



CITY OF PONTIAC
OFFICE OF THE EMERGENCY MANAGER
LOUIS H. SCHIMMEL

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Dated: July 5, 2012

ORDER NO. S-221

RE: Approval to Request the County of Oakland to Approve the Demolition of the Phoenix Center Parking Structure (the "Phoenix Center")

TO: ✓ Sherikia Hawkins, City Clerk
Oakland County Building Authority

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

WHEREAS, the City of Pontiac (the "City") has entered into a certain sublease (the "Sublease") made as of February 1, 2006 among the City of Pontiac, the City of Pontiac General Building Authority, and the County of Oakland whereby the City of Pontiac has the right to occupy a structure known as the Phoenix Center Parking Structure (the "Phoenix Center") located in the City of Pontiac; and

WHEREAS, the Phoenix Center is in need of immediate repairs and added operating costs to continue to operate it at an acceptable level; and

WHEREAS, the Emergency Manager of the City of Pontiac has determined that the real estate on which the Phoenix Center is situated is more valuable without the parking structure located on it than the rebuilt Phoenix Center would be; and

WHEREAS, the Sublease permits the City to demolish the Phoenix Center so long as the County of Oakland approves the demolition and the City pays for it; and

WHEREAS, there are the following advantages to demolition of the Phoenix Center:

- a) The capital / repair costs of maintaining this facility over a 10-year term are substantially mitigated (estimated in the Desmond Study to be roughly \$8.5 million). In fact, the first phase of the demolition costs would be roughly equivalent to the first 18 months of immediate capital / repair costs needed to restore the facility. However, from year 2 to year 10, substantial additional capital costs would be required in the amount of \$6.1 million. It is unlikely that the future costs could be borne by the City's General Fund given the continued downward spiral of revenues.
- b) The annual budgeted costs of approximately \$160,000 for insurance and electricity would be eliminated. The additional security costs for operating an open or partially open facility would be avoided.
- c) The issue of trespassers is eliminated.
- d) The vacant land should accommodate the parking needs of the existing tenants in the three attached facilities. Nearby parking should assist in mitigating the parking issues should the two Ottawa Towers become fully occupied.
- e) The Downtown Business Association believes that the demolition is the preferred course of action, in part, because the present unused facility is a detriment to downtown business retention and attraction and customers frequenting the downtown.
- f) The demolition of the Phoenix Center provides the downtown with several potential future options, including extending Saginaw Street from Woodward directly into the downtown and opening the river that runs underneath the facility.

It is hereby ordered:

1. The City of Pontiac hereby requests the County of Oakland to approve the demolition of the Phoenix Center as described in APPENDIX A attached hereto.

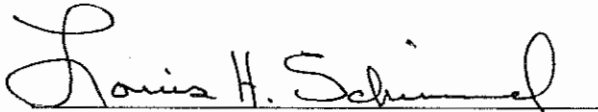
2. The City of Pontiac General Building Authority, having been dissolved, does not need to approve the demolition of the Phoenix Center.

3. All resolutions and parts of resolutions inconsistent with the foregoing are hereby rescinded.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the office of the City Clerk and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the State of Michigan and the Emergency Manager.

A handwritten signature in black ink, reading "Louis H. Schimmel", written over a horizontal line.

Louis H. Schimmel
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

APPENDIX A

DESCRIPTION OF DEMOLITION PROJECT

BACKGROUND OF STRUCTURE:

The Phoenix Plaza parking structure constructed in the early 1980's incorporates cast-in-place post-tensioned concrete construction. The structure has four levels, including a slab-on-grade on the lower level. The upper level is a multi-use plaza. The parking levels encompass approximately 900,000 square feet and the plaza is approximately 350,000 square feet. Orchard Lake Road runs east-west through the structure, separating the parking levels into two halves (north and south). The plaza level extends over the roadway. The parking structure is physically attached to multiple permanent structures that will remain intact.

SPECIFICATIONS/REQUIREMENTS: General Requirements:

1. Contractor will apply for, secure and pay the fees for all permits/licenses required to complete project. The contractor shall register with the City of Pontiac at the Building and Safety.
2. Contractor shall be responsible for acquiring the below listed items before starting demolition
 - a) Building Dept - Building Permit & Final Approval
 - b) Utility disconnect for sanitary, City to pay associated cost for cut fees.
 - c) Pontiac Engineering Dept Right Of Way Permit & Final Approval
 - d) Soil Erosion Permit (soil erosion plan shall be submitted by contractor with permit request)
 - e) Photos of Site before, during and after Demolition
 - f) State of Michigan Notification of Demolition (NESHAP)
 - g) MDOT Permit (required for signage & lane closure)
3. All Local and State Permits. Demolition fee shall be \$20,000.
4. If any equipment must be shut down during installation, the City shall be notified immediately of the delay and the work shall be coordinated with the City's representative.

5. Contractor shall conduct demolition operations and removal of debris to ensure minimum interference with streets, walks and other adjacent occupied or used facilities. Contractor shall be responsible for cleaning adjacent structures after completion of demolition.

6. Contractor shall be responsible for securing area during demolition. The contractor shall supply, install and maintain barricades or fences (6 foot chain link) as necessary to keep people, animals or vehicles from excavations or equipment or pedestrian walkways.

7. If contract is signed prior to August 18, 2012 (Dream Cruise), the City of Pontiac will require contractor to fence off (6-foot tall chain-link construction fence) the Phoenix Center structure prior to the Dream Cruise. Prep and strip work may be done prior to August 18, but major demolition may not begin until after August 18, 2012.

8. Contractor shall be responsible for any damages incurred because of their employees, equipment, materials required for job or falling debris or to all property including but not limited to buildings, landscaping, sidewalks and parking lots. Contractor will be responsible for all repairs at no cost to the City and damage shall be promptly repaired.

9. Contractor shall follow all MIOSHA safety standards.

10. Contractor shall conform to all city and state regulations and ordinances, even if they contradict specifications indicated in this RFP. Contractor shall also arrange for and pay all costs in connection with any inspections, permits and examinations required by authorities. The use of explosives is prohibited.

11. Contractor to provide all labor, equipment and materials required to perform the job set forth in this RFP.

12. Contractors and subcontractors performing services for the City are required and will comply with all Occupational, Safety and Health Administration (OSHA), State and City Safety and Occupational Health Standards and any other applicable rules and regulations.

13. No part of the structure shall be left in an unsafe condition. If any danger is imminent, contractor shall secure or place barricades around the area.

14. The contractor shall complete the project within a maximum of One Hundred and Eighty (180) days from the date of the awarding of the contract. If contractor exceeds the One Hundred Eighty (180) day timeframe for this project, there will be one half of a percent (.5%) per diem penalty for every day exceeding one hundred and eighty (180) days. The assessment of liquidated damages against contractor shall not impair the City's right to enforce contractor's indemnity obligation as provided in the contract, or other rights at law or in equity.

15. During demolition, structure must be watered down to prevent dust. If water hydrant tap is required, permit from United Water will be required.

16. The contractor shall have salvage rights to the building and its contents. It should be noted that the elevators are currently non-operational and have been sealed by the State of Michigan. Universal waste shall be removed by contractor.

17. The contractor shall be responsible for providing temporary power and other utilities, as needed.

18. The City shall test for the presence of asbestos and handle the removal of any asbestos before awarding of the contract.

19. The contractor shall be responsible for providing temporary toilets.

20. The contractor shall be responsible for the clean-up and removal of all debris and all excess or unsuitable excavated material shall be properly disposed of off-site.

21. The contractor shall be responsible for providing containment for soil erosion and debris surrounding the demolition site.

22. The contractor shall take all necessary precautions to protect the integrity of the permanent structures that are physically connected to the Phoenix Center. The contractor shall be responsible for any damages to surrounding buildings

and streets as a result of demolition or employees' negligence.

23. The City of Pontiac will not be responsible for any additional costs for winter conditions.

24. Backfill excavation up to adjacent grade with sand or the use of clean clay (no Vegetation) compacted in 12 inch lifts to ninety five (95) percent of its max weight. Sand or clay shall be free of constituents that could cause adverse environmental impact. If Orchard Lake Road is not protected, Contractor to remove Orchard Lake Road and back fill and compact to ninety eight (98) percent of its weight in 12-inch lifts. City shall provide the monitoring of the inspection of the back-fill excavation and testing of the fill for contaminants.

25. Equipment, vehicles, and construction materials shall be stored only in areas designated by City Engineer. Contractor agrees that it is its sole responsibility and not the responsibility of the City to safeguard the property and materials that are used in this demolition project.

26. Only Orchard Lake (on site) as well as Water Street and Judson can be used for ingress and egress for truck traffic. The use of Saginaw north of Water Street is prohibited.

27. City to provide for traffic engineering, all barricading, barrels and signage shall be the responsibility of the contractor. Signage will be detailed in the provided traffic control plan.

28. All curb and gutter relative to the parking structure should be removed. The only curb and gutter that is required to remain and be repaired or replaced is that which is integral to the surrounding streets. If the option of not protecting Orchard Lake is selected, then contractor shall be responsible for placing curbs across the current openings at Woodward.

29. If Orchard Lake is saved the columns that support the structure within the road right-of-way would be removed or cut down below grade to a point where they would not affect any road work such as reconstruction or resurfacing or utility work. Curbs for access drives into the structure should be removed.

30. No concrete crushing will be allowed on site.

31. Contractor will protect and maintain the road drains at the entrance ways of the parking structure throughout the demolition process.

32. The grade of the site shall be four (4) inches below sidewalk grade. This is true for the ROW through the Phoenix Center. The utilities will not need to be raised or adjusted other than new CB covers will be required in place of curb structures.

33. Contractor to use 21AA crushed concrete to a minimum of eight (8) inch depth covering the entire demolition site.

33. Payments to be made monthly based on percentage of completion.

34. Contractor to provide as-built drawings of the remaining caissons.

35. Performance Bond shall be executed by the contractor guaranteeing performance of service in accordance with the terms of the RFP of one hundred (100) percent of the total bid.

SCOPE OF SERVICES:

DEMOLITION PROPOSAL ONE:

SCENARIO ONE (Protecting Orchard Lake Road): Demolition of the Phoenix Center with removal of all footings/foundations and cut caissons off at twenty (20) feet below finished grade and backfilled to four (4) inches below sidewalk grade so that the area is left in safe condition after demobilization. Contractor will remove all debris compliant with local, state and federal regulations. Provide cost savings that are contingent on the availability of an operational elevator. Contractor to safely remove, transport and relocate to the City Hall grounds two (2) Japanese sculptures as well as one (1) other large and two (2) small (gravestone style) sculptures (five in total) currently located on top of the Phoenix Center.

SCENARIO TWO (Not Protecting Orchard Lake Road): Demolition of the Phoenix Center with removal of all footings/foundations and cut caissons off at twenty (20) feet below finished grade and backfilled to four (4) inches below sidewalk grade so that the area is left in safe condition after demobilization. Contractor

will remove all debris compliant with local, state and federal regulations. Provide cost savings that are contingent on the availability of an operational elevator. Contactor shall remove Orchard Lake Road (also known as Auburn Ave) and place curbs across the openings at Woodward. Contractor to safely remove, transport and relocate to the City Hall grounds two (2) Japanese sculptures as well as one (1) other large and two (2) small (gravestone style) sculptures (five in total) currently located on top of the Phoenix Center.

DEMOLITION PROPOSAL TWO:

SCENARIO ONE (Not Protecting Orchard Lake Road): Demolition of the Phoenix Center with partial removal of the footings and foundations four feet below grade and backfilled to four (4) inches below sidewalk grade so that the area is left in safe condition after demobilization. All footings/foundations and caissons are to be cut off twenty (20) feet below finished grade to provide a sixty (60) foot right of way for Saginaw Street. Contractor will remove all debris compliant with local, state and federal regulations. Provide cost savings that are contingent of the availability of an operational elevator. Contactor shall remove Orchard Lake Road (also known as Auburn Ave) and place curbs across the openings at Woodward. Contractor to safely remove, transport and relocate to the City Hall grounds two (2) Japanese sculptures as well as one (1) other large and two (2) small (gravestone style) sculptures (five in total) currently located on top of the Phoenix Center.

SCENARIO TWO (Protecting Orchard Lake Road): Demolition of the Phoenix Center with partial removal of the footings and foundations four feet below grade and backfilled to four (4) inches below sidewalk grade so that the area is left in safe condition after demobilization. All footings/foundations and caissons are to be cut off twenty (20) feet below finished grade to provide a sixty (60) foot right of way for Saginaw Street. Contractor will remove all debris compliant with local, state and federal regulations. Provide cost savings that are contingent of the availability of an operational elevator. Contractor to safely remove, transport and relocate to the City Hall grounds two (2) Japanese sculptures as well as one (1) other large and two (2) small (gravestone style) sculptures (five in total) currently located on top of the Phoenix Center.

OPTIONAL ITEMS:

ARCHITECT SERVICE (optional): Reconstruction design of structures physically to the Phoenix Center. Contractor shall provide designs and plans for the reconstruction of connection points of structures connected to the Phoenix Center. Each building is to be priced out individually with detailed documentation of repairs to be made, materials selected and the conceptual design. **If structures are connected by expansion joints, no repairs/reconstruction will be needed.**

RECONSTRUCTION OF CONTACT POINTS OF PHYSICALLY ATTACHED STRUCTURES (optional): Contractor to provide cost for implantation of reconstruction of attached structures based on the designs submitted.

RECONSTRUCTION OF ORCHARD LAKE ROAD (optional): Contractor shall provide cost for repair or rebuilding of Orchard Lake road that currently runs through the Phoenix Center.