalenol (Vomitoxin) MycO=Ochratoxin MycF=Funnonistin MycT=T-2 Toxin IPB=Bacterial ID for IP CPB=Bacterial ID for CP QB1/QB3=Qa-Quantitative Bacterial 1/3 Media LIS=Listeria sp. ENT=Enterobacteriaceae TCE=Total coliform/E. coli STA=Staphylococcus aureus ALL=Allergen Panel Comments Only Sample Integrity: ______accept _____ reject Hygela Reference No. <u>200 22 0600 32 HO</u> No. Samples Analyzed: Results reported by: Date 11/10/06 Time 1042 Initials AC Verbal Fax E-mail Date Time Initials E-mail Verbal Fax Initials_ Time Invoice No. 22 -08/59 Log Out Date__// 10/0 (Received By (Signature) elinquished By (Signature) Time Date Time Date The sample collector is responsible for ensuring that all samples have been preserved according to the appropriate and applicable me Form 1.1A Rev. 3 03/09/2005

APPENDIX B

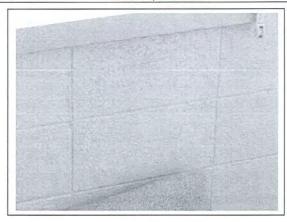
Photographic Documentation

Photograph Log Project No. 22.25172.0003



Facing:	Up
View of:	Water stained ceiling tiles in stairwell to basement

City of Roseville, Fire Station Roseville, Minnesota



Facing:	West	
View of:	Efflorescence on walls below windows on west side	

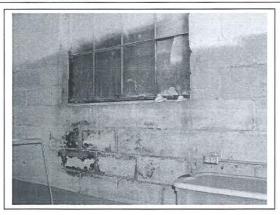


Facing:	West
View of:	Firefighter's Day Room



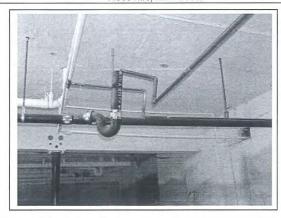
Facing:	East
View of:	Historical Society Hallway

Photograph Log Project No. 22.25172.0003

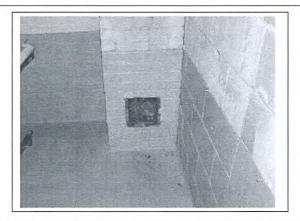


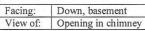
Facing:	Southwest
View of:	Suspect mold on wall in basement

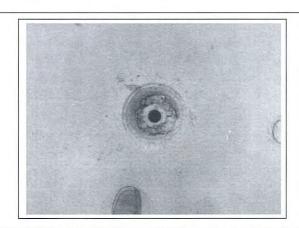
City of Roseville, Fire Station Roseville, Minnesota



Facing:	Up, basement ceiling	
	Potential dry trap in sanitary system	







Facing: Down
View of: Dry floor drain in basement





1929 County Road C2 Wes Roseville, Minnesota 5511: 651.635.905(Fax 651.635.908(www.atc-enviro.con

December 15, 2006

Mr. Pat Dolan Public Works Supervisor City Of Roseville 2660 Civic Center Drive Roseville, MN 55113

Subject: Limited Intrusive Microbial Investigation

Firestation #1

2660 Civic Center Drive Roseville, MN 55113

ATC Project No. 22.25172.0003

Dear Mr. Dolan:

ATC has completed a limited Intrusive microbial investigation of the above-referenced site. Mr. Pat Dolan of The City of Roseville authorized ATC Associates Inc. (ATC) on December 5, 2006 to perform a microbial (mold) intrusive Investigation which included a visual inspection for water damage and mold growth. These activities were performed to assess the sources and/or extent of the visual water damage and mold growth as they may be affecting the Firefighter's Day room and adjacent areas. This investigation was limited to the east elevation of the site building.

A reasonable effort was made to visually identify water damage and suspect microbial impacted areas and collect moisture readings wherever possible. However; this report does not imply a guarantee that all possible water or mold impacted areas were identified since there are many building materials that are hidden or obstructed by walls, flooring, partitions, etc.

BACKGROUND INFORMATION

ATC conducted a Limited Initial Microbial Evaluation on November 9, 2006, which included air sampling for mold spores. The findings in ATC's report dated November 17, 2006 indicated that a reservoir of Penicillium/Aspergillus and Basidiospores types of mold existed in or near the Fire Fighter's Day Room area. ATC recommended an intrusive investigation to locate the reservoir of mold in or near the Firefighter's Day Room. This report is a supplement to the report dated November 17, 2006.

ATC Project No.

December 15, 2006 Page 2

INTRUSIVE INVESTIGATION OBSERVATIONS

ATC inspected the site on December 5, 2006. David Davis of ATC performed the investigation. The following was observed:

- Water damaged and suspect mold impacted wood rafters, decking, and bridging.
- Water damaged sheetrock attached to the wood decking.
- Suspect mold on fiberglass insulation on ductwork and between the sheetrock and wood rafters.
- Suspect mold on the HVAC diffuser in the Maintenance Room.
- Sewer gas odors from the Basement and the wall inspection penetration in the Maintenance Room.
- Water damaged suspended ceiling tile located above the West Stairway to the Basement and in the Fire Fighter's Day Room area. The walls in these two areas indicate some water damage.

Appendix A contains a figure with observations and notes. Appendix B includes photographic documentation.

MOISTURE METER INVESTIGATION RESULTS

ATC utilized a Delmhorst BD-2100 Moisture Meter to assess moisture content of finish wall materials in the vicinity of the Fire Fighter's Day Room area. The moisture meter displays values in terms of Percent Moisture. All readily accessible moisture readings collected in the vicinity of the Fire Fighter's Day Room area indicated dry conditions.

INTRUSIVE INVESTIGATION CONCLUSIONS AND RECOMMENDATIONS

Based on the visual observations and moisture readings obtained during the invasive investigation of the affected areas, ATC concludes that the previous roof leaks damaged the indicated finish materials and promoted mold growth in several areas. Areas of mold growth or elevated moisture were not identified around plumbing within the investigated wall cavities of the Fire Station.

ATC recommends the following:

- Removal of water damaged soft goods such as acoustical ceiling tiles, sheetrock, and fiberglass.
- Cleaning of all water damaged overhead structural wood surfaces by employing dry scrubbing/sanding followed by application of an approved biocide and anti-microbial encapsulant; or surfacing cleaning which employs a method called soda blasting.
- HVAC Duct cleaning for the affected areas.
- All removal, cleaning and encapsulation work be performed under HEPA filtered negative air containment and be performed by qualified, trained mold remediation personnel.

Limited Intrusive Microbial Evaluation 22.25172.0003 Roseville Fire Station Building Roseville, Minnesota

ATC Project No.

December 15, 2006

Page 3

LIMITATIONS

ATC provided these services consistent with the level and skill ordinarily exercised by members of the profession currently practicing under similar conditions. This statement is in lieu of other statements either expressed or implied. This report is intended for the sole use of the City of Roseville. The intent of the report is to aid the building owner, architect, construction manager, general contractors, and potential demolition and abatement contractors in locating microbial growth (mold/bacteria). This report is not intended to serve as a bidding document nor as a project specification document and actual site conditions and quantities should be field verified. The scope of services performed in execution of this evaluation may not be appropriate to satisfy the needs of other users, and use or re-use of this document, the findings, conclusions, or recommendations is at the risk of said user. Although a significant effort has been made to identify suspect fungi (mold) in the areas identified, the inspection techniques used are inherently limited in the sense that only full demolition procedures will reveal all building materials of a structure and therefore all areas of potential fungal growth.

Additionally, the passage of time may result in a change in the environmental characteristics at this site. This report does not warrant against future operations or conditions that could affect the recommendations made. The results, findings, conclusions and recommendations expressed in this report are based only on conditions that were observed during ATC's inspection of the site.

Thank you for this opportunity to be of service to the City of Roseville. If you have questions or we can assist you further, please call us at 651-635-9050.

This report prepared Dave Davis

by:

Project Manager, CMI

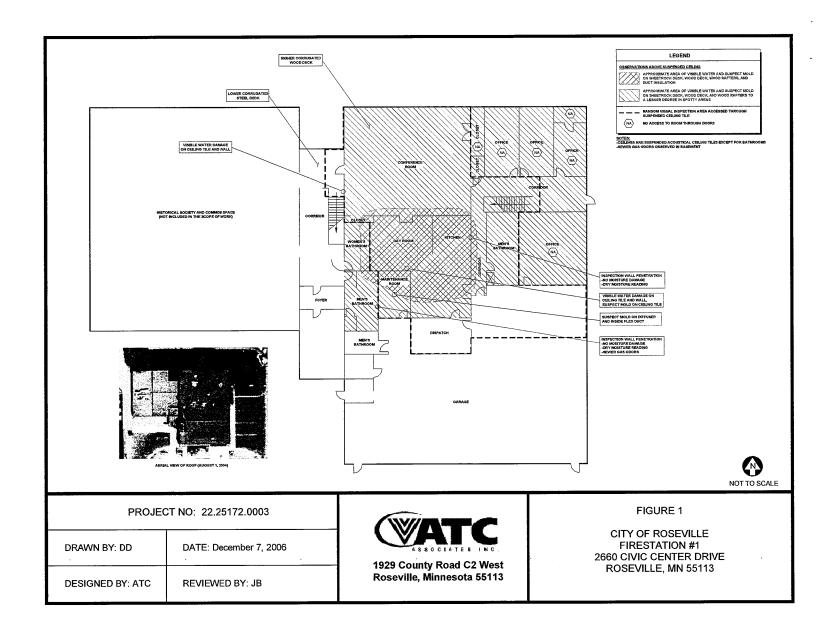
This report reviewed J. Wesley, Cochran

by:

Project Manager, CIH

APPENDIX A

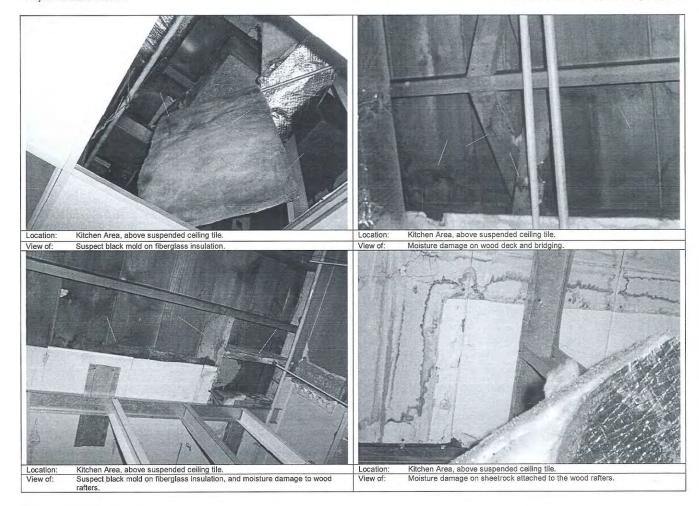
FIGURE



APPENDIX B PHOTOGRAPHIC DOCUMENTATION

Photograph Log – December 5, 2006 Project No. 22.25172.0003

City of Roseville, Firestation Number 1 2660 Civic Center Drive, Roseville, Minnesota



Photograph Log – December 5, 2006 Project No. 22.25172.0003

City of Roseville, Firestation Number 1 2660 Civic Center Drive, Roseville, Minnesota

