

MEETING DATE: April 28, 2016

TITLE: Authorization to execute a letter of intent for the Lake Street Stormwater Diversion Project

RESOLUTION NUMBER: 16-044

PREPARED BY: Michael Hayman

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

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda. action.	<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 April 28, 2016 Board meeting</u>	

PURPOSE or ACTION REQUESTED:

Staff is requesting authorization to execute a letter of intent expressing a commitment from the District to continue in partnership with Metropolitan Council Environmental Services (MCES) on its Hopkins Lift Station L27 project. The project includes stormsewer work necessary to complete the Lake Street diversion project as part of the District's 325 Blake Road Stormwater Management project.

PROJECT/PROGRAM LOCATION:

325 Blake Road Stormwater Management Project

PROJECT TIMELINE:

April 2016	Execute Letter of Intent
May-June 2016	MCES Awards construction contract and issues Notice to Proceed
2016-2018	Hopkins Lift Station and Lake Street stormwater diversion project constructed (in coordination with MCES sanitary sewer project)
2017-2018	Design and construction of stormwater facilities at 325 Blake Road

PROJECT/PROGRAM COST:

Fund name and number: 325 Blake Road Stormwater Management, 3145
Current fund balance: \$272,827
Requested amount of funding: \$0
Is a budget amendment requested? No
Is additional staff requested? No

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PAST BOARD ACTIONS:

September 22, 2011	RBA 11-085	Authorization to Purchase 325 Blake Road
August 23, 2012	RBA 12-080	Authorization to initiate feasibility
June 13, 2013	Draft Feasibility	No Action Required
June 27, 2013	Public Hearing	No Action Required
July 25, 2013	RBA 13-078	Ordering of 325 Blake Road Stormwater Management
January 23, 2014	RBA 14-005	Authorization to initiate demolition planning
April 24, 2014	RBA 14-029	Authorization to award design contract for Powell Road
July 31, 2014	RBA 14-060	Authorization to submit PFA application
October 23, 2014	RBA 14-086	Approval of Powell Road final design, bid and permit
March 26, 2015	RBA 15-028	Award construction contract for Powell Road
February 25, 2016	RBA 16-015	Authorization to conduct stormwater monitoring

SUMMARY:

In July 2013, the Board of Managers ordered the 325 Blake Road Stormwater Management Project (“Project”), taking advantage of the opportunity to manage approximately 247 acres of area wide stormwater runoff at 325 Blake Road. The project requires the diversion of surrounding urban watersheds into the property, and construction of on site management facilities to receive the runoff. The project includes two primary stormwater diversions – Powell Road and Lake Street – and construction of the on-site infiltration/filtration facilities. These projects are to be phased over a period of years.

Phase 1 of the Project, the Powell Road diversion, was constructed in 2015 and will remain in standby until the future facilities have been constructed.

The Lake Street diversion, like the Powell Road diversion, consists primarily of an extension of municipal storm sewer and will become a part of the City of Hopkins storm sewer system on completion. The District, Metropolitan Council Environmental Services (MCES) and the City are endeavoring to partner on construction of the Lake Street diversion as part of MCES’s Hopkins Lift Station L27 project. At the same time as MCES was developing its design for the lift station and sanitary project, it also agreed to lead design development of the District’s desired stormwater conveyance diversion along Lake Street. Constructing this diversion will result in approximately 30.3 acres of presently untreated stormwater being routed to the regional stormwater management facilities that the District intends to construct on the 325 Blake Road site. Similar to the Powell Road diversion, the extended conveyance would be bulkheaded until the District’s management facility is constructed and operational.

Recently, the District, MCES and the City discussed incorporating the Lake Street stormwater work into the Hopkins Lift Station L27 project for construction by MCES’s chosen contractor. This coordination would reduce public costs as well as the duration of physical disturbance from construction. As a result of that discussion, MCES incorporated the Lake Street stormwater work into the project bid tabulation and released the project for bids. The bid form was organized so that the price of the diversion work may be readily segregated from the price of the MCES sanitary sewer work.

The parties have drafted a cooperative agreement that allocates rights and responsibilities for the construction and funding of the Lake Street diversion and ownership of the improvements. This partnering appears to offer benefits to all parties, and District staff does not see any specific obstacles that would stand in the way of proceeding in this way. However, the parties have not yet produced a final agreement for execution. Accordingly, to proceed with a contract award that includes the stormsewer work, MCES has asked the District for a letter of intent expressing the District’s interest that the work be constructed as part of the overall lift station project. The letter of intent is not legally binding on the District. In the event that the parties do not reach a signed, legally binding cooperative agreement for incorporation of the Lake Street diversion into the contract for construction of the Hopkins Lift Station L27 project, MCES would simply delete the diversion work from the contract.

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Staff is requesting authorization to execute a letter of intent expressing a commitment from the District to continue in partnership with MCES on their Hopkins Lift Station L27 project. The project will include stormsewer work necessary to complete the Lake Street diversion project as part of the District's 325 Blake Road Stormwater Management project.

ATTACHMENTS:

1. Draft Letter of Intent

RESOLUTION

RESOLUTION NUMBER: 16-044

TITLE: **Authorization to execute a letter of intent for the Lake Street Stormwater Diversion Project**

WHEREAS, pursuant to its watershed management plan, and Minnehaha Creek subwatershed capital projects 5.8.2 and 5.8.5 therein, the Minnehaha Creek Watershed District (“District”) has worked to develop projects that improve the quality and manage the quantity of stormwater runoff, enhance the ecological integrity of the stream system, and facilitate broader community goals of public partners throughout the urban corridor region of the District;

WHEREAS, the Minnehaha Creek/Lake Hiawatha Total Maximum Daily Load Study identified the area between West 34th Street and Meadowbrook Lake as generating the highest pollutant load per unit area when compared to other reaches of Minnehaha Creek;

WHEREAS, the MCWD established the area between West 34th Street and Meadowbrook Lake as a priority area for capital project improvements aimed at stormwater improvement, streambank restoration and broader community goals;

WHEREAS, in 2011 the District acquired property at 325 Blake Road for the purposes of stream restoration, stormwater management, corridor improvements, public land expansion and redevelopment opportunities;

WHEREAS, on July 25, 2013, by Resolution 13-078, the Board ordered the 325 Blake Road Stormwater Management Project (“Project”) and authorized the solicitation of engineering services for design and construction oversight;

WHEREAS, the Project requires the diversion of surrounding urban watersheds into the property, and construction of on site management facilities to receive the runoff, and includes two primary stormwater diversions – Powell Road and Lake Street – and construction of the on-site infiltration/filtration facilities that will be phased over a period of approximately three years;

WHEREAS, the District, the Metropolitan Council (“Council”) and the City of Hopkins (“City”) have discussed incorporating the Lake Street stormsewer diversion into the Hopkins Lift Station L27 project for construction by the Council’s chosen contractor, thus reducing public costs as well as the duration of physical disturbance from construction; and

WHEREAS, the parties have drafted a cooperative agreement that allocates rights and responsibilities among the Council, the District and the City for the construction and funding of the Lake Street stormsewer work and ownership of the improvements, but have not yet produced a final executed agreement; and

WHEREAS, the District believes that at this time there is substantial concurrence among the three parties as to how the Lake Street stormsewer work will be completed and funded, as reflected in the terms of the draft cooperative agreement; and

WHEREAS, the Council has received bids and is considering an award of contract for the Hopkins Lift Station L27 project; and

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WHEREAS, the cost of the Lake Street stormsewer work as set forth in the low bid is below the engineer's estimate; and

WHEREAS, to proceed with a contract award that includes the Lake Street stormsewer work in advance of a final cooperative agreement being executed, the Council has asked the District for a non-binding letter of intent expressing the District's interest that the Council do so;

NOW, THEREFORE, BE IT RESOLVED, that the District Administrator is authorized to execute a letter of intent expressing a non-binding commitment from the District to continue in partnership with Metropolitan Council Environmental Services (MCES) on its Hopkins Lift Station L27 project.

Resolution Number 16-044 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

Secretary

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April 28, 2016

Adam Gordon
Metropolitan Council Environmental Services
3565 Kennebec Drive
Eagan, MN 55122

Re: Lake Street Stormwater Diversion Project

Dear Mr. Gordon:

The Metropolitan Council (“Council”) has received bids and is considering an award of contract for the Hopkins Lift Station L27 project (“Project”) in the City of Hopkins. At the same time as the Council was developing its design for the Project, the Minnehaha Creek Watershed District (“District”) and the City of Hopkins (“City”) were working collaboratively with the Council to develop a design to modify and extend the City’s stormwater conveyance system along Lake Street between Blake Road and Tyler Avenue (“Stormsewer Work”).

The purpose of the Stormsewer Work is to divert presently untreated stormwater from about 30.3 acres of developed land within the City to regional stormwater management facilities that the District intends to construct on a 17-acre parcel it owns at the intersection of Blake Road and Lake Street. The extended conveyance would be bulkheaded until the District’s management facility is constructed and operational.

The Council, the District and the City have discussed incorporating the Stormwater Work into the Project for construction by the Council’s chosen contractor. This would reduce public costs as well as the duration of physical disturbance from construction. As a result of that discussion, the Council incorporated the Stormwater Work into the bid project (represented by bid lines 74-95). At this time, the Council expects that the Stormwater Work would be done in 2017 and early 2018.

The parties have drafted a cooperative agreement that allocates rights and responsibilities among the Council, the District and the City for the construction and funding of the Stormsewer Work and ownership of the improvements. However, the parties have not yet produced a final, executed agreement. Accordingly, to proceed with a contract award that includes the Stormsewer Work, the Council has asked the District for a letter of intent expressing the District’s interest that the Council do so.

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The District Board of Managers has determined that the Stormsewer Work is cost-effective and will advance the District's water quality goals, and on that basis has ordered that work pursuant to Minnesota Statutes §103B.251. The District believes that at this time there is substantial concurrence among the three parties as to how the Stormsewer Work will be completed and funded, as reflected in the terms of the draft cooperative agreement. In addition, the cost of the work as set forth in the low bid is below the engineer's estimate. Therefore, the District hereby expresses its intent that the Council include the Stormsewer Work in the Project.

The District emphasizes that its statement of intent is non-binding. The District's formal commitment will be given effect by a cooperative agreement signed by the three parties and according to any terms stated therein. Also, of course, the District's intent remains subject to a change in relevant circumstances between now and the signing of the agreement.

I trust this statement of intent meets the Council's request. The District thanks the Council for its willingness to pursue this cooperative approach.

Yours truly,

Lars Erdahl
Administrator

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