



Title: Authorization to Execute a Contract Amendment with Stantec for Completion of Environmental Investigation at 325 Blake Road

Resolution number: 22-008

Prepared by: Michael Hayman, Project Planning Manager
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Reviewed by: Gabriel Sherman, Planner-Project Manager

Recommended action: The Board of Managers approves a contract with Stantec for continued environmental investigation and reporting at 325 Blake Road for locations previously inaccessible due to the presence of the industrial facility. The focus of this approval is related to additional investigation costs not covered with funds from the 2018 Hennepin County Environmental Response Fund (ERF) grant award of \$25,000. All additional environmental investigation work not covered through the ERF grant was contracted through the Hennepin County Closeout of Assistance (COA) program in 2017.

Schedule: October 2021: Non-heating season soil vapor testing completed
February 2022: Heating season soil vapor testing completed
March 2022: Final reporting submitted to MPCA for approval of site action plans
May 2022: If necessary, apply for remediation funds for final site clean-up

Budget considerations: Fund name and code: 325 Blake Road Stormwater Management 3-3145
Requested amount of funding: \$16,930 (base contract + 10% contingency)

Past Board action: Res # 17-037 Authorization to apply for Hennepin County grant funding
Res # 17-044 Authorization to execute a contract for environmental investigation at 325 Blake Road
Res # 17-062 Authorization to Apply for Funding Assistance for 325 Blake Rd
Res # 18-099 Authorization to Execute an Environmental Response Fund Grant Agreement with Hennepin County Environment and Energy Department for 325 Blake Road
Res # 18-113 Authorization to execute a contract with Wenck Associates for continued environmental investigation at 325 Blake Road

Summary:

In July 2017 the Minnehaha Creek Watershed District (District) and Wenck Associates (now Stantec) were successful in receiving environmental investigation funds through the Hennepin County Closeout of Assistance (COA) Brownfield Gap Financing program for use at 325 Blake Road. That grant effort was used to complete Phase I and Phase II Environmental Site Assessments and develop a draft Construction Contingency Plan (CCP) and draft Response Action Plan (RAP) for demolition and abatement activities related to the industrial facility. Following that investigation effort, all reporting developed as part of that environmental work was submitted to the Minnesota Pollution Control Agency (MPCA) for review.

The MPCA, during its review of the draft RAP, indicated a need to conduct additional soil investigations within the footprint of the industrial building as well as additional soil vapor testing in locations where future residential and commercial buildings will be constructed. At the time of its review, the industrial building had not yet been demolished and a development partner had not yet been selected, so those additional investigation items were slated as future work, with MCWD identifying supplementary funding to assist with the additional environmental investigation effort.

In February 2018, MCWD was awarded a \$25,000 grant through the Hennepin County Environmental Response Fund (ERF) to assist with the additional site investigation, soil testing and soil vapor testing. The focus of the ERF grant award was specific to completing the approved work plan for additional environmental investigation, as previously reviewed by the MPCA. These additional soil borings and soil vapor testing are necessary to characterize the suitability of soils onsite and refine the MCWD's understanding of the known petroleum contamination and potential vapor intrusion locations with future building footprints.

In December 2018, during demolition activities, the MCWD completed its first round of investigation in an area of a known abandoned underground storage tank at the site. The findings of this investigation were then submitted to the MPCA as an *Additional Investigation Work Plan* for review and approval. The work plan described potential contaminants of concern, additional soil investigation activities using test pits, the completed groundwater investigation, and additional soil vapor testing plans that would be carried out once final development plans were known.

In late December 2018, utilizing the onsite demolition contractor, MCWD completed additional test pits within the former building footprint and at identified "hot spots" described in the 2018 Work Plan. Soil samples were collected and analyzed from a total of 18 test pit locations, further refining MCWD's understanding of potential contamination on the site.

The final investigation step as approved by the MPCA is soil vapor testing in the location of future building footprints. This work was delayed for a period of approximately three years as MCWD and the City of Hopkins explored options for a joint development vision and searched for a development partner to redevelop the site.

Following the selection of Alatus in 2021, the MCWD requested an extension to the ERF grant to finish environmental investigation activities at the site. The extension was granted by Hennepin County in the summer of 2021, and once final building footprints were determined in October of 2021, the first round of soil vapor sampling was completed. Soil vapor testing must occur twice, once during the non-heating season, and again during the heating season, as building circulation varies significantly in Minnesota during these times. The October soil vapor testing qualified as the non-heating season, with all costs covered by the ERF grant.

Due to the delay in investigation activities, and the number of locations requested for testing by the MPCA to fully characterize the site, the costs to complete the investigation is greater than the remaining grant funds through the ERF program. The final steps in environmental investigation at the site include completion of the heating season soil vapor sampling within the proposed building footprints (February 2022) and preparation of a CCP and RAP addendum describing the completed environmental investigation in accordance with MPCA approval. MCWD also maintains five groundwater monitoring wells at the site that must be formally sealed upon approval from the MPCA.

The MCWD has committed to delivering a clean site for both the construction of the regional stormwater facility and the facilitation of development, as communicated through our request for proposal efforts. The total cost to complete these final investigation efforts is \$21,591. There ERF grant award has a balance of \$6,201, resulting in additional projected costs of \$15,390 to complete the work. As such, staff is recommending the MCWD Board of Managers authorize the administrator to execute a contract amendment with Stantec for completion of environmental investigation activities at 325 Blake Road, including a 10% contingency.

Attachments:

- Stantec Environmental Budget Opinion – Former Hopkins Cold Storage, 325 Blake Road, Hopkins, MN



RESOLUTION

Resolution number: 22-008

Title: Authorization to Execute a Contract Amendment with Stantec for Completion of Environmental Investigation at 325 Blake Road

- WHEREAS Hennepin County administers the Environmental Response Fund (ERF) grant program to fund the assessment and cleanup of contaminated sites in order to reduce barriers to site redevelopment and, as part of the ERF grant program, Hennepin County manages a rolling investigation program funded through the Closeout of Assistance (COA) Hennepin County Brownfield Gap Financing program;
- WHEREAS in July 2017 the MCWD received notification that the Hennepin County COA program would fund preliminary investigation and reporting activities for an amount up to \$36,207;
- WHEREAS in February 2018 the MCWD was awarded an Environmental Response Fund (ERF) grant from the Hennepin County Environment and Energy Department in the amount of \$25,000 for assistance with additional environmental site investigation activities;
- WHEREAS in December 2018, during demolition activities, MCWD completed its first round of additional investigation and submitted those findings to the MPCA as an *Additional Investigation Work Plan* for review and approval. The MPCA approved the proposed work plan for additional soil investigation activities using test pits and additional soil vapor testing plans that would be required once final development plans were known;
- WHEREAS in 2021, following the selection of Alatus as its development partner, the MCWD was granted an extension of its ERF grant funds by Hennepin County and in October 2021, completed its first round of soil vapor sampling;
- WHEREAS due to the delay in investigation activities as MCWD and Hopkins searched for a development partner, and the number of locations requested for testing by the MPCA to fully characterize the site, the costs to complete the remaining investigation in 2022 is greater than the remaining grant funds available through the ERF program;
- WHEREAS Stantec has developed a scope and opinion of costs to complete these final investigation efforts, including completion of the heating season soil vapor sampling within the proposed building footprints, preparation of a CCP and RAP addendum describing the completed environmental investigation in accordance with MPCA approval, and formally sealing five groundwater monitoring wells at the site;
- WHEREAS Stantec is uniquely qualified for this additional effort based on its history of work for the MCWD on all aspects of environmental investigation, its extensive knowledge of environmental conditions on the site, and its existing contract to complete investigation work on behalf of the MCWD;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby authorizes the District Administrator to execute a contract amendment with Stantec for additional environmental investigation at 325 Blake Road in the amount of \$15,390, and authorizes the Administrator to execute change orders in his discretion up to an additional 10% of the fee for an amount not to exceed \$16,930.

Resolution Number 22-008 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: 2/10/2022

Secretary Date: February 10, 2022

DRAFT



Stantec Consulting Services Inc.
1800 Pioneer Creek Center, Maple Plain, MN 55359

January 13, 2022
Revised January 31, 2022

Ms. Michael Hayman
Minnehaha Creek Watershed District
15320 Minnetonka Boulevard
Minnetonka, MN 55345

Dear Michael,

Reference: Environmental Budget Opinion – Former Hopkins Cold Storage, 325 Blake Road, Hopkins, MN (VP23681/PB4035)

Stantec Consulting Services Inc. (Stantec) has prepared this budget opinion letter as a request from the Minnehaha Creek Watershed District (MCWD) to describe the remaining environmental investigation activities and estimated costs at the former Hopkins Cold Storage site located at 325 Blake Road, Hopkins, Minnesota (the Site). In October 2018, an Environmental Response Fund (ERF) grant for \$25,000 was awarded to MCWD by the Hennepin County Environment and Energy Department. The ERF grant (Contract No. PR00000167) has been used for eligible environmental investigation activities at the Site.

Below is a summary of past funding and completed environmental investigation activities, summary of ERF funding and completed investigation activities, proposed environmental investigation activities, a schedule of events, and a budget.

Past Environmental Investigation Activities

Past environmental investigation activities at the Site were funded by the Hennepin County Closeout of Assistance (COA) Brownfields Gap Financing in August 2017. The total project request was for \$48,276, of which 75% was paid by Hennepin County. Environmental investigation activities completed through this funding included the following:

- Phase I Environmental Site Assessment (ESA) (August 2017)
- Phase II ESA, including 15 soil borings for soil and groundwater sampling and 5 soil borings for soil vapor sampling. Five of the soil borings were converted to groundwater monitoring wells. One round of groundwater sampling was conducted and a Phase II ESA report was prepared (August 2017).
- Response Action Plan/Construction Contingency Plan (RAP/CCP) was prepared and submitted to the Minnesota Pollution Control Agency (MPCA) for review and comment (August 2017).
- A second round of groundwater sampling was conducted in September 2017. A Phase II ESA Addendum: Groundwater Monitoring Report was prepared and submitted to the MPCA (October 2017).

The MPCA submitted comments about the RAP/CCP in an email dated October 31, 2017 and requested additional work:

- After demolition, additional investigation should be conducted below the former building footprint.

Reference: Environmental Budget Opinion – Former Hopkins Cold Storage, 325 Blake Road, Hopkins, MN (VP23681/PB4035)

- Additional delineation is necessary at location SB-6 where a release of PAHs has been identified. Determine the extent of the release and compare it with redevelopment plans to see whether the removal is really necessary in this area.
- The results of the 2017 ESA indicated up to 10 feet of fill soils on the north side of the property building. Additional soil characterization should be considered based on redevelopment plans.
- Complete one more round of groundwater sampling from the monitoring wells (total of 2 rounds).
- Complete a soil vapor investigation upon receiving more detailed building plans. A more robust soil vapor sampling frequency should be considered with at least two samples per planned building.
- Submit an Additional Investigation Work Plan for the proposed activities at the Site.

As noted above, ERF Contract No. PR00000167 was awarded in October 2018 for additional environmental investigation activities for the Site. Grant funding did not cover asbestos abatement or demolition activities at the Site.

In the fall of 2018, the Hopkins Cold Storage building was abated and demolished. In early December 2018, during demolition activities, Wenck provided oversight of test pits around and north of the abandoned underground storage tank (UST) at the Site. On December 11, 2018, an Additional Investigation Work Plan (the Work Plan) was submitted to the MPCA for review and approval. The Work Plan described potential contaminants of concern, additional soil investigation activities using test pits, the completed groundwater investigation in 2017, and additional soil vapor testing once development plans were known.

On December 20 and 21, 2018, additional test pits were conducted within the former building footprint after the floor slab was removed and at identified “hot spots” described in the 2018 Work Plan. Wenck utilized the on-site demolition contractor to conduct the test pits. Soil samples were collected and analyzed from 18 test pit locations.

The first ERF disbursement under Contract No. PR00000167 was for the test pit work and analytical sampling totaling \$6,117.76.

In 2021, MCWD secured a developer and requested an extension to the ERF grant to finish environmental investigation activities at the Site. The extension was granted by Hennepin County in the summer of 2021. In October 2021, the first round of soil vapor sampling was completed at the Site during the non-heating season. The invoices for the non-heating season soil vapor sampling totaled \$12,681.08.

From the \$25,000 ERF grant budget, a total of \$18,798.84 has been billed with \$6,201.16 remaining.

Proposed Environmental Investigation Activities

Environmental investigation activities to complete at the Site include the following:

- Seal the five monitoring wells at the Site upon approval from the MPCA.
- Conduct the heating season soil vapor sampling according to MPCA guidance for proposed buildings at the Site. Delineate the benzene detection within the proposed site building in the southwest corner of the Site.
- Prepare a RAP/CCP Addendum describing the completed environmental investigation activities since the submittal of the 2017 RAP, include the proposed redevelopment plans, data from the

Reference: Environmental Budget Opinion – Former Hopkins Cold Storage, 325 Blake Road, Hopkins, MN (VP23681/PB4035)

additional soil and soil vapor sampling results, and discuss Response Actions that may be necessary for the redevelopment such as vapor mitigation.

Remaining funds in the ERF account total \$6,201.16 and would help cover the costs of the investigation activities outlined above. Below is a breakdown of the cost estimates:

Task No.	Investigation Activity	Estimated Cost
1.0	Monitoring Well Sealing (after MPCA approval)	\$ 4,360.00
2.0	Soil Vapor Sampling – Heating season round, 25 samples drilled to 10 feet below grade.	\$ 13,331.00
3.0	RAP/CCP Addendum	\$ 3,900.00
	Total Estimated Cost	\$ 21,591.00
	Remaining ERF Budget	\$ -6,201.16
	Remaining Investigation Costs	\$ 15,389.84

Our cost opinion does not include invoices from the MPCA VIC/Brownfields Program for review of the RAP/CCP Addendum. The MPCA charges the applicant directly at a rate of \$150.00 per hour. We anticipate MPCA charges ranging from \$2,000 to \$3,000 for their review.

Proposed Schedule

Below is a proposed timeline of events for the 325 Blake Road restoration and redevelopment project:

- January 2022: Final city approvals. Execute purchase agreement.
- February 2022 – Conduct the second season of soil vapor sampling during the heating season. Prepare a RAP/CCP Addendum for submittal to MPCA for review and approval. Submit to MPCA prior to March 1, 2022. Developer to have 60% design plans.
- May 2022 – Enter into the spring grant round if deemed necessary to seek funding for environmental clean-up and remediation activities.
- June 2022 – Developer to close on property.
- Summer 2022: Construction commences on first phase of site restoration and overall site grading.

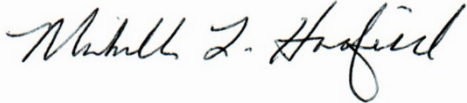
This budget opinion summarizes the remaining environmental investigation activities at the site and estimated costs. If you have any questions, feel free to contact me.

January 13, 2022
Revised January 31, 2022
Mr. Michael Hayman
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Regards,

Stantec Consulting Services Inc.



Michelle L. Hosfield
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Attachment: Table 1 –Cost Opinion
c. Mr. Gabe Sherman – Minnehaha Creek Watershed District



**Table 1 - 2022 Cost Opinion - MCWD
325 Blake Road
Hopkins, MN**

STAFFING RATES							
Wenck Staff:	Senior PM	Project Manager	Senior Tech.	Tech.	Drafting	Admin	
Hourly Rate:	\$195	\$165	\$140	\$115	\$120	\$130	
PROJECT TASKS & LABOR							Totals
Monitoring Well Sealing		1		3			\$ 510.00
Soil Vapor Sampling		1		16	2	1	\$ 2,375.00
RAP/CCP Addendum		10		12	4	3	\$ 3,900.00
TOTAL HOURS	0	12	0	31	6	4	53
SUB-TOTAL OF STAFF FEES	\$0	\$1,980	\$0	\$3,565	\$720	\$520	\$6,785.00
DIRECT EXPENSES	Amount	Unit Cost	Unit	Notes		Extension	
TRAVEL							
Mileage	100	\$0.560	per mile	Standard Mileage		\$56.00	
Per Diem	0	\$35.00	per day	Standard Per Diem		\$0.00	
Lodging	0	\$120.00	per night	Standard Lodging		\$0.00	
TRAVEL EXPENSES SUB-TOTAL							\$56.00
EQUIPMENT							
PID	1	\$100.00	per day	Standard Equipment		\$100.00	
Safety Equipment & PPE	1	\$20.00	per day	Standard Equipment		\$20.00	
XRF - Lead-Based Paint	0	\$120.00	per day	Standard Equipment		\$0.00	
Vapor Sampling Equipment	0	\$500.00	per day	Standard Equipment		\$0.00	
Specialty Equipment	0	\$0.00	per day	Standard Equipment		\$0.00	
EQUIPMENT EXPENSES SUB-TOTAL							\$120.00
SUB-CONTRACTOR/S							
LABORATORY							
DRO - Soil	0	\$39.00	sample	5-7 day turn-around-time		\$0.00	
GRO - Soil	0	\$23.00	sample	5-7 day turn-around-time		\$0.00	
VOCs - Soil	0	\$55.00	sample	5-7 day turn-around-time		\$0.00	
PAHs - Soil	0	\$68.00	sample	5-7 day turn-around-time		\$0.00	
GRO - Groundwater	0	\$23.00	sample	5-7 day turn-around-time		\$0.00	
DRO - Groundwater	0	\$32.00	sample	5-7 day turn-around-time		\$0.00	
VOCs - Groundwater	0	\$68.00	sample	5-7 day turn-around-time		\$0.00	
VOCs - Vapor TO-15	25	\$260.00	sample	5-7 day turn-around-time		\$6,500.00	
RCRA Metals - TCLP	0	\$150.00	sample	5-7 day turn-around-time		\$0.00	
LABORATORY EXPENSES SUB-TOTAL							\$6,500.00
CONTRACTOR/S							
Geoprobe Contractor Seal 5 monitoring wells	bid	\$3,500	T&M	NA		\$3,500.00	
Geoprobe Contractor Heating Round Soil Vapor Drilling	bid	\$3,300	T&M	NA		\$3,300.00	
SUB-CONTRACTOR/S SUB-TOTAL							\$6,800.00
SUB-TOTAL OF STAFF FEES							\$6,785.00
SUB-TOTAL OF DIRECT EXPENSES							\$176.00
SUB-TOTAL OF SUB-CONTRACTOR/S							\$13,300.00
SUB-CONTRACTOR ADMINISTRATIVE MARK-UP (10%)							\$1,330.00
TOTAL COST							\$21,591.00