

## RESOLUTION

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**RESOLUTION NUMBER:** 18-051

**TITLE:** **Selection of a master developer for 325 Blake Road and authorization to negotiate terms and conditions of a Master Development Agreement**

WHEREAS; the Minnehaha Creek Watershed District (MCWD) purchased 325 Blake Road (the "Property") in 2011 as a key piece of the Minnehaha Greenway, more than 50 acres of continuous green space along Minnehaha Creek through Hopkins and St. Louis Park;

WHEREAS; the MCWD has been working to prepare the Property for redevelopment while retaining fee or easement rights along the creek corridor to treat over 260 acres of regional stormwater, and to restore and preserve over 1,000 feet of the riparian edge for water quality, habitat and recreation purposes;

WHEREAS; as outlined in the Blake Road Corridor Small Area Plan, East Hopkins Land Use and Market Study, Blake Road Station Area Development Guidelines and other local area plans, a redevelopment of the Property that delivers a mixed-use, transit-oriented development with strong community connections and access to natural resources and open space is central to a revitalized Blake Road corridor in the City of Hopkins ("City"), in which a range of public goals is sought to be achieved by the City, Hennepin County ("County") and other public agencies;

WHEREAS; the MCWD, in partnership with the City and the Southwest Community Works Blake Road Station Subcommittee ("Subcommittee") – consisting of the City and County, the Cities of St. Louis Park and Edina, and other community representatives – developed a request for qualifications (RFQ) for a master developer for the Property;

WHEREAS; with partner input, MCWD staff developed a document titled "Master Developer Selection Process," setting forth the procedure to review RFQ responses and select a master developer ("Selection Process"), which was reviewed with the Operations and Programs Committee and Planning and Policy Committee, and has been followed in the review steps recited below;

WHEREAS; on December 18, 2017, the MCWD released the RFQ with a submittal deadline of February 14, 2018, and subsequently received timely submittals from six development teams: Anderson Companies, Doran, Kraus-Anderson, LMC (Lennar Multifamily Communities), PLACE and Sherman Associates;

WHEREAS; a staff committee comprised of MCWD, City and County staff and MCWD's real estate consultant, NTH, reviewed submittals and, on February 20, 2018, met to discuss evaluations and compile information for a Joint Working Group comprising three MCWD Board members and two City Council members;

WHEREAS; on February 27, 2018, the Joint Working Group met to review the materials prepared and transmitted by the staff committee;

WHEREAS; in the judgment of the Joint Working Group, five of the six respondents sufficiently indicated their ability to successfully acquire and develop the Property, but each submittal lacked certain information that would be beneficial to evaluate the likelihood of a successful negotiation of the Property transaction;

- WHEREAS; the Joint Working Group, accordingly, recommended that the group of respondents be reduced to five and that the refined list of respondents be asked to supply further detail before selections for interview, principally concerning assumptions that will underlie judgments of value and development schedule, contingencies and acquisition process;
- WHEREAS; on March 2, 2018, MCWD staff and Joint Working Group members met with the Subcommittee to review the evaluation and the Joint Working Group recommendation to advance five respondents and to request further information from these respondents, and the Subcommittee concurred that these steps would best position the MCWD to continue toward a successful partnership with a selected developer;
- WHEREAS, on March 8, 2018, the MCWD Board of Managers approved five respondents – Anderson Companies, Doran, Kraus-Anderson, LMC (Lennar Multifamily Communities) and Sherman Associates – for advancement into phase two of the selection process and directed staff, in consultation with other members of the staff working group and MCWD consultants, to draft a supplemental information request, review with the Joint Working Group and the Subcommittee and, in its judgment, modify accordingly, before transmittal to respondents;
- WHEREAS, on March 21, 2018, after review and input by the Joint Working Group and Subcommittee, the MCWD distributed the request for supplemental information to the five respondents with a deadline for response of March 30, 2018;
- WHEREAS, on March 30, 2018, the MCWD received responses from the five remaining firms and the staff committee immediately reviewed for completeness and consistency prior to distributing to the Joint Working Group;
- WHEREAS; on April 4, 2018, the Joint Working Group met to review the materials prepared and transmitted by the staff committee;
- WHEREAS; in the judgment of the Joint Working Group, three of the five respondents sufficiently differentiated themselves and their ability to successfully meet the vision for the Minnehaha Creek Greenway, the Blake Road Corridor and the community goals and guiding principles set forth in the RFQ;
- WHEREAS; the Joint Working Group, accordingly, recommended that the group of respondents for further consideration be reduced to three and that respondents be asked to interview with the Joint Working Group in order to determine the best candidate to act as master developer on the 325 Blake Road site;
- WHEREAS; on April 11, 2018, MCWD staff and Joint Working Group members met with the Subcommittee to review the responses to the supplemental information request and the Joint Working Group recommendation to advance three respondents into the interview portion of the selection process, and the Subcommittee voted to support the recommendation of the Joint Working Group;
- WHEREAS; on April 12, 2018, the MCWD Board of Managers approved three respondents – Anderson companies, Doran and Kraus Anderson – for advancement into the interview portion of the selection process;
- WHEREAS; on May 9, 2018, members of the Joint Working Group, with assistance from the Subcommittee as observers and advisors, conducted interviews of the three remaining master developer candidates;

- WHEREAS; in the judgement of the Joint Working Group, and in consideration of all information received to date, Kraus Anderson stood out as the preferred candidate based on vision, site use, and partnership and leadership cohesion;
- WHEREAS; the Joint Working Group, accordingly, unanimously passed a motion that Kraus Anderson be recommended as the master developer candidate that the MCWD Board of Managers enter into negotiations for a master development agreement;
- WHEREAS; Subcommittee members, as observers to the interview process and advisors to the Joint Working Group, passed a motion in support of the Joint Working Group recommendation to the MCWD Board of Managers;
- WHEREAS; all Board members have had access to the submittals of all respondents and to all evaluation materials prepared by the staff committee and Joint Working Group;

THEREFORE BE IT RESOLVED that the MCWD, on advice of the Joint Working Group and Southwest Community Works Blake Road Station Subcommittee, selects Kraus Anderson as the final master developer candidate for 325 Blake Road and authorizes the District Administrator to initiate the negotiation of terms and conditions of a Master Development Agreement.

Resolution Number 18-051 was moved by Manager Shekleton, seconded by Manager Becker.  
Motion to adopt the resolution 5 ayes, 0 nays, 0 abstentions. Date: 5-24-18.

Kurt Regness \_\_\_\_\_ Date: \_\_\_\_\_  
Secretary