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| Title: | Authorization to Contract with Alatus Development for Installation of Storm Sewer at 325 Blake Road |
| Resolution number: | 23-024 |
| Prepared by: | Michael Hayman (952) 471-8226 mhayman@minnehahacreek.org |
| Reviewed by: | Gabe Sherman, Planner-Project Manager; Chuck Holtman, Smith Partners |
| Recommended action: | The Board of Managers authorizes a not-to-exceed budget for installation of storm sewer at 325 Blake Road and directs staff to contract with Alatus Development, LLC., to complete installation across its Building A driveway access to avoid future disruption to the finished site. |
| Schedule: | April/May 2023 – review of engineering and construction submittals Summer 2023 – installation of storm sewer at Building A driveway |
| Budget considerations: | Fund name and code: 325 Blake Road Stormwater Mgmt 3145-4550 Fund budget: \$1,632,285 2023 expenditures to date: \$15,614 Requested amount of funding: \$84,170 + 10% contingency |
| Past Board action*: | Res # 20-066 Authorization to Execute a Cooperative Agreement with the City of Hopkins for Coordinated Planning, Improvements and Development for 325 Blake Road Res # 20-067 Authorization to Release the Request for Proposals for Design Services for 325 Blake Road Stormwater Management and Site Restoration Res # 20-083 Authorization to Contract for Site Survey for 325 Blake Road Regional Stormwater and Greenway Project Res # 20-091 Authorization to Contract for Design Services for the 325 Blake Road Regional Stormwater and Greenway Project Res # 21-063 Acceptance of 30% Design for 325 Blake Road Restoration and Redevelopment Res # 21-075 Approval of Phase II Design Contract for 325 Blake Road Restoration and Redevelopment Res # 22-010 Approval of 60% Design for 325 Blake Road Restoration and Redevelopment Res # 22-023 Approval of the 325 Blake Road Real Estate Purchase Agreement Res # 22-040 Approval of the First Amendment to the 325 Blake Road Real Estate Purchase Agreement |

*The Resolutions listed above are specific to the design process and the purchase and sale agreement. A full history of Board decisions related to the project is available.

Summary:

The 325 Blake Road Restoration and Redevelopment project encompasses greenway and regional stormwater facilities that are integrated with the adjacent Alatus redevelopment and existing Cottageville Park. Activities over the course of 2022, and quarter-one of 2023, therefore included advancing MCWD's project design, as well as significant partnership efforts with the City of Hopkins and Alatus.

Design

In December 2020, MCWD contracted with HDR to provide Phase I schematic design and engineering services to further its stormwater and greenway project at 325 Blake Road and adjacent Cottageville Park properties in Hopkins. Phase I work was completed in September 2021 with Board acceptance of schematic designs, and a Phase II scope of work and contract were authorized in November 2021. On February 24, 2022, the Board approved HDR's 60% design submittal and provided guidance for the development of 90% design. The Board provided feedback on 90% design at the August 11, 2022 Operations and Program Committee (OPC) meeting.

HDR incorporated the Board input received at the August 11, 2022 OPC meeting, as well as staff and partner review comments, into the final design and delivered those documents to MCWD in March 2023. MCWD staff and HDR will present the bid-ready package to the Board on May 11, 2023. Bid timing is currently being coordinated with the anticipated construction schedule of specific elements of the Alatus development, but having final construction documents in hand provides MCWD with flexibility to move forward quickly once an optimal bid window is determined.

Development Partnership

MCWD has continued to work closely with Hopkins and Alatus to ensure that the greenway and stormwater improvements are integrated with the new Alatus development, as well as the existing Cottageville Park and Hopkins' public infrastructure. As these partnerships have continued to evolve and solidify, conversations around the remaining coordination items have commenced and have begun to identify opportunities for shared implementation at a benefit to the overall project.

One such opportunity is the installation of portions of the regional stormwater system that cross the Lake Street access and future driveway of Building A. The Board will recall that in June 2022, MCWD accepted Alatus' proposal to amend the Real Estate Purchase Agreement to facilitate Alatus' financing and construction of 116 units of income-restricted housing in "Building A" of the 325 Blake Road project.

As construction of Building A continues, Alatus' team of contractors at Frana and Veit identified a segment of regional stormwater infrastructure that could be installed as part of Alatus' effort. As Alatus installs other underground utilities, efficiency is gained by installing MCWD's storm sewer on the portion of the site that will have final grading and roadway construction. This coordinated effort provides a cost saving to MCWD since the contractor is already excavating the area for installation, and MCWD will not have to re-excavate and re-finish the portion of the site when it proceeds with its future construction activities.

The portion of the storm sewer construction that will occur under this agreement includes one stormwater manhole structure, approximately 158-linear feet of pipe, connections to the structures, and re-installation of the existing drain. MCWD engineers at HDR have reviewed the contractors quote and associated submittals and find the cost of materials and labor to be comparable to the final design estimate and noted a cost savings by completing the work during original site construction in 2023. The total cost for the work is quoted at \$84,170 and will be completed by Frana and Veit without the typical general contractor mark-up. Staff recommend a 10% contingency be authorized to account for any in-field changes that may arise as the excavation and installation commences.

At its April 27, 2023 Board Meeting, staff will present the coordinated construction effort and provide a brief update on the project design status, partnership efforts, and a schedule for project milestones in 2023 and beyond.



RESOLUTION

Resolution number: 23-024

Title: Authorization to Contract with Alatus Development for Installation of Storm Sewer at 325 Blake Road

WHEREAS the Minnehaha Creek Watershed District (MCWD) acquired 325 Blake Road in 2011 as a key piece of the Minnehaha Creek Greenway, which will provide 109 acres of a connected corridor of restored creek and habitat through St. Louis Park and Hopkins; the MCWD and other public partners have made substantial investments in the preparation and planning of the site to date; the driving vision of the project is to create a uniquely water-centric redevelopment of a formerly industrialized segment of the Minnehaha Creek corridor; the project will provide layered ecological and societal benefits and will serve as a centerpiece of the larger Minnehaha Creek Greenway restoration;

WHEREAS the MCWD and the City of Hopkins (City) (together, the “Partners”) have entered into a cooperative agreement to guide the coordinated planning, improvements and redevelopment of the site, focusing on approximately 11-13 acres for transformation into a transit-oriented neighborhood; the MCWD will retain ownership of approximately four-six acres to treat polluted stormwater that flows into the creek from approximately 270 acres of surrounding area and to restore more than 1,000 feet of creek frontage; the MCWD is incorporating into the planning for this latter portion of the site three accompanying parcels bordering the creek for the 325 Blake Road Regional Stormwater and Greenway and Cottageville Park Phase II Riparian Restoration Project; this project includes the construction of stormwater facilities, open space amenities, stream and riparian restoration and a trail network;

WHEREAS as of March 2020, the construction of both the Powell Road and Lake Street stormwater diversion systems were complete, with the diversion structures remaining bulk-headed until the treatment facility at 325 Blake Road is constructed;

WHEREAS pursuant to the cooperative agreement, MCWD and the City requested proposals from developers for the redevelopment of the 11-13 acre site, and received proposals, and the MCWD Board of Managers selected Alatus Development, LLC (Alatus) at a joint meeting of the Board and City Council on June 17, 2021;

WHEREAS following the selection of Alatus, the Partners developed a preliminary development agreement (PDA) to outline the Partners’ respective expectations, rights, and obligations regarding the 325 Blake Road site and to provide for further coordination as a final development plan and planned unit development (PUD) submittal were developed; in particular, the Partners’ desire to coordinate closely on the final development plan pertaining to the design, location, layout and maintenance of the stormwater-related improvements and amenities designed for the treatment of storm water located on the site, their connections to and integration with MCWD’s regional stormwater and greenway project, and other open areas on the redevelopment site that are preserved for recreation and enjoyment by the general public (collectively the “Public Realm”);

WHEREAS following approval of 30% design, MCWD staff presented the schematic design to the Hopkins City Council on October 12, 2021 and the Council expressed support for the design and design direction;

WHEREAS the MCWD Board of Managers approved the 60% design for 325 Blake Road Restoration and Redevelopment on February 24, 2022 and subsequently reviewed 90% design on August 11, 2022;

WHEREAS on April 14, 2022, the Board of Managers approved the 325 Blake Road real estate purchase agreement (“Purchase Agreement”) with Alatus, and the document was subsequently executed with an effective date of May 9, 2022, detailing that Alatus will acquire from the MCWD, over phases, the site to be developed;

WHEREAS the MCWD and Alatus subsequently amended the Purchase Agreement to advance Alatus’s acquisition of a portion of the MCWD property to facilitate its financing and construction of 116 units of income-restricted housing in “Building A” of the Project;

WHEREAS construction of Building A commenced in September 2022 and as construction of Building A continues, Alatus and the MCWD have identified a segment of the District’s regional stormwater infrastructure that may be installed as part of Alatus’ initial construction effort, creating economic savings to the MCWD by installing MCWD’s storm sewer on the portion of the site that will have final grading and roadway construction once complete; this coordinated effort provides a cost saving to MCWD by utilizing the contractor’s present excavation effort and preventing future disturbance of the finished site;

WHEREAS the portion of the storm sewer construction that will occur as part of the Building A construction effort includes one stormwater manhole structure and sump, approximately 158-linear feet of 42-inch pipe, connections to the structures, and re-installation of the existing drain;

WHEREAS the MCWD Project design engineer, HDR, has reviewed the quote of Alatus’s contractor and associated submittals, and finds the costs of labor and materials comparable to the final design estimate;

WHEREAS while the Project will be contracted through competitive bidding, the MCWD may separate this element of the work, and have it done without competitive procurement, because there is a specific justification to do the work separately, and it may be done only by the Alatus contractor;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorizes the District Administrator, on advice of Counsel, to execute an agreement with Alatus Development, LLC., by which Alatus would provide for its contractor to construct a portion of the MCWD Project design consisting of a section of storm sewer and appurtenances for the regional stormwater system at 325 Blake Road, and in that agreement to obligate the MCWD up to the amount of \$84,170, and further authorizes the Administrator thereafter to amend the contract in his discretion up to an additional 10% of this amount.

Resolution Number 23-024 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: April 27, 2023.

Secretary Date: _____