Addenda
Minnetonka City Council
Meeting of February 9, 2015

14D Professional services agreement for the Shady Oak Station area
development strategy

Attached is a change memo from the city attorney and a revised agreement. The City of Hopkins has requested minor changes to the agreement.

15 Appointments and Reappointments

Mayor Schneider is recommending appointing Kevin Maas to fill a vacancy on the EDAC.
ITEM 14D – Professional services agreement for the Shady Oak Station area development strategy

The City of Hopkins has requested minor changes to the form of agreement. A revised form of agreement is attached. The staff recommendation is revised to read as follows:

Staff recommends the council approve the agreement, including subsequent non-material changes as approved by the city manager and city attorney.
AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made on February 9, 2015, by and among the City of Minnetonka 14600 Minnetonka Boulevard, Minnetonka, Minnesota 55345 (“Minnetonka”), the City of Hopkins, 1010 1st Street S., Hopkins, MN 55343 (“Hopkins”) (collectively, Minnetonka and Hopkins are the "Cities") and Crandall Arambula ("Contractor") whose business address is 520 SW Yamhill, Roof Suite 4, Portland, OR 97204.

PRELIMINARY STATEMENT

The Cities have participated with the Metropolitan Council and other cities in planning for the Southwest Light Rail Transit line (the “SWLRT”), proposed for construction beginning in 2016. The current plan for the SWLRT includes 17 station areas, including a proposed station area known as the Shady Oak Station Area. The Cities desire to retain Contractor to assist in creating a development strategy for the Shady Oak Station Area. The purpose of this contract is to set forth terms and conditions for the provision of services by the Contractor to the Cities. This agreement is made pursuant to Minn. Stat. § 471.59.

The Cities and the Contractor agree as follows:

1. Contractor's Services. The Contractor agrees to provide professional design and planning services to the Cities as described in the attached Exhibit A, and the Contractor’s proposal, submitted December 15, 2014, both of which are incorporated into this Agreement by reference. Conflicts in language among the documents will be resolved by in the following priority, listed from highest to lowest priority: this Agreement; Exhibit A; and Contractor’s proposal.

2. Time for Performance of Services. The Contractor must perform the services outlined in the attached Exhibit A the work program by September 30, 2015 or within such other time period as may be agreed by the Cities and the Contractor in writing.

3. Compensation for Services. Cities agree to pay the Contractor for services as described in Exhibit A, attached and made a part of this Agreement, in an amount not to exceed $125,000.00 including time and expenses.

4. Method of Payment. The Contractor must submit itemized bills for services provided to Hopkins on a monthly basis, with a copy to Minnetonka. Hopkins is responsible to process and pay approved bills in the same manner as other claims made to Hopkins and in accordance with the Prompt Payment Act, Minn. Stat. § 471.425.

For work reimbursed on an hourly basis, the Contractor must indicate for each employee, his or her name, a description of the work performed, the applicable task number according to Exhibit A, the number of hours worked, rate of pay for each employee, a computation
of amounts due for each employee, and the total amount due. Contractor must verify all statements submitted for payment in compliance with Minnesota Statutes Sections 471.38 and 471.391.

For reimbursable expenses, if permitted in Exhibit A, the Contractor must provide such documentation as reasonably required by Hopkins.

5. **Allocation and Reimbursement.** The Cities anticipate funding this agreement in the following manner: Minnetonka, $50,000; Hopkins, $25,000; and $50,000 to be reimbursed from an LCDA Demonstration Account grant from the Metropolitan Council upon completion of the work. Minnetonka will deposit $50,000 with Hopkins, to be drawn down to pay 40% of each invoice. Hopkins will pay the balance of each invoice when due, Hopkins will be submit the required documentation to the Metropolitan Council for reimbursement under the grant and will be entitled to all grant funds paid by the Metropolitan Council. If for any reason the sum of all grant funds paid is less than $50,000, Minnetonka will reimburse Hopkins for two thirds of the difference between the grant funds paid and $50,000.

6. **Project Managers.** The following persons are assigned as co-project managers on behalf of the Cities and are authorized to jointly provide direction to Contractor. It is expected that most project direction will be provided to Contractor through a conference call in which both project managers participate with Contractor. However, Contractor may accept direction from either project manager when that manager represents she is providing direction on behalf of both managers. Minnetonka and Hopkins agree that neither project manager will provide direction to Contractor without the knowledge and consent of the other project manager.

   Minnetonka Project Manager: Elise Durbin
   edurbin@eminnetonka.com
   952-939-8285

   Hopkins Project Manager: Meg Beekman
   mbeekman@hopkinsmn.com
   952-548-6343

7. **Audit Disclosure.** The Contractor must allow the City or its duly authorized agents reasonable access to the Contractor's books and records that are pertinent to all services provided under this Agreement. Any reports, information, data, etc. given to, or prepared or assembled by, the Contractor under this Agreement which the client requests to be kept confidential must not be made available to any individual or organization without prior written approval approval of both Cities. All finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the Contractor will become the property of the Cities upon termination of this Agreement, but Contractor may retain copies of such documents as records of the services provided.
8. **Term.** The term of this Agreement is from February 9, 2015 through October 31, 2015, the date of signature by the parties notwithstanding. This Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate, and upon the terms and conditions as stated in this Agreement.

9. **Termination.** This Agreement may be terminated by either party by seven days' written notice delivered to the other party at the address written above. (For purposes of the preceding sentence, the Contractor shall be one party and both Cities shall be deemed one party.) Contractor may terminate only for failure to pay undisputed amounts when due, and only after providing Hopkins with a 15-day period to cure the default. Upon termination under this provision if there is no fault of the Contractor, the Contractor will be paid for services rendered and reimbursable expenses until the effective date of termination. If however, the Cities terminate the Agreement because the Contractor has failed to perform in accordance with this Agreement, no further payment will be made to the Contractor, and the Cities may retain another contractor to undertake or complete the work identified in paragraph 1.

10. **Data Practices.** Contractor is hereby notified of the requirements of Minnesota Statutes, section 13.05, subdivision 11. To the extent that this agreement requires Contractor to perform any of the City’s functions, then: (1) all of the data created, collected, received, stored, used, maintained or disseminated by Contractor is subject to the requirements of Minnesota Statutes chapter 13; (2) Contractor must comply with that chapter’s requirements as if Contractor were a government entity; and (3) Contractor is subject to the penalties and remedies set forth in Minnesota Statutes, section 13.08 for any violation of chapter 13. Contractor agrees to promptly notify City if Contractor receives any request for data related to this agreement or Contractor’s performance of this agreement.

11. **Subcontractor.** The Contractor may not enter into subcontracts for services provided in this Agreement except as noted in the scope of services, without the express written consent of the Cities. WSB & Associates and Maxfield Research are approved subcontractors of Contractor.

12. **Independent Contractor.** At all times and for all purposes hereunder, the Contractor is an independent contractor and not an employee of either Minnetonka or Hopkins. No statement in this Agreement may be construed to find the Contractor or any of its subcontractors an employee of either Minnetonka or Hopkins.

13. **Assignment.** Neither party may assign this Agreement without the written consent of the other party.

14. **Services not Provided For.** No claim for services furnished by the Contractor not specifically provided for in this Agreement will be honored by the Cities.
15. **Severability.** The provisions of this Agreement are severable. If any portion is held by a court of competent jurisdiction to be contrary to law, that decision will not affect the remaining provisions of the Agreement.

16. **Entire Agreement.** The entire agreement of the parties is contained in this Agreement. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter of this Agreement as well as any previous agreements presently in effect between the parties relating to the same subject matter. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement will be valid only when expressed in writing and signed by the parties, unless otherwise provided in this Agreement.

17. **Compliance with Laws and Regulations.** In providing services under this Agreement, the Contractor must abide by all statutes, ordinances, rules, and regulations pertaining to the provision of services to be provided. Any violation constitutes a material breach of this Agreement and entitles the Cities to immediately terminate this Agreement.

18. **Equal Opportunity.** During the performance of this contract, the Contractor must not discriminate against any employee or applicant for employment, or participant in a program provided under this Agreement, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age. The Contractor must post in places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. The Contractor must incorporate the foregoing requirements of this paragraph in all of its subcontracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

19. **Waiver.** Any waiver by either party of a breach of any provisions of this Agreement will not affect, in any respect, the validity of the remainder of this Agreement.

20. **Governing Law.** This Agreement will be controlled by the laws of the State of Minnesota, without regard to choice of law provisions.

21. **Disputes.** In an effort to resolve any conflicts that arise during or following the completion of the services described in this Agreement, the dispute will first be submitted to non-binding mediation unless all parties mutually agree otherwise. If any party does not agree with the outcome of the mediation, the dispute will then be submitted to arbitration under the rules and the procedures of the American Arbitration Association.
CITY OF MINNETONKA:

By: ______________________________________
   Its City Manager

CITY OF HOPKINS:

By: ______________________________________
   Its City Manager

CRANDALL ARAMBULA:

By: ______________________________________
   Its __________________________

APPROVED AS TO FORM AND LEGALITY:
Minnetonka City Attorney
14600 Minnetonka Boulevard
Minnetonka, MN  55345
Crandall Arambula with involvement from Hopkins and Minnetonka city staff, will prepare a development strategy for the Shady Oak station area. The development strategy is a unique and collaborative effort with the Cities. It is intended to build upon previous planning work and formulate an articulated area vision, zoning and implementation strategy that can be approved by the Cities.

**Task 1: Review of Previously Completed Work**

The Crandall Arambula team will be provided with relevant studies and plans to understand the previous work completed prior to the kickoff meeting. Additionally, Crandall Arambula will request:

- All base information in GIS or AutoCAD format. We will provide the cities a checklist of specific layers of information required prior to the kickoff meeting
- Any existing traffic analysis or market studies prepared for key streets recently completed within the study area
- Any bicycle or active transportation plans or studies

**Deliverable:** A kick-off meeting with the city of Hopkins and city of Minnetonka staffs to discuss previous work, goals and scope of project, schedule and all deliverables will be held with Crandall Arambula and other key team members.

**Task 2: Vision/Land Use Scenarios**

Crandall Arambula recognizes that the cities of Hopkins and Minnetonka are very different communities, with differing ideas about what the Shady Oak station area may become. We understand that the cities recognize these differences, but realize the importance of having a joint vision that can meet the needs of both communities. We will draw upon previous work, as well as feedback from staff given at the kick-off meeting, to develop and coordinate a vision for the Shady Oak station area, and corresponding land use scenario that is station oriented. At a minimum, a successful vision will address:

- a balance of housing, retail, and job growth with consideration of the impact on Hopkins’ Main Street;
- models for sustainable redevelopment and infrastructure
- the neighborhood’s industrial past
- opportunities to get around on foot, bike, transit and car
- opportunities to attract innovative industries and organizations
- market influences; including a range of household types and costs
- ways to increase transit ridership
Deliverable: The Crandall Arambula team will develop a vision and land use scenarios for the Shady Oak station area, first presenting it to city staff. Once the vision and land use scenarios is agreed upon by city staff, the vision will be presented at a joint study session of the Hopkins and Minnetonka city councils.

Task 3: Market Feasibility
Crandall Arambula team member Maxfield Research, working with local and national developers and experts, will evaluate the local market demand and establish a baseline for TOD supportive land uses in the Shady Oak station area. Maxfield Research will work with city staff to identify developers and will conduct developer interviews (either in person or via phone) on the local market demand for the Shady Oak station area as well as seeking feedback on the vision prepared in Task 2. We understand that within the vicinity of the station area, there are several high-tech, medical device companies including Minnetonka Medical Technology and Imris. Crandall Arambula team members will meet with area business owners to describe the station area vision and gauge their interest in an Innovation District, as well as determine regional interest in this development model.

Maxfield Research will prepare a market analysis that evaluates current uses and market trends, land availability and prices, etc. Based on market conditions, land values, developer interviews, etc., they will provide a ‘baseline’ recommendation for real estate product types/land uses for development within a ½-mile of the Shady Oak station. This task will include:

- informational roundtable discussions with real estate professionals
- facilitating up to 10 interviews with residential and commercial brokers and developers, economic development specialists and others to identify opportunities, barriers, strengths and weaknesses of developing/redoveloping within the project area
- evaluate the ability to develop various real estate products on or near the proposed station.
- identify projects currently under construction, marketing, or planned and determine the effect the new development(s) could have on property within the station area
- interview up to eight major employers, and summarize findings related to the demand for various land uses near the station area
- document conclusions and recommendations that identify challenges and constraints to attracting development/redovelopment; determine the highest and best use(s) that could be developed; and examine potential synergies between various land uses that could be potentially incorporated into the station area as well as synergies created between adjacent station areas

Deliverable: Prepare a memorandum summarizing findings and making recommendations which will be used to inform the vision that is prepared during Task 2. Present findings/recommendations at the joint city council study session at the same time as the vision.

Task 4: Public Investment
Crandall Arambula recognizes that there has been some work done previously through the Southwest Corridor Investment Framework pertaining to elements in the public realm; however,
our team will provide more specific ‘complete streets’ details/design elements that support land use proposals and can quickly be incorporated into the LRT engineering plans that are underway. Crandall Arambula will prepare a concept level street design that can be implemented throughout the station area, including sidewalks, landscaping and design components to be integrated into the public/private realm, that give the district a unique feel and convey the vision. WSB & Associates will make recommendations on a variety of elements related to the public realm that are needed in order to implement the Shady Oak station area vision including:

- refining data from the SWLRT project (existing and future volumes, operations and mode split) to reflect the proposed land use scenario and recommendations needed to existing and future streets/intersections
- identifying utility connections needed for redevelopment parcels
- developing stormwater treatment options that include regional stormwater and targeted individual sites (due to potential timing of development) for the station as well as the surrounding redevelopment area
- high-level cost estimates for the needed public realm and stormwater improvements

**Deliverable:** Develop a GIS map showing locations, size and type of improvements. Prepare cross section and layout for streets in station area. Develop order of magnitude cost estimates for these improvements.

**Task 5: Zoning Regulations**
Crandall Arambula will provide a new draft zoning ordinance that establishes a new zoning district and regulations for the Shady Oak station area which is station oriented and unified. Components will include sustainability elements, a mix of uses, shared parking, and opportunities to allow for collaborative and innovative spaces.

**Deliverable:** Develop the new zoning code. The cities will be responsible for putting the code into final legal form.

**Task 6: Project Phasing**
Due to the large number of parcels and owners in the Shady Oak station area, Crandall Arambula will develop a series of phasing recommendations that can be implemented including street/utility phasing and development phasing. We will also make recommendations on property that will need annexation/detachment to make developable parcels.

**Deliverable:** Develop a map showing the recommended project phasing, as well as a timeline estimating when the phases may occur.

**Task 7: Entitlements**
Crandall Arambula will review each city’s entitlement process for redevelopment proposals. Using the new zoning district as a basis, we will develop an entitlement process that may be used by both cities during the review for redevelopment proposals—both when the redevelopment is limited to one city and also when the redevelopment may cross city boundaries.
Deliverable: Develop an entitlement process in a code form that can be integrated into the cities codes.

Task 8: Public Engagement/Feedback
Crandall Arambula will facilitate two public open houses—one at the beginning of the project to solicit feedback on the vision for the station area, and the other open house near the end of the project to present the recommendations and solicit comment on a draft final report. These open houses will coincide with any open houses that are being conducted by the Southwest Project Office. We will facilitate a joint study session of the Hopkins City Council and Minnetonka City Council to receive feedback and direction on the work after Tasks 2 and 3.

Deliverable: Conduct the open houses and work with staff to conduct the joint study session. Provide a summary of the open houses and comments received.

Task 9: Final Report
Using the work completed in tasks one to seven, policymaker feedback, staff feedback, and community input, Crandall Arambula will develop a final report to be adopted by both cities. The final report will be presented two times. The first presentation will be to a joint meeting of the Hopkins Planning, Minnetonka Planning, and Minnetonka Economic Development Advisory Commissions. The intent of this meeting is to provide a Development Strategy that these commissions will make a recommendation to their respective councils. The second presentation will be to a joint meeting of the Hopkins City Council and the Minnetonka City Council. It is planned that the councils will adopt the report at this meeting.

Deliverable: Final report document

Budget: Not to exceed $125,000

Hourly Rates:

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<th>Firm/Services</th>
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<tr>
<td>Crandall Arambula</td>
<td>Project Director G. Crandall $180/hour</td>
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<td>President M. Bujold $150/hour</td>
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<td>Vice President M. Mullins $125/hour</td>
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<td>Analyst B. Smith $85/hour</td>
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Brief Description: Appointment to the economic development advisory commission

Recommended Action: Approve the recommended appointment

Background

The economic development advisory commission currently has one open position. Kevin Mass was interviewed by the council on January 13, 2014. After reviewing the comments from each council member and my notes, I am recommending appointing Kevin Mass to fill the vacancy on the EDAC. I have spoken with Kevin and he expressed the willingness to dedicate the time and energy necessary to be a contributing member. The updated membership roster showing the composition of the EDACs following this reappointment is attached.

Recommendation

To approve Kevin Maas, to the economic development advisory commission, to serve a two-year term, effective February 10, 2015 and expiring on January 31, 2017.

Respectfully submitted,
Terry Schneider
Mayor
The Economic Development Advisory Commission (EDAC) advises the city council regarding redevelopment, development/finance, housing and transportation. This board is comprised of seven members who reside in the city, work in the city or own a business in the city. Members serve a two-year terms. Meetings are held as needed.

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<th>Name</th>
<th>Comments</th>
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<td>Kevin Maas</td>
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<td>Tony Wagner</td>
<td>Council Liaison</td>
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**Staff Liaisons:**
Julie Wischnack, Community Development Director, Ph# 952-939-8282