



Contract Issuance for Sleepy Inn: Deconstruction and Building Removal

JANUARY 19, 2022, MRA BOARD MEETING

ANNIE GORSKI, DEPUTY DIRECTOR

Background and Bid Process Summary



- The building has been vacant since March 2022.
- Redevelopment is a priority in the URD II Exit Plan and in the Envision West Broadway Master Plan.
- The site is likely more marketable for sale with the building removed.
- The MRA and the CPDI published an Invitation to Bid in December 2022, for abatement, building deconstruction, and removal.
 - Five bids were received, ranging from \$283, 665.65 - \$341,400.00
 - Three Rivers Landworks (Three Rivers) was the responsive low bidder at \$283,665.65
 - Abatement Contractors of Montana (ACM) and Heritage Timber are subcontracting with Three Rivers to provide abatement and deconstruction.
 - With City Council and MRA Board approval, the City and the MRA will enter into a joint contract with Three Rivers.



Project Budget and Cost Split

- **The total contract amount is \$283,665.65.** This includes a \$15,000 miscellaneous bid item (contingency).
- With Council approval, the Community Planning, Development, and Innovation Department (CPDI) will fund up to \$83,151.78 for asbestos abatement and lead paint T-Clip testing, as well as 50% of the mobilization and miscellaneous bid items.
- With MRA board approval, the MRA will fund up to \$200,513.87 for the building deconstruction, building removal, and the balance of the mobilization, miscellaneous, and traffic control (if needed) bid items. Staff recommends that the MRA board approve up to an additional \$9,486.13 in contingency, for a total of up to \$210,000 in URD II funding.



Alignment with City Strategic Plan and URD II Plan

Alignment with the City's Strategic Plan:

- **Support sustainable growth initiatives** – redeveloping the site with opportunity to add density and encourage housing, close to transit.
- **Implement adopted Energy Conservation and Climate Action initiatives** – Heritage Timber estimates that approximately 60 percent of building materials can be salvaged.
- **Support collaboration and effective delivery of service** – combining the abatement and deconstruction phases is expected to streamline process, reduce costs. The abatement bid item is approximately \$60,000 less than original estimate.

Alignment with the URD II Goals:

- **Redevelopment of commercial districts** - encourage a thriving commercial atmosphere which stimulates private investment compatible with adjacent and nearby residential areas.



Next Steps

- **January 19** – MRA Board consideration of the contract and up to \$210,000 for the deconstruction and building removal phases
- **January 23** - City Council consideration of the Three Rivers contract
- **By end of January** – Enter into contract with Three Rivers, authorize notice to proceed
- **February – March** - For sale marketing expected to begin
- **March 31**- Work concludes unless the contractor identifies additional building salvage opportunities



MRA Board Recommended Action

Staff recommends that the MRA Board authorize the Board Chair to sign the contract with Three Rivers Landworks in the amount of \$283,665.65, with the understanding that up to \$210,000 will be funded with TIF, contingent upon City Council's approval of the remaining contract amount.

