



Title:	Gateway to the Greenway Construction Observation and Administration Budget Reallocation	
Resolution number:	26-076	
Prepared by:	Gabriel Sherman (952) 641-4510 gsherman@minnehahacreek.org	
Reviewed by:	Chuck Holtman, MCWD Counsel Michael Hayman, Director of Project Planning	
Recommended action:	Board reallocates residual 325 Blake Road design contract task-level budgets to construction observation and administration for the Gateway to the Greenway	
Schedule:	June 2026 – Notice to Proceed issued for Gateway construction Spring 2027 – Anticipated Gateway completion	
Budget considerations:	Reallocation of task-level budgets; no new funding	
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 # 23-009	Authorization to Amend the Phase II Design Contract with HDR for 325 Blake Road Restoration and Redevelopment to Include Structural Engineering Services
	Res # 23-026	Approval of Final Design for 325 Blake Road Regional Stormwater and Greenway Project
	Res # 23-027	Approval of the Project Agreement for Cottageville Park Improvement and Maintenance

Res # 23-036	Authorization to Amend the Phase II Design Contract with HDR for 325 Blake Road Restoration and Redevelopment to Include Pre-Bid Coordination
Res # 25-019	Authorization to Issue Notice of Termination of the 325 Blake Road Real Estate Purchase Agreement
Res # 25-036	Authorization to Amend the Phase II Design Contract with HDR for the 325 Blake Road Restoration and Redevelopment Project
Res # 25-069	Gateway to the Greenway: Approval of Design Plans and Authorization to Solicit Bids
Res # 26-020	Award Contract to Construct the Gateway to the Greenway

Summary

Background

In December 2020, Minnehaha Creek Watershed District (MCWD) contracted with HDR, with Damon Farber as subconsultant, to provide design and engineering services to advance its regional stormwater treatment and greenway project at 325 Blake Road and adjacent Cottageville Park properties in Hopkins. The stormwater facility, in particular, was to be coordinated with private development on the 325 Blake Road property. The design process was phased, with the Phase I contract covering project initiation through schematic design and the Phase II contract scoped to bring the project from schematic design through final design, construction documents, and construction bid support. Phase I work was completed in September 2021 with Board acceptance of schematic designs. The Phase II scope of work and contract were authorized in November 2021, and final design was approved by the Board at its May 11, 2023 meeting.

The Board typically authorizes solicitation of bids for construction at the same time it approves final design. However, at the time of design approval, uncertainty over the final shape of the developer's commercial space and public realm adjacent to the regional stormwater pond and ongoing negotiations with the developer regarding the schedule for release of land necessitated a gap between final design and bid solicitation.

With the developer unable to meet the terms of the purchase and sale agreement, the Board authorized issuing a Notice of Termination of the 325 Blake Road Real Estate Purchase Agreement on March 27, 2025. The Board determined that the Gateway to the Greenway element could move forward as a standalone project, completing Cottageville Park north/west of Lake St NE. It determined it would advance this element separately from the improvement of the Cottageville parcels south/east of Lake St NE (Nature Play element) and the stormwater improvements that are part of the 325 Blake Road Main Site.

On June 12, 2025, the Board authorized the Administrator to amend the HDR contract to provide for separation of Gateway to the Greenway design documents and assistance to bid this project element independently. The amendment also included construction observation and administration (O&A) services. Over the next several months, HDR produced final construction documents for the Gateway to the Greenway and the project was bid in January 2026 and awarded to Pember Companies, Inc. (Pember) in February 2026.

Budget Reallocation

MCWD issued Pember a Notice to Proceed on June 10, 2026. While construction has generally proceeded according to plan, a few issues have led to unforeseen hours for HDR construction O&A:

- Custom pergola overlooking Minnehaha Creek: This feature was custom designed and structurally engineered by HDR. The pergola manufacturer initially submitted an "off-the-shelf" design which did not meet the requirements detailed in the plans and specifications. The manufacturer has since been working to satisfy those requirements, but this has involved significant unanticipated review and communication effort by HDR to ensure the design intent and structural integrity of the pergola are met.
- Soils: An unexpected layer of organic soil was discovered at the bottom of the pergola wall footing excavation. This required HDR to design an over-excavation section, identify suitable materials, and

coordinate with Pember, the third-party testing agency, and MCWD to finalize an approach that quickly and safely allowed construction to continue.

- Lighting: Lighting submittals did not initially meet plans and specifications and required an atypical amount of input from HDR to bring the submittal in line with plans and specifications.
- Seat wall: During excavation, it was discovered that a Met Council sewer vault extended further into the site than was shown on the site survey, and therefore on the drawings. HDR had to redesign portions of the seat wall to avoid conflict with that critical infrastructure, while maintaining the overall site proportions and avoiding construction delays.

These additional hours were driven by matters outside of HDR's control and amount to costs greater than the O&A contingency. The remaining O&A budget must be preserved for sufficient onsite observation during the remaining construction period and for producing as-built drawings.

Staff is therefore recommending that HDR contract funds previously allocated to other tasks but presently unspent be reallocated to construction O&A for the Gateway to the Greenway. Specifically, the full \$19,177 allocated to the 325 Blake bid support task and the remaining \$7,274 in the bridging task would be reallocated to construction O&A activities. The \$10,811 in contingency authorized as part of the most recent contract amendment would also be approved for construction O&A activities. The contingency was always intended for this purpose, while the bid support and bridging tasks are outdated and will need to be reconsidered as part of the ultimate disposition of the 325 Blake Road site. In total, this would shift \$37,262 to construction observation and administration without requiring a contract or budget amendment. HDR represents this sum to be sufficient to cover remaining construction O&A activities.

Because the funds already are budgeted for this contract, a Board approval is not strictly required. However, when MCWD moves forward to complete the project (Nature Play, stormwater management), additional funding for the HDR contract will be needed. Therefore staff finds it prudent to ensure the Board is informed at this time and concurs in the additional costs that HDR has incurred.

Recommendation

At the September 24, 2026, Board of Managers meeting, staff will recommend that the Board authorize this request for budget reallocation. Staff will also provide a brief construction update.



RESOLUTION

Resolution number: 26-076

Title: Gateway to the Greenway Construction Observation and Administration Budget Reallocation

- WHEREAS the Minnehaha Creek Watershed District (MCWD) acquired 325 Blake Road, Hopkins, MN in 2011 as a key piece of the Minnehaha Creek Greenway in St. Louis Park and Hopkins;
- WHEREAS the MCWD is implementing a regional stormwater project at 325 Blake Road to treat urban stormwater that outlets into the creek from approximately 270 acres of surrounding area, restoring more than 1,000 feet of creek frontage, and improving the adjacent parcels with educational and recreational elements (collectively, the 325 Blake Road Regional Stormwater and Greenway and Cottageville Park Phase II Riparian Restoration Project). The project is commonly referenced by its shortened title “325 Blake Road Restoration and Redevelopment”;
- WHEREAS on August 27, 2020, the MCWD Board of Managers (“Board”) authorized the execution of a Cooperative Agreement with the City of Hopkins for Coordinated Planning, Improvements and Development for 325 Blake Road;
- WHEREAS on December 3, 2020, the Board authorized a contract for design and engineering services for the 325 Blake Road Restoration and Redevelopment project with HDR, Inc.;
- WHEREAS following completion of 30% design, the Board authorized advancement from schematic design through final design and a construction phasing plan, and on November 4, 2021, approved the Phase II design contract with HDR;
- WHEREAS subsequently the Board directed the design of a custom pergola for the Gateway to the Greenway parcel at Blake Road and Lake Street as a visually meaningful architectural feature, and authorized an amendment to the design contract to include structural engineering services to ensure constructability and safety of the pergola;
- WHEREAS on May 11, 2023, the Board approved final design of the 325 Blake Road Restoration and Redevelopment;
- WHEREAS also on May 11, 2023, the Board approved the Project Agreement for Cottageville Park Improvement and Maintenance, which set forth terms of collaboration between MCWD and the City of Hopkins for project construction, signage and maintenance;
- WHEREAS on June 22, 2023, the Board amended the design contract with HDR to include additional pre-construction bid coordination tasks and costs not included in the original Phase II contract, necessitated by the design and land ownership status of adjacent private development activity with which the 325 Blake Road Restoration and Redevelopment project is intended to be integrated;
- WHEREAS on March 27, 2025, the Board directed the Administrator to issue a notice to terminate the 325 Blake Road Real Estate Purchase Agreement due to the developer’s inability to meet the terms of the agreement and MCWD’s need to move forward on its site plans;

WHEREAS through contingency planning, the Board directed staff to advance the Gateway to the Greenway project component independently of other Project elements that first require resolution of the issues delaying the progress of adjacent private development;

WHEREAS on June 12, 2025, the Board authorized the Administrator to amend the design agreement with HDR, to produce a separate construction bid package and provide bidding support and construction observation and administration services for the Gateway to the Greenway;

WHEREAS on February 12, 2026, the Board awarded the contract for the construction of the Gateway to the Greenway to Pember Companies, Inc., in the form of the Base Bid, for the contract price of \$1,168,819.70;

WHEREAS MCWD issued Pember a Notice to Proceed on June 10, 2026, and work has proceeded in good order;

WHEREAS HDR has incurred unanticipated construction observation and administration costs related to review of the pergola manufacturer's shop drawings, unexpected soil conditions, inadequate lighting submittals, and survey inconsistencies resulting in redesign of portions of the seat wall, in excess of the remaining contract budget and authorized contract contingency;

WHEREAS the Board concurs that these conditions were beyond HDR's control and that a price adjustment for the associated HDR task not-to-exceed figures is appropriate;

WHEREAS the contract has \$19,177 allocated to the 325 Blake bid support task, \$7,274 remaining in the bridging task, and \$10,811 in unspent contingency previously authorized by the Board, which HDR represents will be sufficient to cover remaining construction observation and administration;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby concurs in reallocating \$37,262 in unspent funds from the 325 Blake Road Regional Stormwater and Greenway/Cottageville Park Phase II Riparian Restoration Schematic Design budget as described above.

Resolution Number 26-076 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ____ ayes, ____ nays, ____ abstentions. Date: 9/24/2026

Secretary Date: _____