



## RESOLUTION

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**Resolution number:** 23-066

**Title:** Approval of the Second Amendment to the 325 Blake Road Real Estate Purchase Agreement

- WHEREAS the Minnehaha Creek Watershed District (MCWD) acquired 325 Blake Road in 2011 as a key piece of the Minnehaha Creek Greenway, which will provide 109 acres of a connected corridor of restored creek and habitat through St. Louis Park and Hopkins; the MCWD and other public partners have made substantial investments in the preparation and planning of the site to date; the driving vision of the project is to create a uniquely water-centric redevelopment of a formerly industrialized segment of the Minnehaha Creek corridor; the project will provide layered ecological and societal benefits and will serve as a centerpiece of the larger Minnehaha Creek Greenway restoration;
- WHEREAS the MCWD and the City of Hopkins (City) have entered into a cooperative agreement to guide the coordinated planning, improvements and redevelopment of the site, focusing on approximately 11-13 acres for transformation into a transit-oriented neighborhood; the MCWD will retain ownership of approximately four-six acres to treat polluted stormwater that flows into the creek from approximately 270 acres of surrounding area and to restore more than 1,000 feet of creek frontage; the MCWD is combining the planning for this later portion of the site with three accompanying parcels bordering the creek for the 325 Blake Road Regional Stormwater and Greenway and Cottageville Park Phase II Riparian Restoration Project; this project includes the construction of stormwater facilities, open space amenities, stream and riparian restoration and a trail network;
- WHEREAS pursuant to the cooperative agreement, MCWD and the City requested proposals from developers for the redevelopment of the 11-13 acre site, received proposals, and selected Alatus Development, LLC (Alatus), Wellington, and Sherman as finalists to present their proposals to a joint meeting of the Board of Managers and City Council on June 17, 2021;
- WHEREAS at the June 17, 2021 joint meeting the Board of Managers and City Council discussed mutual considerations in order to facilitate the selection of Alatus as the first-choice developer and Wellington as the second choice;
- WHEREAS on July 8, 2021, the Board of Managers affirmed the selection of Alatus as the first-choice developer and Wellington as the second choice, and memorialized the key commitments by the Hopkins City Council that were critical considerations in these selections and therefore are essential terms to be included in the preliminary development agreement (PDA) and purchase and sale agreement;
- WHEREAS following the selection of Alatus by the joint MCWD Board and City Council (collectively, the “Partners”), the Partners developed a PDA to outline the Partners’ respective expectations, rights, and obligations regarding the 325 Blake Road site and to provide for further coordination as a final development plan and planned unit development (PUD) submittal are developed; in particular, the Partners’ desire to coordinate closely on the final development plan pertaining to the design, location, layout and maintenance of the stormwater-related improvements and amenities designed for the treatment of storm water located on the site, their connections to and integration with MCWD’s regional stormwater and greenway project, and other open areas on the redevelopment site that are preserved for recreation and enjoyment by the general public (collectively the “Public Realm”);

- WHEREAS on November 4, 2021, the Board of Managers approved the PDA between MCWD, the City of Hopkins and Alatus and approved the concept design of the development Public Realm and its connection to MCWD’s regional project as submitted in Alatus’ PUD application to the City;
- WHEREAS on December 21, 2021, the City approved the Plat, Alatus’ request to re-zone the entire parcel as a PUD, and a “Master Development Plan” for the entire parcel with a new mixed-use, transit-oriented development on the site; the approved Master Development Plan contains approximately 800 multi-family units, with 688 units of apartments, 112 senior cooperative units, 33 for sale town homes, 8,000 square feet of ground floor retail space, and 9,000 square feet of standalone restaurant space, as well as amenities and improvements for public access and use;
- WHEREAS on April 14, 2022, the Board of Managers approved the 325 Blake Road real estate purchase agreement (Purchase Agreement) with Alatus, and the document was subsequently executed with an effective date of May 9, 2022, detailing that the site to be developed by Alatus will be acquired over two phases at a sale price of \$11,250,000;
- WHEREAS on May 19, 2022, MCWD received a request from Alatus to modify the agreed upon two-phased takedown of the property, to facilitate an early close on the affordable housing parcel, and subsequently provided a draft amendment to the Purchase Agreement for consideration by the Board of Managers;
- WHEREAS on June 9, 2022, subject to satisfaction of conditions set forth, the Board of Managers accepted Alatus’ proposal to amend the Real Estate Purchase Agreement dated May 9, 2022, between MCWD and Alatus relating to 325 Blake Road (the “Purchase Agreement”) to facilitate Alatus’ financing and construction of 116 units of income-restricted housing in “Building A” of the Project;
- WHEREAS in accordance with Section 3.b. (Feasibility Period Extensions) of the Purchase Agreement, Alatus exercised its right to extend, in successive 90-day increments, by providing formal notice and extension payments of \$25,000 to MCWD, on May 8, 2023, and August 4, 2023, respectively;
- WHEREAS Alatus has communicated to MCWD that, in order to deliver the project, it will require municipal bonding from the City for parking and site infrastructure, and that the City process for bonding, acceptance of the revised PUD, and getting to close on phase 1B of the property, will require approximately six months;
- WHEREAS the Purchase Agreement is set to terminate on November 6, 2023, with no additional extension periods available to Alatus without amending the Purchase Agreement to allow for more time to complete the City’s bond and PUD process;
- WHEREAS at its October 12, 2023 meeting, the Board of Managers directed staff and its development advisors to negotiate a potential extension to the Purchase Agreement, in accordance with the timeline provided by Alatus, with extension fees and associated fees for developing the amendment, to be paid for by Alatus;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby approves the Second Amendment to the 325 Blake Road Real Estate Purchase Agreement and authorizes the President to execute the amendment with any non-substantive changes in consultation with legal counsel;

Resolution Number 23-066 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_. Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date: 10/26/2023

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Secretary Date: October 26, 2023