



**Title:** 325 Blake Road Purchase and Sale Agreement

**Prepared by:** Name: Michael Hayman  
Phone: 952.471.8226  
mhayman@minnehahacreek.org

**Purpose:**

At the June 9, 2022, Minnehaha Creek Watershed District (MCWD) Board of Managers meeting, staff will provide an update on the phase one closing process for 325 Blake Road and, in particular, a recent proposal from Alatus, LLC., to accelerate closing on one of the parcels. Representatives from Alatus will attend the meeting to present their proposal and answer questions from Board Managers. Since the topic pertains to MCWD's position in a real property transaction, the Board may choose to enter closed session to discuss and consider the proposal.

**Background:**

On April 14, 2022, the MCWD Board of Managers approved the 325 Blake Road purchase and sale agreement (PSA) with Alatus, LLC, MCWD's development partner for the site. The document was subsequently executed with an effective date of May 9, 2022.

The PSA outlines a two phased takedown of the property, in accordance with the agreed terms from the June 17, 2021, Joint Hopkins City Council – MCWD Board Manager meeting where Alatus was selected as the primary developer, and Wellington Management selected as the alternate. Section 2 of the PSA acknowledges that the City has been awarded an allocation of tax-exempt multifamily housing revenue bonds from Minnesota Management and Budget to facilitate an affordable housing project on the northernmost portion of the 325 Blake Road parcel, near the intersection of Blake Road and Lake Street.

Given the award of housing revenue bonds occurred following the selection of Alatus, but prior to the execution of a purchase and sale agreement, the PSA states that MCWD (Seller) will consider any reasonable requests made by Alatus (Buyer) to accommodate Buyer's efforts to timely satisfy all conditions required to issue such Housing Bonds on or before July 8, 2022, but that Seller is under no obligation to modify the PSA, with any accommodations being in the sole and absolute discretion of MCWD as seller.

Following execution of the PSA, on May 19, 2022, MCWD received a request from Alatus to modify the agreed upon two-phased takedown of the property, to facilitate an early close on the affordable housing parcel. Since then, the partners have met several times to better understand the evolving need to adjust the agreed upon two-phased takedown, and to discuss strategies to mitigate any risk to MCWD, its taxpayers, and the delivery of the entire project, if it were to agree to modify the executed PSA.

**June 9, 2022, Board Meeting:**

At the June 9, 2022, Board meeting, staff will provide a contextual update on the 325 Blake Road site. Representatives from Alatus will be in attendance to detail their proposal and answer questions from Board Managers. MCWD staff, development advisors, and real estate counsel will be present to answer questions and facilitate Board discussion. Since the topic pertains to MCWD's position in a real property transaction, the Board may choose to enter closed session to discuss and consider the proposal.