

Prepared by: Lynda J. Woulfe, City Administrator

**Background**

Grant Johnson and Erick Harcey are remodeling the Leader Building for their new restaurant (Willards) and apparel store. One of the building code requirements triggered because of the proposed remodeling of all three floors is the installation of a fire suppression system. In the past, the City had discussions about assisting downtown businesses with the costs of installing sprinkler systems since there needs to be a 6” water line for the sprinkler system and only one or two inch water lines currently serving the building.

To install the new 6” line, the street will need to be excavated, a new tap done to the water main, and then the sprinkler system run through the building. I am proposing the Council adopt a Special Assessment Agreement and Waiver of Irregularity and Appeal to assist with the costs of this project. This type of agreement has been used in the past for the Cambridge Christian School payment of WAC/SAC fees and for the new laundry facility.

The installation of the sprinkler system is a major safety improvement to the downtown, permits a building to meet the newer fire/building code standards, and encourages investment in our downtown. Without the City’s support of these types of projects, the City can run the risk of older buildings remaining vacant because of the incredibly high price of bringing them up to code when there is a change of use or a remodel.

**FISCAL NOTE: \$163,000. Funds to pay for the project will come from the Water Fund and be paid as a special assessment over a fifteen-year period with a three percent interest rate.**

I have confirmed with Caroline Moe, Director of Finance, that \$163,000 is available from the water fund for this agreement. Please note Council is only approving the special assessment agreement, not the fire protection plan. A formal review of the final construction plans will be done by the Deputy Fire Chief and Building Official.

**Recommendation**

Approve the Special Assessment Agreement and Waiver of Irregularity and Appeal with H & J Leasing, LLC as presented.

**Agreement of Assessment and Waiver of Irregularity and Appeal**

THIS AGREEMENT, is made this 1<sup>st</sup> day of August, 2018, between the City of Cambridge, State of Minnesota, hereinafter referred to as the City, and H&J Leasing, LLC., Isanti County, State of Minnesota, hereinafter referred to as Owner.

Owner is requesting to make a new connection to the City of Cambridge's water service in order to install a sprinkler system for 133–135 Main Street South (PIN 15.069.0140). Owner is requesting a fifteen-year special assessment schedule to pay the \$163,000 charges associated with the new connection to the City's water main. The City Council in consideration of promoting renovation and revitalization of downtown buildings along with the safety improvements a sprinkled building will bring to the core downtown area will agree to specially assessment the \$163,000 and charge an interest rate of three (3) percent over a fifteen-year schedule as long as the Owner agrees to the assessment and waives any irregularity or right of appeal. The special assessment would be certified in November 2019 and repayment begins with property taxes payable in 2020.

Owner will be installing one sprinkler main to serve both sides of the building located at 133-135 Main Street South.

Therefore, the Owner expressly waives objection to any irregularity with regard to the said assessment, waives the required public hearing for said special assessment, and any claim that the amount thereof levied against owner's property is excessive, together with all rights to appeal in the courts.

In testimony, whereof, each has hereunto set his/her hand, the day and year first above written.

***By signing this agreement, you acknowledge that you have full legal rights to create binding contractual agreements on behalf of your entity.***

**ON BEHALF OF H&J LEASING, LLC**

\_\_\_\_\_  
Grant Johnson

\_\_\_\_\_  
Erick Harcey

STATE OF MINNESOTA     )  
COUNTY OF ISANTI       )  
CITY OF CAMBRIDGE       )

On this \_\_\_\_\_ day of August, 2018 before me a notary public, the above-signed individual(s), Grant Johnson, and Erick Harcey, originally appeared, known to me to be the person whose name is subscribed to within instrument, and acknowledged that he/she executed the same for the purposes therein contained.  
In witness hereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

**ON BEHALF OF THE CITY OF CAMBRIDGE**

\_\_\_\_\_  
Marlys A. Palmer, Mayor

\_\_\_\_\_  
Lynda J. Woulfe, City Administrator

STATE OF MINNESOTA        )  
COUNTY OF ISANTI         )  
CITY OF CAMBRIDGE         )

On this \_\_\_\_\_ day of August, 2018 before me a notary public, the above-signed individual(s), Marlys A. Palmer and Lynda J. Woulfe, originally appeared, known to me to be the person whose name is subscribed to within instrument, and acknowledged that he/she executed the same for the purposes therein contained.

In witness hereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

**This agreement drafted by:**  
Lynda J. Woulfe, City Administrator  
City of Cambridge  
300 3<sup>rd</sup> Ave NE  
Cambridge, MN 55008

*H & J Leasing, LLC*  
133-35 S. Main St.  
Cambridge, MN 55008

July 31, 2018

Lynda Woulfe, City Administrator  
City of Cambridge  
200 Buchanon St.  
Cambridge, MN 55008

RE: *Willard's & Leader Request*

Dear Ms. Woulfe:

As discussed at our meeting on Monday July 16th, we are encountering additional costs relative to construction, and building code requirements such as fire suppression, fire alarm, restrooms and stairways that have been imposed on our upcoming project. Although we are thankful for the City's cooperation to-date, we are requesting additional help to assist us in helping us move our project forward, and make it a safe and code compliant place for our employees and patrons.

Since our original request and approval of \$102,867.00 loan from your "water fund", we have added approximately \$60,000.00 in cost. The added costs allows us get into full building code compliance (see attached code review from Inside-Outside Architecture). The added cost includes the following:

- o Audible fire alarm system throughout both properties
- o 6" water service supplied to Willard's property, with Tee into Leader property.
- o A 1 hour rated corridor with ramp at 2<sup>nd</sup> level of Willard's property.
- o (Our revised construction plans are attached showing the changes.)

Request:

We are asking the City for a revision to our initial request, to modify the total loan amount from \$102,867.00 to \$163,000.00. This additional money will allow us to complete the added items above, and meet current code compliance. Additionally, we request the loan terms be extended from 9 years to a 15 year term and amortization, at an interest rate of three percent (3%).

Lastly, in response to your request to understand our safety procedures, we are attaching our fire safety procedures plan. This outlines and demonstrates our culture of on-going safety and concern for employees and patrons.

It is our hope that the City will agree to approve our request. Without it, our project is in jeopardy. We are thankful for the City of Cambridge, and its demonstrated willingness and cooperation to help new businesses prosper. It is our desire to add value, excitement and new life to the downtown area with the Willards/Leader project. Thank you for working with us!

Respectfully,

Grant Johnson

A handwritten signature in black ink, appearing to read 'G. Johnson', with a long horizontal flourish extending to the right.

Erick Harcey

A handwritten signature in black ink, appearing to read 'E. Harcey', with a large, stylized loop at the beginning and a horizontal line extending to the right.

# Willards Restaurant

Separate building from Leader building (3 Hour fire wall and 3 Hour doors/shutters)

2015 MN state building code (due to change of original use)

2690 SF LL, 2993 SF M, 3566 SF UL

Overall 'fire area' if not separated = 9249 SF

2 story

Sprinkled all three floors in renovation

New 1 hour rated stair enclosure created as part of the renovation

## Occupancy Types:

A2: Must be sprinkled on main floor: Occupancy >100

A2: Must be sprinkled on lower level: Occupancy >100 + floor other than level of exit discharge

S1: Not sprinkled if <12000 SF but separated from A2 by 2 hour separation – walls & horizontal only 1 story allowed. (non-separated if sprinkled)

B: Wouldn't have to be sprinkled unto itself but would need to be rated 2 hour from A2 (UL L541) & shaft enclosures would need to be 2 hour. (508.4 & 713) (non-separated if sprinkled)

## Lower level: A2 & S1

Lower level is required to be sprinkled due to windowless story

Restaurant must be sprinkled at this level – floor other than level of discharge + occ. >100 (903.2.1.3)

If S1 is sprinkled also then non-separated

2 exits required.

\*If S1 is not sprinkled then 2 hour walls between it and restaurant + 2 hour horizontal assembly above (508.4)

2 exits provided

This floor will be sprinkled – no rated horizontal assemblies required or provided

## Main level: A2

Restaurant must be sprinkled at this level – Occupancy > 100

2 exits required

This floor will be sprinkled

2 exits provided

1 hour shafts from kitchen through upper level

## Upper level: B & possible S1

If not sprinkled then no S1 occupancy allowed (1 story max per table 503) (accessory use if <318 SF)

B occupancy not sprinkled, 2 story allowed – 2 hour horizontal separation at floor

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Two exits required due to exit access travel distance  $>75'$  – cannot pass through another tenants space to exit.

\*Occupant load must be  $<30$  for one exit from second level if exit access can be addressed.

\*Occupant load will be reduced with new shafts installed.

**This floor will be sprinkled.**

**A new 1 hour exit passageway is being created to minimize the exit access travel distance to the new 1 hour stair. All sprinkled. Occupancy load of upper level  $<30$  with S1, and B occupancy, 1 exit required. 1 hour shafts through space from A2 below.**

## Leader Building (non-sprinkled)

Separate building from Willard's restaurant (3 Hour fire wall and 3 Hour doors/shutters)  
2015 MN conservation code for existing buildings (IEBC) based on the 'Work Area  
Compliance Method' & as it relates to the 2015 MSBC

5266 SF LL, 5345 SF M, 4827 SF UL

Overall 'fire area' if not separated = 15638 SF

2 story

### Occupancy Types:

M: 1 story allowable area 9000 SF

B: 2 story allowable area 9000 SF

S1: 1 story allowable area 9000 SF

R3: 3 story allowable area Unlimited

### Lower level: M & S1 – no change of use

S1: No work, not sprinkled per IEBC 804.2.2 – not a work area & occupant load <30

M: Retail area; not sprinkled per IEBC 804.2.2 – work area < 50% of floor area; level 3 alteration  
2 exits required, 2 provided from each space

New 1 hour corridor added to new 1 hour stair

New enclosure provided around existing open stair as part of construction between M  
occupancies to be open to only two floors.

(See below for discussion on fire area)

### Main level: M – no change of use

M: Retail area; fully remodeled, level 3 alteration

2 exits required, 3 existing

\*Not sprinkled ('fire area' exceeds 12,000 SF fire area per 903.2.7 and allowable height of 1 story)  
However, per IEBC 403.1 and IEBC 1012.5.2, the building will be 'no less conforming' than the  
existing and the occupancy classification is equal category, thus the height and area of the existing  
building shall be deemed acceptable.



Upper level: M & R3

R3 – no change of use

Not sprinkled per MSBC 903.2.8 exception 3 (alterations to existing non-sprinkled R3)

1 exit required per MSBC 1021.2 exception 2; 1 existing

Separate from adjacent M & B occupancies and adjacent dwelling units with 1 hour fire partitions per 711

Separate from M occupancy below with 2 hour horizontal assembly 508.4 (see MSBC 420.6 for possible exceptions if allowed to be 'non-separated' use.

M: Retail area; no change of use; non-sprinkled work area this project less than 50% of the floor area. M not allowed in non-sprinkled 2 story see main level notes above for possible exceptions. 2 exits required, 3 existing but exceeds travel distance. Additional exit required prior to future renovations and use. New corridor being installed in adjacent building. Future exit door into adjacent exit corridor is planned to reduce exit distance.

B: Not sprinkled; no change of use; no sprinkler required.

Providing area separations and horizontal ratings per the IEBC 'Work Area Compliance Method' in the existing Leader building is cost prohibitive to this project and in some cases not possible to create a true separation. However, in using the IEBC 'Performance Compliance Method' the existing Leader building with the alterations being proposed, passes the mandatory safety scores evaluation process. See the attached **Table [B] Table 1401.7 Summary sheet-building code**

There will be new addressable fire alarm and detection system throughout; emergency power to the new means of egress lights.

Any existing HVAC systems will need to be evaluated with compliance with sections 1018.5 of the IBC and 602 of the IMC. Modified if not in compliance. A new forced air furnace is planned for the main level.

**Leader Building**  
**(does not include Willard's restaurant)**  
**'Performance Compliance Method'**  
**(see attached)**

This evaluation is based on the Leader building side only and with existing uses as identified above in the 'Work Area Compliance Method.'

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[B] TABLE 1401.7  
SUMMARY SHEET-BUILDING CODE

Existing occupancy <u>M, B, R3 &amp; S1</u>	Proposed occupancy <u>NO CHANGE OF USE</u>
Year building was constructed <u>1918</u>	Number of stories <u>2</u> Height in feet <u>25'</u>
Type of construction <u>VB - COMBUSTIBLE</u>	Area per floor <u>5877 SF PER FLOOR</u>
Percentage of open perimeter increase <u>17</u> %	
Completely suppressed: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Corridor wall rating <u>New 1 hour exit passage</u>
Compartmentation: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Required door closers: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Fire-resistance rating of vertical opening enclosures <u>1 hour</u>	
Type of HVAC system <u>2 new Gas forced air furnaces</u> , serving number of floors <u>main floor. Lower level forced air gas - existing. Upper level</u>	
Automatic fire detection: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Type and location <u>Addressable fire detection &amp; alarm system throughout</u>
Fire alarm system: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Type <u>per NFPA 72, monitored via UL listed central station</u>
Smoke control: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Type _____
Adequate exit routes: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Dead ends: <u>20' max</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Maximum exit access travel distance <u>200'</u>	Elevator controls: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Means of egress emergency lighting: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Mixed occupancies: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

SAFETY PARAMETERS	FIRE SAFETY (FS)	MEANS OF EGRESS (ME)	GENERAL SAFETY (GS)
1401.6.1 Building Height	1.2	1.2	1.2
1401.6.2 Building Area	8.15	8.15	8.15
1401.6.3 Compartmentation	0	0	0
1401.6.4 Tenant and Dwelling Unit Separations	-3	-3	-3
1401.6.5 Corridor Walls	0	0	0
1401.6.6 Vertical Openings	7	7	7
1401.6.7 HVAC Systems	0	0	0
1401.6.8 Automatic Fire Detection	6	6	6
1401.6.9 Fire Alarm System	10	10	10

1401.6.10 Smoke control	****	0	0
1401.6.11 Means of Egress	****	0	0
1401.6.12 Dead ends	****	2	2
1401.6.13 Maximum Exit Access Travel Distance		10.6	10.6
1401.6.14 Elevator Control	****	0	0
1401.6.15 Means of Egress Emergency Lighting	****		
	4	4	4
1401.6.16 Mixed Occupancies	0	0	0
1401.6.17 Automatic Sprinklers	-3	****	-3
1401.6.18 Standpipes	0	0	0
1401.6.19 Incidental Use	0	0/2=0	0
<b>Building score—total value</b>	<b>30.35</b>	<b>45.95</b>	<b>42.95</b>

\*\*\*No applicable value to be inserted.

**[B] 1401.8 Safety scores.**

The values in Table 1401.8 are the required mandatory safety scores for the evaluation process listed in Section 1401.6.

[B] TABLE 1401.8  
MANDATORY SAFETY SCORES<sup>a</sup>

OCCUPANCY	FIRE SAFETY (MFS)	MEANS OF EGRESS (MME)	GENERAL SAFETY (MGS)
A-1	20	31	31
A-2	21	32	32
A-3	22	33	33
A-4, E	29	40	40
B	30	40	40
F	24	34	34
M	23	40	40
R	21	38	38
S-1	19	29	29
S-2	29	39	39

- a. MFS=Mandatory Fire Safety
- MME=Mandatory Means of Egress
- MGS=Mandatory General Safety

**[B] 1401.9 Evaluation of building safety.**

The mandatory safety score in Table 1401.8 shall be subtracted from the building score in Table 1401.7 for each category. Where the final score for any category equals zero or more, the building is in compliance with the requirements of this section for that category. Where the final score for any category is less than zero, the building is not in compliance with the requirements of this section.

[B] TABLE 1401.9  
EVALUATION FORMULAS<sup>a</sup>

FORMULA	T1401.7	T1401.8	SCORE	PASS	FAIL
FS - MFS ≥ 0	<u>30.35</u> (FS) -	<u>23</u> (MFS)	= <u>7.35</u>	x	
ME - MME ≥ 0	<u>45.95</u> (ME) -	<u>40</u> (MME)	= <u>5.95</u>	x	
GS - MGS ≥ 0	<u>42.95</u> (GS) -	<u>40</u> (MGS)	= <u>2.95</u>	x	

- a. FS = Fire Safety      MFS = Mandatory Fire Safety  
ME = Means of Egress      MME = Mandatory Means of Egress  
GS = General Safety      MGS = Mandatory Means of Safety

# Willards-Leader Fire Safety

## OUR PLAN IS CREATE A CULTURE OF SAFETY

With all of our years or experience we understand the need for fire safety and protocol.

Fire safety in our facility will ***be stressed and emphasized constantly***. Failures to comply with fire safety measures by staff will be treated as severe affronts to the health and safety of your establishment.

Safety precautions we will practice routinely are:

### 1. Suppression System Testing

High-temperature vegetable oil fires can happen in a split second and spread even faster. We will have our fire suppression system be tested regularly, but we will train employees to know how it works in case something like an oil fire begins in the kitchen area. This will not be a complicated training process, but it will have it's own training session on a monthly basis to keep knowledge of operation at the top of the mind.

### 2. Extinguisher Training

This is a simple but vital training exercise for not only management, but all staff members. We will set up a regular time each month for management and staff to check the expiration dates on the labels of the fire extinguishers. This will keep everyone on their toes as to when they need to be updated. Along with date checking, institutionalize a training course in the operation of a fire extinguisher.

We will teach employees about our evacuation protocol and the usage of fire-safety equipment. Providing trainings that provide shortcuts like remembering PAST (Pull out the pin, Aim at the base of the fire, use a Sweeping motion, stand Ten feet away) when operating fire extinguishers will greatly improve our staff's fire fighting abilities.

If a fire breaks out and panic settles in, we don't want to rely on our staff thinking or problem solving on the go. Instead, we will set up a plan that's unique to our establishment, our staff will practice it until it's embedded into their minds and they can perform it on autopilot.

If our staff size dictates we will consider integrating an off-shoot of the buddy system. Pair up staff who work well together and who also happen to work in the same area of your establishment.

Assign each person roles that they'll take on during any fire emergency situation. For instance, wait-staff could be assigned as designated patron escorts while your kitchen staff can assure everyone in the restaurant is accounted for and safe. Someone else can keep customers calm and collected as the restaurant fire safety plan is carried out. Who gets what role isn't as important as assigning roles in the first place. When a restaurant fire flares up, each member of our staff will immediately know their designated place in our fire safety plan and will also be able to fulfill their emergency duties without any supervision.

This avoids potential frenzy and ensures the safety of patrons and staff. Also, we will be prepared to "power down". We will train at least one key manager per shift on how to shut off gas and electrical power in case of emergency.

### **3. FOG Safety Training**

It's not unusual for fat, oil, and grease (FOG) to build up in a restaurant kitchen rather quickly. This is a danger within itself, so FOG training is essential because there are the many opportunities that can enable a fire to grow rapidly. In a separate but semi-regular training session, teach all staff on the proper ways to clean and dispose of FOG. Stress the importance of keeping up on this tedious but possibly life-saving chore. There may be areas of the kitchen that can be very difficult or basically impossible to clean FOG from. Management needs to discover these problem spots and act quickly to create a solution for this by proper training to clean any remnants of grease from every surface along with an extensive, and regular, cleansing of your kitchen's exhaust hood. This will prevent air-flow restriction. Grease is rampant in most kitchens, especially if there isn't a strict cleaning schedule in place. We will be sure to double check your broilers, convection ovens, grills, fryers, ranges, filters and vents.

### **4. Regular Fire Drills**

All staff will know the routes to get out of the establishment in the case of fire or any other kind of emergency that could happen within the restaurant. We will place maps of the establishments evacuation routes around key areas (near doorways and in bathrooms to name a few), and set up routine fire drills with all employees. That is so the personnel know the way out for themselves, but also how to usher out restaurant guests as well by memory. During these drills it will also be easy to pinpoint where any

confusion might happen with exit plans or routes. We will take this seriously and work at it until all the workers are comfortable with their designated plan of action.

If a fire breaks out and panic settles in, we don't want to rely on our staff thinking or problem solving on the go. Instead, we will set up a plan that's unique to our establishment, our staff will practice it until it's embedded into their minds and they can perform it on autopilot.

If our staff size dictates we will consider integrating an off-shoot of the buddy system. Pair up staff who work well together and who also happen to work in the same area of your establishment.

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Who gets what role isn't as important as assigning roles in the first place. When a restaurant fire flares up, each member of our staff will immediately know their designated place in our fire safety plan and will also be able to fulfill their emergency duties without any supervision.

This avoids potential frenzy and ensures the safety of patrons and staff. Also, we will be prepared to "power down". We will train at least one key manager per shift on how to shut off gas and electrical power in case of emergency.

## **5. Keep Evacuation Routes Clear**

This is common knowledge, but it's amazing how many members of management and staff need reminders of keeping evacuation routes clear at all times—and that quite literally means at all times. Keeping exit hallways and routes free of boxes, chairs, tables, or anything else that could get lost on its way to its rightful storage home is the goal. Everyone needs to work together to have all exits and pathways clear at all times. This is not only because it is dangerous to all those in the restaurant, but it is also a serious code violation.

## **6. We will keep all staff smoking habits in check**



We will enact a policy that mandates the proper disposal of cigarettes and that designates a smoking area that's intentionally situated away from any combustible materials or fire hazards.

***The highest hope is that our business will never have to experience a fire of any kind and the best way to do that is through regular fire safety training with all the employees. Safety protocols can save lives and save the business numerous amounts of lost cost.***