

Minnehaha Creek Watershed District

REQUEST FOR BOARD ACTION

MEETING DATE: September 10, 2015

TITLE: Ordering of Minnehaha Preserve Enhancement Project

RESOLUTION NUMBER: 15-078

PREPARED BY: James Wisker

E-MAIL: Jwisker@minnehahacreek.org

TELEPHONE: 952-641-4509

REVIEWED BY: Administrator Counsel Program Mgr. (Name): _____
 Board Committee Engineer Other

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date): _____	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): <u>Final Action at Board Meeting September 10, 2015</u>	

PURPOSE or ACTION REQUESTED:

Formal ordering of the Japs Olson Improvement Project

PROJECT/PROGRAM LOCATION:

7400 Excelsior Boulevard, St. Louis Park

PROJECT TIMELINE:

- August 27, 2015 – Authorize cooperative agreement and approve permit for redevelopment
- September 10, 2015 – Public Hearing and Board consideration of project ordering
- August-December 2015 – Japs Olson construction of Phase I of project
- Spring 2016 – District enhancements and greenway connections
- Spring 2016-2017 – Japs Olson construction of Phase II of project – main facility expansion
- 2018 – 325 Blake Road stormwater facility implementation

PAST BOARD ACTIONS:

- September 26, 2013 – Adoption of a policy regarding the use of District regional stormwater management facilities for regulatory compliance (13-098)
- February 27, 2014 – Authorization to enter into agreement with Wenck Associates for stormwater/corridor feasibility analysis in the Powell Road/Meadowbrook Road area and execute a letter of understanding with Japs-Olson Company (14-014)
- May 14, 2015 – Acceptance of Japs Olson Greenway report and authorization to continue partnership development with Japs Olson Company (Board Action absent of RBA – passed 7-0)
- August 27, 2015 - Approval of permit 15-413 and authorization to enter into a cooperative agreement with Japs Olson Company and the City of St. Louis Park.

SUMMARY:

The Minnehaha Creek Watershed District has repeatedly taken efforts to integrate its planning and implementation with that of other public and private entities, incorporating its strategic natural resource improvements into the built environment in ways that create livable communities and are mutually beneficial to its partners.

This philosophy has been particularly useful within the urban corridor of Minnehaha Creek, between Highway 169 and Meadowbrook Lake, which produces the highest pollutant load per unit area when compared to all other segments of Minnehaha Creek. Within this focal geography the District has engaged in partnership across sectors to align water resource investments with non-water initiatives, often resulting in added environmental, economic and community value.

In 2013 the District initiated partnership discussions with the Japs Olson Company, which was planning an expansion to its business on approximately 32.45 acres of land located at 7500 Excelsior Blvd. in the cities of St. Louis Park and Hopkins. Japs Olson is bordered on the west by the District's Powell Road stormwater diversion, on the north by Minnehaha Creek, and on the east by the District's and St. Louis Park's recently constructed Minnehaha Creek Preserve.

In 2014, the MCWD Board of Managers authorized the execution of a partnership framework via a non-binding Letter of Understanding (LOU) with the Japs-Olson Company. That LOU contemplated a planning partnership to explore optimizing Japs-Olson's parking, enabling Japs-Olson to meet regulatory stormwater requirements associated with its redevelopment through use of MCWD's regional facilities, the conveyance of a portion of the ApplianceSmart site to the District, and the relocation of a portion of Powell Road.

Through this collaborative planning effort Japs Olson and MCWD determined that, given the proposed configuration of the development, Japs Olson's preferred stormwater management plan would treat new parking lot runoff through filtration islands within the parking lot and that all other runoff from the principal facility at 7500 Excelsior Boulevard would need to be conveyed east to newly constructed stormwater facilities on the former ApplianceSmart site. However, due to issues with grade, it is infeasible to convey by gravity the western expansion of the principal facility east to the ApplianceSmart site. Lift stations would be required to route this water north along Powell Road and east across Meadowbrook Road into the ApplianceSmart site.

The continued feasibility investigation also revealed that approximately 4 acres of Meadowbrook Road and adjacent private runoff could be diverted into the ApplianceSmart site for treatment. Japs Olson proposed to construct parking islands to filter the 5.3 acres of impervious surface associated with its parking lot, filtration basins to treat the 11.9 acres of roof runoff that could be gravity drained to the ApplianceSmart site, and to divert the remaining 7.5 acres of impervious surface west to the 325 Blake Road regional facility.

Since the 325 Blake Road facility is not proposed to be online until 2018, and Japs Olson's expansion is planned for completion in the fall of 2016, an issue of contemporaneity arose pursuant to the District's stormwater rule which requires stormwater facilities to be online at the same time the impervious surface is created.

Japs Olson proposed to address this issue of timing by (1) constructing the filtration basin to treat 11.9 acres of roof runoff in 2015 ahead of the expansion construction; and (2) constructing a diversion of four acres of Meadowbrook Road runoff into the facility. By bringing the basin online ahead of the planned expansion and by treating Meadowbrook Road runoff, the constructed facilities will provide approximately 20-lbs of phosphorus reduction between 2015 and January 2018, as compared to approximately 10-lbs of phosphorus reduction that would be achieved if the facilities were brought online at the time of expansion and sized to only treat Japs Olson runoff. The MCWD Board of Managers approved this proposal under a regulatory exception on the basis that it provided a greater degree of water resource protection than would be achieved through strict compliance with the stormwater rule. Once the 325 Blake Road facility is online the combination

of facilities will provide treatment for the Japs Olson project and for the four acres of Meadowbrook Road in perpetuity.

On August 27, 2015 the MCWD Board of Managers authorized the execution of a cooperative agreement between Japs Olson, MCWD and St. Louis Park that would:

- Have Japs Olson construct stormwater facilities (parking filtration islands and filtration basins) on the ApplianceSmart site that would satisfy Japs Olson's regulatory requirements, in a configuration desired by the District, for all but the western 7.5 acres of runoff from the principal facility;
- Have Japs Olson construct the Meadowbrook Road stormwater diversion, at its own cost, to provide an additional 4 acres of regional treatment not required by regulation;
- Have Japs Olson convey all residual greenspace and land underlying the stormwater facility to MCWD at no cost to the District;
- Have MCWD allow Japs Olson to convey runoff from the western 7.5 acres of its principal facility into the District's regional facility planned at 325 Blake Road;
- Have MCWD assume maintenance obligations for the stormwater facility on the land conveyed by Japs Olson to the District.

This cooperative agreement contemplated, principally, that in exchange for assuming long term operation and maintenance costs and allowing 7.5 acres of the Japs Olson expansion to drain to 325 Blake Road for regional treatment, Japs Olson would convey 3.6 acres of land in fee to MCWD for purposes of ecological enhancement and connection to the Minnehaha Creek Greenway for recreation and educational purposes.

The projected long term operation and maintenance costs of the proposed facility, assuming a 20 year life cycle, is \$125,000. This estimate represents the District's direct financial exposure to acquire approximately 3.6 acres of land adjacent to the Minnehaha Preserve. As part of the land conveyance to the District site contamination assurances will be completed, including MPCA Brownfield/Voluntary Investigation and Cleanup (VIC) – Construction Response Action Plan (RAP) and No Association Determination (NAD) – and contaminated soil remediation. Any proposed future improvements contemplated during concept development (e.g. vegetative enhancement, trail connections, etc.) have been determined by the MPCA VIC Program to not associate the District, or successors, as responsible parties for the identified release present on the site.

The city of St. Louis Park has provided both a letter support (August 10, 2015) and a resolution of support (September 8, 2015) for the cooperative efforts of the District and Japs Olson, and endorses ongoing partnership efforts to expand the Minnehaha Creek Greenway including the subdivision of land that Japs Olson plans to convey to the District.

Pursuant to Minnesota Statutes §103B.251 and the watershed management plan, if the Board has considered the recommendations of the District staff and engineer and the comments of interested parties and finds that the Minnehaha Preserve Enhancement Project will be conducive to public health and promote the general welfare, the Board will formally order the project.

Therefore, in accordance with the previously approved cooperative agreement, staff is recommending the Board order the Minnehaha Preserve Enhancement Project.

On September 10, 2015 staff will provide a brief presentation discussing this project opportunity and highlight concepts for improvement that may exist as part of the future management of the newly conveyed land. This presentation may consist of items such as enhancement of wetland and upland vegetative plantings throughout the approximately 3.6 acres of property and potential construction of a trail head and trail connections to the Minnehaha Preserve trail system and Excelsior Boulevard.

RESOLUTION

TITLE: Ordering of Minnehaha Preserve Enhancement Project

WHEREAS the District has adopted and implements a watershed management plan (WMP) in accordance with Minnesota Statutes §103B.231;

WHEREAS the Minnehaha Creek corridor's water quality, channel geomorphology, habitat and public access has been negatively affected by decades of urban development;

WHEREAS the Minnehaha Creek and Lake Hiawatha Total Maximum Daily Load identifies the area between West 36th Street and Meadowbrook Lake as producing the highest pollutant loading per unit area within the subwatershed;

WHEREAS the WMP capital improvement program (CIP) for the Minnehaha Creek subwatershed identifies, at section 5.8.5, District projects within the Minnehaha Creek corridor to reduce nutrient and bacterial loading to Minnehaha Creek and Lake Hiawatha and to decrease peak discharge rates to Minnehaha Creek to reduce streambank erosion;

WHEREAS the WMP CIP for the Minnehaha Creek subwatershed identifies, at section 5.8.2, projects in the Minnehaha Creek riparian area to enhance riparian corridor vegetation; stabilize the creek bank through preservation of riparian wetland area; and enhance educational and recreational opportunities within the riparian area;

WHEREAS the District has been working along the creek corridor in this area with the Cities of St. Louis Park and Hopkins, and with other public and private partners, to implement a series of strategic initiatives to restore, enhance and connect Minnehaha Creek riparian lands;

WHEREAS the District and the City of St. Louis Park recently partnered to complete the construction of the Minnehaha Preserve, which manages over 80 acres of regional stormwater and provides public access to 30 acres of restored riparian greenspace around Minnehaha Creek between Meadowbrook Road and Louisiana Avenue;

WHEREAS Japs-Olson Company is preparing to expand its facility on 30.52 acres of property it owns along Excelsior Boulevard in the City of St. Louis Park, adjacent to the Minnehaha Preserve project;

WHEREAS on September 26, 2013 the District Board of Managers adopted a policy supporting the use of District regional stormwater management facilities for regulatory compliance, on the finding that:

- Treatment effectiveness is enhanced by optimally locating facilities on the landscape;
- Design, construction and maintenance economies of scale are gained;
- Regional stormwater management is better integrated into city land use planning;
- Private benefits of an improved development/redevelopment footprint and earlier regulatory compliance encourage property owner cooperation toward public goals; and
- Facility maintenance is more cost-effective and reliable when performed under the oversight of the District or a public partner;

WHEREAS on August 27, 2015, with a representation of concurrence from Japs-Olson, the Board approved a stormwater management agreement among Japs-Olson, the City of St. Louis Park and the District under which:

- Japs-Olson will design and construct a filtration basin to meet stormwater management requirements for its facility expansion under District and St. Louis Park approvals, but with added capacity to treat runoff from about four acres of land including a part of Meadowbrook Road and adjacent commercial hard surface that now drains untreated into the Minnehaha Preserve, and will construct infrastructure to convey that runoff to the basin;
- Japs-Olson will convey the land underlying and surrounding the basin, 3.67 acres more or less, to the District in fee to integrate with the Minnehaha Preserve lands and extend vegetation enhancements and public trails for passive recreation;
- The District will maintain the filtration basin and will accept runoff from about 7.5 acres of the Japs-Olson property for treatment within the stormwater management facility it intends to construct on its property at 325 Blake Road in the City of Hopkins;

WHEREAS on September 8, 2015, the St. Louis Park City Council approved the stormwater management agreement;

WHEREAS the stormwater management agreement includes final plans and specifications for the filtration basin and associated conveyances, which the District engineer has reviewed and found to be appropriate;

WHEREAS the District's investment in the Minnehaha Preserve Enhancement Project consists of the present-value cost of allocating a portion of capacity in the 325 Blake Road facility to runoff from the Japs-Olson property and assuming the responsibility to maintain the filtration basin to the extent required to meet Japs-Olson's stormwater management obligations under the District and City of St. Louis Park approvals;

WHEREAS in exchange the District will achieve permanent treatment of stormwater runoff from about four acres of urban hard surface that now drains untreated into the Minnehaha Preserve and the opportunity to extend the ecological and recreational benefits of the Preserve into adjacent land;

WHEREAS in accordance with Minnesota Statutes § 103B.251, subdivision 3, the District held a duly noticed public hearing on September 10, 2015 at the District offices, at which time all interested parties had the opportunity to speak to the Minnehaha Preserve Enhancement Project; and

WHEREAS the Board has considered the recommendations of the District staff and engineer and the comments of interested parties and finds that the Minnehaha Preserve Enhancement Project will be conducive to public health and promote the general welfare, and is in compliance with Minnesota Statutes §§103B.205 to 103B.255 and the WMP;

THEREFORE BE IT RESOLVED that pursuant to Minnesota Statutes §103B.251 and the WMP, the Minnehaha Preserve Enhancement Project is ordered.

Resolution Number 15-078 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

Secretary Date: _____

August 10, 2015

Minnehaha Creek Watershed District

Attn: James Wisker
18202 Minnetonka Blvd
Minnetonka, MN 55345

Re: Letter of Support to MCWD for Japs Olson Stormwater Partnership

Dear Mr. Wisker

I am pleased to offer this letter supporting a public-private partnership between Japs Olson (Japs Olson) Company, the Minnehaha Creek Watershed District (MCWD) and the City of St. Louis Park (City), which will advance the strategic effort to reintegrate the Minnehaha Creek Greenway into the surrounding communities between Target-Knollwood to Meadowbrook Golf Course.

The City and the District's strong history of partnership most recently resulted in the successful opening of the Minnehaha Preserve which restores and connects over 30 acres of greenspace around Minnehaha Creek for public use. The proposed partnership between Japs Olson, MCWD and St. Louis Park will further expand on that initiative by joining over 3 acres of new public greenspace to the area, while managing over 30 acres of runoff from Japs Olson land and Meadowbrook Road. I am also excited to hear that the land Japs Olson plans on conveying to the District may provide yet another gateway into the recently restored section of Minnehaha Creek, through trail connections at Excelsior Boulevard.

The City understands and endorses the District's ongoing efforts to partner in our community to expand and connect the Minnehaha Creek Greenway. To facilitate the Japs Olson partnership the City will work closely with MCWD and Japs Olson on the applications including Right-Of-Way permissions allowing Japs Olson to construct the 4 acre Meadowbrook Road stormwater diversion, and the subdivision of land that Japs Olson plans to convey to the Minnehaha Creek Watershed District.

Thank you again for your valued partnership with the City of St. Louis Park.

Sincerely,



Tom Hammening
City Manager