



COMPANION VETERINARY HOSPITAL

625 County Rd 10 NE, Blaine MN 55434

Phone:(763) 755-9255 Fax:(763)786-5131

May 3, 2012

Shawn L. Kaye, Associate Planner, City of Blaine

Subject: Case File No. 07-59, Conditional Use Permit Extension

Dear Shawn,

I am writing this letter as if all of the city council members and the Mayor will be reviewing this information:

1st of all, I owe the City Council an apology for not providing adequate information and pricing in regards to installing fire sprinklers in our clinic.

At the November 3rd, 2011 meeting, I recall overhearing councilmember Swanson comment to his fellow councilmember, "Doesn't it only cost \$2 per square foot?"

It took me a while to register that the City Council members believe that I have been coming back year after year to request an extension for a project that will only cost \$7,000. This is where I should have been more clear.

In 2007, I failed to share with the City Council that bids for this project came in at over \$50,000. It is difficult to put an exact price on it because none of the bidders included all of the work that is required. The square foot price in 2007 was around \$15.80.

The bid letter this year is much better as I have learned what needs to be included:

Our building: built 1961 as a church, one level, flat roof, slab on grade with 3,476 square feet **Note for Council Members: Our building is unique because it was initially a church, then it was converted to an office building. So not only is our project a retrofit, it is a building that has been repurposed and now we are preparing to retrofit for fire sprinklers.**

1. Install fire sprinklers according to NFPA 13 to be installed exposed in the least expensive

manner possible, (2007 bids showed the sprinkler lines running down the main hallway)
Note for Council Members: We do not want to rip out all of our hard ceilings as it would be too costly and too disruptive, so we are bidding the water lines and sprinkler heads to be exposed. The lines will be black or metal so we would like to paint them to match the white ceilings, this painting is not included in the bids.

2. Install sprinkler heads in the combustible space above ceilings, note that there are only three rooms that do not have a plenum space: Boiler room, Surgery and Pre-Op **Note for Council Members: This plenum space is above our hard ceilings and below the decorative wood ceiling that was initially installed for the church. This nearly doubles the square footage for installing fire sprinklers. Some time before 1989 when the city required sprinklers, our “church” was converted to an office building with all hard ceilings. This conversion would have been the most cost effective time to retrofit for fire sprinklers.**
3. Provide underground 6” water supply line with a “T” connection from the fire hydrant in our front lawn to the building, inside our x-ray/storage room. **Note that this underground work is the most expensive part of the project. Bids came in for this work at \$22,000.00 (2007 was \$19,300.00)**

2012 bid results :

Bid #1: \$57,513 from Gilbert Mechanical*

Bid #2: \$46,825 from Viking Sprinkler*

Bid #3: \$42,965 from Midwest Fire Protection*

*Does not include cost to paint the exposed water lines and sprinkler heads, a dumpster, costs due to the disruption of the lawn sprinklers, and patching/repairing to make the new holes in our walls look neater.

Our State Farm agent states that we would have a savings of \$250/year if we installed fire sprinklers.

This project will not add a substantial percentage to the value of our building as we are installing everything exposed. It will be unsightly for a prospective buyer and make any future remodeling difficult.

Our SBA loan and mortgage are with People’s Bank of Commerce. I have consulted with them and their letter of loan denial is enclosed. We ARE assuming that we would qualify for the \$25,000 loan/grant provided by the city.

Last year, I worked with Peoples Bank and Associated Bank to attempt to refinance our mortgage. Both denied. This year, the value of our building has decreased from \$470,700 for 2011 to \$445,500 which makes refinancing even more out of reach.

You may recall that the conditional use permit was not disclosed to us when we purchased the business from

Dr. Karl Wall's widow. Dr. Wall committed suicide on November 19, 2005. Minnesota law requires that a licensed veterinarian own the clinic so Mrs. Wall had one year to sell the business. I recall asking the seller's agent point blank, "What kind of fire protection does the building have?" He replied that he thought it had the "usual" fire extinguishers.

We can now understand why this costly project was not disclosed. If we had known; it would have been a deal breaker as my husband was also looking at clinics in St. Paul and Hasting to purchase

Because of the unique circumstances of this building I am requesting that the City require smoke alarms as a 2nd option which is recommended by the "American Burning Report" that was re-commissioned in October of 2000.

Sincerely,

A handwritten signature in red ink, appearing to read "Sharyl Gandara". The signature is written in a cursive, flowing style.

Sharyl Gandara, co-owner, V.P.



3316 West 66th Street
Suite 100
Edina, Minnesota 55435

phone 952.831.8253
fax 952.831.8254
www.e-peoplesbank.com

May 3rd, 2012

Companion Veterinary Hospital Corp / Edsgan, LLC
Carlos Gandara
625 County Highway 10
Blaine, MN 55434

RE: Credit request for sprinkler system

Carlos-

At this time we are unable to look at extending additional credit for the following reasons:

- 1) Insufficient debt service coverage
- 2) Insufficient collateral
- 3) Loan to Value on the property exceeds policy

Please let me know if you have any other questions.

Respectfully,

A handwritten signature in black ink, appearing to read "Ben Monnens", written in a cursive style.

Ben Monnens
Commercial Banker
952-230-9051