

MEMORANDUM OF UNDERSTANDING (MOU)

Between

The Minnesota Department of Transportation (MnDOT)

And

City of Edina

- Purpose and Scope:** The purpose of this Memorandum of Understanding (MOU) is to formally establish roles and responsibilities between the State of Minnesota, acting through the Minnesota Department of Transportation (“State”) and the City of Edina (“City”) in regard to continue the planning, construction, maintenance and usage of a highway cover over Highway 100, and utilization of state public lands in Edina, Minnesota.

Background**Edina (“City”)**

The City of Edina’s Grandview District consists of approximately 80 acres near the intersection of Highway 100, Vernon Avenue, 50th Street and Eden Avenue and has served as a commercial node for more than 100 years. Today, this district contains many apartment and condominium buildings as well as local destinations such as a grocery store, banks, a pharmacy, city hall, a public library, a church and schools.

The area has a long and important history. Before Edina became a village, civil war veteran Beverly Yancey and his family purchased and settled a 127 acre area that included Grandview. The Yancey’s became prominent African American pioneers and community leaders in the village. Their family was instrumental in early developments including the decision to build the Minnehaha Grange Hall in 1879 and the later platting of the Grandview Heights area in 1910.

Grandview has also been an important nexus within Edina for both transportation and business. What is now Vernon Avenue was the original route for Highway 169/212 and the Dan Patch line provided passenger rail service through the district from 1915 to 1942.

The Grandview District was transformed in the early 1970’s when the primary intersection was replaced with a freeway style interchange. While this design improved regional mobility via the state highway, it did so at the expense of local mobility and community connectivity.

The construction of Highway 100 changed the area significantly by creating a divide between the eastern and western communities of Edina and hindering bicycle and pedestrian mobility. In 2010, the City of Edina began drafting a development framework for the Grandview district. Completed in 2012, the Grandview Development Framework provides seven key guiding principles for the area. In 2016, the City of Edina completed a transportation plan for the Grandview district which emphasized the need for increased safety and efficiency to highway 100 and safe pedestrian and bicycle routes. In September 2016, the Edina Housing and Redevelopment Authority (“HRA”) entered into a contract to study the feasibility of constructing a cover over (“lid”) Highway 100 in Edina, Minnesota (Highway 100 lid known as the “Grandview Green”) and incorporated the findings of the Grandview Development Framework and

Grandview Transportation study into this work. This study, produced by Architecture Field Office, LLC (AFO) in collaboration with Kimley Horn and Jones Lang LaSalle, assessed the economic development potential of new parcels created on currently under-utilized or unusable right-of-way land and examined the ability of lids to reconnect communities, promote community health and catalyze new economic development. AFO leadership previously led the University of Minnesota's Metropolitan Design Center. After conducting research and examining data analytics, AFO provided HRA with an understanding of: 1) development opportunities created by highway lid construction in the Grandview location; 2) technical feasibility of highway lid construction in the Grandview location; 3) planning alternatives consistent with Grandview area land use, density, parcel plans and phasing; and 4) an economic projection and tax study for the Grandview Green project. This information was synthesized into a presentation for community organizations and residents, city staff, county staff, state staff and HRA members. Subsequent to these presentations, AFO developed and presented a formal Feasibility Study with the following findings:

- The Grandview Green project has the potential to create approximately 13 acres of new buildable land on 16 parcels. This area could support 2,525 new parking spaces and an additional 2.4 million square feet in private development.
- Subsequent to the Grandview Green's completion, Edina's property tax revenue from the Grandview District is projected to increase from approx. \$2 million to approximately \$100 million.
- Broader public investment is needed for implementation of the Grandview Green concept. The economic investment required would total approximately \$6.7 million if only one lid segment is constructed or \$70-90 million if public parking ramps, both lid segments, and new roads and off-ramps are constructed.
- The State of Minnesota, through the Department of Transportation and the Metropolitan Council, and Hennepin County are all viable public partners in addition to the City of Edina and other grant making organizations.

The HRA continues to engage in preliminary project tasks for the Grandview Green, including a technical advisory panel with the Urban Land Institute, community open houses and local engagement, expanded technical studies, project planning and development and collaborative partnerships with nonprofits and state agencies.

Minnesota Department of Transportation ("State")

The Minnesota Department of Transportation's goals include the enhancement of economic development, use of innovative fiscal practices, and mitigation of adverse effects of transportation on health and community development. In conjunction with preparing to replace numerous aging highways and freeways in Minnesota, the State began to explore how to incorporate these goals into the transportation planning process. During this exploration, the State leveraged partnerships with the Minnesota Design Center, the Urban Land Institute and the Architectural Field Office to better understand how to more efficiently utilize public land and explore the benefits of lids.

In June of 2016, the State partnered with the Minnesota Urban Land Institute to conduct a technical advisory panel (TAP). The purpose of the TAP was to explore strategies to rebuild highways and interstates in a way that restored community connections in adjacent neighborhoods and fostered new business and economic growth opportunities. The TAP focused on the construction of "lids" above the roadway and preparing freeway embankments to support and accommodate economic development.

The technical advisory panel, composed of interdisciplinary professionals working in real estate development, law, architecture and finance, provided recommendations to the State titled, "The Healthy Communities Initiative". The recommendations are based on three goals: 1) Reconnect communities divided and harmed by highway or interstate

construction; 2) Provide equitable economic opportunity by generating investment and cultivating new development on or near lids and along state highway right of way; and 3) Build for future growth by modernizing the region's transportation network and making underutilized public land available for development.

Through this work, the State recognizes the potential economic and societal benefits offered by the construction, maintenance and use of highway and interstate lids which unite properties otherwise separated by a highway or other transportation corridor.

City-State Partnership ("Partners")

The State presently holds property interests needed to fully implement the Grandview Green project. The City approached the State in 2016 to discuss a potential collaboration between the State and the City. City and State agreed to engage in discussions regarding current and future land rights and land management, collaborative project and facility management and cost benefit analysis of lid development. In 2017, City and State began developing a collaborative relationship to accomplish the Grandview Green project.

The partner agencies of the Minnesota Department of Transportation and the City of Edina (State and City collectively referred to as "Partners") held several discussions to examine potential logistical strategies, concept development for the Grandview Green and present and future property and maintenance issues. Recognizing the unique opportunities presented by Grandview Green's progress, the Partners mutually support utilizing Grandview Green as a pilot project to develop best practices for similar projects in other communities. Consistent therewith, the Partners are engaged in collaborative discussions with other potential green lid development project teams to share knowledge and support each other's efforts.

The Partners believe it is now necessary to establish a more formal relationship and provide definition to roles and responsibilities.

2. **Term of MOU:** This MOU will be effective as of April 26, 2018 or the date on which all required entity signatures have been obtained, whichever is later. This MOU will remain in effect until April 26, 2025 unless terminated earlier as provided herein.
3. **Shared Goals for State and City:**
 - 3.1. Reconnect neighborhoods and communities divided by Highway 100.
 - 3.2. Create methods and best practices for development of lid and highway rights of way projects in Minnesota.
 - 3.3. Define City-State partnership.
 - 3.4. Share information and experience from the Grandview Green project with other Minnesota communities interested in pursuing lid development.
 - 3.5. Engage and educate the community about lid development and incorporate their opinions into the Grandview Green development plans.
 - 3.6. Incorporate sustainability practices to work towards a carbon neutral district.
 - 3.7. Ensure minimal disruption of traffic operations during construction.
 - 3.8. Improve safety and efficiency of highway accessibility and pedestrian, bicycle mobility and motor traffic on local roads.
 - 3.9. Increase the economic productivity of the State land and air for greater community benefit.
 - 3.10. Increase the economic productivity of the City land for greater community benefit.

- 3.11. Develop a shared financial model for development of public land that recovers capital, maintenance and operational costs of the public infrastructure, and provides support for lid development in Minnesota.
- 3.12. Foster continuing, open communication and timely exchange of information and resources.

4. Responsibilities of the City of Edina

The City of Edina will be responsible for:

- 4.1. Full development of a project concept, design, implementation strategy and long term management plan for the Grandview Green highway lid project over Highway 100.
- 4.2. Engaging in property ownership research regarding property adjacent to the proposed lid location such that all ownership interests in each parcel needed for the project are identified and a plan developed for purchase, condemnation and/or other necessary disposition.
 - 4.2.1. Engaging in discussions with the State, in good faith, with a central common goal of the construction of a lid, the determination of proper solutions for the distribution or use of land needed for the lid, and of proper solutions for capital, maintenance, and operation throughout the life of the project and associated infrastructure.
 - 4.2.2. Determining whether legislation will be proposed by the City.
 - 4.2.3. Engaging in discussions, in good faith, on jointly determined lid-related topics, including but not limited to reasonable potential for profits or returns on investment. To the extent deemed appropriate by joint determination, the Partners will memorialize the results of these discussions in writing.

5. Responsibilities of MnDOT:

MnDOT will be responsible for:

- 5.1. Provide accurate and timely information to support the City in the development of a project concept, design, implementation strategy and long term management plan for the Grandview Green highway lid project over Highway 100.
 - 5.1.1. Engaging in supplementary property research as requested by the City and, as reasonable, given State capacity to assist, regarding land interests adjacent to the proposed lid location, including but not limited to developing data to identify property ownership interests and providing information to develop an acquisition and conveyance plan for the land included in the Grandview Green project.
 - 5.1.2. Engaging in discussions with the City in good faith, with a central common goal of the construction of a lid, the determination of proper solutions for the distribution or use of land needed for the lid, and of proper solutions for capital, maintenance, and operation throughout the life of the project and associated infrastructure.
 - 5.1.3. Provide information to any needed lid-related legislative requests consistent with all state and federal laws and policy.
 - 5.1.4. Engaging in discussions, in good faith, on jointly determined lid-related topics, including but not limited to reasonable potential for profits or returns on investment. To the extent deemed appropriate by joint determination, the Partners will memorialize the results of these discussions in writing.

6. Contractual Obligations.

This Memorandum of Understanding is not a legally binding agreement and creates no legally binding obligations for any party. Either party may, upon written notice, amend, or discontinue its role outlined in the MOU. Because of this mutual desire to proceed, each party fully intends to make a good faith effort to achieve the goals described above including working together to find mutually beneficial solutions when problems arise.

7. Authorized Representatives.

7.1. The State's Authorized Representative will be:

Name: Scott McBride
Title: District Engineer
Location Name: Metropolitan District, Minnesota Department of Transportation
Address: 1500 West County Road B2, Roseville, MN 55113
Phone: 651-234-7703
Email: scott.mcbride@state.mn.us

7.2 The City's Authorized Representative will be:

Name: Scott Neal
Title: City Manager
Location Name: The City of Edina
Address: 4801 W. 50th Street, Edina, MN 55424 (12345 St, City, State, #####-#####)
Phone: 952-927-8861
Email: SNeal@EdinaMN.gov

7.3 The HRA's Authorized Representative will be:

Name: Scott Neal
Title: HRA Executive Director
Location Name: Edina HRA
Address: 4801 W. 50th Street, Edina, MN 55424
Phone: 952-927-8861
Email: SNeal@EdinaMN.gov

8. Government Data.

The parties acknowledge that this MOU, as well as any data created, collected, stored, or received under the terms of this MOU, are "Government Data" within the meaning of the Minnesota Government Data Practices Act (Minnesota Statutes chapter 13), and that they must comply with the provisions of the Act as it relates to such data.

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I concur with this Memorandum of Understanding

Minnesota Department of Transportation:

The City of Edina

By: Scott L. Z...

By: [Signature]

Title: Metro District Engineer

Title: Mayor

Date: 7/16/18

Date: 5/1/18

MnDOT Contract Management
(as to form and execution)

By: Angela Forsythe
Digitally signed by Angela Forsythe
Date: 2018.07.11 14:41:30 -05'00'

By: [Signature]

Title: _____

Title: City Manager

Date: _____

Date: 5/1/18