

**HOPKINS CITY COUNCIL  
WORK SESSION  
AGENDA**

Tuesday, July 13, 2021

**6:30 pm**

**Hopkins City Hall – Council Chambers**

- 6:30 p.m. Organics Recycling Update; Stadler
- 7:00 p.m. Blake Road Station Financial Assistance; Elverum
- 8:00 p.m. 2022 General Fund Budget and Tax Levy; Bishop
- Other
- Adjournment



CITY OF HOPKINS

## Memorandum

To: Honorable Mayor and Council Members  
Mike Mornson, City Manager

From: Pam Hove, Solid Waste Coordinator

Date: July 13, 2021

Subject: Organics Recycling Update

---

### PURPOSE

Staff would like to update Council on the status of the upcoming Hennepin County mandated residential curbside organics recycling program.

### INFORMATION

Staff have met with Hennepin County and Republic Services staff to discuss the January 1, 2022 deadline to make available residential curbside organics recycling, and what approaches to meeting that mandate are viable to Hopkins.

Hennepin County Ordinance 13 reads:

“Subsection 2: Organic material collection requirements

A. Curbside collection of organic material

By January 1, 2022, Cities shall provide the opportunity to participate in Curbside Collection of Organic Material to residential households that are single family through fourplex and other residential households where each household has its own Collection Container for Mixed Recyclables. Curbside Collection of Organic Material must be provided year round on a weekly basis. A City may adjust Collection Service frequency with prior approval by the Department.

Cities shall make Curbside Collection of Organic Material available by contracting for citywide service or by requiring Haulers to provide the service. If a City does not provide Curbside Collection of Organic Material by contracting for citywide service, the City shall require Haulers to provide it. Haulers shall provide Curbside Collection of Organic Material upon request to households that have Curbside Collection for Mixed Recyclables.”

Hopkins is unique since we provide in-house waste services for all single family, duplex, triplex and fourplex residential properties. Minneapolis is the only other city in Hennepin County that operates in this manner. This unique position leaves Hopkins with two options to comply with Hennepin County Ordinance 13:

- 1) We, as the hauler, provide the opportunity for residential curbside organics recycling collection by driving co-mingled MSW and Blue Bag loads to the Randy's transfer station in Delano, a 25-mile one-way trip. The current drive to the Brooklyn Park Transfer Station is 15 miles one-way. The Delano transfer station is located outside Hennepin County, in Wright County. Waste haulers in Hennepin County are bound by certain conditions in which waste is handled. By currently taking our waste to the Brooklyn Park Transfer Station, all Hopkins waste is incinerated. Hennepin County's response to the scenario of Hopkins delivering waste to Randy's transfer station in Delano is this:

“It is the county's expectation that cities manage waste according to the preferred practices established in state law. Resource recovery through incineration is preferred over land disposal (115A.02, 473.848). If a public entity chooses to manage MMSW through land disposal rather than resource recovery, that public entity must determine the potential liability of doing so, develop and implement a plan to manage the potential liability, and submit the information to the PCA (115A.471).”

- 2) Amend our contract with Republic to include the provision of residential curbside organics recycling service to our customers. Most communities in Hennepin County are allocating the expense of this opportunity for service by universally applying a base fee to all service addresses. This is the same approach as, and similar price point to, the current recycling fee of \$5.00 per dwelling unit per month. Whether residents choose to use it or not, everyone is required to have it and are billed as such. There may be an additional subscription fee applied to those addresses who chose to receive a cart and participate in residential curbside organics recycling. Staff are considering incentives such as every-other-week refuse service at a discounted rate for those who have a 35-gallon garbage cart and sign up for curbside organics service. St. Louis Park has been offering this option for a number of years and it could be a valuable incentive to get resident participation in organics.

Staff have asked Hennepin County, if given our unique position as the waste hauler, an extension to the January 1, 2022 deadline would be considered. This is their response: “We cannot grant extensions to the requirements in Ordinance 13, including the January 1, 2022, requirement for cities. That date stands as is.”

## **FUTURE ACTION**

Staff recommends moving forward in negotiating terms of an amendment to the City's contract with Republic Services, to include residential curbside organics recycling service. Staff will present an implementation plan to Council at the September 14, 2021 work session.



**CITY OF HOPKINS**

## **Memorandum**

To: Honorable Mayor and Council Members  
Mike Mornson, City Manager

From: Kersten Elverum, Director of Planning & Development

Date: July 13, 2021

Subject: Blake Road Station Financial Assistance

---

### **PURPOSE**

The purpose of the discussion at the July 13, 2021, City Council work session is to consider a financial assistance request from Trilogy for the Blake Road Station development. Specific considerations include:

- What is the financial assistance request from Trilogy?
- Is the assistance necessary for the project to move forward?
- What is the appropriate level of assistance and what are the recommended terms?

### **INFORMATION**

The Blake Road Station project is the redevelopment of 7.4 acres of land located at the intersection of Excelsior Boulevard and Blake Road South. Trilogy Real Estate Group has proposed to develop the site in a three-phase, multi-modal transit-oriented development adjacent to the Blake Road Southwest LRT Station. Each phase will build upon the improvements of the previous phase and will ultimately result in an increasingly connected, pedestrian friendly, and transit-focused community.

The project will add to the mix of housing choices for area residents, providing a new opportunity to live immediately adjacent to the light rail transit station. The development also includes some retail space, with tenants yet to be identified. The development will substantially increase the taxable market value of the property. The first phase alone will result in an estimated annual increase in local property taxes from \$28,000 per year to approximately \$456,000.

The expectation has been that this development proposal would not rely on a City financial subsidy and therefore conversations have not focused on what community goals could be achieved through financial participation by the City. However, over the time it has taken to put the project together several factors have caused an increase in project budget to the point the developer has indicated it is not financially feasible without City assistance.

## **What is the financial assistance request from Trilogy?**

Trilogy Real Estate Group has submitted an application to the City of Hopkins for financial assistance to support the Blake Road Station development. The request is for \$1.831 million for the first phase; \$7.758 million for all three phases. There are several factors that have contributed to the financial gap in the project including environmental remediation, escalating lumber costs, design changes and other project changes. The specific request is as follows:

Environmental and Demolition Grant(s) are requested as the work & costs associated with abatement of regulated materials, remediation of contaminated soils and the resulting additional building controls and construction premiums added to the funding shortfall. Non-City grant opportunities were pursued and a \$340,521 Environmental Grant from DEED was awarded to the project.

### Park Dedication Fees:

Currently the intention is not to re-plot, therefore not triggering park dedication fee collection. Replotting may be beneficial at a later time and allow for the conveyance of the interior site improvements and conformance with established zoning requirements. The request is to hold park dedication fees at current rates to ensure later development phases are not further burdened.

### Traffic Signal at Pierce Avenue

The applicant wants assurance that they will not be responsible for any aspect of the installation of a traffic signal at the intersection of Pierce Avenue and Excelsior Boulevard, if one is warranted in the future.

### Rent Subsidy for Retail:

The subsidy will assist the development to sustain the retail component and lower rents for create community serving retail. At the City's request, retail has been added into the program for Building A (previously only Site B had a retail component). Building C is currently not programmed to have a retail component as, determined by a retail study conducted for the development, a lone retail use was not viable.

## **Is the assistance necessary for the project to move forward?**

City staff, and our financial consultant, Ehler's, believe that some additional financial assistance is necessary for the project to move forward (see attached memo.) It is staff's recommendation that the basis for the assistance be tied to the environmental remediation necessary for development. The City and developer were successful in obtaining a clean-up grant through DEED totaling \$340,521, but were not successful in applications to Hennepin County and the Met Council. The total costs of remediation, demolition and related costs for phase I are \$1,111,188, leaving a balance of \$685,000 after adjustments are made.

Providing assistance to the developer for these costs will bring the site into a level field as greenfield sites or sites without significant environmental issues, and staff supports assisting with the environmental clean-up costs.

The developer and the City of Hopkins will pursue environmental clean-up funds for phase II and phase III, estimated to cost \$1.95 million. If they are not successful in obtaining grant funds for the total cost, less required developer match, the developer has requested City assistance to bridge those potential future gaps. Staff is supportive of assistance for future environmental costs, if needed.

Currently Park Dedication Fees are \$3,000 per housing unit constructed and 5% of the value of the commercial space. Staff supports capping the park dedication fee at today's rate in order to eliminate the unknown impact of future increases which are possible given that park dedication fees have not been increased for several years and are currently being analyzed for an increase.

The Traffic Impact Analysis referenced in the Environmental Assessment Worksheet notes a traffic signal to be installed to mitigate delays at Excelsior Blvd and Pierce Ave. It further details that the signal requirements will occur with omitting the proposed development from the analysis. The signal is recommended to be installed by 2030 and expected to provide benefit to the transit lines and commuter traffic that will use Pierce Avenue to access bus stops and the Green Line Extension. The city can give assurances that the traffic signal and related infrastructure costs are not to be assessed in part or whole to the Trilogy project.

The retail subsidy was a new concept that has not been previously discussed with the developer and the benefits to the community are not understood at this time. The first phase of construction, which is the only phase of the project that is being considered for site plan approval, only has 2000 square feet of retail space which is anticipated to be leased at market rates.

As the second and third phases of the development are brought forward for site plan approval, the developer may revisit the opportunity to work with the City to shape a development that meets community goals and as a result, revisit a request for assistance for affordable commercial space, as it is merited.

### **What is the appropriate level of assistance and what are the recommended terms?**

Based on the information provided, it is staff's recommendation that the City, through the Housing and Redevelopment Authority, provide a forgivable loan to the developer of \$685,000 for phase I and a commitment for future phases with conditions that will be identified in the agreement. Funds for the loan would be provided through excess Tax Increment Financing (TIF) from the 2-11 TIF District. These funds are eligible expenditures for redevelopment. It would also be conditioned on the project receiving its land use approvals (the project will be presented to the Planning Commission and City Council in July/August) and moving forward.

It is suggested that the loan would be forgiven after 10 years, but would be required to be paid back if the property was sold or transferred within the 10-year period.

### **FUTURE ACTION**

If the Hopkins City Council is supportive of providing public financial assistance to the development, staff will work with the developer and City Attorney to draft a development

agreement outlining the terms suggested through the work session discussion and bring it back for future action.

## MEMORANDUM

TO: Kersten Elverum – Director of Planning and Development  
 FROM: Stacie Kvilvang - Ehlers  
 DATE: July 13, 2021  
 SUBJECT: Trilogy Request for Assistance

Trilogy is planning on constructing approximately 770 apartment units and 11,000 sq/ft of retail at corner of Blake Road, Excelsior Boulevard and Pierce Avenue. They initially requested approximately \$13.9 million in TIF assistance for environmental clean-up, site preparation, commercial lease subsidy and parking for all three phases of the proposed development. They revised their application and are now requesting \$7.758 million. Staff recommendation is to address the gap in environmental clean-up and demolition costs for the three phases. The amount of assistance would be net of any current or future grants received for these costs and based upon review of future proformas to determine if assistance is warranted on those phases. Based upon estimates provided by the Developer and their environmental/demolition consultants, these costs are approximately \$3.1 million as noted in the table below.

Phase	Demo	Env	Pre Dev Env	Total
I	\$ 360,000	\$ 642,560	\$ 108,628	\$ 1,111,188
II	\$ 375,924	\$ 835,256	\$ 26,500	\$ 1,237,680
III	\$ 647,405	\$ 91,304	\$ 11,900	\$ 750,609
<b>TOTAL</b>	<b>\$ 1,383,329</b>	<b>\$ 1,569,120</b>	<b>\$ 147,028</b>	<b>\$ 3,099,477</b>

Trilogy intends to move forward with Phase I this year, which consists of approximately 220 apartments and 2,000 sq/ft of retail. The costs associated with environmental clean-up and demolition are detailed below:

Use	Amount
Pre-Development Environmental Work	\$ 108,628
Contaminated Soil Removal	\$ 66,600
Remedial Action Plan Implementation	\$ 60,000
Vapor Mitigation	\$ 215,800
Asbestos Abatement	\$ 125,160
Demolition	\$ 360,000
Stormwater System per MPCA	\$ 170,000
MPCA Fees	\$ 5,000
<b>TOTAL</b>	<b>\$ 1,111,188</b>

The City and Trilogy applied for grants from Hennepin County, DEED and Metropolitan Council to cover these costs. The City only received grant funds from DEED in the amount of \$340,521, which is \$770,667 less than the total costs. Staff reviewed the costs not covered by the grants and determined that the City could provide \$685,000 in up front assistance to cover these redevelopment costs. The remaining difference of \$85,667 is to be paid by the Developer as noted in the table below:

Source	Cost
Environment Remediation/Demolition	\$ 1,111,188
DEED Grant	\$ (340,521)
<b>Net Costs Not Funded By Grants</b>	<b>\$ 770,667</b>
Developer Paid	\$ (85,667)
<b>Net City Contribution</b>	<b>\$ 685,000</b>

The environmental and demolition costs for Phase II and Phase III total approximately \$1.95 million (\$1.2 million and \$750,000 respectively). The City and Trilogy intend to apply for grants for these Phases as well, but if unsuccessful, Trilogy is requesting that the City provide up-front assistance for these costs, just like in Phase I.

The funding source for these costs will come from TIF District 2-11 (Super Valu), which is a redevelopment TIF District that the City/HRA has cash available for use on qualified redevelopment expenditures like these (these are restricted funds per State Statute and can only be used for qualified purposes). The District currently has enough funds in the account to pay the \$3.1 million in costs as they arise, without impeding the City from having dollars available for other qualified redevelopment purposes in the future.

Overall, investment of \$3.1 million into the various Phases will net significant returns to the City in the form of future tax base and taxes. Currently the pay 2021 taxable value of the three parcels is \$6.93 million and generates approximately \$252,000 in annual taxes, of which the City's portion is approximately \$63,000. Upon completion, the value of each Phase and future City portion of taxes is noted in the table below:

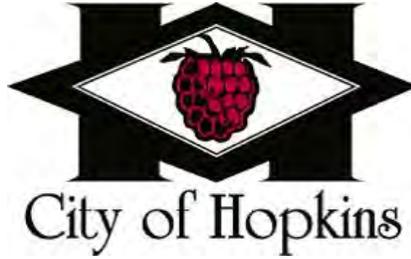
Future Taxable Value		
Phase	Total Sq Ft/Units	Taxable Market Value
1	220	53,900,000
2	250	61,250,000
3	300	73,500,000
<b>TOTAL</b>	<b>770</b>	<b>188,650,000</b>

Tax Calculations							
New Use	City Portion	County Portion	School District	Misc	Total Local Taxes	Mk Value Taxes	TOTAL
Phase I Apt	\$455,886	\$257,440	\$178,396	\$62,221	\$953,942	\$77,390	\$1,031,332
Phase II Apt	\$518,053	\$292,545	\$202,722	\$70,705	\$1,084,025	\$87,943	\$1,171,968
Phase III Apt	\$621,663	\$351,054	\$243,267	\$84,847	\$1,300,831	\$105,531	\$1,406,362
<b>TOTAL</b>	<b>\$1,595,602</b>	<b>\$901,040</b>	<b>\$624,384</b>	<b>\$217,773</b>	<b>\$3,338,798</b>	<b>\$270,864</b>	<b>\$3,609,662</b>

As shown, Phase I will provide approximately \$456,000 in annual taxes to the City (currently receiving only \$28,000) and all Phases combined will be approximately \$1.6 million. This is an overall increase of 2,600% in valuation growth.

Based upon these factors and preliminary "high level" review of the development proforma, the request is reasonable and will not unduly enrich the developer.

Please contact me at 651-697-8506 with any questions.



1010 1<sup>st</sup> Street South • Hopkins, MN 55343 • Phone (952) 935-8474 • www.hopkinsmn.com

## APPLICATION FOR PUBLIC FINANCING

### Applicant Information

1. **Applicant Name:** TF Hopkins, LLC, a Delaware limited liability company  
(Name should be the officially registered name of the business entity.)

Address: 520 W. Erie Street, Suite 100, Chicago, IL 60654

Telephone: (312) 750-0900 \_\_\_\_\_ Email Address: [tbriere@triologyreg.com](mailto:tbriere@triologyreg.com)

2. **Name of Person Completing the application:** Justin P. Weinberg, Taft Stettinius & Hollister LLP

Address: 2200 IDS Center 80 South 8<sup>th</sup> Street, Minneapolis MN 55402

Telephone: 612-977-8780 Email Address: [jweinberg@taftlaw.com](mailto:jweinberg@taftlaw.com)

3. **Names and Addresses of Architect, Engineer, and General Contractor for this project:**

Attorney Name: Justin P. Weinberg, Taft Stettinius & Hollister LLP  
Address: 2200 IDS Center, 80 S 8<sup>th</sup> Street, Minneapolis, MN 55402-2157  
Telephone: (612) 977-8780 Email Address: [jweinberg@taftlaw.com](mailto:jweinberg@taftlaw.com)

Architect Name: Elness Swenson Graham Architects, Inc  
Address: 500 Washington Ave S, Minneapolis, MN 55415  
Telephone: (612) 501-0308 Email Address: [heather.whalen@esgarch.com](mailto:heather.whalen@esgarch.com)

Engineer Name: Kimberly Horn  
Address: 767 N Eustis St #100, St Paul, MN 55114  
Telephone: (651) 645-4197 Email Address: [trish.sieh@kimberly-horn.com](mailto:trish.sieh@kimberly-horn.com)

General Contractor Name: TBD  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Email Address: \_\_\_\_\_

4. **If the applicant is a corporation, please name officers, directors, or stockholders holding more that 5% of the stock of the corporation. If the corporation is not formed, provide as much information as possible concerning potential officers, directors, or stockholders:**

Applicant is a single member Delaware limited liability company.

\_\_\_\_\_

\_\_\_\_\_

**4a. If the applicant is a general partnership, name of the general partners and if a limited partnership, state the general partners and limited partners with more than 5% interest in the limited partnership. If the partnership is not formed, provide as much information as possible concerning potential officers, directors or stockholders.**

N/A

\_\_\_\_\_

\_\_\_\_\_

**4b. Has the applicant ever been in bankruptcy? If yes, please describe the circumstances.**

Yes (please Explain): \_\_\_\_\_

\_\_\_\_\_

No:   X  

**4c. Has the applicant ever been convicted of a felony? Is yes, please describe the circumstances.**

Yes (please Explain): \_\_\_\_\_

\_\_\_\_\_

No:   X  

**4d. Has the applicant ever defaulted on any bond or mortgage commitment?**

Yes (please Explain): \_\_\_\_\_

\_\_\_\_\_

No:   X  

**Project Information**

**1. PID#'s, legal description, address, and size of project site:**

PID#: Parcel 1: 1911721420044, Parcel 2: 1911721420045, Parcel 3: 1911721420046

Address:

- Parcel 1: 1009 Hill St, Hopkins, MN
- Parcel 2: 8594 Excelsior Blvd, Hopkins MN, 55343
- Parcel 3: 8490 Excelsior Blvd, Hopkins MN, 55343

Legal Description:

- Parcel 1 - Lot 1, Block 1, Hopkins Commerce Center Addition, Hennepin County, Minnesota. Registered Land -Certificate of Title No. 866673.
- Parcel 2 - Lot 2, Block 1, Hopkins Commerce Center Addition, Hennepin County, Minnesota. Registered Land -Certificate of Title No. 866674.
- Parcel 3 - Lot 3, Block 1, Hopkins Commerce Center Addition, Hennepin County, Minnesota. Registered Land -Certificate of Title No. 866675.

Size of Project Size (Acres): 7.4 Acres

2. **Current ownership of the site:** Hopkins Commerce Center LLP; Michael Launer, 7000 Gleason Rd, Edina, MN 55439

3. **Do you have current control of the site:**

Yes:   X  

No:       

4. **Project description.**

The Blake Road Station project is the redevelopment of 7.4 acres of land located at the intersection of Excelsior Boulevard and Blake Road South in Hopkins, MN. Trilogy Real Estate Group is working with the City of Hopkins to develop the site in a three-phase, multi-modal transit-oriented development adjacent to the Blake Road Southwest LRT Station. Each phase will build upon the improvements of the previous phase and will ultimately result in an increasingly connected, pedestrian friendly, and transit-focused community. The project will add to the mix of housing choices for area residents, providing a new opportunity to live immediately adjacent to the light rail transit station.

5. **If property is to be subdivided or replatted, please describe.**

Yes, currently planning to replat once phase III of the project is complete.

6. **Estimated project costs: (Please enclose detailed sources and uses, unit count with rents and sq/ft, detailed operating expenses and 15-year operating Pro Forma).**

**SEE ATTACHED EXHIBIT**

7. **Source of Financing**

**SEE ATTACHED EXHIBIT. In addition, to support retail tenants, the City must provide either a rent subsidy, grants or low-cost financing the bridge a gap of market rates and the rates needed to sustain the project. That gap is up to \$19.00 per square foot. Such funding can be provided directly to the landlord; or, to the tenants.**

8. **Project Construction Schedule:**

Phase 1: August 2021 – April 2023

Phase 2: Spring 2022 – Fall 2023

Phase 3: Depending on current tenants exercising options, 2026-2027 or 2031-2032.

**9. Total Estimated Market Value of Project upon completion**

Phase 1: \$68,568,744

Phase 2: \$82,612,497

Phase 3: \$100,221,505

**10. Please indicate whether or not the project meets one or more of Hopkins’ Eligible Uses as identified in section 4.01 of the City’s Tax Increment and Tax Abatement Policy (identify eligibility and state reason):**

Yes, the project will meet the Eligible Uses. Those would include, without limitation, redevelop blighted or underutilized areas of the community; promote neighborhood stabilization and revitalization by removal of blight and upgrading in existing housing stock; removal or blight and encouragement of redevelopment in a commercial and industrial area of the City to encourage high levels of property maintenance; increase in local business potential; and, acceleration of the development process and achieve development on this site that would not be developed without this assistance. The last point cannot be emphasized enough – this development must have assistance in order to meet market viability.

**11. Will any public official of the City, either directly or indirectly, benefit from the issuance of public assistance within the meaning of Minnesota Statutes, Section 412.311 or 471.87? If yes, please explain the circumstances.**

Yes (please Explain): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

No:   X  

**Public Assistance Request**

**1. Amount of public assistance.**

a. Grants, freeze of park dedication fees and no infrastructure costs for intersection.

**2. Form of assistance.**

a. Grants for the demolition, environmental and basement for building 1 – all as set forth in the attachment.

b. Applicant is requesting an abatement or forbearance of park dedication fees for an indefinite period of time to allow for the future conveyance of the parcels; and, to provide some flexibility to address future sites without any additional burden to the development.

c. Applicant will not be responsible for any aspect (e.g. design, permitting, construction, costs), in whole or in part, for the traffic signal or related work at the intersection of Excelsior Blvd. and Pierce Ave. Supported by the Traffic Impact Analysis referenced in Exhibit C of the Environmental Assessment Worksheet prepared by Kimley-Horn, which is attached hereto.

d. City would provide like-in-kind assistance for subsequent phases of the development.

**3. Describe the purpose for which public assistance (TIF, Tax Abatement, etc.) is required.**

Grants - demolition, environmental and basement in building  
Park Dedication Abatement/Forbearance - offset the financial burden on an otherwise economically unfeasible project.  
Traffic Signal - offset the financial burden on an otherwise economically unfeasible project.

**4. Please submit an itemized list of project costs for which public assistance is being requested.**

See attached.

**5. State specific reasons why, "but for" the use of public assistance, this project would not be possible.**

The project, which includes all 3 phases, simply is not economically viable without the assistance. In addition, it should be noted that the Applicant is significantly reducing its proposed fee in order to make the project viable. It was never the intention of the Applicant to maximize both the public assistance and a development fee for profit. Rather, there is a back office of more than 140 people and third parties working on this project, who are paid from the developer fee. However, in recognition of the City's anticipated partnership with the Applicant through public assistance, the Applicant is demonstrating its partnership and taking a share of the shortfall through this reduced fee.

## Application Process

1. **The following documents must accompany the Application:**
  - A. A detailed sources & uses statement, unit mix with rents and sq/ft, detailed operating expenses and 15-year project *Pro Forma*
  - B. Parcel Map depicting the proposed redevelopment area
  - C. Site plans and floors plans (as available)
  - D. Significant additional information may be requested at any time by the City/HRA and may be in addition to the materials outlined in this application. The Applicant shall be required to submit any and all information as requested by the City/HRA.
2. Applicant acknowledges and agrees to pay the \$1,000 Public Assistance Application Fee and is **non-refundable**.
3. At the time of acceptance by staff of the Public Financing Application, the applicant shall deposit \$10,000 with the City/HRA to cover attorney and consultant costs incurred as part of conducting any fiscal analysis that may be required to meet the requirements of utilizing any public financing, drafting and negotiating a development agreement, and establishing a TIF district or abatement. If additional expenses are incurred beyond the \$10,000, prior to the execution of a development agreement, the City/HRA shall notify the applicant in writing and the applicant will be required to deposit additional funds upon notice.
4. The Applicant shall hold the City/HRA, its officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the Project or Public Assistance Application, including but not limited to, any legal or actual violations of any State or Federal securities laws.
5. The Applicant recognizes and agrees that the City/HRA reserves the right to deny any application for Public Assistance at any stage of the proceedings prior to adopting the resolution approving the public assistance, that the Applicant is not entitled to rely on any preliminary actions by the City/HRA prior to the final resolution, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the Project are incurred by the Applicant at its sole risk and expense and not in reliance on any actions of the City/HRA.

The undersigned, a duly authorized representative of the Applicant, hereby certifies that the foregoing information is true, correct, and complete as of the date hereof and agrees that the Applicant shall be bound by the terms and provisions herein.

**TF Hopkins, LLC, a Delaware limited liability company**

DocuSigned by:  
  
By: 77C133F254154EB...

**K. Shaylan Baldwin, Secretary**

Date: 6/24/2021

**ATTACHMENT 1**Blake Road Station Sources and Uses - 6.21.2021  
Hopkins, MN**TRILOGY**  
REAL ESTATE GROUP

Project Uses				
Land & Acquisition Costs				
	Phase I	Phase II	Phase III	TOTAL
Land Purchase	\$4,380,000	\$5,995,000	\$3,886,000	\$14,261,000
Land Closing Costs	285,583	204,850	241,580	633,013
<b>Total Land &amp; Acquisition Costs</b>	<b>\$4,666,583</b>	<b>\$6,199,850</b>	<b>\$4,027,580</b>	<b>\$14,894,013</b>
Project Hard Costs				
	Phase I	Phase II	Phase III	TOTAL
Environmental	642,560	835,256	91,304	1,569,120
Demolition	360,000	375,924	647,405	1,383,329
Building Construction	49,060,940	59,222,264	76,337,467	184,620,670
Construction Contingency	894,528	1,182,945	1,525,249	3,602,723
<b>Total Hard Costs</b>	<b>\$50,958,028</b>	<b>\$61,616,389</b>	<b>\$78,601,425</b>	<b>\$191,175,842</b>
Project Soft Costs				
	Phase I	Phase II	Phase III	TOTAL
Financing Fees	\$807,800	\$1,170,500	\$1,402,700	\$3,381,000
Construction Financing Interest	2,000,000	2,250,000	2,600,000	6,850,000
Design	1,532,000	1,748,750	2,098,500	5,379,250
FFE	350,000	800,000	925,000	2,075,000
Lease Up Marketing & Sales	340,000	390,000	465,000	1,195,000
Civil Environmental & Geotech	108,628	25,000	25,000	158,628
AV & Low Voltage	150,000	175,000	200,000	525,000
Other Soft Costs	2,520,515	2,587,315	2,644,073	7,751,903
Development Fee	2,350,679	2,640,144	3,346,759	8,337,582
Development Contingency	1,538,414	1,735,602	2,191,792	5,465,808
<b>Total Project Soft Costs</b>	<b>\$11,698,035</b>	<b>\$13,522,311</b>	<b>\$15,898,825</b>	<b>\$41,119,171</b>
<b>TOTAL USES</b>	<b>\$67,322,646</b>	<b>\$81,338,550</b>	<b>\$98,527,830</b>	<b>\$247,189,026</b>

Project Sources				
	Phase I	Phase II	Phase III	TOTAL
Construction Financing	\$40,393,588	\$48,803,130	\$59,116,688	\$148,313,416
Trilogy Equity	25,098,302	28,897,407	37,121,022	91,116,731
Public Financing (Funding Shortfall)	1,830,756	3,638,013	2,290,110	7,758,879
<b>TOTAL SOURCES</b>	<b>\$67,322,646</b>	<b>\$81,338,550</b>	<b>\$98,527,830</b>	<b>\$247,189,026</b>

## ATTACHMENT 2

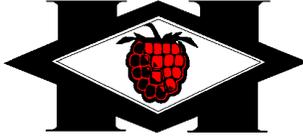
**Estimated Contamination Cleanup Grant Allocations  
Blake Road Station Phase A  
Hopkins, Minnesota  
October 30, 2020**

Item	Activity	Units	Estimated Quantity	Unit Cost	Cost Estimate	% Complete	Funding Allocation Request										
							DEED	Met Council	Hennepin County	Developer	Total						
<b>A. Pre-Development Environmental Work</b>																	
1	Phase I Environmental Site Assessment				\$ 2,800	100%					2,800	2,800					
2	Phase II Site Investigation and second round vapor sampling				\$ 53,987	100%					53,987	53,987					
3	Response Action Plan (RAP) Preparation				\$ 7,500	100%	5,625				1,875	7,500					
4	Regulated Materials Survey				\$ 29,629	100%					29,629	29,629					
5	Regulated Materials Survey - Pre-Demolition/Destructive		Estimate		\$ 4,712	0%		4,712			0	4,712					
6	Environmental Plans and Specifications/Vapor Mitigation System Design		Estimate		\$ 8,000	0%		6,000			2,000	8,000					
7	Pre-Construction MPCA Brownfield Program Review and Liability Assurances		Estimate		\$ 2,000	0%	1,500				500	2,000					
<b>Subtotal - Pre-Development Environmental Work</b>											<b>\$ 108,628</b>	<b>\$ 13,125</b>	<b>\$ 4,712</b>	<b>\$ -</b>	<b>\$ 90,791</b>	<b>\$ 108,628</b>	
							12%	4%			84%						
<b>B. RAP Implementation Activities</b>																	
<i>Soil Remediation During Construction:</i>																	
1	- Contaminated Soil Excavation and Segregation per MPCA-approved RAP	Tons	1,800	\$4.00	\$7,200	0%	5,400	936			864	7,200					
	- Contaminated Soil - Transport to disposal facility	Tons	1,800	\$13.00	\$23,400	0%	17,550	3,042			2,808	23,400					
	- Contaminated Soil - Cost to Dispose at Industrial Landfill	Tons	1,800	\$20.00	\$36,000	0%	27,000	4,680			4,320	36,000					
2	RAP Implementation Environmental Monitoring, Testing and Documentation Reporting		Estimate		\$80,000	0%	22,800	15,000	15,000		7,200	60,000					
3	Active Vapor Mitigation System under Parking Garage	Sq. Ft.	51,450	\$4.00	\$205,800	0%	102,900	78,204			24,696	205,800					
4	Utility Corridor Vapor Controls	Sq. Ft.	5,000	\$2.00	\$10,000	0%	7,500	1,300			1,200	10,000					
5	Abatement - Asbestos		Estimate		\$107,860	0%		57,860	50,000		0	107,860					
	Abatement - Regulated Materials		Estimate		\$8,500	0%					8,500	8,500					
6	Abatement - Professional Services (Specifications Development)		Estimate		\$1,850	0%		1,850			0	1,850					
	Abatement - Professional Services (Air Monitoring)	Day	5	\$1,200	\$6,000	0%		6,000			0	6,000					
	Abatement - Professional Services (Reporting)		Estimate		\$950	0%		950			0	950					
7	Demolition (Cost is full demolition, soil impacts are assumed below ~50% of building)		Estimate		\$360,000	0%		130,000	50,000		180,000	360,000					
8	Stormwater System per MPCA prohibition of an infiltration type system		Estimate		\$170,000	0%			115,000		55,000	170,000					
9	MPCA Voluntary Program Charges for Technical Approvals and Liability Assurances		Estimate		\$5,000	0%	3,000	1,350			650	5,000					
<b>Subtotal - RAP Implementation Activities</b>											<b>\$ 1,002,560</b>	<b>\$ 186,150</b>	<b>\$ 301,172</b>	<b>\$ 230,000</b>	<b>\$ 285,238</b>	<b>\$ 1,002,560</b>	
							18.6%	30.0%	22.9%	28.5%	100.0%						
<b>Total Environmental Costs</b>												<b>\$ 1,111,188</b>	<b>\$ 199,275</b>	<b>\$ 305,884</b>	<b>\$ 230,000</b>	<b>\$ 376,029</b>	<b>\$ 1,111,188</b>
							17.9%	27.5%	20.7%	33.8%	100%						

Note: Part B developer costs meet 12% minimum match requirement of DEED eligible Lines 1, 2, 3, 4 & 8

**Estimated Contamination Cleanup  
Blake Road Station Phase B & C  
Hopkins, Minnesota  
October 1, 2020**

Item	Activity	Cost Estimate		Comments
		Phase B	Phase C	
<b>A. Pre-Development Environmental Work</b>				
1	Phase I Environmental Site Assessment	Incl. Phase A	Incl. Phase A	
2	Phase II Site Investigation and second round vapor sampling	Incl. Phase A	Incl. Phase A	
3	Response Action Plan (RAP) Preparation	15,000	-	
4	Regulated Materials Survey	Incl. Phase A	Incl. Phase A	
5	Regulated Materials Survey - Pre-Demolition/Destructive	Incl. Phase A	Incl. Phase A	
6	Environmental Plans and Specifications/Vapor Mitigation System Design	9,500	9,500	
7	Pre-Construction MPCA Brownfield Program Review and Liability Assurances	2,000	2,400	
<b>Subtotal - Pre-Development Environmental Work</b>		<b>\$ 26,500</b>	<b>\$ 11,900</b>	
<b>B. RAP Implementation Activities</b>				
<i>Soil Remediation During Construction:</i>				
1	- Mitigate Soil at SE	92,377		
	- Contaminated Soil - Transport to disposal facility & disposal at Industrial Landfill	192,000	-	
2	RAP Implementation Environmental Monitoring, Testing and Documentation Reporting	60,000		
3	<i>Active Vapor Mitigation System under Parking Garage</i>			
	- Vapor Mitigation System Install Cost	304,744	-	
	- Inspect Vapor Mitigation System	10,000	-	
	- Post Install VMS Monitoring	33,000	-	
4	Utility Corridor Vapor Controls	9,424		
5	Abatement - Asbestos	69,190	45,225	
	Abatement - Regulated Materials	5,421	4,579	
6	Abatement - Professional Services (Specifications Development)	6,600	6,600	
	Abatement - Professional Services (Air Monitoring)	18,000	18,000	
	Abatement - Professional Services (Reporting)	2,500	2,500	
7	Demolition	375,924	647,405	
8	Stormwater System per MPCA prohibition of an infiltration type system	-	-	Not Designed
9	MPCA Voluntary Program Charges for Technical Approvals and Liability Assurances	5,500	2,500	
<b>Subtotal - RAP Implementation Activities</b>		<b>\$ 1,184,680</b>	<b>\$ 726,809</b>	
<b>Total Environmental Costs</b>		<b>\$ 1,211,180</b>	<b>\$ 738,709</b>	



Finance Department

CITY OF HOPKINS

## Memorandum

To: Honorable Mayor and Council Members  
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: July 13, 2021

Subject: 2022 General Fund Budget and Tax Levy

---

### PURPOSE

To provide input and guidance for the 2022 General Fund budget and Tax Levy

### INFORMATION

#### *2022 General Fund Budget*

Staff has been working to put together a 2022 General Fund Budget that meets the needs of the community and the services they have come to expect. The budget being presented restores previous reductions made for crack sealing, tree re-planting and pole painting.

The General Fund budget is balanced. Revenues and expenditures are both set at \$16,210,954, a \$460,116 or 2.92% increase from 2021. The general fund tax levy needed to support this budget is \$13,283,468, a \$474,916 or 3.71% increase from 2021.

#### *2022 Tax Levy*

The 2022 Tax Levy has been prepared based on debt service needs, prior year ERP/CIP documents and initial budgets for special revenue funds. The levy being presented restores reductions made for Burnes Park debt service, capital improvements and equipment. The total tax levy is \$18,436,103, this is a \$647,719 or 3.64% increase from 2021. Based on preliminary tax capacity information, a median value home increased from \$291,000 in 2021 to \$315,000 in 2022. The levy and the value increase bring the city tax increase on a median value home to \$158 or \$2,012.

## *American Rescue Plan Act*

The American Rescue Plan Act will provide needed relief to state, local and Tribal governments through Coronavirus State and Local Fiscal Recovery Funds. Eligible uses of the funds are:

- Support public health expenditures
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue
- Provide premium pay for essential workers
- Invest in water, sewer and broadband infrastructure

The funds must be used for costs incurred through December 31, 2024. The City is projecting that it will receive approximately \$1.94 million. Funds will be received in two payments in 2021 and 2022.

Staff is currently recommending using the funds to address revenue loss caused by COVID-19. The City has approximately \$1.3 million in eligible revenue losses from 2020 and can utilize the funds for losses in 2021-2024. Additional revenue loss is expected.

## **FUTURE ACTION**

A budget engagement session will be held on August 16 from 6-7:00. Interested parties will be able to participate virtually or in person at City Hall. Details will be posted on the City's website: <https://www.hopkinsmn.com/466/City-Budget-Process>.

A preliminary levy must be adopted by September 30<sup>th</sup> of each year. The preliminary levy is planned to be approved at the September 21<sup>st</sup> City Council Meeting. The preliminary levy will be the maximum allowable amount for 2022 and can only be reduced.

A final levy must be adopted by December 31<sup>st</sup> of each year at or below the preliminary levy amount. A Truth and Taxation hearing is planned for Monday, December 6<sup>th</sup>. The final levy can be approved on December 7<sup>th</sup> or 21<sup>st</sup>.

**City of Hopkins**  
**DRAFT General Fund Revenue Budget**  
**For the Year Ending December 31, 2022**

DRAFT  
July 13, 2021

<b>Department</b>	<b>2021 Budget</b>	<b>2021 Budget</b>	<b>% Increase (Decrease)</b>
<b>Property Taxes</b>	<b>12,893,552</b>	<b>13,368,468</b>	<b>3.68%</b>
<b>Intergovernmental Revenue</b>			
Local Government Aid	853,671	853,671	
Intergovernmental Revenue - Other	621,000	622,000	
<b>Total Intergovernmental Revenue</b>	<b>1,474,671</b>	<b>1,475,671</b>	<b>0.07%</b>
<b>Licenses, Permits &amp; Fines</b>			
Court Fines & Penalties	176,000	176,000	
Building Permits & Inspections	479,300	475,500	
Inspection Fines & Citations	6,000	2,500	
City Clerk - Business Licenses	7,000	7,000	
PD - Liquor, Animal Licenses & Penalties	97,800	98,300	
Fire - Licenses & Permits	300	2,300	
Public Works - Licenses & Permits	19,415	19,415	
Planning & Zoning - Licenses & Permits	1,000	1,000	
<b>Total Licenses, Permits &amp; Fines</b>	<b>786,815</b>	<b>782,015</b>	<b>-0.61%</b>
<b>Charges for Service</b>			
Finance Department	5,500	5,500	
Assessing	3,000	3,000	
Inspections	103,900	109,400	
Police	35,000	35,000	
Fire	10,500	10,500	
Public Works	3,150	3,150	
Activity Center	67,500	90,000	
<b>Total Charges for Service</b>	<b>228,550</b>	<b>256,550</b>	<b>12.25%</b>
<b>Miscellaneous Revenue</b>			
Franchise Fees	296,200	296,200	
Miscellaneous	15,250	15,250	
Finance Department	2,000	3,000	
Police	500	500	
Fire	3,500	3,500	
Public Works	5,300	5,300	
Activity Center	14,500	4,500	
Community Development	30,000	-	
<b>Total Miscellaneous</b>	<b>367,250</b>	<b>328,250</b>	<b>-10.62%</b>
<b>Total Revenues</b>	<b>15,750,838</b>	<b>16,210,954</b>	<b>2.92%</b>

**City of Hopkins**  
**DRAFT General Fund Expenditure Budget**  
**For the Year Ending December 31, 2022**

**DRAFT**  
**July 13, 2021**

<b>Department</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>% Increase (Decrease)</b>
City Council	102,095	104,699	2.55%
Administrative Services	866,311	920,069	6.21%
Finance	426,278	454,887	6.71%
Legal	200,000	225,000	12.50%
Municipal Building	390,560	383,927	-1.70%
Assessing	245,920	267,914	8.94%
City Clerk	176,656	217,382	23.05%
Inspections	879,588	908,710	3.31%
Police	6,242,453	6,388,375	2.34%
Fire	1,566,528	1,615,798	3.15%
Public Works	3,469,191	3,551,941	2.39%
Recreation	291,339	295,457	1.41%
Activity Center	456,798	465,998	2.01%
Planning & Zoning	233,000	203,108	-12.83%
Community Development	114,921	118,489	3.10%
Tuition Reimbursement	19,200	19,200	0.00%
Contingency	50,000	50,000	0.00%
Transfer to Other Funds	20,000	20,000	0.00%
<b>Total Expenditures</b>	<b>15,750,838</b>	<b>16,210,954</b>	<b>2.92%</b>

**City of Hopkins  
Draft Tax Levy  
For the Year Ending December 31, 2022**

**DRAFT  
July 13, 2021**

<b>Purpose</b>	<b>Actual FY2021</b>	<b>Draft FY2021</b>	<b>% Increase (Decrease)</b>
General Operations			
General Fund	12,808,552	13,283,468	3.71%
Capital Levy	-	200,000	100.00%
Arts Center	331,182	339,317	2.46%
Pavilion Fund	340,000	340,000	0.00%
Equipment Replacement	200,000	250,000	25.00%
Total General Operations	<u>13,679,734</u>	<u>14,412,785</u>	5.36%
 Debt Levy	 4,108,650	 4,023,318	 -2.08%
 Total Levy	 <u><u>17,788,384</u></u>	 <u><u>18,436,103</u></u>	 3.64%

City of Hopkins  
2022 Budget Preparation Schedule for City Council

The following table outlines the **tentative** schedule for discussions on important aspects of the City’s Budget.

<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Subject</b>	<b>Details</b>
<b>January 19</b>	Regular Meeting	Finance Update	-Overview of Community Engagement Plan and Budget Preparation Schedule for 2022 Budget
<b>January-February</b>	Regular Meetings & Work Sessions	Department Updates	-Planning and Development -Police and Fire -Public Works -Community Services and Administration
<b>March 16</b>	Work Session	Financial Management Plan	-Presentation on FMP -Decision on Infrastructure Projects in 2022 -Decision on Burnes Park Debt Service in 2022
<b>April-July</b>	N/A	Internal Preparations	-2020 Audit Ongoing -Departments Prepare Budgets, Equipment Replacement and Capital Improvement Schedules
<b>July 13</b>	Work Session	Review 2022 Tax Levy and General Fund Budget	-First Draft
<b>August 10</b>	Work Session	Review Capital Improvement Plan (CIP) and Equipment Replacement Plan (ERP)	-Park Dedication Fund -Permanent Improvement Revolving Fund (Street Projects) -Equipment Replacement Levy

City of Hopkins  
2022 Budget Preparation Schedule for City Council

<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Subject</b>	<b>Details</b>
<b>August 16 (Monday)</b>	Budget Engagement Session	Review 2022 Tax Levy and General Fund Budget	-Presentation -Question and Answer Session
<b>September 7</b>	Regular Meeting	Review 2022 Tax Levy and General Fund Budget	-Preliminary for approval on September 21
<b>September 21</b>	Regular Meeting	Approve Preliminary Tax Levy and General Fund Budget	-Must be approved by September 30
<b>October 12</b>	Work Session	Review Enterprise Fund Budgets and Utility Rates	-Water -Storm Sewer -Pavilion -Sewer -Refuse
<b>November 3</b>	Regular Meeting	Approve CIP, ERP and Utility Rates	
<b>November 9</b>	Work Session	Review Special Revenue Budgets and Activity Center Budget	-Chemical Assessment -Economic Development -Communications -Activity Center -Parking -Depot -Arts Center
<b>December 6 (Monday)</b>	Special Meeting	Truth in Taxation Hearing	-Overview of 2022 Budget and Tax Levy -Public Comment
<b>December 7</b>	Regular Meeting	Approve Final Budget & Tax Levy	
<b>December 21</b>	Regular Meeting	Approve Final Budget & Tax Levy	-Last scheduled meeting to approve