

**MEETING DATE:** April 12, 2018

**TITLE:** Approval of respondents for advancement into the interview portion of the 325 Blake Road master developer selection process

**RES. NUMBER:** 18-038

**PREPARED BY:** Michael Hayman

**E-MAIL:** mhayman@minnehahacreek.org      **TELEPHONE:** 952-471-8226

**REVIEWED BY:**     Administrator     Counsel     Program Mgr.  
                          Board Committee     Engineer     Other

**WORKSHOP ACTION:**

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date):_____	<input type="checkbox"/> Refer to taskforce or committee (date):_____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other: <b>Requesting final action April 12, 2018 to maintain RFQ selection process schedule</b>	

**PURPOSE or ACTION REQUESTED:**

Approval of respondents for advancement into the interview portion of the 325 Blake Road request for qualifications (RFQ) process to select a master developer for the site.

The proposed action will advance three RFQ respondents into the interview phase of the RFQ selection process based on the additional information that was provided through a request for supplemental information.

**PROJECT/PROGRAM LOCATION:**

325 Blake Road North, Hopkins MN

**PROJECT TIMELINE:**

See draft *325 Blake Road Master Developer Selection Process* and associated schedule (attachments 2 & 3).

**PAST BOARD ACTION:**

November 9, 2017    RBA 17-068    Authorization to release solicitation for Master Developer (RFQ)  
March 8, 2018      RBA 18-019    Approval of respondents for phase two of the RFQ process

**SUMMARY:**

On March 8, 2018, the Minnehaha Creek Watershed District (MCWD) Board of Managers concurred with the joint working group recommendation to advance five of six RFQ respondents into phase two of the RFQ selection process. This step, a supplemental information request procedure to gather more information from the selected group of respondents, was developed to gather more consistent information to assist in determining if the selected respondent group should be further reduced prior to initiating the interview process.

The 325 Blake Road RFQ request for supplemental information was released on March 21, 2018 with a response deadline of March 30, 2018. The District received responses from the five remaining firms by the deadline: Anderson Companies, Doran, Kraus Anderson, LMC and Sherman.

Upon receipt of responses, submissions were distributed to the staff committee – MCWD, Hopkins, Hennepin County and NTH (MCWD advisor) – for preliminary review, focusing on completeness and consistency with criteria provided in the request for supplemental information. The staff committee also worked to develop a response tracking table (attachment 1) to compile content directly from the responses into an objective format.

The joint working group received the responses to the request for supplemental information and content tracking table on April 2, 2018. Subsequently, on April 4, 2018 the joint working group met to deliberate and select respondents to remain under consideration and be brought before the Southwest Community Works Subcommittee and the MCWD Board of Managers.

During the joint working group deliberations, it was discussed that responses to the supplemental information request provided consistent data from each of the respondents, thus giving the joint working group confidence to reduce the number for advancement into the interview process. It was determined that 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. The joint working group recommends advancing Anderson Companies, Doran and Kraus Anderson into the interview portion of the master developer selection process.

The joint working group also discussed the interview process and how presentations and questions will be structured. The group identified themes to focus on during the interview process to assist in distinguishing who best to successfully deliver the site. An example of some of the topics that will be provided to the developers in advance of the interview process include affordability, community spaces, sustainable development practices, infrastructure, community engagement and other developer specific elements.

On April 11, 2018, with assistance of members of the joint working group, staff will provide the Southwest Community Works Blake Road Station Subcommittee an overview of the responses to the supplemental information request, and the recommendation of the joint working group to advance three developer teams into the interview process. The Subcommittee discussion will focus on the joint working group recommendation, providing an opportunity for input from the Subcommittee as acting advisor to the Board prior to consideration. The information and feedback provided by the Subcommittee will be presented to the Board of Managers during its April 12, 2018 Board meeting.

In preparation for the April 12, 2018 Board meeting, Managers are asked to review the selected respondents as provided by the joint working group, as well as all other responses and information they deem necessary, and make a determination on the group of respondents to advance for interviews.

In summary, upon review and deliberation, the joint working group recommends advancing Anderson Companies, Doran and Kraus Anderson into the interview portion of the 325 Blake Road master developer selection process.

At the upcoming Board meeting, staff will provide a presentation recapping the process to date, discuss the review of responses to the supplemental information request by the joint working group and Southwest Community Works Blake Road Subcommittee, and highlight next steps in the selection process.

**Attachments:**

- Summary of Responses to Request for Supplemental Information
- *325 Blake Road Master Developer Selection Process* and associated schedule

## RESOLUTION

---

**RESOLUTION NUMBER:** 18-038

**TITLE:** **Approval of respondents for advancement into the interview portion of the 325 Blake Road master developer selection process**

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 undertaken to transfer 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; a mixed-use, transit-oriented development of the Property is central to a broad redevelopment intent to revitalize the 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 comprising 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 for further consideration be reduced to five and that 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;

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; and

THEREFORE BE IT RESOLVED that the MCWD will proceed at this time with three master developer candidates – Anderson Companies, Doran and Kraus-Anderson – and initiate the interview portion of the 325 Blake Road master developer selection process.

Resolution Number 18-038 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_.  
Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date: \_\_\_\_\_.

\_\_\_\_\_  
Secretary Date: \_\_\_\_\_

VISION

Request	Anderson Companies	Doran	Kraus Anderson	LMC / Lennar	Sherman Associates
<p><b>Intended Development</b>                      Provide details on the proposed site development:</p> <ul style="list-style-type: none"> <li>- Anticipated number and types of residential units</li> <li>- Size and location of any other components (hotel, office, retail, restaurant, etc.)</li> <li>- Number of anticipated surface and structured parking stalls</li> <li>- Plans for the public space on the site</li> <li>- Assumptions regarding infrastructure</li> </ul>	<p>“Minnehaha Village” – an intergenerational mix of residential housing and complementary medical/retail to drive vitality along Blake Road and easy accessibility to Minnehaha Creek.</p> <p>Mix of affordable (20%-30% goal) and market rate independent-living active senior, multi-family apartments and townhomes. View of senior housing as important part of the proposal, allows seniors to stay in the area.</p> <p>Housing:                      150 units senior housing (Agustana)                      300 units multi-family (Anderson)                      70 units affordable (?)                      30 townhomes (RonClark)                      550 dwellings (42.8/acre)</p> <p>Parking:                      336 garage                      85 surface                      30 townhomes                      451 total parking stalls</p> <p>Other:                      Small supportive retailers and medical providers at Blake Road and Cedar Lake Trail.</p>	<ul style="list-style-type: none"> <li>- Increase public access to Minnehaha Creek, activate shoreline</li> <li>- Improved water and environmental conditions</li> <li>- Enhanced walkability, bikeability and security along the Corridor</li> <li>- Increased vibrancy through a mix of housing types</li> </ul> <p>Housing:                      425 units market-rate (Doran)                      150 units affordable(CommonBond)                      22 Veteran (MACU)                      28 townhomes (TBD)                      625 dwellings (48.7/acre)</p> <p>Parking:                      844 structure                      165 surface                      1,009 total parking stalls</p> <p>Other:                      Restaurant at intersection of Blake Road and Cedar Lake Trail.</p> <p>Infrastructure assumptions:                      determine with City, arrange for funding such as grants or TIF funds and determine an entity to own and provide ongoing maintenance.</p>	<p>“Blake Green”                      A mixed-income development to be delivered in two phases. Both phases will include a mix of studio, one-, two- and three-bedroom units with walk-up units at the ground level for integration with pedestrian friendly neighborhood.</p> <p>Housing:                      332 units market rate (Timberland)                      84 units affordable (Timberland)                      49 townhomes (CalAtlantic)                      465 dwellings (36.2/acre)</p> <p>Parking:                      TBD structure/underground                      56 on-street stalls                      86 surface (behind bldgs.)                      ~656 total parking stalls</p> <p>Other:                      Neighborhood retail/community space at the corner of Blake Road and Cedar Lake Trail and Blake Road and Lake Street – coffee shops and neighborhood retail for public use.</p> <p>Infrastructure assumptions: streets, water, sanitary</p>	<p>“Hopkins Landing” or “Blake Creek Reserve” (examples)                      Unique amenities such as public kayak launch, picnic areas, greenway access, site will become focal point for outdoor enthusiasts.</p> <p>Housing:                      250 units market rate (Lennar)                      200 units workforce (Dominium)                      40 townhomes (Lennar)                      490 dwellings (38.2/acre)</p> <p>Parking: <i>details tbd, ratios:</i>                      540 apartment parking (1.2:1)                      120 townhomes (3:1)                      49 guest parking (0.1:1)                      20-30 wetland parking                      734+/- total parking stalls</p> <p>Other:                      No other speculative uses.</p>	<p>Transit-oriented, mixed-use development with housing, hotel, and office/retail uses. Experience developing innovative, sustainable neighborhoods incorporating green and energy saving initiatives.</p> <p>Housing:                      232 units market rate (Sherman)                      60 units affordable (Sherman)                      292 dwellings (22.7/acre)</p> <p>Parking:                      241 structure                      139 surface                      131 surface (hotel/commercial)                      511 total parking stalls</p> <p>Other:                      4-story commercial office/retail                      4-story hotel, 94 units</p> <p>High # of surface parking – will work to decrease while satisfying parking requirements.</p> <p>Infrastructure – assume all roads within the site and utility connections would be completed as part of the new construction.</p>
<p><i>How will the site be a distinctive part of Minnehaha Creek, the Greenway, and the City of Hopkins?</i></p>	<p>Development will embrace the diversity and contributions of the existing neighborhood and the natural amenity of the creek.</p>	<p>Damon Farber retained to develop sustainable features that promote best practices and emphasize use of native trees, flowers and grasses with extensive walkable area – forested boulevards with storm water swale filtration, boardwalk or levee trail with water quality interpretive signage, public park and structure.</p>	<p>Richly connected place through trails and transit. Creek-oriented trails and amenities, playground, community garden, fitness center with community room, and dog run. Public realm will include sidewalks, planted boulevards, and an urban canopy, trails and amenity spaces along the creek to express the story of water on the site.</p> <p>Street constructed to City street standards, truly bring the public back to Minnehaha Creek and the planned amenities in the area.</p>	<p>Make the area “distinctive” through branding and public messaging – unique compelling identity to build personal connection with the area.</p> <ul style="list-style-type: none"> <li>- Meandering walking paths throughout public and private portions of the development</li> <li>- Design element such as public bridge over portion of wetland</li> <li>- 4-hour public parking lot</li> <li>- Public picnic building or shelter</li> <li>- Creek access or kayak launching</li> <li>- Dedicated outlot for additional public amenities</li> </ul>	<p>Public amenity area along Minnehaha Creek could include a mix of amenities - splash pad, park area, dog park, plaza, pavilion, etc. Potential for public plaza with art-work at southwest corner of the site. Amenity would be for the residents of the City as a whole, not just for the residents of the new proposed buildings.</p> <p>Redeveloped site will highlight Minnehaha Creek and making it a key feature and amenity of the development.</p>

Minnehaha Creek Watershed District - 325 Blake Road  
 Summary of Responses to Request for Supplemental Information

Request	Anderson Companies	Doran	Kraus Anderson	LMC / Lennar	Sherman Associates
<p><i>What are your alternative strategies if one or more of the development components don't work out?</i></p>	<p>Strong belief in redevelopment partners and product expertise. However, if market conditions change, will adjust as needed.</p>	<p>Over past 10 years, Doran has completed 10 projects which have been completed as planned. 75% of the project will be built in the initial phase. The 2<sup>nd</sup> phase of multi-family would commence when the first reaches 60% occupancy. Based on the Moline, anticipate 2<sup>nd</sup> phase will start 6 months after completion of the 1st phase.</p> <p>If market conditions change dramatically, explore alternatives with the City and community.</p>	<p>KA will work with the stakeholders to determine highest and best use for any components that don't work out. Collaborative and creative approach to ensure a successful project overall.</p>	<p>Proposed development components have been carefully curated to ensure non-speculative components (commercial, retail, restaurants or hotels – prone to swings in the market or limited access to capital than residential uses.) Demand for housing, especially affordable housing is inclined to be very successful and have limited risk upon project completion.</p> <p>If a proposed component doesn't work out, the teams will backfill with another use. Alternatively, would work with MCWD to further expand the public area.</p>	<p>Confidence in market for proposed office building and hotel. However, it is difficult to secure financing without a major anchor tenant. Sherman Associates will work for 12 months to secure an office tenant, financing, hotel flag, and hotel financing. If not successful, Sherman Associates would seek approval from the City and MCWD to construct additional housing.</p> <p>Sherman Associates is committed to some amount of retail space at the site.</p>
<p><i>If available, please provide a preliminary site concept plan.</i></p>	<p>Plan provided. Limited roadways, view corridor from Blake Road through to community gathering space and creek.</p>	<p>Plan provided. Strong connection from Blake Road through to community gathering space and creek, boardwalk along creek.</p>	<p>Plan provided. Public access east-west and north-south through the site,</p>	<p>Plan provided. "Parkway loop" road along new greenway, connection from Creek to Blake Road.</p>	<p>Plan provided. Project extends active services along Blake Road, enhancing a livable and pedestrian-friendly neighborhood.</p>
<p><b>Community and Partner Engagement</b>  <i>How do you envision working with the community, the City of Hopkins, and MCWD to refine the vision for the site?</i></p>	<ul style="list-style-type: none"> <li>- Understand priorities and establish project goals</li> <li>- Letter agreement</li> <li>- Communication strategy</li> <li>- Reach out to community leaders to define wants and needs (translators – inclusive)</li> </ul>	<p>Acknowledgement of the amount of public engagement that has already taken place, strong foundation. Continue to engage the community with interactive workshops to build partnerships and facilitate input from the public on four specific aspects:</p> <ul style="list-style-type: none"> <li>- Design and use of community feature at Minnehaha Creek</li> <li>- Public art</li> <li>- Pedestrian and bike connections through the site</li> <li>- Design of green space</li> </ul>	<p>KA uses a wide variety of tools to engage stakeholders in the design process, pop-up events, focus group meetings, online surveys and more.</p> <p>KA uses decision tracking and goal setting logs to make meaningful progress.</p> <p>KA has used "share back" forums to document key elements, themes, and principles in a way that is clear to all participants.</p>	<p>Experience with community engagement meetings, listening sessions and working sessions to ensure existing community has opportunity to participate in the development process and provide feedback. Price in facilitating open and honest communication with stakeholders.</p>	<p>Sherman Associates envisions a collaborative process that will involve input from all stakeholders and open communication throughout the design process including meeting directly with their architect and development team. Sherman Associates will work with the City and MCWD to host neighborhood informational meetings to discuss the development and seek input from the community and stakeholders.</p>



**FINANCIAL CONSIDERATIONS**

Request	Anderson Companies	Doran	Kraus Anderson	LMC / Lennar	Sherman Associates
<p><b>Purchase Price</b>                      Based on the density and development assumptions identified above, provide details on your proposed methodology to determine a purchase price.</p>	<p>Open book process to determine price. The price will be balanced with the financial assistance available to support affordability throughout the development and will be determined collaboratively.</p>	<p>Purchase price will be determined based on a per unit basis taking into account each project type and use.</p> <p>Financial assistance from the City and other grant funds will factor into the purchase price.</p>	<p>Process to determine purchase price:</p> <ul style="list-style-type: none"> <li>- Define concept and density</li> <li>- Determine value of finished parcels based on market demand and appraisals</li> <li>- Determine cost of improvements</li> <li>- Determine market absorption and phasing schedule</li> <li>- Identify financial gap and funding to bridge</li> <li>- Partner with stakeholders on investment package</li> <li>- Agree on purchase price</li> </ul>	<p>Price will be determined through completion of project underwriting and availability of public funds for assistance, bonding, or grants to close any funding gap that may exist. Based on other projects, preliminary purchase price provided.</p>	<p>Traditionally purchased city land at or very close to the appraised market value. Would take same approach. However, will also take into account purchase price adjustments as potential source of gap financing for the projects.</p>
<p><b>Terms</b>                      Describe your anticipated terms for the purchase agreement including earnest money and nonrefundable points during the entitlement and due diligence process.</p>	<p>Earnest money delivered upon execution of the Purchase Agreement, refundable until Public Approvals are secured (Anderson will bear the cost of due diligence, design, engineering, and legal fees.)</p>	<p>Earnest Money \$100,000 (flexible)</p> <p>Timing: Doran will submit entitlement applications by Sept. 2018 and anticipates full approvals by December 2018. They will work with MCWD and City to finalize agreements by March 2019. Closing in March 2019, assuming contingencies have been met.</p>	<p>Once price is determined, negotiate a Purchase Agreement with earnest money, due diligence points and take-down schedule.</p>	<p>Earnest Money</p> <ul style="list-style-type: none"> <li>- 5% upon signing the Purchase agreement, non-refundable upon expiration of Due Diligence Period (90 days) unless Public Approvals aren't received.</li> <li>- Additional 5% upon expiration of Due Diligence period, non-refundable unless Public Approvals (180 days) aren't received.</li> </ul>	<p>Multi-phase purchase agreement that breaks out phases of development. \$25,000 earnest money per phase. Details negotiated once selected.</p>
<p><b>Public Financing Assistance</b>                      As stated in the RFQ, the City/HRA is willing to consider applications for tax abatement or tax increment financing (TIF), should either be proved necessary for the desired development to move forward. The site has been evaluated as a TIF district and was found to qualify as a Redevelopment District under current statutory criteria. Projects may also qualify for public funds through DEED, the Metropolitan Council, or Hennepin County. In addition, public assistance for housing may be available through a variety of entities. Hennepin County is interested in supporting housing opportunities for County clients on the site.</p>	<p>Will pursue all necessary funding assistance programs – expect the support of MCWD and City of Hopkins to best support the redevelopment mission.</p>	<p>Doran expects to enter into a TIF agreement to make the redevelopment financially feasible. TIF proceeds to be used for public infrastructure and improvements by Doran, upon completion dedicated to the City of Hopkins.</p> <p>Doran would apply for grant funds through the Met Council, DEED, and Hennepin County to help finance the market rate multifamily projects and public infrastructure and improvements.</p> <p>The affordable housing portion of the master development will apply for grant funds as well and federal financing tools provided by the MN</p>	<p>KA will work as master-developer, open-book. Anticipate needing TIF, Hennepin County, and Met Council grants.</p> <p>Timberland – anticipate needing Hennepin County, Met Council, and City of Hopkins assistance</p>	<p>Team will be applying for all necessary, available, and applicable public funds for the project in order to achieve a market rate return on investment. May result in TIF funds. Affordable housing component will require issuance of tax exempt bonds awarded by MN Management and Budget.</p> <p>Exact amounts are unknown and will be dependent on the final negotiated Purchase Agreement, expectations of the Project Team to make public improvements, and market conditions relating to construction cost and rents achieved.</p>	<p>Sherman Associates intends to utilize both conventional financing and other government funded financing for the site including: LIHTC, TIF (25-year term with developer receiving 90% of the increment), bond financing, local and federal grant funding (DEED, Met Council, Hennepin County, and other State and Federal programs) other gap financing as necessary.</p> <p>Amount of public funds requested will be determined following completion of due diligence period and negotiation of purchase price with the City and MCWD.</p>

Minnehaha Creek Watershed District - 325 Blake Road  
 Summary of Responses to Request for Supplemental Information

Request	Anderson Companies	Doran	Kraus Anderson	LMC / Lennar	Sherman Associates
Are you planning on applying for public financial assistance for this development? What type and amounts?		Housing Financing Agency and local financing tools such as rent assistance through the City or local public housing authorities.		Anticipate the gap to be in the millions of dollars.	Sherman Associates is committed to providing equity. Additional soft funds and City assistance will be required for the projects to be financially feasible.

**CONTINGENCIES**

Request	Anderson Companies	Doran	Kraus Anderson	LMC / Lennar	Sherman
<p><b>Contingencies</b>                      Identify contingencies to closing and how you plan on addressing them.</p> <p>Describe your approach and timing for securing the needed entitlements and any other governmental approvals.</p>	<p>Typical development contingencies:</p> <ul style="list-style-type: none"> <li>- Clear title</li> <li>- Environmental</li> <li>- Soil</li> <li>- Entitlements</li> <li>- Financial assistance.</li> </ul> <p>Closing <u>will not</u> be contingent on financing or presale requirements</p> <p>Approach: once selected, meet with City Planning staff and work collaboratively. PUD zoning.</p>	<ul style="list-style-type: none"> <li>- Entitlements from City of Hopkins</li> <li>- City Assistance: Purchase Agreement will be contingent on approval of TIF plan.</li> </ul> <p>Closing <u>will not</u> be contingent on financing.</p>	<ul style="list-style-type: none"> <li>- Government entitlements</li> <li>- Delivery of a clear site.</li> <li>- Approval of Public Incentives</li> <li>- Executed Development Agreement</li> <li>- Stormwater and Creek restoration approved and funded.</li> </ul> <p>Approach: partner with MCWD and City of Hopkins to work closely and proactively with stakeholders and agencies. Approvals outlined on page 13.</p>	<ul style="list-style-type: none"> <li>- Delivery of a clear site, demolished, environmentally clean and structurally sound</li> <li>- Completion of due diligence</li> <li>- Receipt of Public Approvals, including public financing assistance</li> </ul> <p>Approach: LMC will work closely with MCWD to define site delivery conditions and eliminate risk.</p> <p>Will engage staffs and consultants to understand title, environmental, geotechnical, construction, financing, market conditions, legal and any other necessary items.</p> <p>Will work with City and consultants to identify necessary processes, approvals and community engagement to achieve Public Approvals.</p>	<ul style="list-style-type: none"> <li>- Hotel and commercial/office use are subject to market demand</li> <li>- Site plan approval</li> <li>- Environmental conditions</li> <li>- Title and survey</li> <li>- Other government approvals</li> </ul> <p>Previous contingency on SWLRT final approval has been removed. However, if SWLRT is not approved or does not proceed, Sherman Associates would work with the City and MCWD to reevaluate the mix of uses and density at the site.</p> <p>Approach: Sherman Associates will begin working on the entitlement process and securing governmental approvals following execution of a development agreement with the City and MCWD.</p>
<p><b>Schedule</b>                      Provide a preliminary schedule for the project for the period from developer selection through closing. Identify key milestones.</p>	<p>May '18 Developer Selection                      June-Aug Due Diligence                      Aug.-Dec. Entitlements                      Dec.'18 Closing</p>	<p>May-Jun Developer Selection                      Jun-Aug Vision                      Sept-Nov Entitlements                      Dec.-Jan TIF,PUD,Dev. Agreement                      March'19 Closing</p> <p>April'19 Construction start                      Fall 2022 Project Completion</p>	<p>3Q18 Site control                      1Q19 Due diligence                      1Q19 TIF                      4Q19 Closing</p> <p>4Q19 Construction start, 4 phases, completion early 2021.</p>	<p>April '18 Developer Selection                      May '18 Purchase Agreement Negotiation                      August Due Diligence Period completion (90 days)                      Feb. '19 Public Approvals completion (180 days)                      March'19 Closing</p>	<p>Feb. '18 Proposal submitted                      June '18 Due Diligence starts                      June '19 Due Diligence complete                      June '19 Closing</p> <p>June '19 Commence Housing I</p>





### 325 Blake Road Master Developer Selection Process

The following is the projected process the Minnehaha Creek Watershed District (MCWD) will use to select a Master Developer for the 325 Blake Road site. The MCWD reserves the right to modify the schedule at its discretion in order to best position the site to meet the vision, goals and guiding principles set forth in the RFQ:

1. Upon receiving submissions by the deadline of February 14, 2018, proposals will be entered into a preliminary tracking spreadsheet (company, contact info, etc.).
2. The RFQ submissions will be distributed to the staff committee for preliminary review. The staff committee will consist of approximately five (5) evaluators comprised of MCWD, Hopkins and Hennepin County staff. A redevelopment advisor (outside consultant) may also be asked to provide preliminary review of submittals. This review will focus on completeness and consistency with criteria provided in the RFQ. This review will determine whether or not each team is qualified to advance to further consideration by utilizing the following process:
  - a. Each staff member will review each submittal and complete an evaluation sheet to assess proposals;
  - b. Each staff member will provide comments on proposal content, quality and the overall developer team based on previous experience and professional judgement;
  - c. The staff committee will convene, discuss proposals, and group submissions into an overall ranking system based on quality. The groupings will be positioned on a scale of quality (Excellent – Very Good – Good – Marginal – Unsatisfactory).
  - d. A recommendation of respondents for further consideration will be provided to the joint working group based on this initial review.
3. All proposals found to be complete, and their associated evaluation sheets, comments, and overall rankings will be forwarded to the joint working group (a sub-quora of three (3) MCWD Board Managers and two (2) City Council members) for review.
4. The joint working group will review all proposals individually and provide comments on proposal content, quality and the overall developer team based on their review, staff input and professional judgement. An evaluation sheet similar to the one used by the staff committee will be provided.
5. The joint working group will meet to deliberate and select development teams to advance as respondents for further consideration to the MCWD Board of Managers. All Board Managers will have access to all responses as well as the evaluation input provided throughout the review process.
6. Prior to MCWD Board consideration and approval of selected respondents, the joint working group will present the merits of said respondents to the Southwest Community Works Blake Road Subcommittee for feedback. The Subcommittee will play an advisory role to the joint working group providing input on

*We collaborate with public and private partners to protect and improve land and water for current and future generations.*

the recommendation that the joint working group is bringing before the MCWD Board. Input from the subcommittee will be available to all Board Managers (via written documentation).

7. The MCWD Board of Managers will review the recommendation as provided by the joint working group, as well as all other RFQ proposals and evaluator input as they deem necessary, and make a determination on the group of respondents to be advanced by the joint working group. The Board will take formal action in selecting respondents for further consideration based on input provided by the joint working group. The Board may also take action on the need to seek clarification based on the initial responses provided by the development teams. At its discretion, the Board may modify the process in order to request additional information as necessary and choose to advance any number of developer teams it finds qualified.
8. Dependent on the need for clarification based on the initial review process and Board direction, the joint working group may proceed through a supplemental information request process to gather more information from the selected group of respondents. This request will occur prior to the interview process commencing in order to assist in determining if the group should be further reduced.
9. If said supplemental information request process is initiated, the joint working group will consider responses to the information request and reconvene to deliberate and select up to three (3) development teams to advance into the interview process. Repeat Subcommittee input (step six (6)).
10. The MCWD Board of Managers will review the revised group, as provided by the joint working group, and make a determination on the group of respondents to be advanced by the joint working group into the interview process.
11. The joint working group, with staff assistance, will interview select respondents and participate in tours:
  - a. If tours are desired, all attempts will be made to schedule site tours as one event, with respondents providing the location of their choosing within the Twin Cities metro area. If a selected developer does not have a local project to tour all attempts will be made to provide a virtual tour or other presentation highlighting the project of their choosing. If tours proceed, the tours will be open to all MCWD Board Managers and City Council members.
  - b. Interviews may be conducted at the same time as the tour, if convenient and time allows. Alternatively, the joint working group may decide to interview select respondents and use that information to determine if tours are necessary.
12. Upon conclusion of the interviews and tours the joint working group will deliberate on the merits of each of the developer teams and provide an opinion of selection to the MCWD Board of Managers.
13. The MCWD Board of Managers, on advice and counsel of the joint working group and Subcommittee, will make a final selection of the master developer team it wishes to begin its partnership with and initiate the Master Development Agreement process.
14. The MCWD Board of Managers may or may not select a developer with which to enter into a Master Development Agreement.

*We collaborate with public and private partners to protect and improve land and water for current and future generations.*

# MINNEHAHA CREEK WATERSHED DISTRICT

QUALITY OF WATER QUALITY OF LIFE

The following is the draft schedule of key dates for selecting a Master Developer for the 325 Blake Road site. For more detail regarding process steps, refer to the draft *325 Blake Road Master Developer Selection Process* document:

<b>Date</b>	<b>Group</b>	<b>Facilitator</b>	<b>Process step</b>
February 14, 2018 February 20, 2018	Staff Committee	MCWD Staff	Preliminary review and scoring of RFQ submittals by joint staff committee (step 2). Submittals will be distributed on February 14. The staff team will meet on February 20.
February 21, 2018	Joint Working Group	Staff Committee	Distribution of RFQ submittals and preliminary staff scoring sheets to Joint Working Group (step 3)
February 27, 2018 5:30 pm MCWD Office	Joint Working Group	Staff Committee	Joint Working Group review, deliberation and selection of respondents for further consideration. To be hosted at MCWD's Office (steps 4-5)
March 2, 2018 10:00 am Hopkins City Hall	SW Community Works Subcommittee	Joint Working Group and Staff	Presentation of respondents to the Southwest Community Works Blake Road Subcommittee for input (step 6)
March 8, 2018	MCWD Board	MCWD Staff	MCWD Board of Managers review of respondents from Joint Working Group and formal action to select respondents for further consideration (step 7)
March 12-April 2, 2018	Joint Working Group	Staff Committee	Supplemental information request to gather more information from the selected group (step 8)
April 4, 2018	Joint Working Group	Staff Committee	Joint Working Group consideration of responses to the supplemental information request and deliberation to select up to three (3) development teams to advance into the interview process (step 9)
April 11, 2018	SW Community Works Subcommittee	Joint Working Group and Staff	Presentation of respondents for interview to the Southwest Community Works Blake Road Subcommittee for input (repeat step 6)

*We collaborate with public and private partners to protect and improve land and water for current and future generations.*

April 12, 2018	MCWD Board	MCWD Staff	MCWD Board of Managers review of evaluation from Joint Working Group and formal action to select respondents to advance for tours and interviews (step 10)
May 9, 2018*	Joint Working Group	Staff Committee	Interviews of select respondents. If tours are deemed necessary, all attempts will be made to open the process to all MCWD Board Managers and City Council. (step 11a-11b)
May 9-15, 2018*	Joint Working Group	Staff Committee	Joint Working Group deliberation and opinion of Master Developer selection to provide to the MCWD Board. (step 12)
May 15-23, 2018*	SW Community Works Subcommittee	Joint Working Group and Staff	Presentation of recommended Master Developer to the Southwest Community Works Blake Road Subcommittee for input (repeat step 6)
May 24, 2018	MCWD Board	MCWD Staff	MCWD Board of Managers, on advice and counsel of the joint working group, will make a final selection of the Master Developer (step 13)

\* Dates and times to be determined as process proceeds. Tours are an optional step yet to be determined.

DRAFT

*We collaborate with public and private partners to protect and improve land and water for current and future generations.*

