

**HOPKINS CITY COUNCIL  
AGENDA  
Wednesday, September 18, 2024  
6:30 pm**

**THIS AGENDA IS SUBJECT TO CHANGE  
UNTIL THE START OF THE CITY COUNCIL MEETING**

**I. CALL TO ORDER**

**II. ADOPT AGENDA**

**III. PRESENTATIONS**

1. Charter Commission Update; Domeier/Lenz

**IV. CONSENT AGENDA**

1. Minutes of the September 10, 2024, Regular Meeting Proceedings
2. Resolution Approving an Off-Sale Intoxicating Liquor License for Mahadev LLC DBA MGM Hopkins; Domeier
3. Approval of 2024-2025 Union Contract with IAFF #1275 and Corresponding MOUs; Casella

**V. PUBLIC HEARINGS**

**VI. OLD BUSINESS**

1. Continued Cannabis Business Discussion; Krzos

**VII. NEW BUSINESS**

1. Resolution Establishing Legislative Policy 7-I Housing Improvement Area Policy; Needham
2. Disposition of City-Owned Property; Elverum

**VIII. PUBLIC COMMENT**

**IX. ANNOUNCEMENTS**

- Next City Council Regular Meeting: Tuesday, October 1 at 6:30 p.m.

**X. ADJOURN**



CITY OF HOPKINS

Administration

## Memorandum

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

From: Amy Domeier, City Clerk

Date: September 18, 2024

Subject: Charter Commission Update

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### PURPOSE

Daniel Lenz, Chair of the Hopkins Charter Commission will provide the City Council with an update on the recent Charter Commission meetings and the proposed City Charter amendments. No formal action will be taken on this item.

### INFORMATION

The Charter Commission has held meetings on May 29 and July 31 to discuss the following amendments:

#### **Section 2.03 – Elected Officials**

**Proposed language:** The elected officials shall be a mayor and four council members who shall all be qualified voters. They shall all be elected at-large. The mayor and the four council members will shall serve ~~for a term of two years, and the four council members shall serve for~~ terms of four years each. The terms of all elected officials shall commence on January 1 and all shall serve until their successors are elected and qualify. After the city general election, the city council shall, at their next regularly scheduled meeting, meet as the canvassing board and declare the results of the election. The candidate receiving the highest number of votes for a particular office is elected. If the election results in a tie, then the winner should be determined by lot in the presence of the council acting as the canvassing board.

*Charter Commission Vote – Ayes: 8. Nay: 3.*

#### **Section 4.01 – Municipal Elections**

**Proposed language:** ~~The regular election for the choice of the elected officials of the city shall be held on the first Tuesday after the first Monday in November in odd numbered years beginning in 1995. The city manager shall give notice of all elections in the manner prescribed by state law for cities of the same classification as this city, but failure to give such notice shall not invalidate such election.~~ The regular city election is held on the first Tuesday after the first Monday in November of even numbered years. The election is held at the place or places designated by resolution of the city council. Notice of the election is given in the manner provided by law. Failure to give notice of the election does not invalidate the election. The council may, by resolution, order a special election on any question which it desires to submit to a vote of the voters, fix the time for holding the same, and provide all means for holding such

special election. The procedure at such election shall conform as nearly as possible to that herein provided for other municipal elections.

#### **Section 4.02. – Candidates**

**Proposed language:** ~~A candidate for a city office shall file an affidavit not more than 70 days and not less than 56 days before the municipal general election with the city clerk, or application on behalf of any qualified voter of the city whom they desire to be a candidate may be made as per state law. In either case, The filing fee shall be \$25.00. Such affidavit or application shall state that the candidate is a qualified voter of the city, and name the office for which he is a candidate. Any candidate may withdraw not later than 12:00 noon of the day following the last day for filing by filing a notice of withdrawal with the city clerk. An eligible voter of the city may file for election in the manner prescribed by law.~~

The City Council must adopt a resolution requiring a write-in candidate for mayor or city council who wants their write-in votes to be counted in the general election to file a written request with the city clerk within the timeline established in Minnesota Statutes, section 204B.09, subdivision 3. All write-in votes cast for candidates who have not filed a written request to have these votes counted shall be treated collectively as votes for a single candidate.

*Charter Commission Vote for Chapter 4– Ayes: 11. Nay: 0.*

#### **Section 6.06 – Purchases and Contracts**

**Proposed language:** The city manager shall be the chief purchasing agent of the city as provided herein. All city purchases and contracts shall be made or let by the city manager when the amount involved does not exceed an amount ~~established at least annually by the city council by resolution established in the City’s Legislative Policy Manual.~~ All other purchases and contracts shall be reviewed and approved by the city council. Contracts shall be made in compliance with Minnesota law, including all applicable competitive bidding requirements. All contracts, bonds, and instruments of any kind to which the city is a party shall be signed by the mayor and the city manager on behalf of the city and shall be executed in the name of the city. The city council may, by ordinance or resolution, adopt further regulations regarding the process for the making of bids and the letting of contracts, including the further delegation of authority to the city manager as the city council deems appropriate.

*Charter Commission Vote for Chapter 6 – Ayes: 11. Nay: 0.*

#### **Sec. 7.04 – Preparation of the Annual Budget**

**Proposed Language:** The annual budget shall provide a complete financial plan for the budget year by fund, showing all proposed expenditures and estimates of all anticipated revenues applicable to proposed expenditures and any other information the council may require or the city manager may deem desirable. ~~In parallel columns shall be shown the budgeted amount for the, if any, granted and expended under similar heads for the past two complete fiscal years and, as far as possible, for the current year.~~ The council may include or exclude at its discretion any fund, except the general fund. The budget shall be submitted to the council at a regular council meeting, ~~in a manner prescribed by state statute, not less than 30 days prior to final approval.~~ no later than the first regular monthly meeting in September. It shall be a public record open to public inspection. ~~by anyone and the city manager shall cause~~

~~sufficient copies thereof to be prepared for distribution to the mayor, members of the council and interested persons.~~

### **Sec. 7.10 – Disbursements**

**Proposed Language:** ~~Disbursement of city funds shall be made by a negotiable instrument bearing the actual or authorized facsimile signature of the authorized city officer.~~ No disbursements shall be issued until the claim to which it relates has been supported by an itemized bill, payroll, time-sheet, voucher or the like approved ~~and signed~~ by the responsible city officer who vouches for its correctness and reasonableness. No check shall be issued until there is money to the credit of the fund out of which it is to be paid sufficient to pay the same. The council may by ordinance make further regulations for the safekeeping and disbursements of the funds of the city.

### **Sec 7.13 – Accounts and Reports**

**Proposed language:** The city manager shall be the chief accounting officer of the city and shall submit to the council a statement each ~~month~~ **quarter** containing information relative to the finances of the city as the council may require. Each year the city manager shall submit a report to the council, no later than June 30, covering the entire financial operations of the city for the past year. This report shall follow the style and form, as far as practicable, prescribed for annual city financial reports ~~and copies~~ will be made available to interested parties.

*Charter Commission Vote for Chapter 7 – Ayes: 11. Nays: 0.*

### **FUTURE ACTION**

Staff will provide detailed presentations on the proposed ordinances during the public hearings. The schedule for considering the proposed ordinances:

Public Hearings and First Readings of Ordinances:	October 1, 2024
Second Reading of Ordinances:	October 15, 2024
If Ordinance is adopted, date of publication:	October 24, 2024
Date Ordinance Takes Effect:	January 22, 2025

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
SEPTEMBER 10, 2024**

**CALL TO ORDER**

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, September 3, 2024, at 6:30 p.m. in the Council Chambers at City Hall, 1010 1<sup>st</sup> Street South.

Mayor Hanlon called the meeting to order with Council Members Garrido, Goodlund, Hunke, and Kuznia attending. Others attending included City Manager Mornson, Assistant City Manager Casella, City Clerk Domeier, Director of Planning and Economic Development Elverum, Director of Public Works Autio, City Engineer Klingbeil, Finance Director Bishop, Special Projects and Initiatives Manager Imihy Bean, Fire Chief Specken, Deputy Fire Chief Wenshau and City Attorney Sathe.

**ADOPT AGENDA**

Mayor Hanlon changed the Presentations items 1 and 2 order and stated the addition of Consent Agenda Item 4 a Resolution of Support for an Application to the Minnesota Brownfield Gap Financing Program.

**Motion** by Garrido. **Second** by Hunke.

**Motion** to Adopt the Agenda with the Addition to the Consent Agenda.

**Ayes: Garrido, Goodlund, Hanlon, Hunke, Kuznia**  
**Nays: None. Motion carried.**

**PRESENTATIONS**

**III.1. Proclamation for Hispanic Heritage Month; Imihy Bean**

Special Projects and Initiatives Manager Imihy Bean shared information about Hispanic Heritage Month. Costa Rica Ballroom shared more information about the Latino Cultural Celebration scheduled for Sunday, September 15. A request was made to fund the event in the future.

**III.2. Oath of Office – Deputy Fire Chief Wenshau; Specken/Domeier**

Fire Chief Specken introduced the City's first Deputy Fire Chief Wenshau to the City Council. City Clerk Domeier issued the Oath of Office to Mr. Wenshau.

**III.3. 11<sup>th</sup> Avenue Corridor Study; Klingbeil**

City Engineer Klingbeil shared the report that identified opportunities along the corridor and cohesive vision for projects allowing incremental projects to be part of a larger, holistic improvement. Brief discussion was held about grand opportunities, CIP funding, creating safer spaces, stop sign and signal locations, project partnerships, snow removal, trail access connections, pedestrian lighting, pedestrian crossing updates and curb extensions.

**CONSENT AGENDA**

**Motion** by Hunke. **Second** by Kuznia.

**Motion** to Approve the Consent Agenda.

1. Minutes of the September 3, 2024, Regular Meeting Proceedings

**HOPKINS CITY COUNCIL  
REGULAR MEETING PROCEEDINGS  
SEPTEMBER 10, 2024**

2. Second Reading: Ordinance 2024-1214 Rezoning 100 Jackson Ave. N.; Krzos
3. Award of Contract for Central Park RFP; Imihy Bean
4. Resolution of Support for an Application to the Minnesota Brownfield Gap Financing Program; Imihy Bean

**Ayes: Garrido, Goodlund, Hanlon, Hunke, Kuznia  
Nays: None. Motion carried.**

**NEW BUSINESS**

**VII.1. Order Feasibility Report for Central Avenues Improvements Project; Klingbeil**  
City Engineer Klingbeil summarized City Council Report 2024-108. At the September 3, City Council meeting the Central Avenues Phase 2 Scoping Study Report, ordered by Council at the April 16 City Council Meeting, was presented. At that meeting, staff was directed to prepare to begin to prepare to order a feasibility report in accordance with Option A in the report.

**Motion** by Hunke. **Second** by Garrido.

**Motion** to Adopt Resolution 2024-056 ordering the preparation of a feasibility report for the Central Avenues Improvements and authorizing Mayor and City Manager to enter into an agreement with Bolton and Menk, Inc. to prepare the report.

**Ayes: Garrido, Goodlund, Hanlon, Hunke, Kuznia  
Nays: None. Motion carried.**

**VII.2. Second Quarter Financial Report; Bishop**

Finance Director Bishop provided the second quarter operating results.

**ANNOUNCEMENTS**

Mayor Hanlon shared the City Council meeting schedule.

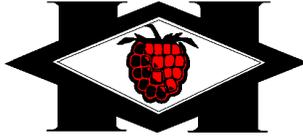
**ADJOURNMENT**

There being no further business to come before the City Council, and upon a motion by Goodlund, second by Hunke, the meeting was unanimously adjourned at 7:42 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



Administration

CITY OF HOPKINS

## City Council Report 2024-115

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

From: Amy Domeier, City Clerk

Date: September 18, 2024

Subject: Resolution Approving an Off-Sale Intoxicating Liquor License for Mahadev LLC DBA MGM Hopkins

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### RECOMMENDED ACTION

**MOTION TO** adopt a Resolution Approving an Off-Sale Intoxicating Liquor License for Mahadev LLC DBA MGM Hopkins.

### OVERVIEW

Mahadev LLC applied for an off-sale intoxicating liquor license at MGM Hopkins located at 495 17th Ave. N.

The Police Department and City Clerk reviewed the application for the liquor licenses requested and conducted a background investigation as required by state and local law. Staff have no reservations in approving the licenses based upon the results of the investigation.

Upon City Council approval of the liquor licenses requested, the State applications will be submitted to the Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division, for certification. The liquor licenses will become effective upon all conditions being met in Resolution 2024-059 and will expire on June 30, 2025, subject to any subsequent renewals.

### SUPPORTING INFORMATION

- Resolution 2024-059
- The complete application is on file in the City Clerk's office.

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2024-059**

**RESOLUTION APPROVING AN OFF-SALE INTOXICATING LIQUOR LICENSE FOR  
MAHADEV LLC DBA MGM HOPKINS**

**WHEREAS**, Mahadev LLC BDA MGM Hopkins, applied for an Off-Sale Intoxicating Liquor License to be located at 495 17th Ave. N., Hopkins; and

**WHEREAS**, the Hopkins Police Department has reviewed the application as it is on file with the City Clerk and has no reservations about the license being issued.

**NOW, THEREFORE BE IT NOW RESOLVED**, by the City Council of the City of Hopkins as follows:

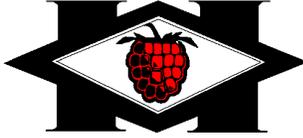
1. To grant and approve an Off Sale Intoxicating Liquor License to Mahadev LLC DBA MGM Hopkins for the premise located at 495 17<sup>th</sup> Ave. N., Hopkins.
2. The license is conditioned on the applicant's ongoing compliance with its application that is on file with the City Clerk and are further subject to the following: All terms and conditions of the City Code Chapter 4 Sale, Consumption and Display of Alcoholic Beverages and Minnesota Statute 340A.
3. The Mayor and City Clerk are hereby authorized to execute said license.
4. The licenses shall expire at 11:59 p.m. on June 30, 2025, subject to subsequent renewals.

Adopted by the City Council of the City of Hopkins on the 18th day of September 2024.

\_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

\_\_\_\_\_  
Amy Domeier, City Clerk



CITY OF HOPKINS

## City Council Report 2024-112

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

From: Casey Casella, Assistant City Manager

Date: September 18, 2024

Subject: Approval of 2024-2025 Union Contract with IAFF #1275 and  
Corresponding MOUs

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### RECOMMENDED ACTION

**MOTION TO** Approve the 2024-2025 Union Contract with IAFF #1275, the MOU regarding Annual Hours Schedules, and the MOU regarding HCSP Contribution.

This will ratify a 1.25 year contract with the Edina Professional Firefighters International Association of Fire Fighters (IAFF) representing Hopkins Firefighters.

### OVERVIEW

The agreement includes a 4.0% wage increase effective January 1, 2025. The wages are within budget for 2025 and the benefits offered are consistent with past practice and other union agreements.

#### Analysis of Issues

*What other economic issues are included in the new contract?*

The agreement implements a new Fire Marshal assignment incentive pay of \$5,000 annually. This cost will impact the 2025 budget. The agreement also starts a new fitness incentive program, with an estimated \$4,000 cost impact to the 2026 budget.

*Will the agreement keep the City market competitive?*

The compensation in this agreement is consistent with the 2023 Citywide market study results for firefighter.

*How does the agreement fit into the 2025 proposed budget.*

The agreement is within the budgeted amounts in the proposed budget. Estimated budget impact in 2025 is \$7,998.06.

### SUPPORTING INFORMATION

- 2024-25 Union Agreement
- MOU Annual Hours Schedule
- MOU Health Care Savings Plan Contribution

**Labor Agreement Between  
City of Hopkins  
And  
Edina Professional Firefighters  
International Association of Fire Fighters  
(IAFF) Local No. 1275**

Effective October 1, 2024 through December 31, 2025

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## DEFINITIONS

**BASE RATE:** The Employee's pay rate exclusive of overtime, premium, or any other special allowances or incentives.

**CHIEF:** The Fire Chief for the City of Hopkins or designee.

**DEPARTMENT:** The Fire Department for the City of Hopkins.

**EMPLOYEE:** A member of the exclusively recognized bargaining unit.

**EMPLOYER:** The City of Hopkins.

**EMERGENCY:** An unforeseen crisis situation or condition so defined by the EMPLOYER.

**PERSONNEL OFFICER:** The city official, designated by the City Manager, who is responsible for coordinating personnel matters for the City. The current Personnel Officer is the Assistant City Manager.

**UNION:** Local No. 1275, International Association of Fire Fighters (IAFF).

**UNION MEMBER:** A member of the International Association of Fire Fighters (IAFF).

## ARTICLE 1 - PURPOSE

This AGREEMENT is entered into between the City of Hopkins, hereinafter called EMPLOYER, and Local No. 1275, International Association of Firefighters, hereinafter called the UNION. The intent and purpose of this AGREEMENT is to:

- 1.1 Promote working relationships between the parties
- 1.2 Place in writing the parties' agreement upon the terms and conditions of employment for the duration of this AGREEMENT
- 1.3 Establish procedures for the resolution of disputes concerning this AGREEMENT's interpretation and/or application

The EMPLOYER and the UNION continue their dedication to the highest quality of public service.

## ARTICLE 2 - RECOGNITION

The EMPLOYER recognizes the UNION as the exclusive bargaining representative, under Minnesota Statutes, Section 179A.03, Subdivision 14, as certified by the Bureau of Mediation Services on January 16, 2024, BMS Case No. 24PCE0919, and described as:

All Firefighters employed by the City of Hopkins, Minnesota, who are public employees within the meaning of Minn. Stat. Sec. 179A.03, Subd. 14 excluding supervisory, confidential and all other employees.

In the event the EMPLOYER and the UNION are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

## **ARTICLE 3 - UNION SECURITY**

### **3.1 Dues**

The EMPLOYER shall deduct from the wages of EMPLOYEES who authorize such deduction in writing an amount necessary to cover dues as required by Minnesota Statutes Section 179A.06, Subd. 6.

The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provision of this Article.

### **3.2 Union Business**

The UNION may designate EMPLOYEES from the bargaining unit to act as Steward and an alternate and shall inform the EMPLOYER in writing of such choice and change in the position of Steward and/or alternate.

A Steward shall be granted legally required time off to perform their duties without infringing on the operation of the DEPARTMENT. Permission will be obtained in advance from the CHIEF or their designee.

## **ARTICLE 4 - EMPLOYER SECURITY**

### **4.1 Managerial Rights**

Except as limited by the specific provisions of this agreement, the EMPLOYER shall retain whatever rights and authority are necessary for it to operate and direct the affairs of the EMPLOYER in all of its various aspects, including but not limited to the right to operate and manage all facilities and equipment; to establish or discontinue functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to schedule working hours and assign overtime; to select, direct and determine the number of personnel; to hire, promote, suspend, discipline or discharge personnel for just cause; to lay off or relieve EMPLOYEES due to lack of work or other reasons; to make and enforce reasonable rules and regulations; to take whatever actions may be necessary to carry out the missions of the EMPLOYER in emergencies; to contract with vendors or others for goods and/or services including the right to discontinue or subcontract any or all functions performed by members of this bargaining unit during the contract term, to take any and all actions necessary to carry out the operations of the EMPLOYER in situations involving a disaster or emergency consistent with the terms and conditions listed in this AGREEMENT to the extent practicable, to assign duties, tasks, and jobs, and to perform such other inherent managerial function as set forth in the Minnesota Public Employee Labor Relations Act.

In the event that the City proposes to discontinue or subcontract any or all functions performed by members of this bargaining unit during the contract term, the City agrees to meet with the UNION upon request to discuss the impacts of this management decision.

Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish, or eliminate.

## **4.2 Work Rules**

The parties recognize that EMPLOYEES shall perform the services and duties prescribed by the EMPLOYER and shall be governed by EMPLOYER rules, policies, regulations, directives and orders, provided that such rules, policies regulations, directives and orders are not inconsistent with the provisions of this AGREEMENT or state or federal laws.

## **4.3 Strike**

The UNION agrees that during the life of the AGREEMENT, it will not cause, encourage, participate in or support any strike, slow-down or other interruption of, or interference with, the normal functions of the EMPLOYER.

Any EMPLOYEE who engages in a strike shall have their appointment or employment terminated by the EMPLOYER effective the date the violation first occurs.

An EMPLOYEE who is absent from any portion of their work assignment without permission, or who abstains wholly or in part from the full performance of their duties without permission from the EMPLOYER on the date or dates when a strike occurs is prima facie presumed to have engaged in a strike on such date or dates.

An EMPLOYEE who knowingly strikes and whose employment has been terminated for such action may, subsequent to such violation, be appointed or reappointed or employed or re-employed, but the EMPLOYEE shall be on probation for two years with respect to such employment status, tenure of employment or contract of employment, as the EMPLOYEE may have theretofore been entitled.

Upon request by the EMPLOYER, the UNION agrees to have its assigned business representative and the appropriate local union officers or steward notify all bargaining unit members of their obligation and responsibility for maintaining compliance with this Article and to encourage employees violating this Article to refrain from continuing the violation.

## **4.4 Job Duties**

It is understood by the parties that every incidental duty connected with operations, enumerated in job descriptions is not always specifically described. Nevertheless, it is intended that all such duties shall be performed by the EMPLOYEE.

## ARTICLE 5 - GRIEVANCE PROCEDURE

A grievance shall be defined as a dispute or disagreement raised by an EMPLOYEE against the EMPLOYER involving the violation or application of the specific provisions of this AGREEMENT.

### 5.1 Steps

Grievances shall be resolved in the following procedure:

**Step 1:** Within twenty-one (21) calendar days after such alleged violation has occurred, the EMPLOYEE shall present such grievance to the EMPLOYER-designated representative on the shift during which time the alleged violation occurred. The EMPLOYER-designated representative will discuss and give an answer to such Step 1 grievance within ten (10) business days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the AGREEMENT allegedly violated, the remedy requested, and shall be appealed to Step 2 within ten (10) calendar days after the Employer-designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the UNION within ten (10) calendar days shall be considered waived.

**Step 2:** If appealed, the written grievance shall be presented by the UNION and discussed with the EMPLOYER-designated representative. The EMPLOYER-designated representative shall give the UNION the EMPLOYER'S Step 2 answer in writing within ten (10) business days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the EMPLOYER-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the UNION within ten (10) calendar days shall be considered waived.

**Step 3:** If appealed, the written grievance shall be presented by the UNION and discussed with the PERSONNEL OFFICER. The EMPLOYER-designated representative shall give the UNION the EMPLOYER'S answer in writing within fifteen (15) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the EMPLOYER-designated representative's final answer in Step 3. Any grievance not appealed in writing to Step 4 by the UNION within ten (10) calendar days shall be considered waived.

**Step 4:** A grievance unresolved in Step 3 and appealed to Step 4 may by mutual agreement be submitted to mediation through the Bureau of Mediation Services. Agreement to submit the GRIEVANCE to mediation must be made within fifteen (15) business days of the Step 3 response.

**Step 5:** A grievance unresolved in Step 3 and appealed to Step 4 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by the Bureau of Mediation Services.

### 5.1 Arbitration Process

The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the provisions of this AGREEMENT. They shall consider and decide only the specific issue submitted to them in writing by the EMPLOYER and the UNION, and shall have no authority to

make a decision on any other issue not so submitted. The arbitrator shall be without power to make decisions contrary to or inconsistent with or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator shall submit their decisions in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever is later. The decision shall be based solely upon the arbitrator's interpretation or application of the express terms of this AGREEMENT and on the facts of the grievance presented. The fees and the expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the Association provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire verbatim record of the proceedings, the cost shall be shared equally.

## **5.2 Waiver**

If a grievance is not presented within the time limits set forth above, it will be considered waived by the EMPLOYEE. If a grievance is not appealed to the next step in the specified time limit or any agreed extension thereof, it will be considered settled on the basis of the EMPLOYER'S last response. If the EMPLOYER does not answer a grievance or an appeal within the specified time limits, the EMPLOYEE shall treat the grievance as denied at that step and appeal the grievance to the next step. The time limits established in this Article may be extended by mutual consent of the EMPLOYER and the UNION and shall be in writing.

## **5.3 Choice of Remedy**

Any EMPLOYEE electing to process a GRIEVANCE under the procedure outlined in this agreement shall not be entitled to process the same GRIEVANCE under any other remedy available to the EMPLOYEE except as required by law. Conversely, an EMPLOYEE electing to process a GRIEVANCE under another remedy available to the EMPLOYEE shall not also be entitled to process the same GRIEVANCE under the procedure outlined in this agreement except as required by law. The aggrieved EMPLOYEE shall indicate, in writing, which procedure is to be utilized and shall sign a statement to the effect that the choice of any one procedure precludes the aggrieved EMPLOYEE(s) from making a subsequent appeal under any other procedure(s) except in those cases where such waiver is prohibited by law. Nothing in this AGREEMENT shall limit an EMPLOYEE from making a discrimination charge with the Minnesota Human Rights Act and/or the federal Equal Employment Opportunity Commission and also filing a grievance.

## **ARTICLE 6 - WORK SCHEDULE**

The EMPLOYER shall be the sole authority in determining work schedules, hours of employment, and changes thereto. When and under what circumstances work schedules and hours of employment are determined or changed shall be within the sole discretion of the EMPLOYER. Nothing contained in this or any other Article shall be interpreted to be a guarantee of a minimum or maximum of hours the EMPLOYER may assign EMPLOYEES per day, per week, or per year. EMPLOYEES, not on probation, will be notified fourteen (14) days in advance of a work schedule.

## **6.1 Shift Exchange**

EMPLOYEEs may voluntarily exchange duty shifts with another EMPLOYEE provided that such exchange does not subject the EMPLOYER to liability for additional overtime compensation by virtue of such trading of duty shifts.

EMPLOYEEs may exchange shifts only with the specific approval of the EMPLOYER and under the conditions established by the EMPLOYER.

All shift exchanges that are made and approved must be made up within twelve (12) months from the date on which the exchange is made.

If a shift change has been arranged between two EMPLOYEEs covered by this contract, and if the EMPLOYEE who has agreed to work the shift does not show up, leave will be charged to that EMPLOYEE provided further such switching is not used for a basis for a claim for overtime.

## **6.2 Call Back**

An EMPLOYEE who is called to duty and required to physically report to a specific location during scheduled off-duty time shall receive a minimum of two (2) hours pay at one and one-half (1.5) times the Employee's BASE RATE. An extension or early report to a regularly scheduled shift for duty does not qualify for the two (2) hour minimum. Responding to a telephone call will not be considered a call back.

No EMPLOYEE receiving overtime pay shall be paid more than once for the same hours worked. No compounding of overtime pay will be allowed.

## **ARTICLE 7 - SENIORITY**

Seniority shall be determined by the EMPLOYEE's length of continuous full time employment with the DEPARTMENT. Seniority rosters shall be maintained by the EMPLOYER.

### **7.1 Layoff/Recall**

A reduction of the work force will be accomplished on the basis of seniority. EMPLOYEEs shall be recalled from layoff on the basis of seniority. An EMPLOYEE on layoff shall have an opportunity to return to work within two (2) years of the time of their layoff before any new EMPLOYEE is hired. Recall notification shall be with EMPLOYEE having two (2) weeks to return to work to retain seniority.

## **ARTICLE 8 - RESIGNATION**

The EMPLOYEEs will be covered by the City of Hopkins Advance Resignation Notice Program is hereby adopted on the same basis as it applies to the general non-union employee group. Any revisions to the policy by the City will apply to the members of this bargaining unit.

## **ARTICLE 9 - DISCIPLINE**

Discipline will be in one or more of the following forms:

- a) oral reprimand
- b) written reprimand
- c) suspension
- d) demotion
- e) discharge

## **ARTICLE 10 - COMPENSATION AND BENEFITS**

Wages are outlined in Appendix A.

### **10.1 Holidays**

The EMPLOYER recognizes the following as holidays:

1. New Year's Day
2. Martin Luther King Day
3. Presidents Day
4. Easter Day
5. Memorial Day
6. Juneteenth
7. Independence Day
8. Labor Day
9. Veteran's Day
10. Thanksgiving Day
11. Day After Thanksgiving Day
12. Christmas Eve
13. Christmas Day

The Flex Leave program includes one hundred and four (104) hours of holiday time. EMPLOYEES must use Flex Leave to be paid for these holidays.

An EMPLOYEE required to work a shift on the recognized holidays shall be eligible for holiday pay. For the purpose of this section, if 50% or more of a full work shift falls on one of the holidays, the full shift shall be compensated at holiday pay. If less than 50% of any full shift falls on one of the above holidays, no holiday pay shall be paid. EMPLOYEES required to work on holidays will receive one and one-half (1.5) times the BASE RATE. Under no circumstances will the total compensation for the work on a holiday exceed one and one-half (1.5) times the BASE RATE.

### **10.2 Overtime**

The EMPLOYER agrees to pay overtime at one and one-half (1.5) or as required by law of the EMPLOYEE'S regular hourly pay rate for overtime authorized by the EMPLOYER. Overtime shall be restricted to necessary work authorized by the EMPLOYEE's authorized supervisor.

Overtime will be calculated to the nearest one-tenth (1/10) of an hour. Employees assigned to shifts who are not scheduled or assigned to work on the recognized holidays but are requested to work overtime shall receive an additional half (1/2) time pay over the one and a half (1 and ½) time holiday pay for those hours actually worked.

### **10.3 Insurance**

The EMPLOYER will provide the same increase in EMPLOYER contribution as is given to other City employees.

## **ARTICLE 11 - INCENTIVES**

### **11.1 Tuition Reimbursement**

The UNION adopts the EMPLOYER Tuition Reimbursement program.

### **11.2 Fitness Incentive**

The City agrees to implement an annual fitness incentive program to be announced by Fire Administration before July 1, 2025. All Employees who pass the required testing will be eligible for the incentive payment in January 2026 and in the years after. The fitness incentive amount will be \$1,000.

### **11.3 Fire Marshal**

Any employee who is assigned to Fire Marshal responsibilities shall receive incentive pay in accordance with Appendix A Wages.

## **ARTICLE 12 - LEAVE**

The EMPLOYER will provide the same leave as is given to all other City employees. The UNION adopts the EMPLOYER Flex Leave program as it may be amended from time to time by the City.

## **ARTICLE 13 - UNIFORM**

Uniform items will be provided and replaced as determined by the EMPLOYER. A list of those uniform items that are authorized for use shall be kept by the CHIEF. Authorization for new or replacement uniform items rests exclusively with the EMPLOYER.

## **ARTICLE 14 - SAVINGS CLAUSE**

This AGREEMENT is subject to the laws of the United States, the State of Minnesota and the City of Hopkins. In the event any provision of this AGREEMENT shall be held to be contrary to the law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time limit provided, such provision(s) shall be voided. All other provisions of this AGREEMENT shall continue in full force and effect. The voided provision may be re-negotiated at the written request of either party.

## ARTICLE 15 - COMPLETE AGREEMENT AND WAIVER OF BARGAINING

This AGREEMENT shall represent the complete agreement between the UNION and the EMPLOYER. The parties acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make requests and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the complete understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this AGREEMENT. Therefore, the EMPLOYER and the UNION, for the life of this AGREEMENT, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this AGREEMENT or with respect to any subject or matter not specifically referred to or covered in this AGREEMENT, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this AGREEMENT.

## ARTICLE 16 - MUTUAL CONSENT CONTINGENCY

This AGREEMENT may be amended any time during its life upon the mutual consent of the EMPLOYER and the UNION. Such amendment, to be enforceable, must be in writing and attached to all executed copies of this AGREEMENT.

## ARTICLE 17 - DURATION

This agreement shall be effective as of the first day of October 2024 and shall remain in full force and effect until the 31st day of December 2025. It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing of its intent to terminate.

In witness whereof, the parties hereto have executed this AGREEMENT on \_\_\_\_\_, 2024.

For the City of Hopkins:	For the IAFF Local No. 1275:
Patrick Hanlon, Mayor	Travis Jacobs, IAFF Local President
Mike Mornson, City Manager	Andrew Aldrich, IAFF Local Union Rep

## APPENDIX A - WAGES

2024

Firefighter - 2024	
Step	Annual
1	\$ 68,099.20
2	\$ 71,094.40
3	\$ 74,068.80
4	\$ 77,043.20
5	\$ 80,017.60
6	\$ 83,012.80
7	\$ 85,966.40
8	\$ 88,961.60
9	\$ 91,956.80

2025 – 4% COLA

Effective January 1, 2025:

Firefighter - 2025	
Step	Annual
1	\$ 70,823.17
2	\$ 73,938.18
3	\$ 77,031.55
4	\$ 80,124.93
5	\$ 83,218.30
6	\$ 86,333.31
7	\$ 89,405.06
8	\$ 92,520.06
9	\$ 95,635.07

Supplemental: Fire Marshal assignment \$5,000/year, see section 11.3.

**Memorandum of Understanding**  
**Between the City of Hopkins and**  
**Edina Professional Firefighters International Association of Fire Fighters (IAFF)**  
**Local No. 1275**  
**Annual Hours Schedule**

**WHEREAS**, City of Hopkins (herein after the “City”) and Edina Professional Firefighters International Association of Fire Fighters (IAFF) Local No. 1275 (herein after the “Union”) are parties to a collective bargaining agreement anticipated to be in effect from October 1<sup>st</sup> 2024 through December 31<sup>st</sup> 2025;

**NOW THEREFORE IT BE RESOLVED** that the parties mutually agree as follows:

In the event that the City exercises its management rights to alter the total annual hours schedule for full time bargaining unit employees during the term of the collective bargaining agreement, the parties agree to meet and confer over the conversion of references to existing leave time to be accrued and used in the collective bargaining agreement. Any agreement reached will be reduced to writing and appended to the collective bargaining agreement.

This memorandum will remain in effect from October 1<sup>st</sup> 2024 through December 31<sup>st</sup> 2025.

**FOR THE CITY OF HOPKINS**

**FOR IAFF LOCAL #1275**

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Patrick Hanlon, Mayor

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Travis Jacobs, Union

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Mike Mornson, City Manager

**Memorandum of Understanding**  
**Between the City of Hopkins and**  
**Edina Professional Firefighters International Association of Fire Fighters (IAFF)**  
**Local No. 1275**  
**Health Care Savings Plan Contribution**

**WHEREAS**, City of Hopkins (herein after the “City”) and Edina Professional Firefighters International Association of Fire Fighters (IAFF) Local No. 1275 (herein after the “Union”) are parties to a collective bargaining agreement anticipated to be in effect from October 1<sup>st</sup> 2024 through December 31<sup>st</sup> 2025; and

**WHEREAS**, All UNION members will participate in the Minnesota State Retirement System (MSRS) Health Care Savings Plan (HCSP) pursuant to Minnesota Statute 352.98, which shall be administered as provided by law.

**NOW THEREFORE IT BE RESOLVED** that the parties mutually agree as follows:

Each member of the union shall contribute the following amounts to the Plan:

- 2.5% of gross salary

This memorandum will remain in effect from October 1<sup>st</sup> 2024 through December 31<sup>st</sup> 2025.

**FOR THE CITY OF HOPKINS**

**FOR IAFF LOCAL #1275**

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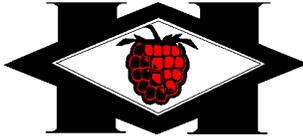
Patrick Hanlon, Mayor

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Travis Jacobs, Union

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Mike Mornson, City Manager



CITY OF HOPKINS

## Memorandum

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

From: Ryan Krzos, City Planner  
PeggySue Imihy, Special Projects and Initiatives Manager

Date: September 18, 2024

Subject: Continued Cannabis Business Discussion

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### PURPOSE

The City Council is asked to provide additional input and direction on cannabis retail registrations, retail separation requirements, and a municipal cannabis sales study.

### INFORMATION

The Minnesota Legislature enacted new State Law legalizing the possession, use, manufacturing, and sale of certain cannabis products within the State. Licensing of cannabis businesses will be conducted by the Office of Cannabis Management (OCM). Under the State Law, local governments may register retail cannabis businesses and enforce certain zoning regulations within their jurisdiction. The law also authorizes local governments to establish retail sales operations.

At the August 20, 2024 City Council meeting, staff presented a summary of legislation and sought feedback on policy matters that will be addressed in an Ordinance regulating cannabis businesses in Hopkins. Staff is looking for additional discussion to solidify the number of retail registrations the City will issue and the buffer standards for retail business. Additionally, based on feedback from the Council, staff solicited an initial feasibility study proposal for a municipal sales enterprise. Staff is looking for authorization to move forward with the study.

Using input from Council, staff will continue to draft an ordinance adopting policies and procedures prior to the expiration of the City's Moratorium ending on January 1, 2025.

### Registration

During the August 20<sup>th</sup> meeting, the Council discussed a range of limitations on the number of retail registrations. The range in the number of registrations discussed was between two (the minimum required) and nine (matching the off-sale liquor sales license) with midpoint amounts also mentioned. Since there was a lack of consensus, staff is looking to solidify this number. Should the City ultimately pursue municipal sales, the City's establishment would not count against the required minimum number of available registrations.

Additionally, if municipalities within Hennepin County have collectively issued active retail registrations totaling one per 12,500 residents of the entire county (104 retail locations based on Hennepin County’s population of 1.29 million) then Hopkins would not be obligated to register any cannabis retail businesses. The Council is asked to weigh in on whether Hopkins should prohibit any registrations if this threshold is met.

From a service provision perspective, staff consulted with public safety staff for their input. Public safety staff noted that, as is typical with any business having age of sale limitations, an additional amount of service calls would be anticipated with new businesses. As such, staff is recommending that the City start on the lower end (two or three), with the understanding that additional registrations may be allowed should the demand and local need arise.

**Zoning Buffers**

At the August 20<sup>th</sup> meeting the City Council discussed buffers for retail cannabis business. While Council members generally expressed support for imposing buffers, there was no consensus on the distances. In order to help work towards a consensus on buffers, staff created a mapping tool to help evaluate both the individual and collective impacts of differing distances: <https://arcg.is/18yOOS>. The mapping tool allows for customization of buffers for each of the relevant sensitive land uses. The Council is encouraged to explore various scenarios in advance of the discussion.

A number of scenarios are shown below for discussion purposes:

	<u>500 feet Buffer</u>	<u>350 feet Buffer</u>	<u>500 ft buffer from Parks and Schools, No Buffer for Day Care</u>	<u>350 ft buffer from Parks and Schools, No Buffer for Day Care</u>
<b><i>Eligible Number of parcels</i></b>	154 (29%)	267 (49.5%)	177 (33%)	362 (67%)
<b><i>Number of parcels not eligible</i></b>	385 (71.5%)	272 (49.5%)	362 (67%)	177 (33%)

The State Law allows Hopkins to prohibit a cannabis business within 1,000 feet of a school or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields. The City may also impose a prohibition on a cannabis business within 500 feet of another cannabis business. These are the maximum specified buffers, a lessor or no buffer is also allowed.

For reference, buffers from tobacco and liquor sales are as follows:

- Tobacco Sales and Vaping Establishments - prohibited within 500 feet of a public park, public or private school, church, daycare or the Hopkins Center for the Arts
- Off-sale Liquor sales - prohibited within 350 feet of any elementary or secondary school, daycare center or religious institution, existing exclusive off-sale liquor store, pawnshop, currency exchange, or any business licensed by the city as an adult oriented business

Additional consideration in crafting buffers may include general availability of real estate and landlord willingness. RISE dispensaries, which includes seven-plus dispensaries in

Minnesota reported at a League of Minnesota Cities presentation that they experience that 50% of landlords cease negotiation once learning the proposed use is cannabis retail. Furthermore, cannabis' classification as a federally controlled substance poses challenges for landlords to navigate with third parties such as mortgage lenders and insurance providers, resulting in further reduction in feasible locations. As such, staff is recommending a buffer distance of 350 feet from parks and schools.

### **Municipal Sales**

At the August 20<sup>th</sup> meeting, the consensus of the Council was to support initiating a municipal dispensary study. Through experiences with other metro communities (Wayzata, Anoka, Vadnais Heights, Lauderdale) that have similarly explored municipal sales, staff was introduced to a consultant that conducts a variety of services that support cannabis businesses: Point Seven Group. Their proposal is attached. The proposal includes a recommendation for multiple phases of work. The first phase is a \$8,500 flat fee for the initial assessment of potential revenues. This could be funded by the Council Budget.

The initial study phase considers factors such as revenues, expenses, staffing, location, facilities, and the potential market to help assess the profitability of a cannabis retail operation. A second phase, not included in the initial fee structure, would provide insight to position the City in its application to the State for licensure.

### **FUTURE ACTION**

Based on input and direction from the City Council, staff will continue to prepare an Ordinance that will regulate the time, place, manner, and registration of Cannabis businesses in Hopkins. The Ordinance will be reviewed by the Planning and Zoning Commission for their recommendation on the zoning aspects and would need City Council approval. The timing will be coordinated to occur prior to the expiration of the City's moratorium on Cannabis Businesses which was effective until January 1, 2025 or until removed by the Council.

Additionally, should the Council move forward with a municipal enterprise study, staff will present the results of said study at a future meeting.



# Consulting Services Overview

Provided to The City of Hopkins  
Presented by Point Seven Group on 09/10/2024

PeggySue and Ryan,

Thank you for your interest in working with Point Seven Group.

We developed the following proposal outlining the scope of services we believe you will need to be prepared for Minnesota's upcoming cannabis licensing process and downstream operations. This service overview reflects our conversations thus far, understanding of the MN cannabis Preliminary Application licensing process and extensive experience working with licensed retailers throughout the United States.

We encourage you to review this carefully, considering the competencies your team has in-house, versus those that will need to be outsourced to third-party firms like Point7. When we speak next, we'll use your questions, ideas and notes to develop a final proposal and quote customized for your team's unique needs.

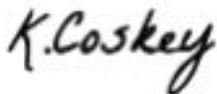
Notably, while we recognize the workload necessary to prepare and submit a compliant and competitive application in MN, we want to emphasize the greater importance of being prepared for operations. We hope that this is emphasized sufficiently throughout.

We fully expect this to be a two-way conversation and look forward to our next call so we may develop an engagement that works for all.

On behalf of our team, thank you for your consideration.



Ashley Picillo  
Founder & CEO



Katelyn Coskey  
VP of Client Success

# ABOUT POINT7

Point Seven Group (Point7) is a global, tenured management consulting firm dedicated to the commercial cannabis industry known for agility, speed, licensing success, and exceptional service. Our success is measured by that of our Clients – whether winning competitive licenses, creating global brands, or expanding operations into new markets.

We've developed a holistic offering that addresses our Clients' business needs and positions them for success at all stages, including pre-application business planning, licensing and application submissions, foundational operations, ongoing compliance, expansion, and exit. We create a custom roadmap for each client, delivered with high-touch service to ensure our clients hit every milestone, in every market, every time.

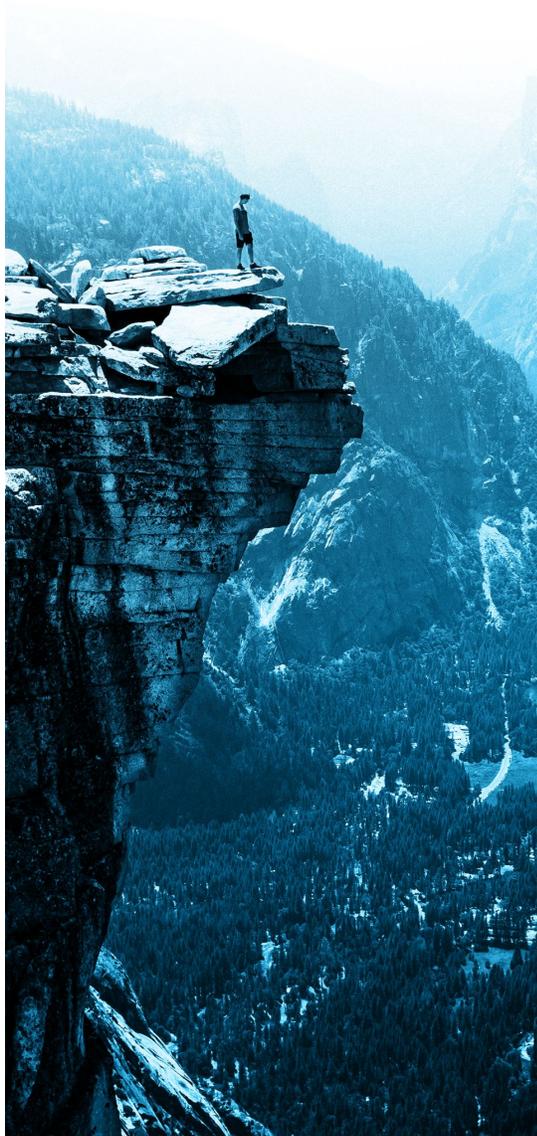
**When our Clients succeed, we succeed.**



## THERE IS NO SUBSTITUTE FOR EXPERIENCE

In a new industry, it's difficult to find partners who can back up glossy marketing materials with consistent real-world success and a roster of happy, long-term clients.

**We prefer to let the numbers do the talking.**



LICENSES WON

90+

CLIENTS SERVED

150+

REGULATED MARKETS

85+

YEARS EXPERIENCE

40+

# POINT7 FULL SERVICE CONSULTING PROCESS

Building a cannabis business requires a thoughtful, strategic (and compliant) plan. Our proven, agile approach was designed to take the guesswork out of cannabis while speeding-up our Client's industry learning process. Point7 supports full service Clients from the business planning and strategy stage, co-developing a roadmap alongside our Clients through application submission. Aside from our proven track record, winning some of the most competitive cannabis business licenses in the U.S., our Clients are set-up for long term success because of the thorough, education-driven approach we take to consulting, helping to ensure a strong go-to-market plan once the license has been issued.



## EXPLORATION

Listening is the cornerstone of Point7's Exploration Phase. We believe the most critical step to creating a successful, sustaining relationship with our clients is to understand their ambitions, pain points, and vision so we may work collaboratively to explore—and understand—each of the business pathways that exist.



## STRATEGY

Cannabis is competitive and the industry is evolving quickly. The Strategy Phase is a highly collaborative process designed to convert outcomes from the Exploration Phase into an actionable plan — taking us from ideation through execution. This is where we dive deep into the market; compare your concept to competitors; stress test our nancials; and consider the most tactical way to enter the cannabis market.



## EXECUTION

Flawless execution is our goal— 100% of the time. We recognize your team may be staring down a steep learning curve in cannabis. We're here to ensure our co-developed roadmap can be executed effectively, eciently, on- time, and in compliance with all local and state rules and regulations. We understand where the most common blind spots are and we are well-versed in taking our clients' unique visions— and bringing them to life.





# PREPARING FOR OPERATIONS IN THE MINNESOTA CANNABIS INDUSTRY

# PHASE I. OVERVIEW

## PHASE I. OVERVIEW

During Phase I, we will:

1. Develop a 5-Year Pro Forma / Financial Model designed to aid in internal decision making, reflecting the intended business model and local market data. The Pro Forma will include: 1) Revenue Assumptions; 2) Startup Expense Assumptions; 3) Operational Expense Assumptions; 4) Personnel Assumptions; and 5) Projected Monthly Income Statement, Balance Sheet and Statement of Cash Flows. Point7 will also conduct market research, including, but not necessarily limited to census information, demographic analysis, traffic and access research, product pricing, and market share.
  - a. Point7 will participate in up to three (3) one-hour strategy calls with Client prior to developing the model and up to two (2) one-hour financial model review calls with Client to explain the work product and incorporate Client feedback.
2. Provide Client with predeveloped documents and tools to guide Client through their learning process, including:
  - a. © **2024 Point7's Retail Facility Room & Area Description** which describes each room/area necessary to operate a dispensary, as well as the square footage most commonly utilized for each area. These materials will ensure that you have a visual representation of what a dispensary looks like and how to best operate them compliantly, profitably and efficiently.
  - b. © **2024 Point7's Retail Site Consideration Guide**, outlining the various considerations to be thinking about as you evaluate possible locations for your business.
  - c. © **2024 Point7 Roles & Responsibilities Overview** so you may begin to consider the skills necessary for each role within the dispensary as well as the wages/salaries associated with each role.
  - d. © **2024 Point7's Dispensary Design Inspiration Book** consolidating various interior and exterior design examples, as well as a dozen unique dispensary floor plans.

### Phase I. — \$8,500.00 Flat Fee

Phase I will be completed within approximately 60 days and will require Client engagement throughout the process. You will be connected with a dedicated relationship manager who will support you throughout the process.

# PHASE II. OVERVIEW

## PHASE II. OVERVIEW

During Phase II, our primary objectives are: 1) Guide you through the hundreds of operating decisions you will need to make prior to submitting your application; and 2) Provide you with a First Draft Narrative for each required Preliminary Application narrative. Each narrative that you will submit requires your team to think through hundreds of decisions — ranging from equipment selection, personnel choices, budgeting decisions and layout. Point7 would recommend prioritizing the following discussions and services during Phase II.

1. Educate Client about license-specific operating requirements, guiding Client through operational decisions related to staffing; technology; equipment; vendors/suppliers; pricing; marketing programs; community outreach/education; and site layout.
  - a. **Please Note:** As a Point7 Client you will also receive Point7's Resource Toolkit including valuable templates and guides such as organizational charts, job descriptions, pay-scale documents and operational flow chart diagrams.
2. Provide Client with consultative support as it pertains to best operational practices, facility workflow and customer experience.
3. Provide insights and updates as regulations and regulatory guidance are released.
4. Evaluate vendors and suppliers and making introductions to potential third-party providers.
5. Develop required Preliminary Application narratives.

### Phase II. — \$5,000.00/month (up to 20 hours/per month)

The work described herein will be performed over a three month period. Some months may require more support while others may feel slower. Client and Point7 will work together to determine which deliverables are needed each month, prioritizing deliverables based on known State information, Client needs and Point7's expertise. In addition to the deliverables described above, Client may select any services from the *Point7 List of Approved Services*, included on the following page.

# LIST OF APPROVED SERVICES

- **Development & Completion of Application Narratives**
  - Completion of all required narratives such as: Disclosure of Ownership & Control; Preliminary Security Plan; Preliminary Business Plan; Preliminary Description of Training and Education for Employees; Preliminary SOP for Quality Assurance; Preliminary SOP for Inventory Control, Storage, and Diversion Prevention; Preliminary SOP for Accounting and Tax Compliance, and Preliminary Retail Operation Plan
  - Project Management of Submission Process
- **People Operations**
  - Management and/or Employee Training Program Design/Development
  - Development of Job Descriptions, Roles & Responsibilities
- **Market, Location, Real Estate & General Research**
  - Pricing and Market Share Research
  - Community Engagement Strategy
  - Real Estate Evaluation & Related Research
    - Site Review and Evaluation in accordance with local and/or state cannabis regulations, if applicable
- **Sustainability**
  - Evaluation of Sustainable Equipment, Designs and Operational Practices
  - Implementation of Renewable Energy Sources
  - Water Conservation and Waste Management Strategies
  - Carbon Footprint Assessment and Reduction Plans
- **Standard Operating Procedure (SOP) Development**
  - Customization of separately purchased Point7 SOPs
  - Technical Writing for New/Original SOPs
- **Licensing Preparedness, Operational Planning & General Strategy**
  - Review and Development of Operational Best Practices
  - Vendor and Third-Party Partner Evaluation and Review
  - Technology & Equipment Evaluation and Review
  - Copy Editing of Client-provided materials such as biographies and resumes

## NEXT STEPS & TIMELINE

PeggySue and Ryan,

We appreciate you taking the time to review this Service Offering. I recognize there is a lot of information to consider here and look forward to discussing these options with you and Ashley by phone.

As a reminder, we use the Service Offering as a tool, helping us to hone in on your needs. As you review, please make note of the services you do and do not need so we may revise this offering accordingly and present you with a final quote.

We sincerely look forward to collaborating with you.



**Katelyn Coskey**

Director of Business Development

856-381-1734

[katelyn.coskey@pointsevengroup.com](mailto:katelyn.coskey@pointsevengroup.com)

[www.pointsevengroup.com](http://www.pointsevengroup.com)





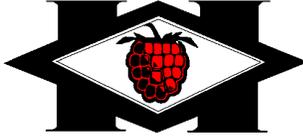
**Let's work together.**

Send us an email or give us a call to start collaborating and we can continue to shape the industry for the greater good.

**[POINTSEVENGROUP.COM](http://POINTSEVENGROUP.COM)**

(844)POINT7G

(844-764-6874)



CITY OF HOPKINS

## City Council Report 2024-114

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

From: Revée Needham, Community Development Manager

Date: September 18, 2024

Subject: Resolution Establishing Housing Improvement Area Policy in the  
Legislative Policy Manual

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### RECOMMENDED ACTION

**MOTION TO** adopt Resolution 2024-058 Establishing Legislative Policy 7-I – Housing Improvement Area Policy.

### OVERVIEW

The Legislative Policy Manual provides uniform guidelines on City policies so that actions that are taken are consistent and fair. A full copy of the Legislative Policy Manual is available at <https://www.hopkinsmn.com/350/City-Document-Archives>.

In 1994, the City received special legislation to establish a Housing Improvement Area (HIA) for Westbrooke Patio Homes (now known as Cranberry Pointe). In 1996, HIAs were established in State Statute, and subsequently the City adopted an HIA policy in 1997. This policy was not placed within the Legislative Policy Manual at the time. The 1997 policy is attached for reference. The proposed HIA policy has been updated to reflect current State Statute and best practices and will be located within the legislative policy manual. City staff have received an inquiry from a local association about potential interest in establishing a Housing Improvement Area.

### Housing Improvement Areas

Minnesota State Statute 428A.11-428A.20 grants the authority to create HIAs to cities. A Housing Improvement Area (HIA) is a financial tool for improvements in condominiums and townhomes. HIAs are city-funded loans that enable condominium and townhome associations to complete needed improvements to common areas of their development that they are otherwise unable to finance.

The enabling law provides that improvements are to be made to the common elements of housing structures. Common elements are generally those maintenance and capital improvement items which are the responsibility of the association and not the individual homeowners such as windows, siding, roofing and parking lot resurfacing. Ideally, the association reserves money from association dues to make needed improvements. In reality, associations often fail to reserve adequate funds due to a number of factors including limitations in annual dues increases set by the association bylaws, failure to complete an accurate needs assessment and/or lack of an adequate corresponding budget. A one-time assessment to pay for major improvements is also problematic in

that the escalating cost of repairs often puts a project out of reach for most homeowners and an assessment is often unaffordable if not allowed to be financed over time.

It can also be more difficult for townhome and condominium under shared ownership to obtain private financing for improvements, due to insufficient collateral as common areas have no real value that can be lien-ed as security. Failure to obtain financing for needed improvements can result in entire developments being restricted from obtaining new mortgage lending, greatly impacting current owners' ability to sell and decreasing property values.

Through an HIA, the City acts as the financing source, typically through general obligation bonds, for the improvements, which are then paid back over the term of the HIA through a fee that acts similar to a special assessment. It is important to note that bonding for HIAs does not impact the City's bond rating.

An HIA is only appropriate for necessary improvements and the association must provide proof of denial of other financing options and a report detailing the property's condition. They must also engage with their membership, educate them on the repairs that are needed and facilitate a petition process that has a majority of owners requesting the establishment of a HIA by the City. The HIA process can be terminated if 45% of the owners file a petition opposing the creation.

Other cities in the Metropolitan region have HIA policies such as St Louis Park, Edina, Minneapolis, West St Paul, Oakdale, Eagan, Burnsville, etc.

The City of Hopkins has completed four HIAs in the past: Westbrooke Patio Homes (two HIAs), Valley Park, and Meadowcreek. The City was the first municipality in the state to receive special legislation to create an HIA for Westbrooke Patio Homes in 1994, which is now known as Cranberry Pointe. The City did not experience any collection issues with the HIAs, and they have now all been decertified.

### HIA Policy

The full proposed HIA policy is attached, which incorporates language from other cities' HIA policies and includes recommended changes from the City attorneys. The policy would be used to review any received HIA applications and does not automatically approve an HIA.

The policy includes:

- General purpose and goals
  - To promote neighborhood stabilization and revitalization
  - To correct housing or building code violations
  - Maintain integrity of existing residential housing
  - Preserve naturally occurring affordable housing
- General authority and requirements
  - MN State Statute
  - Acknowledge and establishes city authority to levy fees and/or assessments as well as issue bonds
  - City authority to review application
- Eligible Improvements
  - Limited to the common elements of the association's property

- Review Procedures
  - Application requirements
    - Signed petition from 75% of owners in support of HIA
    - Third party reserve study
    - Thirty-year financial plan
  - Required review by City financial advisor, City Attorney, and City staff
  - HIA term is limited to 20 years
  - Process
    - Initial review by City Council
    - Public Hearing(s)
    - Development Agreement
  - Right to deny HIA funding

The policy includes the administration fee however, the application and escrow fees will be added to the fee schedule at the November 12, 2024 City Council meeting.

### **SUPPORTING INFORMATION**

- Resolution 2024-058
- Housing Improvement Area Policy
- 1997 Housing Improvement Area Policy

**CITY OF HOPKINS  
HENNEPIN COUNTY, MINNESOTA**

**RESOLUTION 2024-058**

**ESTABLISHING LEGISLATIVE POLICY 7-I  
HOUSING IMPROVEMENT AREA POLICY**

**WHEREAS**, the City Council of the City of Hopkins has approved a document entitled the Legislative Policy Manual to provide uniform guidelines on City policies so that actions taken are consistent and fair; and;

**WHEREAS**, the City Council has created Legislative Policy 7-I in order to set forth the procedures to be followed in creating a housing improvement area.

**NOW THEREFORE BE IT RESOLVED**, that the City Council of the City of Hopkins hereby adopts the establishment of Legislative Policy 7-I Housing Improvement Area Policy as proposed in Council Report 2024-114.

Adopted by the City Council of the City of Hopkins this 18<sup>th</sup> day of September, 2024.

By: \_\_\_\_\_  
Patrick Hanlon, Mayor

ATTEST:

\_\_\_\_\_  
Amy Domeier, City Clerk

**POLICY 7-I**  
**HOUSING IMPROVEMENT AREA POLICY**

**1. PURPOSE**

1.01 The purpose of this policy is to establish the City’s position as it relates to the use of Housing Improvement Area (HIA) financing for private housing improvements. This policy shall be used as a guide in processing and reviewing applications requesting HIA financing. Requests for the establishment of HIAs shall be reviewed in accordance with state law and this policy.

1.02 The City shall have the option of amending or waiving sections of this policy when determined necessary or appropriate.

**2. AUTHORITY**

2.01 The City of Hopkins has the authority to establish HIAs under Minnesota Statutes, Section 428A.11 to 428.21, as amended. Such authority expires June 30, 2028, unless extended by the legislature.

2.02 Within an HIA, the City has the authority to:

- a) Make housing improvements
- b) Levy fees and assessments, including interest
- c) Issue bonds or use other funds to pay for housing improvements

2.03 The City Council has the authority to review each HIA petition, which includes scope of improvements, association’s finances, long term financial plan, and membership support.

**3. ELIGIBLE USES OF HIA FINANCING**

3.01 As a matter of adopted policy, the City of Hopkins will consider using HIA financing to assist private property association members only when the proposed privately owned housing improvement project will address one or more of the following goals:

- a) To promote neighborhood stabilization and revitalization, removing blight and/or upgrading the existing housing stock in a neighborhood.
- b) To correct housing or building code violations and address health and safety violations as identified by the City Building Official and code enforcement staff.
- c) To maintain or obtain Federal Housing Authority (FHA) mortgage eligibility for a particular condominium or townhome association home within the designated HIA.
- d) To increase or prevent the loss of the tax base of the City to ensure the City has a long-term ability to provide adequate services for its residents.
- e) To preserve or increase valuation and provide for the long-term maintenance of

- the property.
- f) To preserve naturally occurring affordable housing.
  - g) To stabilize or increase the owner-occupancy level within a neighborhood or association.
  - h) To meet other goals of stated public policy, as adopted by the City of Hopkins from time to time, including promotion of quality urban design, quality architectural design, energy conservation, decreasing the capital and operating costs of local government, and other related policy goals.

#### **4. HIA APPROVAL CRITERIA**

- 4.01 In order to be eligible for HIA financing through the City, the association must submit a housing improvement project application along with all required fees as set by the Council and must follow the HIA review process set forth in this Policy. All HIA loans financed through the City of Hopkins must meet the following minimum approval criteria. A proposed housing improvement project that meets these criteria is not automatically approved. Meeting these criteria creates no contractual rights on the part of the City or any association.
- 4.02 The project must be in accordance with the Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration by the City at the time of approval.
- 4.03 The HIA financing shall be provided within applicable state legislative restrictions, debt limit guidelines, and other City financial requirements and policies.
- 4.04 The project must meet one or more of the above adopted HIA Goals of the City of Hopkins as noted in Section 4.
- 4.05 The association shall designate an administrator to be the City's point of contact throughout the process for HIA financing.
- 4.06 The term of the HIA should be the shortest term possible while still making the annual fee affordable to the association members. The term of the bonds or other debt incurred for the HIA should mature in 20 years or less. The City has the sole discretion to determine the source(s) of financing, and sources other than issuing bonds may be used.
- 4.07 Service charges, including, but not limited to, construction/housing improvement project costs, cost of issuance of bonds and other pertinent costs association with the proposed housing improvement project, will be imposed on the association members in the same ratio as common elements or other such uniform method as proposed by the applicant.
- 4.08 The association applying for the HIA must provide adequate financial guarantees

to ensure the repayment of the Housing Improvement Area financing and the performance of the administrative requirements of the development agreement. Financial guarantees may include, but are not limited to, the pledge of the association's assets including reserves, operating funds and/or property.

- 4.09 All taxes, fees, assessments, and charges for shared or common areas must be current.
- 4.10 The proposed housing improvement project, including the use of HIA financing, must be supported, in writing, by at least seventy-five percent (75%) of the association members. The association must include the results of a vote by a minimum of 75% of association members with its HIA application along with the petitions to create the area.
- 4.11 The minimum housing improvement project cost for the issuance of bonds is \$750,000.
- 4.12 The association must have a replacement reserve study (the "Reserve Study") prepared by an independent third party, with designation as a Community Associations Institute (CAI) certified reserve specialist. The Reserve Study must conform to CAI Reserve Study standards and Minnesota Statutes 515B.3-114 through 515B.3-1141. The components of the Reserve Study must include a thirty-year replacement reserve plan (the "Reserve Plan"), and the Reserve Study and Reserve Plan must be submitted with the proposed housing improvement project application and will be reviewed by the City's financial advisor. The association must also have an independent third party prepare a thirty-year reserve plan (the "HIA Reserve Plan") with the components of the proposed project for housing improvements removed from the Reserve Plan. The independent third party must also prepare a thirty-year financial plan (the "Financial Plan") that reflects the annual replacement reserve contributions based on the HIA Reserve Plan. The Financial Plan will provide a plan for the association's operating budget with cost increases over time to finance maintenance and operation of the common elements within the association and a long-range plan to conduct and finance capital improvements therein, that does not rely upon the subsequent use of the HIA tool. The HIA Reserve Plan and the Financial Plan must be submitted with the proposed housing improvement project application and will be reviewed by the City's financial advisor.
- 4.13 HIA financial assistance is last resort financing and will not be provided to proposed housing improvement projects that have the financial stability to proceed without the benefit of HIA financing. Evidence that the association has sought other financing for the project must be provided at the time of application and should include an explanation and verification that an assessment is not feasible, along with rejection letters from at least two private lenders or other evidence indicating a lack of financing options.

- 4.14 The average market value of units in the association should not exceed 80% of the Area Median Income as set by the U.S. Department of Housing and Urban Development.
- 4.15 The association shall obtain temporary construction financing from a private lender, and the City shall provide a take-out commitment to the lender, detailing the terms of payoff of the construction financing. Upon project approval and issuance of a certificate of completion, the City will issue bonds or notes to satisfy the temporary construction loan.
- 4.16 The association must enter into a development agreement, prepared by the City, which may include, but is not limited to, the following terms:
- a) Establishment of a reserve fund
  - b) Staffing requirements
  - c) Annual reporting and financial auditing requirements, including regular updates to the financial plan not less than once every five years
  - d) Conditions of disbursement
  - e) Limitations on prepayment of fees, if any
  - f) Required dues increases
  - g) Notification to all new owners of levied fees, including to individuals that purchase property after the initial project
  - h) Requirement of multiple bids for proposed housing improvement project construction
  - i) Assessments, including interest and City fees
- 4.17 The improvements financed through the HIA should be exterior improvements and, in the case of a homeowner's association, the improvements should be restricted to Limited Common Elements defined within the association's governing documents. The improvements must be of a permanent nature. The association must have a third party conduct a facility needs assessment to determine and prioritize the scope of improvements.
- 4.18 HIA financing should not be provided to projects that are not in the public interest, as determined by the Council, including: poor project quality; projects that do not comply with the Comprehensive Plan, zoning, or redevelopment plans, and City policies; projects that provide no significant improvement to the neighborhood and/or the City; and projects that do not provide a significant increase in the tax base and/or prevent the loss of tax base.
- 4.19 The financial structure of the project must receive a favorable review by the City's Finance Director and Financial Advisor. Legal components will be reviewed by the City's legal counsel. If applicable, the review will include an analysis of performance and level of outstanding debt related to any previously approved HIAs.

- 4.20 If bonds are to be issued, legal components will be reviewed by the City bond counsel.
- 4.21 All rental units within the HIA must be licensed according to City ordinance.
- 4.22 The City will charge an administrative fee of 1% of the total project amount or \$7,500, whichever is greater. The Association is responsible for all City out of pocket expenses. This amount can be financed with the project costs. Any unused portion of the escrow shall be refundable to the Association.
- 4.23 The City reserves the right to deny funding for specific improvements if they are determined to not be in keeping with the intent of the policy.

# **CITY OF HOPKINS**

## **HOUSING IMPROVEMENT AREA POLICY**

### **1. PURPOSE**

- 1.01 The purpose of this policy is to establish the City's position as relates to the use of Housing Improvement Area financing for private housing improvements. This policy shall be used as a guide in processing and reviewing applications requesting Housing Improvement Area financing.
- 1.02 The City shall have the option of amending or waiving sections of this policy when determined necessary or appropriate.

### **2. AUTHORITY**

- 2.01 The City of Hopkins has the authority to establish housing improvement areas under 1994 Minnesota Laws, Chapter 587, Article 9, Section 22 through 31.
- 2.02 Within a housing improvement area, the City has the authority to:
  - A. Make housing improvements
  - B. Levy fees and assessments
  - C. Issue bonds to pay for improvements

### **3. ELIGIBLE USES OF HOUSING IMPROVEMENT AREA FINANCING**

- 3.01 As a matter of adopted policy, the City of Hopkins will consider using Housing Improvement Area financing to assist private property owners only in those circumstances in which the proposed private projects address one or more of the following goals:
  - A. To promote neighborhood stabilization and revitalization by the removal of blight and/ the upgrading of the existing housing stock in a neighborhood.
  - B. To correct housing or building code violations as identified by the City Building Official.
  - C. To maintain or obtain FHA mortgage eligibility for a particular condominium or townhome association or single family home within the designated Housing Improvement Area.
  - D. To increase or prevent the loss of the tax base of the City in order to ensure the long-term ability of the City to provide adequate services for its residents.
  - E. To increase the owner-occupancy level within a neighborhood or association.

F. To meet other uses of public policy, as adopted by the City of Hopkins from time to time, including promotion of quality urban design, quality architectural design, energy conservation, decreasing the capital and operating costs of local government, etc.

#### **4. HOUSING IMPROVEMENT AREA APPROVAL CRITERIA**

4.01 All HIA financed through the City of Hopkins should meet the following minimum approval criteria. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any association.

A. The project must be in accord with the Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration by the City at the time of approval.

B. The HIA financing shall be provided within applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements and policies.

C. The project should meet one or more of the above adopted Housing Improvement Area Goals of the City of Hopkins.

D. The term of the Housing Improvement Area should be the shortest term possible while still making the annual fee affordable to the association members. The term of the bonds for the area should mature in 20 years or less.

E. The membership should provide adequate financial guarantees to ensure the repayment of the Housing Improvement Area financing and the performance of the administrative requirements of the development agreement. Financial guarantees may include, but are not limited to the pledge of the association's assets including reserves, operating funds and/or property.

F. The proposed project, including the use of Housing Improvement Area financing, should be supported by a majority of the owners within the association. The association should include the results of a membership vote along with the petitions to create the area.

G. The Association must have adopted a financial plan that provides for the Association to finance maintenance and operation of the common elements within the Association and a long-range plan to conduct and finance capital improvements therein.

H. Housing Improvement Area financial assistance should not be provided to projects that have the financial feasibility to proceed without the benefit of Housing Improvement Area financing. Evidence that the association has sought other financing for the project should be provided. Evidence could include letters from private lenders, the results of an

association vote on an assessment or other evidence indicating a lack of other financing options.

I. The homeowner's association must be willing to enter into a development agreement which may include, but is not limited to, the following terms:

- o establishment of a reserve fund
- o staffing requirements
- o annual reporting requirements
- o conditions of disbursement
- o required dues increases

J. The improvements financed through the HIA should be exterior improvements and in the case of a homeowner's association, the improvements should be restricted to common areas. The improvements must be of a permanent nature.

K HIA financing should not be provided to those projects that fail to meet good public policy criteria as determined by the Council, including: poor project quality; projects that are not in accord with the Comprehensive Plan, zoning, redevelopment plans, and City policies; projects that provide no significant improvement to the neighborhood and/or the City; and projects that do not provide a significant increase in the tax base and/or prevent the loss of tax base.

L. The financial structure of the project should receive a favorable review by the City's Financial Advisor and Bond Counsel. The review will include a review of performance and level of outstanding debt of previous Housing Improvement Areas.

Adopted by the City of Hopkins on the \_\_\_\_\_ day of \_\_\_\_\_, 1997.

**APPLICATION PROCEDURES FOR ESTABLISHING A  
HOUSING IMPROVEMENT AREA**

1. Meet with appropriate City staff to discuss the scope of the project, member participation, time schedule and other information as may be necessary.
2. Complete Preliminary Application for the Establishment of a Housing Improvement Area. This form should be submitted to the Housing Coordinator along with the other required documents and a fee payment of \$100.
3. The request shall be reviewed by City staff on a preliminary basis as to the feasibility of the project.
4. Staff will prepare a report for the City Council and the applicant which will include a financial and legal analysis of the project.
5. The association must then submit the required petitions (minimum of 25% of owners must sign petition form). At the time the petitions are received, the City must have the final Association Financial Plan which identifies how both maintenance and operation of the common elements will be paid for and a long-range plan to conduct and finance capital improvements.
6. Upon receipt of an adequate number of valid petitions, the City will have prepared the Plan for the Housing Improvement Area and the proposed Development Agreement.
7. City will schedule public hearings on the creation of the district and the setting of the fees (two separate public hearings required).
8. City Council will approve or deny the creation of the Housing Improvement Area and the associated fees. If approved, the Development Agreement will be executed, subject to the successful passage of the veto period. (If 35% or more of the owners file a written objection within the veto period, the City cannot provide financing through a Housing Improvement Area).
9. It is understood that City Staff or City Council may from time to time determine that a different process than that which is outlined is more appropriate, given the circumstances of each individual request.

# **CITY OF HOPKINS**

## **PRELIMINARY APPLICATION HOUSING IMPROVEMENT AREA FINANCING**

Legal Name of Association: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Name of Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Name of Management Firm/Agent (if different than contact person)

\_\_\_\_\_ Phone: \_\_\_\_\_

Legal Description of the Project Site: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### **REQUESTED INFORMATION**

Addendum shall be attached hereto addressing in detail the following:

1. Give a general description of the project.
1. Explain how the project will meet the goals of the City Council as identified in Section 3.01 of the *City of Hopkins Housing Improvement Area Policy*.
2. Provide a proposed timeline for the project including the dates of membership meetings to discuss project, submittal of required petitions, public hearings, construction start, submission of first draw request and project completion .
3. List of improvements and estimated project budget.
4. Explain why Housing Improvement Area financing is necessary to undertake the project. Attach any documentation regarding efforts to secure private financing.
5. Explain the process used to determine the scope of the proposed project and the desire for HIA financing among the association members. Provide any documentation regarding owner meetings discussing project.

Attach a copy of the following:

- Association Bylaws
- Audited financial statements for last two years
- Association Financial Plan which identifies how both maintenance and operation of the common elements will be paid for and a long-range plan to conduct and finance capital improvements.

What is the proposed term of the Housing Improvement Area? \_\_\_\_\_ Years

How do you proposed the fee be charged to the affected property owners?

- Equally among all properties
- Other - for example based on unit size, percent interest in association or value  
Please identify: \_\_\_\_\_  
\_\_\_\_\_

Amount of bond issue anticipated: \$ \_\_\_\_\_

Are there any properties within the Housing Improvement Area which should be exempt from the fee?  no  yes, explain: \_\_\_\_\_

**REQUIREMENTS FOR HOUSING IMPROVEMENT AREA (HIA) BOND FINANCING**

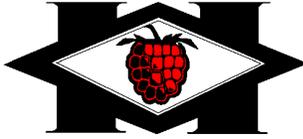
To apply for HIA financing, the owners within the association must agree to the following:

1. Must use City's choice of Bond Counsel and Financial Advisor(s).
2. Disbursements of bond proceeds must be made through an escrow agent to be selected by the City of Hopkins.
3. You must pay an administrative fee to the City of one half percent of the bond issue or flat fee of \$10,000 which ever is greater.
4. City staff or it's agents will review the performance and level of outstanding debt of previous Housing Improvement Areas before recommending the approval of additional HIA debt.
5. The bond(s) shall be for an issue not less than \$250,000.

By signing this application I hereby agree to the following:

1. I have read and will abide by all the requirements of the City for taxable bond financing. I will also commit all contractors, subcontractors and any other major contributors to the project to all segments applicable to them.
2. The above information is true and correct.
3. The Association will pay all costs involved in the legal and fiscal review of this project. These costs include the Bond Counsel and City Attorney, and all costs involved in the issuance of the bonds to finance the project.
4. I understand that the City reserves the right to deny final approval, regardless of preliminary approval of the application.

Signature of Representative \_\_\_\_\_ Date \_\_\_\_\_



CITY OF HOPKINS

Planning & Economic  
Development

## Memorandum

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

From: Kersten Elverum, Director of Planning & Development

Date: September 18, 2024

Subject: Disposition of City-Owned Property

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### PURPOSE

The purpose of this discussion is to determine the City Council's interest in selling one or more parcels owned by the City/HRA and to provide direction to staff. No formal action will be taken.

### INFORMATION

The City of Hopkins/Hopkins HRA owns four properties in the downtown area that have been considered for redevelopment in the past. Those properties are:

- Lot 800 (NW corner of 1<sup>st</sup> Street North and 10<sup>th</sup> Ave)
- 15 6<sup>th</sup> Avenue North
- 501 Mainstreet
- 525 Mainstreet

Recently, staff has been asked by several developers if the City of Hopkins would be interested in selling any or all of these properties. There have been some exploratory meetings with developers to understand their interest and vision for the sites and staff agreed to bring the conversation to the City Council for direction.

If the City Council is interested in a potential sale of any of the sites, staff would recommend issuing a Request for Proposals (RFP) with the City's vision and goals for redevelopment identified. It is difficult to estimate what the near-term benefit of the sale price of the land would be as there are a number of factors that would impact the developer's ability to pay full market value including the City's goals around affordability, density, land use and sustainability. The long-term benefits will come from future taxes and the highest and best use the development brings to the community.

### Lot 800

The Lot 800 property is currently part of the downtown municipal parking system and serves as a park and ride lot for Metro Transit. The park and ride function will be eventually moved to the Shady Oak LRT Station. The parking lot has been underutilized for the most part, given its location outside of the core downtown commercial district, but has provided a free, unrestricted parking lot for employees of the downtown. Development on the site would turn a tax-exempt use into taxable property and provide the opportunity for more people to benefit from the convenience and benefits of living in the Avenues neighborhood.

The property is zoned RX-N. Under this zoning, there would be a maximum building height of 2.5 stories. The minimum off-street parking requirement is 1 space per studio/one-bedroom units and 2 spaces per two-plus bedroom units. Density under the Comprehensive Plan guidance is 20-100 units per acre.

The interest that has been shown is for a townhome-style development with a 2-stall garage for each unit; 12-14 units total. To achieve this, the developer has indicated that 3-story building height would likely be needed to make the development financially-feasible. There would also likely be some flexibility requested in setbacks so Planned Unit Development (PUD) zoning would potentially be needed.

The City of Hopkins did release an RFP for this site in 2022. We did not receive any proposals that were considered viable at that time. In order to get a viable proposal this time, staff would recommend the following criteria:

- Rental townhomes or owner-occupied townhomes
- Height of 3 stories achieved through PUD zoning
- Compliance with the Inclusionary Housing Policy for affordability

Additionally, staff would recommend:

- Energy Star appliances, EV chargers and rooftop solar-ready as minimum sustainability requirements
- Family (3-bedroom) units preferred

### 501 & 525 Mainstreet, 15 6<sup>th</sup> Avenue North

The Hopkins Housing & Redevelopment Authority purchased the properties through a mediated settlement related to a larger redevelopment project. That larger project did not move forward but the HRA was committed to purchasing these three parcels. (see attached map)

Previous direction was to hold the property until a time that the larger project could move forward. Since that time, the owner of the remainder of the property needed for a larger-scale development has invested in their property and have indicated that they are not interested in selling or redeveloping now or in the future and that the property is part of a succession plan.

The property is zoned RX-D. Under this zoning, a low-rise apartment/mixed-use building or row homes would be allowed. The maximum building height is 4 stories. The

minimum off-street parking requirement is 1 space per studio/one-bedroom unit and 2 spaces per two-plus bedroom units. Nonresidential uses do not have a required parking minimum in this zone. Density under the Comprehensive Plan guidance is 20-100 units per acre.

In order to fully-utilize the HRA-owned property, staff has had discussions with interested parties for both transitional and permanent use of the sites with the goal of providing some community benefits. Community benefits could be a use that gives back to the neighborhood, such as a community garden, or a development that meets City goals and provides tax base support. Recently, staff has met with a housing developer that focuses on sustainable building design on urban infill sites to learn more about the opportunities and challenges of a missing middle scale housing development on one or more of the sites.

The key to making a development proforma work for a medium density, sustainable housing development is to waive or significantly reduce the parking requirements. Parking would need to take place off-site (in a municipal or private lot) or have the need eliminated through a travel demand management plan, which may include transit passes, shared vehicle, bike facilities and marketing. The elimination of parking requirements is being used in other cities, including Minneapolis, to allow for missing middle development but has not been tested in Hopkins.

In order to get a viable proposal for these lots, staff would recommend the following criteria:

- Rental apartments or owner-occupied condominiums
- Height of 4 stories
- Compliance with the Inclusionary Housing Policy for affordability
- Flexibility on parking requirements through a travel demand management plan

Additionally, staff would recommend:

- Energy Star appliances and rooftop solar ready as minimum sustainability requirements with a preference for a higher standard such as LEED, B3 or Green Communities

### Discussion

The following are the points of discussion:

Is the City Council interested in exploring the development opportunity at Lot 800?

Is the City Council interested in exploring the development opportunities for 501 & 525 Mainstreet (and possibly 15 6<sup>th</sup> Ave N)?

If not, are there temporary uses that you would like staff to explore?

If so, what would be the goals that would be included in an RFP related to the following:

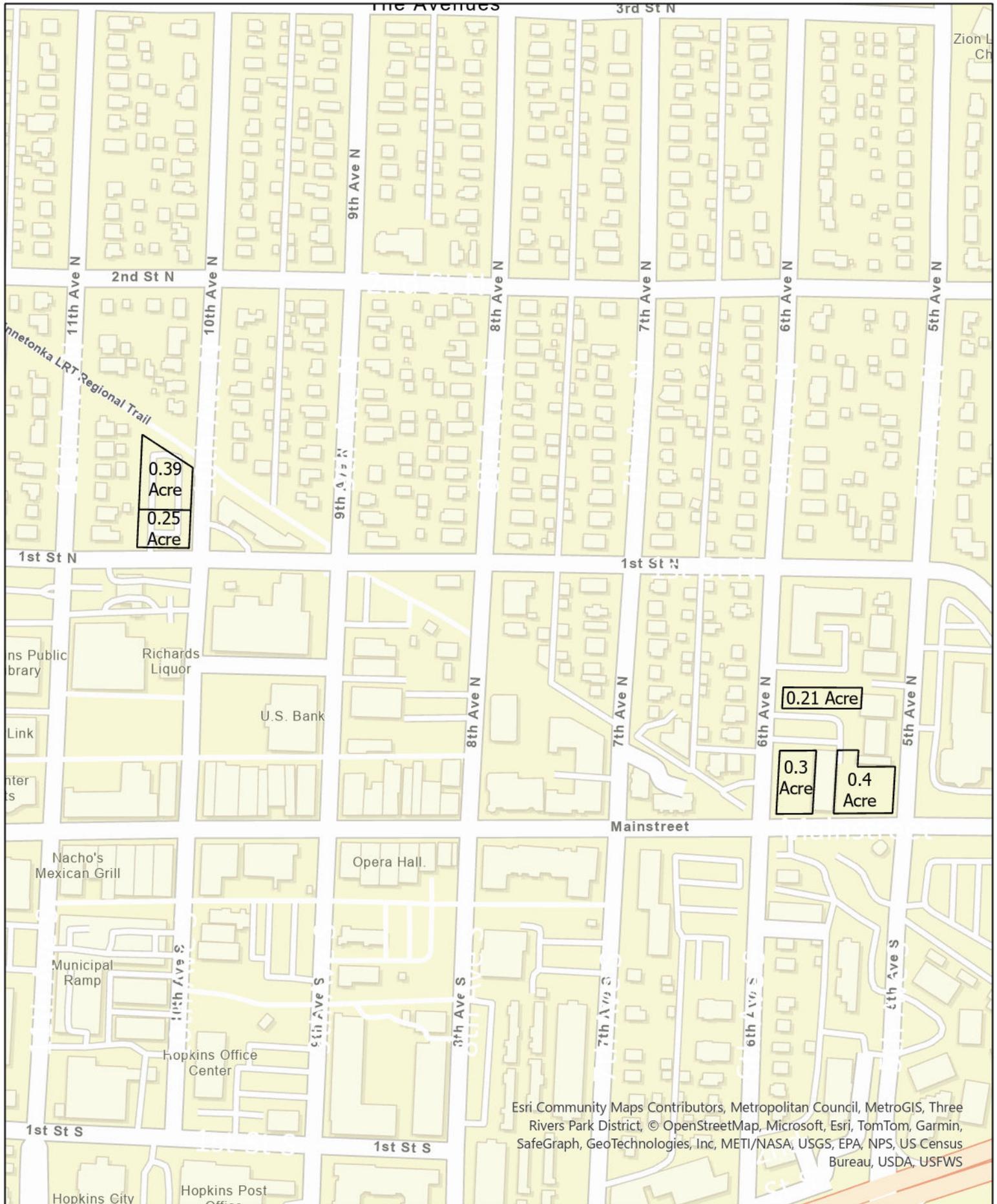
- Density/Height
- Sustainability
- Affordability
- Parking
- Other design criteria
- 1st floor retail

### **FUTURE ACTION**

If the City Council is interested in selling property for development, a draft RFP would be developed and brought back to the City Council in October for approval and authorization to issue the RFP. Staff would solicit development proposals through December and those proposals would be brought back to the City Council for consideration in January. If the City Council agreed to facilitate a sale of property, the City would enter into a purchase agreement outlining the terms of the sale.

### **SUPPORTING INFORMATION**

- Map of City-owned property



# City of Hopkins - City Owned Parcels

9/11/2024



Esri Community Maps Contributors, Metropolitan Council, MetroGIS, Three Rivers Park District, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS