

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: JEFF MUCK, PRCS DIRECTOR
SUBJECT: 329 ELM CT DEMOLITION UPDATE
DATE: JANUARY 22, 2026

In May 2025 the City contracted with ASTI Environmental (ASTI) to conduct a Pre-Demolition Asbestos Inspection and Hazardous Materials/Universal Waste Survey on 329 Elm Ct (aka the Shawood Lake Island property). The fee for the service was \$4120. ASTI has completed multiple Phase 1 and 2 environmental assessments for the city in the past.

The City received the final report in May 2025 and incorporated it into the bid documents for demolition of the building. Reese Contracting (the low bidder) was awarded the demolition contract in the amount of \$19,500. Staff had budgeted \$50,000 for demolition based on a pre-bid quote and with a high probability of the need for contingency funds for unanticipated costs in the demolition.

In preparation for the demo, Reese Contracting's abatement contractor (Environmental Specialty Services, Inc.) discovered potential Vermiculite (asbestos) in the attic and other areas of the building that were not noted on ASTI's survey. The survey also showed that ASTI did not take samples from the areas of concern. The City was given a quote of \$20,037 to fully complete the abatement.

City staff called a joint meeting at the property with ASTI, Reese Contracting and Environmental Specialty Services, Inc. in December to resolve the discrepancies between the ASTI report and the observations from Environmental Specialty Services, Inc. At the meeting it was clear to staff that vermiculite was prominent and instructed ASTI to sample several areas to confirm. ASTI Environmental confirmed with their sampling data it was present in the eaves, ceiling joists, on the ceiling over the utility room and has also contaminated all of the exterior wall insulation and carpeting.

Based on this information. We are required to complete the asbestos abatement per federal guidelines and are contracting with Environmental Specialty Services, Inc. for \$20,037. They are required to submit a 10 day notice before proceeding. After the abatement, Reese Contracting can complete the building demolition and site restoration.

The City's concerns with ASTI's initial assessment have been communicated and we are awaiting a resolution from their representative.

c: