



**Title:** 325 Blake Road Update

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**Purpose:**

At the April 23, 2020 Policy and Planning Committee (PPC) meeting, staff will provide an update on the liaison process established between the city of Hopkins and the Minnehaha Creek Watershed District (MCWD) to advance potential restoration and redevelopment of the 325 Blake Road site.

**Background:**

Between October 2019 and January 2020, Hopkins and MCWD planning staff worked together to refine a vision document for the redevelopment of the 325 Blake Road site. In order to ensure alignment at the policymaker level and expedite progress, the City and District convened a meeting between liaisons from the Hopkins City Council and MCWD Board of Managers on February 12, 2020. At this meeting, the City and District reaffirmed the benefits of partnering on redevelopment and the City agreed to advance work through a liaison process supported by City and District staff. The remainder of this memorandum details the liaison process as agreed to by the City and District, decisions made to date, and the current status of the process.

**Summary:**

The liaison process provides for two liaisons each from the City and District to meet regularly to coordinate on and set the direction for the pre-development process, developer selection, and development of the 325 Blake Road site. The outcome of each liaison meeting determines the work to be undertaken by staff prior to the next meeting, and liaisons periodically provide updates on the process to their respective Council or Board. This process allows for policymaker coordination prior to formal actions being taken by the full Council and Board and may lead to one or more formal agreements between the City and District prior to the developer selection process.

At the first liaison meeting on February 12, 2020, the areas for coordination between the City and District were outlined and next steps were determined.

*Areas of District and City Coordination*

- Establish a pre-development process and parameters
- Develop a Request for Proposals / developer selection
- Outline a clear collaborative process for working with selected developer

*Next Steps*

- City to provide a written process document detailing its involvement in each of the above areas of coordination

A second liaison meeting was held February 27, 2020 to review the City's draft process document. The District expressed its view that the draft did not lay out a process that provides for meaningful partnership at key points during the pre-development and development stages. Specifically, the District stressed the importance of establishing mutually acceptable parameters on key development issues prior to developer selection or sale of any portion of the site. As drafted, the City's document proposed that key issues, including integration of natural resources, be addressed through

negotiation after a developer is selected and a purchase agreement is set. These concerns, as well as a general lack of specificity, did not provide the District with sufficient assurance that its goals for the site would be met to warrant moving forward with the City's initial draft process. Based on the District's feedback, the liaisons established that a clear process and partnership framework would be necessary to maximize the quality and integration of the built and natural environments on this site. In furtherance of this mutual understanding, the liaisons agreed to the following next steps and future meeting dates.

#### *Next Steps and Future Meeting Dates*

- District staff, City staff, and the City's municipal advisor to meet on March 6, 2020;
- City to produce a detailed process document, outlining the City's process, involvement, and timeframe for pre-development, developer selection, and development;
- Final liaison meeting to be held on March 24, 2020 at which point the City and District would appoint liaisons to participate in the process set forth

#### Current Status

The March 6, 2020 meeting was held between District staff, City staff, and the City's municipal advisor. It was agreed that the City and its advisor, who provides analysis of the financial aspects of proposed developments such as project financing, tax increment financing (TIF), and public private partnerships, would work in tandem to produce the requested document detailing the City's pre-development and development processes to facilitate the March 24, 2020 liaison meeting. On March 10, 2020 District staff met with the City's municipal advisor to discuss typical financing models for development projects as well as the mechanics of TIF in Hopkins. The municipal advisor reiterated that they would work with City staff to develop the detailed process document. Due to disruptions stemming from the ongoing Covid-19 pandemic, the March 24, 2020 liaison meeting was postponed indefinitely.

In the six weeks that have elapsed since the March 6, 2020 meeting, the District has continued to communicate to the City that the District remains committed to making progress towards a shared process. The City has responded that other priorities have currently shifted focus from this project, but that it views developer selection as the next step in reviving the process. The City has not provided any additional information regarding its pre-development and development processes, which the District has continued to reiterate remains a prerequisite for proceeding with developer selection.