

To: HONORABLE MAYOR AND CITY COUNCIL.

FROM: Dave Maroney, Director of Economic Development and Planning.

SUBJECT: GrandStay Hotel.

DATE: May 10, 2017.

BACKGROUND.

The ownership group and lender for the GrandStay Hotel have requested that the City of Cannon Falls participate in the financing of a temporary access road from 63rd Avenue to the building site. The temporary access is required to permit the timely construction and occupancy of the GrandStay Hotel. Constructing Alexander Court and the GrandStay Hotel simultaneously is impractical due to limited accessibility and site conditions.

Contractually, Rochester Sand and Gravel must complete Alexander Court by July 15th. This schedule effectively delays the construction start date for the Hotel until late June. Robby, Morris and I met with representatives of the ownership group and lender to discuss alternatives for addressing this challenge. At this point we feel that the most viable solution is to for the City of Cannon Falls to participate with the ownership group/lender in the financing of the temporary access. The *Preconstruction Conference Minutes, Alexander Court Construction Schedule* and my *Memorandum to the Public Works Commission* are attached for further information.

On April 18th the Public Works Commission met with representatives of the ownership group to consider their request for a reduction of the SAC and WAC. Following discussion, the Commission prepared their recommendation which is cited in my attached *Memorandum*.

REQUESTED COUNCIL ACTION.

The City Council is asked to approve the following actions: (a) as recommended by the Public Works Commission, approve the adjustment to the SAC and WAC as described by the accompanying *Memorandum (April 18, 2017)*; (b) as recommended by Staff, authorize preparation of an *Encroachment Agreement* to be executed by and between the City of Cannon Falls and the property owner; and (c) as recommended by Mayor Robinson, Councilor Mattson and the Economic Development Authority, approve a \$10,000 expenditure to assist with paying costs to construct a temporary access road to facilitate construction of the GrandStay Hotel.

TO: PUBLIC WORKS COMMISSION.

FROM: Dave Maroney, Director of Economic Development and Planning.

SUBJECT: GrandStay SAC and WAC.

DATE: April 18, 2017.

BACKGROUND:

| | |
|----------------------------|-----------------|
| 1 ½ - 2 inch Water Service | \$ 9,800 |
| 6 – Inch Sewer Service | <u>\$ 9,800</u> |
| | \$19,600 |

| | |
|-------------------------------|------------------|
| 6 – inch Water Service (fire) | \$ 30,010 |
| 8 – inch Sewer Service (want) | <u>\$ 17,150</u> |
| | \$ 47,160 |

Difference - \$ 27,560

Option A. Assess \$ 47,160 over a 10-year term at 5% interest.

Option B. Assess \$ 9,800 (SAC) and \$ 9,800 (WAC) and defer \$ 27,560 (SAC/WAC) similar to OMC (10 – years; property is sold; Code requires the larger service).

Option C. Developer pays \$ 9,800 (SAC), \$9,800 (WAC) and no charge for larger water and sewer services.

PWC RECOMMENDATION:

Developer pay \$9,800 (SAC – 6” service) and \$9,800 (WAC - 1 ½” – 2” service) = \$19,600. The City would be willing to assess this amount (5-year term @ 5%). If the Developer pays \$17,150 (SAC – 8” service) and \$9,800 (WAC- 1 ½” – 2” service) = \$26,950 the City would be willing to assess this amount (10-year term @ 5%). In either case, the \$30,010 (WAC - 6” for fire protection) fee would not be charged.

City Engineer/Public Works Director recommend “steel” rather than “concrete” culverts subject to *Encroachment Agreement*.

ALEXANDER COURT UPDATE (May 16, 2017):

\$ 207,800 Rochester Sand & Gravel
\$ 47,200 Engineering, Legal and Contingency
\$ 10,000 Temporary Access Participation
\$ 265,000 Total Budget



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PRECONSTRUCTION CONFERENCE MINUTES

RE: Alexander Court Improvements
Cannon Falls, Minnesota

Date of Meeting: May 2, 2017

Project Manager: Greg Anderson, PE

Time of Meeting: 2:00 p.m.

SEH No.: CANNO 140030 16.00

Location of Meeting: Cannon Falls City Hall

The following items were discussed at the above referenced meeting:

I. Introductions and Attendance List

A. **See Attached**

II. Project Personnel

A. City Representative

1. Ron Johnson, City Administrator
507.263.9300 (office)
2. Tom Bergeson, Director of Public Works
507.263.4626 (office)
3. **Dave Maroney, Community Development Director**
507.263.9312 (office)

B. Engineer Representatives

1. Greg Anderson, City Engineer/Project Manager
651.490.2172 (office)
612.720.5882 (cell)
2. Dustin Cesafsky, Resident Project Representative
651.256.0430 (office)
612.270.3882 (cell)

C. Contractor Personnel – **See Attached**

1. Project Manager
2. Project Superintendent
3. Crew Foreman

D. Contractor Emergency Contact/Phone No.

1. **Casey Bauer**
507.251.7026
casey.bauer@rochsg.com

E. Subcontractors

F. Suppliers

- 1.

III. Preliminary Information

A. Status of Permits/Approvals

1. MPCA (NPDES) - Rochester Sand & Gravel to submit

B. Special Bonds

- 1.

C. Easement/Rights of Entry

1. **Coordinate with Township**

D. Notice to Proceed

- 1.

E. Related Work at the Site

1. Grand Stay project
 - a. **Clear and Grub this week and grade**
 - b. **Need schedule from hotel**
 - c. **2 weeks of site grading, then footings**

F. Special Site Conditions

1. **Access to Grand Stay site discussed.**

IV. Special Site Conditions

A. Erosion control must be in place prior to activity.

B. Start Date

1. **May 9, 2017 if contracts are signed**
2. **Notice to proceed and contracts anticipate City signature 5/10 or 5/11**

C. Work Sequence/Phasing

1. **See attached schedule**

D. Completion Dates

1. Substantial
 - a. July 15, 2017
2. Final
 - a. July 31, 2017

V. Utility Information/Comments

A. Owner

1. Electric – Xcel - **Not present**
2. Telephone - Frontier - **Not present**
3. Natural Gas –MERC

- a. **New main in July**
- 4. Cable TV - MediaCom - **Not present**
- 5. **HBC – SEH to notify and send plans**
- B. Comment Period
 - 1. City of Cannon Falls
 - 2. Rochester Sand & Gravel

VI. Contractor Submittals

- A. **Fun Mike**
- B. Materials Certifications (supply prior to construction).
 - 1. Mix designs (bituminous, concrete) – **Casey to submit**
 - 2. Gradation samples (Class 5, etc.) – **Anderson trucking to submit**
 - 3. Piping certification and materials bills listing suppliers. **Mike to submit**
 - 4. Shop drawings.
- C. Field office, materials, and equipment storage.
 - 1. **On-site or on lot south of interchange**

VII. Project Responsibilities and "Chain of Command"

- A. Contractor shall have a project superintendent on the job at all times during construction activities.
- B. Requests by Contractors: Extras, etc. to SEH's RPR.
 - 1. Submit in writing as described in specifications (10-day written documentation).
 - 2. Note: Contractor to submit daily progress reports of all crews working to SEH's RPR.

VIII. Notifications


- A. Contractor shall provide proper notification to fire, police, private utilities, and City Public Works staff on changes in status process.
- B. Survey Requests
 - 1. 48 hour minimum notice (where, what, how).
 - 2. Protect stakes (City not responsible for delays due to damaged stakes and contractor will be charged for any restaking to replace damaged stakes).
- C. Weekly Progress Meetings

IX. Maintenance of Traffic

- A. Dust control will be required as directed by Engineer in field.
- B. Fire/Police/Emergency Vehicle access maintained at all times.

- C. Quality Control
- D. A private testing lab will conduct quality assurance and materials testing.
- E. RPR will coordinate testing.
- F. Partial Pay Estimates
- G. SEH-supplied form shall be used unless an agreement can be reached on a contractor-generated computer form.
- H. Monthly (submit to SEH by the first Friday of the month for payment at 2nd council meeting).
- I. Review quantities with RPR prior to submittal.
- J. Retainage and Final Payments
- K. One-year warranty (begins with final payment).
- L. Other Issues

| Line | Task ID | Name | Duration | Start | Finish |
|------|---------|--------------------------------|----------|-----------|-----------|
| 1 | 0010 | Traffic Control | 1d | 5/8/2017 | 5/8/2017 |
| 2 | 0020 | Clearing and Grubbing | 4d | 5/9/2017 | 5/12/2017 |
| 3 | 0030 | Install Silt Fence | 1d | 5/15/2017 | 5/15/2017 |
| 4 | 0040 | Topsoil Stripping | 2d | 5/16/2017 | 5/17/2017 |
| 5 | 0050 | Common Excavation | 6d | 5/18/2017 | 5/25/2017 |
| 6 | 0060 | Install Underground | 10d | 5/26/2017 | 6/9/2017 |
| 7 | 0070 | Subgrade Preparation | 4d | 6/12/2017 | 6/15/2017 |
| 8 | 0080 | Place Select Granular Borrow | 3d | 6/16/2017 | 6/20/2017 |
| 9 | 0090 | Place Class 5 Aggregate Base | 2d | 6/21/2017 | 6/22/2017 |
| 10 | 0100 | Install Concrete Curb & Gutter | 2d | 6/23/2017 | 6/26/2017 |
| 11 | 0110 | Concrete Cure Time | 4d | 6/27/2017 | 6/30/2017 |
| 12 | 0120 | Backfill Curb & Gutter | 2d | 7/3/2017 | 7/5/2017 |
| 13 | 0130 | Install Topsoil Borrow | 2d | 7/6/2017 | 7/7/2017 |
| 14 | 0140 | Fine Grade Aggregate Base | 1d | 7/10/2017 | 7/10/2017 |
| 15 | 0150 | Pave Bituminous Base Lift | 1d | 7/11/2017 | 7/11/2017 |
| 16 | 0160 | Pave Bituminous Wear Lift | 1d | 7/12/2017 | 7/12/2017 |
| 17 | 0170 | Seeding and Erosion Control | 2d | 7/13/2017 | 7/14/2017 |

| | | | |
|---|------------------|------------------|------------------------------------|
|  Asta Powerproject Bar Chart View | Alexander Court: | Prog no.: A | Revision no.: A |
| | | Date: 5/2/2017 | Rev. date: 4/27/2006 |
| | | Drawn: 2/16/2006 | Author: Planner - Chart Properties |
| | | | Alexander Court |
| | | | SEH |