

### **325 Blake Road Development Proposal - Alatus Request for Clarifications**

Following the submittal of development proposals on May 5, 2021, the Staff Coordination Team – comprised of Minnehaha Creek Watershed District (MCWD) and City of Hopkins (City) staff and advisors – completed preliminary review of submittals and developed a list of items requiring clarification. The following clarification request was submitted to Alatus on May 12, 2021 with a deadline for response of May 19, 2021. Responses to all questions are provided on the next page(s).

The Staff Coordination Team requested that the development team of Alatus clarify:

- Revise housing unit and parking numbers in the narrative and the site plan to be identical. For housing, please clarify what is meant by mixed income on the 79 town homes and clarify if the town homes are rental or for sale and the overall breakdown.
- Update the display order of the site plan and renderings presentation for ease of readability.
- Is the three mile trail loop part of the proposed development efforts?
- Are the retail/restaurant pads, boat house and associated parking part of the development proposal?
- Your proposal includes 1,271 parking stalls (as listed on the site plan). Why does the project require that much parking?
- What is the anticipated average sale price of the proposed townhome units?
- What is the anticipated average rent per sq/ft for the market rate rental?
- In your own words, describe the process the MCWD and City are running to integrate design efforts and describe how your team will join that effort.
- Clarify timing of phases for when construction would commence and be completed.

- Response provided on the next page –

*Revise housing unit and parking numbers in the narrative and the site plan to be identical. For housing, please clarify what is meant by mixed income on the 79 town homes and clarify if the town homes are rental or for sale and the overall breakdown.*

Alatus Reponses: In referring to mixed-income units, this will be a contiguous multi-family rental development where 51% of the units, typically greater than 1 BDR / 1 BA in size, are restricted to 80% AMI rental and income thresholds (this is a program that we have worked through with an investment partner and stakeholders seeking CRA credits). The other 49% of the development, by units, will be market-rate. For clarity, the we are currently proposing 49 townhomes units, which is a separate asset class from the 79 units of mixed-income affordability.

*Update the display order of the site plan and renderings presentation for ease of readability.*

Alatus Response: Provided here [Dropbox link provided]

*Is the three mile trail loop part of the proposed development efforts?*

Alatus Response: As envisioned, this would be part of the proposed development improvements and we expect the joint development partners to determine how that infrastructure is created and ultimately paid for. We would imagine that most of the public plaza and right-of ways that may be privately developed will be deeded over to the City of Hopkins for maintenance and integration into the City's broader infrastructure program. To enhance this recreational corridor, it would be paired with the existing and modified Cedar Lake Trail bike and pedestrian infrastructure and we would work to weave it into the retail establishments as a connection node.

*Are the retail/restaurant pads, boat house and associated parking part of the development proposal?*

Alatus Response: Yes, the retail and restaurant pads as well as the tenant improvements related to these facilities (and the build-out of any additional facilities such as volleyball, skate park, mini bike racing track, etc.) are a part of Alatus LLC's development proposal (either borne by the developer or the tenant or both). The boat house concept is to be determined as we had envisioned that facility as a private/public asset – similar to the Pavilion at Bde Maka Ska in Minneapolis or Sea Salt Eatery, also in Minneapolis, at Minnehaha Falls. Furthermore, we will be focusing on installing local retail establishments, restaurants, bars, breweries, market-places, etc., into these locations so that while we are manufacturing the space, the energy should feel very authentic, inviting, and engaging.

*Your proposal includes 1,271 parking stalls (as listed on the site plan). Why does the project require that much parking?*

Alatus Response: The economics considered propose approximately a 1.48 parking stall : multi-family unit parking ratio when commercial space is also considered as flex commercial/retail/public amenity (1,148 structured stalls with 20 more surface stalls in addition to attached garages for townhome units). This will be updated per the above question related to the disparity between the site plan values and metrics and the proposed economics and total development costs. While the overall principal of

the development remains transit oriented, the development needs to consider accessibility for many different types of populations. Ultimately, Alatus expects the value to fluctuate around 1.5 stalls to total units as we message the site plan characteristics. We intend this development to be truly multi-modal and that the proposed and final parking needs will vary substantially as discussion progresses with the City of Hopkins and Minnehaha Creek Watershed District pertaining to on-site infrastructure build-out, multi-modal sharing programs, parking sharing arrangements, site plan, etc. While automobiles will certainly play a role in movement, we intend to provide many new modes of shared “transit” including shared electric cargo bikes for quick shopping trips, shared kayak and stand-up paddle board rentals, and we have even considered a shared EV autonomous bus route.

*What is the anticipated average sale price of the proposed townhome units?*

Alatus Response: \$325,000 – \$450,000. Alatus is also exploring a senior co-op partnership opportunity with Village Cooperatives to bring senior ownership assets to the proposed master plan for the site – these will be between \$125,000 - \$250,000 in value with additional monthly co-op contributions.

*What is the anticipated average rent per sq/ft for the market rate rental?*

Alatus Response: As we are focusing on a more urban product with efficient, enhanced floor plans (pocket doors as opposed to swing doors to free up space; integration of co-living suites with Ori Living products for quick, seamless living room transitions, etc.), the chunk rent or true check writing experience was our focus when pricing units. Therefore, we have the following values through the various market-rate offerings: Studio / Alcove / Efficiency = \$1,150 – \$1,375; 1 BDR / 1 BA = \$1,450 – \$1,600; 2 BDR / 2 BA = \$1,900 – \$2,500; 3 BDR / 2 BA = \$2,400 – \$3,200; Co-Living Suites with Ori Living Products = \$800 – \$1,050 / unit. Alatus is also proposing the development of the above mentioned mixed-income project and a low-income housing tax credit project, both of which will have rents and income thresholds that are determined based on the year in which the buildings are placed-in-service, in order to provide a full spectrum of housing in a integrated and vibrant public and private space. In addition to a full housing spectrum throughout the site, we intend to pair the market-rate units with short-term furnished suite or hotel concept units to enhance the flexibility of the project and the overall experience of guests and residents alike. We have found that offering both standard-term leasing agreements and shorter term hotel/AirBnb/VRBO arrangements allows potential renters to experience the buildings before they become residents, minimizes staff turnover, provides a management experience in housing that is not seen in the Minnesota marketplace, and allows for internal and external community programming and experiences that these projects would otherwise not have the resources for. It also creates more of an 18-hour city experience which is more common of true urban improvements and spaces.

*In your own words, describe the process the MCWD and City are running to integrate design efforts and describe how your team will join that effort.*

Alatus Response: Alatus plans to use its own design architect, landscape architect (Damon Farber), and civil engineering firm to dual track the concept and development of the vision that has already been somewhat established by Minnehaha Creek Watershed District and the City of Hopkins. If/when Alatus

is selected, the Alatus development team would work hand-in-hand with the MCWD and the City to further conceptualize the site plan design efforts with an eye towards a forthcoming engagement process. Within the creation of the conceptualized site plan, we would establish the building blocks of the project that are going to be more malleable through community input and feedback and those that will need to be more fixed in order to provide the appropriate economics and highest and best use to make the entire deal work. While Alatus will be leading these conceptual design discussions, we would look to the City and MCWD to be intimately involved in both the site plan creation and advancement and the community engagement sessions, due to their substantial history with the project.

*Clarify timing of phases for when construction would commence and be completed.*

Alatus Response: The tower complex, associated parking ramp, and the low-rise buildings along the Cedar Lake Trail corridor, as well as the creek-side infrastructure and water retention and treatment facilities would all be part of the first phase of construction development or “Phase I Construction” which is anticipated to begin in August 2022. Phase II, indicated to start in Q1 or Q2 of 2023, would be the multi-family / low-income housing tax credit project to the northwestern side of the proposed site plan. Phase III, as indicated in the RFP, will be the infill-townhomes and infill infrastructure improvements. This may also include the development of a senior-living co-op facility. Please see the below revised schedule for further clarity.

Description of Proposed Development - Specific Characteristics													
Site Plan ID / Location	Phase	Height	Use	Total Units	For-				Commercial Space (sqft)	Residential Parking Stalls	Public Parking Stalls	Surface Stalls	
					Sale/Townhome Rental	Mkt Rate	Affordable	Mixed-Income					
Building V - Tower	Phase I	14 Stories	Mkt Rental	219	-	219	-	-	6,000	-	-	-	
Building III + Townhomes	Phase I	5 Stories	Mkt Rental / For Sale	200	9	191	-	-	-	419	-	-	
Building III + Townhomes	Phase II	4 Stories	Mixed-Income Rental / For Sale	160	5	76	-	79	8,000	152	227	-	
Building I + II + Townhomes	Phase III	4 & 3 Story	LIHTC & For-Sale or Townhome Rental	196	35	-	161	-	7,500	350	-	20	
<b>Totals</b>				<b>775</b>	<b>49</b>	<b>486</b>	<b>161</b>	<b>79</b>	<b>21,500</b>	<b>921</b>	<b>227</b>	<b>20</b>	