

**HOPKINS CITY COUNCIL
SPECIAL MEETING AGENDA
Thursday, June 17, 2021
5:30 pm**

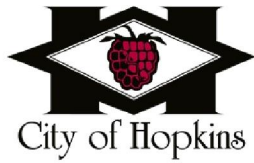
**CITY COUNCIL CHAMBERS
1010 1st Street South**

I. CALL TO ORDER

II. NEW BUSINESS

1. 325 Blake Road Restoration and Development; Elverum

III. ADJOURN



Meeting: Joint Meeting
Meeting date: 6/17/2021
Agenda Item #: 1
Item type: Discussion

Title: 325 Blake Road Restoration and Redevelopment

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Purpose: At the June 17, 2021 meeting of the Minnehaha Creek Watershed District Board of Managers and Hopkins City Council, the joint group will conduct interviews of the developer finalists for the 325 Blake Road redevelopment project. Following interviews, the joint Board of Managers and City Council will deliberate on the merits of each development team with a goal of selecting a master developer partner.

Summary: For nearly a decade, the Minnehaha Creek Watershed District (MCWD) has been focusing on the most degraded section of Minnehaha Creek – between West 34th Street and Meadowbrook Lake in St. Louis Park and Hopkins – to implement a comprehensive corridor restoration that focuses on reducing pollutant loads, mitigating flashy hydrology, reconnecting the riparian corridor, and restoring the physical character of the stream channel.

A former industrial site along 1,000 feet of Minnehaha Creek, the property at 325 Blake Road was identified as a key piece of the Minnehaha Creek Greenway, and as such, the MCWD made a strategic acquisition of the property in 2011 to facilitate its regional scale effort. This effort identified opportunities on the site for area wide stormwater improvement, ecological restoration of the Minnehaha Creek riparian zone and corridor linkage with upstream/downstream restoration projects. Identified as the 325 Blake Road Restoration and Redevelopment Project (Project), it is envisioned that, through strategic partnership with the City of Hopkins (City), a development partner will be selected to deliver an integrated project on the portion of the site not utilized for watershed restoration.

The City is interested in a redevelopment of the site into a transit-supportive, mixed-income neighborhood that provides numerous benefits to the surrounding neighborhood and the larger community. The redevelopment effort has been contemplated since 2008 when the City commissioned the Blake Road Corridor Small Area Plan which began to identify the vision for the redeveloped site.

Throughout early 2020, the MCWD and City (together as the “Partners”) developed a shared vision for the potential redevelopment of 325 Blake Road (attachment 1). In August 2020, the Partners approved a cooperative agreement to guide the coordinated planning, improvements and redevelopment of the site, and establish a clear partnership framework to successfully deliver on the Partners’ shared vision for the site. The agreement also provides the foundation for the exploration of redevelopment for the Project and outlines a clear framework for engagement of the development community.

As such, in January 2021 the Partners solicited interest in redevelopment of the 325 Blake Road site through a request for letters of interest. Following receipt of the letters of interest, the Partners reviewed all responses and developed a recommended select list of five developers for advancement to developer roundtable meetings and the request for proposal (RFP) process. This select list was developed based on identified experience in delivering complex sites through partnerships.

In March 2021, following roundtable meetings with each of the developer teams, the Partners issued the RFP for development of a portion of the 325 Blake Road site. Following an approximate eight week window for the development of proposals, on May 5, 2021, the Partners received proposals from all five development firms – Alatus,

Greco, Schaefer Richardson, Sherman Associates and Wellington Management. Upon receipt of proposals, a staff coordination team reviewed all of the information and developed a suite of preliminary questions for each of the development teams to further inform the proposal process.

On May 20, 2021 the Review Committee – a joint committee comprised of three MCWD Board managers and two Hopkins City Council members – reviewed the preliminary information and discussed the merits of each proposal in advance of the preliminary interview phase. On May 26-27, 2021 the Review Committee conducted interviews of the five development teams with a goal of further understanding each of the developer’s vision for the site and how the development teams would approach partnering to deliver the Partners’ joint vision set forth.

Following interviews, the Review Committee considered the merits of each proposal and voted unanimously to advance three firms as finalists – Alatus, Sherman Associates and Wellington Management – for joint Board of Managers and City Council consideration. The proposals from each of the finalists is attached, including a development matrix highlighting the site plans and built components of each of the proposals (attachments 2 and 3 respectively).

On June 9, 2021 the Partners participated in a series of site tours hosted by each of the developers. The sites were chosen by the development teams as a tangible opportunity to get a feel for the type of development each delivers, and also provided an opportunity for each team to introduce themselves to the joint MCWD Board and City Council and describe how they would approach the 325 Blake Road site.




The final step in the developer reengagement process is the joint meeting of the MCWD Board of Managers and Hopkins City Council to conduct interviews of the developer finalists for the 325 Blake Road Restoration and Redevelopment project. Following interviews, the joint Board of Managers and City Council will deliberate on the merits of each development team with a goal of selecting a master developer partner.

The Partner’s *Development Vision for 325 Blake Road* can be read on the City’s website, along with the development proposals from each of the finalists – Alatus, Sherman Associates and Wellington Management. To view this information and other associated content for the 325 Blake Road site, visit the City’s website here:
<https://www.hopkinsmn.com/1084/325-Blake-Road-Developer-Selection>.

Attachments:

1. 325 Blake Road Developer Matrix

325 Blake Road Developer Matrix

Project Team	Site Rendering	Project Components	Details of Housing, Commercial and Parking	Total Units & Units per acre	Unit Mix	Affordable units & levels	Commercial SF & Proposed Uses	Property Purchase	Total Development Costs
Alatus		Housing and commercial. Five total buildings plus townhomes. A 14-story tower, five story, four story and three story buildings and approximately three story townhomes. Includes market rate and affordable rental.	Total of 775 housing units in five buildings plus townhomes. Includes 23,500 square feet of commercial. 1,271 total parking stalls, with 1,148 stalls in parking structures, 20 surface lot spaces, and attached garages for the townhome units.	Total of 775 housing units which equates to approximately 64.6 units per gross acre (on an assumed 12 acres).	486 market rate units 240 affordable units 49 market rate townhomes Exploring senior coop opportunity.	240 affordable units (31% of total units) at affordable range of 30%-80% AMI. Includes one building of stand-alone affordable units and one mixed income building.	23,500 sf of commercial described as locally sourced restaurateurs, brewery and distillery opportunities with indoor and outdoor experiences. Noted they would offer some affordable commercial spacing leasing options for the relocation of existing Hopkins retail having to make decisions about their upcoming leasehold interests.	Proposed purchase price of \$11,250,000 (~\$14,500/unit)	\$239,536,566 total development cost; \$309,000 per unit
Sherman Associates		Housing and commercial. Five buildings ranging from four to six stories, designated as mixed-use with market rate and affordable rental, active senior rental, senior co-op and commercial.	Total of 575 market rate, affordable and senior units in five buildings, including senior co-op. Includes 28,250 square feet of commercial, and 889 parking stalls, including 120 surface lot spaces.	Total of 575 housing units which equates to approximately 47.9 units per gross acre (on an assumed 12 acres).	400 market rate units 120 affordable units 49 market rate ownership (senior co-op) 6 affordable ownership (senior co-op)	126 total affordable units (21.9% of total rental units and 10.9% of ownership units). Affordable rental units at affordable range of 50% -60% AMI are in a stand alone building. Affordable senior coop ownership units at 80% AMI.	28,250 sf of commercial identified as restaurant, food kiosk, community commercial (potential grocer, coffee, brewery)	Proposed purchase price of \$8,625,000 for approximately 11-12 acres (\$15,000/unit)	\$171,991,622 total development cost; \$299,000 per unit
Wellington Management		Housing, commercial and office. Three buildings ranging from six to seven stories designated as mixed-used residential with affordable, retail and office, and townhomes. Central green/blue space to be retained by MCWD.	Total of 588 market rate and affordable units in three buildings and townhomes. Includes 46,900 square feet commercial/office/daycare. 689 parking stalls using surface and ramp. Proposes 77 stalls of "street" parking.	Total of 588 housing units which equates to approximately 49.0 units per gross acre (on an assumed 12 acres).	486 market rate units 55 affordable units 39 market rate townhomes 8 affordable townhomes Proposes to partner with Homes Within Reach on 6-10 ownership townhomes using land trust model.	55 affordable units (9.8% of total units) at affordable range of 50%-80% AMI in multi-family and 8 townhomes (17% of total) at 60%-80% AMI. Affordable units are integrated with the market rate units.	46,900 sf of commercial identified as retail (17,450 sf) and office/daycare (29,450 sf). Described as potential destination brewery/restaurant/event space. 2-story daycare w/rooftop play area. Ground-floor small, local retail at SW corner. Second floor commercial along Blake Rd for small office users (e.g., dental, outpatient, financial services). States that small scale retail space will be attainable for a diverse range of entrepreneurs, but there is not a specific commitment to affordable retail space.	Proposed purchase price of \$9,000,000 for approximately 11.44 acres (\$15,306/unit)	\$154,726,701 total development cost; \$263,000 per unit

325 Blake Road Developer Matrix								
Project Team	Estimated Market Value/City Taxes	Estimated Employment	Requested Public Assistance	Activation and Public Realm Improvements	Description of Public Benefits	Stormwater and Open Space Elements	Transit Oriented Development	Approach to Working with MCWD, City and Community
Alatus	Estimated future taxable market value: \$205,430,740 Estimated City portion of taxes: \$1,477,749	Unspecified	13.2% of total development costs identified as public as TIF and grants. Assumes award of Low Income Housing Tax Credits (LIHTC) for the affordable units, which is a very competitive program.	Described as TOD with a goal of 15-minute city within the site. Focus on bicycle and pedestrians with public ped and bike corridors. Commercial spaces to activate areas. Includes connections to the Cedar Lake LRT Regional Trail. Proposal focused on 11-12 acre built area. Describes every plaza, park, courtyard, or boulevard being connected and tied to the existing and revitalized creek pond retention areas. Six acres dedicated to stormwater and greenspace with ideas for activation.	Details in page 14 of proposal Described as being: -environmentally and fiscally sustainable, -spectrums of living affordability, -progressive design concepts, -inclusive natural resources for all	Unspecified approach, but describes a desire for collaborative effort with MCWD design team. Desire to celebrate water via fountains, plazas, channels, streams, and ponds woven through the development.	Described as minimized block sizes with the primary goal of creating walkability and a more pedestrian and bikeable scale. The street pattern provides mobility for all modes of transportation with a greater focus on the pedestrian. Proposes bike sharing options including electrically assisted cargo bikes.	Details in page 15 of proposal and the response to the request for clarifications. Alatus will bring on a development engagement consultant to lead community engagement efforts. Notes the importance of this effort. The proposal indicates that the three parties will work together to establish a malleable engagement and entitlement timeline. Development team would work with MCWD and the City to conceptualize site plan design efforts leading up to the engagement process. Would look to the City and MCWD to be involved in site plan creation and the community engagement sessions.
Sherman Associates	Estimated future taxable market value: \$150,218,750 Estimated City portion of taxes: \$1,114,835	18 permanent jobs in the building communities, 40-50 food hall jobs, 6 seasonal café jobs, plus recreational jobs based around kiosk.	11.2% of total development costs identified as public in the form of TIF and grants. Assumes award of Low Income Housing Tax Credits (LIHTC) for affordable units, which is a very competitive program.	Connections to Cedar Lake Regional Trail, public/private plaza with food hall and community commercial on SW corner of site. Sport rental kiosk to encourage use of Minnehaha Creek. Seasonal restaurant, water resources, pocket parks and trails. Describe streetscaping improvements on Blake and Lake Street, public/private plaza on SW corner, connections to Cedar Lake Trail, trails and sidewalks, pocket parks.	Details on page 88 of proposal. Cites affordable units, 18 permanent jobs in the building communities, 40-50 food hall jobs, 6 seasonal café jobs, plus recreational jobs based around kiosk. Improvements to the public realm such as trail connections and access to water. \$2,155,000 in annual tax base.	Described as collaboration with MCWD and City on green, disconnected/decentralized stormwater infrastructure. Provides a list of BMPs. Active and passive learning such as a signage and hands-on learning stations. Collaborate to tie development into regional system and include interaction through fishing, boating, bird watching, dining/socializing by water.	Described as capitalizing on adjacency to multi-modal transit resources. Encourages a connection to the future Blake Road LRT Station through a public/private use plaza on the SW corner of the site. Connections are made to the Cedar Lake Trail and new paths are integrated throughout the site.	Cites experience using collaborative approaches, welcomes participation in the charrette and can host additional listening sessions with community. No particular approach suggested to collaboration beyond a desire to work together.
Wellington Management	Estimated future taxable market value: \$154,852,500 Estimated City portion of taxes: \$1,290,787	Estimated 150-200 permanent jobs across commercial and office.	6.8% of total development costs identified as public funds in the form of TIF and grants.	Project named “The Blue on Green.” Mixed-use residential, retail, and office space at SW corner across from LRT station. Potential destination brewery at this corner to further activate. Street has forward-facing commercial and residential for active pedestrian experience. 5 acres retained for “dynamic” stormwater treatment area, including “Central Blue” public area providing access to the creek. Pocket parks and urban plazas interspersed connected by trails and sidewalks. Public art located at nodes throughout. Bike repair and parking to encourage cycling. Includes connections to the Cedar Lake LRT Regional Trail.	Details on page 32 of proposal. Focuses on walkability, preserving neighborhood diversity, environmental/water quality, and neighborhood-oriented retail. Details construction and permanent job creation (1,000 / 150-200) and tax base (\$139 million).	Stormwater concept is based around the “Central Blue”, which also serves as the main community gathering space within the development while functioning as stormwater treatment in addition to the regional stormwater and greenway components.	Described as including the highest density and greatest mix of uses at the southwest corner immediately across from the light rail station to contribute to a vibrant station area. Additional high-density residential with a ground-floor daycare will extend north along Blake Road to enhance the vitality and livability of the Blake Road corridor. Trails and walkways will cross the site from the Cedar Lake Trail up to Lake Street along the Creek and out to Blake Road to create stronger connections and promote walkability.	Describes using the design charrette to share concept designs, establish shared goals for an integrated water-based approach, and establish lines of communication. Proposes two follow-up meetings to agree on a common concept plan, then commence community engagement.

325 Blake Road Developer Matrix

Project Team	Sustainability Components	Community Engagement	Development Team	Similar Projects	Phasing Plan	Financial Capacity	Team Experience
Alatus	Unspecified on sustainability, LEED and other goals. References MCWD’s work as integral to its sustainability goals, but does not include information about developed areas meeting sustainability goals.	Use of an outside consultant firm to lead engagement. Three to six month process with four to eight significantly attended sessions. Describes the importance of engaging with the community in a multitude of ways.	Alatus and Humphreys Architects. Will build out remainder of team as project proceeds (civil, LA, structural, etc.)	The Carlyle and Grant Park Condominiums	Approximately one year for planning and entitlements. Constructed in three phases, beginning in August 2022 and ending in Q4 of 2025.	Unspecified beyond project development costs, but letter of interest detailed Alatus' capacity.	Team partnered on referenced projects (Carlyle and Grant Park Condos)
Sherman Associates	Describes commitment to “above market standard” sustainable design. Anticipate use of solar gardens. References to the sustainability of their past projects, but lacks details of specific commitments for this site.	Community engagement plan to be arrived at with MCWD and City. Indicated that they can host additional listening sessions with community.	Sherman Associates as developer/owner; Kaas Wilson as architect; Anderson Companies as general contractor; Solution Blue as water conservation specialist	Market rate and senior living projects listed as relevant experience that Kaas and Sherman have worked on	Design, due diligence June 2021 – June 2022. Phase I construction June 2022- December 2023. Phase II construction August 2023-December 2024. Stormwater facilities constructed on MCWD’s timeline, affordable building timed based on LIHTC and bonds.	Provided letter of intent, company profiles, select project profiles and financial information indicating a capacity to deliver.	Provided company profiles and project experiences working together and individually
Wellington Management	Describes many ideas, but it is unclear which are included. Ideas include: Rainwater reuse for irrigation, rooftop solar, EV charging stations, car sharing hubs, potential geothermal, pollinator gardens, bike parking and amenities, educational elements, meet Green Communities standards, enroll in Energy Design Assistance, maximize construction material recycling	Community engagement section describes the firm’s experience and ongoing ownership interest, but does not describe an approach for this project. States they look forward to working with MCWD to engage the community early and often to ensure the project reflects the desires of those most impacted by it.	Wellington Management, Collage Architects and Kimley Horn. Homes Within Reach would partner on 6-10 ownership townhomes using land trust model.	Wellington and Collage: Bassett Creek Valley (North Minneapolis), Westgate Station (St Paul), Lake & Hiawatha (South Minneapolis).	Allows for approximately 1 year of planning. Constructed in three phases over five years, beginning in Q2 2022 and ending in Q3 2026. Letter of intent suggests phased land acquisition.	Provided letter of intent, company profiles, select project profiles and financial information indicating a capacity to deliver.	Wellington and Collage: Bassett Creek Valley (North Minneapolis), Westgate Station (St Paul), Lake & Hiawatha (South Minneapolis).