



# City of Granite Falls

885 Prentice Street  
Granite Falls, MN 56241-1598  
Phone (320) 564-3011 FAX (320) 564-3013  
[www.granitefalls.com](http://www.granitefalls.com)

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Office of City Manager

February 6, 2009

Patrick Moore  
CURE  
114 South 1<sup>st</sup> St. West  
Montevideo, MN 56265

RE: K.K. Berge Building

Dear Patrick:

Please accept this letter as a follow up to discussions that took place at the February 2<sup>nd</sup> City Council meeting relative to the proposal submitted for remodeling and reuse of the K.K. Berge building.

Based upon discussions at the February 2<sup>nd</sup> meeting, the Granite Falls City Council adopted a resolution agreeing to enter into negotiations with the Developer, the CURE Organization, that will result in the completion of a Development Agreement to be executed by both the City of Granite Falls and the Developer relative to the purchase, flood proofing and remodeling of the existing K.K. Berge building. This resolution was adopted subject to the following.

Completing and submitting to the City of Granite Falls a structural engineering report that :

1. Addresses the structural integrity of the existing building, including providing documentation of existing structural conditions to include investigation of the existing basement walls; and
2. Addresses the building changes as proposed by the Developer, including elevating the first floor to a minimum elevation of 904.2 which corresponds to approximately 20 1/2" raise over the present floor joist elevation; and
3. Raising of the utilities and mechanical systems to an elevation of 904.2 or higher; and

4. Although the Request for Proposals dated September 15, 2008 identified removing and replacing an existing wooden stairway that connects the main level to the basement, it is my understanding that CURE, as the Developer, intends to remove the stairway but not necessarily replace it. As I have noted in previous correspondence, it would appear as though this should not pose a problem subject to compliance with any building code requirements as well as arrangements for waste removal along the alleyway adjacent to the building.

As noted previously, upon the submittal of a structural engineering report and acceptance by the City of Granite Falls a Development Agreement will be prepared by City Attorney Holmstrom to be submitted to the Granite Falls City Council as well as the Developer for review and approval. As the Development Agreement will include conditions for acceptance, I have taken the liberty of attaching a draft list of these conditions.

Please don't hesitate to contact me should you have any questions.

Sincerely,



William P. Lavin  
City Manager

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pc: Greg Holmstrom

## CONDITIONS FOR ACCEPTANCE OF K. K. BERGE PROPOSAL

1. Submittal of a structural engineering report that identifies the structural integrity of the existing building and also addresses elevating the first floor as well as the other improvements as identified in phase 1.
2. Flood-proofing compliance must also be documented by a structural engineer with respect to elevating the first floor above the regulatory flood plain elevation, including the ability of the building's foundation to withstand future flood events.
3. The Developer shall submit a complete project budget for phase 1 improvements to the City of Granite Falls.
4. The city's financial commitment from flood mitigation funds is \$150,000, which again represents the estimated cost of demolishing the existing building and construction of a flood retaining wall. These funds would only be paid to the Developer after documentation has been provided that all costs to complete the project identified in Phase 1 have been incurred and paid. This involves required flood proofing, including elevating the first floor as well as utilities and mechanical systems, structural stability verification and removal of the existing wooden stairway subject to building code compliance.
5. Obtaining a flood elevation certificate from the City Engineer.
6. Receiving a Certificate of Occupancy from the city's Building Inspector.
7. Proof that financing has been secured for the work identified in items 1, 2, 3 and 4 as stated in the Request for Proposals.
8. That the Developer agrees to enter into a Development Agreement.
9. Compliance with building code regulations.
10. Compliance with the construction schedule for Phase 1 as stated on page 5 in the Developer's proposal.