



# Request for City Council Committee Action from the Department of Community Planning and Economic Development

**Date:** July 23, 2013  
**To:** Council Member Lisa Goodman, Chair, Community Development Committee  
**Subject:** Authorization to Execute Professional Services Agreement – Pillsbury A Mill Tunnel System Condition Study

**Recommendation:**

Authorize the appropriate City officers to negotiate and execute a professional services agreement with Mead & Hunt for completion of the Pillsbury A Mill tunnel system condition study.

**Previous Directives:** On February 22, 2013, the City Council authorized distribution of a request for proposals for professional services to complete a condition study for the Pillsbury A Mill tunnel system. On December 7, 2012, the City Council authorized acceptance of grants to fund the condition study and appropriated the grant funds. On July 20, 2012, the City Council approved the ranking and submission of an application to the Minnesota Statewide Historical and Cultural Grants program for a “Pillsbury A Mill Tunnel System Condition Study.” On March 12, 2010, the City Council accepted a \$7,000 Historical and Cultural Heritage Grant from the Minnesota Historical Society for the East Bank Energy Center and authorized the appropriate City staff to execute a grant agreement with the Minnesota Historical Society and a subrecipient agreement with East Bank Energy, LLC. On October 2, 2009, the City Council approved a \$30,000 loan for an engineering study for the East Bank Energy Center. (In 2011 and 2012, the City Council also has approved a variety of actions related to the above-ground Pillsbury Lofts development project. In 2006 – 2009, the City Council approved a number of actions related to the earlier East Bank Mills development project.)

**Department Information**

Prepared by: Ann Calvert, Principal Project Coordinator, 612-673-5023	
Approved by: Charles T. Lutz, Deputy Director, CPED	_____
Catherine A. Polasky, Director Economic Development	_____
Presenters in Committee: Ann Calvert	

**Reviews**

- Permanent Review Committee (PRC): Conformance letter dated March 2, 2013
- Civil Rights Approval In process
- Policy Review Group (PRG): Not applicable

## **Financial Impact**

- No financial impact
- Action is within the Business Plan

## **Community Impact**

- Neighborhood Notification: The Marcy-Holmes Neighborhood Association has been notified about the grant award and the upcoming study.
- City Goals: Eco-Focused -- Implementation of the hydrothermal concept would help the City achieve its goals of increasing renewable/alternative energy sources.
- Comprehensive Plan: Completion of the study will inform the feasibility of implementation of potential future actions that would address several policies and strategies in the Environment and Heritage Preservation chapters.
- Zoning Code: The proposed Pillsbury Lofts project complies with the zoning code. A conditional use permit may be required for the Energy Center implementation if it will provide heating/cooling outside of the Pillsbury Lofts project.
- Sustainability Targets: If the hydrothermal concept is successfully implemented, the project would use renewable energy (the Mississippi River) to generate heating and cooling while generating significantly fewer emissions.
- Living Wage/Business Subsidy Agreement: Not applicable
- Job Linkage: Not applicable

## **Supporting Information**

In late 2012, the City was awarded a total of \$285,000 in grants from the Minnesota Historical and Cultural Heritage (a.k.a. "Legacy") grant program and the St. Anthony Falls Heritage Board. The purpose of these grants is to complete a study to assess the historical and structural condition of the historic waterpower tunnel system associated with the Pillsbury A Mill, including preparation of a Historic American Engineering Record (HAER) report. These grants were accepted by the City Council in December of 2012, and the funds were appropriated.

The work associated with this project will have two phases. The first is the completion of a package of preparatory work that is needed to provide safe access to the tunnel system for the study consultants. This work is being completed in partnership with the owner/developer of the above-ground Pillsbury A Mill development, the Pillsbury Lofts, and is being contracted for by the private partner.

The second phase will be the actual study of the historical integrity and structural condition of the tunnel system, plus the completion of the HAER report. A Request for Proposals process to seek a team of historical and structural engineering consultants has been completed, and two proposals were received. After review of the two proposals, an evaluation team consisting of two CPED representatives and a representative of the St. Anthony Falls Heritage Board recommends the selection of the proposal from the team led by Mead & Hunt. The proposed contract amount is within the available budget supported by the two grant sources. This report recommends that the appropriate staff be authorized to execute a professional services agreement with Mead & Hunt for the amount of \$99,807.

The study is expected to begin in late-summer/fall 2013 and be completed by mid-2014.