



**CITY OF BURLINGTON  
COMMUNITY DEVELOPMENT AUTHORITY  
MEETING MINUTES  
Tuesday, September 6, 2016 at 5:30 p.m.  
224 E. Jefferson Street**

**1. CALL TO ORDER**

Chairman Bil Scherrer called the meeting of the Community Development Authority to order at 5:30 p.m.

**2. ROLL CALL**

The following commissioners were in attendance: Bil Scherrer, Mayor Jeannie Hefty, Alderman Bob Grandi, Jack Eckola, and Tom Wiemer. Excused: Chuck Rule and Jim Spiegelhoff

Also in attendance: City Administrator Carina Walters, Budget Officer/Treasurer Steve DeQuaker, Attorney John Bjelajac and Linda Fellenz from LF Green Development, LLC

**3. CITIZEN COMMENTS**

There were no citizen comments.

**4. TOPIC: Review and Discussion regarding Phase II Environmental Site Assessment of 249 E. Chestnut St. (former Milo property) and 261 E. Chestnut St. (former Redi-Bake property) located at the corner of Dodge Street and Chestnut Street.**

Linda Fellenz gave a brief overview and explained that low levels of impact were found in the soil, some of which is above the DNR standard, but can be resolved by capping it with either clay, grass, landscape, or building on it. Fellenz further stated that no ground water contamination was found, therefore requires no further testing for the DNR; however, they are going to run one more sample, wait a couple months and if everything is still clear, they will then submit a Request for Closure letter to the DNR. Fellenz stated that they would wait to abandon the wells until they receive the closure letter from the DNR and construction can begin. Fellenz also explained that since there are low levels of contamination in the soil, any soil that is excavated must be removed and managed. Fellenz also recommended installing a vapor barrier prior to any construction.

**5. TOPIC: Discussion regarding the Original Offer to Sell Purchase Price of \$70,000 to Burlington Core Upgrades II, LLC” regarding 249 E. Chestnut St. (former Milo property) and 261 E. Chestnut St. (former Redi-Bake property) located at the corner of Dodge Street and Chestnut Street.**

Walters stated that environmental challenges on this property led to discussions regarding the purchase price of \$70,000 and how remediation costs might affect this price. Walters further stated that preliminary costs for remediation are estimated to be approximately \$54,800, which would leave a balance of \$15,200, if that amount were credited to the \$70,000. Walters then presented the

additional issue of how to keep it fair among the parties if remediation costs ends up exceeding the \$54,800. Walters stated upon staff and recommendation, and with the support of Tom and Bill, is that the City would credit Burlington Core LLC up \$54,800 and if there are further environmental issues, that any costs over the amount of \$54,800 up to the \$70,000, would be split 50/50 between the City and Burlington Core LLC. In essence, the City would issue a not-to-exceed credit of \$62,400.

Stelling further explained the breakdown of how the \$54,800 was derived from and reiterated that if costs were to exceed this amount, that Burlington Core would split the amount 50/50 with the City, up to \$70,000. Attorney Bjelajac clarified that the city's portion, if costs were to exceed \$70,000, would be half the amount of the remaining \$15,200. Stelling added that option 1 is the optimal situation; however option 2 involves a certain amount of risk that would only be up to the balance of the original asking price of \$70,000. Eckola clarified that if costs reach the \$70,000 max, then each party is on the hook for an additional \$7,600. Both Walters and Stelling agreed.

Walters added that if the remediation costs were to come in under the estimated amount, then Burlington Core LLC would give back to the city any money not used. Stelling concurred with Walters.

Commissioner Weimer asked what would happened if the costs exceed \$70,000. Stelling responded that Burlington Core LLC would pay the additional costs. Stelling further stated that the intention is to proceed as if costs were to come in under \$70,000; however, until the hole is in the ground, it's unknown what might be found. Stelling added that if the costs were too far exceed the \$70,000, then it would affect their rental base and cost of construction. The cost of the project is estimated to be about \$5-\$6 million.

Stelling reiterated the proposed offer, stating that the City would sell the property to Burlington Core LLC for \$15,200 and whatever money isn't used will go back to the City. If costs were to exceed \$54,800, up to \$70,000, the overage will be split 50/50 with the City, which would be equivalent to \$7,600 in additional costs to the City, if necessary.

Attorney Bjelajac clarified that the base or original credit is up to \$54,800. Stelling concurred and stated that \$45,000 was estimated for 600 cubic tons of soil and the remaining is for the vapor barrier. Stelling stated that it would be nice to have this resolved and approved so that they could move on to the next step of the Developer's Agreement.

Attorney Bjelajac stated that if the Board was in favor of this agreement that no vote was required at this meeting and that he would begin drafting a revised agreement and then follow-up with another meeting to review and vote on the agreement.

## **6. ADJOURNMENT**

Alderman Ekes motioned to adjourn. Commissioner Weimer second the motion. The meeting was adjourned at 5:55 p.m.

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Recording Secretary  
Diahn C. Halbach  
Burlington City Clerk