

1 **MINUTES OF THE REGULAR MEETING OF**
2 **THE MINNEHAHA CREEK WATERSHED DISTRICT**
3 **BOARD OF MANAGERS**

4
5 **July 8, 2021**

6
7 **CALL TO ORDER**

8
9 The regular meeting of the Minnehaha Creek Watershed District was called to order by
10 President Sherry White at 7:00 p.m. on July 8, 2021 at the MCWD Office, 15320
11 Minnetonka Boulevard, Minnetonka, Minnesota.

12
13 **MANAGERS PRESENT**

14
15 Sherry White, William Olson, Richard Miller, Jessica Loftus, Eugene Maxwell, Arun
16 Hejmadi and Steve Sando.

17
18 **DISTRICT STAFF AND CONSULTANTS PRESENT**

19
20 James Wisker, Administrator; Gabe Sherman, Planner-Project Manager; Grace Barlow,
21 Permitting Technician; Brian Beck, Research & Monitoring Program Manager; Chris
22 Meehan, Consulting Engineer; and Louis Smith, District Counsel.

23
24 **MATTERS FROM THE FLOOR**

25
26 None.

27
28 **APPROVAL OF AGENDA**

29
30 Mr. Smith requested adding a closed session discussion of the Schmidt v. City of Orono
31 et al, litigation as item 13.1, moving the Administrator’s report to item 13.2. *It was*
32 *moved by Manager Miller, seconded by Manager Olson to approve the Agenda with*
33 *this change. Upon roll call vote, the motion carried 7-0.*

34
35 **CONSENT AGENDA**

36
37 President White noted a correction for the June 17 minutes of the joint meeting with the
38 Hopkins City Council; at line 211, it should be revised to read: “managers were divided,
39 four for Wellington, two for Sherman, and one for Alatus.” *It was moved by Manager*
40 *Miller, seconded by Manager Olson, to approve the Consent Agenda consisting of*
41 *approval of the June 24, 2021 Board minutes, and the June 17 Joint Board/Hopkins*
42 *City Council minutes. Upon vote, the motion carried, 7-0.*

43
44

45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87

BOARD, COMMITTEE AND TASK FORCE REPORTS

Operations and Programs Committee Report: Manager Loftus reported that the committee met earlier and received further staff briefing on the 2022 proposed budget, and a presentation from Ms. Kate Moran and Ms. Becky Christopher on staff recommendations concerning four potential pilot projects under the pilot phase of the Responsive Model. These recommendations will be considered for action at the July 22 Board meeting.

President’s Report: President White reported that she recently attended the Wassermann ribbon cutting ceremony, where Manager Olson spoke about the watershed context for the project. She participated in Manager Sando’s orientation on the permitting program. She attended a meeting on planning for 325 Blake Road and a meeting of the Citizens Advisory Committee Executive Team. She noted planning for the upcoming 325 Blake Road design charette, a Board retreat, and the Metro chapter of the Minnesota Association of Watershed Districts.

Upcoming Meeting and Event Schedule: President White directed the managers to the meetings listed on the agenda.

ACTION ITEMS

Resolution 21-047: Affirming Developer Selection and Agreement Framework for 325 Blake Road.

Mr. Gabe Sherman appeared before the Board of Managers and reviewed the recent virtual open house on June 30, as well as an in-person open house on July 7 where 55 people attended, along with representatives from Alatus. Survey information will be compiled from these events and used in the upcoming design charette.

Closed Session: 325 Blake Road, Hopkins

Mr. Smith recommended that the Board of Managers move into closed session for the purpose of discussing the development of terms in the prospective sale of 325 Blake Road in Hopkins.

It was moved by Manager Miller, seconded by Manager Maxwell to go into closed session for this purpose. Upon vote, the motion carried, 7-0.

The Board of Managers returned to open session. *It was moved by Manager Miller, seconded by Manager Sando to adopt Resolution 21-047 as follows:*

88 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***
89 ***Watershed District Board of Managers hereby affirms the selection of Alatus as***
90 ***the first choice developer and Wellington as the second choice, noting that the***
91 ***following key commitments by the City Council were critical considerations in***
92 ***these selections and therefore are essential terms to be included in the***
93 ***preliminary development agreement and purchase agreement:***
94

- 95 ***1. the purchase price in the Alatus proposal of \$11.25M over two phases***
96 ***(\$8M and \$3.25M) is firmly understood as the sale price of the land,***
97 ***and that the City Council does not support the developer using the***
98 ***purchase price as a subsidy to close any potential gap if financial***
99 ***concerns arise;***
- 100 ***2. the City will not look to the MCWD to assume any further financial***
101 ***risk, and the City will accept the risk associated with any potential***
102 ***project financial gap using tax increment finance, grants, and other***
103 ***subsidy mechanisms to deliver the project vision set forth in the Alatus***
104 ***proposal;***
- 105 ***3. the operation and maintenance responsibilities for the site overall will***
106 ***be a shared responsibility for the City, developer, and MCWD, with***
107 ***MCWD's responsibility focused on its remaining parcel and water***
108 ***management features; and***
- 109 ***4. the Joint Liaisons Group will remain engaged in this process to***
110 ***assure mutually successful completion of this process and project***
111 ***delivery.***

112
113 ***Upon vote, the motion carried, 7-0.***
114

115
116 **BOARD DISCUSSION ITEMS**

117
118 **Minneapolis Up-zoning – Housing Analysis Report**
119

120 Ms. Grace Barlow appeared before the Board of Managers and presented the findings of
121 the phase of the study to analyze potential impacts from up-zoning on downstream water
122 resources, which include the market research by Maxfield. Ms. Barlow noted that in
123 summary, Maxfield's projections show that cost-effectiveness and current market
124 conditions favor multifamily buildings sized at 40 units or more. Duplex, triplex,
125 quadplex, and other mid-size apartment uses are unlikely to be profitable and are not
126 anticipated to trend in the same way that large multifamily buildings will. The City has
127 updated its ordinances to introduce stormwater requirements for lots 0.5 acre or more in
128 size, to capture changes in hardcover, and prevent impacts to its infrastructure. This also
129 protects downstream resources. Ms. Barlow outlined several options for proceeding with
130 the study or concluding the work at this phase. ***Following discussion, it was moved by***
131 ***Manager Loftus, seconded by Manager Miller, to select Option 1, to not proceed with***

132 *the remaining stormwater analysis portion of the study. Upon vote, the motion carried,*
133 *7-0. It was moved by President White, seconded by Manager Miller, to direct staff to*
134 *prepare a resolution accordingly for the next board meeting. Upon vote, the motion*
135 *carried, 7-0.*

136
137 Pilot 2D Watershed Model Approach and Partnership Discussion

138
139 Mr. Brian Beck appeared before the Board of Managers and provided a status update on
140 the Minnehaha Creek Watershed District two-dimensional (2D) Hydrology and
141 Hydraulics (H&H) model, partnership discussions with the City of Edina, and the
142 proposal to the Legislative-Citizen Commission on Minnesota Resources (LCCMR) to
143 support the modeling effort. The managers thanked Mr. Beck for this report.

144
145 Closed Session: Schmidt v. City of Orono et al.

146
147 Mr. Smith recommended that the Board of Managers move into closed session for the
148 purpose of receiving confidential legal advice on litigation strategy in the Schmidt
149 lawsuit. *It was moved by Manager Olson, seconded by Manager Maxwell, to move into*
150 *closed session for this purpose. Upon vote, the motion carried, 7-0.*

151
152 The Board returned to open session.

153
154 STAFF UPDATES

155
156 Administrator's Report

157
158 Mr. Wisker reported that the Minneapolis Park and Recreation Board is engaging in
159 discussions about the rehabilitation of the Hiawatha Golf Course, and staff will continue
160 to monitor these discussions.

161
162 Adjournment

163
164 There being no further business, President White declared the meeting of the Board of
165 Managers adjourned at 9:41 p.m.

166
167 Respectfully submitted,

168
169
170
171 Eugene Maxwell, Secretary