



ETHICAL
LEADERS
IN ACTION



COTTAGE GROVE CITY COUNCIL

January 6, 2024

GLACIAL VALLEY PARK- 8:00 AM

9900 RAVINE PARKWAY SOUTH COTTAGE GROVE MN 55016

- 1 Welcome - 8:00 AM – Mayor Bailey & Jennifer Levitt
- 2 Opening Exercise - Achievements and Hopes – Weinstein & Fischer
 - A Opening Exercise – Achievements and Hopes
Staff Recommendation: Reflect on 2023 achievements and that which has yet to be achieved.
- 3 Staff Reports - Next Big Ideas - 8:45 AM – Department Heads
 - A Staff Reports – Next Big Ideas
- 4 Break - 10:30 AM
- 5 Values Exercise - 10:45 AM – James Fischer
 - A Values Exercise
- 6 Council Check-In - 11:15 AM – Weinstein & Fisher
 - A Council Check-In
Staff Recommendation: Facilitated discussion of elected officials to include and update of council norms and discussion of how this new council will approach the coming year of working together.
- 7 Lunch - 12:00 PM
- 8 Topical Discussion - 12:30 PM – Staff Leaders
 - A Topical Discussion *Staff Recommendation: Staff leaders will present topical updates and seek Council input on key topics:*
 - *Housing and Development*
 - *Shoppes at Cottage View*
 - *3M Land Development*
 - *Local Option Sales Tax for Parks and Recreation Projects*
- 9 Strategic Plan Updates - 2:00 PM – Jennifer Levitt
 - A Strategic Plan Updates
- 10 Adjourn - 4:00 PM



City Council Action Request

2.A.

Meeting Date	1/6/2024
Department	Administration
Agenda Category	Action Item
Title	Opening Exercise – Achievements and Hopes
Staff Recommendation	Reflect on 2023 achievements and that which has yet to be achieved.
Budget Implication	N/A
Attachments	None



City Council Action Request

3.A.

Meeting Date 1/6/2024

Department Administration

Agenda Category Action Item

Title Staff Reports – Next Big Ideas

Staff Recommendation Each director/department head will highlight key achievements from 2023, and share their “big ideas” for the future, providing Council with a sense of what’s coming in the future, and providing time for discussion about these ideas.

Budget Implication N/A

Attachments	1.	Administration - Big Idea - Resident Academy
	2.	Economic Development - 2024 Big Idea Art in Public Spaces Program
	3.	Engineering - Big Idea Residential Development Process
	4.	IT - Smart City Wireless Mesh Network



To: Honorable Mayor and City Council
From: Jennifer Levitt, City Administrator
Date: December 29, 2023
Subject: Resident Academy

Discussion

One of the strategic directives from the Council is to enhance community engagement and build trust with the residents of Cottage Grove. The administration team is proposing to work with all departments within the city to create and administer a resident academy. The resident academy program would be designed to promote understanding of our local government and foster future community leaders.

At the heart of this new initiative is the passion to provide a clear understanding of the various city departments, services, and programs that serve residents. By providing residents the opportunity to gain additional knowledge of how local government functions, the city can enhance civic engagement and empower community members to become active participants in shaping the future of Cottage Grove.

The City of Cottage Grove would like to provide a rewarding and informative experience through interactive sessions, engaging discussions, and presentations led by city directors and staff. The program would be six weeks, meeting once weekly or once every other week for two to three hours.

Registration for the academy would be offered through the Cottage Grove website and information related to the program and how to enroll would be shared through all our communications channels. These would include the Cottage Grove Reports, social media, the city's website, and our email communications via Cottage Grove Connect.

The working list of departmental topics for the sessions is below.

Proposed Agenda:

Week 1:

Administration/City Council/City Commissions

1. Welcome
2. Introductions
3. Economic Development

4. Communications
5. Discover Cottage Grove
6. Overview of City Council
7. Overview of all City Commissions

Week 2:

Community Development

1. Overview of Community Development Department: Planning, Building, Code Enforcement – how do these departments all work together?
2. What does the building department do?
 - a. Plan review
 - b. Inspections
 - i. Residential, commercial, industrial
 - ii. Electrical by the State
3. What is code enforcement?
 - a. Nuisance items – property and housing maintenance
 - b. Abatement and Citations
 - c. Rental license program
 - i. License
 - ii. Inspections
4. What is planning and Zoning?
 - a. Comp plan
 - i. Land use
 - ii. Housing
 - b. Zoning code
 - c. Planning Applications
 - d. Planning Commission – function of the Commission

Week 3:

Finance

1. Budgeting
2. Long-term financial planning
3. How taxes work

Public Safety

4. HERO Center Tour
5. Squad car demo and equipment overview
6. K9 demonstration

Week 4:

Parks and Recreation

1. Creating recreational opportunities through master planning and studies.
2. Acquiring and protecting public lands, waters, and natural resources.
3. Maintaining what we have.
4. Economic impacts of recreation.
5. River Oaks Golf Course and Event Center
6. Cottage Grove Ice Arena

Week5:

Public Safety

1. Department overview
 - a. Programs, goals, and objectives
 - b. Police training and hiring process
 - c. Reserve Officers and Community Service Officers
 - d. Dispatch
 - e. Criminal Investigations
 - f. Crime scene processing and evidence collection
 - g. Fire department training and hiring process
 - h. Fire department positions
2. Facility tours
3. Crime prevention and community events
4. Heart Safe Community and CPR demo

Week 6:

Public Works

1. Streets maintenance
2. Utilities (water, sewer, street lighting)
3. Fleet/Facilities Maintenance
4. Engineering
5. Water treatment plant tour
6. Construction site tour
7. Equipment demo

The proposal would be to start in the Fall of 2024 or Spring of 2025. After completion of the program, participants would be recognized with a certificate of completion at a City Council meeting.

Council, please provide feedback on agenda/layout of the program and timing.

TO: The Honorable Mayor Bailey and City Council
Jennifer Levitt, City Administrator

FROM: Gretchen Larson, Economic Development Director

DATE: December 28, 2023

RE: 2024 Economic Development “Big Idea” – Art in Public Places Program

Background

Public spaces are vital contributors to the physical design and the social fabric of urban areas. For centuries they have been platforms for public gatherings, both social and political, and for leisure activities. Sometimes artwork enhances or defines public space. Historically, art has typically commemorated events or people. More recently, temporary and quasi-permanent public art installations also occupy public spaces.

There are a number of successful arts programs in the state with the Cities of Minneapolis, St. Paul and Mankato having exceptionally well organized and funded programs. The central theme for all is strong public and foundational support through grants both public and private. In addition, strong support from the creative community is critical to the success of their programs. Each program has hundreds of volunteers to help with art curation, manage committees, and work events. Their vision is to build strong communities through the collective power of creativity. Work to broaden the definition of what creative work is and who is doing that work. In the 21st century, they share that creative work also includes software design, photographers, culinary artists, bloggers and sound and lighting technicians, just to name a few.

In the cities mentioned, each also partners with the business community for financial support and in-kind services such as a moving company to help move and store art that rotates throughout the City of Mankato who shares the public art with surrounding counties and cities. The program would also actively involve the Parks Department since we’ve no identified downtown area, our city parks would be a natural location for the larger, outdoor sculptures, painted walls in public spaces, music in the park, and more as the program grows.

As a part of the program development, staff would also reach out to other arts programs in cities of similar size, to learn more about how they built their successful programs. Understanding that it will take time to build support, we could start small with perhaps painting or wrapping area electrical boxes, and feature art for sale from local artists at area restaurants and other retail locations. As we gather momentum from the creative community, we could then expand the program to include sculptures in our city parks, host art festivals or crawls, music in the parks, branding area billboards, and more.

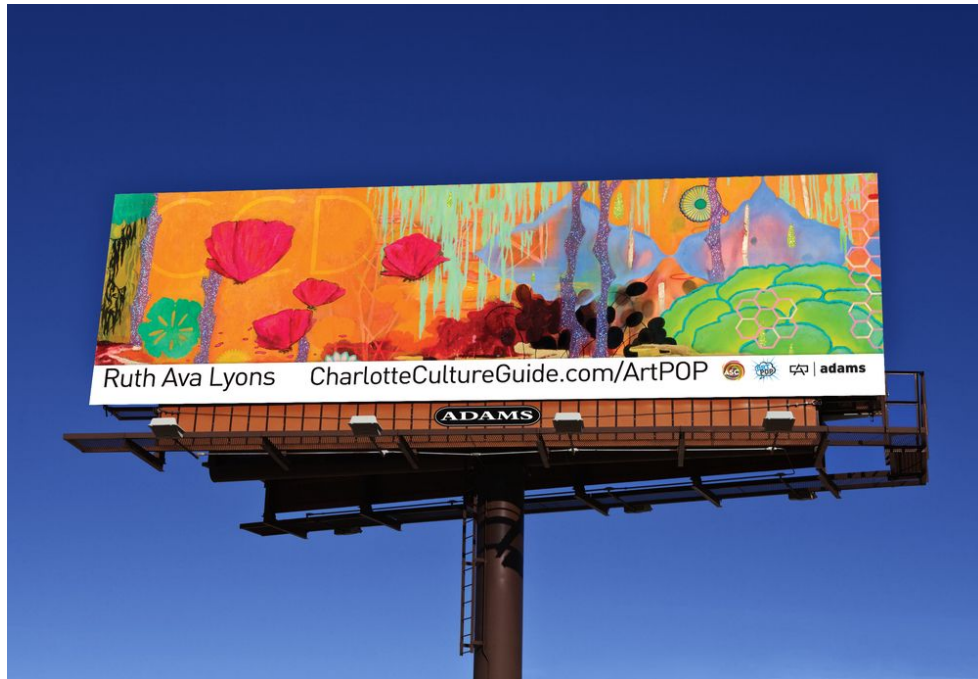
Also, as a part of the program development, staff would search for grants from arts foundations such as the National Endowment for the Arts, Mellon, Carnegie, Bill and Melinda Gates, Bloomberg and others. We'd also apply for county, state and federal grants that may be available. Recently the Economic Development Authority (EDA) agreed to fund the Dowdle Art Project and Viewpoint, and both endeavors are a part of our economic development and CVB tourism strategic plan. Staff would recommend exploring with the EDA allocation of seed money to kick-off an Arts in Public Spaces program as having matching funds when applying for grants, is often a critical part of any program. We'd also market the program to area businesses who may wish to contribute funds, or sponsor an artist's work or art crawl etc. Ideally, we'd like to be able to fully fund the program through grants, donations, an active volunteer base and marketing opportunities. In addition, as we finally get more hotels in the city, a portion of the lodging tax could also be considered as a funding source for specific projects related to tourism.

The City had an Arts Commission that operated from 2015-2020, though records indicate that no significant art projects were created. If the City Council is interested in developing an Art in Public Spaces Program, we need to create a more "flexible" model than the previous Arts Commission. The proposed model would form a partnership between the city, a non-profit Arts Council, the economic development authority, the convention and visitors' bureau and potentially the Chamber of Commerce. The economic development team could work with the parks and communications staff to help navigate the setup of the program. This could include reaching out to universities and art programs to see if we could hire an art in public spaces intern to assist with program creation, maybe even as a class project.

Below are some ideas of projects in various cities around the state and country as well as a number of items and ideas from the City of Mankato (pages 6-9) who has a robust and successful program. We are excited to present this opportunity and look forward to the discussion at the strategic planning session on January 6.









Reading Magic

Julie Jones

Materials: **Bronze**



Mankato Piece

Dale Eldred

Materials: **Steel**



Winter Warrior

Thomas Miller

Materials: **Kasota Stone**



Birch Tree

Katie Meyer

Materials: **Paint**



Vibrance

Peder Storvick

Materials: **Vinyl**



The Artist

Jefferson Davis

Materials: **Upcycled Metal**



Cherry Tree

Dale Lewis

Materials: **Steel and Glass**



The Escape

Jefferson Davis

Materials: **Carbon Steel**





To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Amanda Meyer, PE, City Engineer

Date: December 28, 2023

Re: Engineering Big Idea for 2024

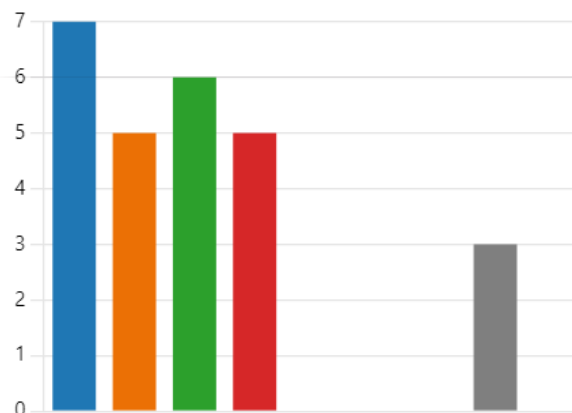
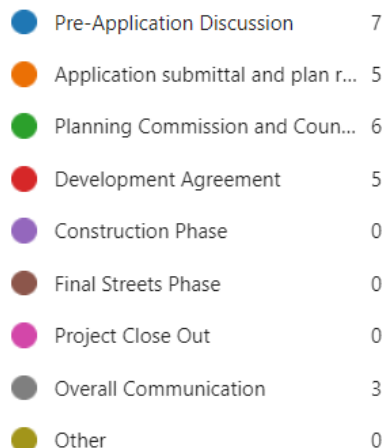
The “Big Idea” for the engineering department moving into 2024 revolves around relationships and process. While these topics can be evaluated and implemented over a wide variety of areas, for 2024 the engineering department plans to focus on residential developments. While development has been slower in Cottage Grove, this lends itself to being an opportune time to reevaluate the residential development process and the relationships staff has both with developers and with other city departments.

In 2023, staff felt that the biggest challenge with residential projects was developers and staff not working towards a common goal. In an effort to truly understand the issue at hand, staff is taking an approach to evaluate the entire development process to determine what is working and why, in addition to what isn’t working and why. To do this, staff has started with a short survey to developers to get a high-level sense of what stages of the project they feel are working well and which aren’t, and this survey will be followed up with a residential developer workshop to be held on January 25, 2024. The survey will help staff to develop an agenda to ensure the workshop is effective in both staff and developers understanding the challenges and successes in the process. The intent of the workshop is to be a listening session to understand directly from developers their thoughts and opinions of working in Cottage Grove and how we can work more collaboratively to see projects successfully get completed within reasonable timeframes.

To date, we have had 7 responses to the survey and draft results of the two main questions can be seen below.

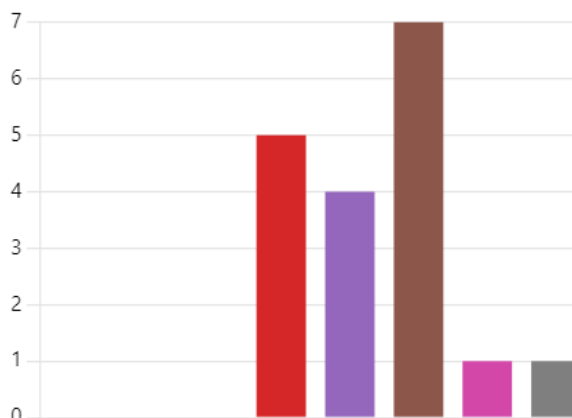
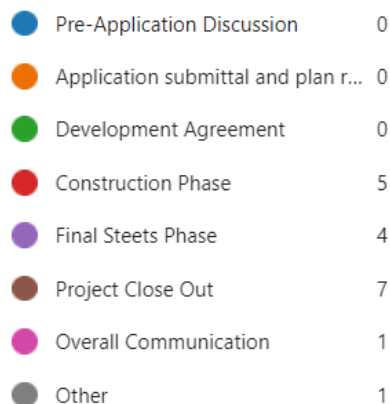
2. What part of the development process in Cottage Grove do you feel has been the most streamlined?
(choose any/all that apply)

[More Details](#)



3. What part of the development process in Cottage Grove do you feel could use clarification or refining?
(choose any/all that apply)

[More Details](#)



When looking at the draft results shown above, there is a trend of the front end of the process working well and the construction phase of the process requiring more attention and clarification. For a residential development life cycle, it is true that the beginning stages of the process are easily identified and conveyed as each project requires specific approvals, submittal deadlines are set, and each residential project generally moves through the same process regardless of any unique features of the development. As the project moves into construction, there are more opportunities for challenges and changes in the process due to items such as quality of plan and detail submittals, other jurisdictional reviews and permits, wetland impacts, stormwater design challenges, site constraints, environmental reviews, contractor communication, etc. This causes each project in the construction phase to require a change in process. With each project being

unique in the construction phase, this has made it more challenging for staff to provide upfront guidance on the process.

As staff prepares to host the listening session with developers, we hope to hear from them what things would be helpful for staff to convey and when. Such ideas could be things like, more clearly defining project Substantial Completion, providing a high-level checklist to help developers understand what work needs to be completed to receive final project acceptance, etc. Following the session, staff plans to meet internally to unpack the information received and evaluate what next steps could be taken to address concerns efficiently and effectively to ensure there is consistency and clarity across all residential developments.

With interest rates high, and developers determining where they want to invest their money in an unknown market, staff is hopeful that by bringing developers to the table to better understand how Cottage Grove can be an even better community to invest in, we will be able to continue bringing in wonderful neighborhoods to our community.



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Brian Bluhm, IT Manager

Date: December 29, 2023

Subject: IT Big Idea Smart City Wireless Mesh Network

Introduction

The “Big Idea” for city IT encompasses all city departments in providing employees, businesses, and residents with even better service by implementing a wireless mesh network to ensure seamless connectivity and communication across various smart devices and sensors throughout the city.

As technology has advanced, many efficiencies have been developed by manufacturers, which allows the City of Cottage Grove to provide better service and response for its residents, developers, businesses, and city employees. The City of Cottage Grove employees rely on this connectivity to provide outstanding customer service to our residents through public safety response, water delivery, snow plowing, etc. This connectivity is made possible by a mix of wireless 4/5G cellular routers, fiber optics, internet service providers and radio connectivity. All of which come with great costs to city taxpayers and inefficiencies in management. By implementing a city-wide point-to-multi-point (PtMP) wireless mesh network utilizing the many city-owned highpoints such as water towers, buildings, and streetlights around the city, the city could reduce the cost of cellular routers, fiber build-out and relying on ISPs for connectivity. Many of these connectivity points can be accomplished using alternative energy sources such as solar power with the need to connect the points to the electrical grid.

Benefits

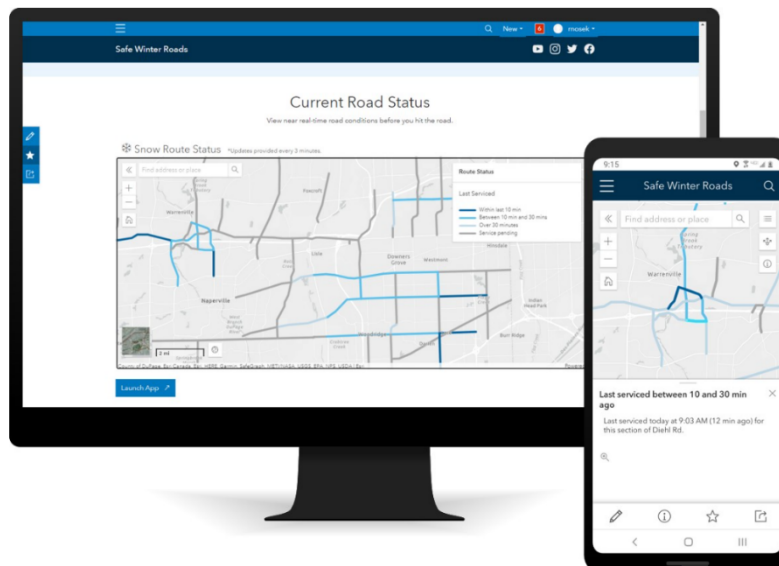
Some of the Benefits to a Smart City Wireless Mesh Network include:

- Reduction in third-party monthly connectivity costs such as cellular connections.
- Faster response times to items such as out streetlights with the addition of connected street light controllers – the streetlights can be programmed to notify Public Works staff there is an outage before a resident notifies the city.
- Snowplow tracking – Residents and businesses can see plowing in near real-time and know when to expect their street to be cleaned.
- Reduction in electricity usage and cost by relying on alternative energy sources such as solar power.
- Smart water meters for faster reads and increased utility use visibility by residents, businesses, and city staff.

- Incorporate smart capabilities throughout the city to include public safety initiatives such as LPR, noise and air quality studies.



Soluxio Smart Solar Wireless Access Point with Street Light



ESRI Winter Weather Operations

Implementation

There are a series of objectives that will need to be accomplished to build-out a wireless network throughout the city done over the course of several years.

1. Network Infrastructure:

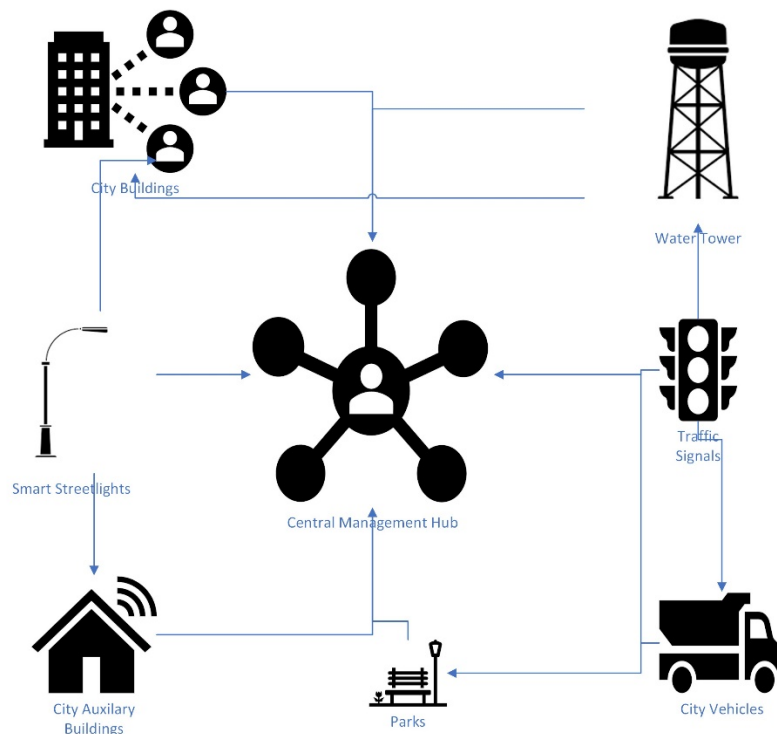
- The wireless mesh network will consist of a distributed network of interconnected nodes, including access points, routers, and gateways strategically placed throughout the city. Nodes would be placed on streetlights, water towers and

buildings. Additional towers may be needed to ensure line of sight with the next closest node.

- Each node will communicate with neighboring nodes, creating multiple paths for data transmission, improving network resilience, and minimizing single points of failure.
- The network will support both Wi-Fi and IoT protocols to accommodate diverse devices and applications.

2. Network Objectives:

- Provide ubiquitous wireless connectivity across the entire city, enabling citizens, businesses, and public services to access the network seamlessly from any location such as parks, city vehicles and city buildings.
- Support a wide range of smart city applications, including smart lighting, environmental monitoring, and public safety systems.
- Enhance the efficiency and reliability of data transmission by dynamically adapting to changes in network topology and traffic patterns.
- Ensure robust security measures to protect the confidentiality, integrity, and availability of data transmitted over the network.



3. Network Management and Monitoring:

- Implement a central management system to oversee network operations, monitor performance, and optimize network resources.

- Conduct regular maintenance and firmware updates to ensure optimal network performance and security.
- Foster collaboration with relevant stakeholders, including government agencies, service providers, and technology vendors, to achieve seamless integration and interoperability within the smart city ecosystem.

4. Deployment Plan:

- Prioritize high-traffic areas such as city centers, transportation hubs, and public spaces such as parks for initial network deployment.
- Gradually expand the network coverage to encompass residential areas, industrial zones, and remote locations.
- Conduct comprehensive site surveys and network planning exercises to identify optimal node locations and establish robust connectivity.

5. Testing and Evaluation:

- Perform thorough testing and evaluation of the network infrastructure before deployment to identify and resolve any potential issues or performance bottlenecks.
- Continuously monitor and evaluate the network's performance, scalability, and security to ensure it meets the evolving requirements of the smart city.

Recommendation

Consider the implementation of a smart city wireless mesh network that would be a significant step towards building an interconnected and intelligent Smart City to build upon the outstanding customer service city staff provides our residents and businesses.



City Council Action Request

5.A.

Meeting Date	1/6/2024
Department	Administration
Agenda Category	Action Item
Title	Values Exercise
Staff Recommendation	All participants will be guided through a brief exercise to define their top guiding values. Results will be shared, for the purpose of greater shared understanding among City leaders.
Budget Implication	
Attachments	None



City Council Action Request

6.A.

Meeting Date	1/6/2024
Department	Administration
Agenda Category	Action Item
Title	Council Check-In
Staff Recommendation	Facilitated discussion of elected officials to include and update of council norms and discussion of how this new council will approach the coming year of working together.
Budget Implication	
Attachments	None



City Council Action Request

8.A.

Meeting Date 1/6/2024

Department Administration

Agenda Category Action Item

Title Topical Discussion

Staff Recommendation Staff leaders will present topical updates and seek Council input on key topics:

- Housing and Development
- Shoppes at Cottage View
- 3M Land Development
- Local Option Sales Tax for Parks and Recreation Projects

Budget Implication

Attachments

1.	Housing and Development - Memo
2.	Housing and Development 1 - Edina Comprehensive Housing Market Analysis
3.	Housing and Development 2- Bloomington Housing Trust Fund
4.	Housing and Development 3- Coon Rapids Front Door Grant Program
5.	Housing and Development 4-Northfield HRA Packet
6.	Housing and Development 5- Richfield Apartment Remodeling Program
7.	Housing and Development 6- Washington County_2022-Comprehensive-Needs-Analysis
8.	Shoppes of Cottage View - Memo and Maps
9.	Shoppes of Cottage View 1 - HVS Market Study - FINAL 11 30 22
10.	Shoppes of Cottage View 2 - Arena Market Findings
11.	Shoppes of Cottage View 3 - ED Strategic Plan Interim Report
12.	Shoppes of Cottage View 4 - Creating a Great City Center
13.	Shoppes of Cottage View 5 - Mixed-Use Development and Financial Feasibility
14.	Shoppes of Cottage View 6 - Designing and building mixed-use centers in the suburbs
15.	City of Burnsville ED Strategic Plan
16.	ED Strategic Plan Report - Expanding Support for Business
17.	3M Land Development - Memo 19A & 100 Realignment - Utility Servicing Plan
18.	3M Land Development 1- Study 100th Street Extension
19.	3M Land Development 2- Memo Xcel, Comcast, & Lumen Capacity
20.	LOST - Memo Parks and Recreation Projects
21.	LOST 1-Master Site Plan Hamlet Park
22.	LOST 2-Master Site Plan.Mississippi Dunes
23.	LOST 3-Master Site Plan.River Oaks

TO: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

FROM: Emily Schmitz, Community Development Director

DATE: December 23, 2023

RE: Strategic Planning Session – Housing

Cottage Grove Housing Update

Data derived from the American Community Survey (ACS) indicates the housing in Cottage Grove is generally characterized by a higher owner-occupied population, younger age demographics, and increased housing value.

Looking at data from 2012-2022:

- **Who is living in Cottage Grove?**

- Renting or Owning: Between 2012 and 2022 the share of owner-occupied units and renter occupied units remained relatively the same in Cottage Grove; a 1 percentage point change over a 10-year period. Approximately 12 percent of households live in renter occupied housing in Cottage Grove while 19 percent in Washington County as a whole. It's important to note, the data does not include the recently approved multi-family apartment projects (The View, The Aurilia, Norhart Apartments) within the community therefore, staff anticipates this percentage may adjust in the coming years.

Table 1. The Distribution of Renter and Owner-Occupied Housing in Cottage Grove, Washington County and the Metropolitan Area in 2012 and 2022.

Housing Tenure	Cottage Grove (%)		Washington County (%)	
	2012	2022	2012	2022
Owner-occupied	88.9	87.9	79.1	81
Renter-occupied	11.1	12.1	20.9	19

Data from Tables DP04 and S2502, 2012 and 2021 American Community Surveys

- Age and Education: The largest majority of householders in Cottage Grove are represented by persons 45 years of age or younger; encompassing 40% of the population in 2022, an increase of 7 percent from 2012 to 2022. The age range with the lowest prominence in the City are persons 65 years of age or older, a decrease from 2012 by over 28 percent. In comparing with Washington County, whose largest population is age ranged from 45 to 65 years of age, Cottage Grove is trending a younger population then the County overall.

Table 3. The Age Distribution of Householders in Cottage Grove, Washington County and the Metropolitan Area in 2012 and 2022.

Age	Cottage Grove (%)		Washington County (%)	
	2012	2022	2012	2022
45 and younger	37.6	40.3	28.2	31.4
45-64	41.8	45.1	49.5	41.9
65 and older	20.5	14.6	22.3	26.7

Data from Tables DP04 and S2502, 2012 and 2021 American Community Surveys

Between 2012 and 2022, both Washington County and the City of Cottage Grove increased their population of persons who have obtained their bachelor's degree or higher; around 26% more of Cottage Grove's population from 2021 has a higher education. This in turn is also reflected in the average median income for persons living in Cottage Grove, which increased for households earning \$150,000 or more from 10.6 percent in 2012 to 29.3 percent in 2022; a 175 percent increase.

Table 4. Educational Attainment of Owner-Occupied Householders in Cottage Grove, Washington County and the Metropolitan Area in 2012 and 2022

Educational Attainment	Cottage Grove (%)		Washington County (%)	
	2012	2022	2012	2022
Less than high school	3	2.3	2.2	2.4
High school graduate	24.4	19.7	18	13.1
Some college or associate's degree	37.3	33.6	30.1	30.1
Bachelor's degree or higher	35.3	44.4	49.7	54.5

Data from Tables DP04 and S2502, 2012 and 2021 American Community Surveys

- **What is happening to housing value in Cottage Grove?**

- Housing value has not only increased in Cottage Grove since 2012 but also throughout Washington County. Values in Cottage Grove alone for housing with a value ranging from \$300,000 - \$499,999 increased 136 percent. Home values ranging higher than \$500,000 also increased in Cottage Grove and Washington County while the number of homes with a value under \$149,999 decreased with the rising values across the region. In addition, as anticipated, the housing cost in the community has also increased aligning with the current housing market.

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Housing Value	Cottage Grove (%)		Washington County (%)	
	2012	2022	2012	2022
Less than \$50,000	3.1	2.3	2.5	2.5
\$50,000 to \$99,999	1.8	0.9	3.4	0.6
\$100,000 to \$149,999	8.1	2.9	13.8	1.1
\$150,000 to \$199,999	27.5	9.8	19.4	3.5
\$200,000 to \$299,999	42.3	41.9	30.1	17.4
\$300,000 to \$499,999	15.3	36.2	23.4	41.6
\$500,000 to \$999,999	1.8	5.6	6.4	30.6
\$1,000,000 or more	0.1	0.4	1	2.8

Data from Tables DP04, S1901, and S2502, 2012 and 2022 American Community Surveys

- ***What is in the City's housing stock?***

- Single family units continue to dominate the housing stock in Cottage Grove at 92.8 percent. This is an increase of approximately 11.8 percent since 2019. However, this does not take into effect all recently approved or constructed multi-family apartment buildings (The View, Aurilla, Norhart, and Trellis). If the study were to include these apartment buildings, the percent of single-family housing stock would be similar to 2019 at 81 percent. The trend in housing distribution has also shifted in Washington County overall with an increase in multi-family housing from 11.7 percent to 13.6 percent. Washington County updated their housing market analysis in November of 2022. The study determined that within the County as a whole there continues to be a demand for an increase of availability in the rental market.

Housing Trends and Needs Moving Forward

- Smaller lot and home sizes i.e. entry level housing
 - Developers and builders continue to feel the pressure from the market for an affordable product (under \$300,000). The cost of a townhome product used to be under the cost for construction of a single-family home therefore, the affordability for townhome units was reasonable however, with current market trends, the cost for construction of a single-family home on a smaller lot size is less. Cottage Grove is uniquely prepared to support these housing trends with the newly adopted zoning code. A large focus of the rewrite included focus on current and potential future housing trends including small lot sizes, setbacks to support the proposed products and landscape and tree mitigation requirements that are practical for future housing and maintaining the Council's vision for development.

In addition to a more affordable single family home option, it is clear additional rental opportunities are also needed. The younger demographic, whether it is young individuals just out of college or perhaps still in college, providing those rental options while the housing market continues to remain high allows for those groups to have housing opportunities in all stages of life within Cottage Grove. Washington County's 2022 housing study indicates an estimated 35% of the planned housing units within the County are planned for single-family homes which includes detached villas while 46% are planned for apartments and townhome units. The study also concludes the number of apartment and single-family home units have risen and predicts them to continue to rise with the spike in mortgage rates and high construction costs over the next five years.

- Senior housing
 - As identified in the 2040 Comprehensive Plan and in the current datasets the senior population (65+) have been relocating outside of the community. Additional turnover will continue to occur as older residents relocate to alternate housing products, seeking increased convenience and freedom from the responsibilities of home maintenance. As we evaluate the data from 2012-2022, it's clear seniors have been leaving the community given the decline in our population aging 65 and older, which we can attest to the limited availability of housing options for citizens in the later stages of life. This turnover is beneficial as it allows for younger generations to move into the community as the existing housing stock is more affordable however, it is imperative that City Staff work with senior housing

developers to provide additional senior housing options in the community. This includes affordable senior units, one level living, smaller lot sizes and homeowner associations with yard maintenance.

Local Affordable Housing Aide (LAHA)

The purpose is to help metropolitan local governments to develop and preserve affordable housing within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

LAHA is funded with a new sales and use tax in the metro that became effective for sales after October 1, 2023. Payments will be received by cities on July 20th and December 26th each year. The first payment will arrive in July 2024. It is estimated that Cottage Grove will receive approximately \$228,000 to \$234,000 per year. LAHA funds must be spent on a qualifying project by December 31st of the fourth year that funds have been received. However, funds transferred to a Local Housing Trust Fund will be considered spent.

Allowable uses of the LAHA dollars are as follows:

- Emergency rental assistance for households earning less than 80% of area median income as determined by the United States Department of Housing and Urban Development (HUD).
- Financial support to nonprofit affordable housing providers.
- Construction, acquisition, rehabilitation, demolition or removal of structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing for:
 - Homeownership projects, 115% of the greater of state or area median income as determined by HUD.
 - Rental housing projects, 80% of the greater of state or area median income as determined by HUD
 - Housing developed or rehabilitated with funds under this section must be affordable to the workforce.
 - Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

If any aid is provide under this program is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits listed above.

Discussion

With the new legislation providing the Local Affordable Housing Aide (LAHA), staff has evaluated several options for Council consideration for use of the dollars however, as a first step in planning efforts to use these additional dollars and to better understand the specific housing needs for the community such as work force housing, senior housing, and multi-family. In addition, the study would assist staff in determining what financial housing assistance programs to create that would best serve our community directly. Staff proposes completion of an updated housing study with

Maxfield Research and Consulting or a similar group. The last study that included Cottage Grove was completed in 2022 by the Washington County HRA and covered Washington County as a whole. The study was not specific to Cottage Grove and lacks Cottage Grove perspective. Given the large adjustment in the growth and development within the City, a study specific to the community would be imperative to better understand our current housing stock, current market trends, and the most beneficial housing programs for our community. This study can then be used to identify housing needs and areas within the City that would be appropriate for work force, affordable, and senior housing to better guide those developments.

The following are potential options for use of funds for discussion:

1. Direct support to non-profit affordable housing developers

• **Stipulations:**

- 5% (minimum 1) unit ADA compliant for buildings with more than four units
- 5% (minimum 1) unit sensory-accessible for buildings with more than four units
- Rental – 80% AMI, priority to 50% AMI
- Owner-occupied – 115% AMI, priority to 80% AMI

• **How to use:**

- Acquisition of land
- Demolition of existing structures
- Construction financing
- Permanent financing
- Rate reduction
- Financing and gap financing

• **Example:**

- [City of Northfield Housing and Redevelopment Authority loan to Hillcrest Project \(a net-zero usage affordable housing development\)](#)

2. Rehabilitation – rental (80%AMI)

• **Stipulations:**

- 5% (minimum 1) unit required to be ADA for buildings with more than four units
- 5% (minimum 1) unit required to be sensory-accessible for buildings with more than four units
- 80% AMI, priority to 50% AMI

• **How to use:**

- Multi-family loans for exterior rehab
- Energy/water rebates
- Partner with another organization for loan administration such as NeighbWorks, CEE or Washington County

• **Considerations:**

- May be difficult to implement because of requirement for some units to be 100% ADA compliant and sensory-accessible
- Example loans above are administered by the cities

- **Example:**
 - [Richfield Apartment Remodeling Loan Program](#)

3. Rehabilitation – owner occupied (80% AMI)

- **Stipulations:**
 - 115% AMI, priority to 80% AMI
- **How to use:**
 - Front door loans or grants to improve curb appeal
 - Typically a 15-year loan with interest rates typically set below market rate
 - Loan is due in full upon sale, transfer of title or refinance
 - Neighborhood revitalization loans (can include demo and rebuild – must be 80% AMI)
 - Energy/Water rebates
 - Partner with another organization for loan administration (County CDA could manage the program)
- **Considerations:**
 - These programs often partner with other organizations to avoid burden of loan administration through City staff which includes a cost
- **Example:**
 - [Coon Rapids Front Door Grant Program](#)

4. Transfer to a Local Housing Trust Fund (LHTF)

- **Stipulations:**
 - Funds transferred must be spent on a project or household that meets the affordability requirements
- **How to use:**
 - Funds are considered spent if deposited into a local housing trust fund therefore, multiple options for utilizing the funds once in the trust fund
 - Creation of grants or loans for development, rehabilitation, or financing of housing
 - Match other funds from federal, state or private resources for housing projects
 - Provide down payment assistance or rental assistance
- **Example:**
 - [Bloomington Housing Trust Fund](#)

Staff has evaluated allowing the balance of the fund to grow which would allow for use of a larger subsidy to support affordable project(s). This could include public private partnerships to provide opportunity for affordable, work force and senior housing units within the community. It's important to note, use of these dollars on a larger scale could allow for buy down of a future TIF district. This would shorten the duration of the district and allow the increased tax capacity to be returned to the City's and other taxing authorities tax roll sooner.

Attachments:

[Washington County 2022 Housing Study](#)
[City of Edina Housing Market Analysis](#)

Comprehensive Housing Market Analysis For The City of Edina, Minnesota

Prepared For:
City of Edina
Edina, MN

April 2020



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Research & Consulting

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Maxfield
Research & Consulting

April 10, 2020

Mr. Scott Neal
City Manager
City of Edina
4801 West 50th Street
Edina, MN 55424

Dear Mr. Neal:

Attached is the *Comprehensive Housing Market Analysis for Edina, Minnesota* conducted by Maxfield Research and Consulting, LLC. The study projects housing demand from 2020 to 2040 and provides recommendations on the amount and type of housing for Edina that could be built to satisfy housing needs from 2020 to 2040.

The study identifies an estimated potential demand for 4,648 new housing units to 2025. Because the population is aging in Edina, we estimate that an estimated 76% of the total demand will be for age-restricted housing types. However, younger households are also seeking housing in Edina and have taken advantage of older properties. Demand for housing at entry-level and move-up properties is strong from non-senior buyers, but land scarcity and high development costs for traditional housing products remain barriers to creating new housing that will meet the needs of younger buyers. Condominium product may meet the needs of some younger and older buyers where the units can be built at high-density. There continues to be strong demand for infill new single-family construction, however this will continue to be expensive due to redevelopment and high land costs in the community.

Demand for affordable housing for non-seniors and seniors is also in high demand and we recommend the development of these housing products in the short-term. Based on our findings, we found demand for most housing products with strong demand for affordable and market rate rental products. We recommend more affordable rental developments including both shallow and deep subsidy products. At the same time demand exists for all senior housing products and service levels to meet the growing needs of an aging community. Detailed information regarding recommended housing concepts can be found in the *Recommendations* section at the end of the report. If you have any questions or need additional information, please contact us. We have enjoyed conducting this study for you.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING, LLC

Mary Bujold
President
Attachment

Andrew McIntyre
Associate

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Purpose and Scope of Study

Maxfield Research and Consulting LLC (i.e. “Maxfield Research”) was engaged by the City of Edina to conduct a *Comprehensive Housing Needs Analysis*. Unless otherwise stated, the use of the word Edina shall be defined as the municipality. The Housing Market Study provides recommendations on the amount and types of housing that could be developed in order to meet the needs of current and future households who choose to reside in Edina.

The scope of this study includes: an analysis of the demographic and economic characteristics of the City; a review of the characteristics of the existing housing stock, building permit trends, and residential land supply; an analysis of the market condition for a variety of rental and for-sale housing products; and an assessment of the need for housing by product type in the City. Recommendations on the number and types of housing products that should be considered in the City are also supplied. Data for this report was compiled using many sources of information including regional, state and federal agencies, national demographics providers, local and national housing databases, one-on-one interviews, and field work. A list of data sources is provided in the Appendix. **Secondary data from published sources included in the analysis is the most recent available for the components presented, but not all data sources compile and present information for the same years at the same time. Therefore, information presented in each section from these sources may represent different timelines. All secondary data sources and timeframes are identified.**

Demographic Analysis

- As of 2020, Edina is estimated to have 53,700 people and 23,500 households. Edina is forecast to grow by 4,200 people and 2,500 households between 2020 and 2030 and by another 1,700 people and 1,200 households between 2030 and 2040.
- From 2020 to 2040, the number of people is expected to increase in all age categories in Edina except for those between the ages of 45 to 54 which is expected to decrease by 348 people.
- Edina had an estimated median household income of \$107,757 in 2019 and the Remainder of the Primary Market Area (PMA) had a median household income of \$100,686. Non-senior household median incomes peak in the 45 to 54 age group at \$188,095 for Edina and \$135,324 for the Remainder of the PMA. The median income for Edina senior households age 65 to 74 is \$93,113 and for 75+ is \$52,561.

EXECUTIVE SUMMARY

- Between 2010 and 2019, homeownership rates decreased from 74.9% to 72.3% in Edina. The decline is primarily a result of an increase in renter households due to the housing market slowdown during the recession and an increase in the number of lender-mediated properties which shifted more households toward rental housing.
- Households living alone accounted for the largest proportion of households as of 2019 at 31.5%, followed by married couples without children at 28.7%. Married couples with children increased to 25.8% as of 2019, from 24.0% in 2010.

Employment Analysis

- As of the 2nd Quarter of 2019, there were 44,899 jobs in Edina, accounting for 5.6% of all jobs in Hennepin County and 2.6% of all jobs in the Twin Cities Metro Area. In 2020, Edina is forecast to have 45,544 jobs, which proportion would have decreased to 4.8% of all jobs in Hennepin County and 2.5% of all jobs in the Twin Cities Metro Area.
- Almost one quarter (24.2%) of Edina employees work in the Health Services sector. The second highest sector employment sector is Professional and Business Services (11.2%).
- Edina, Hennepin County and the Twin Cities Metro Area all had unemployment rates of 2.9% through August 2019, which rate was slightly lower than the State of Minnesota average (3.0%).
- Of the 43,771 workers estimated to work in Edina as of 2017, 6.6% (2,873) also lived in Edina. Most workers commuted to Edina from Minneapolis (12.6%), Bloomington (5.9%), St Paul (4.5%) and Eden Prairie (4.3%).

Housing Characteristics

- Per the City of Edina, 2,816 units were permitted from 2000 through September 2019. Between 2010 and September 2019, the highest numbers of residential permits were issued in 2016 (57), 2014 (55) and 2015 (54). The year with the fewest permits issued was 2010 (18).
- An estimated 35% of Edina's housing stock was built before the 1950s, 59% was built between 1950 and 1980, 10% was built in the 1990s and 2000s and 4% was built 2010 or later.
- As of 2019, 66% of Edina homeowners had a mortgage compared to 72% of Hennepin County and 72% of the Metro Area. An estimated 15% of homeowners with mortgages also had a second mortgage or home equity loan.
- The median owner-occupied home value in Edina was estimated at \$465,000 in 2019. Approximately 40% of the owner-occupied housing stock in Edina was estimated to be valued at \$500,000 or higher.

EXECUTIVE SUMMARY

- The median rent in Edina was estimated at \$1,586 in 2019. Based on a 30% allocation of income to housing, a household would need an income of \$63,440 to afford the median rent in Edina.

For-Sale Housing Market Analysis

- The Edina home resale price was lowest in 2011 when it decreased to \$339,900. Between 2011 and 2017, the median resale value increased 30% (\$102,725). The median home resale value in 2018 was \$440,500, a decrease of -0.5% from 2017 (\$443,625). Through September 30, 2019, the median resale price was \$465,000, an increase of 5.6% from 2018 (\$440,500).
- The number of resales in Edina averaged 801 homes annually from 2010 through 2019. The fewest number of resales occurred after the recession in 2010 with 617 resales; while 2017 established a new high in Edina of 952 resales.
- Compared to the Metro Area average, lender-mediated properties (i.e. short sales and foreclosures) in Edina were generally less than Metro Area during the recession. As of 2019, lender-mediated properties accounted for less than 1% (0.8%) of resales in Edina.
- Single-family homes accounted for 63% of the resale sales volume in Edina as of September 30, 2019. Multifamily for-sale housing products are more affordable and are priced about 30% lower than single-family homes.
- The average price of an existing single-family home in Edina is about 30% less than the cost of new construction. The average cost of an existing single home in Edina is higher than in Hennepin County (\$215 "PSF vs. \$159 PSF); new construction costs in Edina have recently escalated much higher than Hennepin County averages (\$308 PSF vs. \$184 PSF).

Rental Housing Market Analysis

- Maxfield Research inventoried 4,654 market rate general occupancy rental units in Edina, which properties had 184 vacancies resulting in an overall vacancy rate of 4.0% among all rental properties. Excluding properties in their initial lease-up periods, the vacancy rate drops to 2.8%. Typically, a healthy rental market maintains a vacancy rate of roughly 5.0%, which promotes competitive rates, ensures adequate consumer choice, and allows for unit turnover. A stabilized vacancy rate of 2.8% indicates a need for additional market rate rental units.
- Affordable rental properties have a total of 43 units. Of these, one property is still in initial lease-up, Nolan Mains. Excluding that property, affordable units had a vacancy rate of 3%.

EXECUTIVE SUMMARY

- Edina has two deep subsidy properties, Yorkdale Townhomes and Oak Glen, both of which were fully occupied with waiting lists.

Housing with Support Services and Homeless

- Of Edina's 53,124 people, 9.2% or 4,882, are estimated to have a disability. By comparison, of the 3.1 million people that comprise the Twin Cities Metro Area, 9.8% have a disability.
- The percentage of those with disabilities is highest among people age 65+ in Edina and the Twin Cities Metro Area. In addition, the percentage of those disabled is higher in all age categories in the Twin Cities Metro Area than in Edina.
- In 2018, 55% of homeless in Hennepin County were in emergency shelters, 21% were in transitional housing, 3.8% were in domestic violence shelters and 0.7% were in rapid re-housing. Figures are compiled in the Twin Cities Metro Area by county by Wilder Research, a private foundation.
- According to the Wilder 2018 homeless study findings, a survey of the homeless in Hennepin County identified the following as the top five barriers to employment: in order were physical health, mental/chemical health, transportation, housing and lack of resources needed to work or look for work. By comparison, the greatest barriers to employment in the Twin Cities Metro Area were essentially the same, but transportation was listed higher in the ranking as there are fewer public transit options outside of Hennepin and Ramsey Counties in the Metro Area.

Housing Affordability

- Hennepin County's Fair Market Rents increased 6% from an average of \$1,205 in 2018 to an average of \$1,278 in 2019, demonstrating that market rents have also increased dramatically.
- Of Edina's owner households, 22% are cost burdened (pay 30% or more of their income for housing costs). Most owner households that are cost-burdened are age 65 or older. The proportion of cost burdened owner households in Edina (22%) is higher than the Twin Cities Metro Area (20%) and Remainder of the PMA (17%).
- Of Edina's renter households, 42% are cost burdened (pay 30% or more of their income for housing costs). The proportion of Edina's cost burdened renter households (42%) is higher than the Primary Market Area (37%), but modestly lower than the Twin Cities Metro Area (43%). Among renter households, 44% of the youngest households (under 25) are cost burdened and 62% of those 65+ are cost burdened. The middle age groups have lower proportions of cost-burdened households.

EXECUTIVE SUMMARY

- Based on Edina's 2019 income distribution, 57% of all households and 60% of owner households could afford to purchase an entry level home in Edina (\$400,000).
- Of Edina's existing renters, 57% could afford to rent a market rate one-bedroom apartment in the City (\$1,186 per month). The proportion of Edina's existing renters able to afford a new market rate one-bedroom apartment (\$1,745 per month) decreases to 43%.

Housing Demand Analysis

- Based on our calculations, demand exists in Edina for the following general occupancy product types between 2020 and 2040:
 - **Market rate rental** 2,577 units
 - **Affordable rental** 1,569 units
(Shallow subsidy)
 - **Subsidized rental** 869 units
(Deep subsidy)
 - **For-sale single-family** 201 units
 - **For-sale multifamily** 1,292 units
- In addition, we find demand for multiple senior housing product types. By 2040, demand in Edina for senior housing is forecast for the following:
 - **Active adult ownership** 228 units
 - **Active adult rental** 320 units
 - **Active adult affordable** 518 units
(Shallow subsidy)
 - **Active adult subsidized** 396 units
(Deep subsidy)
 - **Independent Living** 483 units
 - **Assisted Living** 411 units
 - **Memory care** 272 units

Demand for senior housing is cumulative. Therefore, any new senior housing properties developed must be subtracted from the total demand.

Recommendations and Conclusions

- Based on the finding of our analysis and demand calculations, the following chart provides a summary of the recommended development concepts by product type for Edina over the short-term to 2040. Details are described in the *Recommendations* section of the report.

EXECUTIVE SUMMARY

**TABLE CR-2
RECOMMENDED HOUSING DEVELOPMENT
CITY OF EDINA
2020 to 2040**

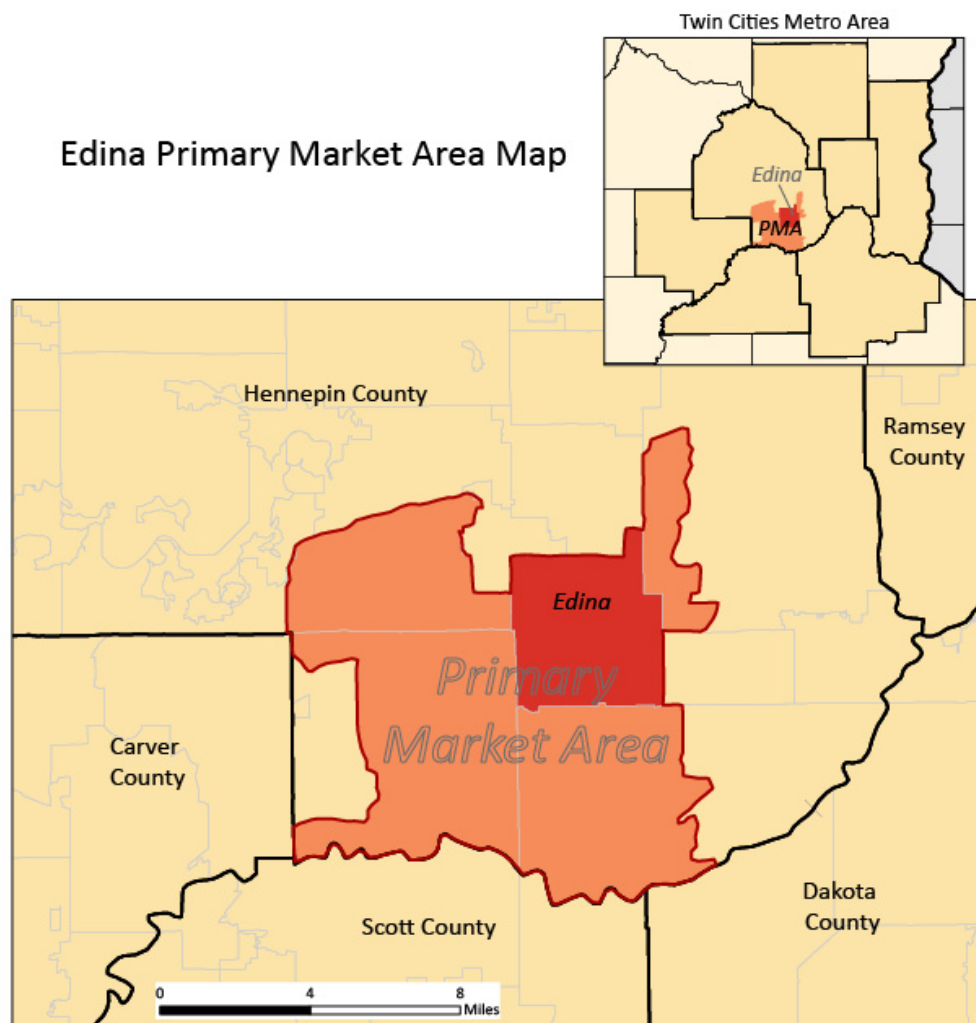
General Occupancy Housing				
	Purchase Price/ Monthly Rent Range¹	No. of Units 2020-2025	No. of Units 2025-2030	No. of Units 2030-2040
Market Rate For-Sale Housing				
Move-Up Single-Family	\$650,000-\$700,000	10	10	40 - 50
Owned Multifamily (TwinHms/Villas)	\$525,000-\$550,000	30	30	60 - 80
		40	40	60 - 80
Affordable For-Sale				
Entry-level single-family	\$425,000-\$450,000	10	10	50 - 60
Owned Multifamily (THs/Rowhomes)	\$400,000	20	20	100 - 120
		30	30	100 - 120
Market Rate Rental Housing				
Market Rate - Rental	\$1,450+/1BR, \$2,200+/2BR	120	180	500 - 600
Total		120	180	500 - 600
Affordable Rental Housing				
Affordable	Moderate Income ³	250	150	220 - 260
Subsidized	30% of Income ⁴	50	50	160 - 180
Total		300	200	160 - 180
Total-General Occupancy		490	450	820 - 980
Senior Housing (i.e. Age Restricted)				
	Purchase Price/ Monthly Rent Range¹	No. of Units 2020-2025	No. of Units 2025-2030	No. of Units 2030-2040
Senior Coop./Ownership Active Adult	\$200,000+/1BR - \$400,000+/2BR	80	80	200 - 240
Active Adult Market Rate Rental ⁵	\$1,400+/1BR - \$1,900+/2BR	100	100	200 - 250
Active Adult Affordable Rental ⁵	Moderate Income ³	150	100	160 - 180
Active Adult Subsidized Rental ⁵	30% of Income ⁴	60	60	150 - 200
Independent Living/Congregate	\$2,800+/1BR - \$4,500+/2BR	80	80	300 - 350
Assisted Living	\$3,500+/EFF - \$4,500+/1BR	40	60	180 - 200
Memory Care	\$4,200+/EFF - \$5,000+/1BR	30	30	120 - 140
Total Senior Units		540	510	1,310 - 1,560
Total - All Units		1,030	960	2,130 - 2,540
¹ Pricing in 2020 dollars. Pricing can be adjusted to account for inflation. ² Replacement need, infill, and redevelopment. ³ Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Hennepin County Income limits. ⁴ Subsidized housing will require a high level of financial assistance ⁵ Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior 2030-2040 recommended development should be revisited based on number of units developed from 2020-2030. Note - Recommended development does not equal total demand. Edina may not be able to accommodate all recommended housing types based on land availability and development constraints. Source: Maxfield Research & Consulting, LLC				

Introduction

This section of the report examines factors related to the current and future demand for owned and rental housing units in Edina, Minnesota. It includes an analysis of population and household growth trends and projections, age distribution, household income, net worth, household type, household tenure, diversity and mobility trends. A review of these characteristics provides insight into the demand for various housing products in Edina.

Definition of Primary Market Area

The analysis focuses on housing needs for Edina. Demand however, for housing products in the City is also affected by its connections to adjacent communities and the Twin Cities Metro Area and households' mobility in an area we have defined as the Primary Market Area (PMA) for housing for Edina. The PMA is an aggregation of census tracts that includes all of Edina and portions of Bloomington, Eden Prairie, Minneapolis and Minnetonka.



Primary Market Area Definition									
Census Tracts within PMA Cities									
Edina		Bloomington		Eden Prairie		Minneapolis		Minnetonka	
231	239.01	256.03	258.05	260.05	260.16	106	1098	261.01	262.05
235.01	239.02	256.05	259.03	260.06	260.18	120.01	1112	261.03	262.06
235.02	239.03	257.01	259.05	260.07	260.19	1065	1113	261.04	262.07
236	240.03	257.02	259.06	260.13	260.2	1091		262.01	262.08
237	240.04	258.02	259.07	260.15				262.02	
238.01	240.05	258.03							
238.02	240.06								
Source: Maxfield Research and Consulting LLC									

In defining the PMA, we considered factors such as commuting/travel patterns, employment and general household movement patterns over time in the Metro Area. Additional demand will also come from outside of the PMA as households in the Metro Area are highly mobile.

Population and Household Growth Trends and Projections from 2000 to 2040

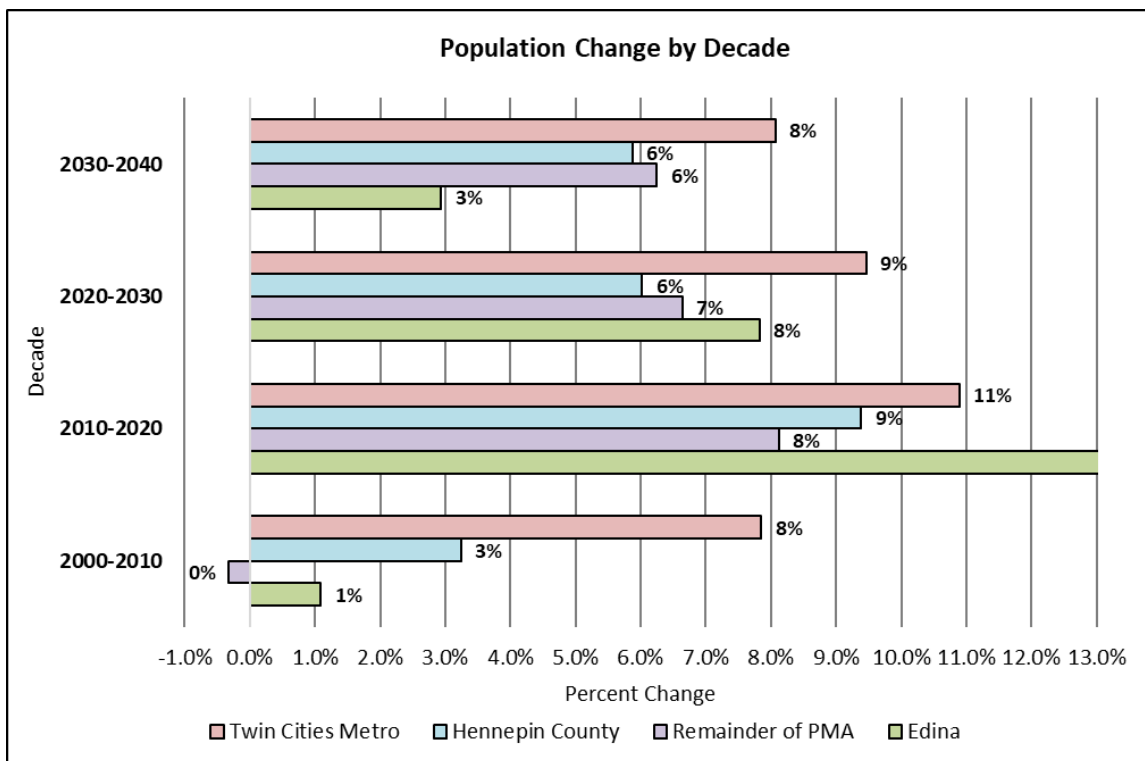
Table D-1 presents population and household growth trends and projections from 2000 to 2040. The 2000 to 2010 data is from the U.S. Census. Estimates and projections were calculated by Maxfield Research and Consulting using information gathered from the Metropolitan Council and ESRI, Inc. (a national demographics service provider). The adjustments are intended to reflect growth that has been and will likely be realized after considering the impacts of the current housing market, employment and residential construction along with the potential for increased density related to new housing development.

Population

- Between 2000 and 2010, Edina experienced a 1.1% increase in population and a -1.5% decline in households.
- The estimated population growth in Edina between 2000 and 2019 is 5,699 people (12%). Population growth was stagnant between 2000 and 2010 but grew by 12% between 2010 and 2019. Redevelopment efforts combined with increased residential density has supported population growth in the City since 2010. With the current rate of population growth, Edina is on target to reach or exceed the 2020 forecast published by the Metropolitan Council of 53,700 people.
- The population growth rate of 12% between 2010 and 2019 is higher than that of the Remainder of the Primary Market Area (8.1%), Hennepin County (9.4%) and the seven county Twin Cities Metro (10.9%).

DEMOGRAPHIC ANALYSIS

- Although population is forecast to increase from 2020 to 2030 in Edina and the PMA, the rate of growth is expected to slow, when compared to the growth rate from 2010 to 2020. Growth rates are projected at 7.8% for Edina, 6.6% for the Remainder of the PMA, 6.0% for Hennepin County and 9.5% for the Twin Cities Metro Area.
- Between 2030 and 2040 population is expected to increase 2.9% in Edina, 6.2% in the Remainder of the PMA, 5.9% in Hennepin County, and 8.1% in the Twin Cities Metro Area. This is a slower rate of growth for all analyzed geographies than between 2010 and 2020 as well as for the projected growth rates between 2020 and 2030.



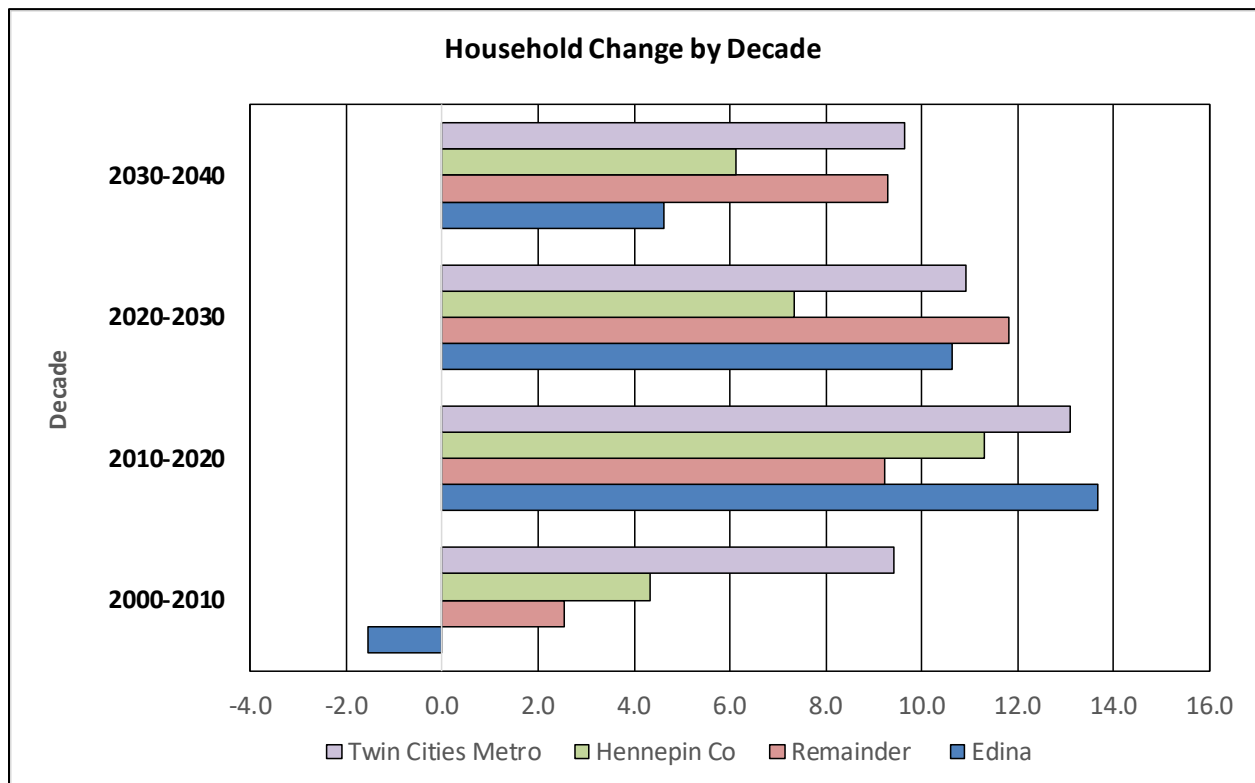
DEMOGRAPHIC ANALYSIS

TABLE D-1
POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS
EDINA MARKET AREA
2000 to 2040

							Change							
	U.S. Census		Estimate	Forecast			2000 to 2010		2010 to 2020		2020 to 2030		2030 to 2040	
	2000	2010	2019	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
POPULATION														
Edina	47,425	47,941	53,124	53,700	57,900	59,600	516	1.1	5,759	12.0	4,200	7.8	1,700	2.9
Remainder of PMA	149,445	148,966	158,770	161,070	171,770	182,500	-479	-0.3	12,104	8.1	10,700	6.6	10,730	6.2
Hennepin County	1,116,200	1,152,425	1,249,774	1,260,590	1,336,480	1,414,960	36,225	3.2	108,165	9.4	75,890	6.0	78,480	5.9
7-County Metro Area	2,642,056	2,849,567	3,128,957	3,160,000	3,459,000	3,738,000	207,511	7.9	310,433	10.9	299,000	9.5	279,000	8.1
HOUSEHOLDS														
Edina	20,996	20,672	23,217	23,500	26,000	27,200	-324	-1.5	2,828	13.7	2,500	10.6	1,200	4.6
Remainder of PMA	62,678	64,278	68,300	70,200	78,500	85,800	1,600	2.6	5,922	9.2	8,300	11.8	7,300	9.3
Hennepin County	456,129	475,913	524,303	529,680	568,550	603,410	19,784	4.3	53,767	11.3	38,870	7.3	34,860	6.1
7-County Metro Area	1,021,454	1,117,749	1,249,375	1,264,000	1,402,000	1,537,000	96,295	9.4	146,251	13.1	138,000	10.9	135,000	9.6
<i>Note: Edina, Hennepin County and Metro Area totals sourced to Metropolitan Council (2020 to 2040).</i> <i>Twin Cities Metro includes the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington</i>														
Sources: U.S. Census Bureau; ESRI; Metropolitan Council; Maxfield Research & Consulting, LLC														

Households

- Household growth is typically a more accurate indicator of housing needs than population growth since, by definition, a household is an occupied dwelling unit. Additional demand however, can come from changing demographics of the population base, which results in shifts in demand for different housing products.
- The number of households in Edina declined by -1.5% between 2000 and 2010. Between 2010 and 2020 however, an increase of 2,828 households or 13.7% is expected, primarily due to increases in housing supply and density. Strong housing demand post-Recession led to significant housing demand as Millennials and Gen Z moved more fully into the work-force.
- In all geographies, household growth is expected to outpace population growth as the trend of smaller household sizes and higher rates of people living alone continues.



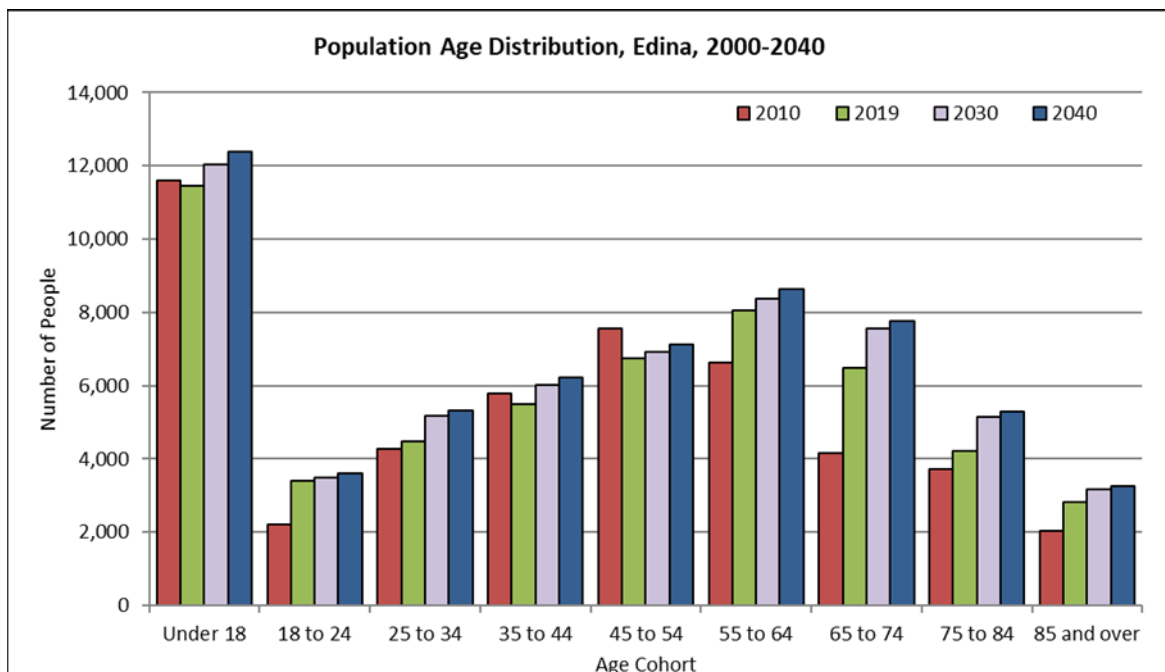
Age Distribution Trends

Age distribution affects demand for different types of housing since needs and desires change at different stages of the life cycle. Table D-2 shows the distribution of persons in nine age cohorts for Edina, the Remainder of the Primary Market Area, Hennepin County and the Metro

DEMOGRAPHIC ANALYSIS

Area in 2000 and 2010 with estimates for 2019 and projections for 2020, 2030 and 2040. The 2000 and 2010 age distributions are from the U.S. Census Bureau. Projections were made by Maxfield Research after considering data and forecasts from the Minnesota State Demographic Center, the Metropolitan Council and ESRI Inc., a national demographics forecasting company. The following are key points from the table.

- Between 2000 and 2010, the population in age cohorts 35 to 44, 65 to 74 and 75 to 84 decreased. All other age cohorts increased during this period.
- Between 2010 and 2019, the population in Edina and the Remainder of the PMA is estimated to have decreased for those under age 18 and between age 35 and 54. The most significant population gains were for people ages 18 to 24 and 55 years and older.
- All cohorts are expected to see increases in Edina between 2020 and 2030 with the population over age 65 forecast to increase 13% between 2020 and 2030.
- The growth of population over 65 in Edina is similar to the overall trend in the greater Twin Cities Metro Area. This trend shows the population over 65 (largely Baby Boomers) is projected to increase rapidly between 2020 and 2030.
- From 2010 to 2020, all age cohorts 55 years or older are expected to grow, due primarily to the aging of the Baby Boom generation. As of 2019, Baby Boomers range in age from 55 to 73 years.
- From 2020 to 2030, population cohorts in Edina are expected to remain stable or increase modestly, with the most growth expected to occur among people age 75 to 84.

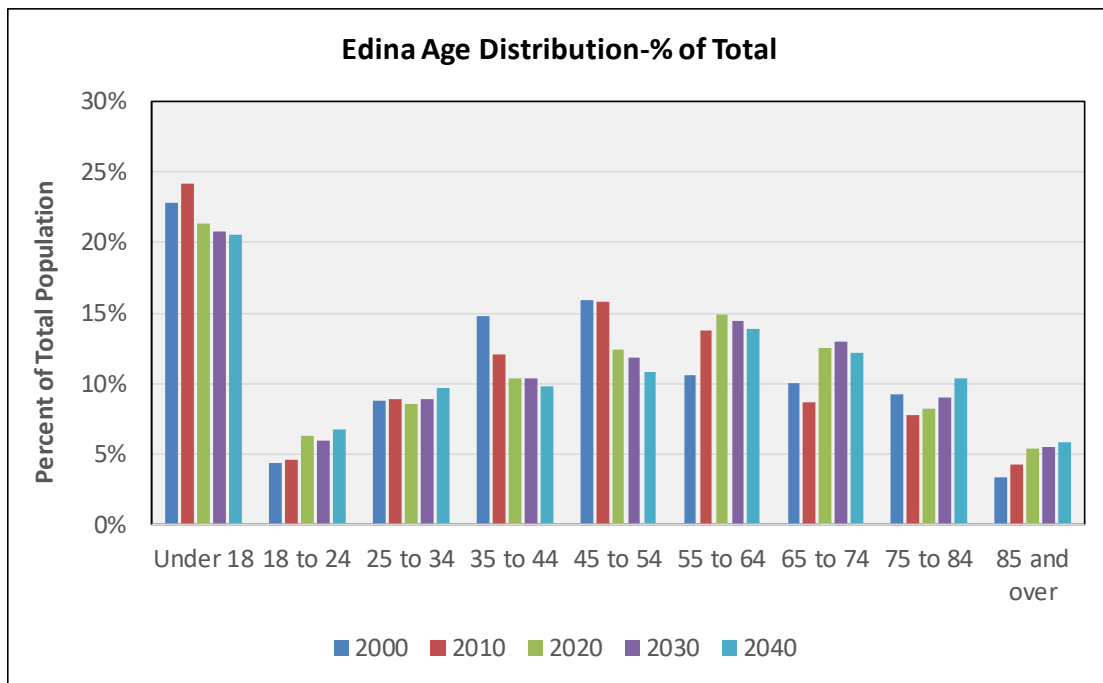
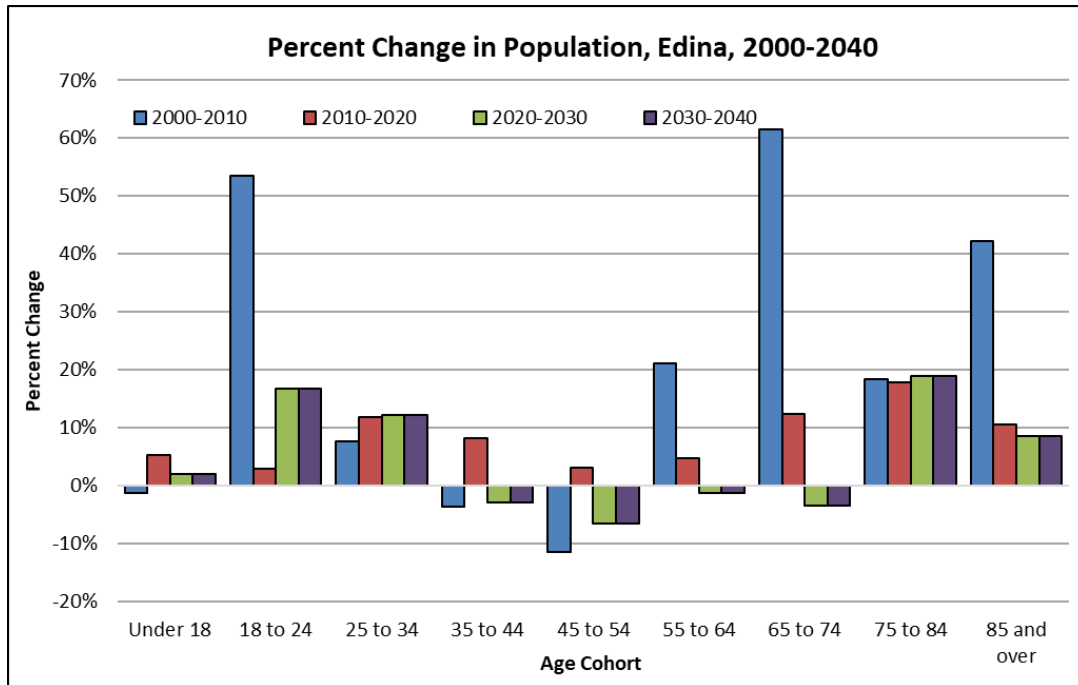


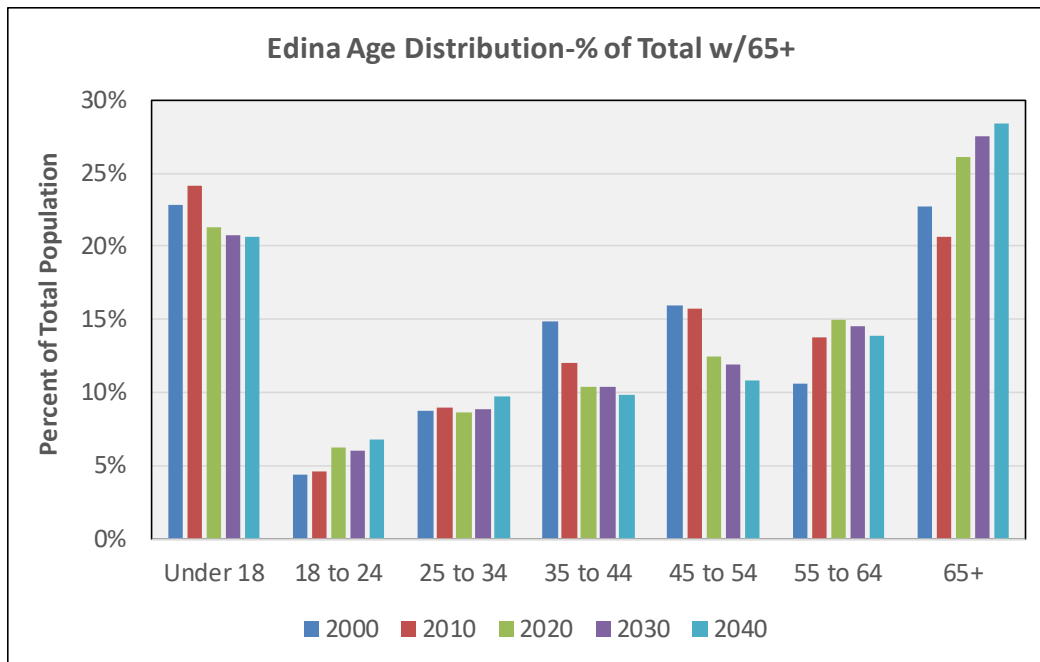
DEMOGRAPHIC ANALYSIS

TABLE D-2
POPULATION AGE DISTRIBUTION
EDINA MARKET AREA
2000 to 2040

Age	Census		Estimate	Forecast			Change					
	2000	2010	2019	2020	2030	2040	2010-2020		2020-2030		2030-2040	
	No.	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.	No.	Pct.
Edina												
Under 18	10,838	11,589	11,465	11,443	12,043	12,278	-146	-1.3	601	5.2	234	1.9
18 to 24	2,073	2,200	3,407	3,378	3,474	4,053	1,178	53.6	96	2.8	579	16.7
25 to 34	4,153	4,288	4,466	4,612	5,153	5,781	324	7.6	541	11.7	628	12.2
35 to 44	7,034	5,783	5,493	5,567	6,022	5,841	-216	-3.7	455	8.2	-181	-3.0
45 to 54	7,552	7,556	6,745	6,684	6,890	6,437	-872	-11.5	206	3.1	-453	-6.6
55 to 64	5,010	6,618	8,052	8,015	8,396	8,284	1,397	21.1	380	4.7	-111	-1.3
65 to 74	4,776	4,146	6,473	6,697	7,527	7,271	2,551	61.5	830	12.4	-256	-3.4
75 to 84	4,405	3,736	4,204	4,422	5,211	6,198	686	18.4	789	17.8	987	18.9
85 and over	1,584	2,025	2,819	2,881	3,185	3,457	856	42.3	303	10.5	272	8.6
Total	47,425	47,941	53,124	53,700	57,900	59,600	5,759	12.0	4,200	7.8	1,700	2.9
Remainder of PMA												
Under 18	34,620	32,189	31,808	32,053	33,891	35,174	-136	-0.4	1,838	5.7	1,283	3.8
18 to 24	9,548	9,575	11,211	11,283	12,272	13,136	1,708	17.8	989	8.8	865	7.0
25 to 34	21,461	20,184	19,071	19,449	21,259	23,029	-735	-3.6	1,810	9.3	1,770	8.3
35 to 44	26,394	18,983	19,922	20,270	21,998	24,422	1,287	6.8	1,728	8.5	2,424	11.0
45 to 54	25,266	24,687	20,963	20,923	21,359	22,131	-3,764	-15.2	437	2.1	772	3.6
55 to 64	14,764	21,794	24,346	24,173	25,136	25,125	2,379	10.9	964	4.0	-11	0.0
65 to 74	9,494	11,267	18,399	19,084	20,263	22,265	7,817	69.4	1,180	6.2	2,002	9.9
75 to 84	5,850	6,882	8,911	9,582	9,947	9,780	2,700	39.2	365	3.8	-167	-1.7
85 and over	2,048	3,405	4,140	4,254	5,543	7,438	849	24.9	1,289	30.3	1,895	34.2
Total	149,445	148,966	158,770	161,070	171,669	182,500	12,104	8.1	10,599	7.1	10,831	6.7
Hennepin County												
Under 18	267,502	261,345	265,874	266,648	286,007	287,237	5,303	2.0	19,359	7.3	1,230	0.4
18 to 24	108,767	113,551	122,340	123,068	132,312	138,666	9,517	8.4	9,243	7.5	6,355	4.8
25 to 34	183,860	187,523	188,874	190,093	207,154	247,618	2,570	1.4	17,061	9.0	40,464	19.5
35 to 44	191,872	154,304	168,188	169,978	177,752	185,360	15,674	10.2	7,773	4.6	7,608	4.3
45 to 54	156,068	171,130	154,523	154,420	152,359	152,816	-16,710	-9.8	-2,061	-1.3	457	0.3
55 to 64	85,773	133,758	161,447	160,314	165,724	165,550	26,556	19.9	5,409	3.4	-173	-0.1
65 to 74	59,737	66,516	109,439	113,290	125,629	135,836	46,774	70.3	12,339	10.9	10,207	8.1
75 to 84	44,942	42,476	51,856	55,174	60,142	60,843	12,698	29.9	4,967	9.0	702	1.2
85 and over	17,679	21,822	27,234	27,604	29,403	41,034	5,782	26.5	1,799	6.5	11,631	39.6
Total	1,116,200	1,152,425	1,249,774	1,260,590	1,336,480	1,414,960	108,165	9.7	75,890	6.6	78,480	5.9
Twin Cities Metro												
Under 18	697,534	700,960	711,690	720,480	792,111	856,002	19,520	2.8	71,631	9.9	63,891	8.1
18 to 24	244,226	263,462	282,077	284,400	304,392	325,206	20,938	7.9	19,992	7.0	20,814	6.8
25 to 34	411,155	420,311	453,505	455,040	487,719	512,106	34,729	8.3	32,679	7.2	24,387	5.0
35 to 44	469,324	391,324	421,217	423,440	473,883	515,844	32,116	8.2	50,443	11.9	41,961	8.9
45 to 54	363,592	440,753	399,081	398,160	421,998	452,298	-42,593	-9.7	23,838	6.0	30,300	7.2
55 to 64	200,980	326,007	410,622	404,480	432,375	452,298	78,473	24.1	27,895	6.9	19,923	4.6
65 to 74	130,615	163,425	270,337	281,240	328,605	362,586	117,815	72.1	47,365	16.8	33,981	10.3
75 to 84	90,292	97,442	122,636	132,720	152,196	179,424	35,278	36.2	19,476	14.7	27,228	17.9
85 and over	34,338	45,883	57,792	60,040	65,721	82,236	14,157	30.9	5,681	9.5	16,515	25.1
Total	2,642,056	2,849,567	3,128,957	3,160,000	3,459,000	3,738,000	310,433	11.7	299,000	10.5	279,000	8.8

Sources: U.S. Census Bureau; ESRI; Maxfield Research and Consulting LLC



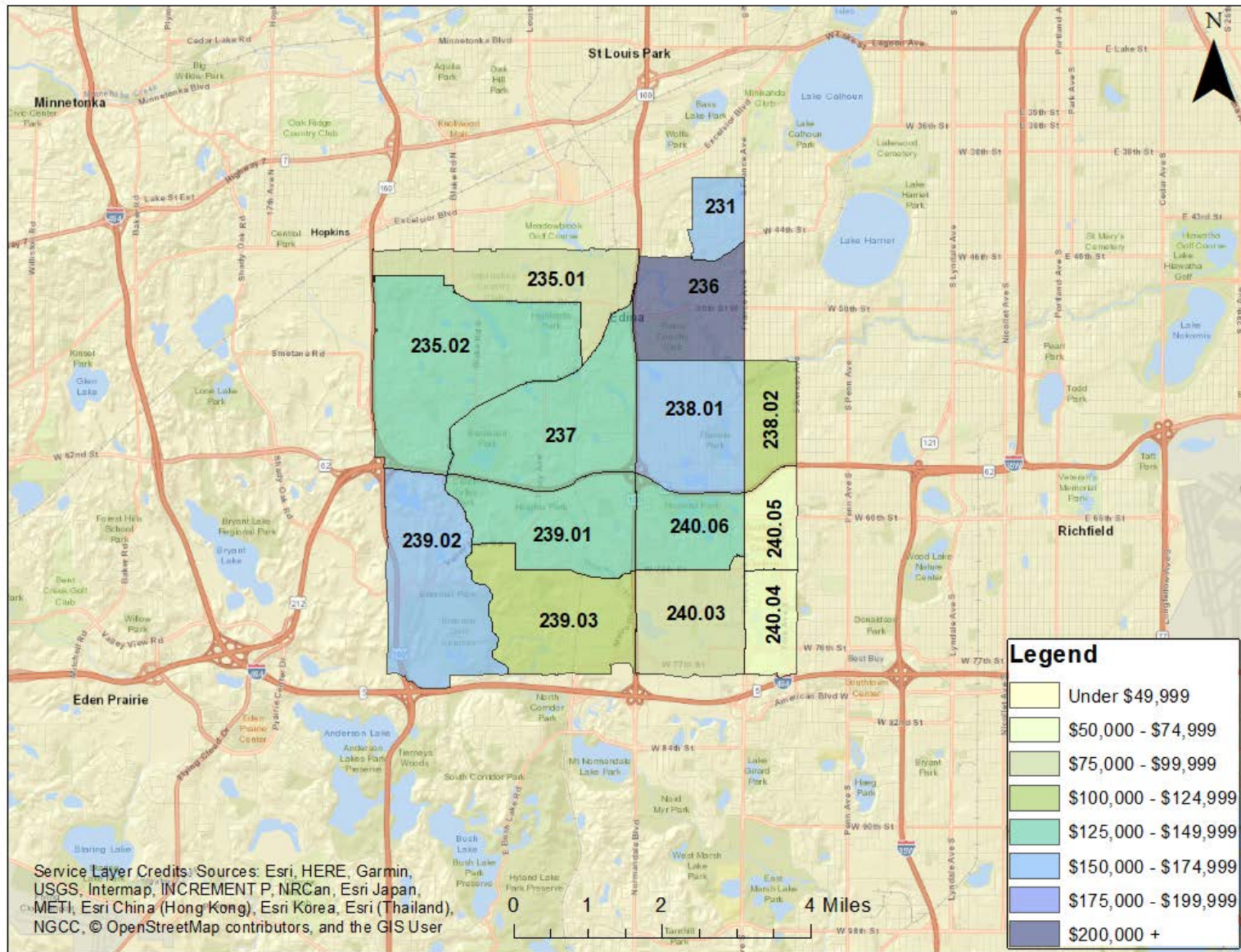


Median Household Incomes by Census Tract

The map on the following page depicts median household incomes for Edina's 14 census tracts. Geographic information System (GIS) data was provided by ESRI Inc., a national demographics and GIS service provider. Below are key points from the map.

- Areas of Edina with high median incomes include most of the northeast portion of the city as well as the far southwestern portion of the city.
- Areas with lower median incomes include the southeast portion of the city as well as small sections of northeast and northwest Edina.
- None of the census tracts in Edina have a median income less than \$50,000; median household incomes by census tract range from just over \$57,000 to more than \$200,000.

City of Edina 2019 Median Household Income by Census Tract



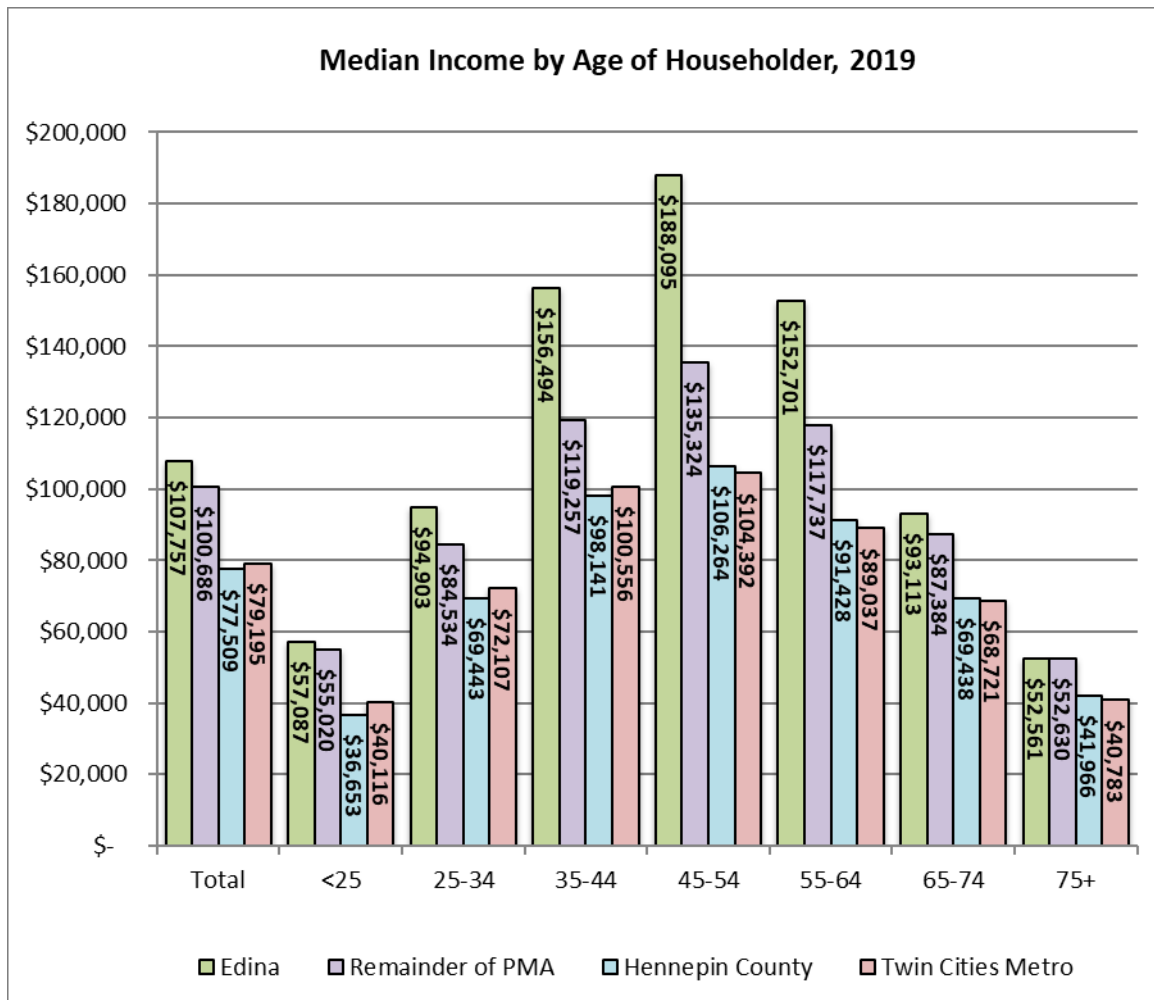
Household Income by Age of Householder

Table D-3 shows the estimated distribution of household incomes in Edina in 2019 with a projection for 2024. Table D-4 through D-6 show the same information for the Remainder of the Primary Market Area, Hennepin County and the Twin Cities Metro Area. The data is estimated by Maxfield Research based on income trends provided by ESRI, Inc. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

The Department of Housing and Urban Development (HUD) defines housing as affordable if a household spends no more than 30% of its gross income for housing costs. For example, a household in Edina with the median annual income of \$107,757 would be able to afford a monthly housing cost of about \$2,694. Maxfield Research uses a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments. Senior households that require support services will often spend higher proportions, up to as much as 90% of their income or may spend down assets to obtain housing and support services.

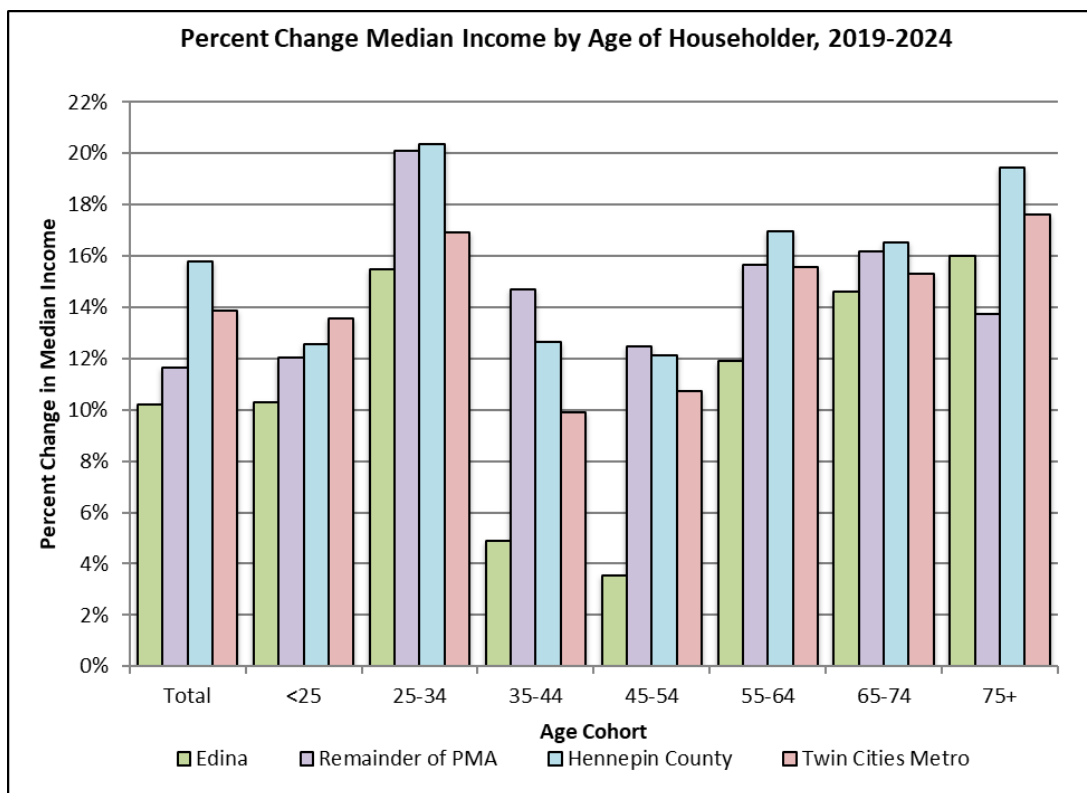
A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home, given today's relatively low mortgage interest rates. Thus, a \$107,757 income would translate to an affordable single-family home price of \$323,271 to \$377,150. The higher end of this range assumes that the person has adequate funds for down payment and closing costs but does not include savings or equity in an existing home which may allow them to purchase a higher priced home.

- Edina has an estimated median household income of \$107,757 in 2019, which is expected to increase to \$118,770 over the next five years (10.2%).
- The 2019 median household income for Edina is higher than the Remainder of the PMA (\$100,686), Hennepin County (\$77,509) and the Twin Cities Metro (\$79,195).
- Between 2019 and 2024, Edina's proportional increase in their median household income is expected to be lower (10.2%) compared to the other geographies (i.e. Remainder of the PMA (11.6%), Hennepin County (15.8%) and the Twin Cities Metro Area (13.9%).



Non-Senior Households

- In 2019, 1.9% of non-senior (under age 65) households in Edina had incomes under \$15,000 (288 households). All these households would be eligible for deep-subsidy rental housing. Another 2.1% of Edina's non-senior households had incomes between \$15,000 and \$25,000 (308 households). Many of these households would qualify for deep-subsidy housing, but a portion may be able to afford shallow-subsidy housing. The very tight rental housing market in many communities in the Twin Cities has resulted in rising rents. At an average monthly rent of \$1,000 for a studio or one-bedroom unit at an older rental property, a household would need an income of at least \$40,000 annually to afford this amount of rent per month. If housing costs absorb 30% of income, households with incomes of \$15,000 to \$25,000 could afford to pay \$375 to \$625 per month. There are a very limited number of rental properties in Edina that have rents even at the upper end of this range.



- The proportion of residents eligible for deep subsidy rental housing in Edina is estimated to be lower than Hennepin County (6.7%), the Twin Cities Metro (5.7%) and the Remainder of the Primary Market Area (2.7%).
- The proportion of total households earning between \$15,000 and \$25,000 ranged from 2.1% in the Edina to 5.1% in Hennepin County.

DEMOGRAPHIC ANALYSIS

TABLE D-3 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CITY OF EDINA (Number of Households) 2020 to 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
2020								
Less than \$15,000	862	16	38	33	61	143.38	146	425
\$15,000 to \$24,999	1,156	24	51	44	58	135.21	228	616
\$25,000 to \$34,999	1,022	33	101	78	75	125.23	211	398
\$35,000 to \$49,999	1,777	63	186	152	152	201.46	333	690
\$50,000 to \$74,999	2,419	66	272	201	201	360.27	466	853
\$75,000 to \$99,999	2,271	57	300	322	165	351.19	555	520
\$100,000 to \$149,999	3,241	34	348	382	610	745.95	644	476
\$150,000 to \$199,999	5,370	8	260	884	1,580	1,638.90	664	335
\$200,000+	5,381	19	260	884	1,580	1,638.90	664	335
Total	23,500	320	1,818	2,980	4,482	5,340	3,912	4,647
Median Income	\$107,757	\$57,087	\$94,903	\$156,494	\$188,095	\$152,701	\$93,113	\$52,561
2025								
Less than \$15,000	823	16	34	36	51	98	141	448
\$15,000 to \$24,999	1,146	20	46	39	48	108	224	661
\$25,000 to \$34,999	1,093	28	101	74	63	104	234	489
\$35,000 to \$49,999	1,911	62	200	146	129	162	365	848
\$50,000 to \$74,999	2,824	71	305	229	185	328	589	1,117
\$75,000 to \$99,999	2,645	67	347	339	162	334	664	731
\$100,000 to \$149,999	4,146	46	478	441	645	812	918	805
\$150,000 to \$199,999	3,347	11	402	708	533	665	634	394
\$200,000+	6,814	19	408	1,116	1,730	1,932	1,016	594
Total	24,750	340	2,320	3,128	3,546	4,544	4,785	6,086
Median Income	\$118,770	\$62,963	\$109,596	\$164,133	\$194,735	\$170,878	\$106,699	\$60,979
Change 2020 - 2025								
Less than \$15,000	-39	-1	-4	3	-9	-46	-5	23
\$15,000 to \$24,999	-10	-4	-5	-6	-10	-27	-4	45
\$25,000 to \$34,999	71	-4	0	-4	-12	-21	23	90
\$35,000 to \$49,999	135	-1	14	-5	-23	-40	32	158
\$50,000 to \$74,999	405	5	32	28	-16	-32	124	264
\$75,000 to \$99,999	373	10	46	17	-3	-17	109	211
\$100,000 to \$149,999	906	12	130	59	35	66	274	329
\$150,000 to \$199,999	-2,024	2	142	-176	-1,047	-974	-31	59
\$200,000+	1,433	-0	147	232	150	293	352	259
Total	1,250	20	502	148	-936	-797	873	1,439
Median Income	\$11,013	\$5,876	\$14,693	\$7,639	\$6,640	\$18,177	\$13,586	\$8,418
<i>Note: Some columns may not add to totals due to rounding.</i>								
Sources: ESRI; Maxfield Research and Consulting LLC								

- In most geographic areas, household median incomes peak in the 45 to 54 age group, when householders are considered in their peak earning years. In 2019, the median household income in Edina was highest in the 45 to 54 age group at \$188,095. By 2024, the median income for the 45 to 54 age group is projected to increase to \$194,735 (3.5%).

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- The 45 to 54 age cohort had the highest median incomes in the Remainder of the PMA (\$135,324), Hennepin County (\$106,264) and the Twin Cities Metro (\$104,392).
- In 2024, the median household income is projected to remain highest for those ages 45 to 54 in all geographies. Within the 45 to 54 age group, Edina is expected to have the lowest rate of household income increase (3.5%) compared to the other geographies (i.e. the Remainder of the PMA (12.5%), Hennepin County (12.1%) and the Twin Cities Metro (10.7%).
- The median estimated home value in Edina as of 2019 is \$465,000. The income required to afford a home at this price would range from about \$132,857 to \$155,000 based on a standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt). Using the data compiled for income by age of householder, an estimated 63.5% of non-senior households in the City of have incomes of \$132,857 or more as of 2019.

Senior Households

- Typically, younger seniors have higher incomes because they are still working, are married couples with two incomes or have higher social security benefits. The 2019 median incomes for Edina households age 65 to 74 and 75+ are \$93,113 and \$52,561, respectively.
- Compared to Edina, senior incomes for 65 to 74-year-olds are lower in the Remainder of the Primary Market Area (\$87,384), Hennepin County (\$69,438) and the Twin Cities Metro (\$68,721). For the 75+ cohort, median incomes were \$40,783 in the Twin Cities Metro, \$52,630 in the Remainder of the PMA and \$52,561 in Edina.
- Senior households ages 75+ have lower incomes compared to senior households ages 65 to 74. In Edina, 3.7% of households ages 65 to 74 had incomes below \$15,000, compared to 9.1% of households age 75 and over. Many of these low-income 75+ households rely solely on social security benefits.
- Generally, senior households with incomes greater than \$35,000 can afford market rate senior housing. Using an income allocation of 40% for adult/no services housing, translates to a monthly rent of \$1,166. As of 2019, 80% (6,456) of senior households in Edina have incomes of \$35,000 or more.
- The current generation of seniors has been frugal, accumulated wealth and many had defined pension plans. With changes to retirement structures, future senior generations may not have as much wealth or incomes to dedicate toward service-based housing, especially if they choose to rent most or all their lives.

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TABLE D-4 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER REMAINDER OF PRIMARY MARKET AREA (Number of Households) 2019 and 2024								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2019								
Less than \$15,000	2,247	163	349	211	214	365	359	586
\$15,000 to \$24,999	2,432	104	301	221	196	390	501	718
\$25,000 to \$34,999	3,083	225	570	295	267	397	454	876
\$35,000 to \$49,999	5,423	282	991	638	539	646	803	1,524
\$50,000 to \$74,999	10,156	431	1,569	1,268	1,175	1,734	1,958	2,022
\$75,000 to \$99,999	8,517	218	1,359	1,453	1,077	1,813	2,044	553
\$100,000 to \$149,999	12,965	230	1,837	2,334	2,750	2,938	1,942	935
\$150,000 to \$199,999	11,731	65	933	2,201	3,202	3,241	1,536	553
\$200,000+	11,745	79	933	2,201	3,202	3,241	1,536	553
Total	68,300	1,796	8,842	10,821	12,623	14,765	11,133	8,321
Median Income	\$100,686	\$55,020	\$84,534	\$119,257	\$135,324	\$117,737	\$87,384	\$52,630
2024								
Less than \$15,000	1,815	150	258	161	155	214	304	575
\$15,000 to \$24,999	2,116	92	237	171	147	285	453	732
\$25,000 to \$34,999	2,864	207	482	238	174	289	439	1,036
\$35,000 to \$49,999	5,131	280	914	548	394	467	738	1,791
\$50,000 to \$74,999	10,604	485	1,606	1,242	990	1,477	2,116	2,688
\$75,000 to \$99,999	8,969	260	1,478	1,435	1,005	1,629	2,345	818
\$100,000 to \$149,999	15,590	317	2,387	2,713	2,877	3,032	2,623	1,640
\$150,000 to \$199,999	11,233	109	1,448	2,644	2,398	2,404	1,578	652
\$200,000+	15,199	115	1,377	2,812	3,646	3,755	2,438	1,056
Total	73,520	2,014	10,185	11,963	11,785	13,550	13,033	10,989
Median Income	\$112,411	\$61,632	\$101,538	\$136,766	\$152,187	\$136,181	\$101,513	\$59,870
Change - 2019 to 2024								
Less than \$15,000	-432	-14	-92	-49	-60	-152	-55	-11
\$15,000 to \$24,999	-317	-12	-64	-50	-50	-105	-48	13
\$25,000 to \$34,999	-219	-18	-89	-58	-93	-108	-15	160
\$35,000 to \$49,999	-292	-2	-77	-90	-145	-179	-65	267
\$50,000 to \$74,999	447	54	37	-26	-185	-257	158	666
\$75,000 to \$99,999	452	41	119	-18	-72	-184	301	264
\$100,000 to \$149,999	2,624	88	550	380	127	94	682	706
\$150,000 to \$199,999	-498	44	515	444	-804	-837	41	99
\$200,000+	3,454	36	444	611	444	514	902	503
Total	5,220	218	1,343	1,143	-837	-1,214	1,900	2,668
Median Income	\$11,725	\$6,612	\$17,004	\$17,509	\$16,863	\$18,444	\$14,129	\$7,240
Sources: ESRI; Maxfield Research and Consulting LLC								

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TABLE D-5 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER HENNEPIN COUNTY (Number of Households) 2019 and 2024								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2019								
Less than \$15,000	38,205	4,917	6,684	4,623	4,308	6,274	4,978	6,421
\$15,000 to \$24,999	33,598	3,541	5,628	3,515	2,918	4,904	5,160	7,932
\$25,000 to \$34,999	35,073	3,365	7,916	4,682	3,747	4,194	4,578	6,593
\$35,000 to \$49,999	56,176	4,073	11,811	8,429	6,785	7,237	8,354	9,487
\$50,000 to \$74,999	83,550	3,827	16,251	12,999	12,510	15,725	12,583	9,655
\$75,000 to \$99,999	64,481	2,168	12,907	12,389	10,244	12,765	10,209	3,800
\$100,000 to \$149,999	87,595	1,760	16,463	20,155	17,771	17,336	9,611	4,499
\$150,000 to \$199,999	62,825	627	6,226	13,117	17,336	16,238	7,029	2,252
\$200,000+	62,800	602	6,226	13,117	17,336	16,238	7,029	2,252
Total	524,303	24,880	90,114	93,025	92,955	100,911	69,530	52,889
<i>Median Income</i>	<i>\$77,509</i>	<i>\$36,653</i>	<i>\$69,443</i>	<i>\$98,141</i>	<i>\$106,264</i>	<i>\$91,428</i>	<i>\$69,438</i>	<i>\$41,966</i>
2024								
Less than \$15,000	30,831	4,474	4,807	3,462	3,143	4,303	4,366	6,276
\$15,000 to \$24,999	29,178	3,436	4,424	2,689	2,238	3,664	4,800	7,927
\$25,000 to \$34,999	32,411	3,360	6,707	3,956	2,943	3,361	4,599	7,485
\$35,000 to \$49,999	52,496	4,269	10,415	7,378	5,640	5,756	8,276	10,762
\$50,000 to \$74,999	84,633	4,411	15,897	12,516	11,304	14,000	14,167	12,338
\$75,000 to \$99,999	66,119	2,597	13,264	12,063	9,751	11,565	11,699	5,180
\$100,000 to \$149,999	103,116	2,432	20,397	22,723	18,928	18,200	12,955	7,481
\$150,000 to \$199,999	68,430	1,017	10,993	16,572	15,279	13,247	7,747	3,575
\$200,000+	78,015	824	8,483	16,316	19,204	18,425	10,704	4,060
Total	545,228	26,819	95,386	97,675	88,429	92,522	79,314	65,083
<i>Median Income</i>	<i>\$89,749</i>	<i>\$41,260</i>	<i>\$83,576</i>	<i>\$110,545</i>	<i>\$119,136</i>	<i>\$106,943</i>	<i>\$80,901</i>	<i>\$50,121</i>
Change - 2019 to 2024								
Less than \$15,000	-7,374	-443	-1,877	-1,161	-1,166	-1,971	-612	-145
\$15,000 to \$24,999	-4,420	-106	-1,205	-826	-680	-1,240	-359	-5
\$25,000 to \$34,999	-2,662	-5	-1,209	-726	-804	-833	21	892
\$35,000 to \$49,999	-3,680	195	-1,397	-1,051	-1,145	-1,481	-78	1,275
\$50,000 to \$74,999	1,083	584	-354	-483	-1,206	-1,725	1,584	2,683
\$75,000 to \$99,999	1,638	429	357	-325	-493	-1,200	1,490	1,380
\$100,000 to \$149,999	15,521	672	3,934	2,568	1,157	864	3,344	2,982
\$150,000 to \$199,999	5,605	391	4,766	3,455	-2,057	-2,991	719	1,323
\$200,000+	15,215	222	2,256	3,199	1,867	2,187	3,675	1,808
Total	20,925	1,939	5,272	4,650	-4,525	-8,389	9,784	12,194
<i>Median Income</i>	<i>\$12,240</i>	<i>\$4,607</i>	<i>\$14,133</i>	<i>\$12,404</i>	<i>\$12,872</i>	<i>\$15,515</i>	<i>\$11,463</i>	<i>\$8,155</i>
Sources: ESRI; Maxfield Research and Consulting LLC								

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TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER TWIN CITIES METRO (Number of Households) 2019 and 2024								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2019								
Less than \$15,000	79,744	8,096	13,151	9,673	9,301	13,978	10,933	14,612
\$15,000 to \$24,999	74,020	6,085	11,372	7,681	6,796	11,450	12,375	18,262
\$25,000 to \$34,999	83,153	6,553	17,192	10,988	9,356	10,853	11,595	16,617
\$35,000 to \$49,999	133,426	8,243	26,863	19,829	16,904	18,587	20,598	22,402
\$50,000 to \$74,999	212,352	8,686	40,077	31,973	32,647	41,704	34,136	23,128
\$75,000 to \$99,999	172,968	4,623	31,927	32,548	30,912	37,408	27,495	8,056
\$100,000 to \$149,999	232,011	3,739	40,081	57,057	50,114	47,287	24,307	9,425
\$150,000 to \$199,999	130,892	1,262	13,405	27,910	36,589	32,957	14,595	4,174
\$200,000+	130,809	1,180	13,405	27,910	36,589	32,957	14,595	4,174
Total	1,249,375	48,467	207,472	225,569	229,207	247,183	170,629	120,848
<i>Median Income</i>	<i>\$79,195</i>	<i>\$40,116</i>	<i>\$72,107</i>	<i>\$100,556</i>	<i>\$104,392</i>	<i>\$89,037</i>	<i>\$68,721</i>	<i>\$40,783</i>
2024								
Less than \$15,000	64,123	7,314	9,469	7,429	6,686	9,495	9,460	14,271
\$15,000 to \$24,999	63,919	5,694	8,943	5,958	5,089	8,469	11,407	18,359
\$25,000 to \$34,999	76,388	6,301	14,424	9,337	7,130	8,587	11,588	19,020
\$35,000 to \$49,999	123,858	8,372	23,546	17,463	13,572	14,653	20,406	25,846
\$50,000 to \$74,999	213,528	9,737	38,623	30,738	28,602	37,009	38,442	30,377
\$75,000 to \$99,999	175,916	5,405	32,356	32,240	28,434	34,194	32,092	11,193
\$100,000 to \$149,999	270,885	5,029	48,746	65,972	51,880	50,027	33,402	15,829
\$150,000 to \$199,999	169,393	2,058	24,737	42,575	40,857	34,014	17,773	7,379
\$200,000+	161,190	1,557	17,850	35,027	39,890	37,268	22,128	7,469
Total	1,319,200	51,467	218,694	246,740	222,141	233,716	196,699	149,742
<i>Median Income</i>	<i>\$90,172</i>	<i>\$45,557</i>	<i>\$84,302</i>	<i>\$110,512</i>	<i>\$115,597</i>	<i>\$102,892</i>	<i>\$79,226</i>	<i>\$47,962</i>
Change - 2019 to 2024								
Less than \$15,000	-15,621	-783	-3,682	-2,244	-2,614	-4,483	-1,473	-341
\$15,000 to \$24,999	-10,101	-390	-2,428	-1,723	-1,708	-2,981	-968	97
\$25,000 to \$34,999	-6,765	-252	-2,768	-1,652	-2,225	-2,266	-6	2,403
\$35,000 to \$49,999	-9,568	129	-3,317	-2,366	-3,332	-3,934	-191	3,444
\$50,000 to \$74,999	1,176	1,052	-1,454	-1,235	-4,045	-4,695	4,306	7,249
\$75,000 to \$99,999	2,947	782	430	-307	-2,478	-3,214	4,597	3,137
\$100,000 to \$149,999	38,874	1,289	8,665	8,916	1,766	2,740	9,094	6,404
\$150,000 to \$199,999	38,501	796	11,332	14,665	4,269	1,056	3,178	3,205
\$200,000+	30,381	377	4,445	7,117	3,302	4,310	7,533	3,295
Total	69,825	3,000	11,223	21,170	-7,066	-13,466	26,070	28,895
<i>Median Income</i>	<i>\$10,977</i>	<i>\$5,441</i>	<i>\$12,195</i>	<i>\$9,956</i>	<i>\$11,205</i>	<i>\$13,855</i>	<i>\$10,505</i>	<i>\$7,179</i>
Sources: ESRI; Maxfield Research and Consulting LLC								

Net Worth

Table D-7 shows the estimated household net worth in Edina in 2019, along with the Remainder of the Market Area, Hennepin County and the Twin Cities Metro. Simply stated, net worth is the difference between assets and liabilities, or the total value of assets after the debt is subtracted. The data was compiled and estimated by ESRI based on the Survey of Consumer Finances and Federal Reserve Board data.

According to data released by the National Association of Realtors, the average American homeowner has a net worth about 31 to 46 times greater than that of a renter and that in 2016, the average American homeowner net worth was estimated at 44 times greater than that of a renter. The Federal Reserve survey is conducted every three years and this research was based on the 2016 Federal Reserve survey that showed the median net worth of a homeowner was \$231,400, whereas the median net worth of a renter was \$5,200.

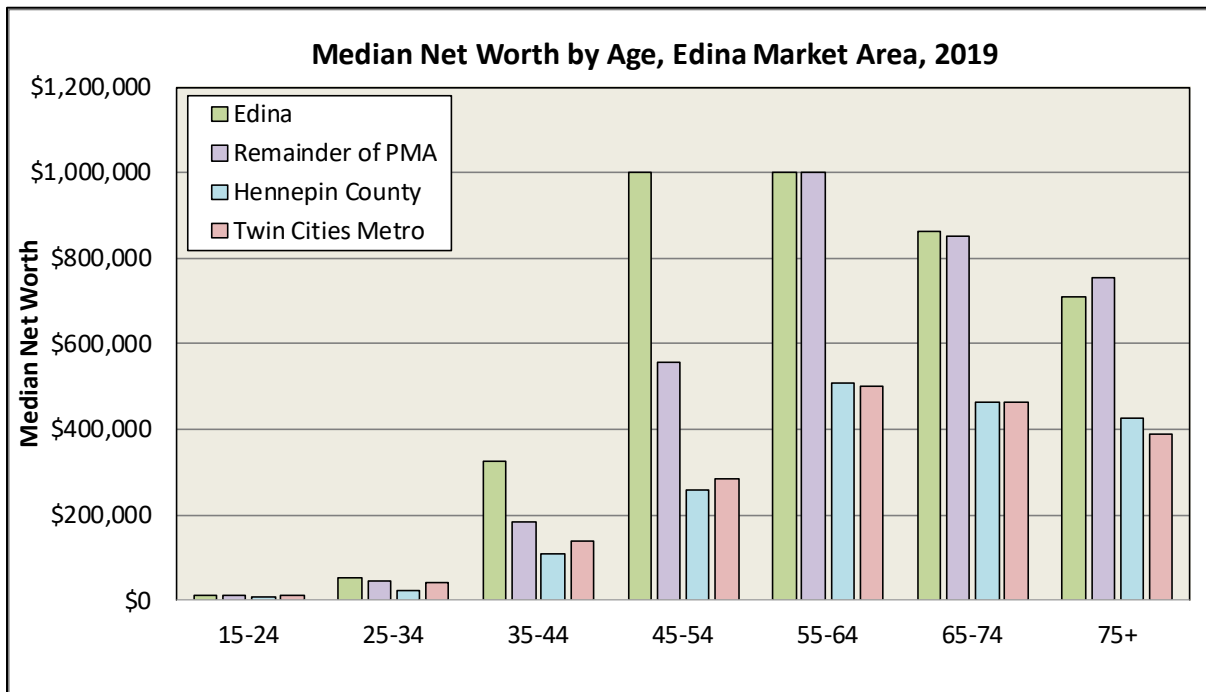
- Edina households had an average net worth of \$2,412,517 in 2019 and a median net worth of \$687,366. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with very large net worth can significantly skew the average.
- Similar to household income, net worth increases as households age and decreases after they pass their peak earning years and move into retirement. Median and average net worth usually peak in the 65 to 74 age cohort. The median net worth in Edina for the age 65 to 74 cohort is estimated at \$861,272 as of 2019. Average and median net worth however, are highest for the 55 to 64 age cohort at \$4,014,474 and \$1,000,001, respectively. Additionally, despite net worth tending to decrease after retirement, senior households often continue to have relatively high net worth due to their savings, investments, and other retirement funds.
- Edina reported the highest average net worth (\$2,412,517) and highest median net worth (\$687,366). The Twin Cities Metro had the lowest average net worth (\$1,076,191) while Hennepin County had the lowest median net worth (\$168,046).

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TABLE D-7
ESTIMATED NET WORTH BY AGE OF HOUSEHOLDER
EDINA MARKET AREA
2019

	Age of Householder							
	Total		15-24		25-34		35-44	
	Average	Median	Average	Median	Average	Median	Average	Median
Edina	\$2,412,517	\$687,366	\$43,269	\$13,647	\$172,338	\$52,375	\$912,575	\$324,719
Remainder of PMA	\$1,789,116	\$418,483	\$39,074	\$12,722	\$143,320	\$46,234	\$775,400	\$185,484
Hennepin County	\$1,119,049	\$168,046	\$27,757	\$10,324	\$110,010	\$25,020	\$505,912	\$109,461
Twin Cities Metro	\$1,076,191	\$198,484	\$33,913	\$11,136	\$124,797	\$41,882	\$517,054	\$139,122
	45-54		55-64		65-74		75+	
	Average	Median	Average	Median	Average	Median	Average	Median
	Average	Median	Average	Median	Average	Median	Average	Median
Edina	\$2,703,448	\$1,000,001	\$4,014,474	\$1,000,001	\$2,809,423	\$861,272	\$2,318,768	\$709,024
Remainder of PMA	\$1,926,515	\$557,544	\$2,990,145	\$1,000,001	\$2,507,263	\$849,822	\$2,167,855	\$753,023
Hennepin County	\$1,301,419	\$259,944	\$1,301,419	\$507,918	\$1,772,087	\$463,069	\$1,556,652	\$426,831
Twin Cities Metro	\$1,241,095	\$285,221	\$1,935,063	\$499,916	\$1,643,227	\$463,350	\$1,408,972	\$389,113

Sources: ESRI; Maxfield Research and Consulting, LLC



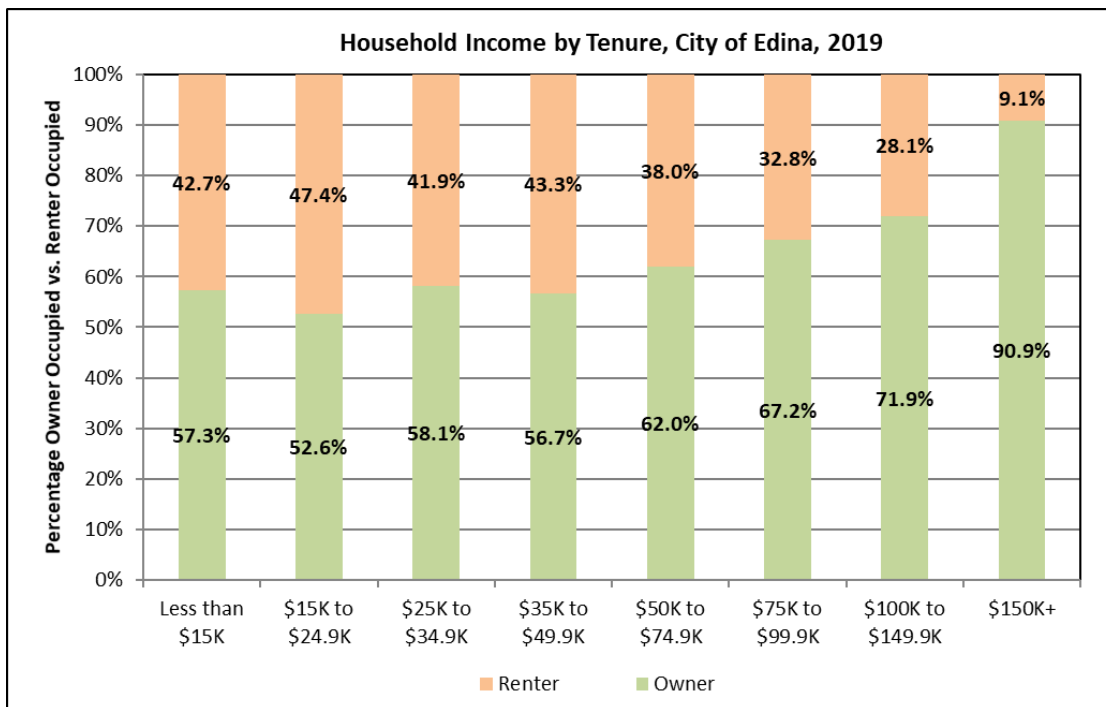
Tenure by Household Income

Table D-8 shows household tenure by income for Edina, the Remainder of the PMA, Hennepin County and the Twin Cities Metro in 2019. Data is an estimate from the American Community Survey (2018) and adjusted for the most recent household 2019 household estimates. This information is important to assess the propensity for households to own or rent their housing based on income. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household's income. The higher the income,

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the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households spend more than 30% of their income, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income.

- As income increases, so does the rate of homeownership. This can be seen in Edina, where the homeownership rate is less than 60% for households with incomes less than \$50,000 and increases to 90.9% of households with incomes of \$150,000 or greater.
- A portion of renter households that are referred to as lifestyle renters, those who are financially able to own but choose to rent, typically have household incomes of \$50,000 or more and account for an estimated 56% of Edina's renters in 2019. The proportion of lifestyle renters is slightly higher in the Remainder of the PMA (57%), but Edina's proportion of lifestyle renters is higher than Hennepin County (41.9%) and the Twin Cities Metro (40.7%)
- Households with incomes below \$15,000 are typically a market for deep-subsidy rental housing (an estimated 9.2% of Edina's renter households as of 2019). The proportion of renters eligible for deep subsidies in the Remainder of the Market Area (8.6%) is similar to Edina.



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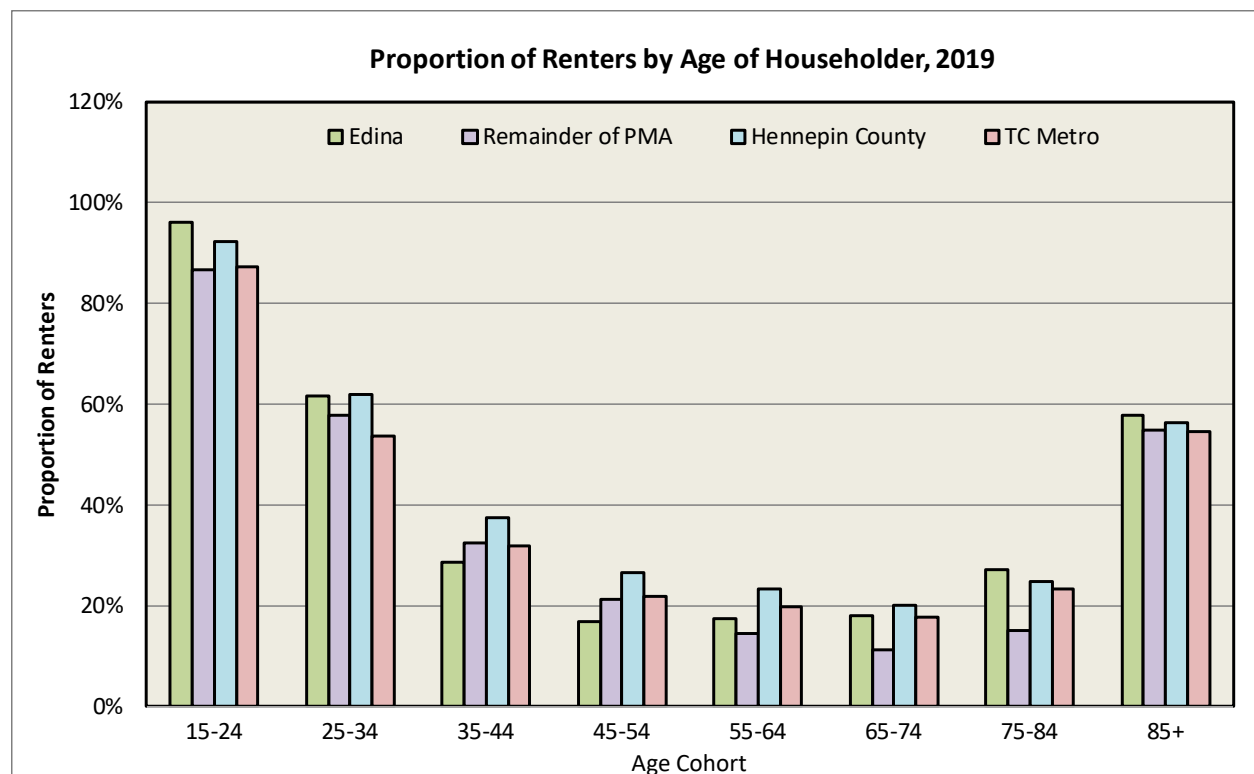
TABLE D-8
TENURE BY HOUSEHOLD INCOME
EDINA MARKET AREA
2019

	CITY OF EDINA				REMAINDER OF PMA				HENNEPIN COUNTY				TWIN CITIES METRO			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Income																
Less than \$15,000	807	57.3%	601	42.7%	1,221	42.2%	1,670	57.8%	11,477	24.0%	36,410	76.0%	26,895	28.0%	69,080	72.0%
\$15,000 to \$24,999	894	52.6%	805	47.4%	1,602	43.7%	2,061	56.3%	14,407	35.6%	26,108	64.4%	35,428	39.3%	54,819	60.7%
\$25,000 to \$34,999	715	58.1%	516	41.9%	2,184	56.9%	1,653	43.1%	17,149	43.1%	22,678	56.9%	44,461	47.7%	48,720	52.3%
\$35,000 to \$49,999	1,238	56.7%	946	43.3%	3,352	53.4%	2,925	46.6%	29,786	49.7%	30,113	50.3%	77,342	55.3%	62,481	44.7%
\$50,000 to \$74,999	1,886	62.0%	1,156	38.0%	6,538	60.0%	4,367	40.0%	51,767	59.5%	35,275	40.5%	142,025	65.8%	73,944	34.2%
\$75,000 to \$99,999	1,561	67.2%	761	32.8%	6,294	72.2%	2,428	27.8%	46,949	70.3%	19,816	29.7%	130,947	76.3%	40,624	23.7%
\$100,000 to \$149,999	2,569	71.9%	1,002	28.1%	10,664	79.8%	2,692	20.2%	70,867	80.3%	17,421	19.7%	195,000	86.1%	31,602	13.9%
\$150,000+	7,313	90.9%	730	9.1%	16,940	91%	1,709	9.2%	84,843	90.2%	9,237	9.8%	201,137	93.1%	14,871	6.9%
Total	16,983	72.3%	6,517	27.7%	48,795	71.4%	19,505	28.6%	327,245	62.4%	197,058	37.6%	853,235	68.3%	396,141	31.7%
Median Household Income	\$129,679		\$59,886		\$114,820		\$63,150		\$99,376		\$42,878		\$96,345		\$43,346	
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting LLC																

Tenure by Age of Householder

Table D-9 shows the number of owner and renter households in Edina by age group in 2010 and 2019. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual's life cycle. The following are key findings from Table D-9.

- In 2010, 74.8% of all households in Edina owned their housing. By 2019, that percentage declined to 72.3%. A similar pattern was observed in the Remainder of the PMA, Hennepin County and the Twin Cities Metro, which experienced a decline in homeownership rates between 2.3% and 1.7%.
- As households progress through their life cycle, housing needs change. The proportion of renter households decreases as households' age out of their young-adult years. By the time households reach their senior years however, rental housing often becomes a more viable option than homeownership, reducing the responsibility of maintenance and a financial commitment.
- The proportion of homeowners increases as households age, through the 45 to 54 age cohort in Edina. In this age cohort, homeowner households reached the highest proportion of 83% before declining to 57.9% among households 85 and older. In every age cohort, the proportion of renter households increased between 2010 and 2019.



DEMOGRAPHIC ANALYSIS

TABLE D-9
TENURE BY AGE OF HOUSEHOLDER
EDINA MARKET AREA
2010 and 2019

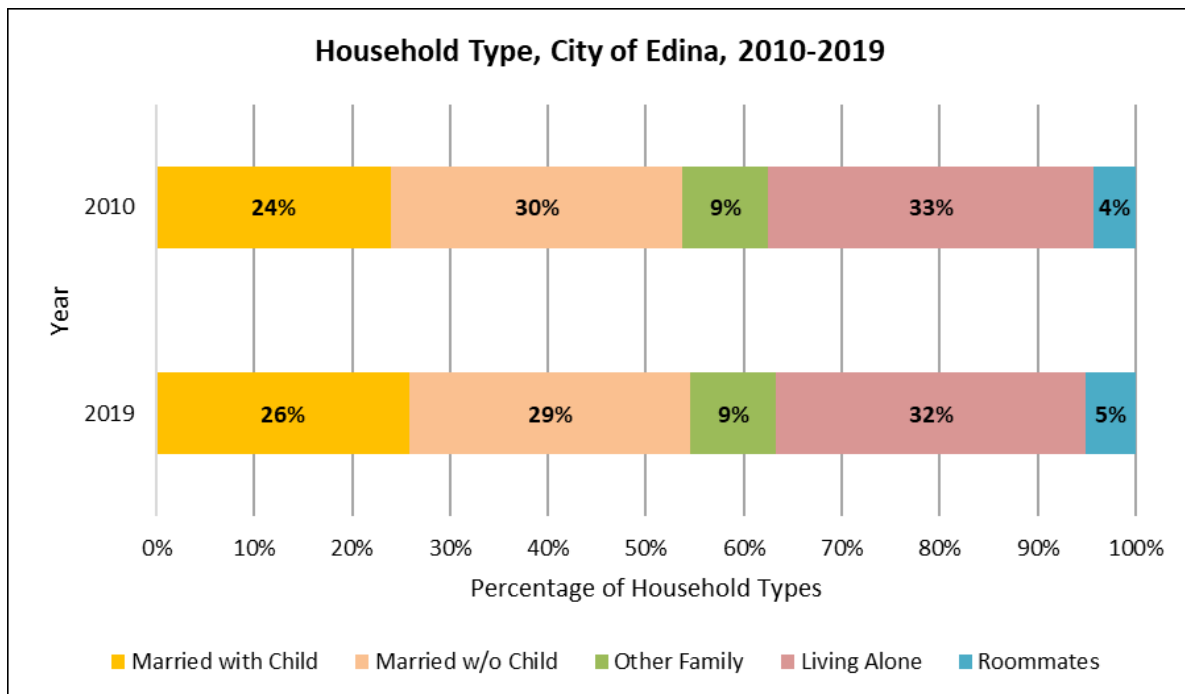
Age		CITY OF EDINA				REMAINDER OF PRIMARY MARKET AREA				HENNEPIN COUNTY				TWIN CITIES METRO			
		2010		2019		2010		2019		2010		2019		2010		2019	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
15-24	Own	53	18.5	8	3.7	233	12.1	236	13.4	2,790	10.9	1,695	7.7	7,947	16.0	5,621	12.7
	Rent	234	81.5	198	96.3	1,689	87.9	1,527	86.6	22,734	89.1	20,198	92.3	41,789	84.0	38,672	87.3
	Total	287	100.0	206	100.0	1,922	100.0	1,763	100.0	25,524	100.0	21,893	100.0	49,736	100.0	44,293	100.0
25-34	Own	796	39.3	984	38.4	4,574	44.6	4,608	42.1	39,850	42.3	40,251	38.1	102,236	50.6	104,300	46.3
	Rent	1,227	60.7	1,577	61.6	5,672	55.4	6,343	57.9	54,312	57.7	65,483	61.9	99,716	49.4	121,182	53.7
	Total	2,023	100.0	2,561	100.0	10,246	100.0	10,951	100.0	94,162	100.0	105,734	100.0	201,952	100.0	225,482	100.0
35-44	Own	2,349	76.3	2,684	71.3	7,684	72.2	7,766	67.5	57,684	66.6	58,062	62.3	154,678	72.3	153,466	67.9
	Rent	729	23.7	1,082	28.7	2,956	27.8	3,744	32.5	28,946	33.4	35,102	37.7	59,303	27.7	72,530	32.1
	Total	3,078	100.0	3,766	100.0	10,640	100.0	11,510	100.0	86,630	100.0	93,164	100.0	213,981	100.0	225,997	100.0
45-54	Own	3,620	84.1	3,883	83.0	12,001	83.6	10,218	78.8	75,651	75.4	72,020	73.3	202,404	79.8	197,477	78.1
	Rent	684	15.9	793	17.0	2,359	16.4	2,753	21.2	24,688	24.6	26,203	26.7	51,379	20.2	55,342	21.9
	Total	4,304	100.0	4,676	100.0	14,360	100.0	12,971	100.0	100,339	100.0	98,224	100.0	253,783	100.0	252,819	100.0
55-64	Own	3,416	85.3	3,498	82.4	11,467	87.2	11,902	85.3	65,466	79.5	74,650	76.6	162,595	82.6	193,838	80.3
	Rent	591	14.7	749	17.6	1,678	12.8	2,054	14.7	16,891	20.5	22,820	23.4	34,355	17.4	47,660	19.7
	Total	4,007	100.0	4,247	100.0	13,145	100.0	13,956	100.0	82,357	100.0	97,470	100.0	196,950	100.0	241,498	100.0
65-74	Own	2,212	82.5	2,988	81.9	6,285	89.3	8,297	88.7	34,028	80.0	47,860	79.7	85,347	82.6	120,656	82.2
	Rent	470	17.5	659	18.1	751	10.7	1,056	11.3	8,502	20.0	12,184	20.3	17,998	17.4	26,098	17.8
	Total	2,682	100.0	3,648	100.0	7,036	100.0	9,353	100.0	42,530	100.0	60,044	100.0	103,345	100.0	146,753	100.0
75-84	Own	2,052	77.2	1,931	72.7	3,877	83.7	4,229	84.8	21,975	75.6	23,073	75.1	50,083	75.6	57,192	76.5
	Rent	605	22.8	724	27.3	756	16.3	760	15.2	7,108	24.4	7,638	24.9	16,185	24.4	17,553	23.5
	Total	2,657	100.0	2,655	100.0	4,633	100.0	4,990	100.0	29,083	100.0	30,711	100.0	66,268	100.0	74,745	100.0
85+	Own	957	58.6	1,008	57.9	1,306	56.9	1,538	54.8	8,677	56.8	9,634	56.5	17,185	54.2	20,685	54.7
	Rent	677	41.4	734	42.1	990	43.1	1,268	45.2	6,611	43.2	7,430	43.5	14,549	45.8	17,104	45.3
	Total	1,634	100.0	1,742	100.0	2,296	100.0	2,807	100.0	15,288	100.0	17,064	100.0	31,734	100.0	37,788	100.0
TOTAL	Own	15,455	74.8	16,983	72.3	47,427	73.8	48,795	71.4	306,121	64.3	327,245	62.4	782,475	70.0	853,234	68.3
	Rent	5,217	25.2	6,517	27.7	16,851	26.2	19,505	28.6	169,792	35.7	197,058	37.6	335,274	30.0	396,141	31.7
	Total	20,672	100.0	23,500	100.0	64,278	100.0	68,300	100.0	475,913	100.0	524,303	100.0	1,117,749	100.0	1,249,375	100.0

Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC

Household Type

Table D-10 shows a breakdown of the type of households in Edina in 2010 and 2019. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

- In 2010, the largest household type in Edina was Living Alone, which represented 33.1% of households. As of 2019, households living alone remains the largest household type in the City, although the proportion of households decreased modestly over the period.
- Among all geographies, the greatest change in household type occurred in the “Roommate” category in Edina, where this segment increased by 33.0%, followed by Married Couples with Children, where this segment increased by 21%. This is atypical of other communities in the Metro where living alone and Married Couples without Children have had greater increases.
- Edina had a higher proportion of Married with Child Households, 25.8%, compared to the Remainder of the PMA, Hennepin County and the Twin Cities Metro, which ranged between 18.8% and 21.5% in 2019.
- At the same time, Edina reported the lowest proportion of Other (8.8%, single parents with children) and Roommates households (5.2%, unmarried couples without children and related or unrelated individuals living together), compared to the Remainder of PMA, Hennepin County, and the Twin Cities Metro.



DEMOGRAPHIC ANALYSIS

**TABLE D-10
HOUSEHOLD TYPE
EDINA MARKET AREA
2010 & 2019**

Households	Total HH's		Family Households						Non-Family Households			
			Married w/ Child		Married w/o Child		Other *		Living Alone		Roommates **	
	2010	2019	2010	2019	2010	2019	2010	2019	2010	2019	2010	2019
Edina	20,672	23,217	4,955	5,993	6,153	6,659	1,810	2,043	6,851	7,321	903	1,201
Remainder of PMA	64,278	68,300	13,269	13,646	19,983	21,721	6,851	7,445	19,453	20,378	4,722	5,111
Hennepin County	475,913	524,303	89,084	98,586	116,099	132,837	67,702	69,247	155,807	173,477	47,221	50,156
Twin Cities Metro	1,117,749	1,249,375	244,687	268,319	298,723	347,846	164,086	175,075	319,030	360,786	91,223	97,351
Percent												
Edina	100.0	100.0	24.0	25.8	29.8	28.7	8.8	8.8	33.1	31.5	4.4	5.2
Remainder of PMA	100.0	100.0	20.6	20.0	31.1	31.8	10.7	10.9	30.3	29.8	7.3	7.5
Hennepin County	100.0	100.0	18.7	18.8	24.4	25.3	14.2	13.2	32.7	33.1	9.9	9.6
Twin Cities Metro	100.0	100.0	21.9	21.5	26.7	27.8	14.7	14.0	28.5	28.9	8.2	7.8
Change 2010-2019												
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Edina	2,545	12.3%	1,038	21.0%	506	8.2%	233	12.9%	470	6.9%	298	33.0%
Remainder of PMA	4,022	6.3%	377	2.8%	1,738	8.7%	594	8.7%	925	4.8%	389	8.2%
Hennepin County	48,390	10.2%	9,502	10.7%	16,738	14.4%	1,545	2.3%	17,670	11.3%	2,935	6.2%
Twin Cities Metro	131,626	11.8%	23,632	9.7%	49,123	16.4%	10,989	6.7%	41,756	13.1%	6,128	6.7%
* Predominantly single-parents with children												
** Includes unmarried couples without children and unrelated people living together												
Sources: U. S. Census; ESRI, Inc.; Maxfield Research and Consulting, LLC												

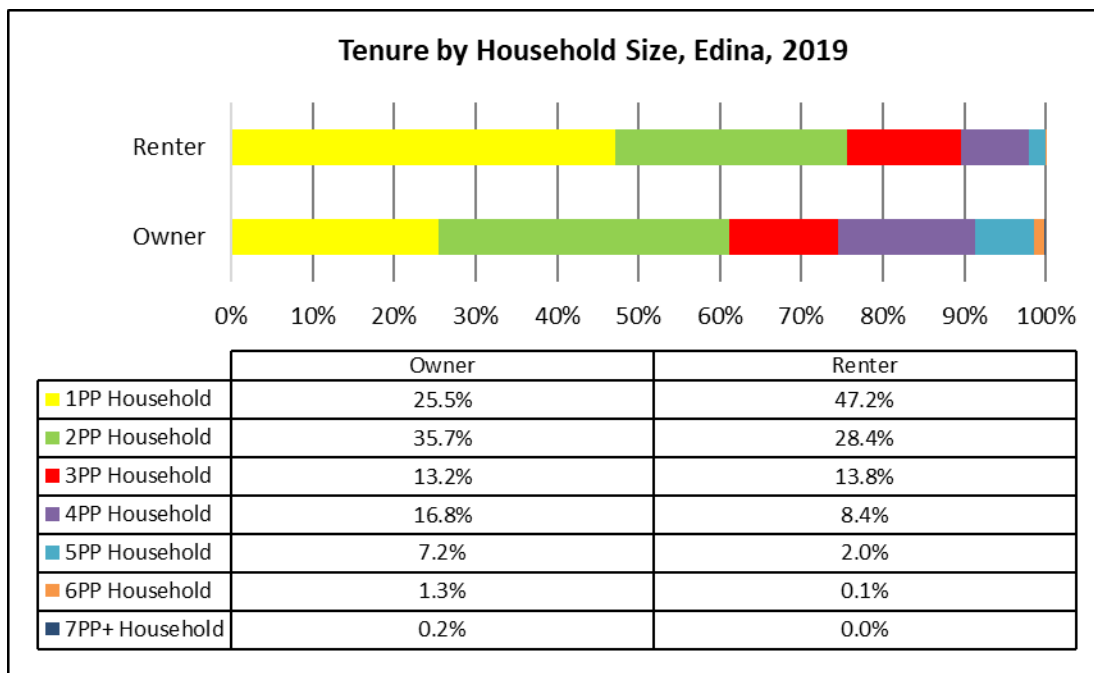
DEMOGRAPHIC ANALYSIS

- Although Edina showed an increase in all household types between 2010 and 2019, the proportion of Married without Children Households and Living Alone Households declined, due primarily to larger increases among Married Couples with Children and Roommates. Increases in households with fewer people, on average, in each household will impact the type of housing in demand in Edina. Smaller household sizes may favor maintenance-free housing options located near amenity-rich areas as opposed to large single-family homes.

Tenure by Household Size

Table D-11 shows the distribution of households by size and tenure in Edina, the Remainder of the PMA, Hennepin County and the Twin Cities Metro in 2010 and 2019.

- Household size for renters is usually smaller than for owners. This trend is because the typical market segments for rental housing are younger households which are less likely to be married and have children and older adults who elect to downsize or “right size” from their single-family homes. In 2019, an estimated 47% of the renter-occupied units in Edina were single-person households, compared to only 26% of owner households.



Data from the American Community Survey adjusted to current household estimates reveals that 9.7% of Edina owner households reside alone in single-family detached homes. Most of these people are likely over age 65.

DEMOGRAPHIC ANALYSIS

TABLE D-11
TENURE BY HOUSEHOLD SIZE
EDINA MARKET AREA
2010 AND 2019

CITY OF EDINA								
Size	2010				2019			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	4,161	26.9%	2,690	51.6%	4,281	25.5%	3,040	47.2%
2PP Household	5,510	35.7%	1,410	27.0%	5,984	35.7%	1,831	28.4%
3PP Household	2,052	13.3%	593	11.4%	2,222	13.2%	892	13.8%
4PP Household	2,355	15.2%	328	6.3%	2,826	16.8%	542	8.4%
5PP Household	1,076	7.0%	125	2.4%	1,206	7.2%	127	2.0%
6PP Household	234	1.5%	42	0.8%	219	1.3%	8	0.1%
7PP+ Household	67	0.4%	29	0.6%	41	0.2%	0	0.0%
Total	15,455	100.0%	5,217	100.0%	16,778	100.0%	6,439	100.0%

REMAINDER OF PRIMARY MARKET AREA								
Size	2010				2019			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	11,709	24.7%	7,744	46.0%	12,088	24.8%	8,290	42.5%
2PP Household	18,783	39.6%	5,023	29.8%	19,463	39.9%	6,421	32.9%
3PP Household	7,200	15.2%	2,038	12.1%	7,504	15.4%	2,253	11.5%
4PP Household	6,632	14.0%	1,236	7.3%	6,808	14.0%	1,571	8.1%
5PP Household	2,251	4.7%	437	2.6%	1,917	3.9%	591	3.0%
6PP Household	599	1.3%	232	1.4%	765	1.6%	254	1.3%
7PP+ Household	253	0.5%	141	0.8%	251	0.5%	124	0.6%
Total	47,427	100.0%	16,851	100.0%	48,795	100.0%	19,505	100.0%

HENNEPIN COUNTY								
Size	2010				2019			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	77,198	25.2%	78,609	46.3%	82,997	25.4%	90,480	45.9%
2PP Household	112,157	36.6%	44,706	26.3%	121,121	37.0%	53,869	27.3%
3PP Household	47,338	15.5%	20,044	11.8%	49,755	15.2%	22,577	11.5%
4PP Household	42,878	14.0%	13,330	7.9%	46,687	14.3%	15,812	8.0%
5PP Household	16,863	5.5%	6,653	3.9%	16,890	5.2%	7,664	3.9%
6PP Household	5,442	1.8%	3,255	1.9%	6,021	1.8%	3,809	1.9%
7PP+ Household	4,245	1.4%	3,195	1.9%	3,773	1.2%	2,847	1.4%
Total	306,121	100.0%	169,792	100.0%	327,245	100.0%	197,058	100.0%

TWIN CITIES METRO AREA								
Size	2010				2019			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	171,241	21.9%	147,789	44.1%	189,443	22.2%	171,343	43.3%
2PP Household	280,552	35.9%	87,139	26.0%	312,169	36.6%	107,939	27.2%
3PP Household	128,197	16.4%	42,563	12.7%	136,423	16.0%	48,872	12.3%
4PP Household	123,219	15.7%	29,587	8.8%	133,425	15.6%	35,469	9.0%
5PP Household	50,854	6.5%	14,883	4.4%	53,681	6.3%	17,955	4.5%
6PP Household	16,887	2.2%	6,908	2.1%	17,334	2.0%	8,357	2.1%
7PP+ Household	11,525	1.5%	6,405	1.9%	10,760	1.3%	6,207	1.6%
Total	782,475	100.0%	335,274	100.0%	853,234	100.0%	396,141	100.0%

Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC

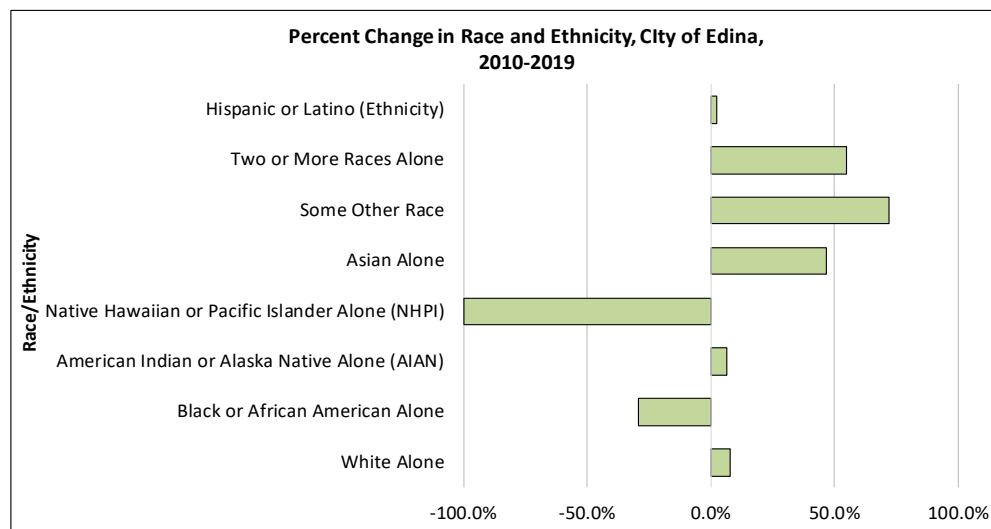
DEMOGRAPHIC ANALYSIS

- An estimated 76% of renter households in Edina in 2019 have either one or two people. One-person households are likely to seek smaller homes, while two-person households may prefer larger homes or apartments. Two-person households with a parent and child or roommate are likely to prefer at least a two-bedroom apartment or a modest size home. Only an estimated 24% of renter households in Edina in 2019 had three or more people in the household.

Diversity

The population distribution by race, Table D-12, presents the diversity of the population in Edina, the Remainder of the PMA, Hennepin County and the Twin Cities Metro for 2010 and 2019. The data was obtained from the U.S. Census.

- In 2019, “White Alone” comprised the largest proportion of the population in Edina (86.9%), the Remainder of the PMA (84.5%), Hennepin County (74.6%) and the Metro Area (78.6%). The percentage has decreased since 2010 where “White Alone” was 88.7% in Edina.
- U.S. Census respondents that list themselves ethnically as Hispanic or Latino, racially list themselves in various race categories. As of 2019, 3.1% of Edina’s population self-identified as Hispanic/Latino. The Hispanic/Latino population was 2.4% of Edina’s population in 2010.
- “Black or African American Alone” decreased from 1,424 people in 2010 to 1,009 and “Native Hawaiian or Pacific Islander Alone” also decreased from 16 people in 2010 to 0 people in 2019.
- The greatest increase in population by race in Edina were “Asian Alone” which increased from 2,914 people in 2010 to 4,271 people in 2019, an estimated increase of 46.6%.



DEMOGRAPHIC ANALYSIS

TABLE D-12
POPULATION DISTRIBUTION BY RACE
EDINA MARKET AREA
2010 & 2019

	White Alone		Black or African American Alone		American Indian or Alaska Native Alone (AIAN)		Native Hawaiian or Pacific Islander Alone (NHPI)		Asian Alone		Some Other Race		Two or More Races Alone		Hispanic or Latino (Ethnicity)	
	2010	2019	2010	2019	2010	2019	2010	2019	2010	2019	2010	2019	2010	2019	2010	2019
Number																
Edina	41,535	44,812	1,424	1,009	78	83	16	0	2,914	4,271	88	151	785	1,215	1,101	1,584
Remainder of PMA	125,814	128,626	6,880	8,900	332	330	41	130	7,905	9,502	225	267	3,154	4,551	4,615	6,463
Hennepin County	826,670	868,921	134,240	156,789	8,848	6,640	431	406	71,535	86,983	2,321	2,980	30,704	41,280	77,676	85,776
Twin Cities Metro	2,173,218	2,306,414	234,334	283,020	17,452	14,561	1,091	1,017	182,496	227,365	4,609	6,007	68,809	95,913	167,558	194,661
Percentage																
Edina	88.7%	86.9%	3.0%	2.0%	0.2%	0.2%	0.0%	0.0%	6.2%	8.3%	0.2%	0.3%	1.7%	2.4%	2.4%	3.1%
Remainder of PMA	87.2%	84.5%	4.8%	5.8%	0.2%	0.2%	0.03%	0.09%	5.5%	6.2%	0.2%	0.2%	2.2%	3.0%	3.2%	4.2%
Hennepin County	76.9%	74.6%	12.5%	13.5%	0.8%	0.6%	0.04%	0.03%	6.7%	7.5%	0.2%	0.3%	2.9%	3.5%	7.2%	7.4%
Twin Cities Metro	81.0%	78.6%	8.7%	9.6%	0.7%	0.5%	0.04%	0.03%	6.8%	7.7%	0.2%	0.2%	2.6%	3.3%	6.2%	6.6%

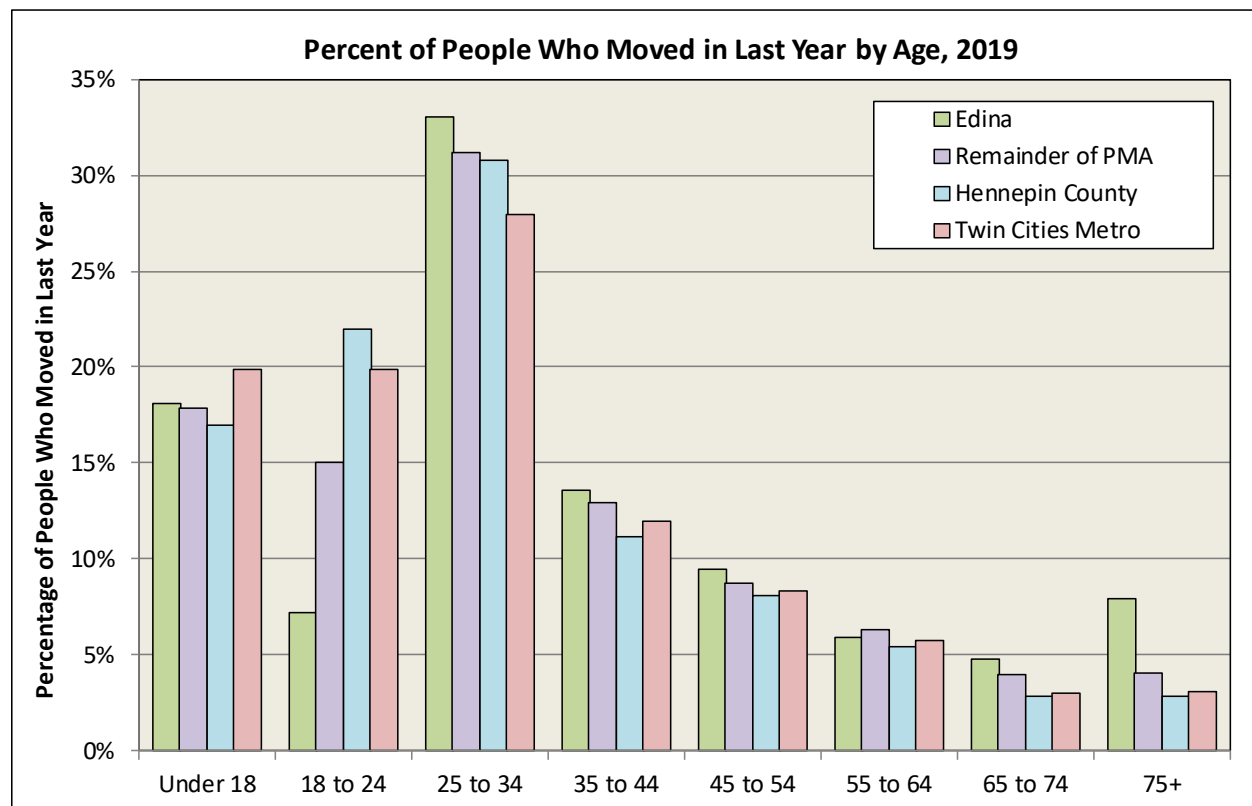
Note: Hispanic/Latino totals included within the other race categories.

Sources: U.S. Census Bureau; Maxfield Research and Consulting, LLC

Mobility in the Past Year

Table D-13 shows the mobility patterns of residents in Edina, the Remainder of the PMA, Hennepin County and the Twin Cities Metro within a one-year time frame.

- Most residents in Edina (88.3%) did not move within the last year.
- Of Edina residents that moved, most were likely to move within the county (6.1%).
- In all geographies, those Under 18 and ages 25 to 34 were most likely to report a move. Of residents in Edina who reported a move, 18% were Under 18 and 33% were ages 25 to 34.
- In Edina, a higher proportion of 25- to 34-year olds were more likely to move (33%) compared to the Remainder of the PMA (31%), Hennepin County (30%) and the Twin Cities Metro Area (28%).
- After age 35, mobility declines through age 74. There is a slight uptick in mobility among those over age 75 in all areas. This reflects older seniors leaving their single-family homes for alternate housing options.



DEMOGRAPHIC ANALYSIS

TABLE D-13
MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE
EDINA MARKET AREA
2019

Edina	Did Not Move		Moved							
	Same House		Within Same County		Different County Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Age										
Under 18	11,179	90.9%	549	4.5%	96	0.8%	275	2.2%	200	1.6%
18 to 24	1,718	79.4%	204	9.4%	71	3.3%	134	6.2%	38	1.8%
25 to 34	3,475	62.9%	1,007	18.2%	253	4.6%	328	5.9%	458	8.3%
35 to 44	5,814	87.4%	356	5.4%	146	2.2%	277	4.2%	59	0.9%
45 to 54	7,436	92.7%	287	3.6%	108	1.3%	71	0.9%	118	1.5%
55 to 64	6,809	94.9%	225	3.1%	96	1.3%	37	0.5%	10	0.1%
65 to 74	5,182	94.6%	192	3.5%	30	0.5%	58	1.1%	17	0.3%
75+	5,320	91.6%	398	6.8%	22	0.4%	66	1.1%	4	0.1%
Total	46,934	88.3%	3,218	6.1%	824	1.6%	1,245	2.3%	904	1.7%
Remainder of PMA	Same House		Within Same County		Different County Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
	Age									
Under 18	27,388	87.1%	2,845	9.1%	628	2.0%	500	1.6%	69	0.2%
18 to 24	6,409	65.3%	1,450	14.8%	1,192	12.1%	676	6.9%	96	1.0%
25 to 34	15,891	69.2%	3,988	17.4%	1,581	6.9%	1,229	5.4%	262	1.1%
35 to 44	17,689	85.8%	1,820	8.8%	387	1.9%	606	2.9%	119	0.6%
45 to 54	21,384	91.5%	1,261	5.4%	376	1.6%	270	1.2%	84	0.4%
55 to 64	22,160	94.0%	850	3.6%	159	0.7%	263	1.1%	152	0.6%
65 to 74	14,075	94.0%	649	4.3%	49	0.3%	185	1.2%	16	0.1%
75+	11,100	92.4%	743	6.2%	50	0.4%	99	0.8%	22	0.2%
Total	136,095	85.7%	13,606	8.6%	4,422	2.8%	3,828	2.4%	818	0.5%
Hennepin County	Same House		Within Same County		Different County Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
	Age									
Under 18	228,527	86.4%	23,181	8.8%	5,652	2.1%	4,610	1.7%	2,431	0.9%
18 to 24	65,176	58.4%	22,930	20.6%	13,226	11.9%	8,524	7.6%	1,679	1.5%
25 to 34	151,394	70.0%	37,247	17.2%	13,211	6.1%	11,061	5.1%	3,369	1.6%
35 to 44	143,403	85.9%	14,605	8.7%	3,847	2.3%	3,698	2.2%	1,402	0.8%
45 to 54	150,413	89.8%	11,124	6.6%	3,029	1.8%	2,307	1.4%	580	0.3%
55 to 64	148,108	92.9%	7,312	4.6%	1,972	1.2%	1,581	1.0%	520	0.3%
65 to 74	87,275	93.5%	3,910	4.2%	818	0.9%	948	1.0%	370	0.4%
75+	64,349	91.5%	4,101	5.8%	909	1.3%	682	1.0%	296	0.4%
Total	1,038,643	83.1%	124,411	10.0%	42,663	3.4%	33,412	2.7%	10,645	0.9%
Twin Cities Metro	Same House		Within Same County		Different County Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
	Age									
Under 18	616,334	86.7%	54,697	7.7%	23,973	3.4%	10,626	1.5%	5,088	0.7%
18 to 24	183,255	66.0%	41,473	14.9%	33,385	12.0%	16,279	5.9%	3,244	1.2%
25 to 34	347,454	72.4%	65,123	13.6%	40,675	8.5%	20,656	4.3%	6,006	1.3%
35 to 44	358,234	86.3%	30,637	7.4%	15,783	3.8%	7,637	1.8%	2,745	0.7%
45 to 54	400,242	91.0%	23,127	5.3%	10,796	2.5%	4,530	1.0%	1,252	0.3%
55 to 64	375,779	93.2%	15,465	3.8%	7,057	1.8%	3,584	0.9%	1,280	0.3%
65 to 74	220,591	93.9%	7,470	3.2%	3,849	1.6%	2,080	0.9%	906	0.4%
75+	152,869	91.2%	8,694	5.2%	3,897	2.3%	1,615	1.0%	570	0.3%
Total	2,654,759	84.8%	246,686	7.9%	139,414	4.5%	67,008	2.1%	21,091	0.7%

Sources: American Community Survey; Maxfield Research and Consulting LLC

Summary of Demographic Trends

The following points summarize key demographic trends that will impact demand for housing in Edina.

- The population in Edina grew by 10.8% (5,183 people) and 2,545 households (12.3%) between 2010 and 2019. Population growth is expected to continue to 2040, with a forecast population growth of 11% (5,900 people) and 3,700 households between 2020 and 2040.
- Median incomes are projected to rise in Edina, with a 10.2% increase forecast between 2019 and 2024, from \$107,757 to \$118,770.
- As incomes rise, the proportion of homeowners usually also rises. This historical trend has experienced a shift however, in the past decade as an increasing number of higher income households are electing to rent rather than own their housing. This includes younger and older households, those financially able to own, but choose to rent. These households usually have incomes of \$50,000 or higher. This accounted for an estimated 55% of Edina's renter households in 2019.
- The proportion of homeowners increases as households age beginning with age 25. Homeowner households reached the highest ownership proportion at 83% for those ages 45 to 54. Households ages 25 to 34 had a homeownership rate of 38.4%. Households 85 years or older had a homeownership rate of 58% as this group often elects to relocate to housing options with support services.
- Between 2010 and 2019, all household types increased in Edina although the proportion of households shifted during the period. Roommate households experienced the largest percentage increase (33%) and Married Couples with Children had the largest numerical increase (1,038 households-21%).
- Renter households are most likely to be composed of one person (47% of renter households), followed by two-person households (28% of renter households).
- In 2019, "White Alone" comprised the largest proportion of the population in Edina, accounting for 87% of the total. This proportion represents a decrease of -1.8% in the "White Alone" population from 2010.
- From 2010 to 2019, people that self-identify as Asian Alone increased by 1,357 people (2.1%) in Edina and people that self-identify as Hispanic or Latino Ethnicity increased by 483 people (0.7%).

DEMOGRAPHIC ANALYSIS

- Most Edina residents (88.3%) did not move within the last year. Of those who moved (18.1%), they were most likely to be Under 18 or 25 to 34 and most moved within the same County. Mobility drops after age 34 but rises again beginning with households age 75 years or older. Fully 90% or more of householders ages 45+ however, did not move within the last year. Older age cohorts may elect to relocate to alternative housing and the oldest households may choose to relocate to housing that provides additional support services.
- Recent national findings on mobility have identified that younger households are relocating less often than in the past. There is little qualitative data on this trend as to why younger households are less mobile. Some are speculating that they may be less likely to move just to take a new job and are evaluating more carefully a move because of other implications such as higher cost of living.

Introduction

Since employment growth generally fuels household growth, employment trends are a reliable indicator of housing demand. Typically, households prefer to live near work for convenience.

Employment Growth and Projections

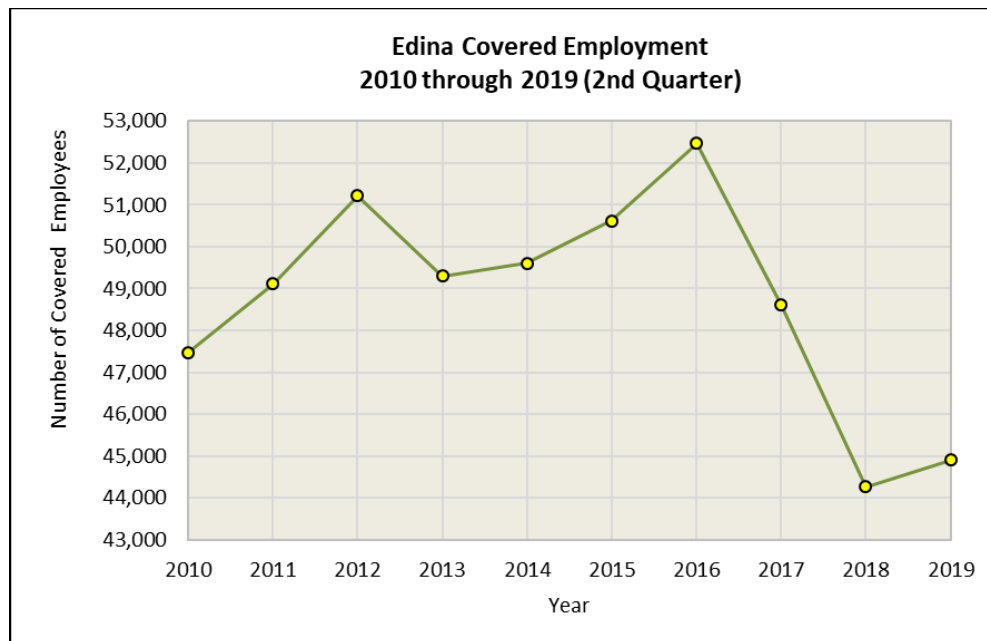
Table E-1 shows projected employment growth in Edina, Hennepin County and the Twin Cities Metro Area. Table E-1 shows employment growth trends and projections from 2000 to 2040 based on the most recent Minnesota Department of Employment and Economic Development (DEED) and Metropolitan Council employment projections, with adjustments calculated by Maxfield Research to reflect current estimates and forecasts.

TABLE E-1 EMPLOYMENT GROWTH TRENDS AND PROJECTIONS EDINA, HENNEPIN CO. AND TWIN CITIES METRO AREA 2000-2040														
	Employment						Change							
	Estimated Actual			Forecast			2000-2010		2010-2020		2020-2030		2030-2040	
	2000	2010	2019	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Edina	53,124	47,457	44,899	45,544	51,994	59,357	-5,667	-10.7%	-1,913	-4.0%	6,450	14.2%	7,363	12.4%
Hennepin County	874,882	805,089	938,674	946,500	981,700	1,038,040	-69,793	-8.0%	141,411	17.6%	35,200	3.7%	56,340	5.4%
Twin Cities Metro Area	1,600,741	1,543,872	1,780,812	1,828,000	1,910,000	2,039,000	-56,869	-3.6%	284,128	18.4%	82,000	4.5%	129,000	6.3%
* 2019 Data is from MNDEED Quarterly Census of Employment and Wages (2nd Quarter 2019)														
Note: Twin Cities Metro represents the 7-County planning region														
Sources: MN Dept of Employment and Economic Development; Metropolitan Council; Maxfield Research & Consulting, LLC.														

- There were an estimated 47,457 jobs in Edina in 2010, which was 5.9% of the County total (805,089 jobs).
- From 2010 through 2nd Quarter 2019, place of work employment has fluctuated. The graph on the following page shows how jobs in Edina increased during the recession, decreased as the recovery began, then increased again each year, peaking in 2016. In 2017 and 2018, the number of jobs in Edina decreased. A modest increase occurred again in 2019.
- Industry sectors experiencing job losses include Manufacturing, Wholesale and Retail Trade, Real Estate and Leasing, Professional and Business Services and Support of Waste Management and Remediation. Conversely, employment increases were strong in these sectors in Hennepin County and the Twin Cities Metro Area during the same period. As of 2nd Quarter 2019, Edina had an estimated 44,899 jobs. The Metropolitan Council forecasts that employment in Edina will continue to increase to 2040. Locally based employment supports demand for housing and increases in individual industry sectors informs the types of housing that may be needed to assist households that want to live and work in Edina.

EMPLOYMENT

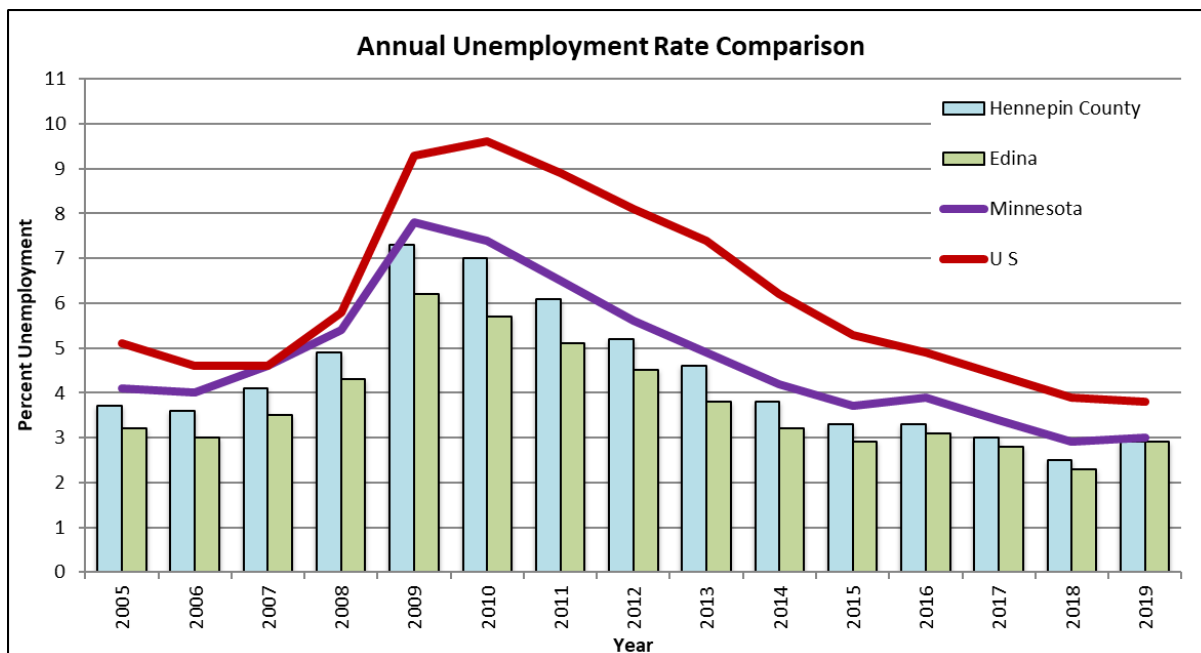
- Edina's employment base is forecast to grow by 14.2% between 2020 and 2030 with employment estimated at almost 52,000 jobs by 2030 and 53,500 jobs by 2040.
- The chart shows the number of covered jobs in Edina from 2010 through 2nd Quarter 2019, demonstrating the fluctuations that occurred.



Resident Labor Force and Workplace Employment

Recent employment trends are shown in Tables E-2 and E-3. Table E-2 presents resident employment data for Edina from 2000 through 2019. The numbers are compiled from data published by the Minnesota Department of Employment and Economic Development (MNDEED). MNDEED compiles data for large cities in the state and Edina is one of those large cities. Resident employment data is calculated as an annual average *and reveals the work force and number of employed people living in the City*. Not all these individuals work in the City or in Hennepin County. Table E-3 presents covered employment data for Edina from 2000 through the 2nd quarter 2019. Covered employment data is calculated as an annual average and *reveals the number of jobs in the designated area*, which are covered by unemployment insurance. Many temporary workforce positions, agricultural, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in the table. Some agricultural businesses and employees are listed in Table E-3, but not all positions are included. The following are key trends derived from the employment data:

TABLE E-2 ANNUAL AVERAGE RESIDENT EMPLOYMENT EDINA MN 2010 to 2019 ¹				
Year	Labor Force	Employed	Unemployed	Rate
EDINA				
2010	23,844	22,477	1,367	5.7%
2011	24,110	22,890	1,220	5.1%
2012	24,198	23,121	1,077	4.5%
2013	24,309	23,378	931	3.8%
2014	24,317	23,547	770	3.2%
2015	24,475	23,774	701	2.9%
2016	24,796	24,028	768	3.1%
2017	25,325	24,608	717	2.8%
2018	26,246	25,654	592	2.3%
2019 ¹	26,667	25,900	767	2.9%
Change 2010-2019 ¹				
Number	2,823	3,423	-600	--
Percent	11.8%	15.2%	-43.9%	--
HENNEPIN COUNTY				
2010	650,891	605,294	45,597	7.0%
2011	656,063	616,331	39,732	6.1%
2012	659,812	625,310	34,502	5.2%
2013	666,831	636,298	30,533	4.6%
2014	672,373	646,952	25,421	3.8%
2015	676,722	654,583	22,139	3.3%
2016	687,472	664,578	22,894	3.3%
2017	698,548	677,696	20,852	3.0%
2018	703,310	685,853	17,457	2.5%
2019 ¹	719,849	698,905	20,944	2.9%
Change 2010-2019 ¹				
Number	68,958	93,611	-24,653	--
Percent	10.6%	15.5%	-54.1%	--
TWIN CITIES METRO AREA				
2010	1,593,385	1,479,385	114,000	7.2%
2015	1,649,759	1,594,798	54,961	3.3%
2019 ¹	1,748,746	1,697,873	50,873	2.9%
MINNESOTA				
2010	2,938,795	2,721,194	217,601	7.4%
2015	2,997,748	2,887,132	110,616	3.7%
2019 ¹	3,130,214	3,036,377	93,837	3.0%
¹ Through August 2019 not seasonally adjusted				
Sources: MN Department of Employment and Economic Development; Maxfield Research and Consulting LLC				



Resident Employment

- The labor force and resident employment (number of people employed) that live in Edina increased from 2010 through August 2019 by 2,823 people and 3,423 people, respectively. The unemployment rate decreased from 5.7% to 2.9% (2010/2019). This was equal to that of Hennepin County and the Twin Cities Metro Area.
- The unemployment rate decreased from 5.7% to 2.9% (2010/2019). This was equal to that of Hennepin County and the Twin Cities Metro Area.
- Edina's unemployment rate has remained the same or lower than Hennepin County's and Minnesota's unemployment rates since 2010. The greatest difference between Edina (5.7%) and Hennepin County (7%) was in 2010, a difference of 1.3%.
- In 2010, Hennepin County's unemployment rate was highest at 7.0%, the period of the recession. Since that time, the unemployment rate has steadily decreased to a low of 2.9% as of August 2019, which is considered less than full employment (approximately 5.0%).

Covered Employment by Industry

- From 2010 through 2nd Quarter 2019 (most recent data available), the number of jobs in Edina is estimated to have decreased by -2,576, or -4.4%. Categories that experienced the greatest decreases include: Finance and Insurance and Support of Waste Management and Remediation. The industry that gained the most jobs during the period was: Health Services (3,095 jobs, 42.3%).

EMPLOYMENT

TABLE E-3
COVERED EMPLOYMENT TRENDS
EDINA, MN
2000, 2005, 2010, 2015, 2019*

						Change						
						2010 - 2019*						
Total Employment								Percent of Total Employment				
Industry	2000	2005	2010	2015	2019*	No.	Pct.	2000	2005	2010	2015	2019*
Natural Resources & Mining	--	--	--	--	--	--	--	--	--	--	--	--
Manufacturing	4,395	2,708	1,755	1,685	1,635	-120	-2.7%	8.3%	5.6%	3.7%	3.3%	3.6%
Wholesale Trade	3,110	1,930	1,508	1,677	1,215	-293	-9.4%	5.9%	4.0%	3.2%	3.3%	2.7%
Retail Trade	7,176	6,455	5,148	5,796	4,312	-836	-11.6%	13.5%	13.4%	10.8%	11.4%	9.6%
Transportation & Warehousing	--	--	--	--	--	--	--	--	--	--	--	--
Information	1,229	1,028	683	786	728	45	3.6%	2.3%	2.1%	1.4%	1.6%	1.6%
Finance & Insurance	4,688	5,433	5,542	4,236	2,529	-3,013	-64.3%	8.8%	11.3%	11.7%	8.4%	5.6%
Real Estate & Leasing	2,728	1,979	1,677	1,518	1,399	-278	-10.2%	5.1%	4.1%	3.5%	3.0%	3.1%
Professional & Business Services	6,573	5,013	4,942	4,922	5,040	98	1.5%	12.4%	10.4%	10.4%	9.7%	11.2%
Management of Companies	590	676	1,963	2,008	1,946	-17	-2.9%	1.1%	1.4%	4.1%	4.0%	4.3%
Support of Waste Mgmt & Remediation	5,758	5,754	6,022	7,016	4,373	-1,649	-28.6%	10.8%	11.9%	12.7%	13.9%	9.7%
Education	1,566	1,713	2,079	1,922	2,203	124	7.9%	2.9%	3.6%	4.4%	3.8%	4.9%
Health Services	7,319	7,692	7,788	9,872	10,883	3,095	42.3%	13.8%	15.9%	16.4%	19.5%	24.2%
Leisure & Hospitality	875	675	546	901	915	369	42.2%	1.6%	1.4%	1.1%	1.8%	2.0%
Accommodation & Food Services	2,416	3,110	3,475	3,112	3,248	-227	-9.4%	4.5%	6.4%	7.3%	6.1%	7.2%
Other Services	2,528	2,437	1,897	2,248	2,437	540	21.4%	4.8%	5.1%	4.0%	4.4%	5.4%
Public Administration	276	422	327	383	481	154	55.8%	0.5%	0.9%	0.7%	0.8%	1.1%
Totals						53,124	48,240	47,475	50,622	44,899	-2,576	-4.8%
						Change						
						2010 - 2019*						
Average Weekly Wages								Percent Difference From Overall Average				
Industry	2000	2005	2010	2015	2019*	No.	Pct.	2000	2005	2010	2015	2019*
Natural Resources & Mining	--	--	--	--	--	--	--	--	--	--	--	--
Manufacturing	\$1,275	\$1,203	\$1,186	\$1,465	\$1,358	\$172	13.5%	51.2%	26.8%	12.7%	19.7%	8.5%
Wholesale Trade	\$1,436	\$1,322	\$1,548	\$1,843	\$2,321	\$773	53.8%	70.3%	39.3%	47.1%	50.6%	85.4%
Retail Trade	\$416	\$402	\$460	\$722	\$639	\$179	43.0%	-50.7%	-57.6%	-56.3%	-41.0%	-49.0%
Transportation & Warehousing	--	--	--	--	--	--	--	--	--	--	--	--
Information	\$1,018	\$1,245	\$1,403	\$1,839	\$1,826	--	--	20.8%	31.2%	33.3%	50.2%	45.8%
Finance & Insurance	\$1,219	\$1,774	\$1,884	\$2,352	\$2,217	\$333	27.3%	44.6%	86.9%	79.1%	92.2%	77.1%
Real Estate & Leasing	\$834	\$879	\$875	\$1,356	\$1,262	\$387	46.4%	-1.1%	-7.4%	-16.8%	10.8%	0.8%
Professional & Business Services	\$1,163	\$1,275	\$1,505	\$1,843	\$1,845	\$340	29.2%	38.0%	34.4%	43.1%	50.6%	47.4%
Management of Companies	\$1,420	\$1,758	\$1,587	\$1,944	\$1,642	\$55	3.9%	68.4%	85.2%	50.9%	58.8%	31.2%
Support of Waste Mgmt & Remediation	\$571	\$565	\$569	\$686	\$980	\$411	72.0%	-32.3%	-40.5%	-45.9%	-44.0%	-21.7%
Education	\$660	\$727	\$752	\$918	\$896	\$144	21.8%	-21.7%	-23.4%	-28.5%	-25.0%	-28.4%
Health Services	\$750	\$1,017	\$1,200	\$1,264	\$1,270	\$70	9.3%	-11.0%	7.2%	14.1%	3.3%	1.4%
Leisure & Hospitality	\$311	\$371	\$485	\$428	\$472	-\$13	-4.2%	-63.1%	-60.9%	-53.9%	-65.0%	-62.3%
Accommodation & Food Services	\$271	\$305	\$390	\$407	\$474	\$84	31.0%	-67.9%	-67.9%	-62.9%	-66.7%	-62.1%
Other Services	\$577	\$885	\$584	\$643	\$742	\$158	27.4%	-31.6%	-6.7%	-44.5%	-47.5%	-40.7%
Public Administration	\$888	\$853	\$1,163	\$1,287	\$1,324	\$161	18.1%	5.3%	-10.1%	10.6%	5.1%	5.8%
						\$843	\$949	\$1,052	\$1,224	\$1,252	\$200	23.7%
* through 2nd Quarter 2019												
Note: Industry titles based on the North American Industrial Classification Codes (NAICS)												
Source: Minnesota Workforce Center; Maxfield Research & Consulting, LLC												

- Average weekly wages rose steadily over the period (2010 through 2nd Quarter 2019) increasing by 23.7% or an average annual increase of 1.95%. The U.S average annual twelve-month inflation rate as of September 2019 was 1.7%.

- Employment has continued to fluctuate in Edina between 2010 and 2019, although overall employment in Hennepin County and the Twin Cities Metro Area has continued to steadily increase. MN DEED and Metropolitan Council employment outlook projections expect employment to increase in Edina, Hennepin County and the Metro Area.

Employment, Earnings, and Employment by Educational Attainment

Table E-4 displays information on employment by earnings; Table E-5 identifies employment by educational attainment and Table E-6 is a summary of businesses in Edina. The employment by earnings is sourced from the US Census, Local Employment-Household Dynamics data (LEHD) and employment by educational attainment is sourced from the US Census (American Community Survey data) as of 2017. The business summary for Edina is sourced from Minnesota DEED for 1st Quarter 2019, the most recent data available. Minnesota DEED obtains its business data under the Unemployment Insurance (UI) Program which requires all establishments to report wage and employment statistics quarterly to DEED. Federal government establishments are also covered by this program.

Certain industries in Table E-6 may not display any information which means there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers or one employer comprises too much of the employment in that geography.

- As of 2017, an estimated 62.5% of Edina employees earned more than \$3,333 per month (14,611). This is higher than Hennepin County (52.9%) and the Metro Area (52.5%) of employees that make more than \$3,333 per month. Edina has a lower proportion of employees that make between \$1,251 to \$3,333 per month (17.9%) and employees that make \$1,250 per month or less (19.6%) than Hennepin County or the Twin Cities Metro Area.
- As of 2017, of those in the labor force, 77.8% have a bachelor's or advanced degree (16,571). This is substantially higher than Hennepin County (53.3%) and the Metro Area at 47.5%.
- For those in the labor force that are employed, 78.2% have a bachelor's or advanced degree in Edina, compared to 54.1% in Hennepin County and 48.2% in the Twin Cities Metro Area.
- For those in the labor force that are unemployed, the highest proportion in Edina has a bachelor's or advanced degree (65.1%). This compares to 34% in Hennepin County and 30.6% in the Twin Cities Metro Area. A somewhat smaller proportion in each jurisdiction has some college or associate degree.

EMPLOYMENT

**TABLE E-4
EMPLOYMENT BY EARNINGS
CITY OF EDINA
2017**

Type	Edina		Hennepin County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
\$1,250/month or less	4,586	19.6%	139,544	21.5%	350,361	21.8%
\$1,251 to \$3,333/month	4,197	17.9%	165,676	25.6%	413,687	25.7%
More than \$3,333/month	14,611	62.5%	342,384	52.9%	843,429	52.5%
Total	23,394	100.0%	647,604	100.0%	1,607,477	100.0%

Sources: US Census Bureau; Maxfield Research & Consulting, LLC

**TABLE E-5
EMPLOYMENT BY EDUCATIONAL ATTAINMENT
CITY OF EDINA
2018**

Type	Edina		Hennepin County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
In Labor Force						
Less Than High School	232	1.1%	29,787	5.0%	103,067	6.2%
High School or Equivalent, No College	1,222	5.6%	79,964	13.5%	295,274	17.8%
Some College or Associate Degree	3,501	16.2%	160,624	27.2%	501,572	30.2%
Bachelor's Degree or Advanced Degree	16,677	77.1%	319,864	54.2%	759,994	45.8%
Total	21,632	100.0%	590,239	100.0%	1,659,907	100.0%
Not In Labor Force						
Less Than High School	217	5.1%	15,247	15.2%	35,964	14.7%
High School or Equivalent, No College	421	9.8%	22,333	22.3%	61,608	25.2%
Some College or Associate Degree	676	15.8%	27,827	27.7%	72,134	29.5%
Bachelor's Degree or Advanced Degree	2,975	69.4%	34,872	34.8%	74,764	30.6%
Total	4,289	100.0%	100,279	100.0%	244,470	100.0%
Employed (In Labor Force)						
Less Than High School	231	1.1%	26,961	4.7%	67,103	4.7%
High School or Equivalent, No College	1,150	5.5%	75,816	13.3%	233,666	16.5%
Some College or Associate Degree	3,223	15.4%	153,543	27.0%	429,438	30.3%
Bachelor's Degree or Advanced Degree	16,321	78.0%	312,956	55.0%	685,230	48.4%
Total	20,925	100.0%	569,276	100.0%	1,415,437	100.0%
Unemployed (In Labor Force)						
Less Than High School	1	0.1%	2,826	13.6%	5,666	12.5%
High School or Equivalent, No College	72	10.2%	4,148	20.0%	10,829	23.9%
Some College or Associate Degree	278	39.3%	6,966	33.6%	14,947	32.9%
Bachelor's Degree or Advanced Degree	356	50.4%	6,778	32.7%	13,962	30.8%
Total	707	100.0%	20,718	100.0%	45,404	100.0%
Total	25,921	100.0%	690,518	100.0%	1,904,377	100.0%

Sources: US Census Bureau; Maxfield Research & Consulting, LLC

EMPLOYMENT

TABLE E-6
BUSINESS SUMMARY - BY INDUSTRY SECTOR
EDINA MN
2nd Quarter 2019

Business/Industry	Businesses		Employees	
	Number	Pct	Number	Pct
INDUSTRY SECTOR				
Agriculture, Forestry, Fishing and Hunting	0	0.0%	0	0.0%
Mining	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%
Construction	0	0.0%	0	0.0%
Manufacturing	66	2.5%	1,635	3.8%
Wholesale Trade	171	6.5%	1,215	2.8%
Retail Trade	252	9.6%	4,312	9.9%
Transportation & Warehousing	0	0.0%	0	0.0%
Information	56	2.1%	728	1.7%
Finance & Insurance	263	10.0%	2,529	5.8%
Real Estate, Rental & Leasing	209	8.0%	1,399	3.2%
Professional, Scientific & Tech Services	461	17.6%	5,040	11.6%
Management of Companies & Enterprises	36	1.4%	1,946	4.5%
Admin & Support & Waste Management & Remediation Services	113	4.3%	4,373	10.1%
Educational Services	64	2.4%	2,203	5.1%
Health Care & Social Assistance	389	14.8%	10,883	25.1%
Arts, Entertainment & Recreation	42	1.6%	915	2.1%
Accommodation & Food Services	132	5.0%	3,248	7.5%
Other Services (except Public Administration)	370	14.1%	2,437	5.6%
Public Administration	2	0.1%	481	1.1%
Unclassified Establishments	0	0.0%	0	0.0%
Total of Columns**	2,626	100.0%	43,344	100.0%
Total Per MN DEED	2,751		44,899	
** Totals may not sum to individual line items due to disclosure regulations by MN DEED.				
Sources: Minnesota Department of Employment and Economic Development, Maxfield Research & Consulting, LLC				

- As of 2019, there were an estimated 2,751 businesses with 44,899 employees in Edina. Data from MN DEED by industry sector disclosed a total of 2,626 businesses with an estimated 43,344 employees.
- The top three industry sectors by size of business establishment were:
 - Professional, Scientific and Technical Services (461 businesses)
 - Health Care and Social Assistance (389 businesses)
 - Other Services (except Public Administration) (370 businesses)
- The top three industry sectors by number of employees were:
 - Health Care and Social Assistance (10,883 employees)
 - Professional, Scientific and Technical Services (5,040 employees)
 - Administrative & Support & Waste Mgmt and Remediation Services (4,373 employees)

EMPLOYMENT

- Health Care and Social Assistance accounts for 25.1% of employees by industry sector in Edina, followed by Professional, Scientific and Technical Services (11.6%) and Administrative & Support & Waste Mgmt and Remediation Services (10.1%).

Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often account for a large proportion of households' budgets. Table E-7 highlights the commuting patterns of workers in Edina in 2017 (the most recent data available), based on Local Employer-Household Dynamics data (LEHD) from the U.S. Census Bureau.

- As shown in Table E-7, 2,873 Edina residents commuted to jobs in Edina. Most employees that live in Edina commuted to jobs in Minneapolis 5,504.

TABLE E-7 COMMUTING PATTERNS CITY OF EDINA 2017					
Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Minneapolis city, MN	6,123	26.2%	Minneapolis city, MN	5,504	12.6%
Edina city, MN	2,873	12.3%	Edina city, MN	2,873	6.6%
Bloomington, city, MN	2,155	9.2%	Bloomington city, MN	2,600	5.9%
Eden Prairie city, MN	1,251	5.3%	St Paul city, MN	1,980	4.5%
St Paul city, MN	1,231	5.3%	Eden Prairie city, MN	1,865	4.3%
St Louis Park city, MN	1,096	4.7%	Richfield city, MN	1,254	2.9%
Minnetonka city, MN	922	3.9%	St Louis Park city, MN	1,241	2.8%
Golden Valley city, MN	602	2.6%	Minnetonka city, MN	1,157	2.6%
Plymouth city, MN	592	2.5%	Plymouth city, MN	1,121	2.6%
Eagan city, MN	514	2.2%	Eagan city, MN	1,042	2.4%
All Other Locations	6,035	25.8%	All Other Locations	23,134	52.9%
<u>Distance Traveled</u>			<u>Distance Traveled</u>		
Total Primary Jobs	23,394	100.0%	Total Primary Jobs	43,771	100.0%
Less than 10 miles	17,250	73.7%	Less than 10 miles	20,376	46.6%
10 to 24 miles	4,834	20.7%	10 to 24 miles	17,234	39.4%
25 to 50 miles	306	1.3%	25 to 50 miles	3,393	7.8%
Greater than 50 miles	1,004	4.3%	Greater than 50 miles	2,768	6.3%
Home Destination = Where workers live who are employed in Edina.			Work Destination = Where workers are employed who live in Edina.		
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research and Consulting LLC					

- An estimated 11,848 workers commute at least 30 minutes or more to Edina for work. This is an estimated 27% of all workers in Edina.

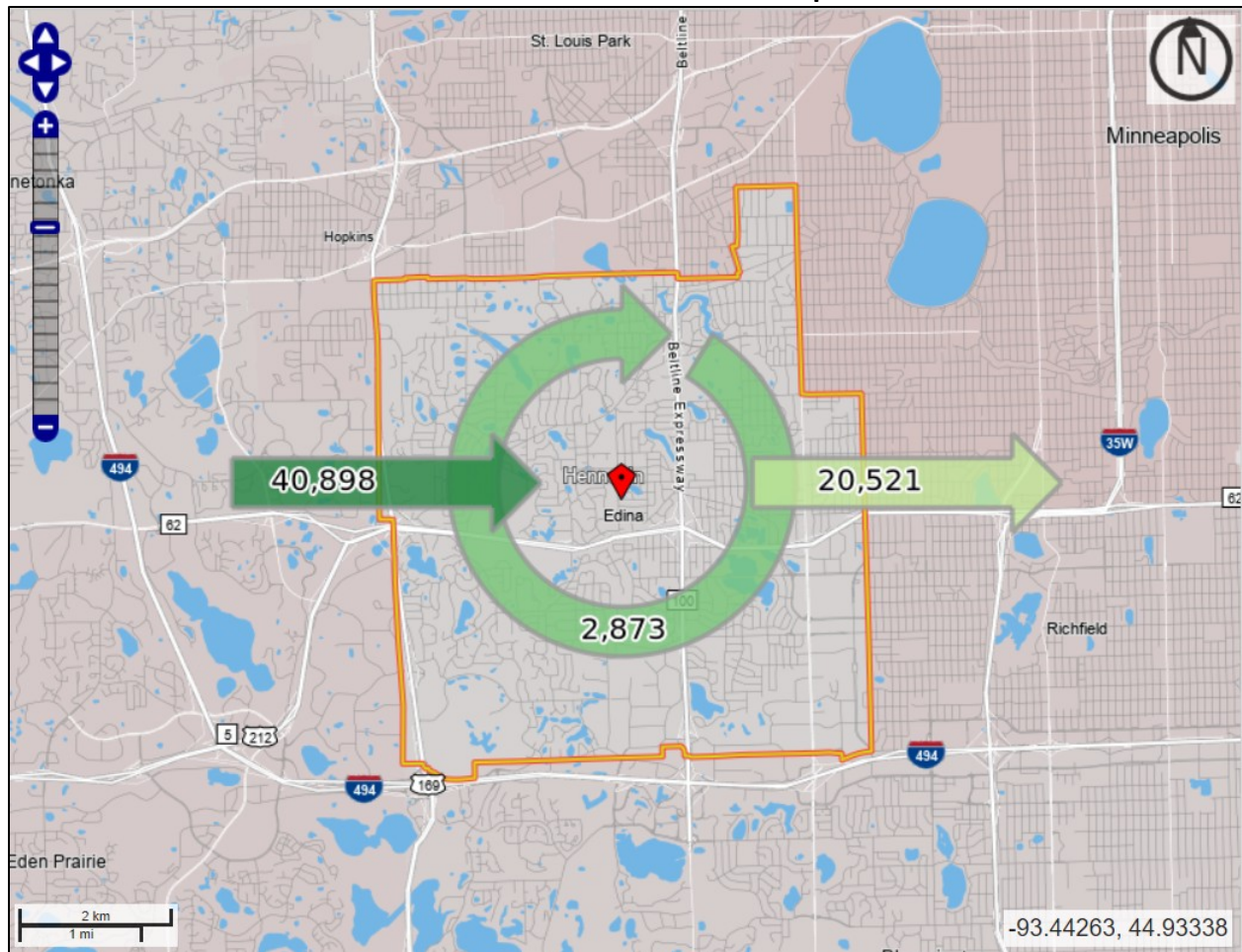
Inflow/Outflow

Table E-8 provides a summary of the inflow and outflow of workers in Edina. Outflow reflects the number of workers living in Edina but employed outside of the city while inflow measures the number of workers that are employed in Edina but live outside. Interior flow reflects the number of workers that both live and work in Edina.

- Edina is considered a major importer of workers, as the number of workers coming into the City (inflow) for employment was more than the number of workers leaving the City for work (outflow). An estimated 40,898 workers came into Edina for work while 20,521 workers left, a net inflow 20,377 workers to Edina.

TABLE E-8 COMMUTING INFLOW/OUTFLOW CHARACTERISTICS CITY OF EDINA 2017						
	Outflow		Inflow		Interior Flow	
City of Edina	20,521	100.0%	40,898	100.0%	2,873	100.0%
<u>By Age</u>						
Workers Aged 29 or younger	3,813	18.6%	9,890	24.2%	612	21.3%
Workers Aged 30 to 54	11,214	54.6%	22,982	56.2%	1,334	46.4%
Workers Aged 55 or older	5,494	26.8%	8,026	19.6%	927	32.3%
<u>By Monthly Wage</u>						
Workers Earning \$1,250 per month or less	3,655	17.8%	9,086	22.2%	931	32.4%
Workers Earning \$1,251 to \$3,333 per month	3,491	17.0%	10,601	25.9%	706	24.6%
Workers Earning More than \$3,333 per month	13,375	65.2%	21,211	51.9%	1,236	43.0%
<u>By Industry</u>						
"Goods Producing"	1,903	9.3%	2,354	5.8%	82	2.9%
"Trade, Transportation, and Utilities"	3,298	16.1%	4,674	11.4%	466	16.2%
"All Other Services"*	15,320	74.7%	33,870	82.8%	2,325	80.9%
*includes the following sectors: Information, Financial Activities, Professional & Business Services, Education & Health Services, Leisure & Hospitality, Other Services, and Public Administration						
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC						

Commuter Inflow-Outflow Map



Source: US Census: Longitudinal Employment-Household Dynamics, 2017

Major Employers

Table E-9 shows the major employers in Edina based on data provided by the City. This table is not a comprehensive list of all employers and presents a selected list of the largest employers with estimated employment. The following are key points from the major employers table.

- Fairview Southdale Hospital is identified as the largest employer. Including hospital, medical professional and staff employees, the Hospital is estimated to employ 1,624 workers. BI Worldwide, a marketing consulting services provider employs an estimated 1,000 people. Regis Corporation is estimated to employ 900 workers. Regis Corporation recently relocated its corporate headquarters from Edina to Minneapolis to the former Target building on Interstate 394, just west of Downtown Minneapolis. City Center Realty Partners, a San Francisco based private equity firm purchased the building and plans a full renovation and remarketing of the building.

Name	Industry/Product/Service	Estimated Number of Employees
Fairview Southdale Hospital	Hospital/General Medical & Surgical	1,624
BI Worldwide	Marketing Consulting Services	1,000
Regis Corporation	Beauty Salons/Marketing Programs	900
Twin Cities Orthopedics	Physicians & Surgeons	401
Edina Realty	Real Estate	400
Dow Film Tec	Water Purification Equipment	375
SpartanNash	Organic Foods & Services	350
Western National Insurance	Insurance	320
City of Edina	Government Services	300
International Dairy Queen	Restaurant Management	300
Total		5,970
Sources: City of Edina; ReferenceUSA; Maxfield Research and Consulting LLC		

- The list of major employers represents several industry sectors. The largest is the Health Services sector followed by Professional, Business and Technical Services and Real Estate.
- The top two employers account for nearly 44% of the employment at the top 10 major employers in Edina. These employers are considered top employers Metro-wide and attract a substantial number of employees.
- Together, the top ten employers in Edina are estimated to employ nearly 6,000 workers or 13% of total employment as of 2019.
- As of 2nd Quarter 2019, the average weekly wage in Edina was \$1,252 among all industries; Finance and Insurance had the highest weekly wage at \$2,217, followed by Wholesale Trade at \$2,321.

EMPLOYMENT

- Employers that offer higher paying jobs did not express significant challenges with finding qualified workers, although the tight labor market is having an effect across the Board with generally fewer applicants overall from which to choose.
- Employers hiring for lower paying jobs such as retail and service workers and lower paying health care positions expressed significant challenges to attracting almost any workers, regardless of commute times or
- Health aides and Certified Nursing Assistants continue to be in short supply and turnover in the senior housing industry continues to increase. Labor shortages for senior housing with services is the number one challenge for senior housing operators.

Introduction

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. Housing functions as a building block for neighborhoods and goods and services. We examined the characteristics of the housing supply in Edina by reviewing data on the age of the existing housing stock; examining the number of permits issued for residential units since 2010; reviewing housing data from the American Community Survey (2013-2017, five-year average estimates) with adjustments made to 2019 to reflect the most recent household and tenure estimates for Edina and the Market Area.

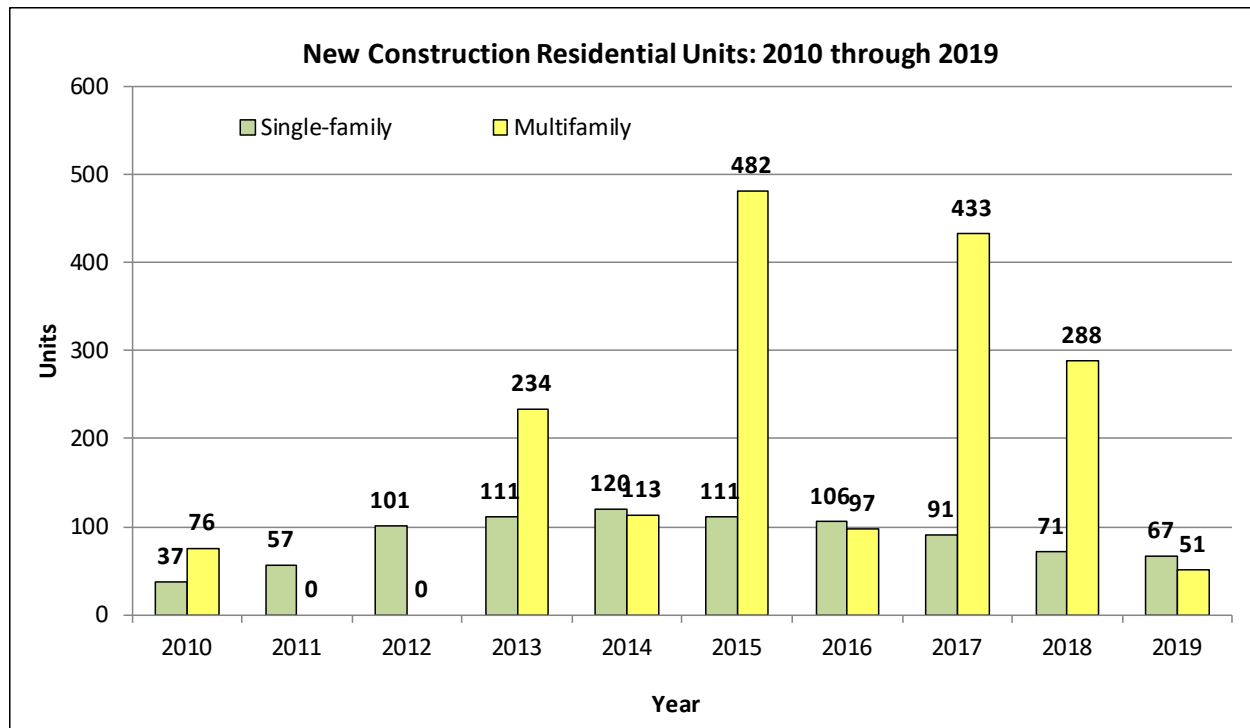
Residential Construction Trends 2010 through 2019

Maxfield Research obtained data from Edina on the number of building permits issued for new housing units in the City from 2010 through 2019. Also included are area cities from 2010 through September 2019. Table HC-1 displays units from permits issued for Edina by product type. Table HC-2 compares single-family and multifamily permits issued in Edina and PMA cities. The following are key points about residential development since 2010.

- Per the City of Edina, 2,646 housing units were permitted from 2010 through 2019. This is an average of 294 new housing units annually during the period. From January through December 2019, 118 new construction permits were issued, substantially lower than the previous few years.

TABLE HC-1 RESIDENTIAL CONSTRUCTION BUILDING PERMITS ISSUED CITY OF EDINA 2010 through 2019				
Year	Units Permitted			Total Units Permitted per Year
	Single-Family	Duplex, Triplex, and Fourplex Units	Multifamily 5+ Units	
2010	37	0	76	113
2011	57	0	0	57
2012	101	0	0	101
2013	111	2	232	345
2014	120	4	109	233
2015	111	10	472	593
2016	106	2	95	203
2017	91	2	431	524
2018	71	5	283	359
2019	67	6	45	118
Total	872	31	1,743	2,646
Sources: City of Edina; Maxfield Research and Consulting LLC				

HOUSING CHARACTERISTICS



- Since 2010, Edina permitted 872 single-family residential units with an average of 101 units per year from 2010 through 2018. In 2019, only 67 new single-family units were permitted.
- Between 2010 and 2019, Edina issued permits for 31 duplex, triplex, and fourplex units and 1,743 multifamily units.

TABLE HC-2 RESIDENTIAL CONSTRUCTION BUILDING PERMITS ISSUED EDINA & PMA CITIES 2010 to 2019 ¹															
Year	Edina Units			Bloomington Units			Eden Prairie Units			Minneapolis Units			Minnetonka Units		
	SF	MF	Total	SF	MF	Total	SF	MF	Total	SF	MF	Total	SF	MF	Total
2010	37	76	113	3	0	3	34	24	58	40	1,010	1,050	21	151	172
2011	57	0	57	21	624	645	32	0	32	49	617	666	41	0	41
2012	101	0	101	27	16	43	54	0	54	78	3,227	3,305	42	70	112
2013	111	234	345	21	260	281	80	191	271	144	3,176	3,320	60	1	61
2014	120	113	233	12	82	94	61	0	61	128	1,841	1,969	53	100	153
2015	111	482	593	17	395	412	71	2	73	117	1,421	1,538	40	521	561
2016	106	97	203	15	181	196	49	0	49	125	2,470	2,595	42	158	200
2017	91	433	524	4	37	41	59	0	59	132	2,143	2,275	40	474	514
2018	71	288	359	6	2	8	49	476	525	141	3,666	3,807	62	181	243
2019 ¹	67	51	118	4	444	448	7	0	7	na			16	4	20
Total	872	1,774	2,646	130	2,041	2,171	496	693	1,189	954	19,571	20,525	417	1,660	2,077
% of Total	33.0%	67.0%	100.0%	6.0%	94.0%	100.0%	41.7%	58.3%	100.0%	4.6%	95.4%	100.0%	20.1%	79.9%	100.0%

¹ Edina data is through December 2019. All other geographies are through September 2019.

Sources: Each PMA City; Metropolitan Council; Maxfield Research and Consulting LLC

- The higher number of multifamily units permitted reflects the increase in demand for general occupancy rental housing and senior housing since the recession. Most new multifamily rentals, however, are priced at the top end of the market at per square foot rents of \$2.10 per square foot or higher. Older rental properties have been increasing rents but are more affordable to a larger group of households than are the newest market rate properties.

Housing Replacements

Maxfield Research accessed housing tear down data from Edina for 2010 through 2018. Table HC-3 displays annual data for number of rebuild permits issued, average home values before and after tear down, the total increase in estimated market value, and the total increase in tax capacity.

- Between 2008 and 2018, 821 rebuild permits were issued. This is an annual average of 75 permits.
- Although there has been a decrease in the number of new construction and rebuild permits issued, interest rates also recently decreased. We caution against considering that a slow down in new construction or rebuild permits suggests a longer-term reduction in market activity. There is usually some slow-down after a flurry of activity, which occurred post-recession in the middle of the decade. Also, as Baby Boomers age and as there are fewer households overall in the middle age group, there may be a general slowing in this type of activity and the Echo Boom generation has not yet reached their peak move-up buying period.
- The average annual value of homes ultimately torn down between 2008 and 2018 was \$421,420. After being torn down and rebuilt, homes have averaged \$1,165,786, an increase of 177% (\$744,366).
- In the 2019, Edina Quality of Life survey, 35% of respondents stated the most serious issue facing Edina is housing (i.e. teardowns, overdevelopment, affordability and other housing challenges). Most respondents listed the number of housing options in Edina as fair and the availability of affordable housing as fair to poor.

HOUSING CHARACTERISTICS

TABLE HC-3
HOUSING TEAR DOWN DATA
CITY OF EDINA
2008-2018*

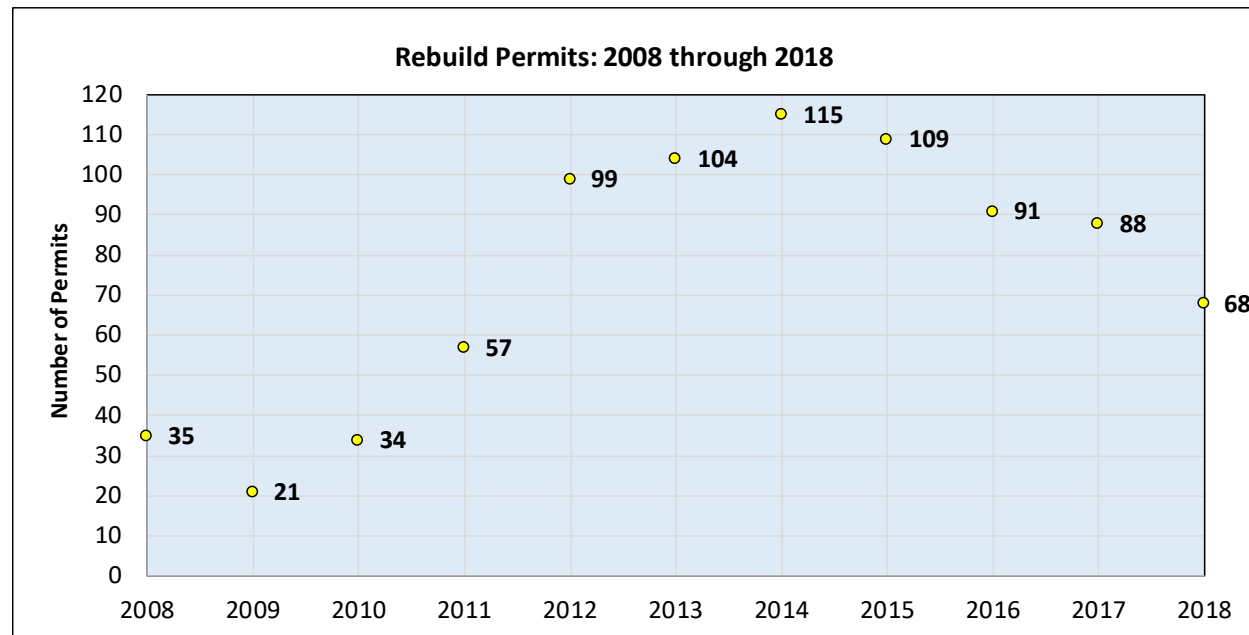
Year	Rebuild Permits	Average Value Before Tear Down	Average Value After Tear Down	Total Increase in EMV**	Total Increase in Tax Capacity
2018*	68	\$412,444	\$1,166,588	--	--
2017	88	\$486,949	\$1,336,778	\$61,187,700	642,470
2016	91	\$407,342	\$1,257,996	\$62,948,400	660,958
2015	109	\$450,887	\$1,195,284	\$66,995,800	703,456
2014	115	\$369,000	\$1,070,000	\$82,108,100	862,135
2013	104	\$347,000	\$1,063,000	\$73,723,500	774,097
2012	99	\$403,000	\$1,147,000	\$73,720,700	774,067
2011	57	\$393,000	\$1,133,000	\$42,171,600	442,802
2010	34	\$408,000	\$992,000	\$19,869,200	208,627
2009	21	\$446,000	\$1,130,000	\$14,370,100	150,886
2008	35	\$512,000	\$1,332,000	\$28,699,500	301,345
Total/Average	821	\$421,420	\$1,165,786	\$52,579,460	552,084

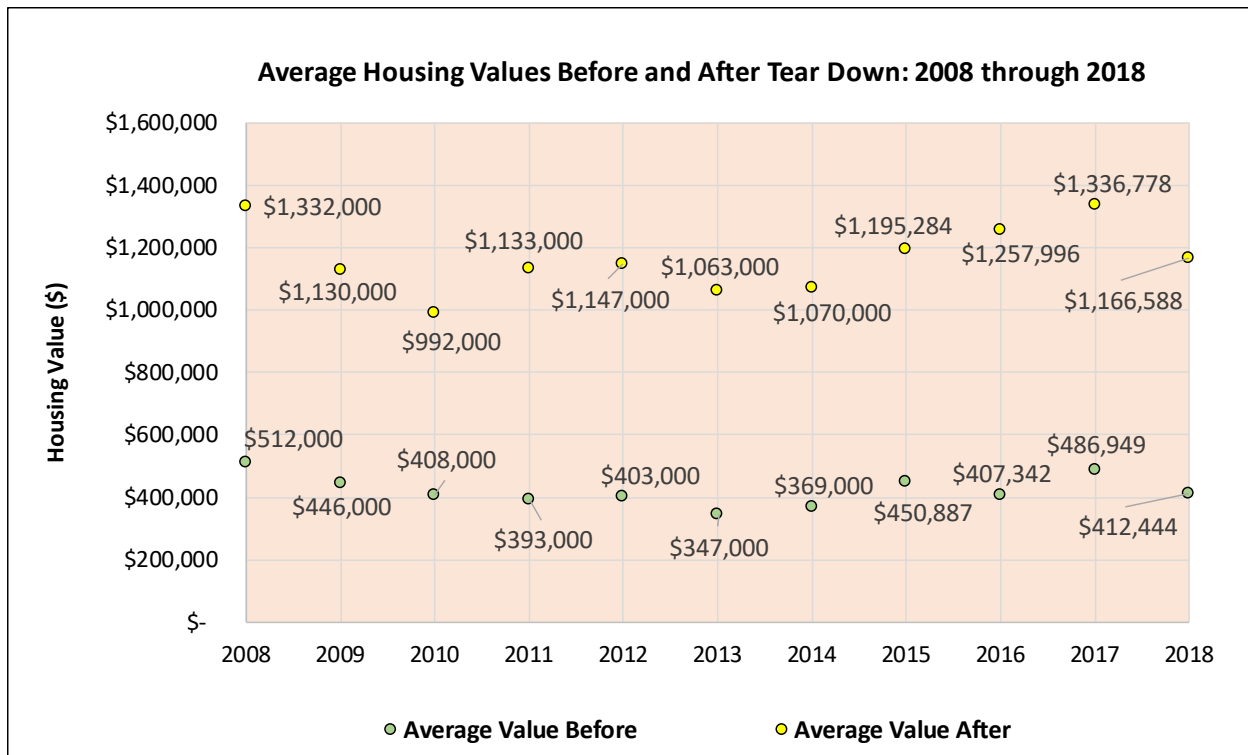
*:16 complete as of 1/2/2019.

** : EMV is Estimated Market Value.

Note: Tax Capacity is the amount of Estimated Market Value which is multiplied by the Tax Rate for property taxes.

Sources: City of Edina, Maxfield Research & Consulting LLC.





American Community Survey

The American Community Survey (“ACS”) is an ongoing statistical survey administered by the U.S. Census Bureau that is sent to approximately 3 million addresses annually. The survey gathers data previously contained only in the long form of the Decennial Census. As a result, the survey is ongoing and provides a more “up-to-date” portrait of demographic, economic, social, and household characteristics every year, not just every ten years. The most recent ACS highlights data collected between 2014 and 2018. Tables HC-4 to HC-7 show key data for the Edina with adjustments calculated by Maxfield Research to reflect 2019 housing characteristics.

Age of Housing Stock

The following graph shows the age distribution of the housing stock in 2019 based on data from the U.S. Census Bureau American Community Survey (5-Year for 2018) and building permit data provided by Edina for new residential units. Table HC-4 includes the number of housing units built prior to 1940 and during each decade since.

- As of 2019, Edina is estimated to have 21,716 housing units, of which 72% are owner-occupied and 28% are renter-occupied. In Hennepin County, an estimated 61% are owner-occupied while in the Twin Cities Metro Area, 68% of the housing stock is owner-occupied.

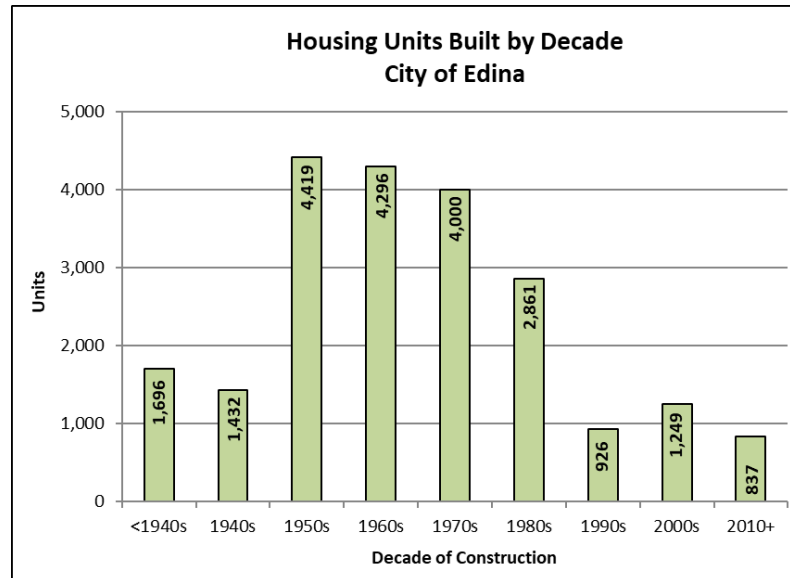
HOUSING CHARACTERISTICS

- The median year built of homes in Edina is 1967, while in Hennepin County, it is 1970 and in the Twin Cities Metro it is 1983. The older housing stock reflects Edina's status as an inner ring suburb that is largely built out. Due however, to the desirability of the Edina market, older homes are being purchased, torn down and rebuilt with new homes. The largest proportion of homes in Edina (59%) were built in the 1950's, 1960's and 1970's. The greatest proportion of homes in Edina was constructed in the 1950's (20.3%). By comparison, the highest proportion of homes in Hennepin County was built prior to 1940 (17.6%).
- Compared to Hennepin County and the Twin Cities Metro Area, 9.6% of Edina's housing stock was built since 2000 compared to 17.7% of Hennepin County's and 20.7% of the Twin Cities Metro Area.
- Based on data provided by Edina, 872 single-family, 31 duplex, tri-plex and four-plex units and 1,743 multifamily units have been permitted since 2010.

HOUSING CHARACTERISTICS

TABLE HC-4
AGE OF HOUSING STOCK
CITY OF EDINA, HENNEPIN COUNTY AND TWIN CITIES METRO AREA
2019

			Year Unit Built																	
Total Units	Med. Yr. Built	<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s		2010 or later		
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
CITY OF EDINA																				
Owner-Occupied	15,635	1964	1,467	9.4	1,165	7.5	3,897	24.9	3,090	19.8	2,193	14.0	1,846	11.8	644	4.1	914	5.8	419	2.7
Renter-Occupied	6,081	1974	229	3.8	267	4.4	522	8.6	1,206	19.8	1,807	29.7	1,015	16.7	282	4.6	335	5.5	418	6.9
Total	21,716	1967	1,696	7.8	1,432	6.6	4,419	20.3	4,296	19.8	4,000	18.4	2,861	13.2	926	4.3	1,249	5.8	837	3.9
HENNEPIN COUNTY																				
Owner-Occupied	326,813	1968	59,001	18.1	20,265	6.2	51,265	15.7	30,881	9.4	39,705	12.1	44,367	13.6	30,367	9.3	29,568	9.0	21,394	6.5
Renter-Occupied	206,857	1972	34,677	16.8	7,764	3.8	16,396	7.9	25,926	12.5	37,045	17.9	25,837	12.5	15,594	7.5	16,666	8.1	26,952	13.0
Total	533,670	1970	93,678	17.6	28,029	5.3	67,661	12.7	56,807	10.6	76,750	14.4	70,204	13.2	45,961	8.6	46,234	8.7	48,346	9.1
METRO AREA																				
Owner-Occupied	838,654	1982	109,784	13.1	34,293	4.1	95,014	11.3	76,341	9.1	105,609	12.6	122,752	14.6	123,065	14.7	110,041	13.1	61,755	7.4
Renter-Occupied	399,324	1982	59,443	14.9	12,507	3.1	29,656	7.4	47,500	11.9	70,909	17.8	55,066	13.8	39,542	9.9	41,119	10.3	43,582	10.9
Total	1,237,978	1983	169,227	13.7	46,800	3.8	124,670	10.1	123,841	10.0	176,518	14.3	177,818	14.4	162,607	13.1	151,160	12.2	105,337	8.5
Sources: U.S. Census Bureau - American Community Survey; Metropolitan Council; City of Edina; Maxfield Research & Consulting, LLC																				



Housing Units by Structure and Occupancy or (Housing Stock by Structure Type)

Table HC-4 shows the estimated housing stock in Edina by type of structure and tenure as of 2019.

- The dominant housing type in Edina and the Market Area is the single-family detached home, representing an estimated 76.4% of all owner-occupied units and 10.9% of renter-occupied units as of 2019.

TABLE HC-5 HOUSING UNITS BY STRUCTURE & TENURE EDINA, HENNEPIN COUNTY AND TWIN CITIES METRO 2019												
Units in Structure	EDINA				HENNEPIN COUNTY				METRO AREA			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	11,845	76.4%	647	10.9%	263,650	84.6%	25,825	13.8%	676,478	83.2%	54,554	14.5%
1, attached	948	6.1%	416	7.0%	31,550	10.1%	14,532	7.7%	96,524	11.9%	40,565	10.8%
2	46	0.3%	186	3.1%	4,716	1.5%	13,877	7.4%	7,314	0.9%	23,642	6.3%
3 to 4	59	0.4%	74	1.2%	2,712	0.9%	10,055	5.4%	5,622	0.7%	19,828	5.3%
5 to 9	241	1.6%	151	2.5%	2,804	0.9%	11,444	6.1%	6,210	0.8%	23,208	6.2%
10 to 19	243	1.6%	360	6.0%	2,225	0.7%	25,081	13.4%	3,743	0.5%	46,647	12.4%
20 to 49	840	5.4%	728	12.2%	5,270	1.7%	36,879	19.7%	9,334	1.1%	68,192	18.1%
50 or more	1,396	9.0%	3,520	59.2%	12,866	4.1%	68,695	36.6%	20,433	2.5%	120,530	32.0%
Mobile home	16	0.1%	0	0.0%	977	0.3%	429	0.2%	12,844	1.6%	2,037	0.5%
Boat, RV, van, etc.	0	0.0%	0	0.0%	44	0.0%	40	0.0%	152	0.0%	121	0.0%
Total	15,635	100%	6,081	100%	326,813	100%	206,857	100%	838,654	100%	399,324	100%

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

- Nearly 60% of renter-occupied units in Edina are in structures with 50 or more units.
- Most housing structures with three or more units in Edina (64%) are renter-occupied. Hennepin County has 85% and the Metro area has 86% with three or more units being renter-occupied.
- In Edina, 53% of people living alone that own their housing reside in a single-family detached dwelling. An estimated 86% of two-person households that own their housing reside in a single-family detached dwelling.

Owner-Occupied Housing Units by Mortgage Status

Table HC-5 shows mortgage status from the American Community Survey adjusted for 2019. The Average Value of Mortgage Status is determined from area median sales prices. Mortgage status provides information on the cost of homeownership when analyzed in conjunction with mortgage payment data. A mortgage refers to all forms of debt where the property is pledged

HOUSING CHARACTERISTICS

as security for repayment. A first mortgage has priority claim over any other mortgage or if it is the only mortgage. A second (and sometimes third) mortgage is called a “junior mortgage,” a home equity line of credit (HELOC) would also fall into this category. Finally, a housing unit without a mortgage is owned free and clear and is debt free.

- An estimated 66.3% of Edina homeowners have a mortgage. An estimated 15.9% of homeowners with mortgages in Edina also have a second mortgage and/or home equity loan. These numbers are slightly lower compared to Hennepin County where 71.7% of homeowners have a mortgage. The median value of homes with a mortgage among Edina homeowners was \$491,000.

TABLE HC-6 OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS EDINA, HENNEPIN COUNTY AND TWIN CITIES METRO AREA 2019						
Mortgage Status	EDINA		HENNEPIN CO.		METRO AREA	
	No.	Pct.	No.	Pct.	Pct.	Pct.
Housing units without a mortgage	5,274	33.7	92,506	28.3	232,186	27.7
Housing units with a mortgage/debt	10,361	66.3	234,308	71.7	606,468	72.3
<i>Second mortgage only</i>	450	2.9	11,039	3.4	30,136	3.6
<i>Home equity loan only</i>	1,949	12.5	34,553	10.6	87,541	10.4
<i>Both second mortgage and equity loan</i>	84	0.5	1,450	0.4	4,288	0.5
<i>No second mortgage or equity loan</i>	7,878	50.4	187,266	57.3	484,503	57.8
Total	15,635	100.0	326,813	100.0	838,654	100.0
Average Value by Mortgage Status						
Housing units with a mortgage	\$490,607		\$286,072		\$286,785	
Housing units without a mortgage	\$391,540		\$269,548		\$262,024	
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC						

Owner-Occupied Housing Units by Value

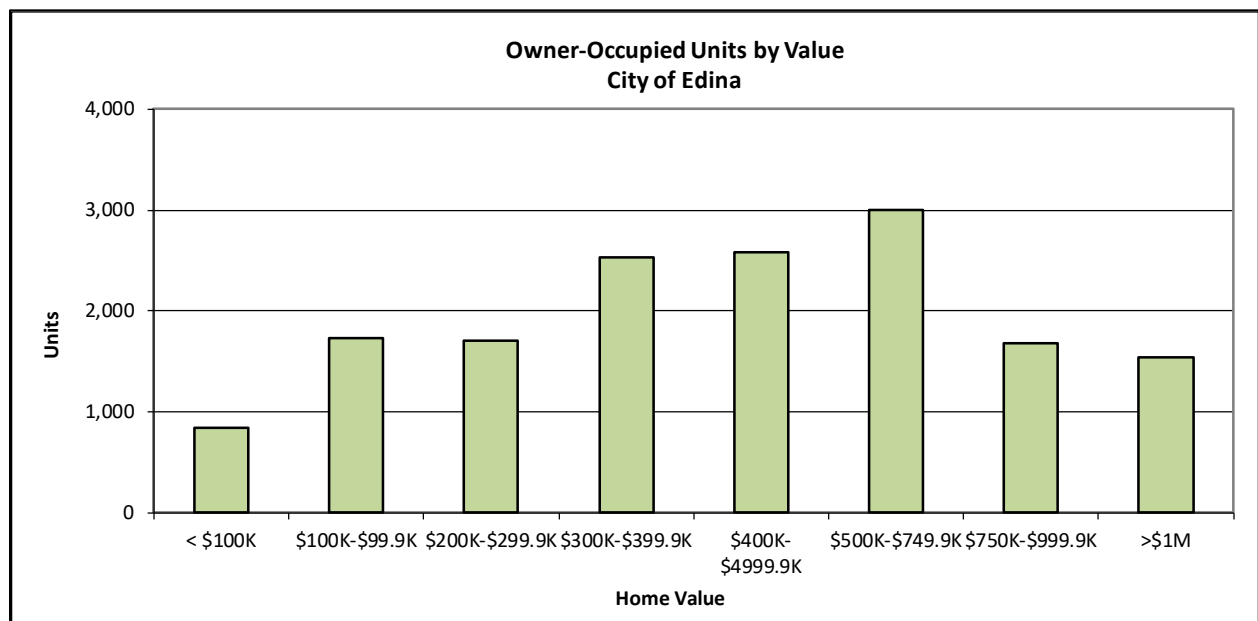
Table HC-6 presents data on housing values summarized in eight price ranges. Housing value refers to the estimated price point the property would sell at if it were for-sale. For single-family and townhome properties, value includes the land and the structure. For condominium units, value refers to only the unit.

- Most of the owned housing stock in Edina is estimated to be valued at between \$300,000 and \$499,999 (32.7%). An estimated 21% is valued over \$750,000 and 27% is valued under \$300,000.

HOUSING CHARACTERISTICS

- The median sold price of owned homes in Edina is estimated at \$465,000 from 2019 data compiled by the Greater Minneapolis Area Association of Realtors from recent home sales in the community. According to American Community Survey data, an estimated 56% of Edina homes are valued at \$400,000 or higher.

TABLE HC-7 OWNER-OCCUPIED UNITS BY VALUE EDINA, HENNEPIN COUNTY AND TWIN CITIES METRO AREA 2019						
Home Value	EDINA		HENNEPIN CO.		METRO AREA	
	No.	Pct.	No.	Pct.	Pct.	Pct.
Less than \$100,000	848	5.4	19,848	6.1	59,445	7.1
\$100,000-\$199,999	1,733	11.1	93,795	28.7	253,021	30.2
\$200,000-\$299,999	1,711	10.9	94,203	28.8	256,079	30.5
\$300,000-\$399,999	2,535	16.2	50,633	15.5	130,553	15.6
\$400,000-\$499,999	2,586	16.5	26,352	8.1	62,257	7.4
\$500,000-\$749,999	3,002	19.2	25,788	7.9	51,981	6.2
\$750,000-\$999,999	1,683	10.8	8,582	2.6	13,962	1.7
Greater than \$1,000,000	1,537	9.8	7,612	2.3	11,356	1.4
Total	15,635	100.0	326,813	100.0	838,654	100.0
Median Home Value	\$465,000		\$298,350		\$284,500	
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC						



Renter-Occupied Units by Asking Rent

Table HC-7 presents information on the monthly housing costs for renters called asking rent. Asking rent is the monthly rent agreed to between tenant and landlord regardless of any utilities, furnishings, fees, or services that may be included.

- The median monthly rent in Edina and Hennepin County was \$1,586 and \$1,318, respectively as identified by Marquette Advisors *Apartment Trends* report for the Twin Cities Metro Area, Hennepin County and Edina for the 2nd Quarter of 2019. Based on a 30% allocation of income to housing, a household in Edina would need an income of \$63,440 to afford an average monthly rent of \$1,586.
- An estimated 23% of Edina renters have monthly rents of more than \$1,500 with 44.8% of renters paying between \$1,000 and \$1,499 and 29.4% of renters paying less than \$1,000.
- In Hennepin County, most renters (30.1%) pay a monthly contract rent of between \$1,000 and \$1,499 while in Edina, the proportion is greater, at 44.8%. Based on the proportion of renters in each of the geographies, rents are higher in Edina than in Hennepin County and the Metro Area as a whole.

TABLE HC-8 RENTER-OCCUPIED UNITS BY CONTRACT RENT EDINA, HENNEPIN COUNTY AND TWIN CITIES METRO AREA 2019						
Contract Rent	EDINA		HENNEPIN CO.		METRO AREA	
	No.	Pct.	No.	Pct.	Pct.	Pct.
No Cash Rent	162	2.7	4,523	2.2	9,986	2.5
Cash Rent	5,918	97.3	202,333	97.8	389,337	97.5
\$0 to \$499	348	5.7	23,000	11.1	42,921	10.7
\$500-\$750	390	6.4	31,819	15.4	63,819	16.0
\$750-\$999	1,052	17.3	57,537	27.8	117,016	29.3
\$1,000-\$1,499	2,726	44.8	62,253	30.1	119,408	29.9
\$1,500-\$2,000	919	15.1	19,267	9.3	32,289	8.1
\$2,000+	483	7.9	8,458	4.1	13,884	3.5
Total	6,081	100.0	206,857	100.0	399,324	100.0
2019 Average Rent	\$1,586		\$1,318		\$1,254	
Sources: U.S. Census Bureau - American Community Survey; Marquette Advisors; Maxfield Research & Consulting, LLC.						

Introduction

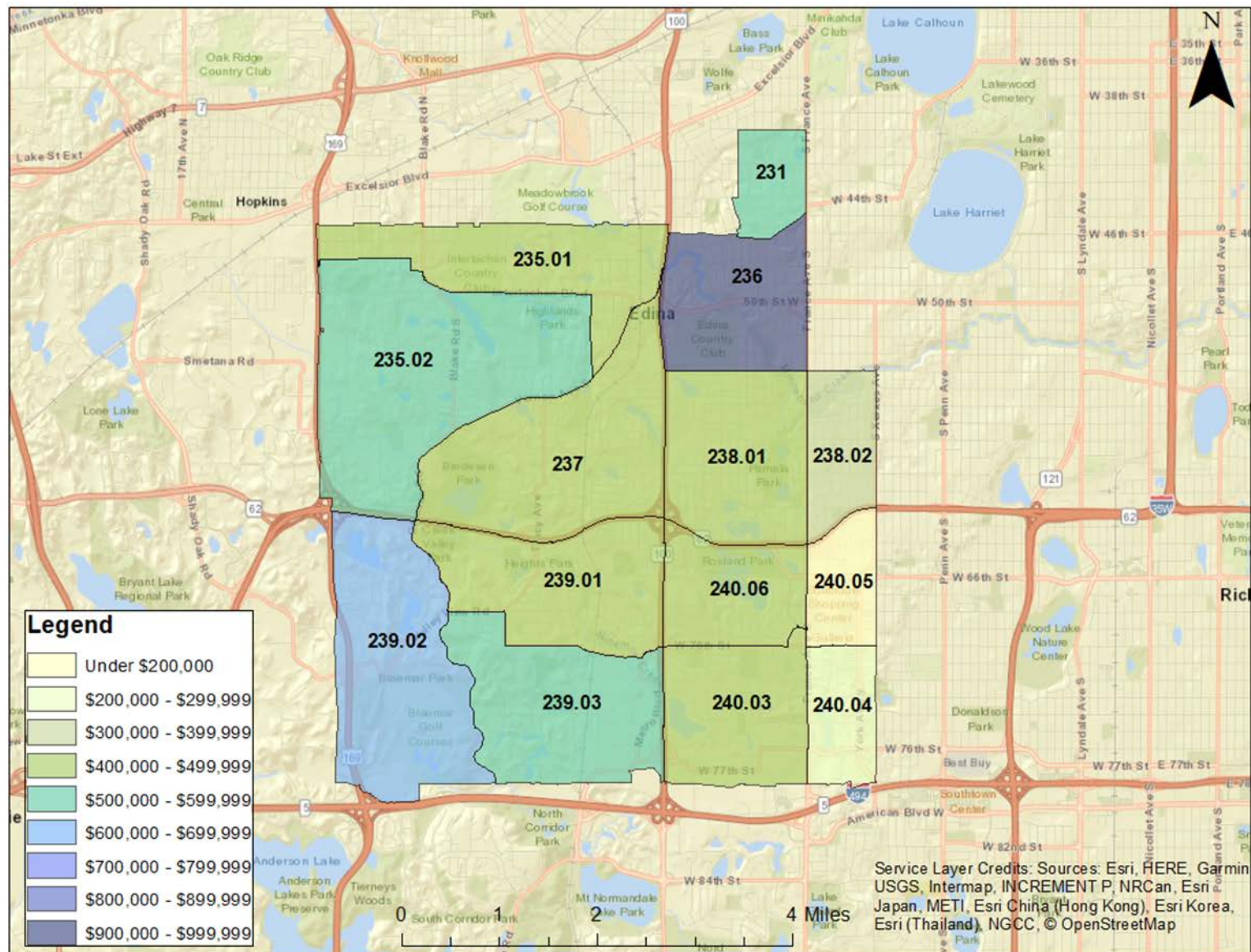
Maxfield Research and Consulting LLC examined the for-sale housing market in Edina by analyzing data on single-family and owned multifamily home sales and active listings, value distribution of existing homes by price range, identifying new construction, locations for in-fill and/or redevelopment and pending for-sale developments. Owned multifamily includes twinhomes, townhomes, condominiums and general occupancy cooperatives (senior cooperatives are discussed in the Senior Market section).

Median Home Values by Census Tract

The map on the following page depicts median home values by census tract. Geographic information System (GIS) data was provided through ESRI, a national demographics and GIS service provider. Below are key points from the map.

- Edina median home values ranged from an estimated \$200,000 to a little over \$900,000 with an average median home value of \$466,902 across all 14 census tracts.
- Median home values were highest in the northwestern and far southwestern portions of the City.
- Median home values were lowest in the southeastern portion of the City.

City of Edina 2019 Median Home Values by Census Tract



Home Resales in Edina and Surrounding Communities

Table FS-1 presents summary data for resales of single-family and owned multifamily housing units for Edina and surrounding communities. The table shows the median sales prices and number of resales from 2010 through September 2019. The following are key points from Table FS-1.

- From year-end 2010 through September 2019, Edina and the surrounding communities experienced rapid home sale price appreciation. Home sale appreciation has been highest in the neighboring communities of Hopkins (69.8%) and Bloomington (54.5%).
- The City's median home resale price increased 32.9% between 2010 and September 2019. This is compared to the Twin Cities Metro Area increase of 62.5%.
- The City's median home resale price was lowest in 2011 when the median value declined to \$339,900 due to the recession. Since 2011, the median resale price has increased each year. As of the end of September 2019, the median resale price was \$465,000, an increase of 36.8% from 2011 (\$339,900). By comparison, Twin Cities Metro resale prices between 2011 and 2019 increased 83.9%.
- Edina's 2019 median home resale value of (\$465,000) is substantially higher than the neighboring communities of Eden Prairie (\$350,000), Minnetonka (\$345,000), St Louis Park (\$300,000), Bloomington (\$274,999), Hopkins (\$255,000) and Southwest Minneapolis (\$399,000).

FOR-SALE MARKET ANALYSIS

TABLE FS-1
MEDIAN RESALE PRICE BY COMMUNITY
EDINA & NEARBY COMMUNITIES
2010 through 2019*

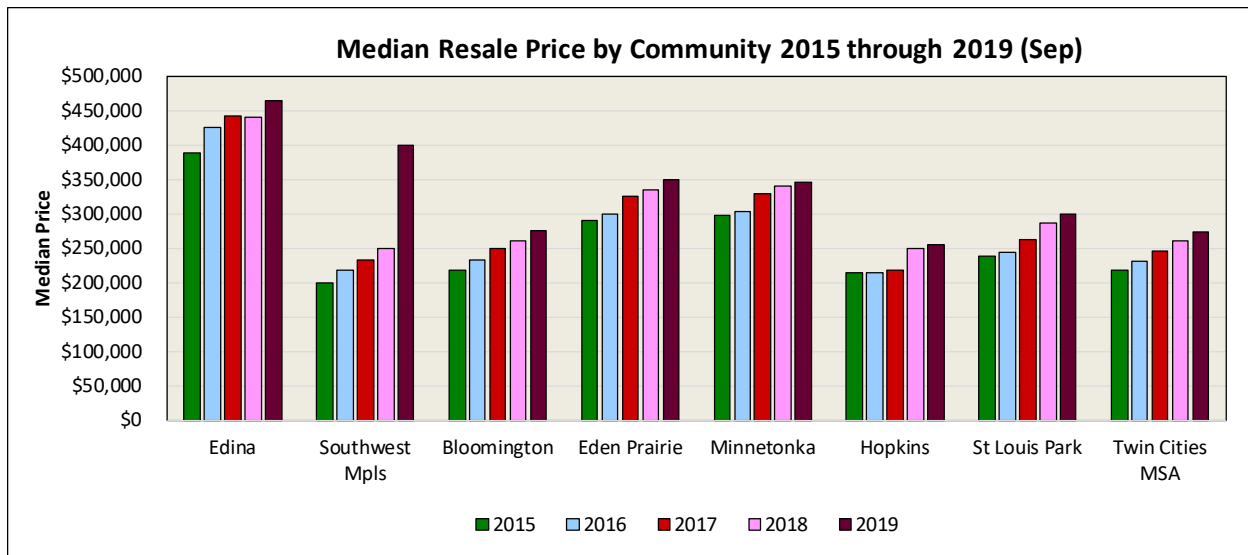
	YEAR										PCT. CHANGE		
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*	13'-15'	15-17'	17'-19'
Median Resale Price													
Edina	\$349,900	\$339,900	\$344,900	\$349,900	\$379,000	\$388,250	\$425,000	\$442,625	\$440,500	\$465,000	11.0%	14.0%	5.1%
Southwest Mpls ¹	\$275,000	\$260,500	\$275,000	\$300,275	\$308,875	\$333,750	\$343,000	\$378,000	\$385,000	\$399,000	11.1%	13.3%	5.6%
Bloomington	\$178,000	\$157,000	\$170,000	\$190,000	\$200,000	\$217,000	\$232,000	\$250,000	\$260,000	\$274,999	14.2%	15.2%	10.0%
Eden Prairie	\$262,000	\$255,000	\$254,950	\$273,500	\$292,950	\$290,000	\$300,000	\$325,000	\$334,000	\$350,000	6.0%	12.1%	7.7%
Minnetonka	\$265,000	\$230,000	\$249,900	\$272,600	\$266,800	\$297,250	\$303,950	\$330,000	\$340,000	\$345,000	9.0%	11.0%	4.5%
Hopkins	\$150,175	\$122,250	\$158,000	\$180,000	\$172,500	\$213,500	\$215,000	\$217,450	\$250,000	\$255,000	18.6%	1.9%	17.3%
St Louis Park	\$212,000	\$181,500	\$196,800	\$217,000	\$229,300	\$237,500	\$243,000	\$262,950	\$286,500	\$300,000	9.4%	10.7%	14.1%
Twin Cities MSA ²	\$168,600	\$149,000	\$165,900	\$190,000	\$204,000	\$218,000	\$230,000	\$244,900	\$260,000	\$274,000	14.7%	12.3%	11.9%

*2019 Data is for Jan 1 through September 30, 2019.

¹:Southwest Minneapolis includes the following Minneapolis neighborhoods; Linden Hills, Fulton, East Harriet, Lynhurst, Armatage, Kenny, Windom, Tangeltown, and King Field.

²: Twin Cities MSA includes the following counties; Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sources: Greater Mpls Area Assoc of Realtors, Maxfield Research & Consulting, LLC



Overview of For-Sale Housing Market Conditions

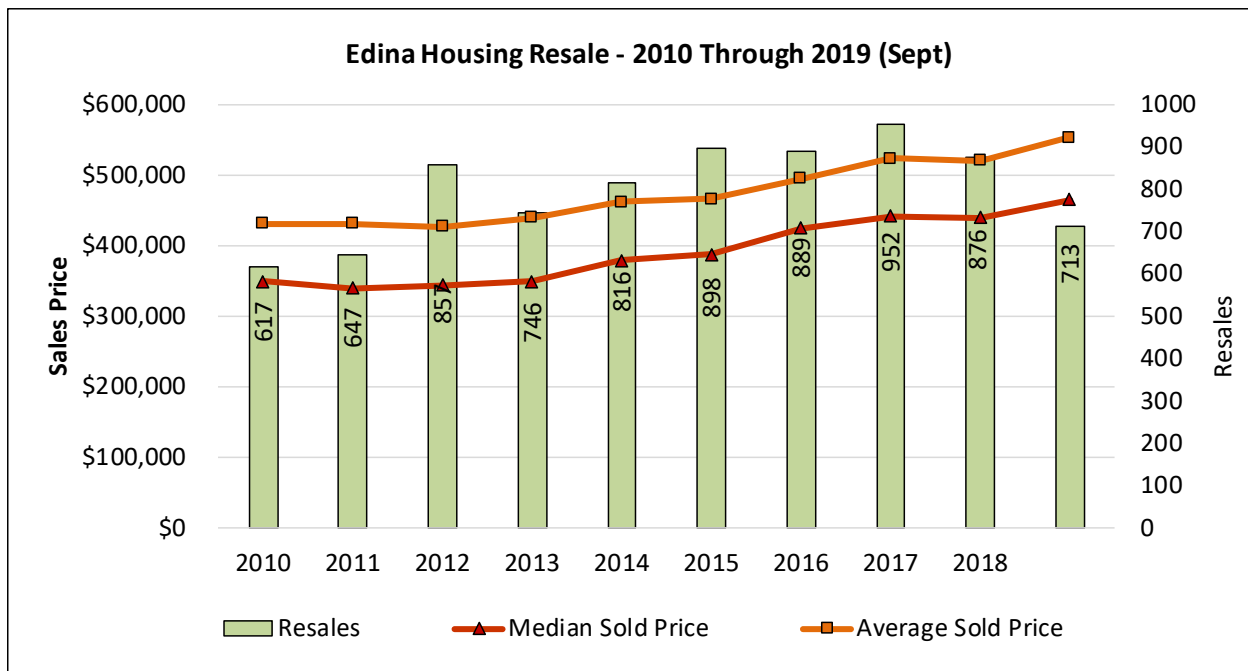
Table FS-2 presents combined home resale data on single-family and owned multifamily housing in Edina from 2010 through September 30, 2019. The data was obtained from the Greater Minneapolis Area Association of Realtors and shows annual number of sales, median and average prices, average days on market, cumulative days on market and percent of sales that are lender-mediated (i.e. short-sale or foreclosure).

Table FS-3 breaks down resale activity from Table FS-2 into single-family and multifamily resales. The following are key points observed from the data.

- The median resale price in Edina, excluding 2019, was highest in 2017 at \$442,625. However, through September 30th, the median resale price was higher at \$465,000. For comparison, the Twin Cities Metro median resales price, excluding 2019, was highest in 2018 at \$260,000. However, through September 30th, the median resale price was higher at \$274,999.
- Between 2010 and September 2019, the City's median resale price increased from \$349,900 to \$465,000, a gain of 32.9%. Between 2010 and 2012 however, the median resale price declined to \$344,900 (-1.4%). Since 2012, home resale prices have increased each year, rising to \$465,000 (34.8%).
- The number of home resales (single-family and owned multifamily combined) has averaged 811 sales annually between 2010 and 2018. The fewest number of resales occurred in 2010 with 617 resales while 2017 reached a peak of 952 resales.

FOR-SALE MARKET ANALYSIS

- The number of lender-mediated properties accounted for 11.1% of all home transactions between 2009 and 2013; peaking in 2011 at 15.1%. Since 2013, the number has decreased substantially and was 1.0% in 2018 and 0.6% as of September 30, 2019.
- Days on market for new construction homes in Edina increased from a low of 90 days in late 2018 to a high of 140 days as of early 2019. This compares to a steady median of about 45 days for the Twin Cities Metro Area. The much higher price of new construction homes in Edina results in longer market times for absorption. Absorption has also increased for homes priced at \$1 million or higher.

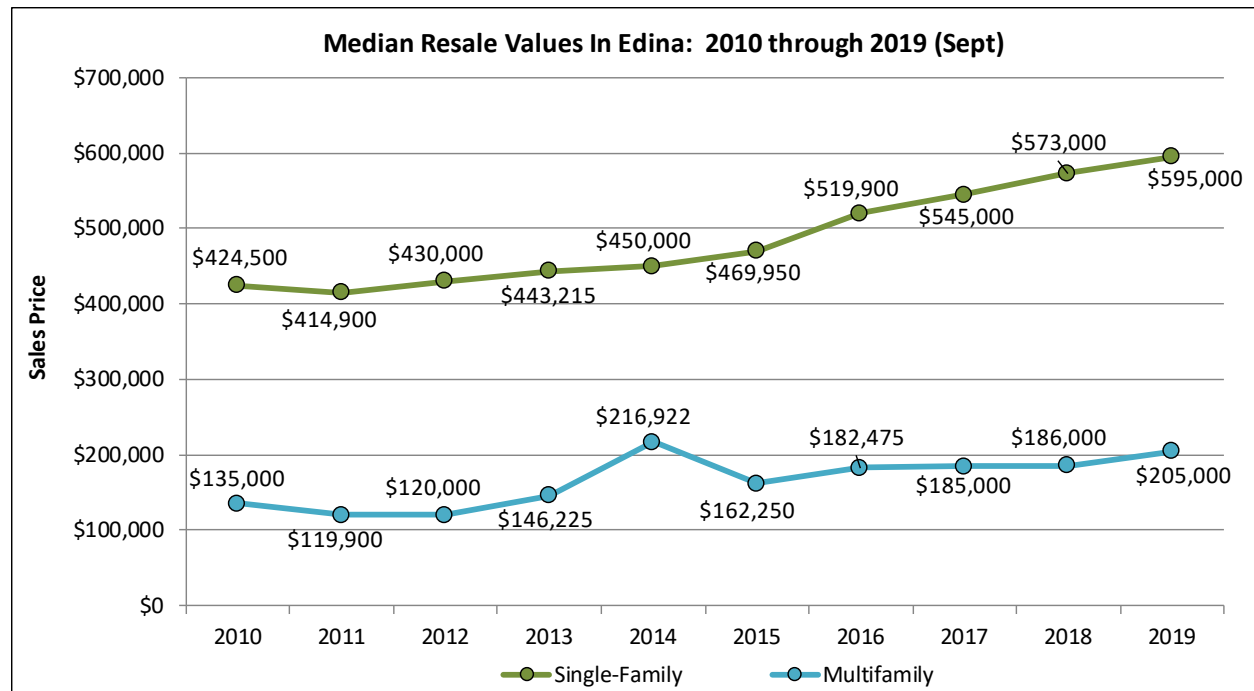


FOR-SALE MARKET ANALYSIS

TABLE FS-2 HOME RESALES EDINA MN 2010 THROUGH 2019¹										
Year	No. Sold	Avg. Sales Price	Avg. % Change	Med. Sales Price	Median % Change	Days on Market		Cumul. DOM²		% Lender Mediated³
						Avg.	Median	Avg.	Median	
2010	617	\$431,342	-	\$349,900	-	83.2	58.0	163.2	105.0	11.5%
2011	647	\$431,060	-0.1%	\$339,900	-2.9%	83.4	56.0	150.7	102.0	15.1%
2012	857	\$427,573	-0.8%	\$344,900	1.5%	80.2	51.0	141.5	85.0	10.4%
2013	746	\$440,000	2.9%	\$349,900	1.4%	60.6	31.0	91.3	42.0	7.4%
2014	816	\$462,001	5.0%	\$379,000	8.3%	50.8	32.0	77.4	39.0	4.7%
2015	898	\$466,965	1.1%	\$388,250	2.4%	55.5	36.0	92.2	55.0	3.6%
2016	889	\$495,462	6.1%	\$425,000	9.5%	53.5	32.0	86.0	44.0	1.5%
2017	952	\$524,242	5.8%	\$442,625	4.1%	51.3	28.0	89.5	36.0	1.9%
2018	876	\$521,138	-0.6%	\$440,500	-0.5%	43.4	24.0	71.5	31.0	1.0%
2019	713	\$553,333	6.2%	\$465,000	5.6%	21.0	45.4	73.1	27.0	0.6%
Total 10'-19'	8,011	\$475,312	2.8%	\$392,498	3.3%	58	39	104	57	5.8%
Summary 10' through 19'										
Change	16%	28%		33%		-75%	-22%	-55%	-74%	
Average	801	475,312	2.8%	392,498	3.3%	58	39	104	57	5.8%
¹ 2019 Data is from Jan 1, 2019 through Sept 30, 2019.										
² Cumulative days equals the number of days on market over the course of the past year (i.e. covers number of days if the property was relisted)										
³ Lender Mediated Properties include foreclosures and short sales.										
Sources: Greater Mpls Area Association of Realtors & Maxfield Research & Consulting, LLC.										

TABLE FS-3 SINGLE-FAMILY AND OWNED MULTIFAMILY RESIDENTIAL RESALES EDINA MN 2010 through 2019					
Year	Number of Sales	Median Sales Price	% Chg.	Average Sales Price	% Chg.
Single-Family					
2010	428	\$424,500	-	\$506,620	-
2011	451	\$414,900	-2.3%	\$510,160	0.7%
2012	558	\$430,000	3.6%	\$536,366	5.1%
2013	480	\$443,215	3.1%	\$554,714	3.4%
2014	520	\$450,000	1.5%	\$578,319	4.3%
2015	556	\$469,950	4.4%	\$583,427	0.9%
2016	583	\$519,900	10.6%	\$630,627	8.1%
2017	633	\$545,000	4.8%	\$662,043	5.0%
2018	535	\$573,000	5.1%	\$671,371	1.4%
2019	450	\$595,000	3.8%	\$712,452	6.1%
Pct. Change					
10' - 19'	5.1%	40.2%		40.6%	
Multifamily*					
2010	189	\$135,000	-	\$178,427	-
2011	196	\$119,900	-11.2%	\$166,302	-6.8%
2012	299	\$120,000	0.1%	\$165,789	-0.3%
2013	266	\$146,225	21.9%	\$192,068	15.9%
2014	296	\$216,922	48.3%	\$149,250	-22.3%
2015	342	\$162,250	-25.2%	\$237,256	59.0%
2016	306	\$182,475	12.5%	\$237,940	0.3%
2017	319	\$185,000	1.4%	\$257,276	8.1%
2018	341	\$186,000	0.5%	\$249,081	-3.2%
2019*	263	\$205,000	10.2%	\$281,075	12.8%
Pct. Change					
10' - 19'	39.2%	51.9%		57.5%	
Note: 2019 data is for January 1 through September 30. * Multifamily includes twinhomes, townhomes, condominiums, and cooperatives					
Sources: Greater Mpls Area Association of Realtors & Maxfield Research & Consulting, LLC.					

- Single-family homes accounted for 64.8% of all resales between 2010 and 2019 and averaged 519 resales per year. Owned multifamily resales were highest in 2015 (342 resales) when they accounted for 38.1% of total sales. Through September 2019, 36.9% of resales were for multifamily units.



Single Family and Multifamily Resales by Price Point

Table FS-4 shows the number of single family and multifamily resales in 2019 through October 6, 2019 by housing unit type and price distribution among 21 price ranges in Edina.

Single-Family

- Homes priced between \$400,000 and \$499,999, \$500,000 and \$599,999, and \$600,000 and \$699,999 comprised the three largest percentages of new single-family home resales between January 1 and September 30, 2019. All three categories constituted 48.7% of single-family resales. The \$300,000 to \$399,000 category also comprised a sizable percentage of single-family resales (11.3%).
- The minimum and maximum single-family resale price points were \$222,000 and \$3,075,000 respectively. Median and average price points were \$595,000 and \$712,452 respectively.

Multifamily

- Multifamily resales between \$100,000 and \$199,999 made up almost 50% (47.9%) of resales between January 1 and September 30, 2019. Other price points with high numbers of resales include between \$200,000 and \$299,999 (17.1%) and between \$300,000 and \$399,999 (15.2%).

FOR-SALE MARKET ANALYSIS

- The minimum and maximum multifamily resale price points were \$102,000 and \$1,775,000 respectively. Median and average resale price points were \$205,000 and \$281,075 respectively.

TABLE FS-4 RESALES BY PRICE POINT EDINA MN January 1 through September 2019				
Price Range	Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	1	0.4%
\$100,000 to \$199,999	1	0.2%	127	47.9%
\$200,000 to \$299,999	19	4.1%	45	17.0%
\$300,000 to \$399,999	54	11.8%	41	15.5%
\$400,000 to \$499,999	88	19.2%	23	8.7%
\$500,000 to \$599,999	70	15.3%	16	6.0%
\$600,000 to \$699,999	62	13.5%	4	1.5%
\$700,000 to \$799,999	37	8.1%	2	0.8%
\$800,000 to \$899,999	24	5.2%	1	0.4%
\$900,000 to \$999,999	17	3.7%	0	0.0%
\$1,000,000 to 1,100,000	11	2.4%	0	0.0%
\$1,100,000 to \$1,199,999	21	4.6%	0	0.0%
\$1,200,000 to \$1,299,999	15	3.3%	1	0.4%
\$1,300,000 to \$1,399,999	10	2.2%	1	0.4%
\$1,400,000 to \$1,499,999	2	0.4%	1	0.4%
\$1,500,000 to \$1,599,999	5	1.1%	0	0.0%
\$1,600,000 to \$1,699,999	6	1.3%	1	0.4%
\$1,700,000 to \$1,799,999	5	1.1%	0	0.0%
\$1,800,000 to \$1,899,999	2	0.4%	1	0.4%
\$1,900,000 to \$1,999,999	4	0.9%	0	0.0%
\$2,000,000 and Over	5	1.1%	0	0.0%
Total	458	100%	265	100%
Minimum	\$199,900		\$99,900	
Maximum	\$3,250,000		\$1,890,000	
Median	\$599,450		\$210,000	
Average	\$725,169		\$286,859	

¹ Includes townhomes, detached townhomes, twinhomes, condominiums, and cooperatives

Sources: Greater Mpls Area Association of Realtors

Maxfield Research & Consulting, LLC

Current Supply of Homes on the Market

To more closely examine the current market for owned housing in Edina, we inventoried the number of homes on the market (listed for sale). Tables FS-5 and FS-6 shows homes listed for sale in Edina. The data was provided by the Greater Minneapolis Area Association of Realtors and is based on active listings in from January 1 to October 6, 2019. Listings through the regional Multiple Listing Service (MLS) generally account for more than 90% of all residential listings in a given area.

Table FS-5 shows the number of new and previously owned listings by property type (i.e. single-family and owned multifamily). The following points are key findings from the review of active single-family and owned multifamily listings in the City.

TABLE FS-5 HOMES CURRENTLY LISTED FOR-SALE EDINA, MN JANUARY 1 TO OCTOBER 6, 2019								
Price Range	Edina Total							
	New Single-Family ¹		Previously Owned Single Family		New Multifamily ^{1,2}		Previously Owned Multifamily ²	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,000 to \$199,999	0	0.0%	0	0.0%	0	0.0%	5	38.5%
\$200,000 to \$299,999	0	0.0%	1	0.5%	0	0.0%	2	15.4%
\$300,000 to \$399,999	0	0.0%	13	6.8%	0	0.0%	2	15.4%
\$400,000 to \$499,999	0	0.0%	29	15.2%	0	0.0%	2	15.4%
\$500,000 to \$599,999	0	0.0%	21	11.0%	1	25.0%	1	7.7%
\$600,000 to \$699,999	0	0.0%	15	7.9%	1	25.0%	0	0.0%
\$700,000 to \$799,999	0	0.0%	20	10.5%	1	25.0%	0	0.0%
\$800,000 to \$899,999	3	6.0%	15	7.9%	0	0.0%	0	0.0%
\$900,000 to \$999,999	3	6.0%	16	8.4%	0	0.0%	0	0.0%
\$1,000,000 to \$1,100,000	1	2.0%	8	4.2%	1	25.0%	0	0.0%
\$1,100,000 to \$1,199,999	2	4.0%	9	4.7%	0	0.0%	0	0.0%
\$1,200,000 to \$1,299,999	9	18.0%	4	2.1%	0	0.0%	0	0.0%
\$1,300,000 to \$1,399,999	4	8.0%	4	2.1%	0	0.0%	0	0.0%
\$1,400,000 to \$1,499,999	9	18.0%	6	3.1%	0	0.0%	0	0.0%
\$1,500,000 to \$1,599,999	5	10.0%	1	0.5%	0	0.0%	1	7.7%
\$1,600,000 to \$1,699,999	2	4.0%	7	3.7%	0	0.0%	0	0.0%
\$1,700,000 to \$1,799,999	2	4.0%	1	0.5%	0	0.0%	0	0.0%
\$1,800,000 to \$1,899,999	1	2.0%	1	0.5%	0	0.0%	0	0.0%
\$1,900,000 to \$1,999,999	3	6.0%	7	3.7%	0	0.0%	0	0.0%
\$2,000,000 and Over	6	12.0%	13	6.8%	0	0.0%	0	0.0%
	50	100%	191	100%	4	100%	13	100%
Minimum	\$875,000		\$275,000		\$500,000		\$114,900	
Maximum	\$3,995,000		\$3,995,000		\$1,000,000		\$1,575,000	
Median	\$1,462,450		\$799,000		\$700,000		\$298,500	
Average	\$1,600,209		\$984,017		\$725,000		\$380,377	

¹: Includes completed new construction, under construction/spec homes, and to be built/floor plan.
² Includes townhomes (detached and attached), twinhomes and condominiums
 Note: NA: Not Available
 Sources: Greater Mpls Area Association of Realtors & Maxfield Research & Consulting, LLC.

FOR-SALE MARKET ANALYSIS

- As of October 6, 2019, there were 258 homes listed for sale in Edina.
- The median list price in Edina was \$1,462,450 for new single-family homes and \$799,000 for previously owned single-family homes. New owned multifamily homes had a median list price of \$700,000 and previously owned multifamily homes had a median list price of \$298,450.
- The average new single and owned multifamily median list prices are \$1,462,450 and \$700,000 while the previously owned single and multifamily median list prices are \$799,000 and \$298,500. Housing prices of \$1,462,450, \$700,000, \$799,000, and \$298,500 would require a household to earn incomes of about \$365,613, \$175,000, \$199,750, and \$74,625 respectively in order to afford to make monthly housing payments of about \$6,982, \$3,342, \$3,815, and \$967 respectively (assuming a 10% down payment, 4.0% 30-year fixed mortgage, property taxes, insurance, and PMI). A household with more equity (in an existing home and/or savings) could put more than 10% down and afford a higher priced home.

TABLE FS-6 HOUSEHOLD INCOME NEEDED TO AFFORD NEW/PREVIOUSLY OWNED SINGLE & MULTIFAMILY MEDIAN PROPERTY PRICES EDINA, MN JANUARY 1 TO OCTOBER 6, 2019				
	Housing Type:			
	New Single Family	Previously Owned Single Family	New Multifamily	Previously Owned Multifamily
Average Median List Price:	\$1,462,450	\$799,000	\$700,000	\$298,500
Incomes Needed to Afford Median List Price:	\$365,613	\$175,000	\$199,750	\$74,625
Required Monthly Payments*:	\$6,982	\$3,342	\$3,815	\$967
*: Assumes a 10% down payment, 4.0% 30-year fixed mortgage, property taxes, insurance, and PMI.				
Source: Maxfield Research & Consulting, LLC.				

New Construction and Active Listings by Price Point

Table FS-7 shows the number of new and active listings in 2019 through October 6, 2019 by housing property while table FS-8 is a more detailed analysis of active and previously owned single-family listings

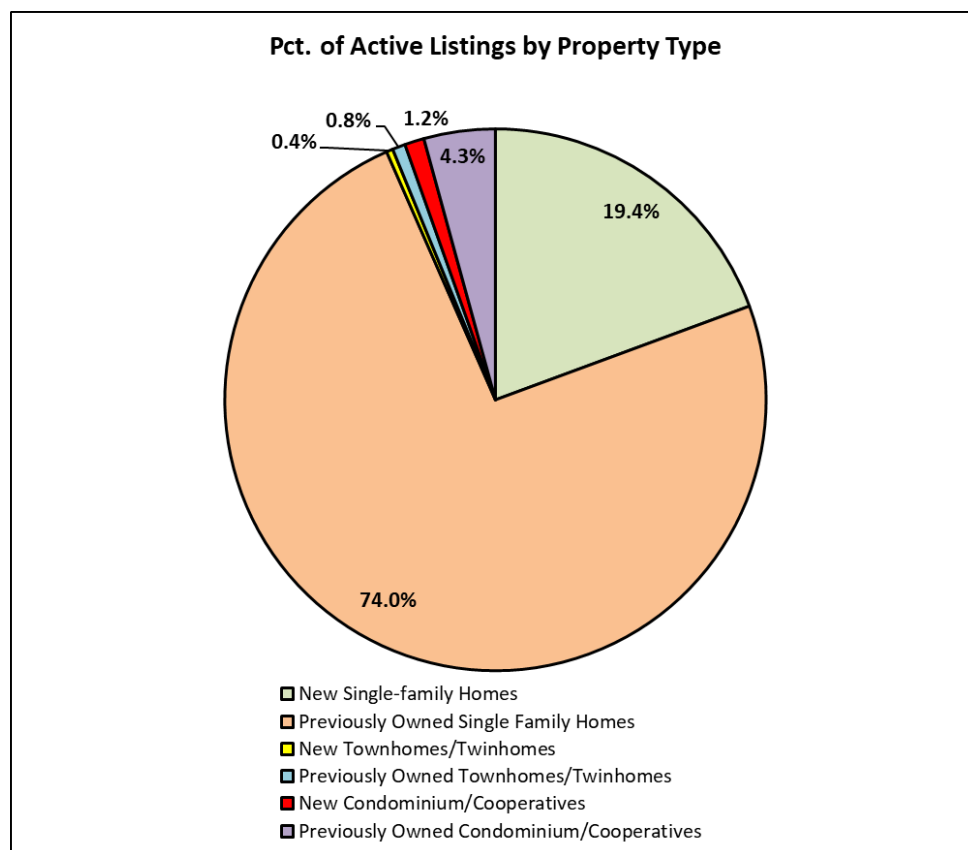
New Construction

- New single-family homes priced between \$1,200,000 and \$1,299,999 and \$1,400,000 and \$1,499,999 comprised the two largest percentages of new home listings. Both categories constitute 18.0% respectively, of all new home listings for a total of 36% new listings.
- There were four new owned multifamily listings between January 1 and October 6, 2019. One listing was priced between \$500,000 and \$599,999; a second was priced between \$600,000 and \$699,999; a third was priced between \$700,000 and \$799,999 and a fourth was priced between \$1,000,000 and \$1,100,000. Three of the properties were condos at Hawthorne Place located at 4901 Hawthorne Court. The condos ranged in price from \$500,000 for a 1,617 square foot two bedroom and three bath unit to \$750,000 for a 2,493 square foot three-bedroom and three-bath unit. The fourth property was a four-bedroom and four-bath detached townhome also a part of the Hawthorne Place development. The detached townhome is 3,894 square feet, priced at \$1,000,000, and located at 4900 Hawthorne Court.

Active Listings

- Between January 1 and October 6, 2019, single-family listings priced between \$400,000 and \$499,999 comprised the largest percentage of listings (15.2%). This was followed by homes priced between \$500,000 and \$599,999 (11.0%) and those priced between \$700,000 and \$799,999 (10.5%).
- Owned multifamily home listings between \$100,000 and \$199,999 (48.1%) and \$200,000 and \$299,999 (25.9%) comprised 73% of all multifamily listings between January 1 and October 6, 2019.
- Single-family homes accounted for 93.4% of all active listings. Most of the owned multifamily listings were condominiums as only four townhomes/twinhomes were actively marketing.
- One-story level home styles comprise 94.0% of new active single-family listings in the City while two-story homes comprise 6.0% of new active single-family listings. By comparison, most previously owned single-family homes are two stories (53.7%), followed by one story homes (32.1%). One-story homes can be especially appealing to older households who desire less home upkeep and want to age in place without mobility concerns.

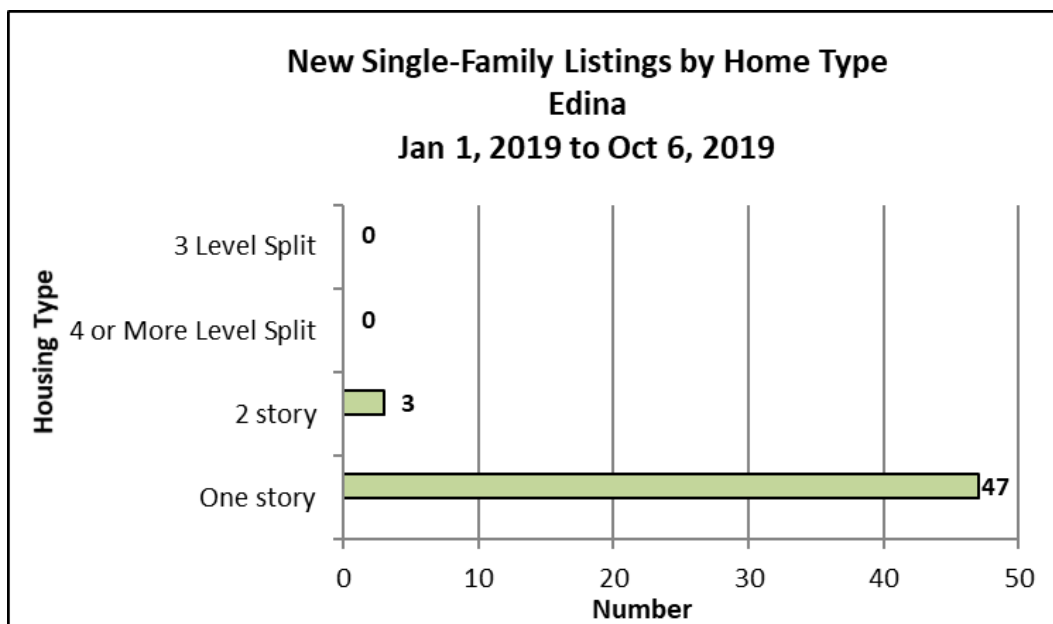
TABLE FS-7 ACTIVE LISTINGS BY HOUSING TYPE EDINA, MN JANUARY 1 TO OCTOBER 6, 2019		
Property Type	Listings	Pct.
New Single-family Homes ¹	50	19.4%
Previously Owned Single Family Homes	191	74.0%
New Townhomes/Twinhomes ¹	1	0.4%
Previously Owned Townhomes/Twinhomes	2	0.8%
New Condominium/Cooperatives ¹	3	1.2%
Previously Owned Condominium/Cooperatives	11	4.3%
Total	258	100.0%
¹ : Includes completed new construction, under construction/spec homes, and to be built/floor plan.		
Source: Maxfield Research & Consulting, LLC.		

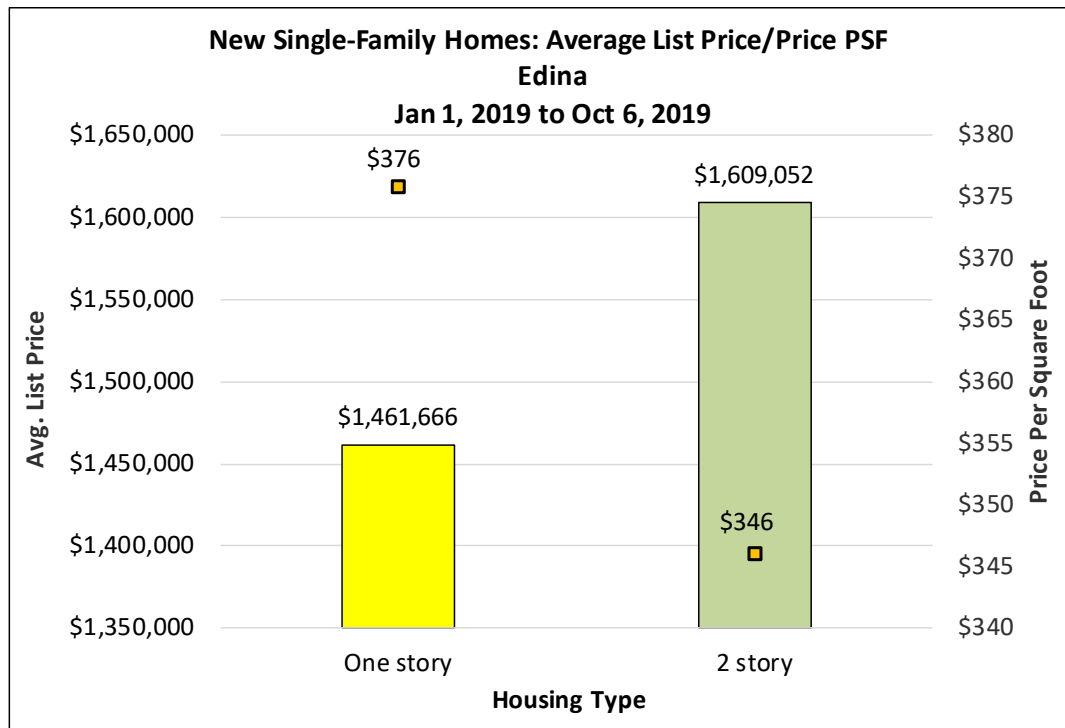


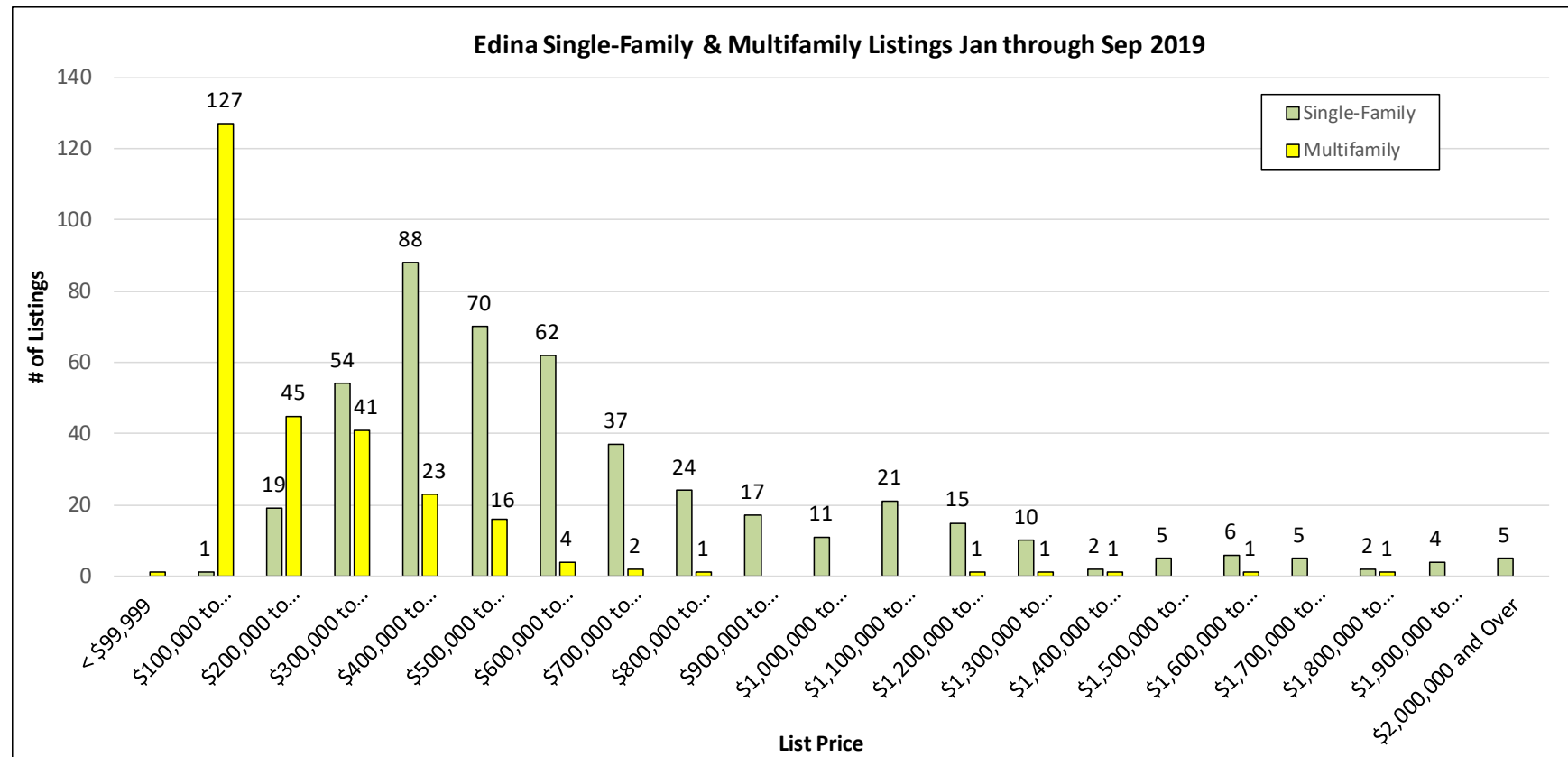
FOR-SALE MARKET ANALYSIS

TABLE FS-8
SINGLE-FAMILY ACTIVE LISTINGS BY HOUSING TYPE
EDINA, MN
JANUARY 1 TO OCTOBER 6, 2019

Property Type	Listings	Pct.	Avg. List Price	Avg. Size (Sq. Ft.)	Avg. List Price Per Sq. Ft.	Avg. Bedrooms	Avg. Bathrooms	Avg. Age of Home
New Single-Family Homes								
One story	47	94.0%	\$1,461,666	3,889	\$376	4.0	4.0	2019
1.5-story	0	0.0%	NA	NA	NA	NA	NA	NA
2-story	3	6.0%	\$1,609,052	\$4,649	\$346	5.0	5.0	2016
3 Level Split	0	0.0%	NA	NA	NA	NA	NA	NA
4 or More Level Split	0	0.0%	NA	NA	NA	NA	NA	NA
Total/Average	50	100.0%	\$1,535,359	4,269	\$361	4.5	4.5	2018
Previously Owned Single-Family Homes								
One story	61	32.1%	\$728,574	3,176	\$229	4.0	3.0	1964
1.5-story	15	7.9%	\$621,160	2,606	\$238	4.0	3.0	1942
2-story	102	53.7%	\$1,221,964	4,663	\$262	5.0	5.0	1989
3 Level Split	1	0.5%	\$453,900	2,439	\$186	4.0	4.0	1960
4 or More Level Split	11	5.8%	\$573,355	2,926	\$196	4.0	3.0	1958
Total/Average	190	100.0%	\$719,791	3,162	\$222	4.2	3.6	1963
NA: Not Applicable								
¹ : Includes completed new construction, under construction/spec homes, and to be built/floor plan.								
Sources: Greater Mpls Area Association of Realtors & Maxfield Research & Consulting, LLC.								







For-Sale Multifamily Homes

Table FS-9 identifies active listings of for-sale multifamily housing properties in Edina through October 11, 2019. The table presents data on homes and their addresses, number of units, type of housing, year built or converted and resale pricing. Key findings from the tables follow.

- An estimated 52% of Edina's owned multifamily housing stock was constructed in the 1960s and 1970s. Several of the condominium properties were converted to ownership from existing apartments. Thirty-six percent of Edina's owned multifamily housing units were constructed in the 1980s. Only 12% of this stock was constructed after the 1980s.
- Older condominiums and townhomes (1960s), priced between \$139,900 and \$172,900, are relatively affordable when compared to for sale condominiums and townhouses built from 1970 to the present. Many of these older properties are affordable to first-time home buyers and to households with moderate incomes.
- The value of owned multifamily units built in the 1960s averaged \$159,136, \$312,550 in the 1970s, \$342,833 in the 1980s, \$899,500 in the 1990s and \$715,500 in the 2000s.
- An analysis of recent sales for condominiums/townhomes in Edina revealed that including association fees, 68% of the sales in 2018/2019 (330 of 485 resales) were affordable to households earning 80% of AMI or less (pricing of \$216,000 or less).

FOR-SALE MARKET ANALYSIS

TABLE FS-9
ACTIVE FOR-SALE MULTIFAMILY HOUSING LISTINGS
CITY OF EDINA
JAN 1 TO OCT 11 2019

Project Name	General Address	Product Type	Year Built	Number of Units For Sale	Total Units*	Building Design	Recent Resale Pricing	
							Low	High
Fountain Woods I	6650 - 6710 Vernon Ave S 55436	Condominium	1972	4	314	4+ Levels	\$119,000	\$159,000
Fountain Woods II	6730 Vernon Ave S 55436	Condominium	1972	1	215	4+ Levels	\$158,000	\$158,000
The Colony at Edina	6328 Barrie Rd 55435	Condominium	1964	1	259	1 Level	\$128,000	\$128,000
Parklawn East	4351 Parklawn Ave 55435	Condominium	1965	1	59	4+ Levels	\$139,900	\$139,900
Brookside Condominiums	4350 - 4380 Brookside Ct 55436	Condominium	1965	8	229	3 Levels	\$147,000	\$259,900
York of Edina Condomiums	6450 York Ave S 55435	Condominium	1966	1	80	4+ Levels	\$149,900	\$149,900
Southdale Gardens	6301 - 6315 York Ave S 55435	Condominium	1964	1	48	3 Levels	\$154,900	\$164,900
York Plaza	7220 York Ave S 55435	Condominium	1980	3	225	4+ Levels	\$159,900	\$219,900
Windwood Edina	7500 - 7520 Cahill Rd 55439	Condominium	1972	3	225	3 Levels	\$159,900	\$179,900
Parkwood View	5725 Blake Rd S 55436	Condominium	1966	1	43	3 Levels	\$159,900	\$169,000
Parkwood Manor	6005 Eden Prairie Rd 55436	Condominium	1963	1	46	3 Levels	\$172,900	\$172,900
Village Homes of Edinborough	7606 - 7618 York Ave S & 7609 Edinborough Way 55435	Condominium	1986	3	380	3 Levels	\$190,000	\$216,000
Village Homes at Centennial Lakes	7440 - 7540 Edinborough Way 55435	Condominium	1989	4	250	3 Levels	\$214,900	\$349,900
Lewis Ridge Condominiums	7250 Lewis Ridge Pkwy 55439	Condominium	1984	1	47	3 Levels	\$255,000	\$255,000
Le Chataignier	7200 Cahill Rd 55439	Condominium	1983	1	80	3 Levels	\$265,000	\$265,000
Edina West	6075 - 6115 Lincoln Dr 55436	Condominium	1975	1	384	3 Levels	\$273,500	\$273,500
Dewey Hill East	5501 Dewey Hill Rd 55439	Condominium	1980	1	58	3 Levels	\$275,000	\$275,000
Dewey Hill West	5601 Dewey Hill Rd 55439	Condominium	1980	1	58	3 Levels	\$392,500	\$409,900
Killarney Shores	5902 View LN 55436	Twinhome	1977	1	67	Bi-Level	\$384,900	\$384,900
Grandview Square	5225 - 5275 Grandview Square 55436	Condominium	2001	2	70	4+ Levels	\$449,900	\$599,000
Hills of Braemar	7659 Woodview Ct 55439	Townhome	1980	1	23	Side by Side	\$575,000	\$575,000
The Habitat	6101 Habitat Ct S 55436	Twinhome	1980	1	28	Twin Home	\$639,000	\$639,000
The Coventry at Centennial Lakes	406 Coventry LN & 800 Coventry Pl 55435	Townhome	1996	2	96	Side by Side	\$699,000	\$1,100,000
Edina Galleria Residences	3209 Galleria 55435	Condominium	2008	1	82	4+ Levels	\$749,000	\$899,000
Whitehall of Edina	6105 Eden Prairie Rd	Condominium	1975	1	21	3 Levels	\$750,000	\$750,000
*: Number of Units are only included for condominiums and not for townhomes or twinhomes (NA: Not Applicable).								
Note: Excludes Creekside Condo Units which are Senior (55+).								
Source: Greater Mpls Area Assoc of Realtors & Maxfield Research & Consulting LLC.								

Select Photos – For-Sale Multifamily



5220 France Ave S



Edina Flats



York Place



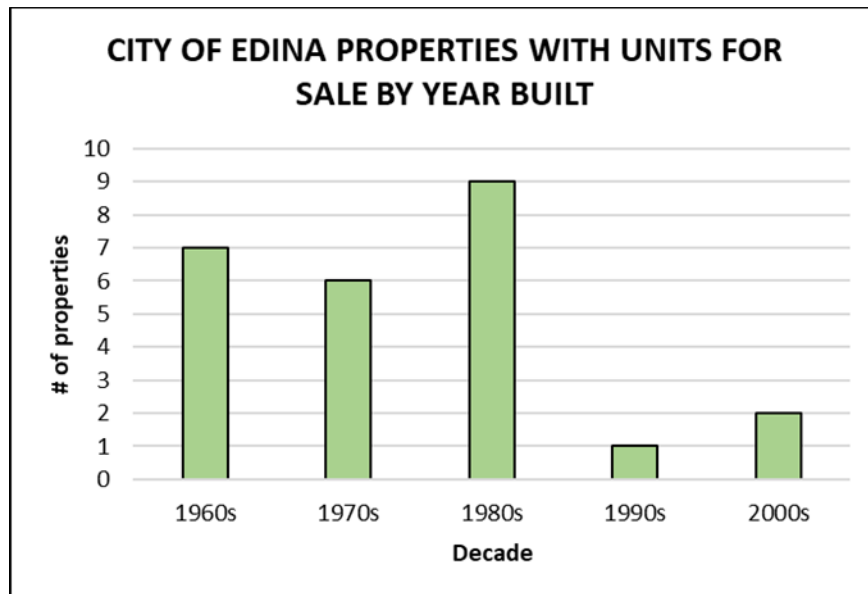
Village Homes at Centennial Lakes



Edina Galleria Residences



Hawthorne Place



Home Resales per Square Foot (“PSF”)

Table FS-10 shows the distribution of home resales by sales price per square foot (“PSF”) from 2013 through September 2019. The sales per square foot metric is the sales price of the home divided by the finished square footage. Table FS-11 illustrates PSF pricing between existing homes and new construction in Edina and the Twin Cities Metro Area. The graphs on the following page visually display the sales data.

- The median and average prices per square foot increased in Edina between 2010 and 2019. The City’s median prices per square foot for single-family and owned multifamily homes were \$165 and \$105, respectively, in 2010 before increasing to \$209 and \$168, respectively, in 2019.
- Between 2010 and 2019, Edina’s single-family prices averaged \$197 per square foot and owned multifamily prices averaged \$156 per square foot. By comparison, the Twin Cities Metro’s single-family prices averaged \$128 per square foot and its multifamily housing prices averaged \$127 per square foot. Single family prices on a PSF basis, between 2010 and the end of September 2019, were 54% higher in Edina than in the Twin Cities Metro. During the same period, the City’s multifamily prices were 23% higher than in the Twin Cities Metro.

TABLE FS-10
AVERAGE & MEDIAN SALES PRICE PER SQUARE FOOT (PSF)
EDINA AND TWIN CITIES METRO AREA
2013 to 2019¹

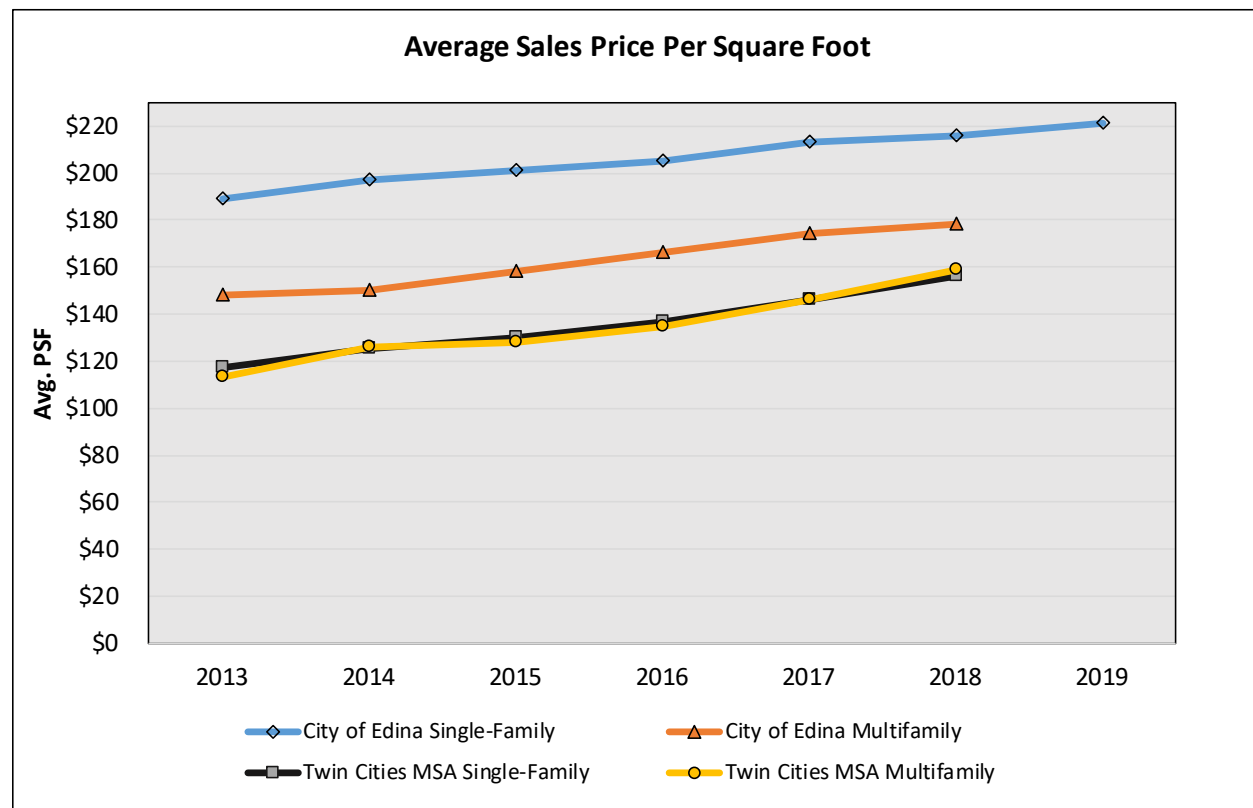
Year ¹	Edina				Twin Cities Metro Area*			
	Single-Family		Multifamily		Single-Family		Multifamily	
	Avg.	Median	Avg.	Median	Avg.	Median	Avg.	Median
2013	\$189	\$178	\$148	\$121	\$117	\$111	\$113	\$100
2014	\$197	\$184	\$150	\$121	\$125	\$117	\$126	\$108
2015	\$201	\$188	\$158	\$133	\$130	\$122	\$128	\$112
2016	\$205	\$196	\$166	\$139	\$137	\$129	\$135	\$118
2017	\$213	\$199	\$174	\$146	\$146	\$137	\$146	\$128
2018	\$216	\$206	\$178	\$160	\$156	\$146	\$159	\$140
2019	\$221	\$209	\$190	\$168	\$161	\$151	\$167	\$146

¹Prices are from December of Each Year. Prices are through September 2019.

Note: Twin Cities Metro Area = Twin Cities MSA (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, & Washington Counties)

Source: Greater Mpls Area Association of Realtors & Maxfield Research & Consulting, LLC.

- On average, the price of an existing single home in Edina between 2010 and September 2019 was 43% less than the price of new construction. New construction prices during the same period were 51% higher in Edina than in the Twin Cities Metro.



FOR-SALE MARKET ANALYSIS

- The average price per square foot of new multifamily homes in Edina between 2014 and 2015 increased 178% from \$246 per square foot to \$684 per square foot. In addition, the median price per square foot of new multifamily homes in Edina increased 292.8% from \$180 per square foot to \$707 between 2014 and 2015. The dramatic increase in multifamily housing prices in Edina suggests a looming affordability crisis if current trends continue.

TABLE FS-11
MEDIAN SALES PRICE PER SQUARE FOOT (PSF COMPARISON)
EXISTING HOME VS. NEW CONSTRUCTION
EDINA AND TWIN CITIES METRO AREA
2013 to 2019¹

Edina									
Year ¹	Single-Family Existing Home		Single-Family New Const			Multifamily Existing Home		Multifamily New Const	
	Avg.	Median	Avg.	Median		Avg.	Median	Avg.	Median
2013	\$185	\$175	\$271	\$250		\$130	\$110	\$252	\$184
2014	\$192	\$180	\$262	\$241		\$138	\$118	\$246	\$180
2015	\$195	\$181	\$256	\$233		\$153	\$133	\$684	\$707
2016	\$200	\$191	\$256	\$232		\$159	\$138	\$529	\$647
2017	\$207	\$195	\$291	\$275		\$172	\$146	\$657	\$657
2018	\$212	\$204	\$298	\$291		\$176	\$160	\$686	\$686
2019	\$215	\$205	\$308	\$301		\$189	\$168	\$686	\$686

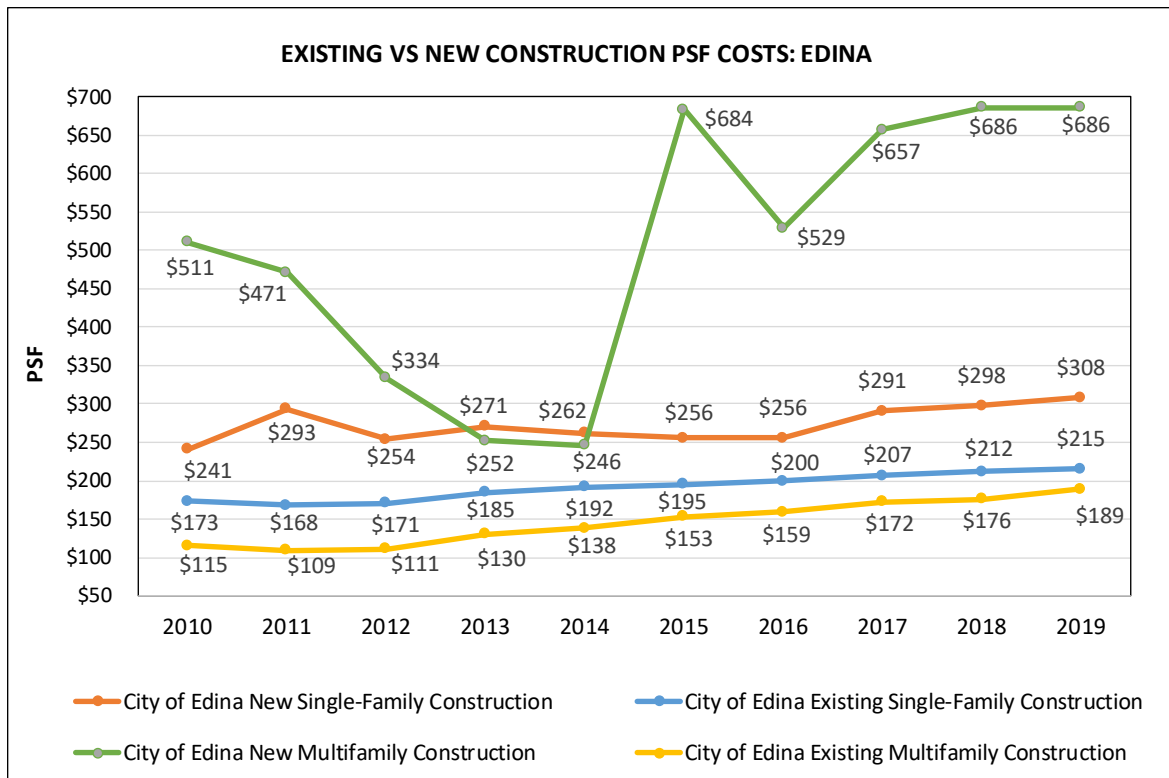
Twin Cities Metro Area									
Year ¹	Single-Family Existing Home		Single-Family New Const			Multifamily Existing Home		Multifamily New Const	
	Avg.	Median	Avg.	Median		Avg.	Median	Avg.	Median
2013	\$115	\$109	\$149	\$143		\$110	\$98	\$152	\$137
2014	\$122	\$115	\$159	\$151		\$121	\$106	\$203	\$170
2015	\$128	\$120	\$162	\$155		\$126	\$110	\$176	\$157
2016	\$135	\$127	\$166	\$157		\$133	\$117	\$185	\$157
2017	\$144	\$135	\$171	\$162		\$143	\$126	\$203	\$169
2018	\$154	\$144	\$179	\$170		\$154	\$137	\$217	\$181
2019	\$159	\$149	\$184	\$175		\$161	\$144	\$233	\$187

¹Prices are from December of Each Year. Prices are through September in 2019.

Construction which is from November 2018

Note: Twin Cities Metro Area = Twin Cities MSA (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, & Washington Counties)

Sources: Greater Mpls Area Assoc of Realtors & Maxfield Research & Consulting, LLC.



Actively Marketing Subdivisions

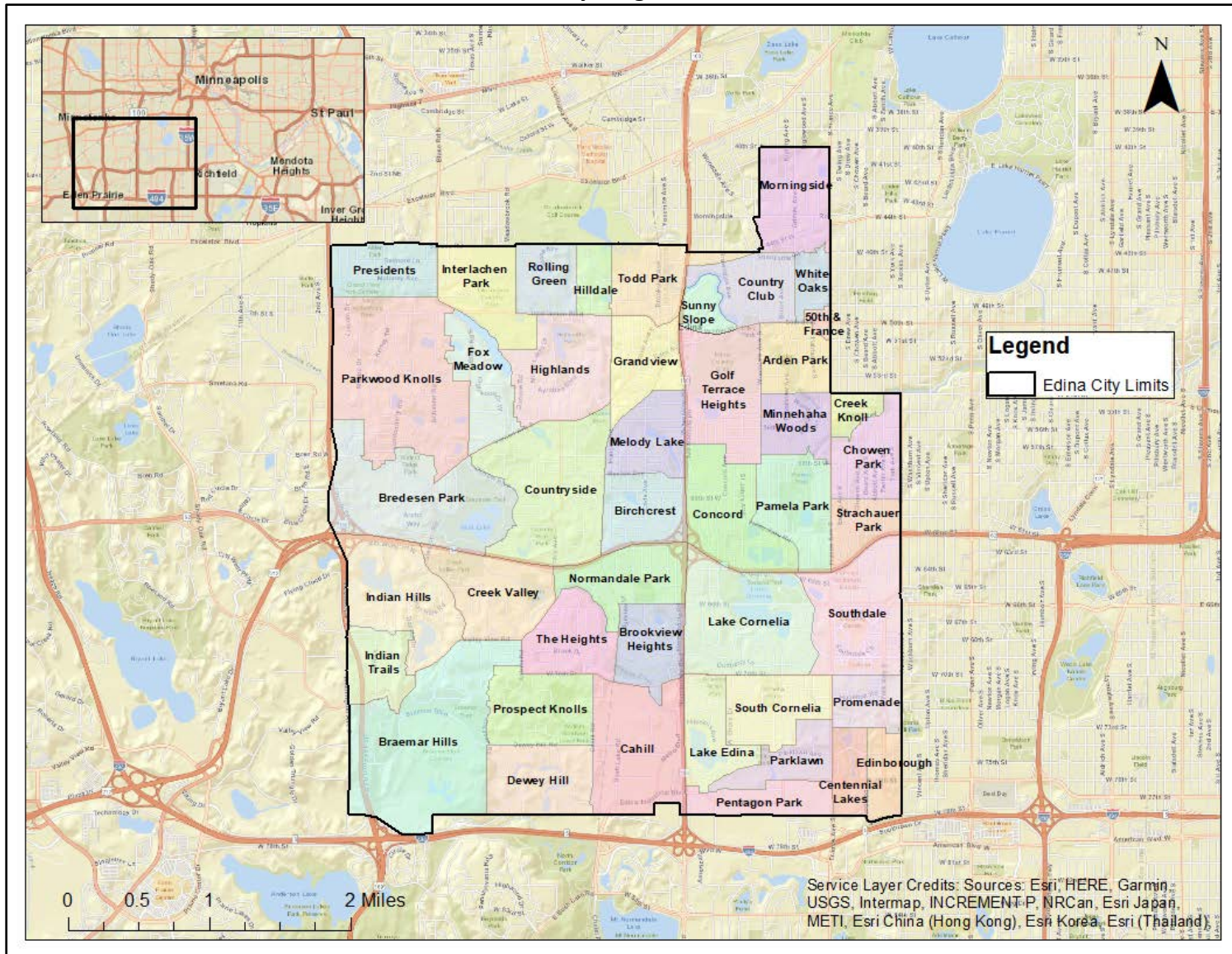
There are three actively marketing single family subdivisions in Edina. They are: West Ridge Farms in Parkwood Knolls, Olde Vernon and Blake Circle. West Ridge Farms in Parkwood Knolls is in the Parkwood Knolls neighborhood and homes are being offered by Carl M Hansen Companies. The Blake Circle subdivision is north of Bredesen Park on the edge of the Countryside neighborhood near Highway 100. Olde Vernon is also in the Countryside neighborhood.

Edina Neighborhoods

Edina is comprised of 45 distinct neighborhoods as depicted in the table and map on the following pages. Neighborhoods range from dense single-family areas in eastern Edina (Morningside and Country Club) to less dense single-family neighborhoods in western Edina (Rolling Green, Parkwood Knolls, and Braemar Hills). The dense and walkable single-family neighborhoods of eastern Edina share similarities with the neighboring Southwest Minneapolis neighborhoods of Linden Hills and Fulton. In contrast, the less dense single-family neighborhoods of western Edina (Rolling Green, Parkwood Knolls, and Braemar Hills) share more in common with nearby Eden Prairie and Minnetonka neighborhoods than those in eastern Edina. Areas with large proportions of multifamily housing in the city include: Southdale, Promenade, Centennial Lakes, Edinborough, 50th and France, and Grandview.

TABLE FS-12 EDINA CITY NEIGHBORHOODS
Southwest Edina*
Indian Hills, Indian Trails, Creek Valley, Normandale Park, Brookview Heights, The Heights, Cahill, Prospect Knolls, Dewey Hill, & Braemar Hills.
Southeast Edina**
Lake Cornelia, South Cornelia, Lake Edina, Southdale, Promenade, Parklawn, Pentagon Park, Centennial Lakes, & Edinborough.
Northwest Edina***
Presidents, Parkwood Knolls, Bredesen Park, Interlachen Park, Fox Meadow, Countryside, Rolling Green, Highlands, Hilldale, Todd Park, Grandview, Melody Lake, & Birchcrest.
Northeast Edina****
Morningside, Sunny Slope, Country Club, White Oaks, Golf Terrace Heights, Arden Park, 50th & France, Concord, Minnehaha Woods, Pamela Park, Creek Knoll Chowen Park, & Stachauer Park
*West of MN State Hwy 100 & South of MN State Hwy 62.
**East of MN State Hwy 100 & South of MN State Hwy 62.
***West of MN State Hwy 100 & North of MN State Hwy 62.
****East of MN State Hwy 100 & North of MN State Hwy 62.
Note: A small portion of the Todd Park Neighborhood extends from Northwest Edina into Northeast Edina.
Sources: City of Edina, ESRI

Edina City Neighborhoods



Select Neighborhood Photos



Morningside



Morningside



Country Club



Country Club



Minnehaha Woods



Minnehaha Woods



Bredeson Park



Bredeson Park



Pamela Park



Pamela Park



Rolling Green



Rolling Green



Parkwood Knolls



Parkwood Knolls



Strachauer Park



Strachauer Park



Chowen Park



Chowen Park



Arden Park



Arden Park



Todd Park



Todd Park



Creek Knoll

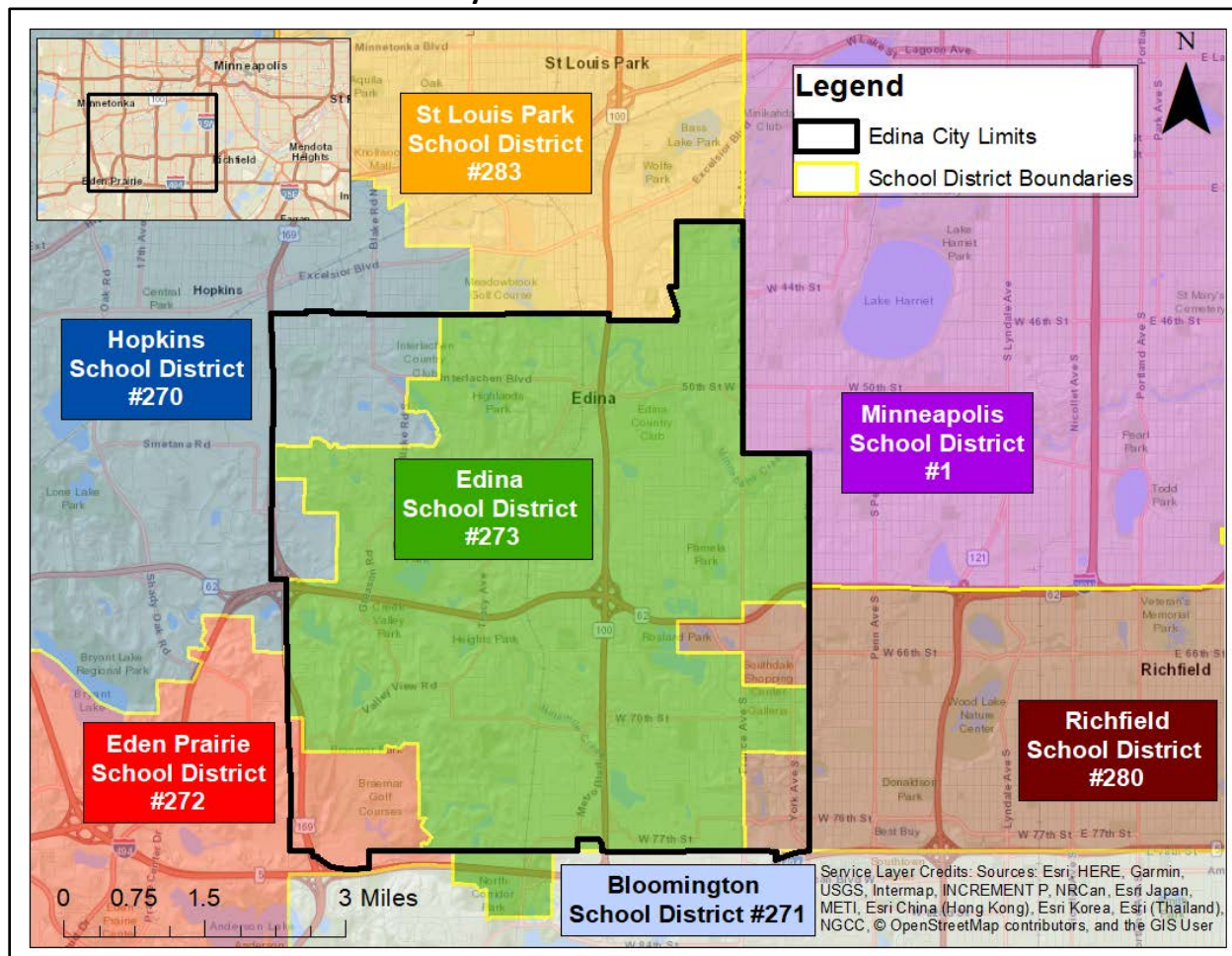


Creek Knoll

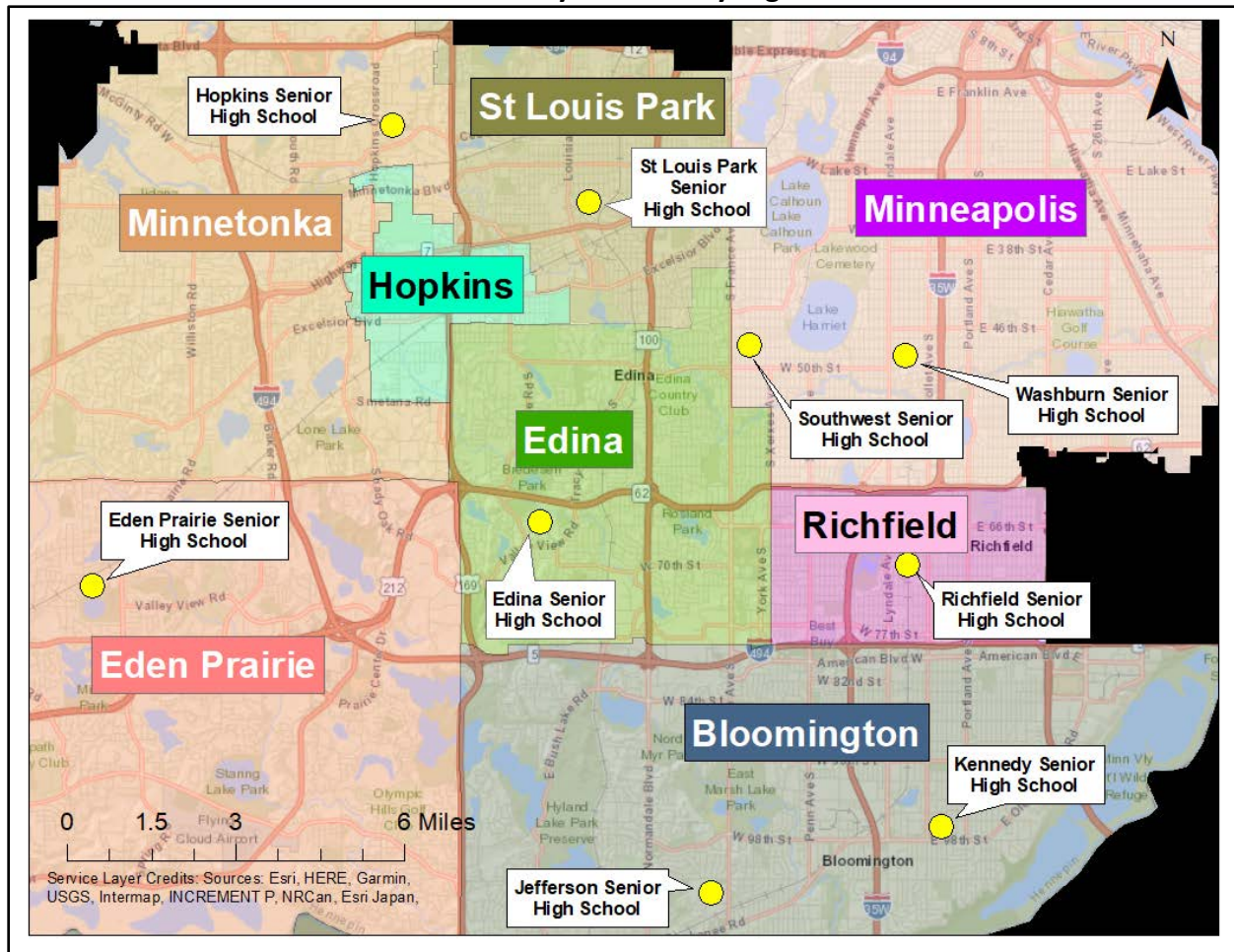
School Districts

School districts have a direct impact on community home values. Edina is largely included in the Edina School District (District 273). Other areas of the City however, are included in the following school districts: Hopkins (District 270), Eden Prairie (District 272) and Richfield (District 280). The Hopkins School District reaches into northwestern Edina. The Richfield School District includes a small portion of southeast Edina, primarily near the Southdale Mall. Far southwestern Edina, near Braemar Golf Course, is in the Eden Prairie School District (District 272). No single or multifamily homes are found in the area included in the Eden Prairie District.

Edina City and School District Boundaries



Edina and Nearby Community High Schools



- Edina Senior High is ranked the 10th best high school in the state and first among its neighboring peer institutions according to an online study published by US News and World Report. Nationally Edina Senior High is ranked 614th.
- Of the eight neighboring high schools, Edina Senior High has the highest college readiness score 62.9. The college readiness score is based on state and Advanced Placement (AP) Testing. The second highest school was Southwest Senior High in Minneapolis at 52.0.
- Edina Senior High has the highest graduation rate among neighboring schools at 96%. The average graduation rate among the nine schools analyzed was 87.6% and ranged from 81% at Richfield Senior High to 96% at Edina High School.
- Among the nine schools examined, Edina Senior High had the second highest enrollment at 2,050. Only Eden Prairie Senior High had more students (3,018). However, for the school year analyzed (2016-2017), Edina Senior High contained grades 10 through 12, while Eden Prairie Senior High serviced grades 9 through 12. Edina and Hopkins were the only two of

the nine senior highs that serviced grades 10 through 12. Since the 2018-2019 school year Edina high school has included grades 9 through 12.

- The student-teacher ratio of 20 students to every teacher at Edina Senior High was the second highest of the nine senior highs. Only Jefferson Senior High in Bloomington had a higher ratio (21 students to every teacher). The average of all nine schools was 19 students to every teacher.
- One measure of college preparation is the taking of Advanced Placement (AP) courses in high school. The AP participation rate at Edina Senior High was 70%. Edina's 70% participation rate was the second highest rate of the nine schools examined. Only Southwest High School in Minneapolis had a higher AP participation rate (72%). The average AP participation rate at the nine schools was slightly below 50% (49.4%) with a range of 24% at Richfield Senior High to 72% at Southwest Senior High.
- In the most recent Quality of Life survey conducted among Edina households, 10% of respondents identified that the quality of schools was their most liked attribute of living in Edina. This compares to 40% of convenient location/walkability/accessibility and 13% who identified safety as their most liked attribute.

FOR-SALE MARKET ANALYSIS

Table FS-13 EDINA & NEIGHBORING COMMUNITIES: HIGH SCHOOL RANKINGS											
	High School	Address	National Rankings	Statewide Rankings	Minneapolis Metro Rankings	Grades Served*	Enrollment	Student Teacher Ratio	Graduation Rate	College Readiness**	Advanced Placement (AP) Participation Rate
1	Edina Senior High	6754 Valley View Rd Edina 55439	614	10	10	10-12	2,050	20:1	96%	62.9	70%
2	Jefferson Senior High	4001 W 102nd St Bloomington 55437	1,238	19	19	9-12	1,679	21:1	91%	46.9	57%
3	Eden Prairie Senior High	17185 Valley View Rd Eden Prairie 55346	1,977	33	31	9-12	3,018	18:1	87%	39.9	47%
4	Southwest Senior High	3414 W 47th St Minneapolis 55410	2,466	41	36	9-12	1,794	18:1	88%	52.0	72%
5	Hopkins Senior High	2400 Lindbergh Dr Minnetonka 55305	4,254	72	57	10-12	1,656	19:1	90%	38.7	49%
6	Washburn Senior High	201 W 49th St Minneapolis 55419	5,613	98	75	9-12	1,641	18:1	82%	23.4	36%
7	St Louis Park Senior High	6425 W 33rd St St Louis Park 55426	5,615	99	76	9-12	1,446	18:1	90%	46.0	58%
8	Kennedy Senior High	9701 Nicollet Ave S Bloomington 55420	8,435	161	96	9-12	1,646	19:1	83%	22.1	32%
9	Richfield Senior High	7001 Harriet Ave S Richfield 55423	9,638	191	105	9-12	1,124	18:1	81%	15.1	24%
*: Edina High School served grades 10-12 in the school year analyzed (2016-2017). Since the 2018-2019 school year Edina High School has served grades 9-12.											
**: Based on state proficiency and Advanced Placement (AP) tests.											
Note: Analyzed Data is based off 2016-2017 school year.											
Source: US News and World Report and RTI International utilizing data from The Common Core of Data (U.S. Department of Education), state math and reading assessments, The College Board, and International Baccalaureate (IB).											

Summary of For-Sale Market Conditions

- Beginning in 2012, the housing market was showing signs of recovery as the number of listings and median resale prices began to rise. A steady increase in the median resale price continued until 2017, followed by a modest decrease between 2017 and 2018 and then increased again between 2018 and year-to-date 2019.
- As of October 6, 2019, 241 single-family homes were listed for sale in Edina. Of those, 191 were previously owned and 50 were new construction. The City also had 17 owned multifamily homes listed for sale and of those, 13 were previously owned and four were new construction.
- New single-family homes priced between \$1,200,000 and \$1,299,999 and \$1,400,000 and \$1,499,999 comprised the two largest percentages of new home listings.
- The median resale price of active single-family listings in Edina was \$1,462,450 for new construction and \$799,000 for previously owned.
- Owned multifamily home listings between \$100,000 and \$199,999 (48.1%) and \$200,000 and \$299,999 (25.9%) comprised 73% of all multifamily listings between January 1 and October 6, 2019.
- Single-family homes accounted for 93.4% of all active listings. Most of the owned multifamily listings were condominiums as only four townhomes/twinhomes were actively marketing.
- One-story homes comprise 94.0% of new active single-family listings in the City while two-story homes comprise 6.0% of new active single-family listings. By comparison, most previously owned single-family homes are two stories (53.7%), followed by one story homes (32.1%).
- The median and average prices per square foot increased in Edina between 2010 and 2019. The City's median prices per square foot for single-family and owned multifamily homes were \$165 and \$105 respectively, in 2010 before increasing to \$209 and \$168, respectively in 2019. A
- On average, the price of an existing single home in Edina between 2010 and September 2019 was 43% less than the price of new construction. New construction prices during the same period were 51% higher in Edina than in the Twin Cities Metro.
- Three new subdivisions are currently marketing in Edina: West Ridge Farms in Parkwood Knolls, Olde Vernon and Blake Circle.

- Most of Edina is within the Edina School District (District 273), but small portions of the City are within the Hopkins School District (District 270), Richfield School District (District 280) and the Eden Prairie School District (District 272).
- Edina Senior High is ranked the 10th best high schools in the state and first among its neighboring peer institutions according to an online study published by US News and World Report. Nationally, Edina Senior High was ranked 614th of 17,245 schools that were ranked, in the upper 5% of the nation.

Introduction

Maxfield Research and Consulting LLC identified and surveyed rental properties throughout Edina. In addition, interviews were conducted with rental housing management firms and others in the community familiar with Edina's rental housing stock.

For purposes of the analysis, rental properties are classified into three general categories, traditional general occupancy, senior (age-restricted) and non-traditional (single-family, townhomes and condominiums that were constructed as owner-occupied, but are currently rented). Senior properties are included in the *Senior Housing Market Analysis* section of this report. Traditional rentals are divided into three groups: market rate (those without income restrictions); affordable or shallow-subsidy housing (those receiving tax credits or another type of shallow-subsidy and where there is a quoted rent for the unit and a maximum income that cannot be exceeded by the tenant); and subsidized or deep-subsidy properties (those with income restrictions at 50% or less of AMI where rental rates are based on 30% of the household's adjusted gross income).

Overview of Rental Market Conditions

Maxfield Research utilized data from the American Community Survey (ACS) and Marquette Advisors *Apartment Trends* report for the Twin Cities Metro Area to summarize rental market conditions in Edina, surrounding communities and the Twin Cities Metro Area. The data from Marquette Advisors is shown for the 3rd Quarter of 2018 and 3rd Quarter of 2019; ACS data is as of 2017. The ACS is an ongoing survey conducted by the United States Census Bureau that provides data every year rather than every ten years as presented by the Decennial Census. ACS provides estimates of all rental units, regardless of structure size.

The following are key points concerning Edina's rental conditions.

- The equilibrium vacancy rate for rental housing is considered to be 5.0%. This allows for normal turnover and an adequate supply of alternatives for prospective renters. As of the 3rd Quarter of 2019, the vacancy rate was 2.5% in the Twin Cities Metro Area and 2.8% in Edina. Vacancy rates in neighboring cities were; 2.9% in Southwest Minneapolis, 2.3% in Bloomington, 2.8% in Eden Prairie, 1.9% in Minnetonka and 1.8% in Hopkins.
- Edina's 3rd quarter vacancy rate was 8.4% for its two-bedroom plus den units while its three-bedroom plus den units had a vacancy rate of 0%. Studio and one-bedroom units had vacancy rates of 2.0% and 1.6% respectively. One-bedroom plus den and two-bedroom units had vacancy rates of 4.8% and 3.9%, respectively. Three-bedroom units had a 1.3% vacancy rate while penthouse units had no vacancies. The most recent 4th Quarter 2019 overall vacancy rate for Edina had pushed up to 5.9%.

RENTAL MARKET ANALYSIS

TABLE R-1
AVERAGE RENTS/VACANCY TRENDS
EDINA, SURROUNDING COMMUNITIES, & TWIN CITIES METRO
THIRD QUARTER 2018 & THIRD QUARTER 2019

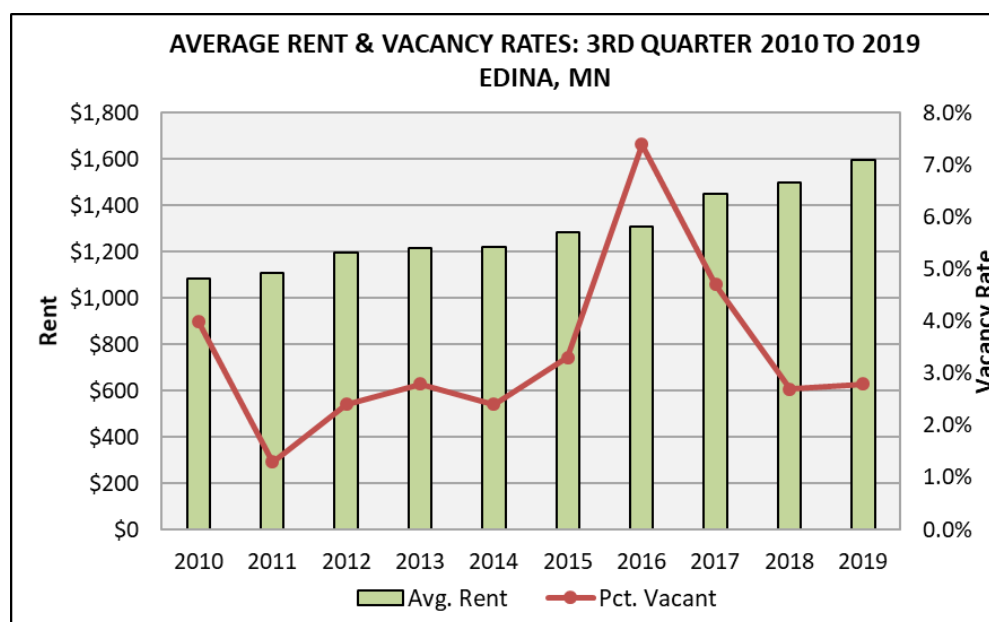
		Total	Studio	1 BR	1 BR w/ Den	2 BR	2 BR w/ Den	3 BR	3 BR w/D /4BR +	Average Increase
EDINA										
Q3/2019	Units	3,947	152	1,738	147	1,570	95	225	20	--
	No. Vacant	110	3	28	7	61	8	3	0	--
	Avg. Rent	\$1,595	\$1,236	\$1,397	\$1,753	\$1,680	\$2,595	\$2,057	\$3,779	6.4%
	Vacancy	2.8%	2.0%	1.6%	4.8%	3.9%	8.4%	1.3%	0.0%	0.1%
Q3/2018	Units	3,429	118	1,478	136	1,395	66	216	20	--
	No. Vacant	94	4	25	4	54	1	6	0	--
	Avg. Rent	\$1,499	\$1,149	\$1,296	\$1,926	\$1,529	\$2,401	\$1,854	\$3,725	3.2%
	Vacancy	3.2%	3.4%	1.7%	2.9%	3.9%	1.5%	3.2%	0.0%	-1.9%
SOUTHWEST MINNEAPOLIS										
Q3/2019	Units	9,829	1,759	5,716	133	2,022	61	138	NA	--
	No. Vacant	283	49	140	1	88	2	3	NA	--
	Avg. Rent	\$1,326	\$979	\$1,172	\$1,837	\$1,816	\$4,972	\$2,916	NA	4.1%
	Vacancy	2.9%	2.8%	2.4%	0.8%	4.4%	3.3%	2.2%	NA	0.3%
Q3/2018	Units	9,544	1,721	5,555	125	1,957	NA	91	NA	--
	No. Vacant	229	42	111	3	68	NA	3	NA	--
	Avg. Rent	\$1,272	\$983	\$1,114	\$1,835	\$1,760	NA	\$2,545	NA	6.6%
	Vacancy	2.4%	2.4%	2.0%	2.4%	3.5%	NA	3.3%	NA	0.5%
BLOOMINGTON										
Q3/2019	Units	7,674	479	3,356	339	3,061	73	366	NA	--
	No. Vacant	174	17	78	5	70	0	4	NA	--
	Avg. Rent	\$1,256	\$1,041	\$1,102	\$1,384	\$1,383	\$1,368	\$1,691	NA	7.7%
	Vacancy	2.3%	3.5%	2.3%	1.5%	2.3%	0.0%	1.1%	NA	0.4%
Q3/2018	Units	7,459	439	3,295	329	3,000	73	359	NA	--
	No. Vacant	140	17	65	6	43	2	7	NA	--
	Avg. Rent	\$1,166	\$908	\$1,042	\$1,452	\$1,234	\$1,363	\$1,562	NA	5.9%
	Vacancy	5.9%	3.9%	2.0%	1.8%	1.4%	2.7%	1.9%	NA	-2.0%
EDEN PRAIRIE										
Q3/2019	Units	4,586	126	1,604	186	2,110	169	373	18	--
	No. Vacant	128	2	47	3	52	9	15	0	--
	Avg. Rent	\$1,352	\$974	\$1,197	\$1,396	\$1,384	\$1,582	\$1,800	\$2,314	3.4%
	Vacancy	2.8%	1.6%	2.9%	1.6%	2.5%	5.3%	4.0%	0.0%	0.4%
Q3/2018	Units	4,586	126	1,604	186	2,110	169	373	18	--
	No. Vacant	110	7	37	5	57	0	4	0	--
	Avg. Rent	\$1,307	\$890	\$1,113	\$1,197	\$1,382	\$1,546	\$1,757	\$2,413	7.9%
	Vacancy	2.4%	5.6%	2.3%	2.7%	2.7%	4.3%	1.1%	0.0%	0.4%
Continued										

RENTAL MARKET ANALYSIS

TABLE R-1 (CONTINUED) AVERAGE RENTS/VACANCY TRENDS THE EDISON PRIMARY MARKET AREA Fourth Quarter 2017 and Fourth Quarter 2018										
		Total	Studio	1 BR	1 BR	2 BR	2 BR	3 BR 2/D	Average	
				w/ Den	w/ Den	3 BR	/4BR +	Increase		
MINNETONKA										
Q3/2019	Units	4,700	123	1,882	188	2,072	107	310	18	--
	No. Vacant	90	2	45	5	28	1	9	0	--
	Avg. Rent	\$1,424	\$1,215	\$1,296	\$1,334	\$1,475	\$1,666	\$1,864	\$2,292	5.4%
	Vacancy	1.9%	1.6%	2.4%	2.7%	5.2%	0.9%	2.9%	0.0%	-0.8%
Q3/2018	Units	4,452	123	1,767	207	1,968	107	262	18	--
	No. Vacant	118	4	52	7	45	5	4	1	--
	Avg. Rent	\$1,351	\$1,279	\$1,223	\$1,337	\$1,402	\$1,641	\$1,723	\$2,100	4.4%
	Vacancy	2.7%	3.3%	2.9%	3.4%	2.3%	4.7%	1.5%	5.6%	0.4%
HOPKINS										
Q3/2019	Units	3,045	211	1,416	13	1,208	11	186	NA	--
	No. Vacant	56	3	25	0	22	0	6	NA	--
	Avg. Rent	\$1,210	\$949	\$1,091	\$1,380	\$1,325	\$1,337	\$1,651	NA	6.9%
	Vacancy	1.8%	1.4%	1.8%	0.0%	1.8%	0.0%	3.2%	NA	0.3%
Q3/2018	Units	3,045	211	1,416	13	1,208	11	186	NA	--
	No. Vacant	47	0	21	0	21	0	5	NA	--
	Avg. Rent	\$1,132	\$862	\$1,011	\$1,338	\$1,244	\$1,337	\$1,602	NA	6.9%
	Vacancy	1.5%	0.0%	1.5%	0.0%	1.7%	0.0%	2.7%	NA	-0.3%
ST LOUIS PARK										
Q3/2019	Units	6,716	356	3,086	300	2,759	47	168	NA	--
	No. Vacant	170	10	63	4	89	1	3	NA	--
	Avg. Rent	\$1,391	\$1,440	\$1,192	\$1,561	\$1,537	\$2,153	\$2,044	NA	9.1%
	Vacancy	2.5%	2.8%	2.0%	1.3%	3.2%	2.1%	1.8%	NA	0.7%
Q3/2018	Units	6,241	315	2,853	281	2,584	47	NA	NA	--
	No. Vacant	172	4	66	13	87	0	NA	NA	--
	Avg. Rent	\$1,350	\$1,349	\$1,177	\$1,514	\$1,460	\$2,063	NA	NA	6.0%
	Vacancy	2.8%	1.3%	2.3%	4.6%	3.4%	0.0%	NA	NA	0.8%
TWIN CITIES METRO AREA										
Q3/2019	Units	149,385	10,551	65,423	3,589	59,835	2,229	7,405	353	--
	No. Vacant	3,797	286	1,607	80	1,506	110	196	12	--
	Avg. Rent	\$1,265	\$1,028	\$1,115	\$1,488	\$1,363	\$2,065	\$1,656	\$2,889	6.5%
	Vacancy	2.5%	2.7%	2.5%	2.2%	2.5%	4.9%	2.6%	3.4%	0.2%
Q3/2018	Units	141,705	8,072	62,872	3,504	58,065	1,660	7,080	452	--
	No. Vacant	3,274	175	1,470	88	1,358	40	136	7	--
	Avg. Rent	\$1,188	\$980	\$1,047	\$1,438	\$1,272	\$2,025	\$1,561	\$2,481	3.6%
	Vacancy	2.3%	2.2%	2.3%	2.5%	2.3%	2.4%	1.9%	1.5%	-0.2%
*: Edina's 2018 & 2019 3 BR w/den & penthouse data is combined/averaged.										
NA: Not Available.										
Sources: Marquette Advisors; Maxfield Research & Consulting, LLC										

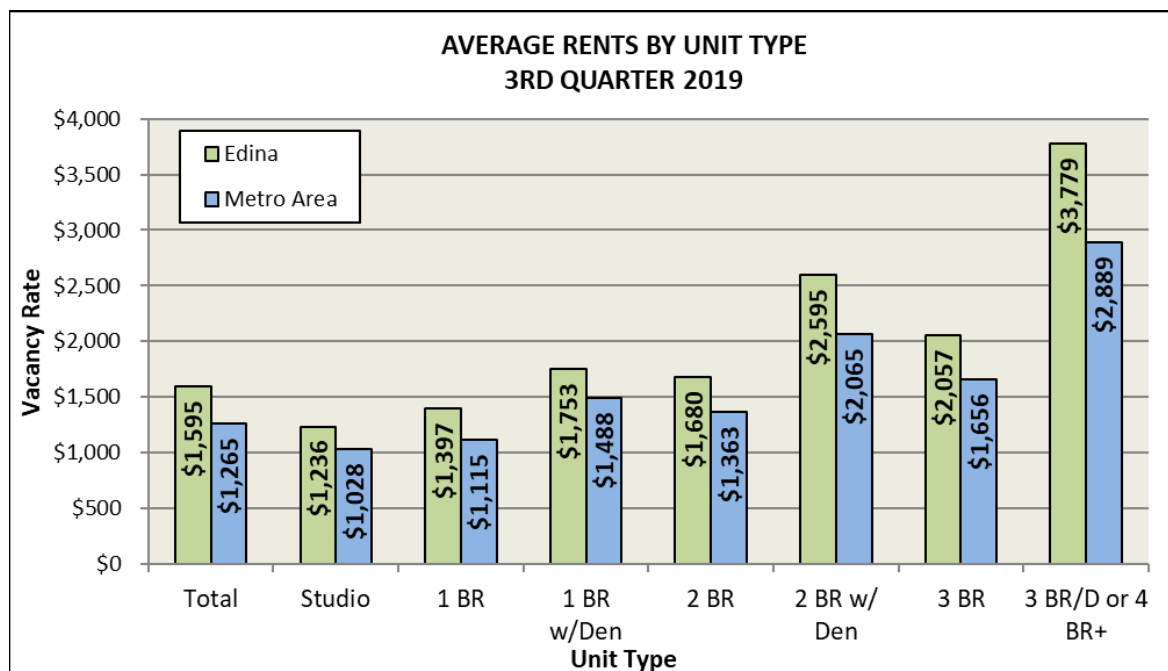
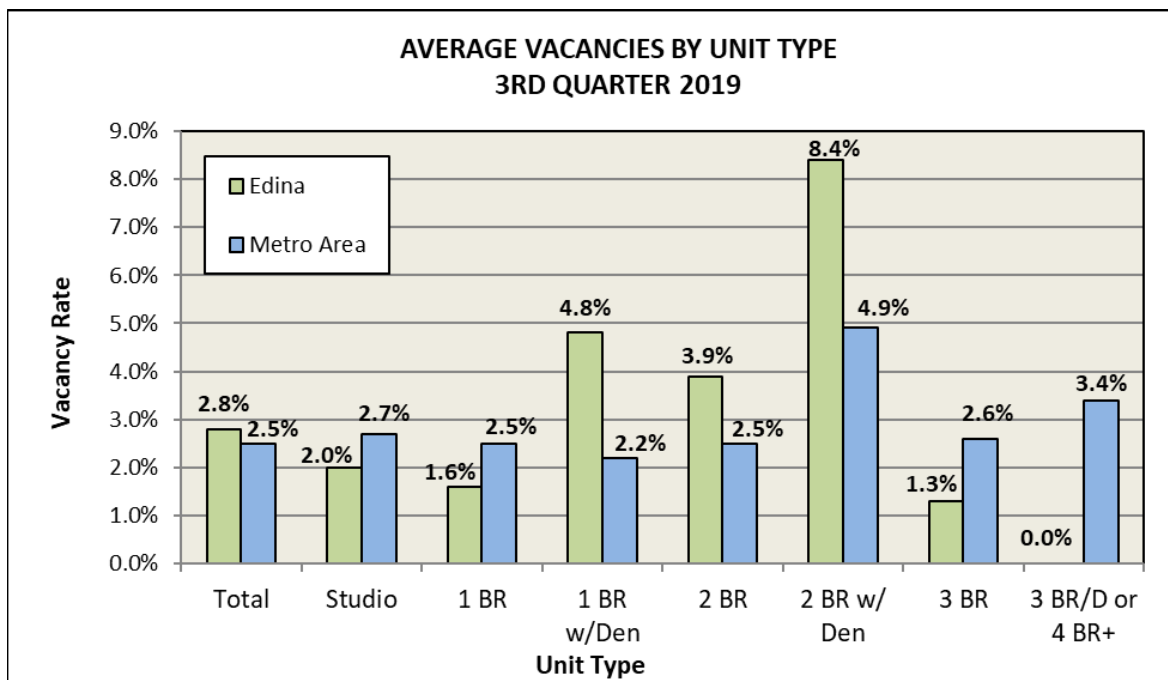
RENTAL MARKET ANALYSIS

- The average monthly rent in Edina increased by \$96 from the third quarter of 2018 through the third quarter of 2019, an increase of 6.4%. By comparison, the average monthly rent in the Twin Cities Metro Area increased by an average rate of 6.5% to \$1,265 as of the 3rd quarter of 2019.
- In Edina, average monthly rental rates range from \$1,236 for a studio unit to \$4,421 for a penthouse unit as of 3rd Quarter 2019. Monthly rent for three-bedroom units is lower than for two-bedroom plus den units reflecting the older age of many rental properties in Edina. Average rents increased the most for three-bedroom units, up 10.9% over the year, followed by 9.9% for two-bedroom units and 9% for one-bedroom plus den units. Since 2010, the average monthly rent in Edina has increased 47.4%, from \$1,082 per month in 2010 to \$1,595 per month in 2019. A portion of this increase reflects new rental product recently constructed which has higher rents, increasing the overall average.
- The below market equilibrium vacancy rate in Edina reflects a tight rental market and limited product available, primarily among older rental properties. Six new market rate properties were surveyed in Edina, all built since 2013. Vacancies at these new properties were higher than for older properties and Nolan Mains and Aria Edina are in their initial lease-up periods. Older rental properties do not offer the same level of amenities as newer rental housing stock, although many properties built prior to 1980 have been remodeled and include new kitchens, new bathrooms and upgraded common areas amenities. One example is the Cedars of Edina that was built in 1977 but renovated in 2014. The Cedars of Edina has amenities that are typical of newer properties including an in-unit washer and dryer, concierge, fitness center, and pool.
- The following chart illustrates historical rental market conditions in Edina. Overall, vacancy rates have remained below market equilibrium except in 2016.



RENTAL MARKET ANALYSIS

- The average rent as of 3rd Quarter 2019 was \$1,595 in Edina, \$1,336 in Southwest Minneapolis, \$1,256 in Bloomington, \$1,424 in Minnetonka, \$1,210 in Hopkins, \$1,352 in Eden Prairie, and \$1,391 in St Louis Park. A comparison of vacancy rates revealed a rate of 2.8% in Edina, 2.9% in Southwest Minneapolis, 2.3% in Bloomington, 1.9% in Minnetonka, 1.8% in Hopkins, 2.8% in Eden Prairie, and 2.5% in St Louis Park.



RENTAL MARKET ANALYSIS

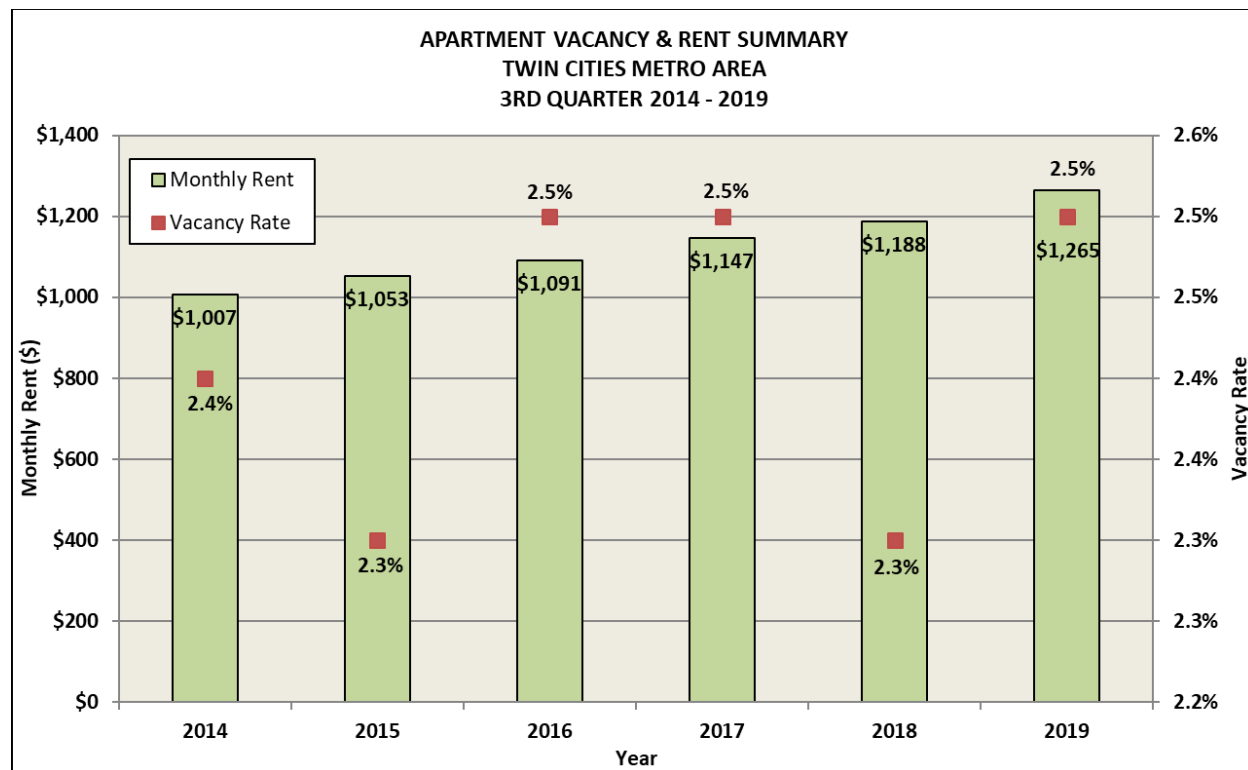
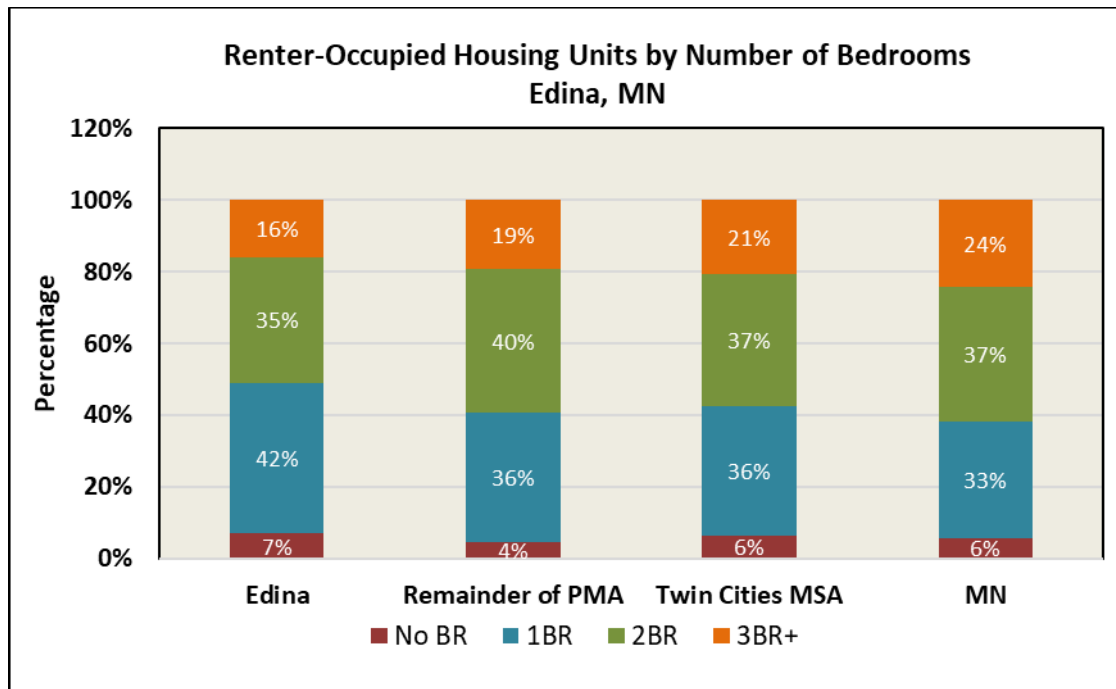


Table R-2 shows the breakdown by gross rent of unit types in Edina. Below are key points from the chart.

- Of Edina's one-bedroom units almost 7% (6.9%) are priced at \$1,500 or more. In comparison, 3.3% of the Remainder of the PMA's one-bedroom units and 2.6% of the Twin Cities MSA's one-bedroom units were priced at \$1,500 or more.
- Edina has 12.1% of its two-bedroom units priced at \$1,500 or more. This is a larger percentage than in the Remainder of the PMA (11.0%) and the Twin Cities MSA (5.4%).
- The City of Edina has a lower proportion of one-bedroom units priced between \$750 and \$999 (7.9%) than in the Remainder of the PMA 12.4%, and the Twin Cities MSA (14.1%).
- The breakdown of unit types in Edina is 6.9% no bedroom units (studios), 42.0% one-bedroom units, 35.2% two-bedroom units, and 15.8% three or more-bedroom units.

**TABLE R-2
BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS
EDINA ANALYSIS AREA
2017**

	Edina		Remainder of PMA		Twin Cities MSA*		MN
	#	% of Total	#	% of Total	#	% of Total	% of Total
Total:	5,950	100%	18,806	100%	370,234	100%	100%
Median Gross Rent	\$1,288		\$1,295**		\$1,034		\$906
No Bedroom	413	6.9%	832	4.4%	23,594	6.4%	5.6%
Less than \$300	13	0.2%	0	0.0%	2,122	0.6%	0.6%
\$300 to \$499	7	0.1%	0	0.0%	2,045	0.6%	0.8%
\$500 to \$749	74	1.2%	92	0.5%	7,740	2.1%	1.8%
\$750 to \$999	101	1.7%	241	1.3%	6,140	1.7%	1.2%
\$1,000 to \$1,499	209	3.5%	335	1.8%	3,434	0.9%	0.7%
\$1,500 or more	0	0.0%	164	0.9%	1,868	0.5%	0.4%
No cash rent	9	0.2%	0	0.0%	245	0.1%	0.1%
1 Bedroom	2,500	42.0%	6,816	36.2%	133,329	36.0%	32.6%
Less than \$300	100	1.7%	225	1.2%	11,332	3.1%	3.7%
\$300 to \$499	161	2.7%	338	1.8%	8,228	2.2%	3.9%
\$500 to \$749	156	2.6%	287	1.5%	22,383	6.0%	7.3%
\$750 to \$999	468	7.9%	2,324	12.4%	52,075	14.1%	10.0%
\$1,000 to \$1,499	1,207	20.3%	2,941	15.6%	28,298	7.6%	5.2%
\$1,500 or more	408	6.9%	625	3.3%	9,583	2.6%	2.0%
No cash rent	0	0.0%	76	0.4%	1,430	0.4%	0.5%
2 Bedrooms	2,094	35.2%	7,563	40.2%	137,399	37.1%	37.5%
Less than \$300	49	0.8%	87	0.5%	3,570	1.0%	1.1%
\$300 to \$499	0	0.0%	217	1.2%	3,596	1.0%	2.0%
\$500 to \$749	39	0.7%	231	1.2%	7,729	2.1%	6.2%
\$750 to \$999	227	3.8%	490	2.6%	35,719	9.6%	10.6%
\$1,000 to \$1,499	979	16.5%	4,295	22.8%	63,609	17.2%	12.5%
\$1,500 or more	722	12.1%	2,063	11.0%	20,012	5.4%	3.7%
No cash rent	78	1.3%	180	1.0%	3,164	0.9%	1.3%
3 or More Bedrooms	943	15.8%	3,595	19.1%	75,912	20.5%	24.3%
Less than \$300	4	0.1%	65	0.3%	1,105	0.3%	0.5%
\$300 to \$499	0	0.0%	73	0.4%	2,267	0.6%	1.1%
\$500 to \$749	78	1.3%	194	1.0%	4,618	1.2%	2.5%
\$750 to \$999	31	0.5%	214	1.1%	4,878	1.3%	3.4%
\$1,000 to \$1,499	76	1.3%	686	3.6%	25,083	6.8%	7.5%
\$1,500 or more	682	11.5%	2,098	11.2%	33,541	9.1%	6.8%
No cash rent	72	1.2%	265	1.4%	4,420	1.2%	2.5%
*Includes the following counties; Anoka, Carver, Dakota, Hennepin, Scott, Ramsey, and Washington.							
** All median gross rent census tract data is from 2017 excluding census tract 260.13, which is from 2016. There is no available 2017 median gross rent data for census tract 260.13.							
Sources: 2013-2017 American Community Survey; Maxfield Research and Consulting LLC.							



General Occupancy Rental Properties

The survey of general occupancy rental properties in Edina included 54 market rate, four, shallow-subsidy and one, deep-subsidy property in September 2019. These properties represent a combined total of 4,801 units, including 4,654 market rate units (including units in properties that are in initial lease-up), 57 shallow-subsidy (typically properties income-restricted to households with incomes between 50% and 80% of Area Median Household Income (AMI) and 90, deep-subsidy units (typically properties restricted to households with incomes at or less than 50% of AMI). Market rate units may be affordable to a broad range of households, but do not have income restrictions. Table R-9 presented later in this section shows that Edina has market rate units that are affordable to households with incomes ranging from 50% to 120% or more of AMI. The above totals exclude units in properties that provide housing to individuals that have supportive services or are hard to house.

There are a variety of rental properties in Edina that have fewer than 24 units including three- and four-plex buildings, duplexes, townhomes and single-family homes. These properties are also included in the average rent and vacancy calculations shown on Tables R-4 to R-6. Table R-7 shows affordable and subsidized rental properties. R-8 shows a summary of market rate rental units registered with the City. The total includes all types of rental units including single-family, condominiums, townhomes, duplexes and large multifamily properties. Single-family, condominium and townhome units that were originally owner-occupied, but are currently rented are considered as non-traditional rentals.

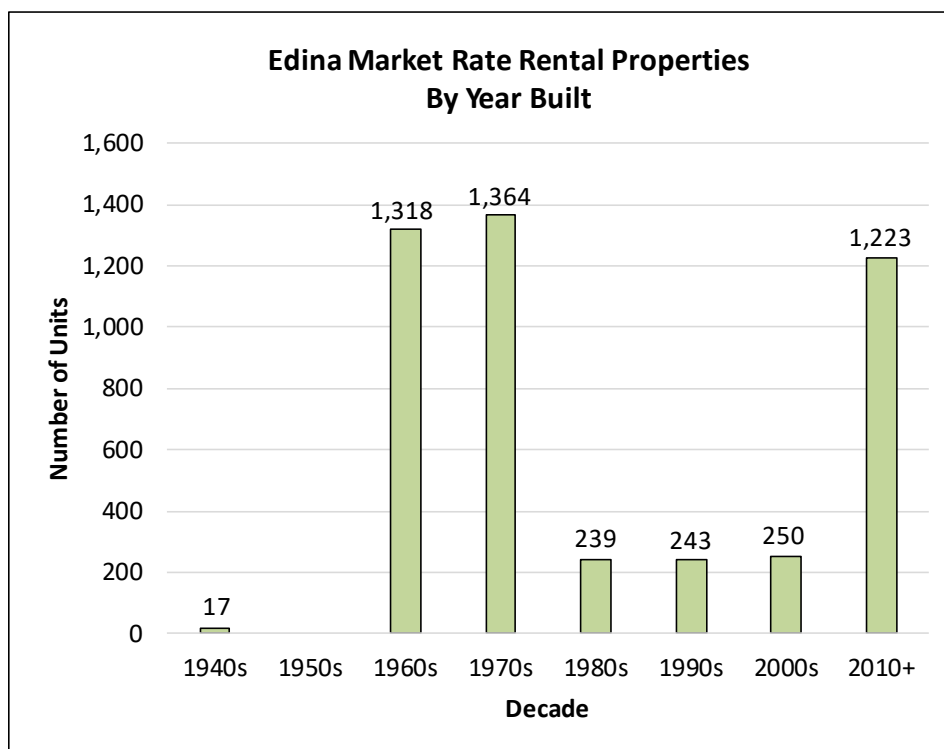
RENTAL MARKET ANALYSIS

The survey of market rate rental properties identified the following total vacancies by age segment:

Properties built prior to 1980:	83 vacant (3.1%)
Properties built from 1980 through 1999:	12 vacant (2.5%)
Properties built 2000 or later:	89 vacant (6.0%)

In total, the overall vacancy rate among the surveyed market rate rental units was 4.0% including properties in initial lease-up. Excluding those properties, the overall vacancy rate drops to 2.8%. The combined overall vacancy rate is well-below the 5% rate considered as market equilibrium for a stabilized rental market rate which promotes competitive rates, ensures adequate choice and allows for sufficient unit turnover. The current overall vacancy rate of 2.8% indicates that additional rental units are needed. Vacancy rates by year built are significantly lower for properties built 2000 or later and prior to 1980 than between 1980 and 1999.

Table R-3 summarizes the number of market rate rental units by year built for Edina general occupancy properties. Tables R-4 to R-6 summarize available unit types, unit sizes, rent levels and per square foot rents grouped by year built among the market rate general occupancy rental properties.



RENTAL MARKET ANALYSIS

TABLE R-3 MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES BY YEAR BUILT CITY OF EDINA NOVEMBER 2019		
Property Name/Location	Yr. Built	Number of Units
Properties Built Prior to 1980		
Cedars of Edina - 7340 Gallagher Dr 55435	1977	600
Durham - 7201 York Ave S 55435	1977 (Reno. 2014)	264
York Plaza- 7230 York Ave 55435	1975	261
Oaks Braemar 7150 Cahill Rd 55439	1971	115
Edina Park 4480 Parklawn Ave 55435	1971	80
Parklawn Manor - 4000 Parklawn Ave 55435	1971	44
Edina Manor Apartments - 5400 W 70th St 55439	1969	24
Valley View Villas - 4415 Valley View Rd 55424	1969	12
The Edina Towers - 6400 Barrie Rd 55435	1969	194
Westchester - 5525 Hansen Rd 55436	1968	24
Parklawn Estates - 4141 Parklawn Ave 55435	1968	118
Normandy House Apartments - 4545 Valley View Rd 55424	1968	78
Briar Cliff - 444 Parklawn Ave 55435	1968	22
Astor Place - 6455 York Ave S 55435	1968	44
Parklawn Court - 4456 Parklawn Ct 55435	1968	24
White Oaks Apartments - 3901 49th St W 554424	1968	32
Willow Greens Apartments - 4350 - 4380 Parklawn Ave 55435	1968	22
Edina Villa Apartments - 4200-4415 Parklawn Ave 55435	1967	36
Regency Apartments - 4201 Parklawn Ave 55435	1967	18
Parklawn Apartments - 4251 Parklawn Ave 55435	1967	118
Chalet Apartments - 4415 Parklawn Ct 55435	1967	12
Interlachen Manor - 5220 Interlachen Blvd 55436	1967	17
Edina Highland Villa - 5210 Villa Way 55436	1967	165
4435 Parklawn Court - 55435	1965	40
5416 W 70th St 55439	1965	10
Cahill Court -5432 W 70th St 55439	1965	10
Cottages of Edina - 5180 Lincoln Dr 55436	1965	80
York Villa - 6304 York Ave S 55435	1965	23
6300 York - 55435	1964	22
Oaklawn Estates - 4401 Valley View Rd 55424	1963	14
Interlachen Court - Vernon Ave S 55436	1963	61
Heritage Drive Apartments- 3201 Heritage Drive 55435	1962	24
Hazelton Apartments - 4000 Hazelton Rd 55435	1962	16
4301 Valley View Rd - 4301 Valley View Rd 55424	1962	8
Heritage Court - 3105 - 3117 Heritage Dr 55435	1961	40
Fountain Manor - 4001 Mavelle Dr 55435	1961	5
4000 Mavelle Dr 55435	1961	5
5330 France Ave S - 55410	1949	12
3908 W 54th St 55424	1949	5
Continued		

TABLE R-3 (CONTINUED) MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES BY YEAR BUILT CITY OF EDINA NOVEMBER 2019		
Property Name/Location	Yr Built	Number of Units
Properties Built Between 1980 and 1999		
Oaks Lincoln Townhomes - 5200 Lincoln Dr 55436	1990	39
Oaks Lincoln Apartments - 5200 Lincoln Dr 55436	1990	204
Vernon Oaks Apartments 5400 Vernon Ave S 55436	1987	136
Ponds of Edina - 7700 Cahill Rd 55439	1985	65
Oak Glen of Edina - 5515 Oak Glen Rd 55439	1981	38*
Properties Built 2000 or Later		
Nolan Mains - 3945 Market St 55424	2019	90**
Aria Edina - 3200 Southdale Cir 55435	2018	174***
The Loden - 5995 Lincoln Dr - 55436	2017	246
Onyx Edina - 6725 York Ave S - 55435	2015	240
71 France - 7161 France Ave S 55435	2014	241
One Southdale Place - 6800 York Ave S 55435	2013	232
Edina Gateway - 4910 W 77th St 55435	2008	36
York Place - 3121 W 69th St 55435	2008	114
Cornelia Place - 4025 W 65th St 55435	2002	100
Total	Median Year Built: 1968	4,654
*: There are a total of 64 units, of which 38 are market rate and 26 are affordable. **: There are a total of 100 units, of which 90 are market rate and 10 are affordable. ***: There are a total of 184 units, of which 176 are market rate and 8 are affordable.		
Sources: Maxfield Research & Consulting, LLC, City of Edina, Apartments.com, HUD		

Market Rate

- Most of Edina's larger market rate general occupancy rental properties were built prior to 1980. As shown, the median year built of market rate properties is 1968.
- The newest market rate general occupancy rental properties in Edina are; Nolan Mains (2019), Aria Edina (2018), The Loden (2017), Onyx Edina (2015) and 71 France Apartments (2014). Nolan Mains, a new luxury rental property is in the 50th and France commercial district and is in initial lease-up. The first phase of the Nolan Mains development opened November 1, 2019 and 10% of its units (10 units) are affordable. The affordable units are entirely leased.
- A total of 184 vacancies were found among the market rate rental properties resulting in a current vacancy rate of 4.0%. The stabilized vacancy rate, which excludes properties still in initial lease up, Aria Edina (8 units) and Nolan Mains (52 units), is 2.8% as of November 2019. The stabilized equilibrium vacancy rate for market rate rental properties is considered 5% to allow for adequate unit turnover and sufficient choice for renters. A vacancy rate well-below the market equilibrium level indicates some pent-up demand for new rental

housing. The challenge, however, is that not all the demand is for units with rents at the top end of the market. While some renters may elect to move-up and pay more in rent, others are not able to do so and would either prefer to pay a lower rent or need to pay less because of an income threshold to not be cost-burdened. Many of the residents choosing units at the new rental properties in Edina are empty nesters that have sold homes in Edina or other nearby communities.

- Properties are grouped by year built. There is overlap among these groupings as some older properties have been remodeled. Renovated properties include The Cedars of Edina and Durham, both built in 1977 and renovated in 2014. Remodeling often enables a property to “refresh” and to charge higher rents than its original age would indicate. Tables R-4 to R-6 show a summary of these properties by unit type with average rents, average unit size, rent range and rent per square foot.
- Table R-4 shows a summary for properties built in 2000 or later. One property opened in 2002 and two opened in 2008. However, the majority opened in 2013 or later. The table shows that the average rent per square foot is \$2.07 with a monthly rent of \$2,318 and an average unit size of 1,453 square feet. As shown, 9.3% of the units are one bedroom, 46.3% of the units are two bedrooms, 37.1% of the units are three bedrooms and 0.3% of the units are four bedrooms. These proportions are almost the opposite of what has been developed recently in Downtown Minneapolis and the Uptown District in southwest Minneapolis, where studio and one-bedroom unit types dominate.
- Rents ranged from \$1,185 for a studio apartment to \$4,354 per month for a three-bedroom unit. Data for Nolan Mains’ studio, two-bedroom penthouse, three-bedroom, three-bedroom penthouse, and four-bedroom penthouse units were unavailable. Average monthly rents by unit type were:

Studio/Alcove:	\$1,472
1BR:	\$1,755
2BR:	\$2,674
3BR:	\$3,371
4BR:	n/a

TABLE-R-4 SURVEYED UNIT TYPE SUMMARY SELECT GENERAL OCCUPANCY RENTAL PROPERTIES Built 2000 or later NOVEMBER 2019					
Unit Type	Total Units	% of Total	Monthly Rents		
			Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio/Alcove	137	9.3%	\$1,185 - \$2,149	\$1,472	\$2.35
1BR	682	46.3%	\$1,295 - \$2,695	\$1,755	\$2.03
2BR	547	37.1%	\$1,795 - \$4,354	\$2,674	\$1.91
3BR	103	7.0%	\$1,834 - \$4,051	\$3,371	\$2.00
4BR	4	0.3%	NA - NA	NA	NA
Total:	1,473	100.0%	\$1,185 - \$4,354	\$2,318	\$2.07
Table includes data for properties where information was available.					
Penthouse units (2BR PH, 3BR PH, and 4BR PH were combined with non-penthouse units 2BR, 3BR, and 4 BR)					
NA: Not Available.					
Source: Maxfield Research and Consulting, LLC					

- Table R-5 shows a summary for market rate properties built from 1980 through 1999. The table shows that the average rent per square foot for these properties is \$1.65 with a monthly rent of \$1,566 and an average unit size of 1,051 square feet. As shown, 66.9% of the units are two-bedrooms, 29.8% are one-bedroom, 1.9% are studios, and 1.9% are three-bedrooms.
- Rents ranged from \$1,096 for a studio apartment to \$2,464 per month for a three-bedroom unit. Average monthly rents by unit type were:

Studio/Alcove: \$1,098
 1BR: \$1,370
 2BR: \$1,655
 3BR: \$2,140

TABLE-R-5 SURVEYED UNIT TYPE SUMMARY SELECT GENERAL OCCUPANCY RENTAL PROPERTIES Built 1980 to 1999 NOVEMBER 2019					
Unit Type	Total Units	% of Total	Monthly Rents		
			Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio/Alcove	10	1.9%	\$1,096 - \$1,100	\$1,098	\$2.37
1BR	156	29.8%	\$1,155 - \$1,650	\$1,370	\$1.52
2BR	350	66.9%	\$1,381 - \$2,357	\$1,655	\$1.38
3BR	7	1.3%	\$1,812 - \$2,464	\$2,140	\$1.31
4BR	0	0.0%	NA - NA	NA	NA
Total:	523	100.0%	\$1,096 - \$2,464	\$1,566	\$1.65
The table includes data from properties where there was complete information N/A: Not Applicable					
Source: Maxfield Research and Consulting, LLC					

- Table R-6 shows a summary for market rate properties built prior to 1980. Valley View Villas was excluded as management could not be reached. The table shows that the average rent per square foot for these properties is \$1.46 with a monthly rent of \$1,325 and an average unit size of 953 square feet. As shown, 44.4% of the units are two-bedrooms, 44.2% are one-bedroom, 7.9% are three-bedroom, and 3.5% are studio units.

- Rents range from \$740 for a studio apartment to \$3,165 per month for a three-bedroom unit. Average monthly rents by unit type were:

Studio/Alcove: \$995
 1BR: \$1,088
 2BR: \$1,260
 3BR: \$1,957

- The broad range in rents for each unit type among the oldest properties reflects a variation in features and amenities and units that have been substantially remodeled versus those that have not.

TABLE-R-6 UNIT TYPE SUMMARY SELECT GENERAL OCCUPANCY RENTAL PROPERTIES Built Prior to 1980 NOVEMBER 2019					
Unit Type	Total Units	% of Total	Monthly Rents		
			Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio/Alcove	90	3.5%	\$740 - \$1,428	\$995	\$1.85
1BR	1,143	44.2%	\$700 - \$1,706	\$1,088	\$1.41
2BR	1,150	44.4%	\$925 - \$1,810	\$1,260	\$1.23
3BR	205	7.9%	\$1,394 - \$3,165	\$1,957	\$1.33
4BR	0	0.0%	NA - NA	NA	NA
Total:	2,588	100.0%	\$700 - \$3,165	\$1,325	\$1.46
Table includes data from properties for which information was available					
Note: Excludes Valley View Villas for which detailed data is not available.					
NA: Not Available					
Source: Maxfield Research and Consulting, LLC					

Shallow-Subsidy

Properties that provide a shallow-subsidy have income restrictions, but households that qualify to reside in units at these properties usually pay a set monthly rent that is affordable to their income level. Properties developed as shallow-subsidy typically have rental rates set at 50% up to 80% of area median household income. At times, a household may qualify at a higher proportion of income (say 60%), but the rent will be set at 50% of AMI. Housing revenue bonds, TIF financing and Low-Income Housing Tax Credits are example of programs that offer financing to enable the developer to provide a lower rent level (shallow-subsidy).

- There are six general occupancy rental properties in Edina that offer all or a portion of their units at rents that are affordable to households with incomes at or below 60% or 50% of the household area median family household income (HAMFI) for the Twin Cities Metro Area which was \$100,000 as of 2019. At the time of the survey, 11 units were identified as vacant. Table R-8 shows information on shallow-subsidy (affordable) and deep-subsidy (subsidized) properties.
- The two newest properties in Edina with shallow subsidy units are Aria Edina and Nolan Mains. Aria Edina is a market rate/affordable property with 184 units, of which 10 are affordable to households at 60% of AMI. Of the 10 units, eight are studios ranging in size from 487 to 524 square feet and priced at \$1,050 and two are 693 square foot alcove units priced at \$1,125. The first phase of Nolan Mains opened November 1, 2019. When completed, the property will consist of 100 units, of which 10 are affordable to moderate-income households with rents targeted at between 50% and 60% AMI. Of the 10 affordable units, eight are one-bedroom and two are two-bedrooms units. Aria Edina and Nolan Mains

offer many amenities to residents including outdoor lounge decks with grilling areas, rooftop terrace, pub room; bocce court, and enclosed heated parking.

Deep-Subsidy

Properties that provide deep-subsidies are restricted to households with incomes of 50% or less of AMI and the tenant pays no more than 30% of their income for rent; the remaining portion of the rent is paid to the landlord. Housing programs include project-based Section 8, Section 811 (primarily group living arrangements or housing for those with disabilities). Housing vouchers also fall into this category but are used in the private market. Senior programs (Section 8 and Section 202) are discussed in the senior section.

- Yorkdale Townhomes and Oak Glen are the only two deep-subsidy general occupancy rental properties in Edina with a combined total of 116 units. Of the 116 units, four are studios, 10 are one-bedroom, 56 are two-bedroom, 46 are three-bedroom and four are four-bedroom.
- Typically, deep-subsidy rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. A vacancy rate of 0% for these units indicates a need for more of this housing. Cuts in Federal funding for programs to construct these types of units has resulted in long waiting lists and virtually none of these units are being developed, except when combined with other income-restricted or market rate units. There are currently no vacancies at either Yorkdale Townhomes or Oak Glen. York Glen has a substantial wait list of more than two years for its studio units and at least one year or more for its three-bedroom units. The substantial wait lists demonstrate a significant need for more deep-subsidy housing.
- There are a combined 159 shallow and deep subsidy rental units in Edina. This is an estimated 3% (3.3%) of all rental units in the City (4,813 units). By comparison, almost 97% (96.7%) of rental units in the City are market rate.

RENTAL MARKET ANALYSIS

TABLE R-7 MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES CITY OF EDINA NOVEMBER 2019									
Project Name/ Address	Year Built	Total Units	Vacant	Unit Mix	Market/Base Rent Ranges	Unit Size	Rent per Sq Ft	Mkt/Aff	Description/Comments
Market Rate Rental									
Nolan Mains 3945 Market St 55424 (In Initial Lease Up)	2019	90 (100 Total Units)	52	Studio - 1 1BR - 32 2BR - 28 2BR PH - 6 3BR - 9 3BR PH - 10 4BR PH - 4	--- -- \$2,219 - \$2,695 \$3,484 - \$3,927 --- -- --- -- --- -- --- --	457 - 457 692 - 998 1,184 - 2,064 1,471 - 1,896 1,852 - 2,153 1,871 - 2,671 2,387 - 2,980	-- -- -- \$2.70 - \$3.21 \$1.90 - \$2.94 --- -- --- -- --- -- --- --	Mkt/Aff	First building opened November 1st and second building opening mid December. Application fee of \$50 per adult and reservation fee of \$1,500 (\$350 admin/easy move-out, \$1,150 security deposit). Parking is \$200 per month and additional spots are flex/evening parking at \$50/month. Pet fee of \$500 and \$50 per dog and \$30 per cat. Adjacent to 50th and France Commercial District.
Aria Edina 3200 Southdale Cir 55435 (In initial lease up)	2018	174 (184 Total Units)	8	Alcove - 11 1BR - 67 2BR - 84 3BR - 12	\$1,495 - \$1,625 \$1,595 - \$2,215 \$2,341 - \$4,225 \$3,545 - \$3,920	693 - 693 759 - 923 1,170 - 1,338 1,546 - 1,590	\$2.16 - \$2.34 \$2.10 - \$2.40 \$2.00 - \$3.16 \$2.29 - \$2.47	Mkt /Aff	Pool, clubhouse, concierge, pet washing station, car charging station, and roof terrace. Near Southdale Center and Galleria Edina.
71 France 7161 France Ave S 55435	2014	241	6	Studio - 63 1BR - 58 2BR - 58 3BR - 62	\$1,410 - \$1,435 \$1,395 - \$2,005 \$1,846 - \$2,425 \$1,834 - \$3,043	577 - 590 620 - 1,051 968 - 1,285 1,254 - 1,412	\$2.43 - \$2.44 \$1.91 - \$2.25 \$1.89 - \$1.91 \$1.46 - \$2.16	Mkt	Pool, clubhouse, pet washing station, car charging station, fitness center, and guest apartment. Near Southdale Center and Galleria Edina.
One Southdale Place 6800 York Ave S 55435	2013	232	12	Studio - 18 1BR - 134 2BR - 79 3 BR - 1	\$1,375 - \$1,484 \$1,450 - \$1,950 \$2,092 - \$4,354 \$4,051 - \$4,051	550 - 621 670 - 1,115 1,028 - 1,663 1,433 - 1,433	\$2.39 - \$2.50 \$1.75 - \$2.16 \$2.04 - \$2.62 \$2.83 - \$2.83	Mkt	Fitness center, pool, putting green, theater room, roof terrace. Near Southdale Center and Galleria Edina.
Onyx Edina 6725 York Ave S 55435	2015	240	0	Studio - 10 1BR - 135 2BR - 86 3BR - 9	\$1,319 - \$2,149 \$1,333 - \$2,158 \$1,842 - \$3,180 \$3,252 - \$3,272	609 - 658 676 - 1,137 1,151 - 1,660 1,505 - 1,537	\$2.17 - \$3.27 \$1.90 - \$1.97 \$1.60 - \$1.92 \$2.13 - \$2.16	Mkt	Fitness center, pool, spa, clubhouse, business center, and study lounge. Near Southdale Center and Galleria Edina.
The Loden 5995 Lincoln Dr 55436	2017	246	7	Studio - 24 1BR - 140 2BR - 82	\$1,395 - \$1,489 \$1,383 - \$1,850 \$1,984 - \$2,900	548 - 622 671 - 876 1,046 - 1,413	\$2.39 - \$2.55 \$2.06 - \$2.11 \$1.90 - \$2.05	Mkt	Fitness center, pool, spa, heated underground parking, and bike storage. Near Southdale Center and Galleria Edina.
Edina Gateway 4910 W 77th St 55435	2008	36	2	1BR - 21 2BR - 15	\$1,420 - \$1,830 \$1,946 - \$2,299	807 - 983 1,330 - 1,596	\$1.76 - \$1.86 \$1.44 - \$1.46	Mkt	Roof terrace, concierge, in unit washer/dryer, and garage parking.
White Oaks Apartments 3901 49th St W 55424	1968	32	0	1BR - 16 2BR - 16	\$1,024 - \$1,024 \$1,287 - \$1,287	806 - 806 1,200 - 1,200	\$1.27 - \$1.27 \$1.07 - \$1.07	Mkt	Fitness center, laundry facilities, and balcony. Near 50th and France.
Cornelia Place 4025 W 65th St 55435	2002	100	2	Studio - 1 1BR - 19 2BR - 80	\$1,482 - \$1,482 \$1,416 - \$1,826 \$1,947 - \$3,640	929 - 929 822 - 1,092 1,191 - 2,186	\$1.60 - \$1.60 \$1.67 - \$1.72 \$1.63 - \$1.67	Mkt	Fitness center, business center, in unit washer/dryer. Balcony, vaulted ceilings, guest apartment, and car wash. Near Southdale Center and Galleria Edina.
York Place 3121 W 69th St 55435	2008	114	0	Studio - 9 1BR - 76 2BR - 29	\$1,185 - \$1,285 \$1,295 - \$1,555 \$1,795 - \$1,901	541 - 559 619 - 941 1,165 - 1,244	\$2.19 - \$2.30 \$1.65 - \$2.09 \$1.53 - \$1.54	Mkt	Fitness center, clubhouse, roof terrace, balcony, guest apartment, pet washing station, and car wash. Near Southdale Center and Galleria Edina.
CONTINUED									

RENTAL MARKET ANALYSIS

TABLE R-7 (CONTINUED) MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES CITY OF EDINA NOVEMBER 2019									
Project Name/ Address	Year Built	Total Units	Vacant	Unit Mix	Market/Base Rent Ranges	Unit Size	Rent per Sq Ft	Mkt/Aff	Description/Comments
Market Rate Rental									
Oaks Lincoln Townhomes 5200 Lincoln Dr 55436	1990	39	1	2BR - 79 3 BR - 1	\$1,821 - \$1,921 \$2,300 - \$2,464	1,153 - 1,475 1,547 - 1,971	\$1.30 - \$1.58 \$1.25 - \$1.49	Mkt	Fitness center, clubhouse, game room, and car wash.
Oaks Lincoln Apartments 5200 Lincoln Dr 55436	1990	204	6	Studio - 8 1BR - 79 2BR - 111 3 BR - 6	\$1,096 - \$1,096 \$1,232 - \$1,650 \$1,428 - \$2,203 \$1,812 - \$1,982	402 - 505 766 - 1,240 1,125 - 1,517 1,519 - 1,519	\$2.17 - \$2.73 \$1.33 - \$1.61 \$1.27 - \$1.45 \$1.19 - \$1.30	Mkt	Fitness center, clubhouse, guest apartment, pet car, and car wash area.
Vernon Oaks Apartments 5400 Vernon Ave S 55436	1987	136	0	Studio - 2 1BR - 34 2BR - 100	\$1,100 - \$1,100 \$1,155 - \$1,185 \$1,475 - \$1,640	473 - 473 766 - 996 1,087 - 1,275	\$2.33 - \$2.33 \$1.19 - \$1.51 \$1.29 - \$1.36	Mkt	Fitness center, heated underground parking, and clubhouse
5416 W 70th St 5416 W 70th St 55439	1965	10	0	2BR - 10	\$1,087 - \$1,194	982 - 1,078	\$1.11 - \$1.11	Mkt	Balcony and covered parking.
Ponds of Edina 7700 Cahill Rd 55439	1985	65	4	1BR - 43 2BR - 22	\$1,221 - \$1,221 \$1,381 - \$1,381	826 - 826 1,072 - 1,072	\$1.48 - \$1.48 \$1.29 - \$1.29	Mkt	In unit washer/dryer, fitness center, sauna, spa, and balcony.
Cahill Court 5432 W 70th St 55439	1965	10	0	2BR - 10	\$950 - \$950	1,050 - 1,050	\$0.90 - \$0.90	Mkt	Balcony, tuck-under garage; no elevator; common area laundry.
Durham 7201 York Ave 55435	1977 Renovated 2014	264	6	1BR - 96 2BR - 144 3 BR - 24	\$1,587 - \$1,706 \$1,568 - \$2,357 \$3,053 - \$3,165	750 - 775 1,085 - 1,250 1,480 - 1,520	\$2.12 - \$2.20 \$1.45 - \$1.89 \$2.06 - \$2.08	Mkt	Fitness center, pool, sauna, bike storage, media center, business center, clubhouse, and lounge.
Oaks Braemar 7150 Cahill Rd 554319	1971	115	0	Studio - 5 1BR - 18 2BR - 86 3BR - 6	\$900 - \$900 \$1,070 - \$1,070 \$1,165 - \$1,165 \$1,730 - \$1,730	462 - 462 750 - 750 1150 - 1150 1300 - 1300	\$1.95 - \$1.95 \$1.43 - \$1.43 \$1.01 - \$1.01 \$1.33 - \$1.33	Mkt	Business center, car wash facility, entertainment room, outdoor pool, and underground parking.
Parklawn Manor 4000 Parklawn Ave 55435	1971	44	2	1BR - 14 2BR - 27 3BR - 3	\$1,049 - \$1,049 \$1,055 - \$1,055 \$1,524 - \$1,524	790 - 790 1000 - 1000 1150 - 1150	\$1.33 - \$1.33 \$1.06 - \$1.06 \$1.33 - \$1.33	Mkt	Balcony and garage Near Centennial Lakes.
Parklawn Estates 4141 Parklawn Ave 55435	1968	118	3	1BR - 52 2BR - 65 3BR - 1	\$1,225 - \$1,265 \$1,450 - \$1,525 \$1,726 - \$1,726	730 - 850 940 - 970 1,200 - 1,200	\$1.49 - \$1.68 \$1.54 - \$1.57 \$1.44 - \$1.44	Mkt	Fitness center, clubhouse, pool, and underground parking. Near Centennial Lakes.
CONTINUED									

RENTAL MARKET ANALYSIS

TABLE R-7 (CONTINUED)									
MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES									
CITY OF EDINA									
NOVEMBER 2019									
Project Name/ Address	Year Built	Total Units	Vacant	Unit Mix	Market/Base Rent Ranges	Unit Size	Rent per Sq Ft	Mkt/Aff	Description/Comments
Market Rate Rental									
Edina Villa 4200-4415 Parklawn Ave 55435	1967	36	1	1BR - 12	\$994 - \$994	735 - 735	\$1.35 - \$1.35	Mkt	Pool and balcony. Near Centennial Lakes.
				2BR - 12	\$1,324 - \$1,324	970 - 970	\$1.36 - \$1.36		
				3BR - 12	\$1,394 - \$1,394	1,282 - 1,282	\$1.09 - \$1.09		
Oak Glen of Edina 5515 Oak Glen Rd 55439	1981	38 (64 Total Units)	1	2BR - 38	\$1,625 - \$1,700	1,100 - 1,100	\$1.48 - \$1.55	Mkt /Aff	Fitness center, playground and balcony.
Cedars of Edina 7340 Gallagher Dr 55435	1977 Renovated 2014	600	19	Studio - 60	\$1,052 - \$1,188	480 - 560	\$2.12 - \$2.19	Mkt	Fitness center, spa, pool, clubhouse, lounge, business center, concierge, car wash area, and in unit washer/dryer. Near Southdale Center, Galleria Edina, and Centennial Lakes.
				1BR - 426	\$1,349 - \$1,455	752 - 843	\$1.73 - \$1.79		
				2BR - 114	\$1,601 - \$1,635	943 - 1,032	\$1.58 - \$1.70		
York Plaza 7230 York Ave 5545	1975	261	13	1BR - 91	\$1,495 - \$1,510	670 - 956	\$1.58 - \$2.23	Mkt	Fitness center, sauna, pool, business center, clubhouse, car wash, gameroom, and theater room. Near Southdale Center and Galleria Edina.
				2BR - 135	\$1,795 - \$1,810	1,300 - 1,300	\$1.38 - \$1.39		
				3BR - 35	\$2,095 - \$2,095	1,600 - 1,600	\$1.31 - \$1.31		
Edina Park 4480 Parklawn Ave 55435	1971	80	4	1BR - 2	\$1,055 - \$1,055	700 - 700	\$1.51 - \$1.51	Mkt	Clubhouse, pool, and balcony.
				2BR - 48	\$1,325 - \$1,325	1,017 - 1,017	\$1.30 - \$1.30		
				3BR - 30	\$1,660 - \$1,660	1,200 - 1,300	\$1.28 - \$1.38		
Edina Manor Apartments 5400 W 70th St 55439	1969	24	2	1BR - 12	\$839 - \$839	736 - 736	\$1.14 - \$1.14	Mkt	Fitness center, garage parking, and balcony.
				2BR - 12	\$1,015 - \$1,015	936 - 936	\$1.08 - \$1.08		
Valley View Villas 4415 Valley View Rd 55425	1969	12	n/a	n/a - n/a n/a - n/a	n/a - n/a n/a - n/a	n/a - n/a n/a - n/a	n/a - n/a n/a - n/a	Mkt	Near MN Hwy 62; mansard roof; off-street parking;
The Edina Towers 6400 Barrie Rd 55435	1969	194	10	Studio - 14	\$1,428 - \$1,428	465 - 465	\$3.07 - \$3.07	Mkt	Business center, clubhouse, fitness center, and car wash area. Near Southdale Center and Galleria Edina.
				1BR - 55	\$1,301 - \$1,312	670 - 850	\$1.54 - \$1.94		
				2BR - 80	\$1,391 - \$1,702	940 - 1,015	\$1.48 - \$1.68		
				3BR - 45	\$2,015 - \$2,752	1,360 - 1,850	\$1.48 - \$1.49		
Westchester 5525 Hansen Rd 55436	1968	24	2	1BR - 2	\$1,244 - \$1,244	675 - 675	\$1.84 - \$1.84	Mkt	Fitness center and balcony.
				2BR - 22	\$1,504 - \$1,504	1,350 - 1,350	\$1.11 - \$1.11		
Normandy House Apartments 4545 Valley View Rd 55424	1968	78	0	1BR - 39	\$939 - \$940	837 - 837	\$1.12 - \$1.12	Mkt	Pool, clubhouse, multi use room, and underground parking.
				2BR - 39	\$1,089 - \$1,089	912 - 912	\$1.19 - \$1.19		
CONTINUED									

RENTAL MARKET ANALYSIS

TABLE R-7 (CONTINUED) MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES CITY OF EDINA NOVEMBER 2019									
Project Name/ Address	Year Built	Total Units	Vacant	Unit Mix	Market/Base Rent Ranges	Unit Size	Rent per Sq Ft	Mkt/Aff	Description/Comments
Market Rate Rental									
Briar Cliff 4440 Parklawn Ave 55435	1968	22	0	Studio - 4 1BR - 8 2BR - 10	\$785 - \$785 \$925 - \$994 \$1,274 - \$1,313	700 - 700 836 - 892 1,100 - 1,145	\$1.12 - \$1.12 \$1.11 - \$1.11 \$1.15 - \$1.16	Mkt	Balcony.
Astor Place 6455 York Ave S 55435	1968	44	4	Studio - 2 1BR - 30 2BR - 12	\$1,105 - \$1,144 \$1,259 - \$1,549 \$1,629 - \$1,999	609 - 609 969 - 969 1,261 - 1,261	\$1.81 - \$1.88 \$1.30 - \$1.60 \$1.29 - \$1.59	Mkt	Fitness center, pool, spa, bike storage, clubhouse, business center, lounge, and multi use room.
Willow Greens Apartments 4350-4380 Parklawn Ave 55435	1968	22	1	Studio - 2 2BR - 16 3BR - 4	\$800 - \$800 \$1,349 - \$1,349 \$1,974 - \$1,974	600 - 600 1,120 - 1,120 1,515 - 1,515	\$1.33 - \$1.33 \$1.20 - \$1.20 \$1.30 - \$1.30	Mkt	Pool, car wash area, and guest apartment.
Regency Apartments 4201 Parklawn Ave 55435	1967	18	0	1BR - 6 2BR - 12	\$975 - \$975 \$957 - \$1,074	827 - 827 914 - 1,134	\$1.18 - \$1.18 \$0.95 - \$1.05	Mkt	Balcony.
Parklawn Apartments 4251 Parklawn Ave 55435	1967	118	1	1BR - 10 2BR - 13	\$994 - \$994 \$1,094 - \$1,294	788 - 788 1,012 - 1,072	\$1.26 - \$1.26 \$1.08 - \$1.21	Mkt	Near MN Hwy 100 and I-494.
Chalet Apartments 4415 Parklawn Ct 55435	1967	12	0	1BR - 12	\$1,050 - \$1,050	750 - 750	\$1.40 - \$1.40	Mkt	Covered parking.
Interlachen Manor 5220 Interlachen Blvd 55436	1967	17	0	1BR - 1 2BR - 16	\$1,020 - \$1,020 \$1,005 - \$1,425	780 - 780 940 - 1,335	\$1.31 - \$1.31 \$1.07 - \$1.07	Mkt	Garage parking.
Edina Highland Village 5250 Villa Way 55436	1967	165	3	1BR - 90 2BR - 62 3BR - 13	\$1,285 - \$1,385 \$1,515 - \$1,615 \$2,430 - \$2,430	798 - 798 1,112 - 1,112 1,800 - 1,800	\$1.61 - \$1.74 \$1.36 - \$1.45 \$1.35 - \$1.35	Mkt	Fitness center, indoor and outdoor pool, club rooms, sauna, bike storage, underground parking, vegetable and flower gardens, and business center.
Parklawn Court 4456 Parklawn Ct 55435	1965	24	0	1BR - 10 2BR - 14	\$975 - \$975 \$1,224 - \$1,294	708 - 708 894 - 1,134	\$1.38 - \$1.38 \$1.14 - \$1.37	Mkt	Clubhouse, multi use room, and balcony. Near Centennial Lakes.
4435 Parklawn Ct 4435 Parklawn Ct 55435	1965	40	0	1BR - 20 2BR - 20	\$950 - \$950 \$1,174 - \$1,174	762 - 762 900 - 900	\$1.25 - \$1.25 \$1.30 - \$1.30	Mkt	Near Centennial Lakes.
CONTINUED									

RENTAL MARKET ANALYSIS

TABLE R-7 (CONTINUED) MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES CITY OF EDINA NOVEMBER 2019									
Project Name/ Address	Year Built	Total Units	Vacant	Unit Mix	Market/Base Rent Ranges	Unit Size	Rent per Sq Ft	Mkt/Aff	Description/Comments
Market Rate Rental									
Cottages of Edina 5180 Lincoln Dr 55436	1965	80	1	1BR - 24	\$1,015 - \$1,015	900 - 900	\$1.13 - \$1.13	Mkt	Clubhouse and fitness center.
				2BR - 24	\$1,215 - \$1,215	1,200 - 1,200	\$1.01 - \$1.01		
				3BR - 32	\$1,500 - \$1,500	2,000 - 2,000	\$0.75 - \$0.75		
York Villa 6304 York Ave S 55435	1965	23	0	1BR - 9	\$990 - \$990	800 - 800	\$1.24 - \$1.24	Mkt	Lounge and heated underground parking. Near Southdale Center and Galleria Edina.
				2BR - 14	\$1,148 - \$1,148	1,050 - 1,050	\$1.09 - \$1.09		
6300 York 6300 York Ave S 55435	1964	22	1	2BR - 22	\$1,029 - \$1,224	1,065 - 1,075	\$0.97 - \$1.14	Mkt	Clubhouse and balcony.
Oaklawn Estates 4401 Valley View Rd 55424	1963	14	1	1BR - 14	\$1,039 - \$1,044	700 - 700	\$1.48 - \$1.49	Mkt	Underground parking.
Interlachen Court 5300 Vernon Ave S 55436	1963	61	3	1BR - 16	\$1,245 - \$1,295	737 - 737	\$1.69 - \$1.76	Mkt	Covered parking available.
				2BR - 45	\$1,500 - \$2,200	910 - 1,172	\$1.65 - \$1.88		
Hazelton Apartments 4000 Hazelton Rd 55435	1962	16	0	1BR - 2	\$1,094 - \$1,094	862 - 862	\$1.27 - \$1.27	Mkt	Pool. Near Southdale Center and Galleria Edina.
				2BR - 14	\$1,119 - \$1,119	950 - 950	\$1.18 - \$1.18		
4301 Valley View Rd 4301 Valley View Rd 55424	1962	8	0	1BR - 1	\$950 - \$950	650 - 650	\$1.46 - \$1.46	Mkt	Near MN Hwy 62; garage parking available; walk in closets; common laundry
				2BR - 7	\$1,200 - \$1,250	850 - 850	\$1.41 - \$1.47		
Heritage Court 3105-3117 Heritage Dr 55435	1961	40	2	1BR - 20	\$994 - \$994	775 - 775	\$1.28 - \$1.28	Mkt	Hardwood floors. Near Southdale Center and Galleria Edina.
				2BR - 20	\$1,153 - \$1,153	833 - 833	\$1.38 - \$1.38		
Fountain Manor 4001 Mavelle Dr 55435	1961	5	1	2BR - 5	\$1,095 - \$1,095	900 - 900	\$1.22 - \$1.22	Mkt	Near Southdale Center and Galleria Edina.
4000 Mavelle Dr 55435 4000 Mavelle Dr 55435	1961	5	1	2BR - 1	\$1,250 - \$1,250	950 - 950	\$1.32 - \$1.32	Mkt	Renovated (new flooring, stainless steel appliances, and fire place). Near Southdale Center and Galleria Edina.
5330 France Ave S 5330 France Ave S 55410	1949	12	1	Studio - 3	\$740 - \$875	400 - 400	\$1.85 - \$2.19	Mkt	Near 50th and France. Hardwood Floors and bike racks. Pet rent is \$20 per month with a \$200 deposit.
				1BR - 7	\$850 - \$995	650 - 650	\$1.31 - \$1.53		
				2BR - 2	\$1,165 - \$1,250	750 - 850	\$1.47 - \$1.55		
3908 W 54th St 3908 W 54th St 55424	1949	5	1	2BR - 5	\$975 - \$1,250	750 - 750	\$1.30 - \$1.67	Mkt	Near 50th and France.
Heritage Drive Apartments 3201 Heritage Drive 55435	1962	24	0	1BR - 12	\$725 - \$725	715 - 715	\$1.01 - \$1.01	Mkt	Surface parking and near Southdale Center.
				2BR - 12	\$925 - \$925	900 - 900	\$1.03 - \$1.03		
Total/Average		4,654	112	2.4%					
n/a: Not Applicable									
Sources Maxfield Research & Consulting, LLC, Apartments.com, Local News Sources, and City of Edina.									

RENTAL MARKET ANALYSIS

TABLE R-8
SHALLOW SUBSIDY AND DEEP-SUBSIDY GENERAL OCCUPANCY RENTAL PROPERTIES
CITY OF EDINA
NOVEMBER 2019

Project Name/ Address	Year Built	Total Units	Vacant	Unit Mix	Market/Base Rent Ranges	Unit Size	Rent per Sq Ft	Mkt/Aff	Description/Comments
Shallow Subsidy									
Nolan Mains 3945 Market St 55424 (In initial lease Up)	2019	10 (100 Total Units)	10	1BR - 8 2BR - 2	50% and 60% AMI	693 - 719 1184 - 1185	-- -- -- --	Mkt/Aff	First building opened November 1st and second building opening mid December. All eight one bedroom units are currently available and the two bedroom units (two total) will be available January 1. Directly adjacent to the 50th and France Commercial District.
Aria Edina 3200 Southdale Cir 55435 (In initial lease Up)	2018	10 (184 Total Units)	0	Studio 8 Alcove 2	\$1,050 - \$1,050 \$1,125 - \$1,125	487 - 524 693 - 693	\$2.00 - \$2.16 \$1.62 - \$1.62	Mkt/Aff	Pool, clubhouse, concierge, pet washing station, car charging station, and roof terrace. Near Southdale and Galleria Shopping Centers.
Galleria Flats 7008 Sandell Ave 55435	1961	11	0	2BR - 11	\$1,250 - \$1,600	\$980 - \$980	\$1.28 - \$1.63	Aff	Of the 11 units, 6 are affordable to households with incomes less than or equal to 80% of AMI and 5 are affordable to households with incomes less than or equal to 60% of AMI.
Edina Lodge 6312 & 6314 France Ave S 55410	1962	6	0	1BR - 6	\$350 - \$350	-- -- -- --	-- --	Aff	Located on France Ave near Southdale Center.
Interlodge 5141 William Ave 55436	1964	6	1	1BR - 6	\$350 - \$350	-- --	-- --	Aff	Located in the Grandview neighborhood.
Total/Average		43	11	25.6%					
Deep Subsidy									
Yorkdale Townhomes 3280 W 76th St 55435	1972	90	0	1BR - 10 2BR - 56 3BR - 20 4BR - 4	30% of AGI	786 - 786 963 - 963 1,356 - 1,356 1,505 - 1,505	-- --	SUB	Community room, computer lab, garages for
Oak Glen of Edina 5515 Oak Glen Rd 55439	1981	26 (64 Total Units)	0	1BR - 4 3BR - 22	30% of AMI 30% of AMI	850 - 850 1,150 - 1,150	-- -- -- --	Mkt/SUB	Fitness center, playground and balcony
Total/Average		116	0	0.0%					
Sources: Maxfield Research & Consulting, LLC, City of Edina.									

Selected Representative Rental Properties in Edina (Market Rate)



Nolan Mains



The Loden



Normandy House



Ponds of Edina



71 France



Oaks Braemar

RENTAL MARKET ANALYSIS



4000 Mavelle Drive



Hazelton



Onyx Edina



Heritage Court



One Southdale Place



Le Chataignier

Natural Occurring Affordable Housing (i.e. Unsubsidized Affordable)

Although affordable housing is typically associated with income restrictions, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various government agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

According to the *Joint Center for Housing Studies of Harvard University*, the privately unsubsidized housing stock supplies three times as many low-cost affordable units than assisted projects nationwide. Unlike assisted rental developments, most unsubsidized affordable units are scattered across small properties (one to four-unit structures) or in older multifamily structures. Many of these older developments are vulnerable to redevelopment and upgrades due to their age, modest rents and deferred maintenance.

Because many of these properties have rents that are affordable, project-based and private housing markets cannot be easily separated. Some households may income-qualify for both market rate and project-based affordable housing, although the gap is widening between market rate and affordable properties as rents in the private market continue to rise. Therefore, the naturally-occurring affordable housing stock is quantified to identify the proportion of units with rents that may be affordable to low and/or moderate-income renters. The analysis does not identify the number of units that are rented to households with incomes at those affordability levels as any tenant that financially qualifies may be able to rent at the property.

Table R-9 illustrates monthly rents by unit type and household size as they relate to affordability. Tables R-10 to R-12 present a breakdown of all market rate general-occupancy rental properties by household size and area median income (AMI) based on year built. Table R-13 summarizes property data from Tables R-10 to R-12 based on unit type and affordability. Note that data for two-bedroom units at Interlachen Manor and four-bedroom penthouse-units at Nolan Mains is omitted due to unit mix rent breakdowns being unavailable.

- Among the 4,537 market rate units inventoried by unit mix and monthly rents, an estimated 23% of the units are affordable to householders with incomes at 50% or 60% of AMI. An estimated 44% of units are affordable to households with incomes at 80% AMI while 26.6% of units are affordable to households with incomes at 100% AMI and 6.5% of units are affordable to households with incomes at 120% of AMI.
- For properties built after 2000, all are affordable to householders with incomes of 80% or higher AMI. As shown on the graph that follows, 319 units (22.6%) are affordable to households with incomes at 80% AMI while 821 units (58.3%) are affordable to households with

incomes at 100% AMI and 269 units (19.1%) are affordable to households with incomes at 120% AMI.

- For properties built between 1980 and 1999, 167 units are affordable to households with incomes at 60% of AMI (28.9%), 281 units (48.6%) are affordable to households with incomes at 80% AMI while 130 units (22.5%) are affordable to households with incomes at 100% AMI.
- For properties built prior to 1980, 529 (20.8%) units are affordable to households with incomes at 50% of AMI, 346 (13.6%) units are affordable to households with incomes at 60% of AMI, 1,396 (54.8%) units are affordable to households with incomes at 80% of AMI, 255 (10%) units are affordable to households with incomes at 100% of AMI, and 24 (1.0%) units are affordable to households with incomes at 120% of AMI. A number of these properties have had some remodeling of units and/or common areas. Some properties have also remodeled their building exteriors.
- In total, 6.4% of studio units are affordable to households with incomes at 50% or 60% of AMI. Of all one-bedroom units inventoried, 13.9% are affordable to households with incomes at 50% or 60% of AMI. Of all two-bedroom units, 34.5% are affordable to households with incomes at 50% or 60% of AMI and of all three-bedroom units, 23% are affordable to households with incomes at 60% or less of AMI.
- Of all market rate units inventoried, no units are affordable to households with incomes at 30% or less of AMI.
- According to data compiled by the Census Bureau, 55% of renter households in Edina pay less than 30% of their income for rent. Of households that earn \$50,000 or more annually, 87% pay less than 30% of their income for rent while the remainder (13%) pay more than 30%.

RENTAL MARKET ANALYSIS

TABLE R-9
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
HENNEPIN COUNTY - 2019

Unit Type ¹	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$525	- \$525	\$875	- \$875	\$1,050	- \$1,050	\$1,321	- \$1,321	\$1,750	- \$1,750	\$2,100	- \$2,100
1BR	1	2	\$525	- \$600	\$875	- \$1,000	\$1,050	- \$1,200	\$1,321	- \$1,510	\$1,750	- \$2,000	\$2,100	- \$2,400
2BR	2	4	\$600	- \$750	\$1,000	- \$1,250	\$1,200	- \$1,500	\$1,510	- \$1,888	\$2,000	- \$2,500	\$2,400	- \$3,000
3BR	3	6	\$675	- \$870	\$1,125	- \$1,450	\$1,450	- \$1,740	\$1,699	- \$2,190	\$2,250	- \$2,900	\$2,700	- \$3,480
4BR	4	8	\$750	- \$870	\$1,250	- \$1,650	\$1,500	- \$1,980	\$1,888	- \$2,493	\$2,900	- \$2,900	\$3,480	- \$3,480

¹One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.

Note: 4-person Hennepin County AMI is \$100,000 (2019). Lowest possible maximum rent utilized if between two rent maximums.

Sources: HUD, Novogradac, Maxfield Research and Consulting, LLC

RENTAL MARKET ANALYSIS

TABLE R-10
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING RENTAL HOUSING
MARKET RATE RENTAL PROPERTIES (CONSTRUCTED 2000 OR LATER)
CITY OF EDINA
NOVEMBER 2019

Unit Type/Project Name	Total	Rent Range		Min. Income	Units that are Market Rate Afford. by AMI ²					
	Units	Min	Max	Needed to Afford ¹	30%	50%	60%	80%	100%	120%
Studio/Alcove										
Nolan Mains	1	--	--	--	--	--	--	--	--	--
Aria Edina	19	\$1,495	- \$1,625	\$59,800 - \$65,000	--	--	--	--	3	--
71 France	63	\$1,410	- \$1,435	\$56,400 - \$57,400	--	--	--	63	--	--
One Southdale Place	18	\$1,375	- \$1,484	\$55,000 - \$59,360	--	--	--	18	--	--
Onyx Edina	10	\$1,319	- \$2,149	\$52,760 - \$85,960	--	--	--	5	5	--
The Loden	24	\$1,396	- \$1,454	\$55,840 - \$58,160	--	--	--	--	24	--
Cornelia Place	1	\$1,486	- \$1,486	\$59,440 - \$59,440	--	--	--	--	1	--
Total/ Average	136				0	0	0	86	33	0
One-Bedroom					30%	50%	60%	80%	100%	120%
Nolan Mains	32	\$1,585	- \$1,585	\$63,400 - \$63,400	--	--	--	--	20	--
Aria Edina	69	\$1,595	- \$2,005	\$63,800 - \$80,200	--	--	--	--	65	4
71 France	58	\$1,395	- \$1,935	\$55,800 - \$77,400	--	--	--	15	41	2
One Southdale Place	134	\$1,450	- \$1,950	\$58,000 - \$78,000	--	--	--	3	121	10
Onyx Edina	135	\$1,333	- \$2,158	\$53,320 - \$86,320	--	--	--	17	117	1
The Loden	140	\$1,305	- \$1,854	\$52,200 - \$74,160	--	--	--	62	31	47
Edina Gateway	21	\$1,420	- \$1,830	\$56,800 - \$73,200	--	--	--	12	9	--
Cornelia Place	19	\$1,420	- \$1,831	\$56,800 - \$73,240	--	--	--	6	13	--
York Place	76	\$1,295	- \$1,555	\$51,800 - \$62,200	--	--	--	67	9	--
Total/Average	684				0	0	0	182	426	64
Two-Bedroom					30%	50%	60%	80%	100%	120%
Nolan Mains*	34	--	--	--	--	--	--	--	--	30
Aria Edina	84	\$2,341	- \$4,225	\$93,640 - \$169,000	--	--	--	--	31	53
71 France	58	\$1,846	- \$2,425	\$73,840 - \$97,000	--	--	--	--	29	3
One Southdale Place	79	\$2,092	- \$4,354	\$83,680 - \$174,160	--	--	--	--	58	21
Onyx Edina	86	\$1,842	- \$3,180	\$73,680 - \$127,200	--	--	--	--	80	6
The Loden	82	\$1,928	- \$3,092	\$77,120 - \$123,680	--	--	--	--	54	26
Edina Gateway	15	\$1,946	- \$2,299	\$77,840 - \$91,960	--	--	--	--	15	--
Cornelia Place	80	\$1,213	- \$2,186	\$48,520 - \$87,440	--	--	--	--	77	3
York Place	29	\$1,851	- \$1,927	\$74,040 - \$77,080	--	--	--	11	18	--
Total/ Average	547				0	0	0	11	362	142
Three Bedroom					30%	50%	60%	80%	100%	120%
Nolan Mains**	19	\$5,724	- \$5,724	\$228,960 - \$228,960	--	--	--	--	--	19
Aria Edina	12	\$3,545	- \$3,920	\$141,800 - \$156,800	--	--	--	--	--	12
71 France	62	\$1,834	- \$3,043	\$73,360 - \$121,720	--	--	--	40	--	22
One Southdale Place	1	\$4,051	- \$4,051	\$162,040 - \$162,040	--	--	--	--	--	1
Onyx Edina	9	\$3,252	- \$3,272	\$130,080 - \$130,880	--	--	--	--	--	9
Total/ Average	103				0	0	0	40	0	63
Four Bedroom					30%	50%	60%	80%	100%	120%
Nolan Mains***	NA	--	--	--	--	--	--	--	--	--
Total/ Average	0				0	0	0	0	0	0
NA: Not Assessed										
¹ Based on a 30% allocation of income to housing for general-occupancy. Senior housing is excluded from the tables.										
² Market rate housing that could be classified as "unsubsidized affordable" units based on the monthly rents and adjusted for household size.										
*Includes regular and penthouse two-bedroom units.										
**Includes regular and penthouse three-bedroom units.										
***All four bedroom units are penthouses. Penthouse data is omitted as unit mix rent breakdown unavailable.										
Source: Maxfield Research & Consulting, LLC										

RENTAL MARKET ANALYSIS

TABLE R-11
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING RENTAL HOUSING
RENTAL PROPERTIES CONSTRUCTED FROM 1980 THROUGH 1999
CITY OF EDINA
NOVEMBER 2019

	Total	Rent Range		Min. Income	Units that are Market Rate Afford. by AMI ²					
Unit Type/Project Name	Units	Min	Max	Needed to Afford ¹	30%	50%	60%	80%	100%	120%
Studio/Alcove										
Oaks Lincoln Apartments	8	\$1,071 - \$1,071		\$42,840 - \$42,840	--	--	--	8	--	--
Vernon Oaks Apartments	2	\$1,100 - \$1,100		\$44,000 - \$44,000	--	--	--	2	--	--
Total/ Average	10				0	0	0	10	0	0
One-Bedroom					30%	50%	60%	80%	100%	120%
Oaks Lincoln Apartments	79	\$1,232 - \$1,729		\$49,280 - \$69,160	--	--	--	78	1	--
Vernon Oaks Apartments	34	\$1,155 - \$1,185		\$46,200 - \$47,400	--	--	34	--	--	--
Ponds of Edina	43	\$1,221 - \$1,381		\$48,840 - \$55,240	--	--	--	43	--	--
Durham	96	\$1,587 - \$1,706		\$63,480 - \$68,240	--	--	--	--	96	--
Total/Average	252				0	0	34	121	97	0
Two-Bedroom					30%	50%	60%	80%	100%	120%
Oaks Lincoln Townhomes	14	\$1,821 - \$1,921		\$72,840 - \$76,840	--	--	--	6	8	--
Oaks Lincoln Apartments	111	\$1,559 - \$1,699		\$62,360 - \$67,960	--	--	--	111	--	--
Vernon Oaks Apartments	100	\$1,475 - \$1,640		\$59,000 - \$65,600	--	--	73	27	--	--
Ponds of Edina	22	\$1,381 - \$1,381		\$55,240 - \$55,240	--	--	22	--	--	--
Oak Glen of Edina	38	\$1,324 - \$1,324		\$52,960 - \$52,960	--	--	38	--	--	--
Total/ Average	285				0	0	133	144	8	0
Three Bedroom					30%	50%	60%	80%	100%	120%
Oaks Lincoln Townhomes	25	\$2,304 - \$2,468		\$92,160 - \$98,720	--	--	--	--	25	--
Oaks Lincoln Apartments	6	\$1,798 - \$1,798		\$71,920 - \$71,920	--	--	--	6	--	--
Total/ Average	31				0	0	0	6	25	0

¹ Based on a 30% allocation of income to housing for general-occupancy. Senior housing is excluded from the calculation.

² Market rate housing that has rents that could be classified as "unsubsidized affordable" units based on the monthly rents and adjusted for household

Source: Maxfield Research & Consulting, LLC

RENTAL MARKET ANALYSIS

TABLE R-12
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING RENTAL HOUSING
RENTAL PROPERTIES CONSTRUCTED PRIOR TO 1980
CITY OF EDINA
NOVEMBER 2019

	Total	Rent Range		Min. Income	Units that are Market Rate Afford. by AMI ²					
Unit Type/Project Name	Units	Min	Max	Needed to Afford ¹	30%	50%	60%	80%	100%	120%
Studio/Alcove										
Oaks Braemar	5	\$900 - \$900		\$36,000 - \$36,000	--	--	5	--	--	--
Cedars of Edina	60	\$1,052 - \$1,188		\$42,080 - \$47,520	--	--	--	60	--	--
The Edina Towers	14	\$1,431 - \$1,431		\$57,240 - \$57,240	--	--	--	14	--	--
Briar Cliff	4	\$785 - \$785		\$31,400 - \$31,400	--	4	--	--	--	--
Astor Place	2	\$1,105 - \$1,105		\$44,200 - \$44,200	--	--	--	2	--	--
Willow Greens Apartments	2	\$800 - \$1,144		\$32,000 - \$45,760	--	1	1	--	--	--
5330 France Ave S	3	\$740 - \$875		\$29,600 \$35,000	--	3	--	--	--	--
Total/ Average	90				0	8	6	76	0	0
One-Bedroom					30%	50%	60%	80%	100%	120%
White Oaks Apartments	16	\$1,024 - \$1,024		\$40,960 - \$40,960	--	--	16	--	--	--
Durham	96	\$1,587 - \$1,706		\$63,480 - \$68,240	--	--	--	--	96	--
Oaks Braemar	18	\$1,070 - \$1,070		\$42,800 - \$42,800	--	--	--	18	--	--
Parklawn Manor	14	\$1,049 - \$1,049		\$41,960 - \$41,960	--	--	14	--	--	--
Parklawn Estates	52	\$1,225 - \$1,265		\$49,000 - \$50,600	--	--	--	52	--	--
Edina Villa	12	\$994 - \$994		\$39,760 - \$39,760	--	12	--	--	--	--
Cedars of Edina	426	\$1,349 - \$1,455		\$53,960 - \$58,200	--	--	--	426	--	--
York Plaza	91	\$1,495 - \$1,510		\$59,800 - \$60,400	--	--	--	91	--	--
Edina Park	2	\$1,055 - \$1,055		\$42,200 - \$42,200	--	--	2	--	--	--
Edina Manor Apartments	12	\$839 - \$839		\$33,560 - \$33,560	--	12	--	--	--	--
The Edina Towers	55	\$1,303 - \$1,418		\$52,120 - \$56,720	--	--	--	55	--	--
Westchester	2	\$1,244 - \$1,244		\$49,760 - \$49,760	--	--	--	2	--	--
Normandy House Apartments	39	\$939 - \$940		\$37,560 - \$37,600	--	39	--	--	--	--
Briar Cliff	8	\$925 - \$994		\$37,000 - \$39,760	--	8	--	--	--	--
Astor Place	30	\$1,379 - \$1,379		\$55,160 - \$55,160	--	--	--	30	--	--
Regency Apartments	6	\$975 - \$975		\$39,000 - \$39,000	--	6	--	--	--	--
Parklawn Apartments	10	\$994 - \$994		\$39,760 - \$39,760	--	10	--	--	--	--
Chalet Apartments	12	\$1,050 - \$1,050		\$42,000 - \$42,000	--	--	12	--	--	--
Interlachen Manor	1	\$1,020 - \$1,020		\$40,800 - \$40,800	--	--	1	--	--	--
Edina Highland Village	90	\$1,285 - \$1,385		\$51,400 - \$55,400	--	--	--	90	--	--
Parklawn Ct	10	\$975 - \$975		\$39,000 - \$39,000	--	10	--	--	--	--
4435 Parklawn Ct	20	\$974 - \$974		\$38,960 - \$38,960	--	20	--	--	--	--
Cottages of Edina	24	\$1,015 - \$1,015		\$40,600 - \$40,600	--	--	24	--	--	--
York Villa	9	\$990 - \$990		\$39,600 - \$39,600	--	9	--	--	--	--
Oaklawn Estates	14	\$1,039 - \$1,044		\$41,560 - \$41,760	--	--	14	--	--	--
Interlachen Ct	16	\$1,327 - \$1,327		\$53,080 - \$53,080	--	--	--	16	--	--
Hazelton Apartments	2	\$1,094 - \$1,094		\$43,760 - \$43,760	--	--	2	--	--	--
4301 Valley View Rd	1	\$700 - \$700		\$28,000 - \$28,000	--	1	--	--	--	--
Heritage Ct	20	\$994 - \$994		\$39,760 - \$39,760	--	20	--	--	--	--
5330 France Ave S	7	\$740 - \$875		\$29,600 - \$35,000	--	7	--	--	--	--
Heritage Drive Apartments	12	\$725 - \$725		\$29,000 - \$29,000	--	12	--	--	--	--
Total/Average	1,127				0	166	85	780	96	0
Continued										

RENTAL MARKET ANALYSIS

TABLE R-12 (CONTINUED)
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING RENTAL HOUSING
RENTAL PROPERTIES CONSTRUCTED PRIOR TO 1980
CITY OF EDINA
NOVEMBER 2019

	Total	Rent Range		Min. Income	Units that are Market Rate Afford. by AMI²					
Unit Type/Project Name	Units	Min	Max	Needed to Afford¹	30%	50%	60%	80%	100%	120%
Two-Bedroom					30%	50%	60%	80%	100%	120%
White Oaks Apartments	16	\$1,287 - \$1,287		\$51,480 - \$51,480	--	--	16	--	--	--
Cahill Ct	10	\$950 - \$950		\$38,000 - \$38,000	--	10	--	--	--	--
Durham	144	\$1,568 - \$2,357		\$62,720 - \$94,280	--	--	--	27	117	--
Oaks Braemar	86	\$1,165 - \$1,165		\$46,600 - \$46,600	--	86	--	--	--	--
Parklawn Manor	27	\$1,055 - \$1,055		\$42,200 - \$42,200	--	27	--	--	--	--
Parklawn Estates	55	\$1,450 - \$1,525		\$58,000 - \$61,000	--	--	25	30	--	--
Edina Villa	12	\$1,324 - \$1,324		\$52,960 - \$52,960	--	--	12	--	--	--
Cedars of Edina	114	\$1,601 - \$1,635		\$64,040 - \$65,400	--	--	--	114	--	--
York Plaza	135	\$1,795 - \$1,810		\$71,800 - \$72,400	--	--	--	135	--	--
Edina Park	48	\$1,325 - \$1,325		\$53,000 - \$53,000	--	--	48	--	--	--
Edina Manor Apartments	12	\$1,015 - \$1,015		\$40,600 - \$40,600	--	12	--	--	--	--
The Edina Towers	80	\$1,394 - \$1,706		\$55,760 - \$68,240	--	--	45	35	--	--
Westchester	22	\$1,504 - \$1,504		\$60,160 - \$60,160	--	--	--	22	--	--
Normandy House Apartments	39	\$1,089 - \$1,089		\$43,560 - \$43,560	--	39	--	--	--	--
Briar Cliff	10	\$1,274 - \$1,313		\$50,960 - \$52,520	--	--	10	--	--	--
Astor Place	12	\$1,849 - \$1,849		\$73,960 - \$73,960	--	--	--	12	--	--
Willow Greens Apartments	16	\$1,349 - \$1,349		\$53,960 - \$53,960	--	--	16	--	--	--
Regency Apartments	12	\$957 - \$1,074		\$38,280 - \$42,960	--	12	--	--	--	--
Parklawn Apartments	13	\$1,094 - \$1,294		\$43,760 - \$51,760	--	10	3	--	--	--
Interlachen Manor*	NA	\$1,005 - \$1,425		\$40,200 - \$57,000	NA	NA	NA	NA	NA	NA
Edina Highland Village	62	\$1,515 - \$1,515		\$60,600 - \$60,600	--	--	--	62	--	--
Parklawn Court	14	\$1,224 - \$1,294		\$48,960 - \$51,760	--	--	14	--	--	--
4435 Parklawn Ct	20	\$1,174 - \$1,174		\$46,960 - \$46,960	--	20	--	--	--	--
Cottages of Edina	24	\$1,215 - \$1,215		\$48,600 - \$48,600	--	24	--	--	--	--
York Villa	14	\$1,148 - \$1,148		\$45,920 - \$45,920	--	14	--	--	--	--
6300 York	22	\$1,029 - \$1,224		\$41,160 - \$48,960	--	22	--	--	--	--
Interlachen Court	42	\$1,759 - \$2,281		\$70,360 - \$91,240	--	--	--	38	4	--
Hazeltown Apartments	14	\$1,119 - \$1,119		\$44,760 - \$44,760	--	14	--	--	--	--
4301 Valley View Rd	7	\$966 - \$966		\$38,640 - \$38,640	--	7	--	--	--	--
Heritage Ct	20	\$1,153 - \$1,153		\$46,120 - \$46,120	--	20	--	--	--	--
Fountain Manor	5	\$1,095 - \$1,095		\$43,800 - \$43,800	--	5	--	--	--	--
4000 Mavelle Dr	5	\$1,250 - \$1,250		\$50,000 - \$50,000	--	5	--	--	--	--
5330 France Ave S	2	\$1,165 - \$1,250		\$46,600 - \$50,000	--	2	--	--	--	--
3908 W 54th St	2	\$975 - \$1,250		\$39,000 - \$50,000	--	2	--	--	--	--
Heritage Drive Apartments	12	\$925 - \$925		\$37,000 - \$37,000	--	12	--	--	--	--
Total/ Average	1,128				0	343	189	475	121	0
Three Bedroom					30%	50%	60%	80%	100%	120%
Durham	24	\$3,053 - \$3,165		\$122,120 - \$126,600	--	--	--	--	--	24
Oaks Braemar	6	\$1,730 - \$1,730		\$69,200 - \$69,200	--	--	--	6	--	--
Parklawn Manor	3	\$1,524 - \$1,524		\$60,960 - \$60,960	--	--	3	--	--	--
Parklawn Estates	1	\$1,726 - \$1,726		\$69,040 - \$69,040	--	--	1	--	--	--
Edina Vila	12	\$1,394 - \$1,394		\$55,760 - \$55,760	--	12	--	--	--	--
York Plaza	35	\$2,095 - \$2,095		\$83,800 - \$83,800	--	--	--	35	--	--
Edina Park	30	\$1,660 - \$1,660		\$66,400 - \$66,400	--	--	30	--	--	--
The Edina Towers	45	\$2,015 - \$2,752		\$80,600 - \$110,080	--	--	--	20	25	--
Willow Greens Apartments	4	\$1,974 - \$1,974		\$78,960 - \$78,960	--	--	--	4	--	--
Edina Highland Village	13	\$2,430 - \$2,430		\$97,200 - \$97,200	--	--	--	--	13	--
Cottages of Edina	32	\$1,500 - \$1,500		\$60,000 - \$60,000	--	--	32	--	--	--
Total/ Average	205				0	12	66	65	38	24

NA: Not Assessed

¹ Based on a 30% allocation of income to housing for general-occupancy. Senior housing is excluded from the calculation.

² Market rate housing that has rents that could be classified as "unsubsidized affordable" units based on the monthly rents and adjusted for

*: Two bedroom data is omitted as unit mix rent breakdown unavailable.

Source: Maxfield Research & Consulting, LLC

TABLE R-13 MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS NATURAL OCCURRING SUMMARY PROPERTIES BUILT 2000 OR LATER CITY OF EDINA NOVEMBER 2019						
Unit Type	Market Rate Affordability by AMI					
	30%	50%	60%	80%	100%	120%
STUDIO	0	0	0	86	33	0
1 BR	0	0	0	182	426	64
2 BR	0	0	0	11	362	142
3 BR	0	0	0	40	0	63
4 BR	--	--	--	--	--	--
Subtotal	0	0	0	319	821	269
Pct. Of Total	0.00%	0.00%	0.00%	22.64%	58.27%	19.09%
Pct. Of Affordability Category						
STUDIO	--	--	--	27.0%	4.0%	0.0%
1 BR	--	--	--	57.1%	51.9%	23.8%
2 BR	--	--	--	3.4%	44.1%	52.8%
3 BR	--	--	--	12.5%	0.0%	23.4%
4 BR	--	--	--	--	--	--
Source: Maxfield Research & Consulting, LLC						

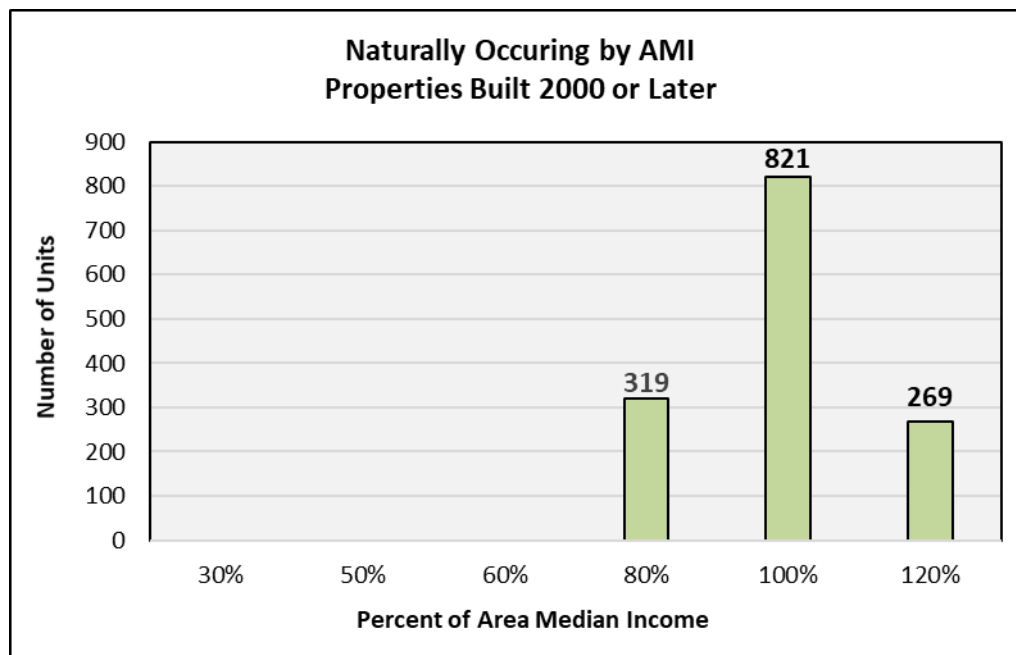
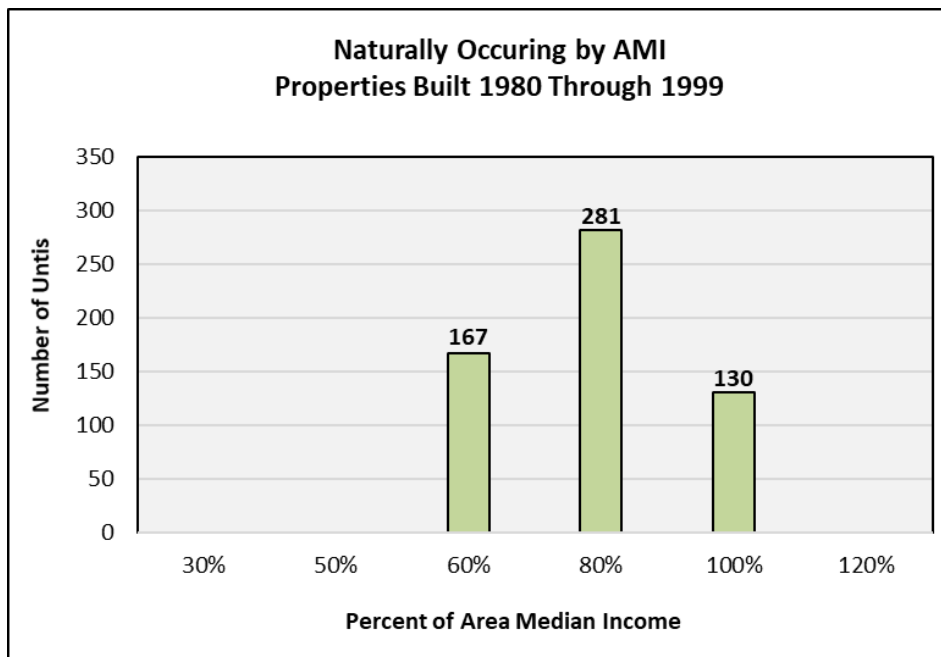


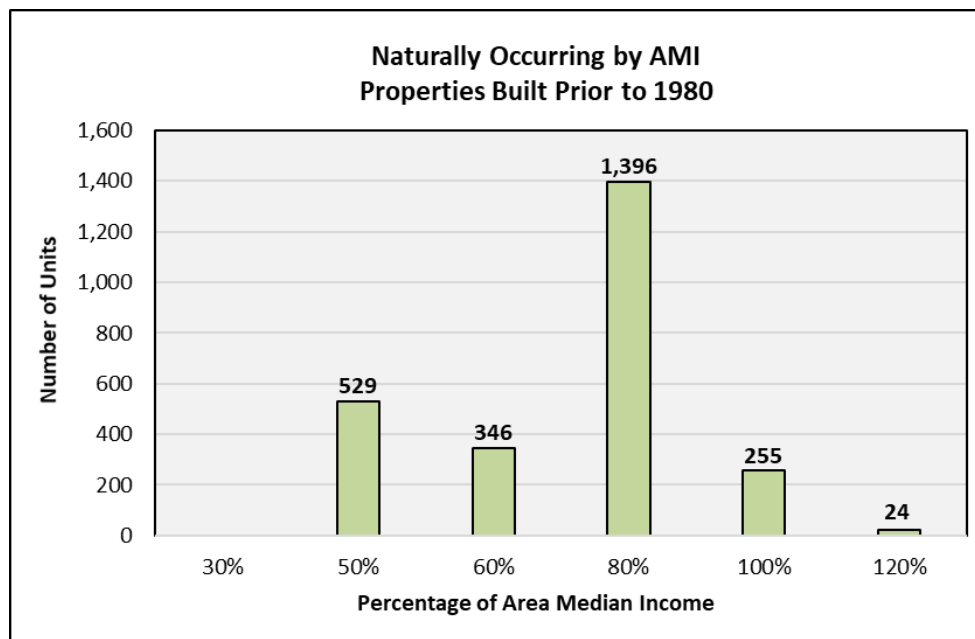
TABLE R-14 MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS NATURAL OCCURRING SUMMARY PROPERTIES BUILT 1980 THROUGH 1999 CITY OF EDINA NOVEMBER 2019						
Unit Type	Market Rate Affordability by AMI					
	30%	50%	60%	80%	100%	120%
STUDIO	0	0	0	10	0	0
1 BR	0	0	34	121	97	0
2 BR	0	0	133	144	8	0
3 BR	0	0	0	6	25	0
4 BR	--	--	--	--	--	--
Subtotal	0	0	167	281	130	0
Pct. Of Total	0.00%	0.00%	28.89%	48.62%	22.49%	0.00%
Pct. Of Affordability Category						
STUDIO	--	--	0.0%	3.6%	0.0%	--
1 BR	--	--	20.4%	43.1%	74.6%	--
2 BR	--	--	79.6%	51.2%	6.2%	--
3 BR	--	--	0.0%	2.1%	19.2%	--
4 BR	--	--	--	--	--	--
Source: Maxfield Research & Consulting, LLC						



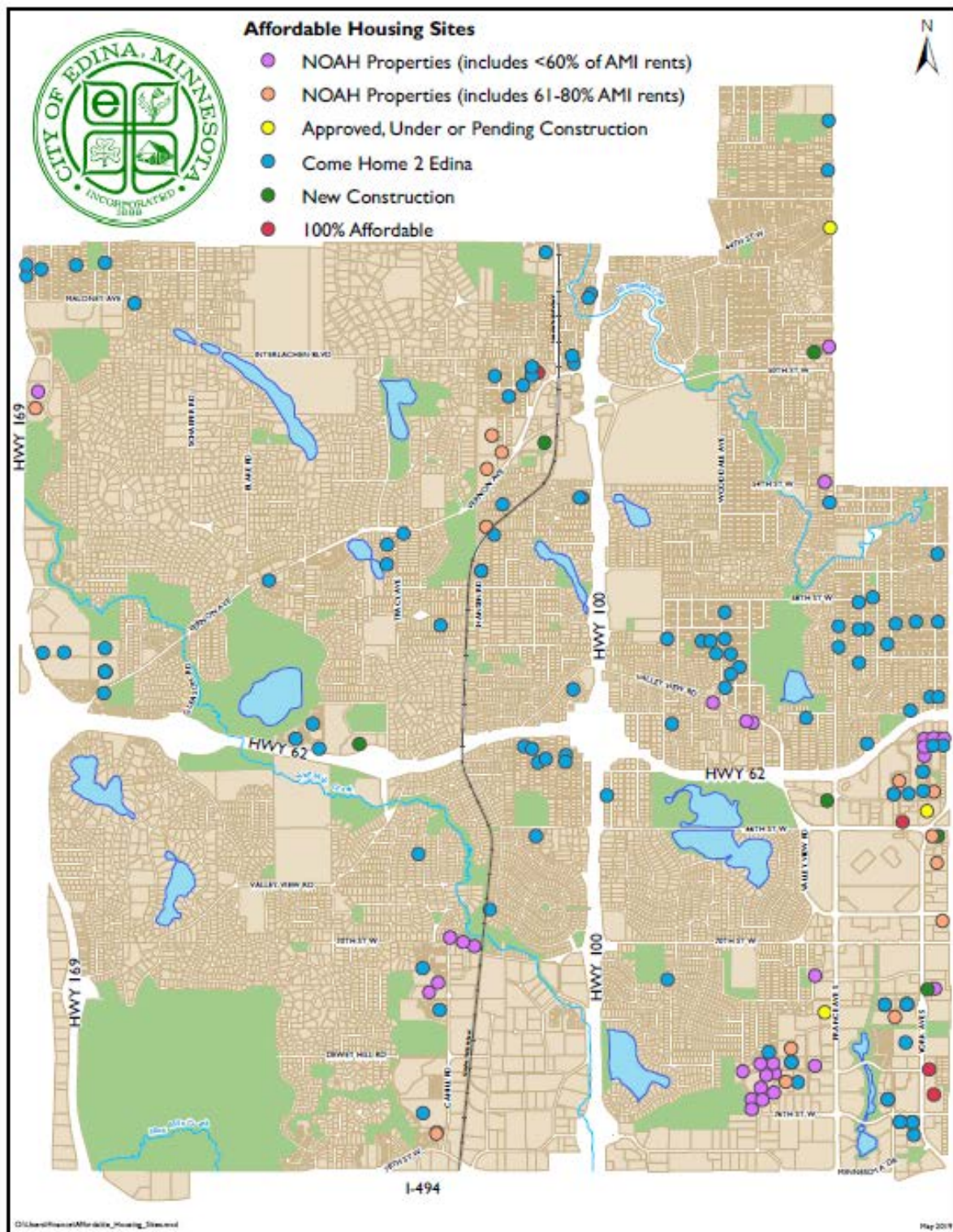
**TABLE R-15
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURAL OCCURRING SUMMARY
PROPERTIES BUILT PRIOR TO 1980
CITY OF EDINA
NOVEMBER 2019**

Unit Type	Market Rate Affordability by AMI					
	30%	50%	60%	80%	100%	120%
STUDIO	0	8	6	76	0	0
1 BR	0	166	85	780	96	0
2 BR	0	343	189	475	121	0
3 BR	0	12	66	65	38	24
4 BR	--	--	--	--	--	--
Subtotal	0	529	346	1,396	255	24
Pct. Of Total	0.00%	20.75%	13.57%	54.75%	10.00%	0.94%
Pct. Of Affordability Category						
STUDIO	--	1.5%	1.7%	5.4%	0.0%	0.0%
1 BR	--	31.4%	24.6%	55.9%	37.6%	0.0%
2 BR	--	64.8%	54.6%	34.0%	47.5%	0.0%
3 BR	--	2.3%	19.1%	4.7%	14.9%	100.0%
4 BR	--	--	--	--	--	--

Source: Maxfield Research & Consulting, LLC



City of Edina Affordable Housing Sites



Source: City of Edina

Multifamily Affordable Housing Policy

In 2015, Edina passed an affordable housing policy for new multifamily rental developments over twenty units. The policy specifies that either 10% of a new multifamily rental development's units should be affordable to households earning 50% or less of median household income or 20% of its units should be affordable to households earning 60% or less of median income. The income limits are determined by the Multifamily Tax Subsidy Income limits (MTSP).

Developers have the option of buying out of these affordable housing requirements by paying \$100,000 per affordable unit that was otherwise required to be built by the development. The City, however, makes the final determination and can decide whether to require new multifamily developments to meet the affordable housing requirements.

Rental Licensing Ordinance

Edina recently passed a rental ordinance, which became effective November 4, 2019. The ordinance helps protect tenants and more closely aligns the City with ordinances of neighboring cities. It is designed to ensure all rental properties meet local property maintenance and fire safety codes. The ordinance requires that all landlords or owners obtain a license for their rental units through the City and pay the applicable fee. The City has shifted from a reactive approach of conducting inspections only with documented complaints to a more proactive approach of conducting regular inspections.

As a result of the ordinance's recent enactment, only a small number of single-family rentals and no apartment properties have been registered to date. The intention of the rental ordinance is to inspect single family rentals every other year and all multifamily building common areas as well as a third of their units annually. Inspecting one-third of all units in the City annually will ensure that the full inventory is inspected every three years.

In addition to regular inspections, building inspectors also respond to complaints concerning rental properties and check properties as needed. The focus of the rental inspection program is to maintain the quality and stability of rental dwelling units to preserve the value of land and buildings in Edina. Rental housing conditions that adversely affect or are likely to adversely affect the life, safety, general welfare and health of renters can be corrected and prevented by enforcing minimum maintenance and code standards.

Housing Choice Vouchers

Metro HRA's Housing Choice Vouchers program supports families in participating cities in the Twin Cities Metro secure housing vouchers. The program currently assists 98 households in Edina. Households assisted through the program pay 30% of their adjusted gross household income for rent and the remainder of the rental amount is paid for with funds allocated to the Housing Choice Voucher program.

Many cities and counties have, in recent years, experienced a reduction in their allocations toward the Housing Choice Voucher program due to federal budget cutbacks. The result is that cities and counties have had to reduce the number of households assisted through the voucher program because of the total budget amount allocated to the voucher program overall for the jurisdiction. Increasing rents and budget cuts have caused the amount needed for each household to rise.

The wait list for the Housing Choice Voucher program for the Metro HRA is currently closed and was last opened in June 2019. There were 17,300 application requests received in June, of which 2,000 (11.6% of the total applications) were selected. The wait list is expected to be closed for three or more years until the next opening. The substantial number of families still requiring rental assistance demonstrates the strong need for more affordable housing in the Twin Cities Metro Area.

The table below shows the Fair Market Rents as identified by the Department of Housing and Urban Development (HUD) as the payment standard for Housing Choice Vouchers.

FAIR MARKET RENTS HENNEPIN COUNTY, MINNESOTA FISCAL YEAR 2019						
Fair Market Rents	Exception Cities*					
	Studio	1 BR	2BR	3BR	4BR	5BR
	\$835	\$1,005	\$1,265	\$1,790	\$2,110	\$2,425
Fair Market Rents	All Other Cities**					
	Studio	1 BR	2BR	3BR	4BR	5BR
	\$763	\$940	\$1,185	\$1,570	\$1,845	\$2,170
2020 Fair Market Rents	All Other Cities**					
	Studio	1 BR	2BR	3BR	4BR	5BR
	\$820	\$971	\$1,214	\$1,722	\$2,025	\$2,385
* Exception cities include Chanhassen, Chaska, Edina, Eden Prairie, Excelsior, Golden Valley, Hopkins, Maple Grove, Minnetonka, Roseville, Shoreview, St. Anthony, White Bear Lake						
** All other cities						
Sources: Housing Link; Metro HRA						

Summary of Rental Market Conditions

As of the 3rd quarter of 2019, the overall vacancy rate for stabilized market rate units in Edina was 2.8% which is less than the 5% market equilibrium rate that provides for sufficient consumer choice and turnover in a balanced market. The overall vacancy rate for the Twin Cities Metro Area was slightly less at 2.3%. Rents have increased throughout the Twin Cities Metro Area for two dominant reasons: 1) because new market rate apartments coming on-line have pushed the average rent higher and 2) the tight rental market overall has encouraged landlords to raise rents because of high demand. A portion of older properties have been remodeled within the “value add” segment, which has also caused their rents to rise.

Affordable rental properties are also experiencing high demand, even more so than the traditional rental market. Properties that offer rental rates affordable to households with incomes at 60% or less of AMI continue to be in high demand, often with substantial waiting lists. Properties that have a Section 8 project-based contract where the resident pays 30% of their income or less for the monthly rent (qualified at 50% or less of AMI), are also in high demand.

The Housing Choice Voucher program administered by the Metro HRA for Edina currently serves 98 households residing in the City and offers housing assistance in order to help afford housing on the private market. Budget cuts to the Voucher program at the Federal level have challenged many communities in being able to assist as many households as previously and with rising rents, the total number assisted has been decreasing. If budget cuts continue or even if they remain stagnant, high demand and rising rents will make it even more difficult to serve very low-income households in Edina and in the Region.

Edina has a proportion of older market rate rental units that, despite rising rents, are priced at a level to serve households with incomes at 50% and 60% of AMI. Among the 4,552 market rate units surveyed, an estimated 30% (23.1%) of units had rents affordable to households in the above income categories.

Despite these units having affordable rents, they may not be occupied by households with incomes that are within the affordable range. It is possible that some or all these units are rented to households with incomes higher than 50% or 60% of AMI and that the resident elects to pay a smaller portion of their income toward housing. This is one of the significant challenges in how to analyze the ability of the NOAH housing stock to adequately serve the needs of those with low- and moderate incomes.

Vacancy rates are a point-in-time count as to units that are open at the time of the survey. Overall, there has been a general trend toward more people living alone or in smaller households. With the significant increase in rents, studio and one-bedroom units have increased in popularity. As affordability will continue to be an issue, the higher proportions of smaller unit types will be more prevalent in the market. Three-bedroom units are always in short supply,

but we have recently seen more demand for this unit type in both the market rate and affordable segments of the rental market. Childless households and families with children are interested in this unit type, but families with children renting, if not seeking affordable housing, are usually in transition to an ownership single-family home.

Senior Housing Defined

The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives, which occasionally overlap, thus making the differences somewhat ambiguous. However, the level of support services offered best distinguishes them. Maxfield Research and Consulting LLC classifies senior housing projects into five categories based on the level of support services offered:

Adult/Few Services; where few, if any, support services are provided, and rents tend to be modest;

Independent Living (Congregate/Optional-Services); where support services such as meals and light housekeeping are available for an additional fee;

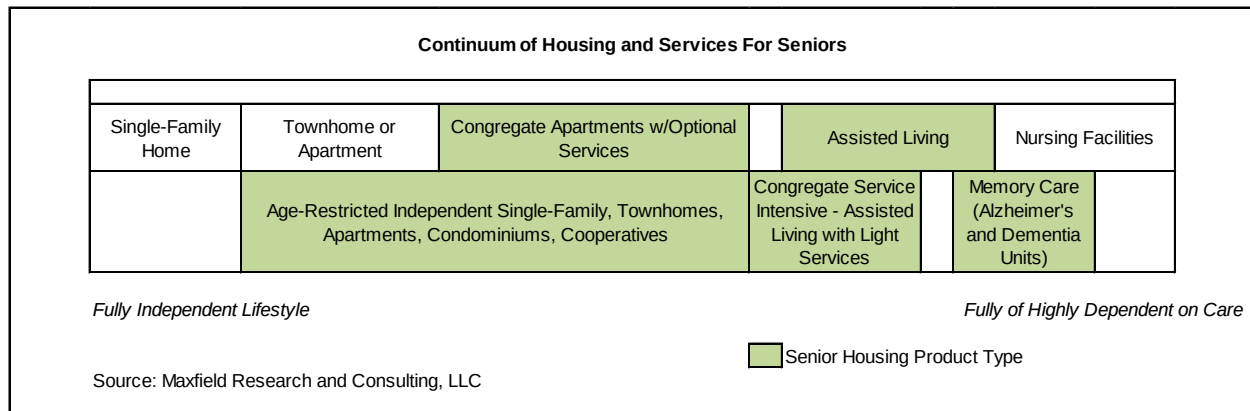
Independent Living (Congregate/Service-Intensive); where support services such as meals and light housekeeping are included in the monthly rents;

Assisted Living; where two or three daily meals as well as basic support services such as transportation, housekeeping and/or linen changes are included in the fees. Personal care services such as assistance with bathing, grooming and dressing is included in the fees or is available either for an additional fee.

Memory Care; where more rigorous and service-intensive personal care is required for people with dementia and Alzheimer’s disease. Typically, support services and meal plans are similar to those at assisted living facilities, but the heightened levels of personalized care demand more staffing and higher rental fees.

These five senior housing products tend to share several characteristics. First, they usually offer individual living apartments with living areas, bathrooms, and kitchens or kitchenettes. Second, they generally have an emergency response system with pull-cords or pendants to promote security. Third, they often have a community room and other common space to encourage socialization. Finally, they are age-restricted and offer conveniences desired by seniors, although assisted living projects sometimes serve non-elderly people with special health considerations.

The five senior housing products offered today form a continuum of care (see the graphic on the following page), from a low level to an intensive one; often the service offerings at one type overlap with those at another. In general, however, adult/few services projects tend to attract younger, more independent seniors, while assisted living and memory care projects tend to attract older, frailer seniors. Other specialty facilities are being added to the market for the care of other types of diseases. Edina-East and West cares for individuals with Parkinson’s disease.



Senior Housing in Edina

As of November 2019, Maxfield Research identified 24 senior housing properties in Edina and two skilled nursing facilities. These properties contain 2,299 units and 148 skilled nursing beds. One property, Avidor Edina (165 units) was in its initial lease-up period at the time of the survey. Of the total units, excluding Avidor Edina, the survey identified 91 vacancies resulting in an overall vacancy rate of 4.0% for stabilized senior housing properties. Market equilibrium vacancy rates for senior housing are determined by service level as shown below.

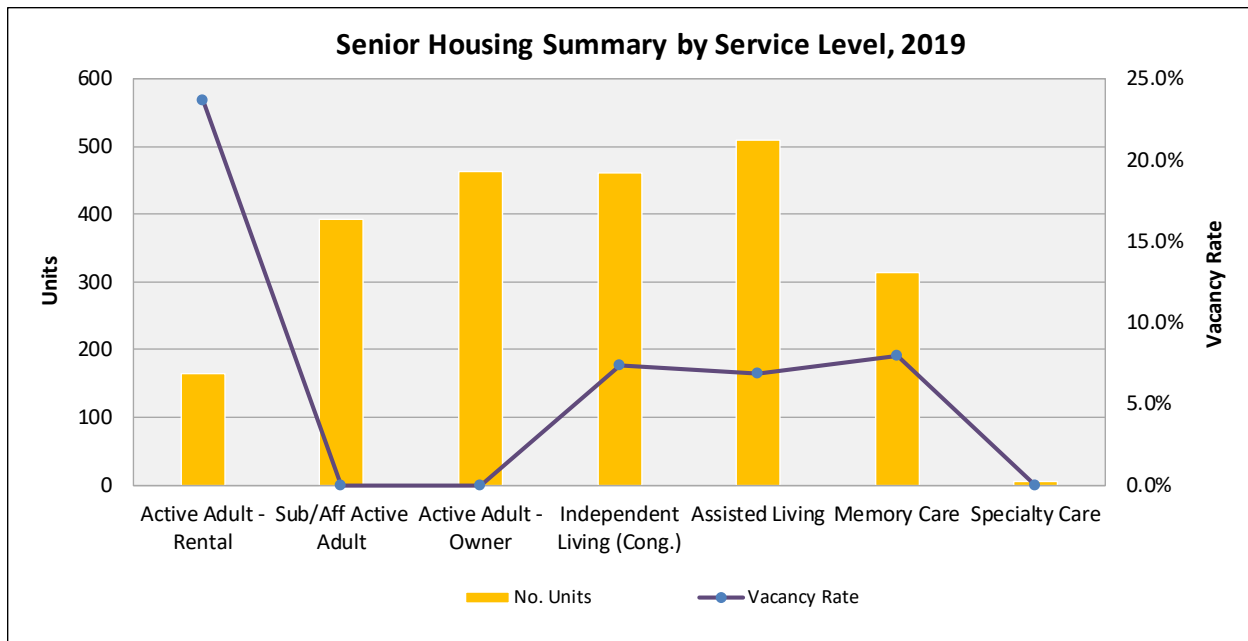
Subsidized/Affordable Active Adult	3%
Market Rate Active Adult	
Ownership	2%
Rental	5%
Market Rate Independent Living	5%
Market Rate Assisted Living	7%
Market Rate Memory Care	7%

The higher equilibrium vacancy rates for assisted living and memory care reflect the higher rates of turnover experienced by these types of facilities.

Several properties provide a continuum of care that includes independent living, assisted living and memory care on the same campus.

The chart on the following page shows the number of units by service level and the corresponding vacancy rate. Additional information regarding each property is included in the Appendix.

The following are key points from the survey of the senior housing supply.



Market Rate Ownership

- Edina has two market rate ownership properties, 7500 York Cooperative and Creekside. Creekside is a 55 plus condominium complex while 7500 York is a cooperative. Under the cooperative format, owners purchase the right to reside in a unit at the property. Condominiums and cooperatives almost always have an association where owners have input on how the property is operated and are responsible for its maintenance and upkeep.
- The two ownership properties have a combined 463 units, most of which are at 7500 York Cooperative, with 337 units (73%) of the total.
- Today's contemporary cooperatives offer larger size units and a higher proportion of two-bedroom units as they often attract slightly younger and more independent households. They also usually attract a higher proportion of couples and residents that prefer to be more involved in the ongoing operations of the property. Market rate ownership properties that have been developed in Edina have been very successful and absorbed rapidly at the time when they were constructed. Condominium and cooperative units are resold in the private market as other homes. Residents can deduct mortgage interest and property taxes from their federal income tax (current deduction for property tax is limited to a maximum of \$10,000).

Market Rate Active Adult Rental

- There is one market rate active adult rental property in Edina, Avidor Edina. As of November 2019, there were 39 vacancies, nearly all of which are one-bedroom units. The property has 165 units and residency is restricted to households age 55+. The property has a rental

format and offers activities, scheduled transportation and housekeeping and may have access to other services for additional charge if those are available in other components of the property. Otherwise, residents are expected to be able to live independently. Over time, some residents may require additional services. They may either move to a more intensive property or may remain at their current residence and contract with an outside provider to have services brought directly to their unit.

Subsidized Active Adult

- Subsidized (deep-subsidy) active adult senior housing offers affordable rents to qualified low income seniors and handicapped/disabled persons. Typically, residents may earn no more than 50% of the area median income adjusted for household size and residents pay 30% of their adjusted gross income for rent. The remaining portion of the rent is typically paid by the Department of Housing and Urban Development. These programs are usually Section 8 or Section 202. If public housing is available, residents may qualify with an income that does not exceed 80% of the area median income. For households meeting the age and income qualifications, subsidized senior housing is usually the most affordable rental option available. Affordable or shallow-subsidy projects are typically funded through the Low-Income Housing Tax Credit Program (LIHTC) and residents pay a specific monthly rent that is set at a level whereby households may have an adjusted gross income that is between 50% to 60% of the county's area median income. Most properties under these programs offer no services and are considered active adult housing.
- There are no shallow-subsidy, age-restricted rental properties in Edina. Many communities in the Twin Cities Metro Area have recently had age-restricted (62+) rental properties developed, targeting low- and moderate-income seniors. Examples include The Cavanaugh in Crystal, The Grainwood in Prior Lake, The Legends at Silver Lake Village (St. Anthony), The Legends of Apple Valley (Apple Valley), The Legends of Champlin (Champlin), The Legends of Minnetonka and others. These properties have absorbed rapidly and continue to maintain high occupancies and often, wait lists. The success of these properties demonstrates the significant need for units to meet the demand from moderate income independent seniors. Barriers to shallow-subsidy development include reduced priority for LIHTC funding for households age 55+ and a lack of other financial resources and tools to cover the development cost gap. The market equilibrium rate for shallow-subsidy (affordable) properties is about 3%.
- Edina has three deep-subsidy properties that serve households age 62 years or older, South Haven, Yorktown Continental and Summit Point/Woodhaven. South Haven has 100 units, Yorktown Continental has 264 units and Summit Point has 29. All properties have only one-bedroom units and all buildings were occupied at the time of the survey. The market equilibrium rate for deep-subsidy properties is usually 3%. South Haven's waiting list is closed and they are not accepting any applications. Units range in size from 535 to 600 square feet and residents pay 30% of their adjusted gross annual income toward rent. The remaining portion of the rent is paid through a direct subsidy to the property owner. South Haven was

funded under the Section 202 program and Yorktown Continental and Summit Point/Woodhaven were funded under the HUD Section 8 (project-based) program.

- The federal government has all but eliminated the development of new project-based Section 8 units except in designated census tracts of major metropolitan areas where substantial need has been identified. A NOFA (notice of funding availability) was issued in 2018 under the HUD Section 202 program and again in April 2019. Prior to 2018, no funding had been issued since 2010 by the Department of Housing and Urban Development for this type of housing (low-income senior).
- Many subsidized senior properties maintain waiting lists and some waiting lists are very long (many months or potentially up to a year). Federal programs for the development of deep-subsidy rentals have been substantially reduced in recent years and it is very difficult to obtain funding to develop additional units.

Continuing Care Retirement Community

- There are no continuing care retirement communities in Edina. A portion of Edina residents however, have relocated to Friendship Village in Bloomington, which is one of three CCRCs in the Twin Cities Metro (Bloomington, Plymouth and Golden Valley). Friendship Village recently expanded their campus, adding another 100 independent living apartments and a new replacement service-based facility that includes assisted living, memory care and skilled nursing beds.

Independent Living (Congregate)

- Six properties in Edina offer independent (congregate) living with a total of 461 units. All six properties also offer other service levels, thereby providing a continuum of care. These include The Waters of Edina (59 units), Brookdale Edina (150 units), Heritage of Edina (59 units), Vernon Terrace (127 units) and Yorkshire of Edina (66 units). At the time of the survey, there were 34 units vacant for an overall rate of 7.4% with vacancies primarily concentrated among two properties. The market for independent living with optional services has increased in popularity over the past few years. Many seniors however, are looking for larger units and contemporary in-unit and common area features. Vacancies are concentrated in the oldest properties.
- Market rate rents for independent living (congregate units) range from a low of \$1,189 per month for a studio unit at Heritage of Edina to a high of \$6,180 per month for a two-bedroom plus den unit at The Waters of Edina. Unit sizes range from 290 square feet for a studio unit at Heritage of Edina to 1,698 square feet for a three-bedroom unit at Brookdale Edina. Examples of amenities included in most independent living properties are community/club room, fitness center, outdoor sundeck/terrace, enclosed heated parking (usually at additional charge), optional meals and/or limited meal program, housekeeping, continental breakfast, outdoor garden areas, transportation and activities.

Assisted Living

- There are ten properties that offer assisted living services in Edina with a total of 522 units. Of the ten properties, seven also offer at least one other service level. As of November 2019, there were 35 vacancies among the assisted living properties for an overall vacancy rate of 6.7%. The market equilibrium vacancy rate for assisted living is 7.0%. As such, the current overall vacancy rate is just below market equilibrium. Some properties however, may have wait lists for specific unit types. For example, Sunrise Senior Living has an almost two-year wait list for one-bedroom units, of which the number is very limited. Again, trends in the market indicate that many seniors prefer a larger size unit with a separate bedroom.
- Market rate monthly rents for basic services excluding personal care begin at \$1,330 for a studio unit at Heritage of Edina and extend to \$5,500 for a two-bedroom unit at Sunrise of Edina. Additional costs for personal care are based on the needs of the individual resident which are identified based on an initial personal care assessment usually conducted by a registered nurse prior to admittance to the facility. Common features of assisted living properties include full kitchens or kitchenettes, private bathrooms, two or three meals per day, linen services, personal laundry and weekly housekeeping. A full complement of activities is provided as is transportation to shopping and outings. Some facilities will provide transportation to doctor's appointments, but most facilities require the resident to arrange transportation to individual physician appointments.

Memory Care

- There are fourteen properties in Edina that offer memory care with a total of 299 units. As of November 2019, 22 units were vacant for an overall vacancy rate of 7.4%. The vacancy rate of 7.4% is just above the market equilibrium rate of 7.0%.
- Market rate rents at memory care facilities in Edina for a base level of services begin at \$3,750 for a studio unit at Sunrise of Edina and extend to \$14,250 per month for a private room at any of the English Rose Suites house locations in Edina. Additional personal cares beyond the base level of services are at additional charge depending on the level of services that are required by the resident. Typically, base fees include three meals per day, daily housekeeping, weekly linen change, personal laundry, passive programming, showers twice per week, medication administration and other services such as personal escorts to meals and activities. Most memory care facilities are secured to prevent residents from wandering. There is usually an outdoor walking courtyard with landscaping and resting places; some have gardens and/or gardening plots that may be attended to by residents.

Specialty Care

- Edina has one facility, Edina – East and West, that focuses on Parkinson's Care. The facility is a twin home with six, one-bedroom units that house six residents. There were no vacancies at the time of the survey.

TABLE S-1
UNIT TYPE SUMMARY
SENIOR HOUSING PROPERTIES
EDINA, MN
December 2019

Active Adult MR Ownership				Purchase Price Range		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Mo. Fee	Avg. Fee/ Sq. Ft.
1BR	195	42%	861	\$41,391 - \$302,000	\$142,967	\$165.98
1BR+D	18	4%	1,314	\$305,125 - \$351,490	\$328,308	\$249.95
2BR	206	44%	1,226	\$61,648 - \$345,000	\$168,454	\$137.38
2BR+D	26	6%	2,067	\$445,500 - \$672,000	\$558,750	\$270.38
3BR	18	4%	1,455	\$89,915 - \$89,915	\$89,915	\$61.80
Total:	463	100%	1,132	\$41,391 - \$672,000	\$145,928	\$128.91
Vacancy Rate: 0.0%						
Active Adult Market Rate Rental				Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	77	47%	636	\$2,175 - \$2,852	\$2,514	\$3.95
1BR+D	18	11%	802	\$2,514 - \$2,514	\$2,514	\$3.13
2BR	70	42%	1,134	\$3,501 - \$4,984	\$4,243	\$3.74
Total:	165	100%	865	\$2,175 - \$4,984	\$3,248	\$3.75
Vacancy Rate: 23.6%						
Active Adult Affordable Rental				Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	391	99%	553	\$875 - \$1,175	N/A*	N/A*
2BR	2	1%	650	\$1,350 - \$1,350	\$1,350	\$2.08
Total:	393	100%	602	\$875 - \$1,350	N/A*	N/A*
Vacancy Rate: 0.0%						
Independent Living (Cong)				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	23	5%	467	\$1,189 - \$2,675	\$1,765	\$3.78
1BR	218	47%	665	\$1,882 - \$4,530	\$3,164	\$4.76
1BR+D	39	8%	908	\$2,034 - \$4,530	\$2,463	\$2.71
2BR	160	35%	1,043	\$2,029 - \$5,970	\$3,910	\$3.75
2BR+D	20	4%	1,312	\$2,461 - \$5,770	\$3,503	\$2.67
3BR	1	0%	1,628	\$5,250 - \$5,250	\$5,250	\$3.22
Total:	461	100%	1,004	\$1,189 - \$5,970	\$3,342	\$3.96
Vacancy Rate: 0.8%						

TABLE S-1 (continued) UNIT TYPE SUMMARY SENIOR HOUSING PROPERTIES EDINA, MN December 2019						
Assisted Living				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Pvt Suite*	12	2%	190	\$12,167 - \$12,167	\$12,167	\$64.04
Studio	196	39%	362	\$3,100 - \$3,895	\$3,964	\$10.96
1BR	220	44%	690	\$3,300 - \$5,745	\$4,281	\$6.20
1BR+D	20	4%	932	\$3,900 - \$5,205	\$4,526	\$4.85
2BR	51	10%	1,066	\$4,550 - \$6,150	\$4,375	\$4.10
2BR+D	11	2%	1,611	\$5,505 - \$6,180	\$5,881	\$3.65
Total:*	498	100%	629	\$3,100 - \$6,180	\$4,211	\$6.69
Vacancy Rate: 6.9%						
Memory Care				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	207	66%	376	\$2,459 - \$6,718	\$4,863	\$12.93
1BR	46	15%	544	\$4,580 - \$6,988	\$5,668	\$10.42
Comp. Ste	16	5%	348	\$3,250 - \$5,340	\$5,692	\$16.36
Pvt. Ste	44	14%	222	\$3,935 - \$4,950	\$4,294	\$19.34
Total:	313	100%	389	\$2,459 - \$6,988	\$5,783	\$14.87
Vacancy Rate: 8.0%						
Specialty Care				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Pvt. Ste	6	100%	168	\$9,000 - \$10,500	\$9,750	\$58.04
Total:	6	100%	168	\$9,000 - \$10,500	\$9,750	\$58.04
Vacancy Rate: 0.0%						
Note: Quoted pricing reflects market rents; private AL suites are excluded because of all-inclusive pricing						
Average Cooperative: \$56,806 Avg. SF = 892						
Average Condo: \$384,291 Avg. SF = 1,489						
Source: Maxfield Research and Consulting, LLC						

Photos of Selected Senior Communities in Edina



Creekside Edina



Brookdale Edina



7500 Cooperative



Avidor



Vernon Terrace of Edina



Yorkshire of Edina



Aurora Edina



Braeburn

Summary of Senior Housing Analysis

- Edina has a variety of age-restricted properties (55+ and 62+) that offer ownership and rental options, independent living and service-enriched senior housing, covering nearly the entire senior housing spectrum. There are however, no active adult shallow-subsidy properties (those with rents affordable to 55+ households with incomes between 50% and 60% of AMI. Communities such as Crystal, Apple Valley, Prior Lake, Woodbury and others have had construction of affordable active adult housing, which has been very well-received.
- In total, Edina offers the following service levels and number of units:

Active Adult Ownership	463 units
Active Adult Rental	165 units
Affordable Senior	393 units
<i>Shallow Subsidy</i>	0 units
<i>Deep-Subsidy</i>	393 units
Continuing Care Retirement Community	0 units
Independent Living (Congregate)	461 units
Assisted Living	510 units
Memory Care	313 units
Parkinson's	6 units
Total	2,311 units

- In addition to market rate properties, Edina offers extremely low-income seniors and those with disabilities some income-restricted housing options. There are three, deep-subsidy properties that offer independent living to seniors who would not qualify for market rate senior housing.

- Vacancy rates for senior housing properties in Edina are below market equilibrium rates among most service levels. Several facilities are fully-occupied. Some facilities have wait lists for specific floor plans and/or in some service levels. This indicates there is additional demand for senior housing in Edina. Calculations of senior housing need are provided in the Demand Analysis section of the report.
- Costs for housing and care services continue to rise in the Twin Cities Metro Area and Edina is no exception. Senior housing prices for service-based facilities rise by 3% to 5% each year. Many properties require residents to pay privately at entry to the facility for at least two years and properties often have a facility “cap” of 15% to 20% of residents that can use public assistance at a given time. This means that some seniors are not able to afford market rate senior housing and/or if they have spent down their assets, may have to wait to move over to an Elderly Waiver.
- Edina has proven to be an attractive location for senior housing and most properties have absorbed well and maintain high occupancies. As residents age, turnover at service-based properties usually increases. In addition, properties with wait lists may have to go through their lists several times in order to find a prospect that is willing to relocate right away. The newest senior housing properties in Edina are Yorkshire Gardens, Aurora on France and Avidor. Avidor is the newest property and is still in its initial lease-up period.
- One of the primary sources of income to support senior housing costs is the proceeds from the sale of a home. Homeownership rates in the US and especially in Minnesota have been high in the low to mid 70% for decades. Most recently shifts in lifestyles and buyer preferences have shifted slightly toward rental housing. Some economists are concerned that with a decrease in homeownership rates, a decline in the number of defined pension plans and greater fluctuations in the stock market, that a growing number of seniors in the future may be financially unprepared to pay for housing with services.
- There is no way to definitively identify the number of people age 65+ that are residing in traditional apartments versus senior housing. Analysis by Maxfield Research has revealed that the total inventory of senior housing is capturing an estimated 18% to 20% of the senior population. That being said, the remaining 80% of seniors are residing in other types of housing that are not age-restricted. Although market penetration of senior housing continues to increase overall, there are seniors that do not and will never live in senior housing. Our demand capture rates account for that.
- Estimating the proportion of seniors that may rent their housing and not reside in senior housing, we can look to the number of senior households (65+) from Table D-9, Tenure by Age of Householder, which shows an estimated 6,517 households age 65+ renting their housing. Subtracting the number of senior housing units in Edina that are rented from this total, reveals that 69% of seniors renting reside at a property that is not age-restricted

Pending Residential Developments

There are several pending residential developments currently in the planning process in Edina. There are other developments under consideration, which have not yet been formally submitted to the City. This section discusses the developments that have already submitted plans to the City, some of which have received preliminary and/or final approvals. Table PR-1 is a summary of rental developments.

For-Sale

Currently, there are no pending for sale developments in Edina.

Market Rate Rental (See Table PR-1)

The Promenade Residences, at 3650 Hazelton, Road is a proposed 186-unit market rate development that would be built on the site of the existing Guitar Center. The proposed site is within optimal walking distance of Galleria Edina, Lunds & Byerlys and Target. Most recently, the project received approval for the appropriate zoning and planning resolutions.



Proposed location of The Promenade Residences

Mixed Income Rental

The Millennium at Southdale is an approved 375-unit rental development being led by DLC Residential. Of the 375 units, 357 (95.2%) will be market rate and 18 (4.8%) will be affordable. The development is planned to open in two phases. Phase One will contain 227 units while Phase Two is planned to have 148 units.

The Lorient is a 45-unit, primarily market, rental development currently under construction in Edina's Morningside neighborhood. The Lorient is situated in a walkable community off France Avenue across the street from the Southwest Minneapolis neighborhood of Linden Hills. Various restaurants, coffee shops, exercise studios, and the Linden Hills Co-op are all within walking

PENDING RESIDENTIAL DEVELOPMENTS

distance. The Lorient is being led by Orion Investments and three of its 45 units are targeted to individuals with disabilities.



The Lorient: currently under construction

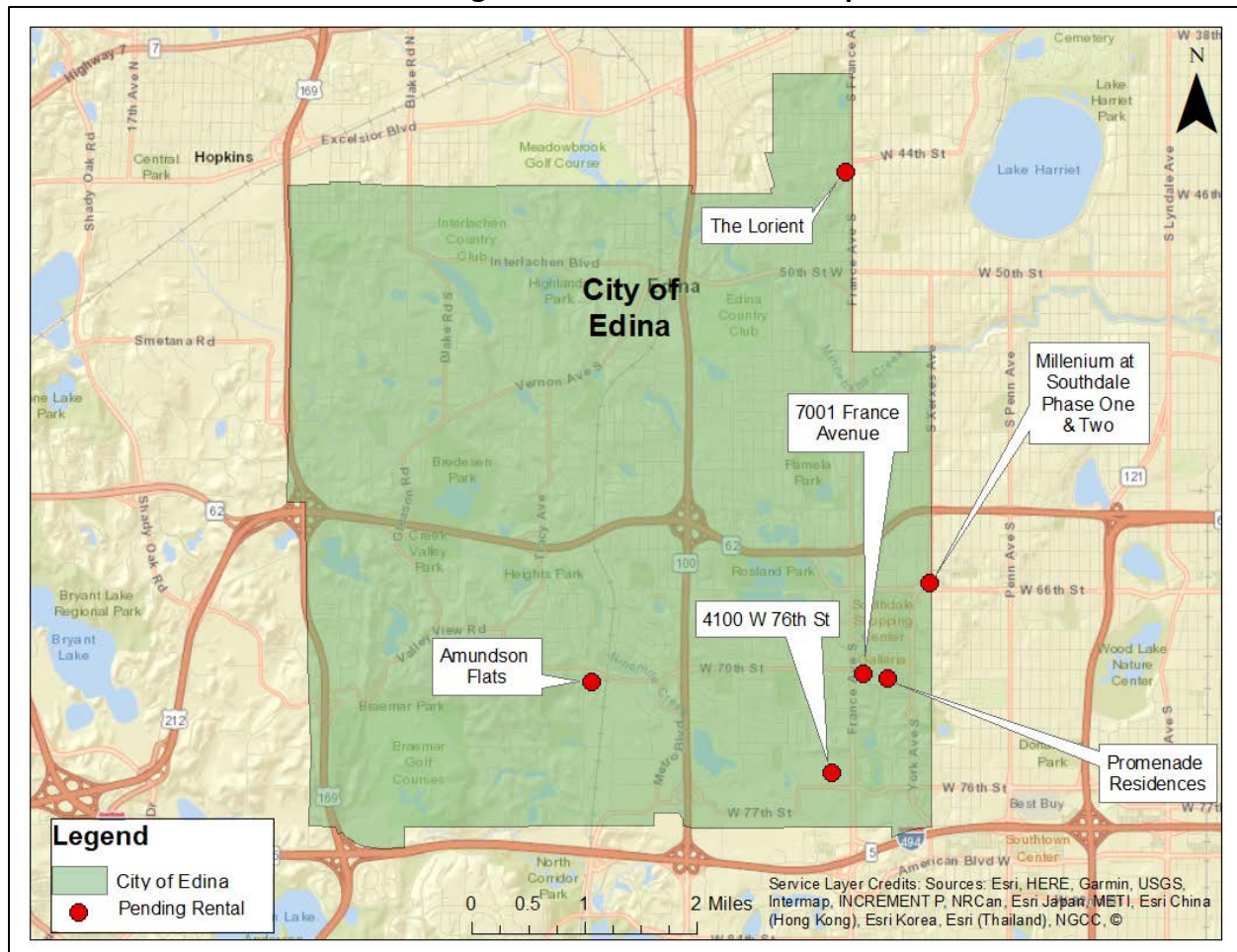
7001 France Ave is a proposed 225-unit development south of the Galleria Edina that would be on the current US Bank site. Sixty percent (60%) of the units (135) will have market rents and 40% of the units (90) will be affordable. Ryan Companies is the developer.

Affordable Rental

Amundson Flats is a potential future affordable rental development of 62 units that would be in Edina's Grandview Neighborhood. At present, Amundson Flats has received preliminary approvals from the City. Income qualifications for the property would restrict rents to residents by 60% AMI. MWF Properties is the developer.

4100 76th St W is a proposed affordable development of 70 units being led by Aeon. The property would be within walking distance of Centennial Lakes and its shops. The City has approved a density increase for the property.

Edina Pending Rental and For Sale Developments



PENDING RESIDENTIAL DEVELOPMENTS

TABLE PR-1 PENDING MARKET RATE & AFFORDABLE GENERAL OCCUPANCY RENTAL DEVELOPMENTS CITY OF EDINA JANUARY 2020					
Project Name Location	City	Total Units	Developer/Applicant	Unit Type	Status/Notes
Millennium at Southdale Phase One & Two 3250 W 66th St 55435	Edina	375	DLC Residential	MR/Aff	Phase one is under Construction. Of the 375 units 18 will be affordable (4.8%).
Promenade Residences 3650 Hazelton Rd 55435	Edina	186	Lund Real Estate	MR	Zoning and Planning Resolutions Approved
The Lorient 4500 France Ave 55410	Edina	46	Orion Investments	MR/Aff	Under construction. Of the 45 units, 6.7% (3 units) will be for those with disabilities.
7001 France Ave 7001 France Ave 55435	Edina	225	Ryan Companies	MR/Aff	Proposed. Would have 225 units, of which 135 would be market rate and 90 would be affordable.
4100 76th St W 4100 76th St W	Edina	70	Aeon	AFF	Zoning Density Increase Approved.
Amundson Flats 7075 Amundson Ave 55439	Edina	62	MWF Properties	AFF	Received Preliminary Approvals. For those at or below 60% of AMI.
Affordable:		243			
Under Construction Subtotal:		21			
Approved Subtotal:		132			
Planned/Proposed Subtotal:		90			
Market Rate:		720			
Under Construction Subtotal:		399			
Approved Subtotal:		186			
Planned/Proposed Subtotal:		135			
Pending Total:		963			
Sources: City of Edina; Maxfield Research & Consulting, LLC; Finance and Commerce					

Housing with Special Services

At times, some households may have service needs that call for specialized living situations. These may include those with physical and or mental limitations, specific health situations, the homeless, unaccompanied youth, those with mental health issues, victims of domestic violence, those with chemical or substance abuse, brain trauma, autism, or other situations that may require special residential features or special services.

Edina Disabilities Overview

Disability by Type

TABLE HS-1 DISABILITY BY TYPE EDINA AND TWIN CITIES METRO AREA 2019		
Edina		
Type of Disability	Total Number with Disability	Percent with Disability
Hearing Difficulty	1,462	2.9%
Vision Difficulty	656	1.3%
Cognitive Difficulty	1,490	2.9%
Ambulatory Difficulty	2,159	4.2%
Self-Care Difficulty	879	1.7%
Independent Living Difficulty	1,776	3.5%
Edina Total Population*	Total Number with a Disability	Percent with a disability
53,124	4,882	9.2%
Twin Cities Metro Area		
Type of Disability	Total Number with Disability	Percent with Disability
Hearing Difficulty	90,902	3.0%
Vision Difficulty	45,749	1.5%
Cognitive Difficulty	124,684	4.1%
Ambulatory Difficulty	132,594	4.4%
Self-Care Difficulty	58,413	1.9%
Independent Living Difficulty	106,355	3.5%
Twin Cities Total Population*	Total Number with a Disability	Percent with a Disability
3,128,957	306,259	9.8%
*: Does not include institutionalized populations.		
Note: Twin Cities Metro Area includes the following counties; Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.		
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC.		

Disabilities encompass a wide range of conditions and are prevalent among the overall population. Table HS-1 examines the breakdown of disabilities by type in Edina and the Twin Cities Metro Area. Categories used by the US Census Bureau in its 2018 American Community Survey include; hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care

difficulty, and independent living difficult. The chart is adjusted by Maxfield Research from 2017 to 2019. Keep points from the chart are below:

- Approximately one in ten individuals (9.2%) living in Edina suffer from a disability. This is slightly lower than the percentage of individuals suffering from a disability in the Twin Cities Metro Area (9.8%).
- The disability condition with the highest percentage of individuals in both Edina and the Twin Cities is ambulatory difficulty.
- The disability conditions with the two lowest percentages in both Edina and the Twin Cities are vision difficulty and self-care difficulty.
- Individuals with multiple disabilities are counted in several categories. Therefore, the total number of individuals in Edina with disabilities (4,882) and in the Twin Cities Metro (306,259) is lower than the total of all subcategories.

Disability by Age

Table HS-2 is a look at the breakdown by age of disabled individuals in Edina and the Twin Cities Metro Area. Below are key insights:

- Edina's percentage of individuals under 18 with disabilities (2.1%) and 18 to 64 with disabilities (4.2%) are both lower than the percentage of all individuals with disabilities (9.2%).
- Of those 65 and up, Edina's percentage of individuals with disabilities (29.9%) is lower than in the Twin Cities Metro Area (30.3%).
- The percentage of individuals under 18 with disabilities in the Twin Cities Metro Area (3.6%) is 1.5% more than those under 18 with disabilities in Edina (2.1%).
- The percentage of individuals 18 to 64 with disabilities in the Twin Cities Metro Area (8.0%) is almost two times as much as individuals 18 to 64 with disabilities in Edina (4.2%).

TABLE HS-2 DISABILITY EDINA AND TWIN CITIES METRO AREA 2019			
Edina*			
Age	Total Number of People	Number of People with a Disability	Percent with Disability
Under 18	12,609	271	2.1%
18 to 64	29,202	1,235	4.2%
65+	11,313	3,377	29.9%
All Ages	53,124	4,883	9.2%
Twin Cities Metro Area*			
Type of Disability	Total Number of People	Number of People with a Disability	Percent with Disability
Under 18	743,490	26,815	3.6%
18 to 64	1,983,969	158,158	8.0%
65+	401,498	121,555	30.3%
All Ages	3,128,957	306,528	9.8%
*: Does not include institutionalized populations.			
Note: Twin Cities Metro Area includes the following counties; Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.			
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC.			

Edina Disabilities Summary

- Approximately one in ten individuals (9.2%) living in Edina suffer from a disability. This is slightly lower than the percentage of individuals suffering from a disability in the Twin Cities Metro Area (9.8%).
- The disability condition with the highest percentage of individuals in both Edina and the Twin Cities is ambulatory difficulty.
- The disability conditions with the two lowest percentages in both Edina and the Twin Cities are vision difficulty and self-care difficulty.
- Edina's percentage of individuals under 18 with disabilities (2.1%) and 18 to 64 with disabilities (4.2%) are both lower than the percentage of all individuals with disabilities (9.2%).
- Of those 65 and up, Edina's percentage of individuals with disabilities (29.9%) is lower than in the Twin Cities Metro Area (30.3%).

Overview of Homelessness in Hennepin County

The most comprehensive studies of the homeless population in Minnesota have been conducted once every three years (since 1991) by the Wilder Research Center, a division of the Amherst H. Wilder Foundation (Wilder Foundation). The most recent study was in October 2018; statistics from the previous studies in October 2009, 2012 and 2018 are also used for comparison.

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The surveys are conducted on a single day and represent a snapshot of the population of people in Minnesota experiencing homelessness. Therefore, these estimates should be considered conservative and that the actual number of homeless on any given day is likely to be higher due to homeless that are “couch surfing” or “doubling up.”

The Wilder Foundation, in addition to supplying information on Minnesota homelessness statewide, also tracks homelessness by region. Data for the city of Edina is not available. However, data for Hennepin County, of which Edina is a part of, is presented on the following pages. Hennepin County, which includes the state’s largest city, Minneapolis, as well as suburban communities such as Edina, Plymouth, Eden Prairie, Medina and Brooklyn Park, has one of the largest homeless populations in the state. As of 2018, 4,072 people were identified as homeless. This is nearly 40% (39.8%) of the estimated homeless population in Minnesota.

Number of Homeless by Housing Situation

TABLE HS-3 NUMBER OF HOMELESS HENNEPIN COUNTY, MN 2018				
Housing Situation	Total number of people in temporary housing programs, informal housing or unsheltered	Total number of adults* age 18+ in temporary housing programs, informal housing or	Total number of children with parents in temporary housing programs, informal housing or	Total number of unaccompanied minors < 18 in temporary housing programs, informal housing
HENNEPIN COUNTY				
Emergency shelter	2,242	1,395	832	15
Domestic violence shelter:	153	68	85	0
Transitional housing	856	495	342	19
Rapid Rehousing	30	28	2	0
Unsheltered	791	701	63	27
TOTAL	4,072	2,687	1,324	61
Transitional Housing includes Rapid Rehousing. *Homeless people age 18 and older, excluding children with parents and unaccompanied youth. Sources: Wilder Research, "2018 Minnesota Homeless Study"; Maxfield Research & Consulting, LLC.				

- As shown in Table SN-3, in 2018, over half of the homeless were in emergency shelters (2,242 or 55.1%). Transitional housing accounted for 21.0% of the housing for the homeless while domestic violence shelters and rapid rehousing accounted for 3.8% and 0.7% respectively. Approximately one fifth (19.4%) were unsheltered.
- Of those in temporary shelters, 2,687 or 66% were adults 18 and up, 32.5% were children with parents, and 1.5% were children without parents.

Homelessness by Age

- Table SN-4 shows that the age cohort with the highest number of homeless is those 30 to 39 in Hennepin County (23.4%) and the Twin Cities Metro Area (23.1%).

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- The age cohorts with the second and third highest number of homeless are those 40 to 49 and 50 to 54 in both Hennepin County (19.5% and 14.0% respectively) and the Twin Cities Metro Area (19.0% and 12.1% respectively).
- The age cohort with the lowest number of homeless in both Hennepin County and the Twin Cities Metro Area is those 80 and up (0.1% in Hennepin County and under 0.1% in the Twin Cities Metro Area).
- The second and third lowest categories in both geographies are those 70 to 79 (0.9% in Hennepin County and 1.0% in the Twin Cities Metro Area) and those 22 to 24 (4.9% in Hennepin County and 5.3% in the Twin Cities Metro Area).

TABLE HS-4 HOMELESS AGE DISTRIBUTION HENNEPIN COUNTY & TWIN CITIES METRO AREA* 2018				
Age	Hennepin County		Twin Cities Metro Area*	
	Number	Pct.	Number	Pct.
18 to 21	161	6.2%	386	9.0%
22 to 24	127	4.9%	228	5.3%
25 to 29	270	10.4%	460	10.8%
30 to 39	606	23.4%	989	23.1%
40 to 49	505	19.5%	813	19.0%
50 to 54	362	14.0%	517	12.1%
55 to 59	276	10.7%	426	10.0%
60 to 69	259	10.0%	410	9.6%
70 to 79	23	0.9%	43	1.0%
80+	2	0.1%	2	0.0%
	2,591	100.0%	4,274	100.0%
Median age	42		40	

*: Twin Cities Metro Area includes the following counties; Anoka, Carver, Dakota, Hennepin, Scott, Ramsey, and Washington.

Note: Includes people living in temporary housing programs or informal housing and identified unsheltered people, excluding youth less than 18 years of age and children staying with parents

Sources: Wilder Research, October 2019. "Minnesota Homeless Study, 2018."

Income and Employment of the Homeless

- In Hennepin County, an estimated 26.1% of homeless had a monthly income under \$200, versus 25.6% in the Twin Cities Metro Area. An estimated 43.8% were estimated to make between \$200 and \$800 per month, versus 42.9% in the metro. The homeless with incomes

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of \$800 or more per month accounted for 30.0% in Hennepin County versus 31.5% for the metro area.

- The median income of the homeless in Hennepin County was \$535 per month versus \$600 Statewide. At \$535 per month and allocating 30% for housing results in an affordable housing cost of \$161 per month, requiring deep-subsidy housing or a housing voucher, both in very short supply.
- Hennepin County had a mean income of \$673 which was 5.9% less than the Twin Cities Metro Area's mean income of \$715.

TABLE HS-5 MONTHLY INCOME OF THE HOMELESS SURVEYED HENNEPIN COUNTY & TWIN CITIES METRO AREA* 2018				
Monthly Income	Hennepin County		Twin Cities Metro Area*	
	Number	Pct.	Number	Pct.
Under \$200	613	26.1%	985	25.6%
\$200 to \$400	457	19.5%	635	16.5%
\$400 to \$600	177	7.5%	338	8.8%
\$600 to \$800	395	16.8%	677	17.6%
\$800 to \$1,000	226	9.6%	362	9.4%
\$1,000+	479	20.4%	848	22.1%
TOTAL	2,347	100.0%	3,845	100.0%
Mean Income	\$673		\$715	
Median Income	\$535		\$600	
*: Twin Cities Metro Area includes the following counties; Anoka, Carver, Dakota, Hennepin, Scott, Ramsey, and Washington.				
Sources: Wilder Research, October 2019. "Homeless adults and children, 2018."				

- As shown on Table SN-6, the top three barriers to employment for the homeless in Hennepin County in order are: physical health, mental/chemical health and transportation. In contrast, the top three barriers to employment for the homeless in the Twin Cities Metro Area are in order: physical health, transportation and mental/chemical health.
- The 4th and 5th barriers to employment in Hennepin County and the Twin Cities Metro Area are availability of affordable housing and lack of resources needed to work or look for work, respectively.

TABLE HS-6 BARRIERS TO EMPLOYMENT FOR HOMELESS HENNEPIN COUNTY & TWIN CITIES METRO AREA* 2018				
Barriers to Employment	Hennepin County		Twin Cities Metro Area*	
	Barrier Type	Pct.	Barrier Type	Pct.
1	Physical Health	31.1%	Physical Health	30.6%
2	Mental/Chemical Health	20.9%	Transportation	22.7%
3	Transportation	20.6%	Mental/Chemical Health	21.2%
4	Housing	18.7%	Housing	17.9%
5	Lack of Resources needed to work or look for work	12.9%	Lack of Resources needed to work or look for work	13.3%
* :Twin Cities Metro Area includes the following counties; Anoka, Carver, Dakota, Hennepin, Scott, Ramsey, and Washington.				
Sources: Wilder Research, October 2019. "Homeless adults and children, 2018."				

Summary of Homelessness in Hennepin County

- In 2018, over half of the homeless were in emergency shelters (2,242 or 55.1%). Transitional housing accounted for 21.0% of the housing for the homeless while domestic violence shelters and rapid rehousing accounted for 3.8% and 0.7% respectively. Approximately one fifth (19.4%) were unsheltered.
- The age cohort with the highest number of homeless in both Hennepin County and the Seven County Metro area is between 30 to 39 (23.4% and 23.1% respectively). The age cohort with the lowest number of homeless in both Hennepin County and the Seven County Metro Area is those 80 and up (0.1% and under 0.1% in the seven County Metro Area).
- In Hennepin County, an estimated 26.1% of homeless had a monthly income under \$200, versus 25.6% in the Seven County Metro Area. An estimated 43.8% were estimated to make between \$200 and \$800 per month, versus 42.9% in the metro. The homeless with incomes of \$800 or more per month accounted for 30.0% in Hennepin County versus 31.5% for the metro area.
- Hennepin County has a lower proportion of employed homeless than the metro area (24.3% vs 28.7%, respectively).
- The two highest categories of hours worked by the homeless in both Hennepin County and the Seven County Metro Area were between 35-40 hours (45.1% in Hennepin County and

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42.0% in the Seven County Metro) and 25 to 34 hours (21.4% in Hennepin County and 22.4% in the Seven County Metro).

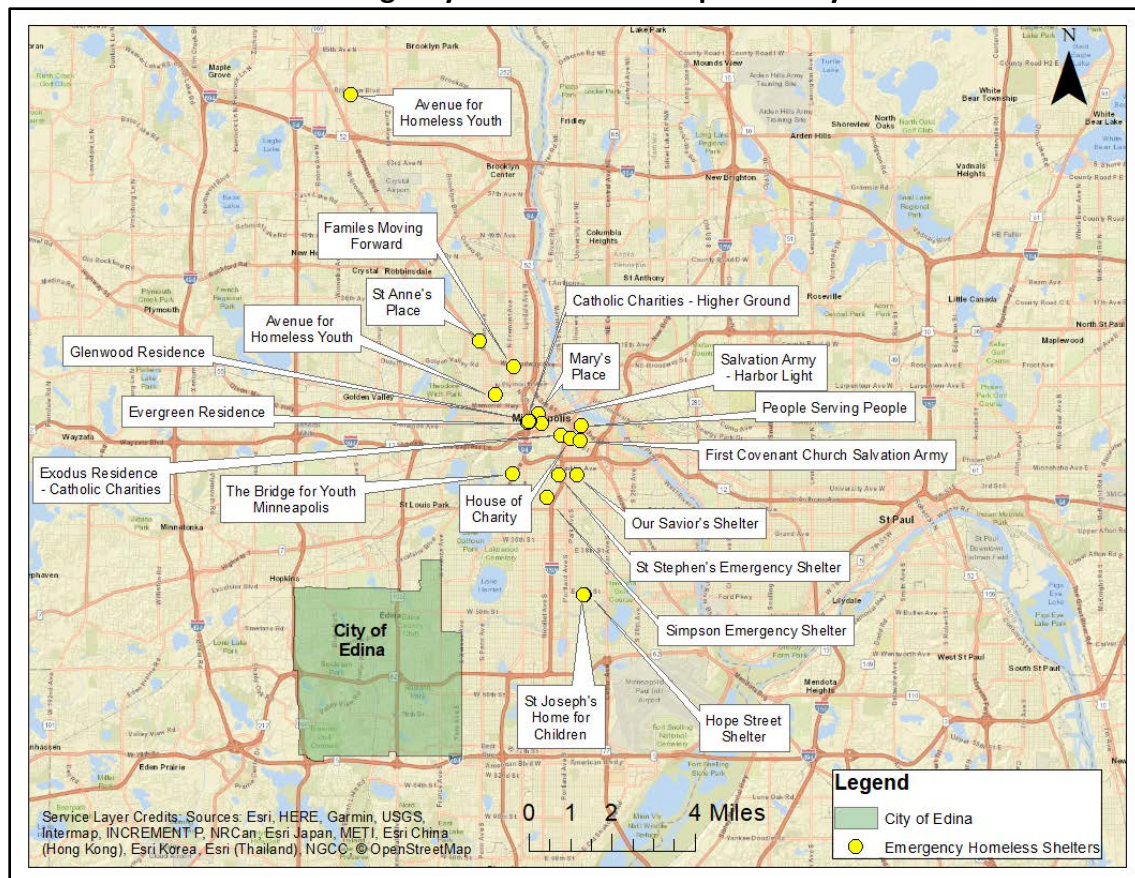
- The top three barriers to employment for the homeless in Hennepin County are: physical health, mental/chemical health and transportation. In the Seven County Metro Area the biggest barriers to employment are physical health, transportation, and mental/chemical health.

Edina and Nearby Communities: Emergency and Supportive Housing by Type

Emergency Shelters

No emergency shelters are present in Edina or the nearby communities of Bloomington, Eden Prairie, Hopkins, Richfield or Southwest Minneapolis (West of Interstate 35-W and South of 36th Street West). The closest emergency shelters to the study are; St Joseph's Home for Children, Hope Street Shelter, Simpson Emergency Shelter, St Stephen's Emergency Shelter, The Bridge for Youth Minneapolis, and Our Savior's Shelter, all in South Minneapolis or directly south of the Downtown.

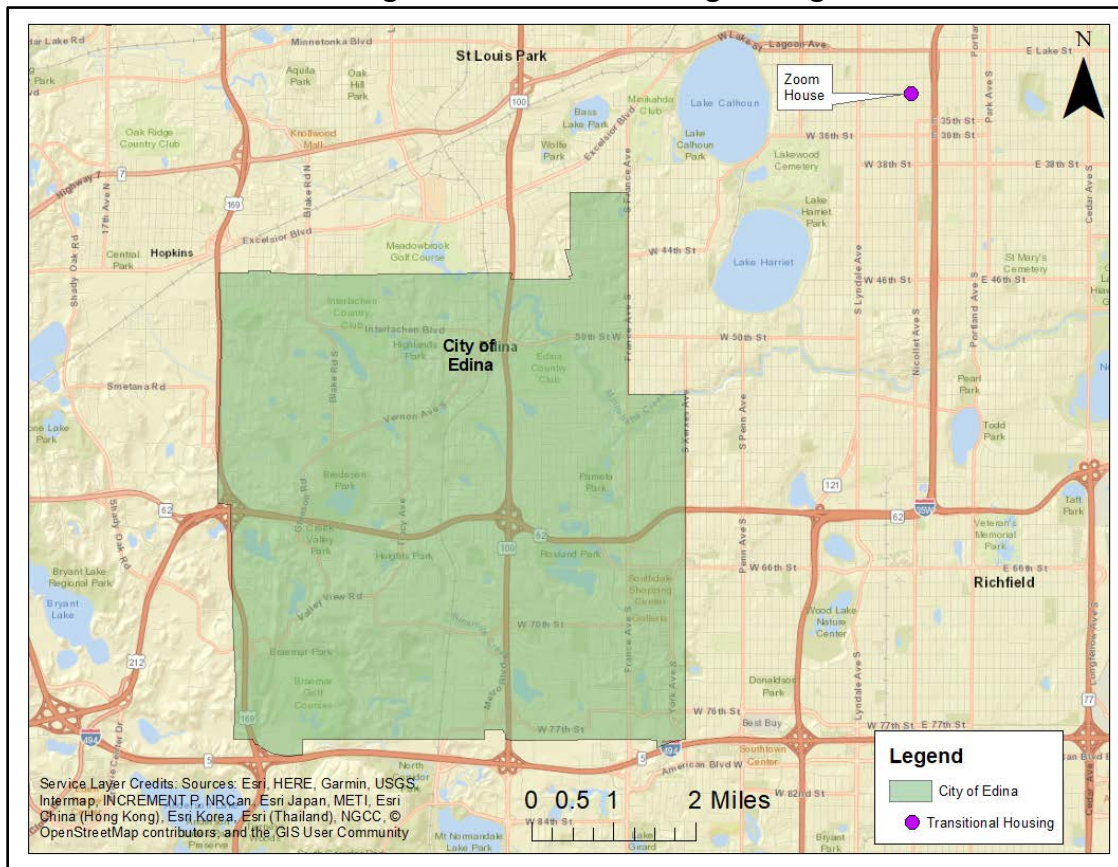
Emergency Shelters in Hennepin County



Transitional Housing

While emergency shelters provide short-term housing for people and families in immediate need of housing, transitional housing programs provide people and families more time and supportive help to deal with aspects of their life that make successfully obtaining and maintaining permanent housing difficult. A family or individual may move from a short stay (90 days or less) in an emergency shelter to an extended stay in a transitional housing program (usually up to two years). Transitional housing programs play an instrumental part in the effort to reduce the risk of homelessness for many people and families. There are currently no transitional housing facilities in Edina. However, in nearby South Minneapolis is Zoom House. Zoom House (22 units), at 3244 Blaisdell Avenue South, primarily houses single women with children and families.

Transitional Housing Facilities in Edina's Neighboring Communities



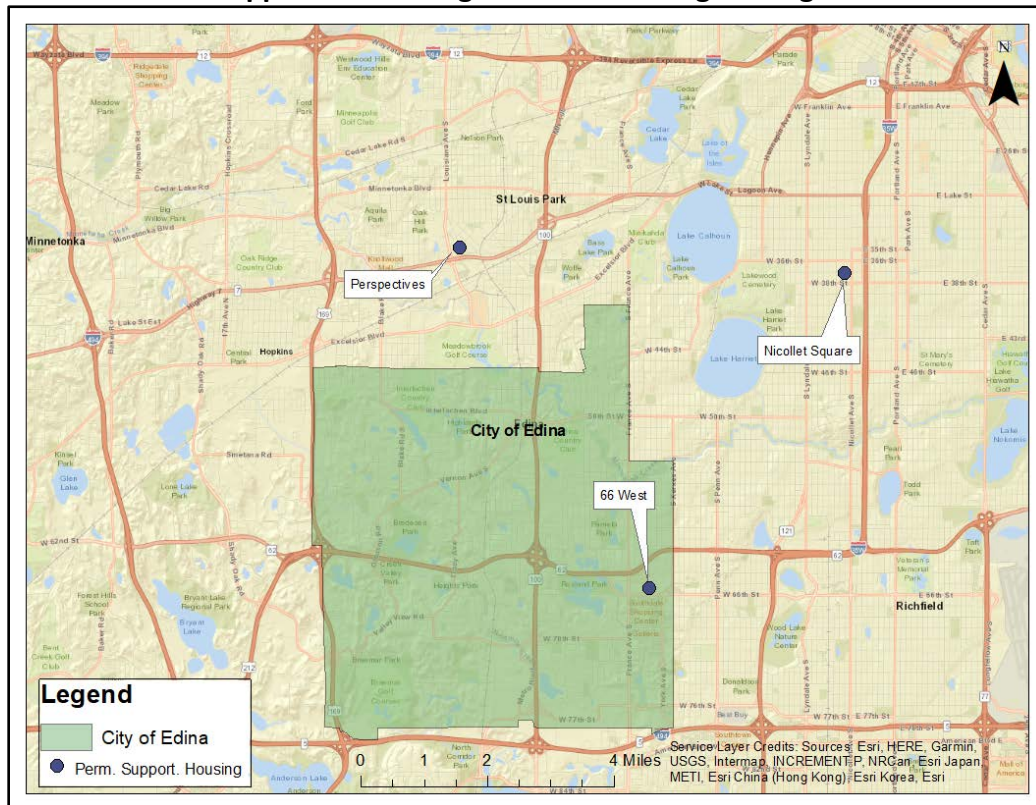
Permanent Supportive Housing

While the goal of both emergency shelters and transitional housing programs is for their residents to eventually obtain permanent housing, for some people, this is not a reality. Because of various reasons, most notably a mental illness or chemical addiction, or both, some people are unable to maintain independent housing in the private market. Many people also have a criminal record, most commonly a felony or unlawful detainer that prevents them from being able to find permanent housing because most landlords are unwilling to take the risk.

Currently, there are three permanent housing facilities in Edina and surrounding communities that offer supportive services – 66 West, Nicollet Square, and Perspectives. The permanent supportive housing facilities/programs are listed in Table HS-7. Following the table are summaries of the facilities/programs.

TABLE HS-7 PERMANENT SUPPORTIVE HOUSING EDINA, MINNESOTA & NEARBY COMMUNITIES OCTOBER 2019				
Facility	Year Built	Capacity	Monthly Rent	Clientele
66 West 3330 W 66th St Edina, MN 55424	2017	39 units	30% of household Income	Homeless young adults at or below 30% AMI.
Nicollet Square 3700 Nicollet Ave 55409 Minneapolis, MN	2011	42 Units	1st and 2nd Year - \$210* 3rd Year - \$305* 4th Year - \$410*	Homeless young adults or out of foster care at or below 30% AMI.
Perspectives 3381 Gorham Ave St Louis Park, MN 55426	1958	53 Units	NA	For homeless mothers suffering from addiction/mental health disorders and their children.
Total Units		134 Units		
NA: Not Available				
*2008 Pricing				
Source: Maxfield Research & Consulting LLC, Urban Works, Local News Sources, Property Websites, Local News Sources, Area Cities, Cooperation for Supportive Housing, Kingfield Neighborhood Association.				

Permanent Supportive Housing in Edina and Neighboring Communities



66 West

Edina's 66 West Apartments, which opened for occupancy in 2017, is the only permanent supportive housing in the City. The 39-unit apartment building is near Southdale Center and targets homeless youth whose incomes are at or below 30% of AMI.



66 West Apartments

The location of 66 West, in the heart of the Southdale Commercial Area, is an asset to residents. Advantages include convenient access to job opportunities, retail, and groceries: all within walking distance. Nearby destinations include; Southdale Center, Fairview Southdale Hospital, Galleria Edina and Cub Foods.

Nicollet Square

Nicollet Square is a mixed-use development that incorporates ground floor retail and residential units on floors two and three. The 42-unit development opened in 2011 in the Kingfield neighborhood in Southwest Minneapolis, due west of I-35 W. Like 66 West Apartments, the property is targeted to homeless young adults.

Perspectives

Perspectives is a 53-unit supportive housing property that targets homeless women battling addiction and mental illnesses as well as their children. The housing units are off Highway 7 between Highway 100 and Highway 169.

Summary of Permanent and Supportive Housing

Few permanent supporting housing developments exist in Edina except for 66 West. In addition, only two developments, Nicollet Square and Perspectives, can be found in the surrounding communities of Bloomington, Eden Prairie, Hopkins, Minnetonka, Richfield, St Louis Park and Southwest Minneapolis. Most permanent supportive housing developments are near Downtown Minneapolis and Downtown St Paul.

The lack of supportive housing developments outside of the Minneapolis and St Paul Core has the potential to create future obstacles for those requiring permanent supportive housing. One group requiring supportive housing that will be disproportionately affected are workers with jobs in suburban communities. These individuals will need to rely upon public transportation which may not service their destination or take a great deal of time. Employees are needed in retail and other service sector jobs in the suburbs. Communities such as 66 West, near Southdale Center, Galleria Edina, and Fairview Southdale Hospital are well positioned to provide convenient access to a wide variety of job opportunities for their residents. Regardless of whether residents own transportation they are either a short bus ride away or walk to employment.

Treatment Facilities and Halfway Houses

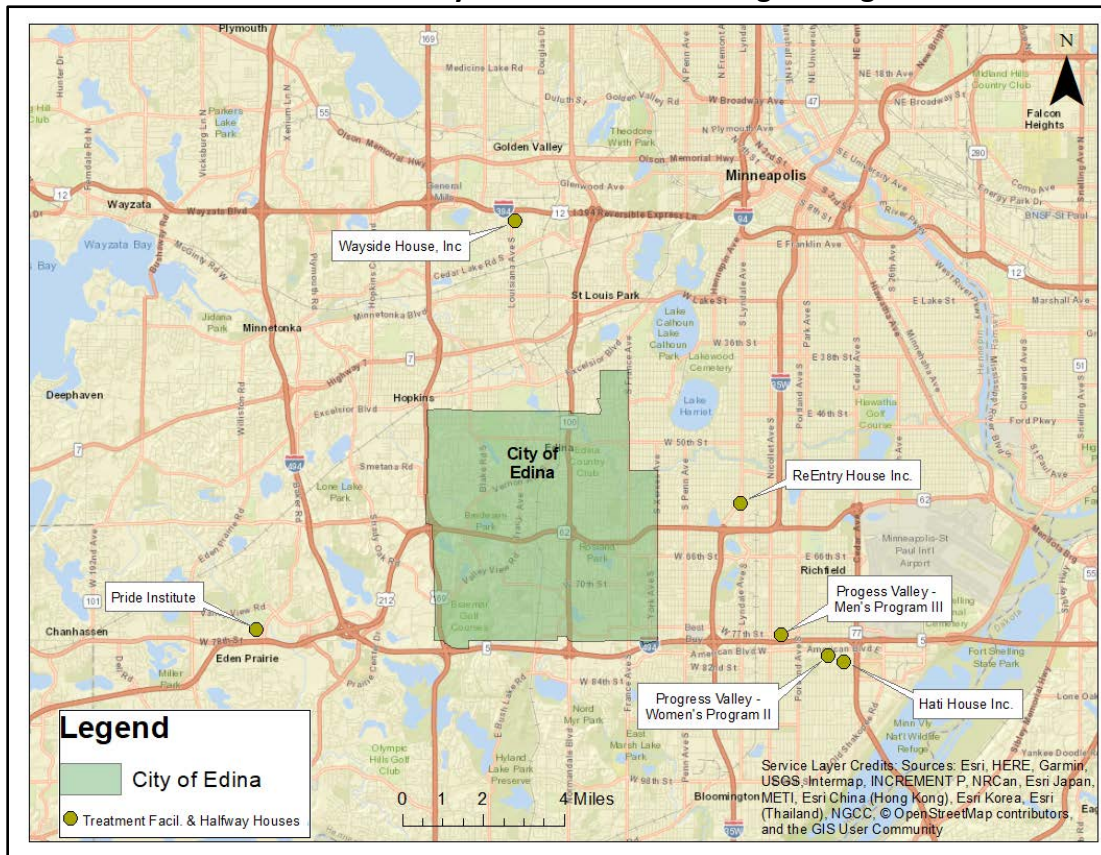
Since chemical addiction is often a significant factor resulting in a person's homelessness, treatment facilities and halfway houses are often the first steps in a homeless person's journey to self-sufficiency. This section discusses the treatment facilities and halfway houses located in Edina.

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We identified six treatment programs and halfway houses with 13 locations in adjacent communities. They are listed in Table HS-8 on the following page. The programs are also discussed.

TABLE HS-8 TREATMENT FACILITIES & HALFWAY HOUSES NEARBY COMMUNITIES OCTOBER 2019				
Facility	Year Built	Capacity	Daily/Mo Fee	Clientele
Wayside House, Inc. 1341 & 1349 Jersey Ave S St Louis Park, MN 55416	1961	20 Total Units 18-2BR 2-3BR	2BR-\$1,043/Mo 3BR-\$1,320/Mo	Mental health/substance abuse treatment for women. Requirements include qualifying for section 8 housing, three months of sobriety, and chemical dependency treatment.
Progress Valley - Women's Program II 1100 80th St E Bloomington, MN 55420	1968	32 Units	Funded through insurance or through State of Minnesota Chemical Dependency Consolidated Fund	Substance abuse treatment for women.
Progress Valley - Men's Program III 308 E 78th St Richfield, MN 55423	1965	24 Units	Funded through insurance or through State of Minnesota Chemical Dependency Consolidated Fund	Substance abuse treatment for men.
Pride Institute 14400 Martin Dr Eden Prairie, MN 55344	1982	42 Units	Funded through insurance. Medicare or out-of-state medicaid is not accepted.	Substance abuse/mental health treatment center focused on the needs of the gay, lesbian, bisexual, and transgender communities.
Westside Sober Living - Res. Treatment Ctrs 5 Location in the West Metro	NA	36 Beds	NA	Residential treatment center for men.
Westside Sober Living Houses 2 Locations in the West Metro	NA	9 Beds Location 1: 5 beds Location 2: 4 beds	NA	Sober living homes serving men in the beginning stages of recovery.
Hati House Inc. 1558 80th St E Bloomington, MN 55425	1966	12 Units	Funded through insurance.	Substance abuse/mental health treatment center for men.
ReEntry House 5812 Lyndale Ave S Minneapolis, MN 55419	1957	16 Units	CADI; Medicaid	Mental Illness/substance abuse treatment.
Total Units*		191		
NA: Not Available				
Sources: Maxfield Research & Consulting LLC; Service Providers: State of MN.				

Treatment Facilities & Halfway Houses in Edina's Neighboring Communities



Note: Westside Sober Living - Residential Treatment Centers (5 locations) and Westside Sober Living Homes (2 locations) are not included on the map.

Wayside House, Inc.

Wayside House, Inc is a 20-unit facility with a mix of two-and-three-bedroom apartments. Apartments range in price from \$1,043 to \$1,320 and its clientele consist of women seeking mental health/substance abuse treatment. Applicant requirements include, qualifying for Section 8 housing, three months of sobriety, and chemical dependency treatment.

Progress Valley

Two Progress Valley locations are within the analyzed area; a substance abuse treatment center for men in Richfield and a substance abuse treatment center for women in Bloomington. The men's Richfield location has 24 units while the women's Bloomington location has 32 units.

Pride Institute

Pride Institute opened in the 1980s and is a substance abuse/mental health treatment center focused on the needs of the gay, lesbian, bisexual, and transgender communities. The 42-unit community emphasizes an inclusive environment and offers outpatient treatment in addition to inpatient services.

Westside Sober Living

Westside Sober Living is comprised of five residential treatment centers and two sober living houses in the Twin Cities West Metro. The residential treatment centers have a combined total of 36 beds and the sober living homes total 9 beds. All facilities target men battling addiction.

Hati House Inc.

The Hati House, built in 1966, is in Bloomington and contains 12 units. The treatment center focuses on men battling substance abuse and mental health issues.

ReEntry House

ReEntry House is a 16-unit facility located in Southwest Minneapolis near the junction of Lyndale Avenue and I-35 W/MN Hwy 62. The facility treats individuals with mental illnesses and fighting substance abuse.

Summary of Treatment Facilities and Halfway Houses

Most of the treatment facilities and halfway houses in Edina's neighboring communities focus on treating adult male substance abuse. However, facilities serving women such as, Wayside Inc. are also present. In addition, the analyzed area is also home to Pride Institute, a treatment center focusing on the needs of the lesbian, gay, bisexual, and transgender communities. Despite the presence of treatment and halfway houses in nearby communities none are present within Edina, indicating a potential need in the City.

Other Care Facilities

Edina has one home licensed as an Intermediate Care Facility that provides housing and services to individuals with developmental disabilities, a total of six beds. Residents can live on-site independently or may receive services as needed. The facility works with each resident based on their income and financial assistance is available.

There is one licensed resident hospice care home in Edina licensed for up to six beds. Most hospice care is provided at a resident's home or in a separate nursing facility. There are however, a few smaller residential homes that also offer this type of on-site residential care.

Summary of Emergency and Supportive Housing by Type in Edina and Neighboring Communities

An inventory and review of specialized supportive housing facilities was completed for Edina and the neighboring communities of Eden Prairie, Bloomington, Hopkins, Minnetonka, Richfield, St Louis Park and Southwest Minneapolis. The review emphasized the following:

- Edina has one larger apartment building that provides permanent supportive housing to homeless youth and youth at risk of becoming homeless.
- Additional smaller homes are in Edina that provide housing to the following populations:
 - Seniors needing supportive living services (i.e. board and care homes)
 - Individuals with developmental disabilities
 - Individuals requiring hospice care (limited)
- The City has no emergency shelters or treatment/halfway houses. A variety of these types of housing with services facilities are present in nearby communities such as South Minneapolis, Richfield and Bloomington.
- The City has demonstrated a commitment to address youth homelessness. The only social service provider present in the City is 66 West that is targeted to homeless youth. No other shelters or supportive housing is present in the City.
- Single males comprise the primary clientele for many of the supportive housing and treatment centers in the surrounding communities. Particularly significant is men battling substance abuse. Other groups however, are also being served, including women with Wayside, INC. and the LGBTQ community through the Pride Institute.
- In Edina and neighboring communities, there are 139 units of permanent supportive housing and 191 units/beds in treatment facilities and halfway houses.

We believe there is additional demand for small to -mid-size facilities targeted to various populations to combine housing with services in a smaller, more intimate environment with greater emphasis on individual service and care. Facilities such as these usually maintain high occupancies and demand often exceeds the supply.

Introduction

Affordable housing is a term that has various definitions according to different people and is a product of supply and demand. According to the U.S. Department of Housing and Urban Development (HUD), the definition of housing affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Households paying more than 30% of their income for housing (either rent or mortgage) are considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. HUD also defines various levels of cost-burden. For example, a household that pays 35% or more of their income for housing is considered “moderately” cost-burdened while a household paying 50% or more of their income on housing is considered “severely” cost-burdened.

The assessment of cost burden as households paying more than 30% of their income for housing costs is a benchmark that has long been accepted in academic circles. It can be traced back to a legislative amendment passed in 1969 and developed by Senator Edward Brooke. The benchmark was originally developed as a response to rent increases and complaints about services in public housing. Although there have recently been substantial discussions regarding the efficacy of using percent of income the sole determinant of housing affordability, this proportion continues to be widely used.

Generally, housing that is income-restricted to households earning at or less than 80% of Area Median Income (AMI) is considered affordable. Many individual properties, however, have income restrictions set between 30% to 80% of AMI. The rent level is set based on an affordability level of up to 40% of AMI, but with a maximum income that may not be exceeded. Housing programs funded under the Low-Income Housing Tax Credit Program (LIHTC) are properties that have this type of rent structure. According to the Urban Land Institute, a national land planning policy and advocacy organization, workforce housing is defined as either rental or ownership with pricing that is affordable to households earning between 60% and 120% of AMI. Although some households with incomes at 60% of AMI may qualify for LIHTC properties, most of these households do not. In addition, public housing income requirements often all households with incomes at or less than 80% of AMI to reside there. For this reason, we classify “workforce housing” as 81% to 120% of AMI. Figure 1 below summarizes income ranges by definition.

FIGURE 1
AREA MEDIAN INCOME (AMI) DEFINITIONS

Definition	AMI Range
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income / Workforce Housing	81% - 120%
Note: Minneapolis-St Paul-Bloomington, MN-WI MSA 2019 AMI = \$100,000	
Source: MN Housing	

Rent and Income Limits

Table HA-1 shows the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Edina (based on figures applicable for Hennepin County). Income limits by household size are revised and published annually by the Department of Housing and Urban Development (HUD) and published separately by Minnesota Housing (MN Housing) based on the various housing programs they administer and the date the project was placed into service. Fair market rent is the amount that a housing unit could reasonably obtain given current market conditions, its location and other conditions if it were offered for rent. Fair Market Rent is used as a basis for determining payment standards for the Housing Choice Voucher (HCV) program and the maximum monthly subsidy for families at financially assisted housing.

TABLE HA-1 MHFA/HUD MAX INCOME AND RENT LIMITS MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI MSA* - 2019								
	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of AMI	\$21,000	\$24,000	\$27,000	\$30,000	\$32,400	\$34,800	\$37,200	\$39,600
50% of AMI	\$35,000	\$40,000	\$45,000	\$50,000	\$54,000	\$58,000	\$62,000	\$66,000
60% of AMI	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
80% of AMI	\$56,000	\$64,000	\$72,000	\$80,000	\$86,400	\$92,800	\$99,200	\$105,600
100% of AMI	\$70,000	\$80,000	\$90,000	\$100,000	\$108,000	\$116,000	\$124,000	\$132,000
120% of AMI	\$84,000	\$96,000	\$108,000	\$120,000	\$129,600	\$139,200	\$148,800	\$158,400
	Maximum Gross Rent							
	EFF	1BR	2BR	3BR	4BR	5BR		
30% of AMI	\$525	\$600	\$675	\$750	\$810	\$870		
50% of AMI	\$875	\$1,000	\$1,125	\$1,250	\$1,350	\$1,450		
60% of AMI	\$1,050	\$1,200	\$1,350	\$1,500	\$1,620	\$1,740		
80% of AMI	\$1,400	\$1,600	\$1,800	\$2,000	\$2,160	\$2,320		
100% of AMI	\$1,750	\$2,000	\$2,250	\$2,500	\$2,700	\$2,900		
120% of AMI	\$2,100	\$2,400	\$2,700	\$3,000	\$3,240	\$3,480		
	Fair Market Rent							
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$763	\$915	\$1,151	\$1,636	\$1,923			
*: Includes the following counties in MN; Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Scott, Sherbune, Ramsey, Washington, and Wright and the following counties in Wisconsin; Pierce and St Croix								
Sources: MHFA, HUD, Novogradac, Maxfield Research and Consulting LLC.								

Table HA-2 shows the maximum rents by household size and AMI based on income limits illustrated in Table HA-1. The rents on Table HA-2 are based on HUD's allocation that monthly rents should not exceed 30% of income. In addition, the table reflects the maximum household size based on HUD guidelines of number of people per unit. For each additional bedroom, the maximum household size increases by approximately two people. The Fair Market Rents shown on Table HA-2 are the final 2019 Fair Market Rents for Hennepin County as identified by HUD. Between 2018 and 2019, Fair Market Rents increased from an average of \$1,205 in 2018 to an average of \$1,278 in 2019. The largest increase was for studio units (7.3%) and the smallest was for two-bedroom units (5.7%). The average overall increase was 6.1%.

HOUSING AFFORDABILITY

TABLE HA-2
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI MSA - 2019*

Unit Type ¹	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$525 - \$525		\$875 - \$875		\$1,050 - \$1,050		\$1,400 - \$1,400		\$1,750 - \$1,750		\$2,100 - \$2,100	
1BR	1	2	\$525 - \$600		\$875 - \$1,000		\$1,050 - \$1,200		\$1,400 - \$1,600		\$1,750 - \$2,000		\$2,100 - \$2,400	
2BR	2	4	\$600 - \$750		\$1,000 - \$1,250		\$1,200 - \$1,500		\$1,600 - \$2,000		\$2,000 - \$2,500		\$2,400 - \$3,000	
3BR	3	6	\$675 - \$870		\$1,125 - \$1,450		\$1,350 - \$1,740		\$1,800 - \$2,320		\$2,250 - \$2,900		\$2,700 - \$3,480	
4BR	4	8	\$750 - \$990		\$1,250 - \$1,650		\$1,500 - \$1,980		\$2,000 - \$2,640		\$2,500 - \$3,300		\$3,000 - \$3,960	

¹ One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.

Note: 4-person Minneapolis-St Paul-Bloomington, MN-WI MSA AMI is \$100,000 (2019)

*: Includes the following counties in MN; Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Scott, Sherburne, Ramsey, Washington, and Wright and the following counties in Wisconsin; Pierce and St Croix

Sources: HUD, Novogradac, Maxfield Research and Consulting, LLC

Housing Cost Burden

Table HA-3 shows the number and percent of owner and renter households in Edina and the selected nearby cities of Eden Prairie, Edina, Hopkins, Richfield and St. Louis Park that pay 30% or more of their gross income for housing. Also shown are figures for Hennepin County, the Twin Cities Metro Area and Minnesota. The information is compiled from the American Community Survey 2018 estimates, the most recent available. This information is different than the 2010 Census which separated households that paid 35% or more in housing costs. As such, the information presented in the tables may be overstated in terms of households that may be “cost burdened.” The Federal standard for affordability is 30% of income for housing costs. Without a separate break-out for households that pay 35% or more, a number of households may be choosing to pay slightly more than 30% of their gross income to obtain their desired housing. **Moderately cost-burdened** is defined as households paying between 35% and 49.9% of their income for housing; **severely cost-burdened** is defined as households paying 50% or more of their income for housing.

Higher-income households that are cost-burdened may have the option of moving to lower priced housing, but lower-income households often do not. The figures in the table focus on owner households with incomes of \$50,000 or less and renter households with incomes of \$35,000 or less.

Key findings from Table HA-3 follow.

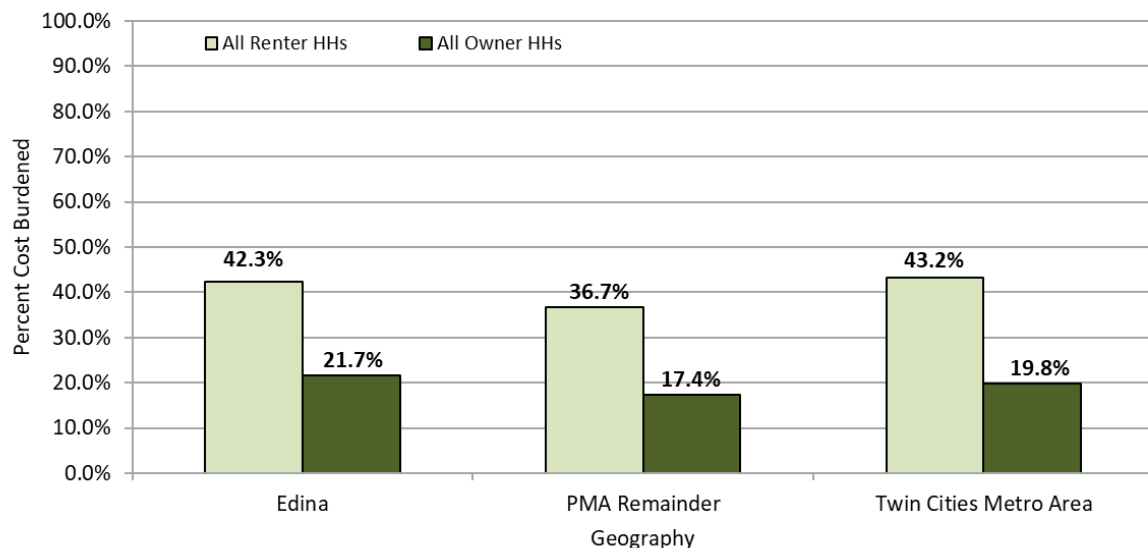
- In Edina, 21.7% of owner households and 42.3% of renter households are considered cost burdened. Edina has a higher proportion of cost burdened owner households than the PMA Remainder (17.4%) and the Twin Cities Metro Area (19.8%).
- Edina has a higher proportion of cost burdened renter households (42.3%) than the PMA (36.7%) but a lower proportion than the Twin Cities Metro Area (43.2%).
- Among owner households earning less than \$50,000, 16.7% were cost burdened in Edina. In comparison, almost 53% (52.7%) of owner households were cost burdened in the Twin Cities Metro Area and only 12.5% were cost burdened in the PMA Remainder.
- An estimated 30.3% of Edina renter households with incomes less than \$35,000 were cost burdened. The number of renter households earning less than \$35,000 that were cost burdened was higher in the Twin Cities Metro Area (74.2%) and the PMA Remainder (78.7%).

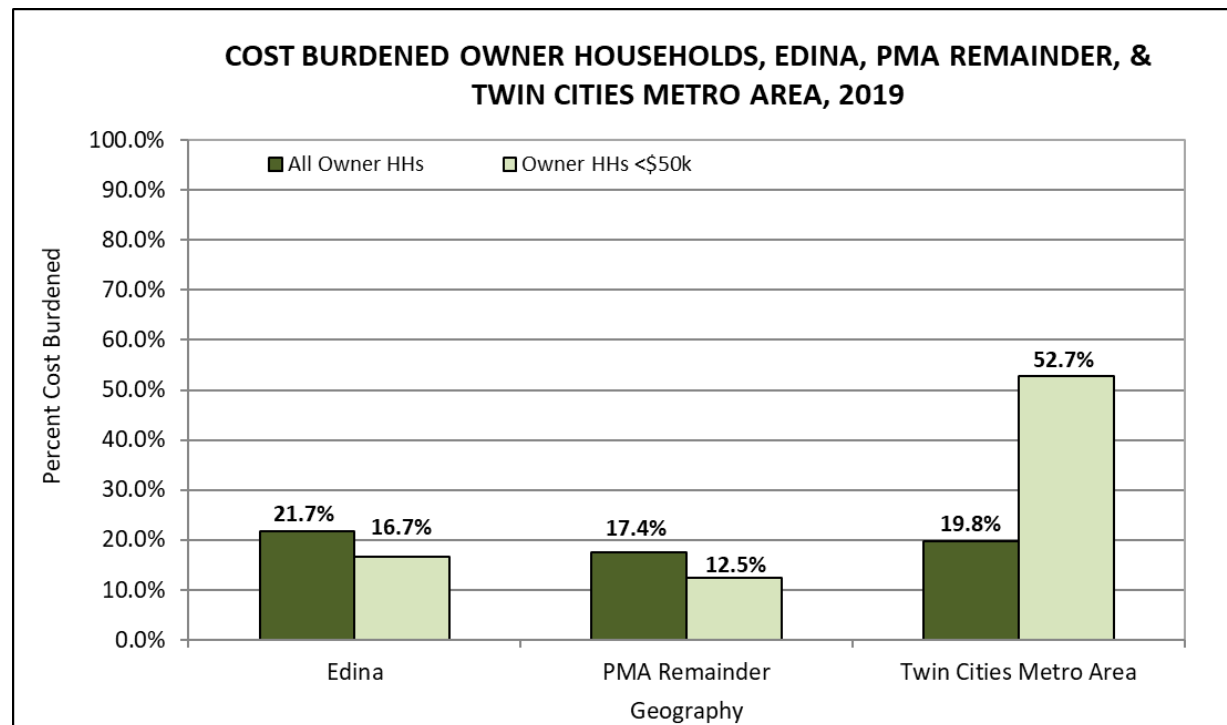
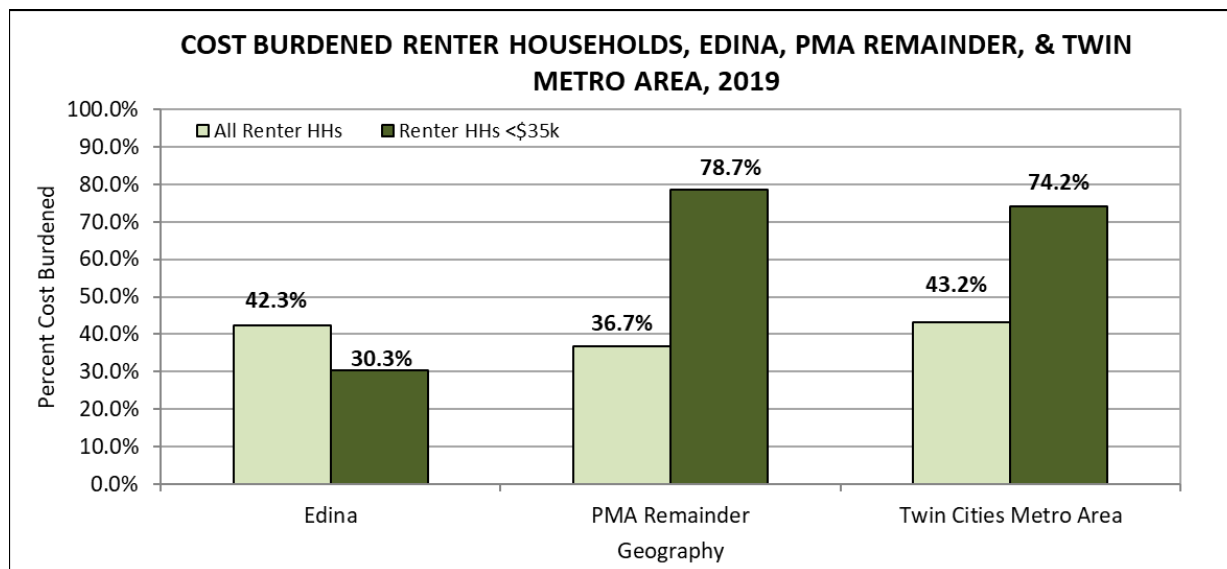
HOUSING AFFORDABILITY

**TABLE HA-3
HOUSING COST BURDEN
EDINA, PMA REMAINDER & TWIN CITIES METRO AREA
2019**

	EDINA		PMA REMAINDER		TWIN CITIES METRO AREA	
Community	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households						
All Owner Households	16,983		48,795		853,235	
Cost Burden 30% or greater	3,685	21.7%	8,490	17.4%	168,941	19.8%
Cost Burden 50% or greater	1,766	10.4%	3,269	6.7%	60,580	7.1%
Owner Households w/ incomes <\$50,000	3,654		8,359		184,126	
Cost Burden 30% or greater	610	16.7%	1,045	12.5%	97,034	52.7%
Cost Burden 50% or greater	373	10.2%	585	7.0%	49,530	26.9%
Renter Households						
All Renter Households	6,517		19,505		396,141	
Cost Burden 30% or greater	2,754	42.3%	7,158	36.7%	171,133	43.2%
Cost Burden 50% or greater	1,291	19.8%	3,491	17.9%	81,605	20.6%
Renter Households w/ incomes <\$35,000	1,922		5,384		172,619	
Cost Burden 30% or greater	582	30.3%	4,237	78.7%	128,083	74.2%
Cost Burden 50% or greater	381	19.8%	2,950	54.8%	79,232	45.9%
Median Contract Rent ¹	\$1,292		\$1,161		\$1,047	
¹ Median Contract Rent 2018 (2014-2018). Data for the PMA Remainder is from 2017 as 2018 data is not available. *Twin Cities Metro includes; Anoka County, Carver County, Dakota County, Hennepin County, Ramsey County, Scott County, & Washington County. Note: Calculations exclude households not computed and use 2019 Tenure by Housegold Income totals adjusted with 2017 percentages.						
Sources: American Community Survey 2018 estimates; Maxfield Research and Consulting LLC						

COST BURDENED HOUSEHOLDS, EDINA, PMA REMAINDER, & TWIN METRO AREA, 2019





The table below shows a breakdown between the number of owner and renter households by age of householder that are estimated to be paying 30% or more of their income for housing costs. As shown, the highest proportion of cost burdened households are those age 65+ for owner households and those that are under age 25 for renter households. We note that many senior households over age 75 that are renting their housing may be spending down assets for assisted living services and to avoid nursing home placement. Also, if a senior household has no mortgage, but a home valued at a high level, they may be paying real estate property taxes that place a strain on their current income level.

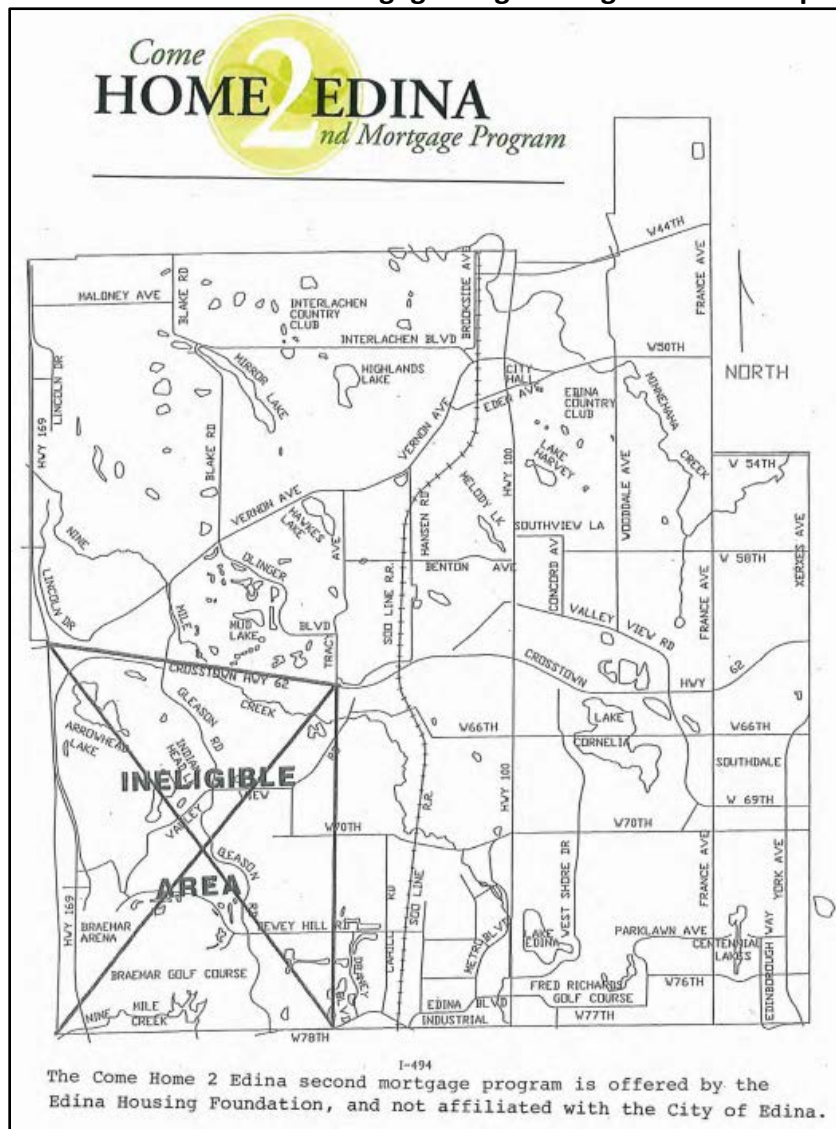
Owner/Renter Households By Age Cost Burdened (<30% of Income) 2019			
Renter Households			
	Number	Percent of Age Grp.	% of All Renter HHs
Under 25	88	44%	1%
25 to 34	302	19%	5%
35 to 64	823	31%	13%
65+	1,319	62%	20%
Total	2,532	--	39%
Owner Households			
	Number	Percent of Age Grp.	% of All Owner HHs
Under 25	8	100%	>1%
25 to 34	190	19%	1%
35 to 64	1,838	18%	11%
65+	1,997	34%	12%
Total	4,033	--	24%
Source: US Census Bureau			

Housing Programs

Come Home 2 Edina

The Come Home 2 Edina loan program is a loan of up to \$60,000 that can be taken out to help with the cost of a home purchase. Stipulations for the loan include; a loan that is at most 25% of the purchase price, the loan recipient needs to spend a minimum of 25% of their income towards the purchase, a maximum allowable purchase price of \$425,000, and the down payment needs to be at least \$1,000. All of Edina, excluding the southwestern portion of the City, is eligible for the program. Neighborhoods excluded from the program include Indian Hills, Indian Trails, Braemar Hills, Creek Valley, the western portion of The Heights, the western portion of Prospect Knolls and the western portion of Dewey Hill.

Come Home 2 Edina Mortgage Program Eligible Areas Map



Source: City of Edina

Housing Choice Vouchers

In addition to properties that provide rental assistance to tenants on-site through a project-based subsidy, “tenant-based” subsidies such as *Housing Choice Vouchers*, can help lower income households afford market-rate rental housing. The tenant-based subsidy is funded by the Department of Housing and Urban Development (HUD) and in Edina is managed by Metro HRA. Under the Housing Choice Voucher program (in the past, also referred to as Section 8) qualified households are issued a voucher that the household can take to an apartment that has rent levels within the payment standards set by the Department of Housing and Urban Development in concert with the local administrative agency. The household then pays approximately 30% of their adjusted gross income for rent and utilities, and the Federal government pays the remainder of the rent to the landlord. The maximum income limit to be eligible for a Housing Choice Voucher is 50% AMI based on household size, as shown in Table HA-1.

Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a household’s adjusted gross income. Table HA-4 on the following page illustrates key housing metrics based on housing costs and household incomes in Hennepin County for various submarkets. The table estimates the percent of submarket households that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the average for each submarket.

Availability of data may not be always consistent between secondary published resources, but this is factored into the calculations.

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 4.25% interest rate
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income per 2017 ACS

Rental Housing

- Background check on tenant to ensure credit history
- Background screening for criminal backgrounds and unlawful detainers
- 30% allocation of income
- Renter household income per 2017 ACS

HOUSING AFFORDABILITY

Because of the down payment requirements and generally strict underwriting criteria for a mortgage, not all households will meet the income qualifications outlined above. The for-sale affordability analysis excludes equity that a homeowner may bring with them when purchasing a new residence.

- The estimated 2019 median income for all households in Edina was \$107,757. Median incomes, however, vary by tenure (owner and renter). According to 2019 estimates, the median income of Edina homeowners was \$129,679 compared to \$59,886 for renters.
- According to the estimated 2019 income distribution for Edina, 57.2% of all households and 60.4% of owner households could afford to purchase an entry-level home in Edina (\$400,000). The percentage of households able to afford a home valued at \$800,000 is 30.2% of all households and 32.9% of owner households. The percentage of those able to afford executive homes of \$1,200,000 is 13.2% of all households and 12.3% of owner households.
- An estimated 57.4% of existing renter households can afford to rent a market rate one-bedroom unit in Edina (\$1,186/month). The percentage of renter income-qualified households decreases to 49.4% that can afford an existing two-bedroom unit (\$1,473/month) and 31.4% that can afford an existing three-bedroom unit (\$2,266/month). After adjusting for new construction rental housing (properties built in 2019 and 2018), the percentage of renter households that are income-qualified decreases. An estimated 42.9% of renters would be able to afford a new market rate one-bedroom unit (\$1,745 per month) while 20.5% could afford a new two-bedroom unit (\$2,993 per month) and only 8.7% could afford a new three-bedroom unit (\$4,728).

HOUSING AFFORDABILITY

TABLE HA-4
EDINA HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME

For-Sale (Assumes 10% down payment and good credit)						
	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$400,000	\$800,000	\$1,200,000	\$400,000	\$600,000	\$750,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$40,000	\$80,000	\$120,000	\$40,000	\$60,000	\$75,000
Estimated Closing Costs (rolled into mortgage)	\$12,000	\$24,000	\$36,000	\$12,000	\$18,000	\$22,500
Cost of Loan	\$372,000	\$744,000	\$1,116,000	\$372,000	\$558,000	\$697,500
Interest Rate	4.250%	4.250%	4.250%	4.250%	4.250%	4.250%
Number of Pmts.	449	449	449	449	449	449
Monthly Payment (P & I)	-\$1,656	-\$3,312	-\$4,968	-\$1,656	-\$2,484	-\$3,105
(plus) Prop. Tax	-\$333	-\$667	-\$1,000	-\$333	-\$500	-\$625
(plus) HO Insurance/Assoc. Fee for TH	-\$133	-\$267	-\$400	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$161	-\$322	-\$484	-\$161	-\$242	-\$302
Subtotal monthly costs	-\$2,284	-\$4,568	-\$6,852	-\$2,251	-\$3,326	-\$4,132
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$91,359	\$182,717	\$274,076	\$90,025	\$133,038	\$165,298
Pct. of ALL Edina HHDS who can afford ¹	57.2%	30.2%	13.2%	57.8%	42.9%	34.1%
No. of Edina HHDS who can afford ¹	13,283	7,017	2,965	13,421	9,951	7,912
Pct. of Edina owner HHDs who can afford ²	60.4%	32.9%	12.3%	60.9%	46.6%	37.0%
No. of Edina owner HHDs who can afford ²	10,135	5,523	2,071	10,218	7,817	6,214
No. of Edina owner HHDS who cannot afford ²	6,643	11,255	14,707	6,560	8,961	10,564
Rental (Market Rate)						
	Existing Rental*			New Rental**		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$1,186	\$1,473	\$2,266	\$1,745	\$2,993	\$4,728
Annual Rent	\$14,232	\$17,676	\$27,192	\$20,940	\$35,916	\$56,736
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$47,440	\$58,920	\$90,640	\$69,800	\$119,720	\$189,120
Pct. of ALL Edina HHDS who can afford ³	77.9%	72.1%	57.5%	67.0%	47.1%	28.8%
No. of Edina HHDS who can afford ³	17,491	16,748	13,358	15,549	10,934	6,688
Pct. of Edina renter HHDs who can afford ⁴	57.4%	49.4%	31.4%	42.9%	20.5%	8.7%
No. of Edina renter HHDs who can afford ⁴	3,693	3,180	2,019	2,761	1,322	563
No. of Edina renter HHDS who cannot afford ⁴	2,746	3,259	4,420	3,678	5,117	5,877

¹Move Up New Construction Home Prices Closer to \$1,500,000
²2018 City of Edina Permits via Met Council
³Based on 2017 household income for ALL households adjusted for 2019.
⁴Based on 2017 ACS household income by tenure (i.e. owner and renter incomes) adjusted for 2019.
*Properties Built Prior to 2018
**Properties Built in 2018 and 2019

Source: Maxfield Research & Consulting, LLC

Metropolitan Council Affordable Housing Criteria and Benchmarks

The Metropolitan Council has established criteria and allocations for the Region's affordable housing needs and goals. Cities do not need to create enough units to meet their share of the need, but they must plan for the possibility of these units by guiding sufficient land at higher residential densities. The Metropolitan Council is also hoping to disperse low income households across communities in order to prevent further segregation of classes and races. For example, in the city of Edina much of the current affordable housing stock is concentrated in the eastern portion of the city near Southdale Center.

Each community's share of the need is based on the following:

- Overall forecasted growth;
- Its existing affordable housing stock; and
- The ratio of low-wage jobs to low-wage earning residents.

From 2021 to 2030, the Region's need for affordable housing is calculated at 37,900 units. Of that total, Edina's need is calculated at 1,220 units. This need is divided among the following income categories: units at or less than 30% of AMI (508), between 31% and 50% of AMI (325) and between 51% and 80% of AMI (387).

Edina's existing income-restricted rental stock provides a total of 560 units at or less than 50% of AMI and another 31 units between 50% and 80% of AMI. Because of the income requirements for most deep-subsidy units, it is difficult to separate units at less than 30% and those between 31% and 50% of AMI.

Within the NOAH category, Edina's rental stock provides 529 units affordable to households with incomes between 31% and 50% of AMI, 513 units between 50% and 60% of AMI and 1,647 units between 60% and 80% AMI.

As shown on Table HA-5, Edina's allocation is double that of St. Louis Park, less than Eden Prairie's and above that of other larger Hennepin County cities including Minnetonka, Bloomington, Golden Valley, Plymouth and Maple Grove. We note that St. Louis Park has a longer history of development of affordable housing than Edina. Therefore, it is logical that St. Louis Park's allocation would be much lower than Edina's.

HOUSING AFFORDABILITY

**TABLE HA-5
METROPOLITAN COUNCIL AFFORDABLE HOUSING ALLOCATION
2021 TO 2030**

City	2020	Affordable Allocation			Total	% of	Median	Median	Affordable Units	
	Households	<30% AMI	31%-50% AMI	51%-80%AMI		Households	HH Income	Net Worth	Deep-Subsidy	Shallow Subsidy
Edina	23,500	508	325	387	1,220	5.2%	\$107,749	\$687,275	582	0
St. Louis Park	23,600	309	178	106	593	2.5%	\$77,853	\$124,590	401	53
Minnetonka	24,200	508	412	144	1,064	4.4%	\$97,979	\$454,453	232	694
Eden Prairie	27,400	802	386	220	1,408	5.1%	\$116,107	\$554,413	309	97
Bloomington	38,600	445	246	151	842	2.2%	\$75,813	\$216,261	827	222
Golden Valley	9,300	53	34	24	111	1.2%	\$98,263	\$451,005	415	45
Plymouth	31,800	369	219	91	679	2.1%	\$105,132	\$462,483	163	221
Eagan	27,400	232	100	140	472	1.7%	\$89,097	\$261,551	0	262
Maple Grove	26,600	694	310	184	1,188	4.5%	\$108,696	\$452,164	100	329

Sources: Metropolitan Council; Maxfield Research and Consulting LLC

Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in Edina. This section of the report presents our estimates of housing demand in Edina from 2020 to 2030 and from 2030 to 2040.

Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The housing life-cycle stages are:

1. *Entry-level householders*
 - Often prefer to rent basic, inexpensive apartments
 - Usually singles or couples in their early 20's without children
 - Will often "double-up" with roommates in apartment setting
2. *First-time homebuyers and move-up renters*
 - Often prefer to purchase modestly priced single-family homes or rent more upscale apartments
 - Usually married or cohabiting couples, in their mid-20's or 30's, some with children, but most are without children
3. *Move-up homebuyers*
 - Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
 - Typically, families with children where householders are in their late 30's to 40's
4. *Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)*
 - Prefer owning but will consider renting their housing
 - Some will move to alternative lower-maintenance housing products
 - Generally, couples in their 50's or 60's
5. *Younger independent seniors*
 - Prefer owning but will consider renting their housing
 - Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
 - Generally, in their late 60's or 70's

6. *Older seniors*

- May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance
- Generally single females (widows) in their mid-70's or older

Demand for housing can come from several sources including household growth, changes in housing preferences and replacement need. Household growth necessitates building new housing unless there is enough desirable vacant housing available to absorb the increase in households. Demand is also affected by shifting demographic factors such as the aging of the population, which dictates the type of housing preferred. New housing to meet replacement need is required, even in the absence of household growth, when existing units no longer meet the needs of the population and when renovation is not feasible because the structure is physically or functionally obsolete.

Rural areas tend to have higher proportions of younger households that own their housing than in the larger growth centers or metropolitan areas such as the Twin Cities Metro Area. In addition, senior households tend to move to alternative housing at an older age. These conditions are a result of housing market dynamics, which typically provide more affordable single-family housing for young households and a scarcity of senior housing alternatives for older households.

The graphic on the following page provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided on the subsequent graphic.

Housing Demand Overview

The previous sections of this assessment focused on demographic and economic factors driving demand for housing in Edina. In this section, we utilize findings from the economic and demographic analyses to calculate demand for new general occupancy housing units in Edina. The ability to accommodate new construction in Edina will be constrained by the following factors: availability of land for new residential development, a predisposition toward increased density because of the scarcity of available land and the cost of land for new development. These factors cause new construction single-family and owned multifamily (townhomes and condominiums) to be priced at the executive level, pricing at \$750,000 and above for new condominiums and townhomes (primarily detached villas or twinhomes) and \$900,000 and above for new single-family homes.

Housing markets are driven by a range of supply and demand factors that vary by location and submarket. The following points outline several of the key variables driving housing demand.

HOUSING DEMAND ANALYSIS

DEMOGRAPHICS & HOUSING DEMAND							
Age Cohort	Student Housing	Rental Housing	1st-time Home Buyer	Move-up Home Buyer	2nd Home Buyer	Empty Nester/ Downsizer	Senior Housing
18-24	18 - 24						
25-29		18-34					
30-34			25-39				
35-39				30-49			
40-44					40-64		
45-49							
50-54							
55-59						55-74	
60-64							55+ & 65+
65-69		65-79					
70-74							
75-79							
80-84							
85+							

Source: Maxfield Research & Consulting, LLC

TYPICAL HOUSING TYPE CHARACTERISTICS				
	Housing Types	Target Market/Demographic	Unit/Home Characteristics	Lot Sizes/Units Per Acre ¹
For-Sale Housing	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR 2 BA	65'/+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	1,800 sq. ft. + 3-4 BR 2-3 BA	65'/+ wide lot 2.5-3.0 DU/Acre
	Executive Single family	Step-up buyers: Families, couples w/no children	2,500 sq. ft. + 3-4 BR 2-3 BA	85'/+ wide lot 2.5-3.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,200 to 2,500 sq. ft. 3-4 BR 2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-Level townhomes	First-time buyers: Singles, couples w/no children	1,100 to 1,600 sq. ft. 2-3 BR 1.5BA+	30'-38'/+ wide lot 6.0-12.0 DU/Acre
	Move-up townhomes	First-time & step-up buyers: Singles, couples, some families, empty-nesters	1,200 to 2,000 sq. ft. 2-3 BR 2 BA+	40'-50'/+ wide lot 6.0-8.0 DU/Acre
	Executive townhomes/twinhomes	Step-up buyers: Empty-nesters, retirees	1,600+ sq. ft. 3 BR+ 2 BA+	40'-55'/+ wide lot 4.0-6.0 DU/Acre
	Detached Townhome	Step-up buyers: Empty nesters, retirees, some families	1,800+ sq. ft. 3 BR+ 2 BA+	50'-55'/+ wide lot 4.0-6.0 DU/Acre
	Condominiums	First-time & step-up buyers: Singles, couples, empty-nesters, retirees	800 to 2,000 sq. ft. 1-2 BR 1-2BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
Rental Housing	Apartment-style rental housing	Singles, couples, single-parents, some families, seniors	500 to 1,250 sq. ft. 1-3 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
	Townhome-style rental housing	Single-parents, families w/children, empty nesters	900 to 1,700 sq. ft. 2-4 BR 1-2 BA	8.0-12.0 DU/Acre
	Student rental housing	College students, mostly undergraduates	450 to 1,400 sq. ft. 1-4 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 50.0+ DU/Acre
Both	Senior housing	Retirees, Seniors	400 to 1,500 sq. ft. Suites - 2BR 1-2 BA	Varies considerably based on senior product type

¹ Dwelling units(DU) per acre expressed in net acreage (minus right-of-way)
Source: Maxfield Research & Consulting, LLC

Demographics

Demographics are major influences that drive housing demand. Household formations are critical (natural growth, immigration, etc.) as are household types, size, age of householders, incomes, etc. Edina is aging, but as empty-nesters and seniors leave their single-family homes, they are often replaced by younger households, a portion of which will have families. The proportion of households with children however, continues to decrease overall in the Twin Cities Metro Area, except for the far outlying suburban communities outside of the core seven counties. In some areas, there has recently been an uptick in the number of children as this housing turnover occurs.

Economy & Job Growth

The economy and housing market are intertwined; the health of the housing market affects the broader economy and vice versa. Housing market growth depends on job growth (or the prospect of); jobs generate income growth which results in the formation of more households and can stimulate household turnover. Historically low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing household growth, which in-turn relates to reduced housing demand. Additionally, low income growth results in fewer move-up buyers which results in diminished housing turnover across all income brackets. Edina continues to be a leader in employment and the substantial amount of employment that exists in Edina and the immediately surrounding communities continues to support residential demand in the City.

Consumer Choice/Preferences

A variety of factors contribute to consumer choice and preferences. Many times, a change in family status is the primary factor for a change in housing type (i.e. growing families, empty-nest families, etc.). However, housing demand is also generated from the turnover of existing households who decide to move for a range of reasons. Some households may want to move-up, downsize, change their tenure status (i.e. owner to renter or vice versa), or simply move to a new location. Recently, there has been a modest increase in the proportion of households that elect to rent their housing, either younger households or older households. However, increasing demand in the owned housing sector, the high price of new construction and a preference for households to live closer into the core, has resulted in a low supply of existing homes on the market and prices for those homes being bid up or having multiple bid offers. Homes priced to the market are selling at times that are generally 20 days or less in desirable areas.

Supply (Existing Housing Stock)

The stock of existing housing plays a crucial component in the demand for new housing. There are a variety of unique household types and styles, not all of which are desirable to today's consumers. The age of the housing stock is an important component for housing demand, as communities with aging housing stocks have higher demand for remodeling services, replacement new construction, or new home construction as the current inventory may not provide the supply that consumers seek. Inner-ring suburbs such as Edina have an older housing that results in higher demand for remodeling services and infill redevelopment.

Pent-up demand may also exist if supply is unavailable as households may postpone a move until new housing becomes available.

Housing Finance

Household income is the fundamental measure that dictates what a householder can afford to pay for housing costs. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

After the Great Recession lenders “tightened the belts” on mortgage lending and it was difficult for many buyers to obtain financing. The ability of buyers to obtain mortgage financing has lightened as lenders have eased restrictions that had been in place since the recession. Although mortgage interest rates have recently increased, rates are still very low compared to previous decades. Credit requirements for buyers remain stricter than prior to the Recession.

Mobility

Demand is generally fluid between communities in the Twin Cities Metro Area and is impacted by development activity in neighboring communities in addition to throughout the core seven county metro area in general.

Estimated Demand for For-Sale Housing

Table HD-1 presents our demand calculations for general occupancy for-sale housing in Edina between 2020 to 2025 while tables HD-2 and HD-3 present demand calculations between 2025 and 2030 and 2030 and 2040, respectively.

The 65 and older cohort is typically not a target market for new single-family homes as many of these households will remain in their single-family homes or may relocate to owned multifamily or a senior housing option. For the purpose of this analysis, we include all households under age 65 and 50% of households over age 65. Using household income by age of householder data, Edina is expected to add 94 new households from 2020 to 2025, 126 households from 2025 to 2030 and 992 households from 2030 to 2040. We estimate that 68% would choose to own their housing (a decrease based on trends), which produces demand for 888 new general occupancy for-sale housing units from 2020 to 2025.

Additional demand is also forecast from existing Edina households through turnover. There are an estimated 16,928 owner-occupied households in Edina in 2020. Based on mobility data from the Census Bureau, an estimated 5% of owner households will turn over in a ten-year period, resulting in 846 existing households projected to turn over. Finally, we estimate 15% of the existing owner households would seek new for-sale housing, resulting in demand for 127 for-sale units to 2025.

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Next, we estimate that 30% of the total demand for new for-sale units in Edina will come from people currently living outside of the City. A portion of this market will be former residents of the area, such as “snow-birds” heading south for the winters. Adding demand from outside Edina to the existing demand potential, results in a total estimated demand for 269 for-sale housing units to 2025.

Based on land availability, building trends, and demographic shifts (increasing older adult population), we estimate that 30% of the for-sale owners will prefer traditional single-family product types while the remaining 30% will prefer a maintenance-free multi-family product (i.e. twin homes, townhomes, or condominiums).

The identified platted lots that are under construction or approved are subtracted from the total. After subtracting the current lot supply (seven SF lots in Blake Woods and 0 MF units), demand remains for 47 single-family lots and 215 multifamily lots/units to 2025. Demand is projected to 62 single-family lots and 146 multifamily lots/units by 2030 and increase to 92 single-family lots and 831 multifamily lots/units by 2040.

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TABLE HD 1 FOR-SALE HOUSING DEMAND EDINA 2020 to 2025			
Demand from Projected Household Growth			
Projected HH growth in Edina 2020 to 2025 ¹			94
(times) % propensity to own ²	x	65%	
(equals) Projected demand from new HH growth	=		61
Demand from Existing Owner Households			
Number of owner households in Edina (2020) ³			16,928
(times) Estimated percent of owner turnover ⁴	x	5%	
(equals) Total existing households projected to turnover	=		846
(times) Estimated percent desiring new housing	x	15%	
(equals) Demand from existing households			127
(equals) Total demand from HH growth and existing HHs 2020 to 2025	=		188
(times) Demand from outside Edina (30%)			30%
(equals) Total demand potential for ownership housing, 2020 to 2025			269
		Single Family	Multi-Family*
(times) Percent desiring for-sale single-family vs. multifamily ⁵	x	20%	80%
(equals) Total demand potential for new single-family & multifamily for-sale housing	=	54	215
(minus) Units under construction or approved platted lots (undeveloped and developed lots) ⁶	-	7	0
(equals) Excess demand for new general occupancy for-sale housing	=	47	215
¹ Estimated household growth based on projections for under 65 and 50% of age 65+ households ² Pct. of owner households (2018 ACS, and Maxfield Research and Consulting LLC) ³ Estimate based on ESRI, US Census Bureau and Maxfield Research and Consulting LLC ⁴ Based on average annual turnover from 2018 American Community Survey for households moving over a 5-year period. ⁵ Based on preference for housing type and land availability ⁶ Approved platted lot data does not account for the scattered lot supply which includes individual lots and lots in older non-marketing subdivisions. * Multi-family demand includes demand for townhomes, twinhomes, detached townhomes and condominium units.			
Sources: City of Edina; U.S. Census Bureau; Maxfield Research and Consulting LLC			

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TABLE HD 2 FOR-SALE HOUSING DEMAND EDINA 2025 to 2030			
Demand from Projected Household Growth			
Projected HH growth in Edina 2025 to 2030 ¹			126
(times) % propensity to own ²	x	65%	
(equals) Projected demand from new HH growth	=		82
Demand from Existing Owner Households			
Number of owner households in Edina (2025) ³			17,829
(times) Estimated percent of owner turnover ⁴	x	5%	
(equals) Total existing households projected to turnover	=		891
(times) Estimated percent desiring new housing	x	15%	
(equals) Demand from existing households			134
(equals) Total demand from HH growth and existing HHs 2025 to 2030	=		216
(times) Demand from outside Edina (30%)			30%
(equals) Total demand potential for ownership housing, 2025 to 2030			308
		Single Family	Multi-Family*
(times) Percent desiring for-sale single-family vs. multifamily ⁵	x	20%	80%
(equals) Total demand potential for new single-family & multifamily for-sale housing	=	62	246
(minus) Units under construction or approved platted lots (undeveloped and developed lots) ⁶	-	0	0
(equals) Excess demand for new general occupancy for-sale housing	=	62	246
¹ Estimated household growth based on projections for under 65+ and 50% of 65+ households ² Pct. of owner households (2018 ACS, and Maxfield Research and Consulting LLC) ³ Estimate based on ESRI, US Census Bureau and Maxfield Research and Consulting LLC ⁴ Based on average annual turnover from 2018 American Community Survey for households moving over a 5-year period. ⁵ Based on preference for housing type and land availability ⁶ Approved platted lot data does not account for the scattered lot supply which includes individual lots and lots in older non-marketing subdivisions. * Multi-family demand includes demand for townhomes, twinhomes, detached townhomes, and condominium units.			
Source: Maxfield Research and Consulting LLC			

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TABLE HD 3 FOR-SALE HOUSING DEMAND EDINA 2030 to 2040			
Demand from Projected Household Growth			
Projected HH growth in Edina 2030 to 2040 ¹			992
(times) % propensity to own ²	x	65%	
(equals) Projected demand from new HH growth	=		645
Demand from Existing Owner Households			
Number of owner households in Edina (2030) ³			18,768
(times) Estimated percent of owner turnover ⁴	x	5%	
(equals) Total existing households projected to turnover	=		938
(times) Estimated percent desiring new housing	x	10%	
(equals) Demand from existing households			94
(equals) Total demand from HH growth and existing HHs 2030 to 2040	=		739
(times) Demand from outside Edina (20%)			20%
(equals) Total demand potential for ownership housing, 2030 to 2040			923
		Single Family	Multi-Family*
(times) Percent desiring for-sale single-family vs. multifamily ⁵	x	10%	90%
(equals) Total demand potential for new single-family & multifamily for-sale housing	=	92	831
(minus) Units under construction or approved platted lots (undeveloped and developed lots) ⁶	-	0	0
(equals) Excess demand for new general occupancy for-sale housing	=	92	831
¹ Estimated household growth under age 65 and 50% of age 65+			
² Pct. of owner households (2018 ACS, and Maxfield Research and Consulting LLC)			
³ Estimate based on ESRI, US Census Bureau and Maxfield Research and Consulting LLC			
⁴ Based on average annual turnover from 2018 American Community Survey for households moving over a 5-year period.			
⁵ Based on preference for housing type and land availability			
⁶ Approved platted lot data does not account for the scattered lot supply which includes individual lots and lots in older non-marketing subdivisions.			
* Multi-family demand includes demand for townhomes, twinhomes, detached townhomes, and condominium units.			
Source: Maxfield Research and Consulting LLC			

Estimated Demand for General-Occupancy Rental Housing

Table HD-4 presents our calculation of general-occupancy rental housing demand in Edina between 2020 and 2025 while Tables HD-5 and HD-6 present demand calculations between 2025 and 2030 and 2030 and 2040, respectively. The analysis identifies potential demand for rental housing that is generated from new households and turnover households. A portion of the demand will be drawn from existing households in Edina that want to upgrade their housing situations.

Although the 65 and older cohort is not typically a primary target market for new general occupancy rental housing, the rising cost of owned housing and senior options has encouraged more seniors to move into the general occupancy market before considering age-restricted options. As such, we include all age groups in the demand calculation. At a propensity to rent of 30% of the total, demand from household growth equals 375 units between 2020 and 2025.

Demand will also occur from existing renter households through turnover. As of 2020, there are an estimated 6,517 renter households in Edina. Based on mobility data from the Census Bureau, an estimated 80% of renter households will turn over in a ten-year period, resulting in 5,214 existing households projected to turn over. Finally, we estimate 20% of the existing renter households will seek new rental housing, resulting in demand for 1,043 rental units to 2025.

Next, we estimate that 30% of the total demand for new rental units in Edina will come from people currently living outside of the Market Area. Adding demand from outside Edina to the existing demand potential, results in a total estimated demand for 1,418 rental housing units to 2025.

Based on a review of rental household incomes and sizes and monthly rents at existing projects, we estimate that approximately 15% of the total demand will be for subsidized housing (50% or less AMI), 30% will be for affordable housing (51% to 80% AMI) and 55% will be for market rate housing (80% AMI or above and non-income restricted).

Next, we subtract housing developments under construction or pending, since these projects will satisfy some of the calculated demand for general occupancy rental housing. There are five pending developments that will offer affordable rental units. They include: the Lorient (3 units), Millennium at Southdale Phase One & Two (18 units), 4100 76th Street West (70 units), 7001 France Avenue (90 units) and Amundson Flats (62 units). There are four pending market rate developments, which include Millennium at Southdale (357 units), Promenade Residences (186 units), The Lorient (43 units), and 7001 France Avenue (135 units).

Additional rental units being developed in nearby cities such as Minnetonka, Bloomington, Richfield and St. Louis Park may capture a portion of the demand allocated to Edina. Overall, additional rental units coming on-line in the market within Edina's Primary Market Area is likely to create additional temporary softness in the market, raising vacancy rates in the short-term.

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After subtracting units under construction or pending results in demand for 284 subsidized units, 397 affordable units and 430 market rate units between 2020 and 2025. Demand is projected to increase to 258 subsidized units, 517 affordable units and 947 market rate units between 2025 and 2030 and to 327 subsidized units, 655 affordable units and 1,200 market rate units between 2030 and 2040.

TABLE HD-4 RENTAL HOUSING DEMAND EDINA 2020 to 2025			
Demand from Projected Household Growth			
Projected HH growth in Edina 2020 to 2025 ¹			1,250
(times) Estimated % to be renting their housing ²	x		30%
(equals) Projected demand from new HH growth	=		375
Demand from Existing Renter Households			
Number of renter HHs in Edina (2020) ³			6,517
(times) Estimated percent of renter turnover ⁴	x		80%
(equals) Total existing households projected to turnover	=		5,214
(times) Estimated percent desiring new rental housing	x		20%
(equals) Demand from existing households			1,043
(equals) Total demand from HH growth and existing HHs 2020 to 2025	=		1,418
(times) Demand from outside Edina			30%
(equals) Total demand potential for rental housing, 2020 to 2025			2,025
		Deep Subsidy	Shallow Subsidy
(times) Percent of rental demand by product type ⁵	x	15%	30%
(equals) Total demand potential for general-occupancy rental housing units	=	304	608
(minus) Units under construction or pending ⁶	-	20	211
(equals) Excess demand for new general occupancy rental housing	=	284	397
		Market Rate	
			684
			430
¹ Estimated household growth based on projections. Some totals do not add exactly due to rounding. ² Pct. of renter households under age 65 adjusted to 2020. ³ Estimate based on 2018 ACS renter households adjusted for current estimates ⁴ Based on on turnover from 2018 American Community Survey for renter households moving over 5-year period. ⁵ Based on the combination of current rental product and household incomes of area renters (non-senior households) ⁶ Pending/proposed/under construction at 95% occupancy.			
Source: Maxfield Research and Consulting LLC			

Demand for Active Adult (55+) Housing

Table HD-7 presents our demand calculations for market rate active adult/few services housing in Edina for 2020 and 2025 while Tables HD-8 and HD-9 present demand calculations for 2025 and 2030 and 2030 and 2040, respectively.

In order to determine demand for active adult housing, the potential market is reduced to those households that are both age and income qualified. The age-qualified market is defined as older adults age 55 and older, although most of these properties will primarily attract households age 65 and older.

We calculate that the minimum income needed to afford monthly rents is \$50,000 or more plus homeowner households with incomes between \$40,000 and \$50,000 who would be able to supplement their incomes with the proceeds from a home sale. We estimate the number of age/income-qualified senior households in Edina in 2020 to be 10,832 households.

Adjusting to include appropriate long-term capture rates for each age cohort (1.0% of households age 55 to 64, 6.5% of households age 65 to 74, and 13.5% of households age 75 and over) results in a market rate demand potential for 717 active adult (55+) units in 2020.

The demand is apportioned between ownership and rental housing. Based on the age distribution, homeownership rates and current product available in Edina, we estimate that 60% of Edina's demand will be for adult ownership housing (430 units) and 40% will be for rental housing (287 units).

Some additional demand will come from outside Edina. We estimate that 30% of the demand will be generated by seniors currently residing outside Edina. This demand will consist primarily of parents of adult children living in Edina, individuals who live just outside Edina and have an orientation to the area, as well as former residents who desire to return. Together, the demand from Edina seniors and demand from seniors who would relocate to Edina results in a demand for 614 ownership and 409 market rate active adult units in 2020.

Next, we subtract existing competitive market rate units (minus a vacancy factor of 5% to allow for sufficient consumer choice and turnover) from the owner and rental demand. Subtracting the existing competitive market rate units results in total demand potential for 126 adult owner-occupied units and 252 active adult rental units.

Adjusting for inflation, we have estimated that households with incomes of \$55,000 or more and homeowners with incomes of \$45,000 to \$54,999 would income qualify for market rate independent senior housing in 2030. These figures increase to households with incomes of \$60,000 or more and homeowners with incomes of \$50,000 to \$60,000 in 2040. Considering the growth in the older adult base and the income distribution of the older adult population in 2025, the methodology estimates demand for 219 adult owner-occupied units and 314 active adult rental units in Edina . The demand is cumulative, meaning any additional units developed

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over the period would reduce the demand in 2025. Demand in 2030 is identified at 220 active adult owned units and 315 active adult rental units and increases to 228 owned and 320 rental units by 2040.

TABLE HD-7						
MARKET RATE ACTIVE ADULT/FEW SERVICES HOUSING DEMAND						
EDINA						
2020 and 2025						
	2020			2025		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of \$50,000 or More	4,007	3,072	2,711	3,817	3,722	3,562
(plus) # of Households w/ Incomes of \$40,000 to \$49,999 ¹	+ 150	252	524	103	239	552
(times) Homeownership Rate	x 82%	82%	67%	82%	82%	67%
(equals) Potential Market	= 123	207	351	= 84	196	370
(equals)Total Potential Market Base	= 4,130	3,279	3,423	= 3,901	3,918	3,932
(times) Potential Capture Rate	x 1.0%	6.5%	13.5%	x 1.0%	6.5%	13.5%
(equals) Demand Potential	= 41	213	462	= 39	255	531
Total Market Rate Demand Potential	= 717 			= 824 		
	Ownership		Rental	Ownership		Rental
(times) % for ownership/rental formats	x 60%		x 40%	x 60%		x 40%
(equals) Demand potential	= 430		287	= 495		= 330
(plus) Demand from Outside Market Area (30%)	+ 184		+ 123	+ 212		+ 141
(equals) Total Demand Potential	= 614		= 409	= 707		= 471
(minus) Existing Competitive and Pending Units ²	- 488		- 157	- 488		- 157
(equals) Excess Demand for Market Rate Active Adult Units	= 126		= 252	= 219		= 314
¹ 2025 income-qualified figures (\$50K or more + homeowners w/ inc. of \$40K - \$50K)						
² Competitive existing and pending units include adult rental/ownership at 95% occupancy (market equilibrium).						
Source: Maxfield Research and Consulting Inc.						

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TABLE HD-8
MARKET RATE ACTIVE ADULT/FEW SERVICES HOUSING DEMAND
EDINA
2025 & 2030

	2025			2030		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of \$50,000 or More	3,817	3,722	3,562	3,634	3,718	3,608
(plus) # of Households w/ Incomes of \$40,000 to \$49,999 ¹	+ 103	239	552	112	241	536
(times) Homeownership Rate	x 82%	82%	67%	80%	80%	65%
(equals) Potential Market	= 84	196	370	= 90	193	348
(equals) Total Potential Market Base	= 3,901	3,918	3,932	= 3,724	3,911	3,956
(times) Potential Capture Rate	x 1.0%	6.5%	13.5%	x 1.0%	6.5%	13.5%
(equals) Demand Potential	= 39	255	531	= 37	254	534
Total Market Rate Demand Potential	= 824 			= 826 		
	Ownership		Rental	Ownership		Rental
(times) % for ownership/rental formats	x 60%		x 40%	x 60%		x 40%
(equals) Demand potential	= 495		330	= 495		330
(plus) Demand from Outside Market Area (30%)	+ 212		+ 141	+ 212		+ 142
(equals) Total Demand Potential	= 707		= 471	= 708		= 472
(minus) Existing Competitive and Pending Units ²	- 488		- 157	- 488		- 157
(equals) Long-term Demand	= 219		= 314	= 220		= 315
¹ 2030 income-qualified figures adjusted for inflation (\$55K or more + homeowners w/ inc. of \$45K - \$55K)						
² Competitive existing and pending units include adult rental/ownership at 95% occupancy (market equilibrium).						
Source: Maxfield Research and Consulting Inc.						

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TABLE HD-9 MARKET RATE ACTIVE ADULT/FEW SERVICES HOUSING DEMAND EDINA 2030 & 2040						
	2030			2040		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of \$55,000 or More	3,634	3,718	3,608	3,444	3,391	3,603
(plus) # of Households w/ Incomes of \$45,000 to \$54,999 ¹	+ 112	241	536	116	224	511
(times) Homeownership Rate	x 80%	80%	65%	78%	78%	62%
(equals) Potential Market	= 90	193	348	= 90	175	317
(equals) Total Potential Market Base	= 3,724	3,911	3,956	= 3,534	3,566	3,920
(times) Potential Capture Rate	x 1.0%	6.5%	13.5%	x 1.0%	6.5%	14.5%
(equals) Demand Potential	= 37	254	534	= 35	232	568
Total Market Rate Demand Potential	= 826 			= 835 		
(times) % for ownership/rental format	Ownership		Rental	Ownership		Rental
	x 60%		x 40%	x 60%		x 40%
(equals) Demand potential	= 495		330	= 501		334
(plus) Demand from Outside Market Area (30%)	+ 212		+ 142	+ 215		+ 143
(equals) Total Demand Potential	= 708		= 472	= 716		= 477
(minus) Existing Competitive and Pending Units ²	- 488		- 157	- 488		- 157
(equals) Long-term Demand	= 220		= 315	= 228		= 320
¹ 2040 income-qualified figures adjusted for inflation (\$60K or more + homeowners w/ inc. of \$50K - \$60K)						
² Competitive existing and pending units include adult rental/ownership at 95% occupancy (market equilibrium).						
Source: Maxfield Research and Consulting Inc.						

Demand for Subsidized/Affordable Active Adult Housing

Table HD-10 presents our demand calculations for subsidized/affordable active adult (55+ or 62+) housing in Edina in 2020 and 2025 while Tables HD-11 and HD-12 present demand calculations for 2025 and 2030 and 2030 and 2040, respectively.

In order to arrive at the potential age and income qualified base for low income and affordable housing, we include all older adult (55+) households with incomes less than \$48,000. We exclude 55+ homeowner households with incomes between \$21,000 and \$47,999, as these households are most likely to have additional equity that could be converted to monthly income following the sales of their single-family homes.

Households in need-based situations (either requiring services or financial assistance) more readily move to housing alternatives than those in non-need-based situations. Therefore, the capture rate among each age group is higher than for market rate housing. Capture rates are

employed at 5.0% for households age 55 to 64, 15.0% for households age 65 to 74 and 20.0% for households age 75 and older.

Seniors in need-based situations are less selective when securing housing than those in non-need-based situations. Typically, demand is high for these developments because households seeking assisted housing are more likely to search in a broader geographic area.

Using the methodology described above results in a demand potential for 978 subsidized or affordable senior units. After adjusting for household incomes, demand results for 304 subsidized units and 294 affordable units.

Next we subtract existing competitive units from the overall demand. There are 381 existing subsidized independent units in the Market Area - minus a vacancy factor of 3% to allow for sufficient consumer choice and turnover). After subtracting these units, demand remains for 304 subsidized and 294 affordable age-restricted units in 2020.

Adjusting for inflation, we estimate that households with incomes up to \$51,700 would be candidates for financially-assisted independent housing in 2025. We reduce the potential market by homeowner households earning between \$24,700 and \$51,699 that would exceed income-restrictions once equity from their home sales is converted to monthly income. In 2030, households with incomes up to \$55,700 would be candidates for financially-assisted independent housing. The potential market is reduced by homeowners earning between \$28,700 and \$55,699. By 2040 income qualified households are those earning less than \$64,650. The market is reduced by homeowners earning between \$38,000 and \$64,649.

Following the same methodology, we project demand in Edina for 165 subsidized units and 234 affordable units in 2025. This increases to 289 subsidized units and 287 affordable units in 2030 and 396 subsidized units and 518 affordable units in 2040.

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TABLE HD-10 DEEP-SUBSIDY/SHALLOW SUBSIDY ACTIVE ADULT HOUSING DEMAND EDINA 2020 and 2025						
	2020			2025		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes \$48,000 or Less ¹	672	1,036	2,416	469	981	2,468
(minus) Owner HHs w/Incomes of \$21,000 to \$47,999	- 222	346	882	- 273	627	1,378
(times) Homeownership Rate	x 82%	82%	67%	x 82%	82%	67%
(equals) Total Potential Market Base	= 490	752	1,825	= 245	467	1,545
(times) Potential Capture Rate	x 5.0%	15.0%	30.0%	x 5.0%	15.0%	30.0%
(equals) Demand Potential	= 24	113	548	= 12	70	463
(equals) Potential Demand from Residents	= 685			546		
(plus) Demand from outside Edina (30%)	+ 294			+ 234		
(equals) Total Demand Potential	= 978			= 780		
	Deep-Subsidy		Shallow Subsidy	Deep-Subsidy		Shallow Subsidy
(times) % by Product Type	x 70%		x 30%	x 70%		x 30%
(equals) Demand Potential by Product Type	= 685		= 294	= 546		= 234
(minus) Existing and Pending Active Adult Units ²	- 381		- 0	- 381		- 0
(equals) Excess Demand for Aff/Sub Units	= 304		= 294	= 165		= 234
¹ 2025 calculations define income-qualified households as all households with incomes less than \$51,700. Homeowner households with incomes between \$24,700 and \$51,699 are excluded from the market potential for financially-assisted housing. ² Existing units are deducted at market equilibrium, or 97% occupancy. Note: Individuals 18 and over with a qualified disability are eligible to reside in most units under the HUD Section 8 program. Source: Maxfield Research and Consulting LLC						

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TABLE HD-11
DEEP-SUBSIDY/SHALLOW SUBSIDY ACTIVE ADULT HOUSING DEMAND
EDINA
2025 and 2030

	2025			2030		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes \$51,700 or Less ¹	469	981	2,468	512	1,107	2,857
(minus) Owner HHs w/Incomes of \$24,700 to \$51,699	- 273	- 627	- 1,378	- 286	- 650	- 1,485
(times) Homeownership Rate	x 82%	x 82%	x 67%	x 80%	x 80%	x 65%
(equals) Total Potential Market Base	= 245	= 467	= 1,545	= 283	= 587	= 1,892
(times) Potential Capture Rate	x 5.0%	x 15.0%	x 30.0%	x 5.0%	x 15.0%	x 30.0%
(equals) Demand Potential	= 12	= 70	= 463	= 14	= 88	= 568
(equals) Potential Demand from Residents	= 546			670		
(plus) Demand from outside Edina (30%)	+ 234			+ 287		
(equals) Total Demand Potential	= 780			= 957		
	Deep-Subsidy		Shallow Subsidy	Deep-Subsidy		Shallow Subsidy
(times) % by Product Type	x 70%		x 30%	x 70%		x 30%
(equals) Demand Potential by Product Type	= 546		= 234	= 670		= 287
(minus) Existing and Pending Active Adult Units ²	- 381		- 0	- 381		- 0
(equals) Excess Demand for Aff/Sub Units	= 165		= 234	= 289		= 287
¹ 2030 calculations define income-qualified households as all households with incomes less than \$55,700. Homeowner households with incomes between \$28,700 and \$55,699 are excluded from the market potential for financially-assisted housing. ² Existing units are deducted at market equilibrium, or 97% occupancy. Fairview units were adjusted to include 90% as occupied by seniors. Note: Individuals 18 and over with a qualified disability are eligible to reside in most units that are under a HUD Section 8 program. Source: Maxfield Research and Consulting LLC						

HOUSING DEMAND ANALYSIS

TABLE HD-12 DEEP-SUBSIDY/SHALLOW SUBSIDY ACTIVE ADULT HOUSING DEMAND EDINA 2030 and 2040						
	2030			2040		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes \$55,700 or Less ¹	512	1,107	2,857	597	1,237	3,535
(minus) Owner HHs with incomes between \$28,700 and \$55,699	- 286	650	1,485	291	603	1,519
(times) Homeownership Rate	x 80%	80%	65%	x 78%	78%	63%
(equals) Total Potential Market Base	= 283	587	1,892	= 370	767	2,578
(times) Potential Capture Rate	x 5.0%	15.0%	30.0%	x 5.0%	15.0%	30.0%
(equals) Demand Potential	= 14	88	568	= 19	115	773
(equals) Potential Demand from Residents	= 670			907		
(plus) Demand from outside Edina (30%)	+ 287			+ 389		
(equals) Total Demand Potential	= 957			= 1,296		
	Deep-Subsidy	Shallow Subsidy		Deep-Subsidy	Shallow Subsidy	
(times) % by Product Type	x 70%	x	30%	x 60%	x	40%
(equals) Demand Potential by Product Type	= 670	=	287	= 777	=	518
(minus) Existing and Pending Active Adult Units ²	- 381	-	0	- 381	-	0
(equals) Excess Demand for Aff/Sub Units	= 289	=	287	= 396	=	518
¹ 2040 calculations define income-qualified households as all households with incomes less than \$64,650. Homeowner households with incomes between \$38,000 and \$64,649 are excluded from the market potential for financially-assisted housing.						
² Existing units are deducted at market equilibrium, or 97% occupancy.						
Note: Individuals 18 and over with a qualified disability are eligible to reside in most units that are under a HUD Section 8 program.						
Source: Maxfield Research and Consulting LLC						

Demand for Independent (Congregate) Housing

Table HD-13 presents our demand calculations for independent living (congregate) housing in Edina in 2020 and 2025 while Tables HD-14 and HD-15 present demand calculations for 2025 and 2030 and 2030 and 2040, respectively.

The potential age- and income-qualified base for independent living senior housing includes all senior (65+) households with incomes of \$50,000 as well as homeowner households with incomes between \$40,000 and \$49,999 who would qualify with the proceeds from the sales of their homes. The proportion of income-qualified homeowners is based on the estimated 2019 homeownership rates of Edina seniors, which are then adjusted over time based on long-term homeownership trends. The number of age, income, and asset-qualified households in Edina is estimated to be 6,341 households in 2020.

Demand for independent living (congregate) housing is need-driven, which reduces the qualified market to only the portion of seniors who need some assistance. Adjusting to include appropriate capture rates for each age cohort (1.5% of households age 65 to 74 and 14.5% of households age 75 and older) results in a local demand potential for 493 independent living units in 2020.

HOUSING DEMAND ANALYSIS

We estimate that seniors currently residing outside of Edina will generate 30% of the demand. Together, the demand from Edina seniors and demand from seniors who are willing to locate to Edina totals 705 independent living units in 2020. Next, we subtract existing independent living units in Edina. Therefore, demand is reduced to 267 units in 2020.

Adjusting for inflation, we estimate that households with incomes of \$50,000 or more and senior homeowners with incomes between \$40,000 and \$49,999 would qualify for independent living housing in 2025. This increases to households with incomes of \$55,000 or more and senior homeowners with incomes between \$45,000 and \$54,999 in 2030 and to households with incomes of \$60,000 or more and senior homeowners with incomes between \$50,000 and \$59,999 in 2040. Following the same methodology, demand is increases to 460 units in 2025 553 units in 2030 and 483 units in 2040.

TABLE HD-13				
MARKET RATE INDEPENDENT (CONGREGATE) RENTAL HOUSING DEMAND				
EDINA				
2020 and 2025				
	2020		2025	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of \$50,000 or More ¹	3,072	2,711	3,722	3,562
# of Households w/ Incomes of \$40,000 to \$49,999 ¹	+ 252	523	+ 239	551
(times) Homeownership Rate	x 82%	67%	x 82%	67%
(equals) Total Potential Market Base	= 3,279	3,062	= 3,918	3,931
(times) Potential Capture Rate ²	x 1.5%	14.5%	x 1.5%	14.5%
(equals) Potential Demand	= 49	+ 444	= 59	+ 570
Potential Demand from Edina Residents	= 493		= 629	
(plus) Demand from Outside Edina (30%)	+ 211		+ 269	
(equals) Total Demand Potential	= 705		= 898	
(minus) Existing and Pending Independent (Congregate) Units ³	- 438		- 438	
(equals) Total Independent (Congregate) Demand Potential	= 267		= 460	

¹2025 calculations define income-qualified households as all households with incomes greater than \$50,000 and homeowner households with incomes between \$40,000 and \$49,999.

² The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2008 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typically need assistance with multiple IADLs and are primary candidates for service-intensive assisted living).

³ Competitive units include independent (congregate) units at 95% occupancy (market equilibrium).

Source: Maxfield Research and Consulting LLC

HOUSING DEMAND ANALYSIS

TABLE HD-14				
MARKET RATE INDEPENDENT (CONGREGATE) RENTAL HOUSING DEMAND				
EDINA				
2025 and 2030				
	2025		2030	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of \$50,000 or More ¹	3,722	3,562	3,599	3,846
# of Households w/ Incomes of \$40,000 to \$49,999 ¹	+ 239	551	+ 397	792
(times) Homeownership Rate	x 82%	67%	x 82%	67%
(equals) Total Potential Market Base	= 3,918	3,931	= 3,925	4,377
(times) Potential Capture Rate ²	x 1.5%	14.5%	x 1.5%	14.5%
(equals) Potential Demand	= 59	+ 570	= 59	+ 635
Potential Demand from Edina Residents	= 629		= 694	
(plus) Demand from Outside Edina (30%)	+ 269		+ 297	
(equals) Total Demand Potential	= 898		= 991	
(minus) Existing and Pending Independent (Congregate) Units ³	- 438		- 438	
(equals) Total Independent (Congregate) Demand Potential	= 460		= 553	

¹2030 calculations define income-qualified households as all households with incomes greater than \$55,000 and homeowner households with incomes between \$45,000 and \$54,999.

²The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2008 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typically need assistance with multiple IADLs and are primary candidates for service-intensive assisted living).

³Competitive units include Independent (congregate) units at 95% occupancy (market equilibrium).

Source: Maxfield Research and Consulting LLC

TABLE HD-15				
MARKET RATE INDEPENDENT (CONGREGATE) RENTAL HOUSING DEMAND				
EDINA				
2030 and 2040				
	2030		2040	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of \$55,000 or More ¹	3,599	3,846	3,390	3,603
# of Households w/ Incomes of \$45,000 to \$54,999 ¹	+ 397	792	+ 396	653
(times) Homeownership Rate	x 82%	67%	x 80%	70%
(equals) Total Potential Market Base	= 3,925	4,377	= 3,707	4,061
(times) Potential Capture Rate ²	x 1.5%	14.5%	x 1.5%	14.5%
(equals) Potential Demand	= 59 + 635		= 56 + 589	
Potential Demand from Edina Residents	= 694		= 644	
(plus) Demand from Outside Edina (30%)	+ 297		+ 276	
(equals) Total Demand Potential	= 991		= 921	
(minus) Existing and Pending Independent (Congregate) Units ³	- 438		- 438	
(equals) Total Independent (Congregate) Demand Potential	= 553		= 483	

¹2040 calculations define income-qualified households as all households with incomes greater than \$60,000 and homeowner households with incomes between \$50,000 and \$59,999.

²The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2008 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typically need assistance with multiple IADLs and are primary candidates for service-intensive assisted living).

³Competitive units include Independent (congregate) units at 95% occupancy (market equilibrium).

Source: Maxfield Research and Consulting LLC

Demand for Assisted Living Housing

Table HD-16 presents our demand calculations for assisted living senior housing in Edina in 2020 and 2025 while tables HD-17 and HD-18 present demand for 2025 and 2030 and 2030 and 2040, respectively. This analysis focuses on the potential *private pay/market rate* demand for assisted living units.

The availability of more intensive support services such as meals, housekeeping and personal care at assisted living facilities usually attracts older, frailer seniors. According to the 2009 Overview of Assisted Living (which is a collaborative research project by the American Association of Homes and Services for the Aging, the American Seniors Housing Association, National Center for Assisted Living, and National Investment Center for the Seniors Housing and Care Industry), the average age of residents in freestanding assisted living facilities was 87 years in 2008. Hence, the age-qualified market for assisted living is defined as seniors ages 75 and over, as we estimate that of the half of demand from seniors under age 87, almost all would be from seniors over age 75. In 2020, there are an estimated 7,088 seniors age 75 and older in Edina.

Demand for assisted living housing is need-driven, which reduces the qualified market to only the portion of seniors who need assistance. According to a study completed by the U.S. Census Bureau (1999 panels of the Survey of Income and Program Participation (SIPP) files), 30% of seniors needed assistance with everyday activities (from 25.5% of 75-to-79-year-olds, to 33.6% of 80-to-84-year-olds and 51.6% of 85+ year olds). Applying these percentages to the senior population yields a potential assisted living market of 2,711 seniors in Edina.

Due to the supportive nature of assisted living housing, most daily essentials are included in monthly rental fees, which allow seniors to spend a higher proportion of their incomes on housing with basic services. Therefore, the second step in determining the potential demand for assisted living housing in Edina is to identify the income-qualified market based on a senior's ability to pay the monthly rent. We consider seniors in households with incomes of \$40,000 or greater to be income-qualified for assisted living senior housing in Edina. Households with incomes of \$40,000 could afford monthly assisted living fees of \$3,000 by allocating 90% of their income toward the fees.

According to the 2009 Overview of Assisted Living, the average arrival income of assisted living residents in 2008 was \$27,260, while the average annual assisted living fee was \$37,281 (\$3,107/month). This data highlights that seniors are spending down assets to live in assisted living and avoid institutional care. Thus, in addition to households with incomes of \$40,000 or greater, there is a substantial base of senior households with lower incomes who income-qualify based on assets – their homes, in particular.

Sixty-seven percent of the age 75+ households in Edina were homeowners in 2019 and the median resale price of homes through the end of September 2019 in Edina was \$465,000. Seniors selling their homes for the median resale price would generate an estimated \$437,100 in proceeds after selling costs. With an average monthly fee of \$3,800, these proceeds would last nearly ten years in an assisted living facility, which is higher than the average length of stay in assisted living (27 months according to the 2009 Overview of Assisted Living). For each age group in Table HD-16, we estimate the income-qualified percentage to be all seniors in households with incomes above \$40,000 (who could afford monthly rents of \$3,800+ per month) plus 40% of the estimated seniors in homeowner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). This results in a total potential market of 1,979 units in 2020.

Because most assisted living residents are single (88% according to the 2009 Overview of Assisted Living), our demand methodology multiplies the total potential market by the percentage of seniors age 75+ in Edina living alone. Based on Census data, an estimated 58% of age 75+ households in Edina lived alone. Applying this percentage results in a total base of 1,149 age/income-qualified singles. The 2009 Overview of Assisted Living found that 12% of residents in assisted living were couples. Adding in couples would result in a total of 1,306 age/income-qualified seniors needing assistance in Edina including both couples and singles.

We estimate that roughly 72% of the qualified market needing significant assistance with Activities of Daily Living (“ADLs”) would either remain in their homes or less service-intensive senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility. The remaining 28% could be served by assisted living housing. Applying this potential market penetration rate of 28% results in demand for 366 assisted living units in 2020.

We estimate that a portion of demand for assisted living units (30%) will come from outside of Edina. Applying this figure results in total potential demand for 522 market rate assisted living units in Edina.

There are 395 assisted living units in Edina. After adjusting for households that would utilize Elderly Waivers and accounting for the remaining competitive units (minus a 93% occupancy rate) from the total demand potential, demand is calculated for 127 assisted living units in the Edina in 2020. Demand increases to 224 assisted living units in 2025 and 298 assisted living units in 2030.

Additional demand could come from seniors that will need to receive supplemental income in order to afford assisted living or memory care housing. While some of these seniors will receive income from the sales of their homes, others will need to rely on other sources of public aid. The Elderly Waiver program has provided public funding for seniors who wish to receive “alternative” care that allows them to stay in the community as opposed to receiving similar care at a nursing home.

HOUSING DEMAND ANALYSIS

Most assisted living developments require residents to have lived in their facility for a certain amount of time before they can use a waiver, and most limit the number of waivers accepted within the community to no more than 15% to 20%. Some small facilities may accept higher amounts of residents on waivers and some new facilities will not accept waivers from first-time residents.

TABLE HD-16 MARKET RATE ASSISTED LIVING DEMAND EDINA 2020 and 2025						
Age group	2020			2025		
	People	Percent Needing Assistance ¹	Number Needing Assistance ¹	People	Percent Needing Assistance ¹	Number Needing Assistance ¹
75 - 79	2,255	25.5%	575	3,013	25.5%	768
80 - 84	1,987	33.6%	668	2,344	33.6%	787
85+	2,846	51.6%	1,469	3,125	51.6%	1,612
Total	7,088		2,711	8,482		3,168
Percent Income-Qualified²			73%			74%
Total potential market			1,979			2,344
(times) Percent living alone		x	58%			58%
(equals) Age/income-qualified singles needing assistance		=	1,149			1,361
(plus) Proportion of demand from couples (12%) ³		+	157			186
(equals) Total age/income-qualified market needing assistance		=	1,306			1,547
(times) Potential penetration rate ⁴		x	28%			28%
(equals) Potential demand from Edina residents		=	366			433
(plus) Proportion from outside Edina (30%)		+	157			186
(equals) Total potential assisted living demand		=	522			619
(minus) Existing market rate assisted living units ⁵		-	395			395
(equals) Total excess market rate assisted living demand		=	127			224
¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics.						
² Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing).						
³ The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.						
⁴ We estimate that 72% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility.						
⁵ Existing and pending units at 93% occupancy and 15% for Elderly Waivers						
Source: Maxfield Research and Consulting LLC						

TABLE HD-17
MARKET RATE ASSISTED LIVING DEMAND
EDINA
2025 and 2030

Age group	2025			2030		
	People	Percent Needing Assistance ¹	Number Needing Assistance ¹	People	Percent Needing Assistance ¹	Number Needing Assistance ¹
75 - 79	3,013	25.5%	768	3,358	25.5%	856
80 - 84	2,344	33.6%	787	2,779	33.6%	934
85+	3,125	51.6%	1,612	3,416	51.6%	1,763
Total	8,482		3,168	9,554		3,553
Percent Income-Qualified²			74%			74%
Total potential market			2,344			2,629
(times) Percent living alone			x 58%			58%
(equals) Age/income-qualified singles needing assistance			= 1,360			1,525
(plus) Proportion of demand from couples (12%) ³			+ 185			208
(equals) Total age/income-qualified market needing assistance			= 1,545			1,733
(times) Potential penetration rate ⁴			x 28%			28%
(equals) Potential demand from Edina residents			= 433			485
(plus) Proportion from outside Edina (35%)			+ 185			208
(equals) Total potential assisted living demand			= 618			693
(minus) Existing market rate assisted living units ⁵			- 395			395
(equals) Total excess market rate assisted living demand			= 223			298
¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics.						
² Includes households with incomes of \$45,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of estimated owner households with incomes below \$45,000 (who will spend down assets, including home-equity, in order to live in assisted living housing).						
³ The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.						
⁴ We estimate that 72% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility.						
⁵ Existing and pending units at 93% occupancy and 15% for Elderly Waivers.						
Source: Maxfield Research and Consulting LLC						

TABLE HD-18
MARKET RATE ASSISTED LIVING DEMAND
EDINA
2030 and 2040

	2030			2040		
	People	Percent Needing Assistance ¹	Number Needing Assistance ¹	People	Percent Needing Assistance ¹	Number Needing Assistance ¹
Age group						
75 - 79	3,358	25.5%	856	4,053	25.5%	1,033
80 - 84	2,779	33.6%	934	3,695	33.6%	1,242
85+	3,416	51.6%	1,763	4,053	51.6%	2,091
Total	9,554		3,553	11,801		4,366
Percent Income-Qualified ²			74%			70%
Total potential market			2,629			3,056
(times) Percent living alone			x 58%			58%
(equals) Age/income-qualified singles needing assistance			= 1,525			1,773
(plus) Proportion of demand from couples (12%) ³			+ 208			242
(equals) Total age/income-qualified market needing assistance			= 1,733			2,014
(times) Potential penetration rate ⁴			x 28%			28%
(equals) Potential demand from Edina residents			= 485			564
(plus) Proportion from outside Edina (30%)			+ 208			242
(equals) Total potential assisted living demand			= 693			806
(minus) Existing market rate assisted living units ⁵			- 395			395
(equals) Total excess market rate assisted living demand			= 298			411
¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics.						
² Includes households with incomes of \$45,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of estimated owner households with incomes below \$45,000 (who will spend down assets, including home-equity, in order to live in assisted living housing); \$50,000 in 2040.						
³ The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.						
⁴ We estimate that 72% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility.						
⁵ Existing and pending units at 93% occupancy and 15% for Elderly Waivers.						
Source: Maxfield Research and Consulting LLC						

Demand for Memory Care Housing

Table HD-19 presents our demand calculations for market rate memory care senior housing in Edina in 2020 and 2025 while Tables HD-20 and HD-21 present demand for 2025 and 2030 and 2030 and 2040, respectively.

Demand is calculated by starting with the estimated Edina senior (age 65+) population in 2020 and multiplying by the incidence rate of Alzheimer's/dementia among this population's age cohorts. According to the Alzheimer's Association (Alzheimer's Disease Facts and Figures, 2019), 3% of seniors ages 65 to 74, 17% of seniors ages 75 to 84, and 32% of seniors ages 85+ are afflicted with Alzheimer's Disease. This yields a potential market of 1,828 seniors in Edina in 2020.

Because of the staff-intensive nature of dementia care, typical monthly fees for this type of housing are at least \$4,000 and range upwards of \$5,000 to \$6,000 when including service packages. Based on our review of senior household incomes in Edina, homeownership rates and home sale data, we estimate that 69% of seniors in Edina would have incomes and/or assets to sufficiently cover the costs of memory care housing. This figure considers married couple households where one spouse may have memory care needs and allows for a sufficient income for the other spouse to live independently. Multiplying the number of seniors with Alzheimer's/dementia (1,828 seniors) by the income-qualified percentage results in a total of 1,262 age/income-qualified seniors in Edina in 2020.

According to data from the National Institute of Aging, about 20% of all individuals with memory care impairments comprise the market for memory care housing units. This figure considers that seniors in the early stages of dementia will be able to live independently with the care of a spouse or other family member, while those in the later stages of dementia will require intensive medical care that would only be available in skilled care facilities. Applying this figure to the estimated population with memory impairments yields a potential market of 252 seniors in Edina.

We estimate that 30% of the overall demand for memory care housing would come from outside of Edina. Together, demand totals 360 memory care units in 2020.

We reduce the demand potential by accounting for the existing memory care product in Edina. There are 246 units; however, we reduce the competitive units to include memory care units at a 7% vacancy rate and a portion of units occupied by residents utilizing Elderly Waiver. Subtracting these competitive units results in demand for 114 units as of 2020.

Potential demand for market rate memory care units in Edina is expected to increase to 176 units by 2025, 203 units by 2030 and 272 units by 2040.

HOUSING DEMAND ANALYSIS

TABLE HD-19 MARKET RATE MEMORY CARE DEMAND EDINA 2020 and 2025		
	2020	2025
65 to 74 Population	6,551	7,589
(times) Dementia Incidence Rate ¹	x 3%	x 3%
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 197	= 228
75 to 84 Population	4,242	5,357
(times) Dementia Incidence Rate ¹	x 17%	x 17%
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 721	= 911
85+ Population	2,846	3,125
(times) Dementia Incidence Rate ¹	x 32%	x 32%
(equals) Estimated Age 85+ Pop. with Dementia	= 911	= 1,000
(equals) Total Senior Population with Dementia	= 1,828	= 2,138
(times) Percent Income/Asset-Qualified ²	x 69%	x 69%
(equals) Total Income-Qualified Market Base	= 1,262	= 1,475
(times) Percent Needing Specialized Memory Care Assistance	x 20%	x 20%
(equals) Total Need for Dementia Care	= 252	= 295
(plus) Demand from Outside Edina (30%)	+ 108	+ 126
Total Demand for Memory Care Units	= 360	= 422
(minus) Existing and Pending Memory Care Units ³	- 246	- 246
(equals) Excess Demand Potential	= 114	= 176
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2019) ² Includes seniors with income at \$60,000 or above (\$60,000 in 2025) plus 25% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing). ³ Existing memory care units at 7% vacancy rate and 15% for Elderly Waiver Source: Maxfield Research and Consulting LLC		

TABLE HD-20 MARKET RATE MEMORY CARE DEMAND EDINA 2025 and 2030		
	2025	2030
65 to 74 Population	7,589	8,164
(times) Dementia Incidence Rate ¹	x 3%	x 3%
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 228	= 245
75 to 84 Population	5,357	6,137
(times) Dementia Incidence Rate ¹	x 17%	x 17%
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 911	= 1,043
85+ Population	3,125	3,416
(times) Dementia Incidence Rate ¹	x 32%	x 32%
(equals) Estimated Age 85+ Pop. with Dementia	= 1,000	= 1,093
(equals) Total Senior Population with Dementia	= 2,138	= 2,381
(times) Percent Income/Asset-Qualified ²	x 69%	x 66%
(equals) Total Income-Qualified Market Base	= 1,475	= 1,572
(times) Percent Needing Specialized Memory Care Assistance	x 20%	x 20%
(equals) Total Need for Dementia Care	= 295	= 314
(plus) Demand from Outside Edina (30%)	+ 126	+ 135
Total Demand for Memory Care Units	= 422	= 449
(minus) Existing and Pending Memory Care Units ³	- 246	- 246
(equals) Excess Demand Potential	= 176	= 203
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2019) ² Includes seniors with income at \$60,000 or above (\$65,000 in 2030) plus 25% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing). ³ Existing memory care units at 7% vacancy rate and 15% for Elderly Waivers Source: Maxfield Research and Consulting LLC		

TABLE HD-21
MARKET RATE MEMORY CARE DEMAND
EDINA
2030 and 2040

	2030	2040
65 to 74 Population	8,164	8,702
(times) Dementia Incidence Rate ¹	x 3%	x 3%
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 245	= 261
75 to 84 Population	6,137	7,748
(times) Dementia Incidence Rate ¹	x 17%	x 17%
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 1,043	= 1,317
85+ Population	3,416	4,053
(times) Dementia Incidence Rate ¹	x 32%	x 32%
(equals) Estimated Age 85+ Pop. with Dementia	= 1,093	= 1,297
(equals) Total Senior Population with Dementia	= 2,381	= 2,875
(times) Percent Income/Asset-Qualified ²	x 66%	x 63%
(equals) Total Income-Qualified Market Base	= 1,572	= 1,811
(times) Percent Needing Specialized Memory Care Assistance	x 20%	x 20%
(equals) Total Need for Dementia Care	= 314	= 362
(plus) Demand from Outside Edina (30%)	+ 135	+ 155
Total Demand for Memory Care Units	= 449	= 518
(minus) Existing and Pending Memory Care Units ³	- 246	- 246
(equals) Excess Demand Potential	= 203	= 272
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2019)		
² Includes seniors with income at \$65,000 or above (\$70,000 in 2040) plus 25% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing).		
³ Existing memory care units at 7% vacancy rate and 15% for Elderly Waivers		
Source: Maxfield Research and Consulting LLC		

Need for Skilled Nursing Units

Skilled nursing beds are highly regulated by the State of Minnesota. There has been a moratorium on new nursing home beds since the late 1980s. The State allows for acquisition and transfer of existing beds in high demand areas. In some new senior housing facilities, new skilled nursing beds have been developed because the operator/developer has been able to transfer the licenses from another location to the new facility. A small number of nursing beds (i.e. 20 or less) in a continuum of care facility typically maintain higher occupancy rates than traditional freestanding nursing homes. Also, senior housing facilities continue to increase their ability to care for higher acuity residents. Many residents are able to move into senior housing and remain there for the rest of their lives. If residents need transitional or respite care through skilled nursing, the beds can also be used for that.

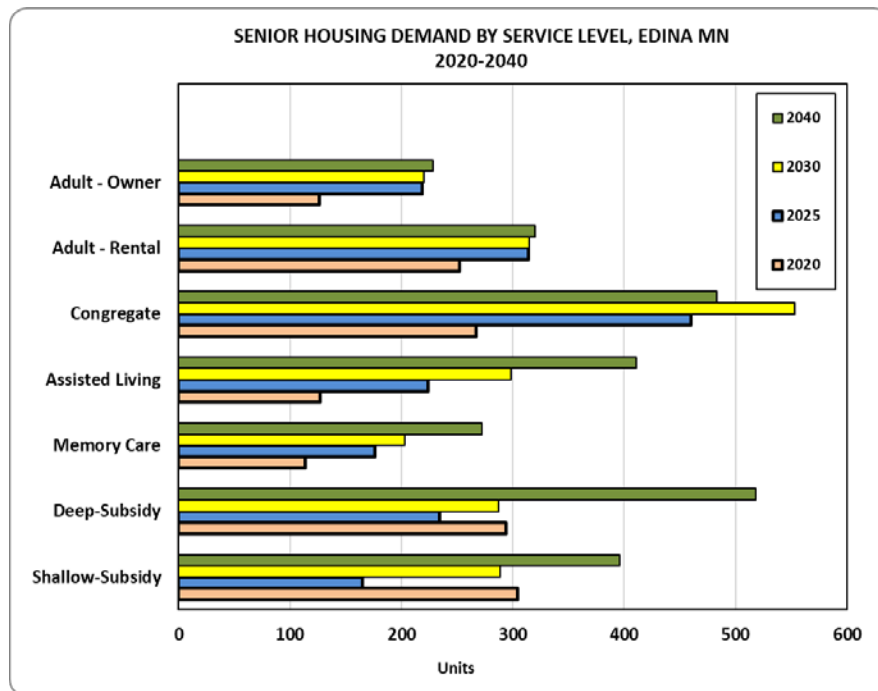
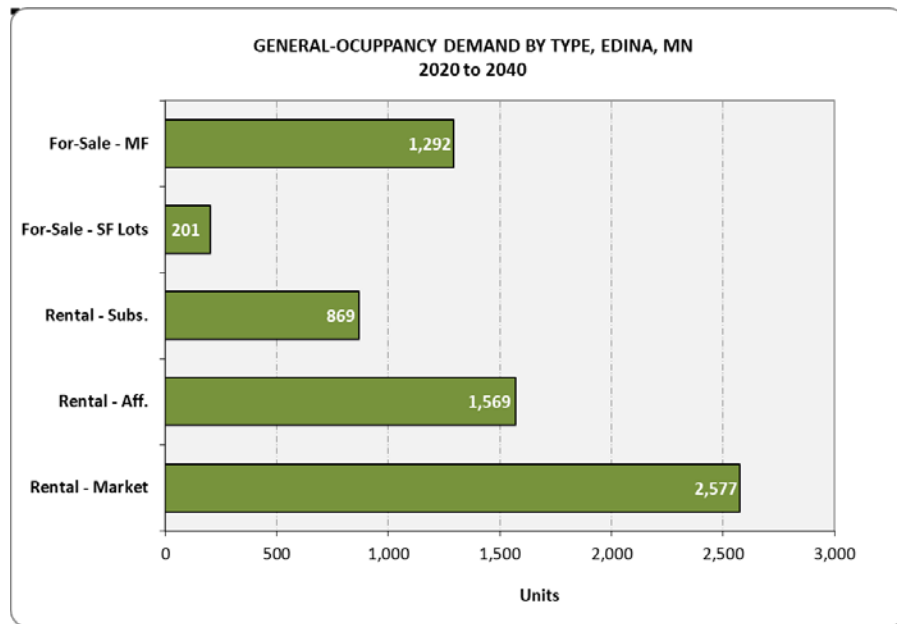
Although we anticipate that demand for skilled nursing care will rise with the substantial increase in the aging of Baby Boomers, there are no plans at this time to increase the number of nursing home beds in Minnesota. It is likely that new methods of care delivery, some of which are already being tested, will continue to take the place of traditional nursing homes.

Introduction/Overall Housing Recommendations

This section summarizes demand for specific housing products in Edina and recommends development concepts to meet the housing needs forecast for the City. All recommendations are based on findings of the *Comprehensive Housing Needs Assessment*. The following tables and charts illustrate calculated demand by product type. Housing demand is highly contingent on projected household growth, market demand and land availability. The ability of Edina to accommodate new household growth will rely heavily on infill and redevelopment.

TABLE CR-1 SUMMARY OF HOUSING DEMAND EDINA, MN JANUARY 2020				
Type of Use	2020-2025	2025-2030	2030-2040	
General-Occupancy				
Rental - Market Rate	430	947	1,200	
Rental - Shallow-Subsidy	397	517	655	
Rental - Deep-Subsidy	284	258	327	
For-Sale - Single-family	47	62	92	
For-Sale - Multifamily	215	246	831	
Total General Occupancy Units Supportable	1,373	2,030	3,105	
	2020	2025	2030	2040
Age-Restricted (Senior)				
Market Rate				
Adult Few Services (Active Adult)	378	533	535	548
Ownership	126	219	220	228
Rental	252	314	315	320
Independent Living (Congregate)	267	460	553	483
Assisted Living	127	224	298	411
Memory Care	114	176	203	272
Total Market Rate Senior Units Supportable	886	1,393	1,589	1,714
Shallow-Subsidy/Deep-Subsidy				
Active Adult - Shallow-Subsidy	304	165	289	396
Active Adult - Deep-Subsidy	294	234	287	518
Total Shallow/Deep-Subsidy Sr Units Supportable	598	399	576	914
Source: Maxfield Research & Consulting, LLC				

RECOMMENDATIONS AND CONCLUSIONS



Based on the analysis and demand calculations, Table CR-2 provides a summary of suggested housing products with number of units that may be developed in Edina from 2020 to 2040. The proposed concepts are intended to act as a development guide to most effectively meet the housing needs of existing and future households in the City. For some housing product types, it is unlikely that Edina can fully meet the demand for new residential units primarily for low-density housing, as products in these categories are likely to be upper bracket. Redevelopment options at higher densities could target household segments not able to afford low-density products. The amount of housing recommended does not equal demand in Table CR-1.

RECOMMENDATIONS AND CONCLUSIONS

TABLE CR-2 RECOMMENDED HOUSING DEVELOPMENT CITY OF EDINA 2020 to 2040				
General Occupancy Housing				
	Purchase Price/ Monthly Rent Range¹	No. of Units 2020-2025	No. of Units 2025-2030	No. of Units 2030-2040
Market Rate For-Sale Housing				
Move-Up Single-Family	\$650,000-\$700,000	10	10	40 - 50
Owned Multifamily (TwinHms/Villas)	\$525,000-\$550,000	30	30	60 - 80
		40	40	60 - 80
Affordable For-Sale				
Entry-level single-family	\$425,000-\$450,000	10	10	50 - 60
Owned Multifamily (THs/Rowhomes)	\$400,000	20	20	100 - 120
		30	30	100 - 120
Market Rate Rental Housing				
Market Rate - Rental	\$1,450+/1BR, \$2,200+/2BR	120	180	500 - 600
Total		120	180	500 - 600
Affordable Rental Housing				
Affordable	Moderate Income ³	250	150	220 - 260
Subsidized	30% of Income ⁴	50	50	160 - 180
Total		300	200	160 - 180
Total-General Occupancy		490	450	820 - 980
Senior Housing (i.e. Age Restricted)				
	Purchase Price/ Monthly Rent Range¹	No. of Units 2020-2025	No. of Units 2025-2030	No. of Units 2030-2040
Senior Coop./Ownership Active Adult	\$200,000+/1BR - \$400,000+/2BR	80	80	200 - 240
Active Adult Market Rate Rental ⁵	\$1,400+/1BR - \$1,900+/2BR	100	100	200 - 250
Active Adult Affordable Rental ⁵	Moderate Income ³	150	100	160 - 180
Active Adult Subsidized Rental ⁵	30% of Income ⁴	60	60	150 - 200
Independent Living/Congregate	\$2,800+/1BR - \$4,500+/2BR	80	80	300 - 350
Assisted Living	\$3,500+/EFF - \$4,500+/1BR	40	60	180 - 200
Memory Care	\$4,200+/EFF - \$5,000+/1BR	30	30	120 - 140
Total Senior Units		540	510	1,310 - 1,560
		2020-2025	2025-2030	2030-2040
Total - All Units		1,030	960	2,130 - 2,540
¹ Pricing in 2020 dollars. Pricing can be adjusted to account for inflation. ² Replacement need, infill, and redevelopment. ³ Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Hennepin County Income limits. ⁴ Subsidized housing will require a high level of financial assistance ⁵ Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior 2030-2040 recommended development should be revisited based on number of units developed from 2020-2030. Note - Recommended development does not equal total demand. Edina may not be able to accommodate all recommended housing types based on land availability and development constraints. Source: Maxfield Research & Consulting, LLC				

Housing Recommendations/Gaps

For-Sale Housing

Single-Family Housing

Table HD-1 identifies demand for 47 single-family housing units in Edina to 2025 and another 62 single-family homes by 2030. As a first-tier suburb, Edina is fully-developed and has a very limited supply of vacant land available for future housing development. Redevelopment of some sites and combining existing parcels could provide additional opportunities for new single-family construction as has occurred in the recent past. If more sites were available for this type of development, especially at a lower land cost, we acknowledge that single-family housing demand would be very strong for new detached housing subdivisions. Due to land constraints however, new single-family housing will likely be confined to infill, underutilized, teardowns, or redevelopment areas.

Housing values in Edina are higher than in neighboring communities as demonstrated in the for-sale section of the report. With a median resale single-family home value of \$465,000, many potential buyers, including many first-time homebuyers are priced out of the Edina single-family market. Other housing products are available, including older townhomes and condominiums, but these units may not be as attractive to families. From 2010 through 2018, 882 homes were torn down and rebuilt. The average value of homes torn down was in the mid-\$400,000s and the average value of the new homes was \$1.2 million. Although the City benefits from an increased tax capacity due from these rebuilt homes, it has also lost many homes that were affordable to middle-income households, especially those that may want to relocate to Edina and would bring additional equity from a first purchase.

To a degree, tear-downs are response to homes that may be viewed as functionally or physically obsolete in the marketplace and other features and amenities of the community support a value for the land that exceeds the value of the current home. Tear-downs are not unique to Edina and other high-income areas in Minneapolis and western Hennepin County have been experiencing similar situations. Although blight replacement is usually highly desired, with a price point of the existing home in the mid-\$400,000s, it is unlikely that replacements have been due to traditional “blight.”

A portion of current or prospective Edina homeowners who desire new construction, may be unable to find housing in the City that meets their needs. Some of those will move to a different community. Others that can afford it may choose to remove the existing home and construct a new home. One comment from the City’s community survey identified Edina as accessible and conveniently located. Removing the existing home is one way for buyers to obtain the housing they want without having to commute long distances or forego other amenities that Edina has to offer.

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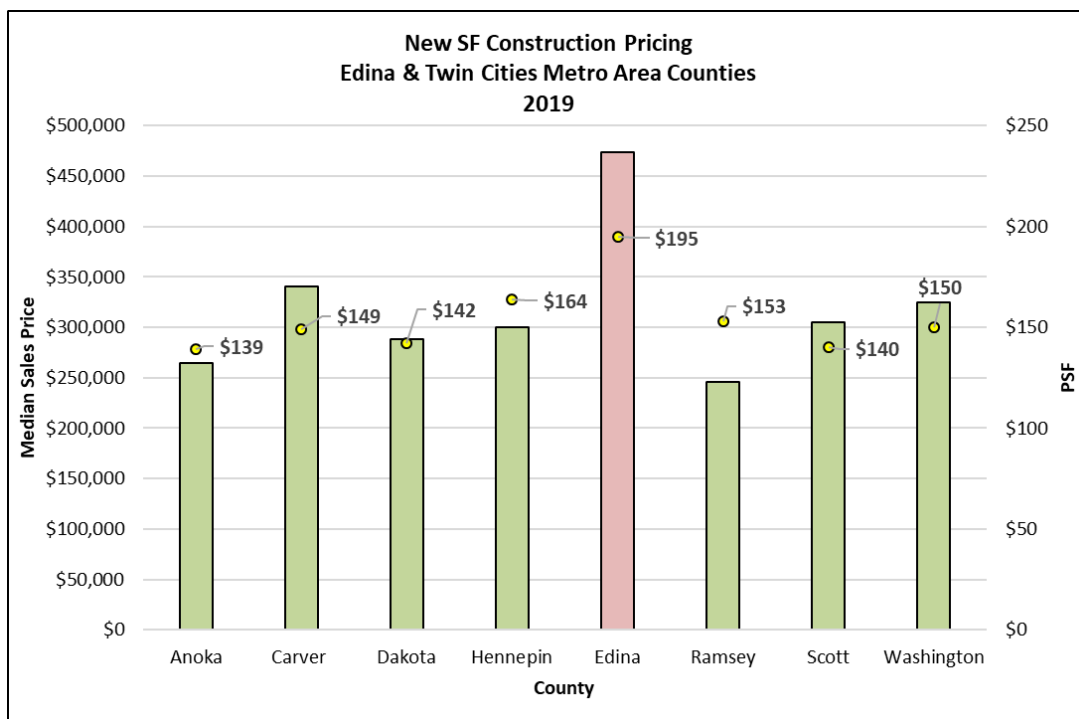
There is a demand/need for more modest homes across the Twin Cities and in Edina. Tear-downs have decreased recently, but demand for new housing continues, particularly housing targeted to entry-level buyers (i.e. low to mid-\$300,000s). The Come Home2 Edina program addresses this need in part. Large lots however, remain the standard which continues to drive-up the cost of existing and new housing.

While younger buyers may still want all the features and amenities within the home, they are less likely to want to spend time taking care of a large yard. This makes products such as town-homes an attractive option.

Without assistance, current development costs result in new home construction in the upper end of the move-up and into the executive price levels. Demand for these products is primarily being served through tear-downs and additions and improvements to existing homes.

Although pricing for new construction may not necessarily be higher for the actual home, cost of land and other components may drive the cost of housing in Edina higher than would be the case in neighboring communities.

For example, new construction move-up housing in suburban edge communities usually starts in the low to mid-\$400,000. In Edina, the cost is typically above \$600,000. New construction executive homes in the suburban edge communities are usually priced starting at \$600,000 and above. This category in Edina is likely to be \$900,000 or higher with many homes priced at more than \$1 million.



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There are six single-family lots available in Edina, Blake Woods subdivision. Lots are valued at \$350,000 and most lots have a total square footage of This is about equal to the average per square foot price for Hennepin and Ramsey Counties. The chart on the previous page shows the median sales price and PSF for new single-family housing across the Metro Area by county; as depicted in the chart, Hennepin County has the highest new construction costs in the Metro Area at \$560,000 (\$190 PSF). Higher costs in fully-developed communities in the Metro Area are primarily driven by lack of land supply and high site acquisition costs.

Small Lot Single-Family. On its own, small lot single-family development has not been readily accepted in the larger market, especially in suburban locations. Buyer concerns regarding appreciation and resale and reduced absorption even at affordable prices have deterred builders from constructing sizeable developments. With housing costs increasing however, more builders are reducing lot sizes down from 75' widths to 65' widths for move-up homes and increasing the amount of lot coverage. In Minneapolis, St. Paul and some first-tier suburbs, lot sizes are much smaller and buyers are willing to accept a smaller lot and smaller, but fully appointed homes. Since most of this development has been a result of tear-downs however, the cost to develop new has not created affordable ownership homes.

We believe there would be a strong market for new small, lot single-family homes in Edina at a price point priced in the mid-\$400,000s. These homes should be designed to fit in with the existing character of the neighborhoods in which they would be located.

For-Sale Multifamily Housing

With the overall aging of the population, more households are looking for greater convenience and less space in their housing and are selecting twinhomes, detached townhomes, and condominiums. Typically, the target market for owned multifamily housing is empty-nesters and retirees seeking to downsize from their single-family homes. In addition, professionals, particularly singles and couples without children also seek these products if they prefer not to have the maintenance responsibilities of a single-family home. In many housing markets, younger households also find purchasing owned attached housing more affordable than purchasing new single-family homes. Although Edina has a base of more affordable townhomes and condominiums, new construction for these types of units is priced at an average of \$376 per square foot, higher than for new single-family homes, at \$346 per square foot. As Table FS-2 showed, multifamily resales make-up an estimated 33% of the for-sale housing market in Edina. The newest developments of this type in Edina are Edina Flats and Hawthorne Place, offering condominiums and detached villas.

Based on changing demographics and the need for alternative housing types, demand was calculated for 381 new owned multifamily for-sale units in Edina to 2030. Because of the limited land supply and high cost to bring these units to the market, it is unlikely that Edina will be able to satisfy the identified demand. Alternative concepts that at differing price points would appeal to a broader array of buyers.

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Increasing density may be one way to try to moderate the price points for these types of units, although it is generally accepted that, regardless of increasing density, other resources will be needed to make new construction units more affordable. Demand for most of these products is for single-level living, targeted primarily to the empty-nester and independent senior market.

General Occupancy Rental Housing

The inventory of multifamily rental housing found that vacancy rates for affordable and subsidized housing were the lowest, along with older, more affordable market rate rentals. While new construction rental has absorbed well in the market, the increased number of new units, especially in the Southdale area, is likely to lead to increased vacancy rates in the short-term as it takes the market longer to absorb these luxury units.

Due to the age and positioning of the existing rental supply (most pre-1980 construction), a significant portion of units are priced affordable to households at or less than 80% of AMI, which indirectly satisfies demand from some households that income-qualify for financially assisted housing. The growing renter base however, is seeking newer rental properties with additional and updated amenities that are not often offered in older developments. Several of the older properties in Edina have remodeled units, updating with new kitchens, new baths, and some upgrades to common area amenities. Rent levels increase as a result and these properties continue to maintain high occupancies. Once rents increase however, it reduces the number of rental units affordable to households with incomes at or less than 60% AMI. As in most communities, demand is particularly strong for affordable and subsidized units.

- ***Market Rate Rental*** – Demand calculations identified demand for 200 additional units in Edina between 2020 and 2025, accounting for units already in the pipeline. Additional demand for market rate rental is not likely to be felt until later in the five-year period to enable existing new properties to fully absorb into the market.
- ***Affordable General Occupancy Multifamily Housing***– There are no income-restricted properties that are 100% affordable in Edina. This is dissimilar from neighboring communities, many of which have a few of these properties. Most of the new affordable units developed in Edina have been in market rate properties that have elected to provide a portion of their units as income-restricted due to the City's policies.

The existing NOAH inventory accounts for a total of 3,000 rental units with rents affordable to households with incomes at or less than 80% of AMI. Although the NOAH inventory provides for a level of affordability in the rental housing stock, a portion of renters are choosing to pay less than 30% of their income for rent and are residing in housing where they could pay more. Development of new affordable housing is needed to satisfy the demand that is not being met through the existing inventory.

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Development of new affordable properties is most likely to occur through the Low-Income Housing Tax Credit Program (LIHTC) as in the past. This program has become extremely competitive in the Twin Cities and many developers must submit two to three times to secure funding. Some communities are considering other concepts and funding tools to develop affordable housing, including fewer luxury features, general obligation bonds, land write downs, land trusts, and property tax reductions. TIF funding has been used extensively to increase affordability for new rental construction.

Demand for affordable housing is identified at 391 units with rents affordable at 51% to 80% of AMI between 2020 and 2025. Affordable housing would attract households that cannot afford new construction market rate housing units, but do not income-qualify for deep subsidy housing (less than 50% of AMI). Affordable properties attract a broad group of people depending on the unit types offered. One-bedroom units target singles and couples, whereas two and three-bedroom units target families. Some seniors would also be attracted to an affordable concept. Additional affordable units are in the pipeline, but additional units are needed to meet demand. Units with rents affordable at between 50% to 80% AMI targeting the greatest level of need.

- *Affordable General Occupancy Rental Townhomes*– Rental townhomes affordable to moderate-income households would be in high demand in Edina. Affordable rental townhomes have been very popular in many Metro Area communities. These projects would have income-restrictions and would target households with incomes between 50% and 80% of area median income; some however, could be workforce units with affordability up to 120% AMI. We recommend a development offering two- and three-bedroom units with up to 24 total units. Units should feature central air conditioning, full appliance package, in-unit washer/dryer, an attached one/two car garage. Such developments are popular with families that cannot afford housing options in the for-sale market or market rate rentals. Because of the lower density of affordable rental townhomes, this housing type would be very expensive to build.

Senior Housing

As illustrated in Table CR-1, demand exists for all types of senior housing product types in Edina. To 2030, demand exists for 1,589 senior housing units across the product and service-level spectrum. Development of additional senior housing is recommended to provide housing opportunities for the projected growing group of seniors that may need or want to transition from other housing products. The development of additional senior housing serves a two-fold purpose in meeting the housing needs in Edina: older adult and senior residents can relocate to new age-restricted housing in Edina and existing homes and rental units that were occupied by seniors become available to other households. Therefore, the development of additional senior housing does not mean the housing needs of younger households are neglected; it simply means that a greater percentage of housing need is satisfied by housing unit turnover. We note however, that the rising cost of senior housing may result in some decrease in demand from

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households that feel they cannot afford this type of housing or are concerned with spending down all of their assets to reside in senior housing.

- *Active Adult Rental* – Demand is projected for 252 market rate active adult rental units in Edina as of 2020. Avidor is the only market rate active adult property in Edina with 165 units and is still in initial lease-up. Avidor has a higher proportion of one-bedroom than two-bedroom units, which is atypical for these types of properties. Most active adult rental properties have a higher proportion of two-bedroom units to appeal to couples. Depending on the positioning of the product, a portion of seniors that currently reside in general occupancy housing may consider age-restricted rental product.

Development of this product could be in a separate stand-alone facility or in a mixed-income project. A mixed-income building could include a portion of units that would be affordable to seniors with incomes at or less than 60% of AMI.

- *Active Adult Senior Cooperative* – There are two existing active senior age-restricted for-sale developments in Edina – one condominium and one cooperative. These two properties have a combined total of 463 units. Demand is projected for 126 units of active adult ownership housing as of 2020, increasing to 220 units by 2030. The cooperative model, in particular, has appealed to a larger base of potential residents in that it has characteristics of both rental and ownership housing. Cooperative developments allow prospective residents an ownership option and homestead tax benefits without a substantial upfront investment as would be true in a condominium development or life care option. Maxfield Research & Consulting, LLC has found the cooperative model to be well-accepted in suburban communities in the Twin Cities Metro Area and across the Midwest. These developments are high-density and can be accommodated on multifamily zoned property.
- *Affordable Few Services Rental* – Edina demand for affordable senior housing is estimated at 304 units as of 2020, decreasing to 289 units by 2030. We believe this product would be well-received by seniors in and near the Edina area, but it can be difficult to develop given financing challenges and development costs. Affordable senior housing would most likely be developed through the LIHTC program administered by MN Housing. MN Housing has assisted affordable senior housing projects under the tax credit program and recently expanded expand financing for this product type but is likely to restrict future funding despite the substantial rising demand over the next ten years. Affordable senior housing products can also be incorporated into a mixed-income building, but this may support a development's financial feasibility unless some type of financial assistance is provided. Accommodation for at least a portion of the units to very low-income seniors (incomes less than 50% AMI) should also be considered.

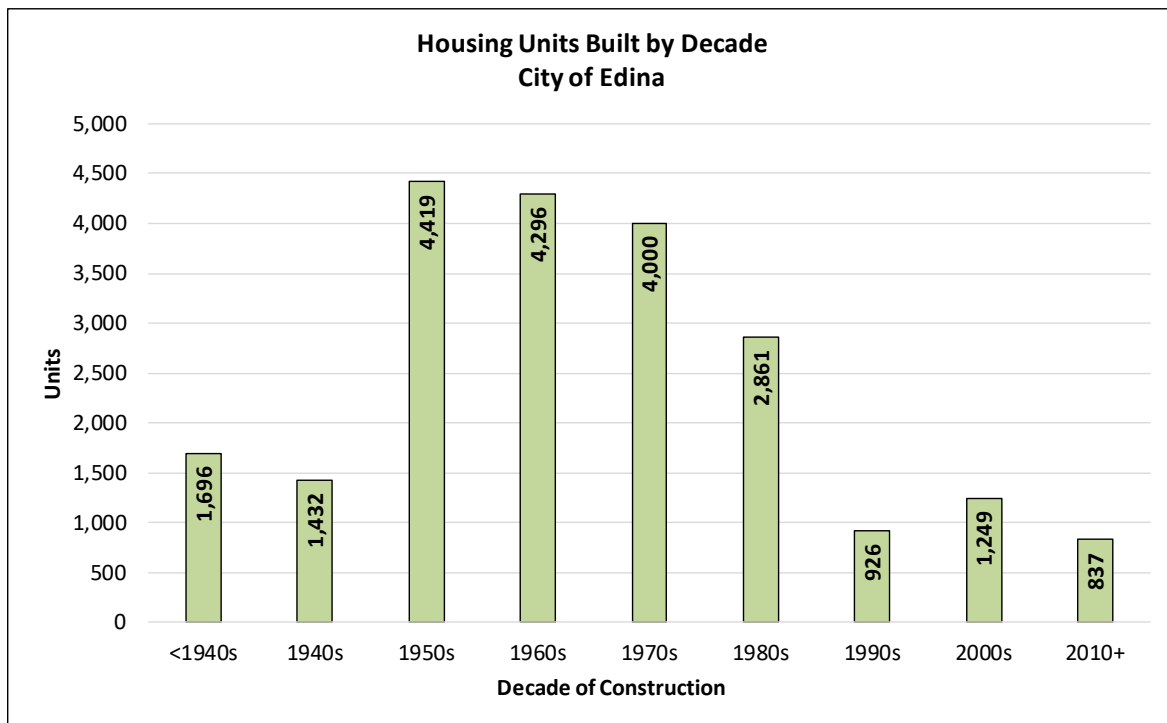
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- Independent Living/Congregate – Edina has five properties that offer independent living. These properties have a combined 461 units and are in high demand. Additional demand is calculated for 267 units as of 2020, rising to 533 units by 2030, if no additional units were to be added to the market. New properties are seeing increased demand for larger size units across the board and a higher proportion of two-bedroom units as more couples are making a move to this product type in anticipation of aging in place. Historically more service-intensive, many of the continuum of care properties have reduced the level of services included and offer more services as optional. As such, this product is usually combined with assisted living and memory care to support the optional service component for the independent living. Properties of this type usually have rents beginning at \$2,000 to \$2,500 for one-bedroom units. Many properties allow residents to receive additional services in their units as they age.
- Assisted Living and Memory Care Senior Housing – Based on the analysis, demand was identified for 127 assisted living units as of 2020, although current vacancies identify that the market is at equilibrium as of the survey, with an overall vacancy rate of 6.9%. Most of the vacancies however, are concentrated in older product and most service-enriched housing in Edina is either fully-occupied or near full occupancy. Increases in the demand for assisted living and memory care are anticipated over the next 10 to 15 years as the baby boom generation ages.

Challenges and Opportunities

Table CR-2 identifies and recommends housing types/concepts to assist in satisfying housing needs in Edina over the next ten years. Additionally, the following are identified as challenges and opportunities for developing the recommended housing types (in no particular order - alphabetically).

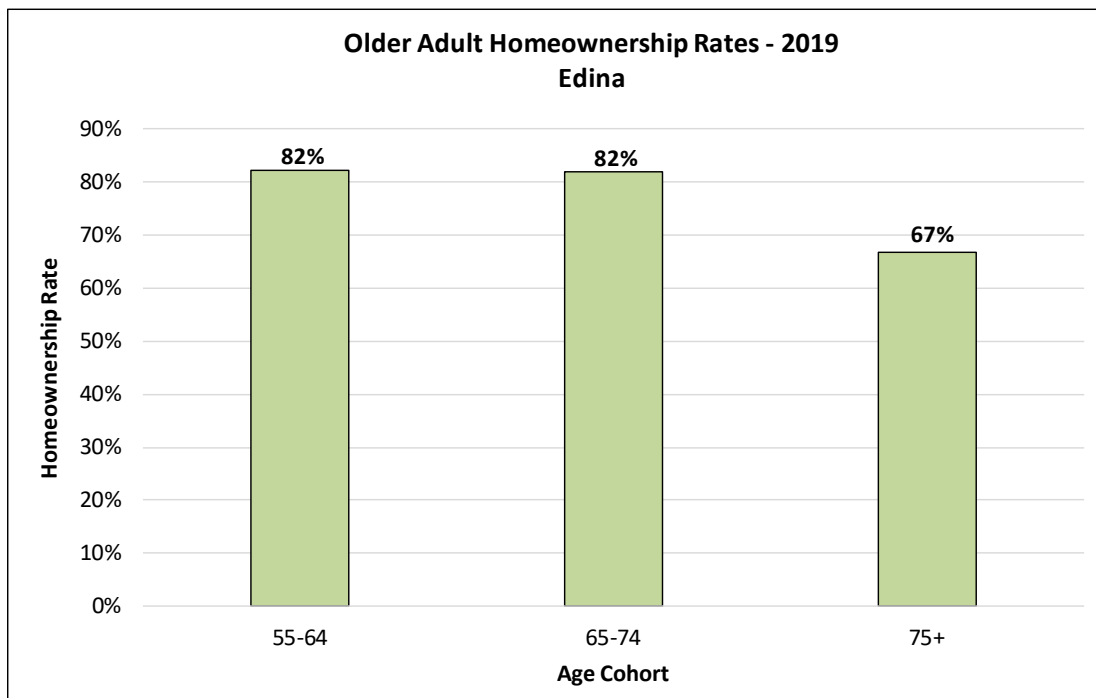
- Age of Housing Stock.** As illustrated in the *Housing Characteristics* Section of the report (Table HC-3), the median year built for a home in Edina is 1967 and 59% of the for-sale housing stock was built prior to 1980. As a first-tier suburban community, housing remodels are ongoing and tear-downs demonstrate some replacement of the housing stock. Additional programs to facilitate upgrading of the housing stock could assist in maintaining and making older units more attractive.



- Affordability.** As illustrated in Table HA-4, based on current home prices, 60% of Edina owner households and 57% of all households could afford to purchase an entry-level home (\$400,000) given today's pricing. Also, 67% of all households and 43% of all renter households could afford the average market rent of a new construction one-bedroom unit in Edina. The percentage drops however, for a new construction two-bedroom unit to only 21% of renter households and drops further to only 9% of renter households for a three-bedroom unit. Because of the higher rent structures at the new market rental buildings being constructed in Edina, the minimum incomes needed to afford a luxury rental are more than double that of the existing rental housing stock in Edina. This demonstrates the need

for housing that would target renter households with moderate incomes. New rental housing is targeting “lifestyle renters” or those with higher incomes who have enough money to buy a house but choose to rent for the convenience and lifestyle. Some of these renters may be cost burdened, but they elect to do so for the location, amenities, and proximity to transit.

- **Aging Population.** As illustrated in Table D-2, there is significant growth in the Edina senior population. In addition, Table D-6 shows the Edina homeownership rate among seniors 65+ remains high, at 82% up through age 74. The high homeownership rate among seniors indicates that seniors are preferring to either remain in their homes or elect other lower maintenance products rather than shift over to rental options. The rising population of older adults will continue to fuel demand for alternative maintenance-free housing products. In addition, demand for home health care services and home remodeling programs to assist seniors with retrofitting their existing homes is also anticipated to increase.



- **Housing Programs.** Compared to other municipalities in the Twin Cities Metro Area, Edina has a somewhat limited number of housing programs that promote or preserve the existing housing stock in the community and provide homeownership opportunities for low and moderate-income households. Some communities fund housing programs through an HRA levy that collects funds based on the market values of property in the community. Money generated from the HRA levy can be allocated to a several housing issues as long they fall within the boundaries established by state law. Typically levy funds are used to supplement existing housing programs, establish new programs/projects, or allocated to administrative needs. Other communities fund housing programs through CDBG funds, economic development authorities, private or public foundations, the general fund or through department budgets. (i.e. community development, economic development, etc.)

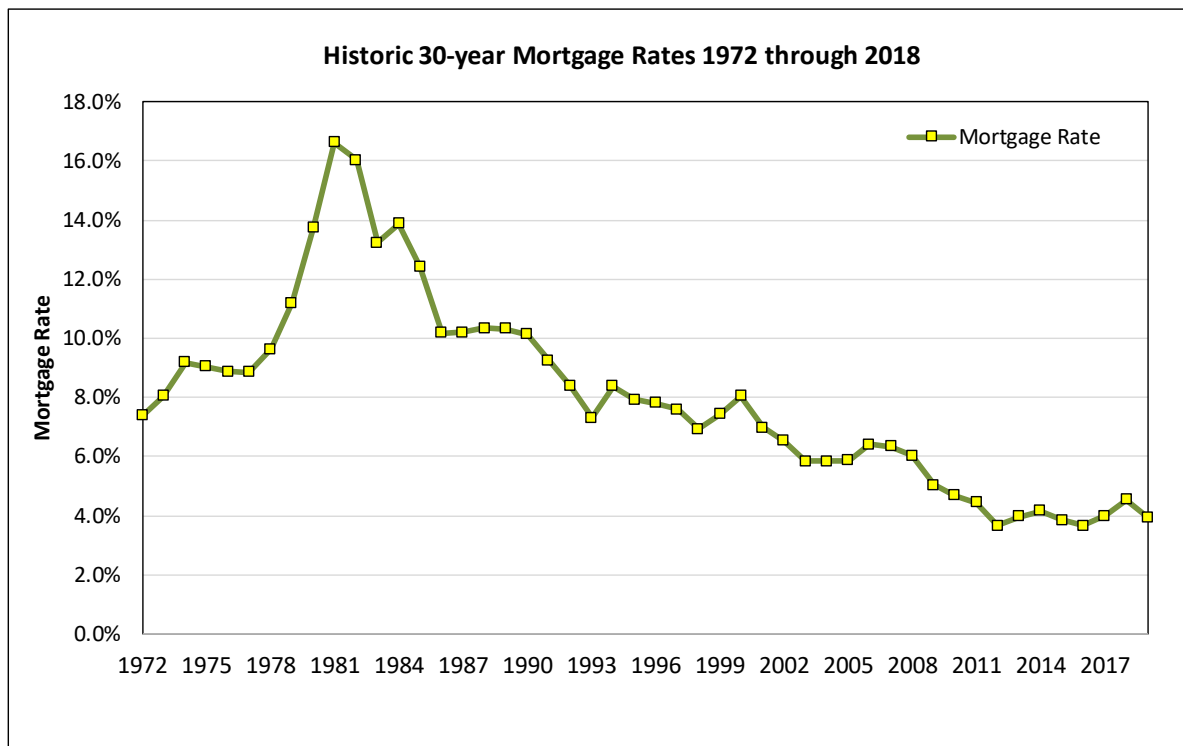
- **Job Growth/Employment/Inflow.** Historically, low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing household growth, which in-turn relates to reduced housing demand. Like most areas across the Twin Cities and Minnesota, the unemployment rate peaked in 2009 during the Great Recession at 9.1%. However, since that time, the unemployment rate has decreased annually and is less than 3% in the Metro Area as of 2019. Although the low unemployment rate is positive, continued declines in the unemployment rate or a protracted low unemployment rate may create challenges in filling jobs with qualified workers.

Edina is home to several major employers that are job generators in the Twin Cities. Nearly 98% of the jobs in Edina are filled by non-residents of the community. Edina continues to capture workers that view the community as a desirable place to live and to be close to their work.

- **Land Assembly/Land Bank.** Land costs and land assembly are some of the most challenging components for new housing development. Land Banking is a program of acquiring land with the purpose of developing at a later date. After a holding period, the land can be sold to a developer (often at a price lower than market) with the purpose of developing affordable housing or other housing product types. The City could consider acquisition if the right opportunity presented itself.
- **Homeownership.** Several social and financial trends may cause decreases in homeownership rates, including maximum limits for property tax and capital gains deductions and alternate incentives to invest in other financial vehicles such as 401K plans and IRAs. However, it remains generally accepted that the purchase of a home and paying off a mortgage has been one of the best long-term vehicles to increasing household wealth. This may change over time depending on long-term economic growth.
- **Land Constraints/Infill/Teardown's.** Edina has a very limited supply of residential lots suitable for single- or two-family housing developments; as such, the availability of land and the need to increase density is critical in satisfying future housing demand. The most recent single-family lots available have an estimated market value of \$350,000. The very low supply of lots indicates the City is not likely to be able to satisfy the housing demand outlined in Table CR-1 unless substantial in-fill and tear-downs prevail. Although increased density can reduce land costs, the type of product needed to substantially reduce land costs does not always match market demand.

Although Edina is likely to continue to have some tear-downs, the substantial price point that results from that type of redevelopment is likely to deter buyers. The higher the price points, the more limited the market that can qualify to buy. This type of development also does not create additional housing, but does replace housing that may be viewed as functionally or physically obsolete.

- **Mortgage Rates.** Mortgage rates play a crucial part in housing affordability. Lower mortgage rates result in a lower monthly mortgage payment and buyers receiving more home for their dollar. Rising interest rates often require homebuyers to raise their down payment in order to maintain the same housing costs. Mortgage rates have remained at historic lows over the past several years coming out of the Great Recession. The Federal Reserve has raised the short-term interest rate only twice since the recession and recently reduced it again three times in the past year. Continued low inflation and concern about the domestic and global economies are likely to keep interest rates low. This could increase the demand for owned housing, but with housing prices rising faster than inflation even at lower interest rates, has not generated significant demand for new owned housing.
- The following chart illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1972 and is the most relied upon benchmark for evaluating mortgage interest market conditions. The Freddie Mac survey is based on 30-year mortgages with a loan-to-value of 80%.



- **Millennials.** The Millennials (generally defined as persons born in the 1980 and 1990s) are now, as a group, larger than the Baby Boom generation and have begun impacting real estate development. The 80 million Millennials began influencing real estate as they formed new households. Many Millennials, however, have and are continuing to delay home ownership due to high student loan debt and social changes (i.e. delayed marriage, delayed childbearing, delayed careers, etc.). The median age of the first-time home buyer is now 32 (an older Millennial), an increase from 30 about a decade ago. Increasing apartment

rents in the Twin Cities have also affected the ability of Millennials to save for a down payment and qualify for a mortgage. Studies conducted by the Pew Research Center, a highly respected national think tank and non-profit organization has identified that Millennials generally have the same desires as did their parents regarding having a family, owning a home and when asked specifics, often identify living in a single-family home in a suburban location. With a scarcity of housing in the Twin Cities and rapidly rising home values, entry-level homes are being snapped up by younger buyers. Higher priced homes are increasingly out of reach for many younger households.

Although Millennial's have favored more urban locations and are typically renters today, survey's show they are not that different in their preferences from other generations. Many Millennials' indicate they still desire to live in the suburbs, but they desire communities with amenities such as parks, walking trails, shopping, proximity to jobs, transit and entertainment.

Although Edina's housing stock is expensive, it has many other amenities that are likely to appeal to Millennials. Entry-level housing on smaller lots with less upkeep and contemporary architecture is likely to appeal to households with smaller families or singles and couples that want to live in Edina.

- **Naturally Occurring Affordable Housing/Preservation.** As illustrated in the *Rental Market Analysis* section, 51% of the market rate rental housing stock in Edina is affordable to households with incomes at or less than 80% of area median income. According to the Harvard University's Joint Center for Housing Studies (JCHS), unsubsidized rentals account for more than 75% of the affordable housing stock in the United States. It is estimated that over one-third of the naturally occurring affordable housing stock is composed of smaller multifamily buildings from 5 to 49 units. In the Twin Cities Metro Area, it is estimated that 60% of the rental stock is unsubsidized rentals affordable to households at or below 50% AMI.

Because the unsubsidized housing market is unregulated and is fluid, there is the chance some affordable market rate units may be lost or if remodeled, rents could then exceed the affordability level for moderate income households. New construction costs for apartments in Edina are likely to reach \$250,000 per unit; whereas an older Class B or Class C rental building may be acquired for \$100,000 or less per unit. Therefore, it is typically more economical to rehabilitate an existing property than build a new one. Because of the high cost of new construction, we recommend the City monitor and encourage the preservation of the unsubsidized rental market as an effort to maintain a sufficient supply of affordable housing.

- **Shadow Rental Inventory.** Shadow rentals are generally considered nontraditional rentals that were previously owner-occupied single-family homes, townhomes or condominiums. The shadow market was fueled in the early part of the previous decade by homeowners who lost their home to foreclosure after the recession who opt to not rent in a traditional

rental complex. Many of these units, absent some type of legal or other requirement, have not returned to the owner-occupied market. In fact, there are some proposals to develop new construction single-family rentals for those that want the space of a single-family home, but not the upkeep.

The City of Edina recently implemented a new rental licensing program effective November 2019. Because this program is in its infancy, there are very few properties that have been registered to date. As more properties enter the licensing system, Edina will be better able to monitor the safety and condition of all rental units, supporting what is generally an aging rental stock.

One concern however, may be that with increased inspections, this will cause landlords to raise rents, making rental housing in the community increasingly unaffordable. Rents have been increasing without a license program. Once converted to rental, the economic dynamics of a property change. It is often very difficult to convert these units back to the owner-occupied market. Too many rental homes in one area may create a shift in the overall orientation of the neighborhood.

The rental licensing program will enable Edina to monitor the number of non-traditional rental units in the community over time to mitigate problems with individual properties and improve the overall rental housing stock.

Introduction

The following are housing programs offered through third-party agencies or through the City of Edina to address housing needs of Edina residents, preserve and improve the existing housing stock, provide for affordable housing, provide for new housing products, provide for the safety and security of residents residing in rental housing and ownership housing and other strategies and initiatives to support ongoing stability and enhancement of the City's housing stock.

Housing Programs/Activities-Edina and Third-Party Providers:

- **Housing Choice Voucher (Section 8) Program.** Metro HRA administers the Section 8 Housing Choice Voucher program for several cities in Hennepin County including Eden Prairie, Edina, Golden Valley, Maple Grove, Minnetonka and Richfield. Currently, 98 Edina households are using vouchers issued by Metro HRA. The wait list through Metro HRA is not anticipated to re-open again however, for at least another three years as it was just recently opened to accept new applications. Metro HRA provides housing for more than 7,200 families in the core Twin Cities Metro Area. Budgets for the Housing Choice Voucher program continue to decrease as housing costs continue to rise. As a result, fewer households can be served with Vouchers and the time to obtain a Voucher has increased substantially. With rising rents, landlords are opting out of accepting housing vouchers making it more difficult for the tenant to find an apartment that will meet the requirements.
- **HUD Funded Programs.** Each year, the Department of Housing and Urban Development issues a series of Notice of Funding Availability (NOFA) for various grant and funding opportunities for housing and housing related programs. Programs target specific populations such as elderly, disabled, low- and moderate-income households, populations with special needs and special housing initiatives such as redevelopment, housing preservation and rehabilitation and other programs. Some programs, which were previously offered each year, such as Section 202 for the elderly, are now restricted to only qualified low-income census tracts and NOFA announcements for these programs are offered sporadically instead of regularly. Recently, HUD has been offering more diverse opportunities to include a broader array of initiatives such as Continuum of Care (homeless), Jobs Plus Initiative, Self-Help Homeownership Opportunity, Housing Counseling Grant Program, Choice Neighborhoods Planning Grant Programs and other combined housing and support service programs to assist in the creation and support of affordable housing to meet the needs of households seeking affordable housing.
- **Low-Income Housing Tax Credits.** This is a federal program that is administered by the State of Minnesota through its finance agency, MN Housing. MN Housing provides tax credit funding to its development partners (for-profit and non-profit) to create new affordable housing units and/or to preserve existing affordable housing through rehabilitation. Competition for limited financial resources has increased in recent years. Point

scoring ranks each project against a set of criteria which is weighted more heavily toward urban locations, walkability and public transit. Some developers have had to submit two to three times before receiving funding. This has reduced the amount of affordable housing that can be developed resulting in increased demand. Most tax credit developments provide rental rates affordable to households with incomes between 50% and 60% of Area Median Income. These properties also accept Housing Choice Vouchers, providing some opportunities for lower-income households to reside in these units.

- **General Obligation Bonds** have been used to a limited degree by municipalities and counties to support the development of affordable housing. Typically, the government guarantees the bonds issued. This can create affordable housing, usually affordable to households with incomes between 60% and 80% of AMI but is not prevalent in the market.
- **Metropolitan Council Livable Communities.** The Twin Cities Metropolitan Council provides grant funding for developments that link jobs, housing, services and transit. The Local Housing Incentive Account (LIHA) provides grants to communities to help them achieve their negotiated affordable housing goals. Grant funds cover gap financing costs such as infrastructure, land acquisition, demolition, site preparation, alterations and additions, interior and exterior finishing, roofing and other direct construction costs. The Tax Base Revitalization Program provides \$5 million annually to investigate and clean up brownfield, contaminated land, groundwater and/or buildings for new development. Investment goals include cleaning up contaminated land, producing affordable housing, expand each community's range of housing choices, encourage use of existing parks and walking trails, efficiently use existing infrastructure. The Met Council also offers Transit-Oriented Development grants that link housing, jobs and services to
- **Minnesota Homeownership Center.** A non-profit organization that provides information and connects prospective buyers with a diverse array of resources dedicated to assisting individuals and households with purchasing a home or renovating or rehabbing a home. Down payment assistance, affordable loan products, special programs for renovation, foreclosure prevention and foreclosure counseling, refinancing and reverse mortgages are some of the programs offered through the Center. The Center connects clients with local legal, financial and economic resources to smooth the path to homeownership and/or to decide whether homeownership is "right" for them.
- **Minnesota Homeless Fund.** Minneapolis-St. Paul Foundation set up the Minnesota Homeless Fund to provide a nimble source of funding to assist organizations and communities to provide for crisis response, emergency shelter and low-barrier affordable housing across the State to assist those in extreme need of housing.
- **MN Housing – Homeless Programs.** MN Housing works with private developers and communities to support housing developments that address the needs of the homeless in our cities. Funding for supportive housing, rental assistance, operating subsidies,

Family Homeless Prevention and Assistance Program (FHPAP) provides funding to 20 grantees that cover all 87 counties in Minnesota. Hennepin County is one of the grant administrators of funding through the FHPAP program with services targeting Rapid Re-housing and homeless prevention. Additional dedicated funding is available for developments that incorporate a portion of their housing units for long-term homeless.

- **MN Housing – Homeowner Programs.** MN Housing offers a diverse array of homebuyer education, funding and resources to assist low- and moderate-income prospective buyers to achieve homeownership. The partner with local agencies and organizations that have long histories of assisting economically disadvantaged households with purchasing and owning a home.
- **Rental Housing Licensing and Inspection Program.** Edina only recently implemented a rental housing licensing and inspection program. The rental housing licensing and inspection program consists of inspecting all registered rental dwelling units, including: single-family homes, townhouses, condominiums, duplexes, multifamily buildings, housing with services dwellings and accessory dwelling units. The goal is to inspect a minimum of one-third of all licensed rental units each year so that all rented units will have been inspected at least once every three years. The focus of the rental inspection program is to maintain the quality and stability of rental units, thereby preserving land and building values in the community. Rental housing conditions that adversely affect the life, safety, and general welfare of renters should be attended to for the well-being of all residents and the improvement of housing conditions in the community.
- **Come Home2 Edina.** The City offers a low interest second home mortgage intended to assist families and individuals looking for affordable homeownership in Edina. The maximum loan amount is 25% of the purchase price and not to exceed \$60,000. Borrower must spend at least 25% of their gross income on the first mortgage (PITI, etc.) and the program uses the interest rate of the first mortgage. The purchase price of the property cannot exceed \$425,000 and the borrower shall not pay less than \$1,000 towards down payment, closing costs and/or prepaid expenses. The program has been in place for 20 years. The program is funded through the Edina Housing Foundation. The only area excluded from consideration is the far southwest corner of Edina.
- **Redevelopment Activities.** The City has, in the past, provided some assistance to various housing developments through the use of TIF or other funding to support redevelopment. Redevelopment activity has been focused on the Southdale area, the Grandview area and 50th and France commercial district. Each of these areas has experienced increased density and redevelopment with owned and rental housing properties.

- **Tax Increment Financing.** Tax Increment Financing has been utilized in many communities throughout the Metro Area and in Greater Minnesota to support the development of new housing, primarily rental housing to reduce rental rates to bring them in line with levels supportable in the market. The use of TIF to address housing needs for very low-income households has not been used extensively and typically does not provide sufficient gap funding to create this type of housing.
- **Housing Improvement Area (HIA) Program.** The HIA program is a financial tool for improvements in condominiums and townhomes. This program was established by State law and can be a tool through the municipality to assist condominium and townhome developments that may have significant improvements to make to common elements that they would otherwise be unable to finance. St. Louis Park, Bloomington, Minneapolis and Hopkins have all funded various HIA owned multifamily projects through this program. We do not believe that Edina has ever funded this type of loan for any owned multifamily property in the city to date.
- **Inclusionary Zoning.** The City of Edina requires that multifamily properties seeking rezoning or comprehensive plan amendments incorporate affordable housing units at 10% affordable at 50% AMI or 20% affordable at 60% AMI. Most new developments have opted for 10% affordable at 50% AMI or have opted out of including affordable housing units by paying a per unit fee of \$100,000 for the required affordable units. Today's cost of constructing new luxury housing units is upwards of \$200,000 per unit or higher. Therefore, requiring a per unit fee of \$100,000 is less than the cost to develop new affordable housing units. A total of 98 new affordable units have been developed or approved in the City between 2015 and 2018. The plan has been expanded to include developments on city owned land and projects seeking city financial assistance. The affordability requirement has also been extended from 15 years to 20 years. This is an effort to increase the number of affordable housing units developed and to provide for more affordable housing over the long-term.

APPENDIX

SENIOR HOUSING PROPERTIES

TABLE A-1 SENIOR HOUSING PROPERTIES EDINA November/December 2019									
Project Name/City	Year Built	No. of Units	No. Vacant	No.	Type	Market/Base Rent Ranges	Monthly Rent/ Sale Price	Rent/Sales Price/PSF Min - Max	Services/Amenities/Comments
Market Active Adult Rental									
Avidor Edina 5220 Eden Ave	2019 (Initial lease-up)	165	39	89	- 1BR	537 - 1,125	\$2,175 - \$2,852	\$2.54 - \$4.05	Fitness center, pool, spa, gameroom, theater room, clubhouse, business center, concierge, guest apartments, pet washing station, car charging station & rooftop terrace.
				76	- 2BR	1,013 - 1,834	\$3,501 - \$4,984	\$2.72 - \$3.46	
Market Active Adult Ownership									
Creekside 7100 Metro Blvd	2007	126	0	11	- 1BR	992 - 1,111	\$275,000 - \$275,000	\$248 - \$277	Condominium with in unit washer/dryer, fitness center, lounge and party room, theater, golf simulator, library, art/yoga studio, woodshop and underground garage. There is a 25 lb pet limit.
				18	- 1BR+D	1,275 - 1,352	\$305,125 - \$351,490	\$239 - \$260	
				71	- 2BR	1,305 - 1,475	\$274,810 - \$428,250	\$211 - \$290	
				26	- 2BR+D	1,720 - 2,413	\$445,500 - \$672,000	\$259 - \$278	
Cooperative/Ownership Active Adult									
7500 York Cooperative 7500 York Ave S	1977	337	0	184	- 1BR	775 - 925	\$41,391 - \$52,156	\$53 - \$56	Library, fitness center, hobby room, game room, and workshop. Mini bus Monday through Friday. Convenience Store. Depending on the unit floor plan, wait times may range from 6 mos to 15 years.
				135	- 2BR	1,020 - 1,260	\$61,648 - \$70,487	\$56 - \$60	
				18	- 3BR	1,455 - 1,455	\$89,915 - \$89,915	\$62 - \$62	
Shallow-Subsidy Active Adult									
None									
Deep Subsidy Active Adult									
South Haven 3400 Parklawn	1991	100	0	100	- 1BR	535 - 535	30% of AGI \$1,175 (Mkt Rent)	-- - -- \$2.20	Heat, water, sewer and trash removal included in rent; Restricted to 62+; on-site common laundry; community rm w/serving kitchen; computer lab;
Yorctown Continental 7151 York Ave S	1972	264	0	262	- 1BR	525 - 525	30% of AGI \$875 (Mkt Rent)	-- - -- \$1.67	Building was rehabbed in 2014/2015. Has a community room, dining room, and library. Utilities included.
				2	- 2BR	650 - 650	30% of AGI \$1,350 (Mkt Rent)	-- - -- \$2.08	
Summit Point/Woodhaven 5010 Summit Ave	1986	29	0	29	- 1BR	600 - 600	30% of AGI	-- - --	HUD subsidized property.
Total Deep-Subsidy		393	0						

SENIOR HOUSING PROPERTIES

TABLE A-1 SENIOR HOUSING PROPERTIES EDINA November/December 2019 (continued)									
Project Name/City	Year Built	No. of Units	No. Vacant	No.	Type	Market/Base Rent Ranges	Monthly Rent/ Sale Price	Rent/Sales Price/PSF Min - Max	Services/Amenities/Comments
Independent Living/Congregate									
The Waters of Edina 6300 Colonial Way	2013	59	1	34 -	1BR	557 - 921	\$3,400 - \$4,530	\$4.92 - \$6.10	The Waters of Edina is 55+ and has a fitness center, spa, in unit washer/dryer, clubhouse, & kitchen wih three meals per day. Additionally, dogs up to 30 lbs are allowed.
				6 -	1BR+D	921 - 1,250	\$3,400 - \$4,530	\$3.62 - \$3.69	
				15 -	2BR	1,063 - 1,465	\$5,150 - \$5,970	\$4.08 - \$4.84	
				4 -	2BR+D	1,453 - 1,469	\$5,770 - \$5,770	\$3.93 - \$3.97	
Brookdale Edina 3330 Edinborough Way	1990	150	20	7 -	Studio	724 - 724	\$2,675 - \$2,675	\$3.69 - \$3.69	Fitness center, walking paths, underground garage (\$85), business center, guest suite, library, courtyard and garden, therapy room, barber shop, pool, community room. Facility is 65+.
				45 -	1BR	625 - 625	\$4,255 - \$4,255	\$6.81 - \$6.81	
				97 -	2BR	983 - 983	\$4,195 - \$4,195	\$4.27 - \$4.27	
				1 -	3BR	1,628 - 1,628	\$5,250 - \$5,250	\$3.22 - \$3.22	
Heritage of Edina 3434 Heritage Drive	1965	59	8	16 -	Studio	290 - 420	\$1,189 - \$1,544	\$3.68 - \$4.10	Flexible meal options, housekeeping, barber shop, wellness checks, utilities included and underground parking (\$60/mo).
				43 -	1BR	450 - 705	\$1,882 - \$2,260	\$3.21 - \$4.18	
Vernon Terrace 5250 Vernon Ave	1988	127	0	39 -	1BR	654 - 654	\$1,771 - \$1,921	\$2.71 - \$2.94	Fitness center, pool, business center, in unit washer/dryer, salon, lounge, fitness center, library, and solarium.
				30 -	1BR+D	845 - 845	\$2,034 - \$2,034	\$2.41 - \$2.41	
				42 -	2BR	900 - 1,310	\$2,029 - \$3,226	\$2.25 - \$2.46	
				16 -	2BR+D	1,050 - 1,499	\$2,461 - \$3,412	\$2.28 - \$2.34	
Yorkshire of Edina 7141 York Ave S	2015	66	5	57 -	1BR	589 - 862	\$3,350 - \$3,750	\$4.35 - \$5.69	There are 66 assisted living, and 30 memory care units. In unit washer/dryer, fitness room, kitchen, chapel, salon, lounge, bistro/pub room with 1-3 meals per day and underground parking (\$75/mo). Facility is 55+ and pet limit is 25 lbs.
				3 -	1BR+D	1,189 - 1,189	\$3,750 - \$3,750	\$3.15 - \$3.15	
				6 -	2BR	1,015 - 1,015	\$4,150 - \$4,150	\$4.09 - \$4.09	
Total Independent Living (Congregate)		461	34						
Assisted Living									
Aurora on France 6500 France Ave S	2016	88	2	5 -	Studio	497 - 543	\$3,490 - \$3,595	\$6.62 - \$7.02	Facility includes, independent living, assisted living, transitional care, memory care, and care suites. The facility contains a salon, theater, outdoor patio, community room, underground parking (\$72 per month), and meals. Connected to Fairview Southdale Hospital and 55+.
				43 -	1BR	665 - 1,237	\$3,955 - \$4,720	\$3.82 - \$5.95	
				8 -	1BR+D	801 - 976	\$4,265 - \$4,470	\$4.58 - \$5.32	
				25 -	2BR	1,155 - 1,752	\$4,605 - \$5,615	\$3.20 - \$3.99	
				7	2BR+D	1,517 - 1,875	\$5,505 - \$6,150	\$3.28 - \$3.63	
The Waters of Edina 6300 Colonial Way	2013	30	1	15 -	1BR	557 - 921	\$3,300 - \$3,300	\$3.58 - \$5.92	The Waters of Edina is 55+ and has a fitness center, spa, in unit washer/dryer, clubhouse, & kitchen. Additionally, dogs up to 30 lbs are allowed.
				3 -	1BR+D	921 - 1,250	\$4,640 - \$4,940	\$3.95 - \$5.04	
				8 -	2BR	1,063 - 1,465	\$5,150 - \$5,970	\$4.08 - \$4.84	
				4 -	2BR+D	1,453 - 1,469	\$5,770 - \$6,180	\$3.97 - \$4.21	
Heritage of Edina 3434 Heritage Dr	1965	84	10	73 -	Studio	290 - 420	\$4,651 - \$5,182	\$12.34 - \$16.04	Flexible meal options, housekeeping, barber shop, wellness checks, utilities included, and underground parking (\$60/mo).
				11 -	1BR	450 - 805	\$5,204 - \$5,745	\$7.14 - \$11.56	
Sunrise of Edina 7128 France Ave S	1999	69	0	47 -	Studio	252 - 353	\$3,330 - \$3,330	\$9.43 - \$13.21	Daily meals (3), wkly laundry and hskpg. Common areas include sunroom. Service packages are available depending on care level needed; Only small dogs are allowed. Wait list of 2 years on 1BR
				4 -	Studio	371 - 417	\$3,750 - \$3,750	\$8.99 - \$10.11	
				18 -	1BR	410 - 558	\$4,890 - \$4,890	\$8.76 - \$11.93	

SENIOR HOUSING PROPERTIES

TABLE A-1 SENIOR HOUSING PROPERTIES EDINA November/December 2019 (continued)									
Project Name/City	Year Built	No. of Units	No. Vacant	No.	Type	Market/Base Rent Ranges	Monthly Rent/ Sale Price	Rent/Sales Price/PSF Min - Max	Services/Amenities/Comments
Assisted Living (continued)									
Brookdale Edina 3330 Edinborough Way	1990	54	10	7 - Studio 47 - 1BR		450 - 450 560 - 560	\$3,415 - \$3,415 \$4,255 - \$4,255	\$7.59 - \$7.59 \$7.60 - \$7.60	Brookdale Edina is a 65+ community with a fitness center, walking paths, indoor garage, business center, guest suite, library, courtyard and garden, therapy room, barber shop, pool, & community room.
York Gardens 3451 Parklawn Ave S	2011	47	4	10 - Studio 21 - 1BR 4 - 1BR+D 12 - 2BR		409 - 409 559 - 625 786 - 870 875 - 1,115	\$3,470 - \$3,780 \$4,610 - \$4,955 \$5,055 - \$5,205 \$5,205 - \$6,140	\$8.48 - \$9.24 \$7.93 - \$8.25 \$5.98 - \$6.43 \$5.51 - \$5.95	York Gardens provides assisted living/memory care connected via hallway to 7500 York Cooperative. Rest.-style dining; 24/7 care if needed; all personal cares available; salon/spa; theater rm; card clubs; art classes; htd UG pkg; all utilities included; fitness ctr w/wellness classes
Ashwood -Geneva Suites 6200 Parkwood Road	1973	6	1	6 - Pvt. Suite		160 - 220	\$12,167 - \$12,167	\$55.30 - \$76.04	Home with six bedrooms for each of the residents. Home is 4,000 sqft and in the Parkwood Knolls neighborhood. Cost is \$400 per day, all inclusive and guaranteed for life
Braeburn -Geneva Suites 6222 Braeburn Cir	1969	6	1	6 - Pvt. Suite		160 - 220	\$12,167 - \$12,167	\$55.30 - \$76.04	Near Braemar Golf Course. Cost is \$400 per day, all-inclusive and guaranteed for life.
Walker Care Suites 7400 York Ave S	1991	60	1	50 - Studio 8 - 1BR 2 - 1BR+D		298 - 477 511 - 518 700 - 700	\$3,100 - \$3,650 \$4,010 - \$4,010 \$4,115 - \$4,115	\$7.65 - \$10.40 \$7.74 - \$7.85 \$5.88 - \$5.88	Daily meals and near Centennial Lakes. Also have care suites available at cost of \$330/day. AL care packages available. 45 care suites/27 assisted living
Yorkshire of Edina 7141 York Ave S	2015	66	5	57 - 1BR 3 - 1BR+D 6 - 2BR		589 - 862 1,189 - 1,189 1,015 - 1,015	\$3,750 - \$4,150 \$4,150 - \$4,150 \$4,550 - \$4,550	\$4.81 - \$6.37 \$3.49 - \$3.49 \$4.48 - \$4.48	There are 66 assisted living, and 30 memory care units. In unit washer/dryer, fitness room, kitchen, chapel, salon, lounge, bistro/pub room with 1-3 meals per day, and underground parking (\$75/mo). Facility is 55+ and pet limit is 25 lbs.
Total Assisted Living		510	35						
Memory Care									
Aurora on France 6500 France Ave S	2016	35	3	25 - Studio 10 - Comp Ste		357 - 464 311 - 341	\$4,275 - \$4,495 \$3,935 - \$3,935	\$9.69 - \$11.97 \$11.54 - \$12.65	Staff on duty 24/7; specialized memory care programming; emerg call; daily hkspg; personal laundry; salon; daily meal service; pvt gathering spaces; personal care. The facility contains theater room, outdoor patio, community room, enclosed heated parking. Connected to Fairview Southdale Hospital.
York Gardens 3451 Parklawn Ave S	2011	15	0	15 - Studio		409 - 409	\$3,910 - \$4,140	\$9.56 - \$10.12	Additional care package in addition to housing/basic services mo fee; common lvg area for meals and activities; 24/7 care available; med mgmt; guest suite; weekly hskp; outside memory garden.

SENIOR HOUSING PROPERTIES

TABLE A-1
SENIOR HOUSING PROPERTIES
EDINA
November/December 2019
(continued)

Project Name/City	Year Built	No. of Units	No. Vacant	No.	Type	Market/Base Rent Ranges	Monthly Rent/ Sale Price	Rent/Sales Price/PSF Min - Max	Services/Amenities/Comments
Memory Care (continued)									
Sunrise of Edina 7128 France Ave S	1999	23	0	14	- Pvt Ste	252 - 300	\$4,710 - \$4,710	\$15.70 - \$15.70	Daily meals, personal laundry, housekeeping, monthly wellness visits; daily activities; sunroom, lounge areas, main floor café/bistro; pvt. dining; dining rm. Atrium activity area
				6	- Comp Ste	353 - 417	\$5,340 - \$5,340	\$12.81 - \$12.81	
				3	- 1BR	550 - 550	\$6,150 - \$6,150	\$11.18 - \$11.18	
Brookdale Edina 3330 Edinborough Way	1990	35	4	22	- Studio	400 - 400	\$5,095 - \$5,095	\$12.74 - \$12.74	Fitness center, walking paths, indoor garage, business center, guest suite, library, courtyard and garden, therapy room, barber shop, pool, & community room.
				13	- 1BR	626 - 626	\$6,615 - \$6,615	\$10.57 - \$10.57	
English Rose Suites - Loch Wood 6201 Loch Moor Dr	1970	6	0	6	- Pvt. Ste	185 - 225	\$3,250 - \$4,950	\$17.57 - \$22.00	Partnerships with local providers such as the Mayo Clinic and Health Partners. Various therapy treatments, daily exercise, group activities, and one to three care ratio. There are two vacancies among the five Edina locations.
English Rose Suites - Interlachen 609 Blake Rd S	1946	6	0	6	- Pvt. Ste	165 - 215	\$3,250 - \$4,950	\$19.70 - \$23.02	Partnerships with local providers such as the Mayo Clinic and Health Partners. Various therapy treatments, daily exercise, group activities, and one to three care ratio. There are two vacancies among the five Edina locations.
English Rose Suites - Indian Hills 6400 Timber Ridge	1982	6	0	6	- Pvt. Ste	175 - 210	\$3,250 - \$4,950	\$18.57 - \$23.57	Partnerships with local providers such as the Mayo Clinic and Health Partners. Various therapy treatments, daily exercise, group activities, and one to three care ratio. There are two vacancies among the five Edina locations.
English Rose Suites - Gleason Kn 6200 Loch Moor Dr	1966	6	0	6	- Pvt. Ste	180 - 212	\$3,250 - \$4,950	\$18.06 - \$23.35	Partnerships with local providers such as the Mayo Clinic and Health Partners. Various therapy treatments, daily exercise, group activities, and one to three care ratio. There are two vacancies among the five Edina locations.
English Rose Suites - Braemar Hi 6941 Valley View Rd	1972	6	0	6	- Pvt. Ste	185 - 215	\$3,250 - \$4,950	\$17.57 - \$23.02	Partnerships with local providers such as the Mayo Clinic and Health Partners. Various therapy treatments, daily exercise, group activities, and one to three care ratio. There are two vacancies among the five Edina locations.

SENIOR HOUSING PROPERTIES

TABLE A-1 SENIOR HOUSING PROPERTIES EDINA November/December 2019 (continued)									
Project Name/City	Year Built	No. of Units	No. Vacant	No.	Type	Market/Base Rent Ranges	Monthly Rent/ Sale Price	Rent/Sales Price/PSF Min - Max	Services/Amenities/Comments
Memory Care (continued)									
The Waters of Edina 6300 Colonial Way	2013	42	0	36 - 6	Studio - 1BR	410 - 563 472 - 761	\$4,170 - \$4,300 \$4,580 - \$4,580	\$7.64 - \$10.17 \$6.02 - \$9.70	The Waters of Edina is 55+ and has a fitness center, spa, in unit washer/dryer, clubhouse, & kitchen. Additionally, dogs up to 30 lbs are allowed.
Yorkshire of Edina 7141 York Ave S	2015	30	0	27 - 3	Studio - 1BR	384 - 393 589 - 589	\$4,800 - \$4,900 \$5,200 - \$5,200	\$12.47 - \$12.50 \$8.83 - \$8.83	There are 66 assisted living, and 30 memory care units. In unit washer/dryer, fitness room, kitchen, chapel, salon, lounge, bistro/pub room with 1-3 meals per day, and underground parking (\$75/mo). Facility is 55+ and pet limit is 25 lbs.
Walker Care Suites 7400 York Ave S	1991	12	0	12	Studio	298 - 378	\$1,920 - \$1,920	\$5.08 - \$6.44	Daily meals and housekeeping; outdoor terrace and garden courtyard; front desk concierge; van transportation; Additional care package cost is \$4,750 ro \$8,100.
Vernon Terrace (The Willows) 5250 Vernon Ave	2011	16	0	14 - 2	Studio - 1 BR	295 - 513 654 - 654	\$2,459 - \$4,621 \$4,833 - \$4,833	\$8.34 - \$9.01 \$7.39 - \$7.39	Fitness center, pool, business center, in unit wahser/dryer, salon, lounge, fitness center, library, and solarium.
						Additional Care Level Packages \$3,150 - \$6,150			
Heritage of Edina 3434 Heritage Dr	1965	75	18	56 - 19	Studio - 1BR	290 - 375 585 - 695	\$6,274 - \$6,718 \$6,804 - \$6,988	\$17.91 - \$21.63 \$10.05 - \$11.63	Flexible meal options, housekeeping, barber shop, wellness checks, utilities included, and underground parking (\$60/mo).
Total Memory Care		313	25						
Specialty Care									
Edina - East & West 6804 Dovre Dr	2004	6	0	6	Pvt. Rm	168 - 168	\$9,000 - \$10,500	\$53.57 - \$62.50	Twin home with six bedrooms; 24/7 care provided; residence equipped with adaptive devices for Parkinson's patients; three meals per day plus snacks; transportation to appointments; activities; hskp/laundry; foot care; personal care, med-set-up and mgmt.
Skilled Nursing									
Aurora on France 6500 France Ave S	2016	63	4	50 - 13	Pvt. Rm - Dbl. Rm	180 - 200 180 - 200	\$186 - \$484 \$186 - \$484	\$1.03 - \$2.42 \$1.03 - \$2.42	Transitional Care Unit; also provide respite care; offer bariatric care hospice, oxygen therapy; infection care. Pvt/dbl rooms; Pvt room additional \$36/day
Edenbrook Edina 6200 Xerxes Ave S	1971	85	0	18 - 67	Pvt. Rm - Dbl. Rm	180 - 200 180 - 200	\$186 - \$484 \$186 - \$484	\$1.03 - \$2.42 \$1.03 - \$2.42	Admission 24 hours per day. Nursing and respite care.
Total Skilled Nursing		148	4						
Total Senior Units (excl. SNF)		2,311	133						
N/A: Not Applicable.									
* Per day rates reflect 30-day monthly rate.									
Source: Maxfield Research and Consulting LLC									

Definitions

Absorption Period – The amount of time necessary for newly constructed or renovated properties to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has signed a lease.

Absorption Rate – The average number of units rented each month during the absorption period.

Active adult (or independent living few/no services available) – Active Adult properties are similar to a general-occupancy apartment building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program are usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing.

Adjusted Gross Income “AGI” – Income from taxable sources (including wages, interest, capital gains, income from retirement accounts, etc.) adjusted to account for specific deductions (i.e. contributions to retirement accounts, unreimbursed business and medical expenses, alimony, etc.).

Affordable housing (shallow-subsidy) – Housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 30%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households in the specific income restriction segment. Housing programs such as Section 42 and Low-Income Housing Tax Credit (LIHTC) and various municipal bonding programs often fall into this category. Housing is affordable to moderate, low and very low-income residents, according to definitions published by the Department of Housing and Urban Development. The lowest income level (30%) is often reserved for units targeted to long-term or chronic homeless.

Amenity – Tangible or intangible benefits offered to a tenant in the form of common area amenities or in-unit amenities. Typical in-unit amenities include dishwashers, washer/dryers, walk-in showers and closets and upgraded kitchen finishes. Typical common area amenities include detached or attached garage parking, community room, fitness center and an outdoor patio or grill/picnic area.

Area Median Income “AMI” – AMI is the midpoint in the income distribution within a specific geographic area. By definition, 50% of households earn less than the median income and 50% earn more. The U.S. Department of Housing and Urban Development (HUD) calculates AMI annually and adjustments are made for family size.

DEFINITIONS

Assisted Living – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situations), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

Building Permit – Building permits track housing starts and the number of housing units authorized to be built by the local governing authority. Most jurisdictions require building permits for new construction, major renovations, as well as other building improvements. Building permits ensure that all the work meets applicable building and safety rules and is typically required to be completed by a licensed professional. Once the building is complete and meets the inspector's satisfaction, the jurisdiction will issue a "CO" or "Certificate of Occupancy." Building permits are a key barometer for the health of the housing market and are often a leading indicator in the rest of the economy as it has a major impact on consumer spending.

Capture Rate – The percentage of age, size, and income-qualified renter households in a given area or "Market Area" that the property must capture to fill the units. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income-qualified renter households in the designated area.

Comparable Property – A property that is representative of the rental housing choices of the designated area or "Market Area" that is similar in construction, size, amenities, location and/or age.

Concession – Discount or incentives given to a prospective tenant to induce signature of a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or free amenities, which are normally charged separately, such as parking.

Congregate (or independent living with services available) – Congregate properties offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings, even excluding the services.

Contract Rent – The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

DEFINITIONS

Demand – The total number of households that would potentially move into a proposed new or renovated housing project. These households must be of appropriate age, income, tenure and size for a specific proposed development. Components vary and can include, but are not limited to: turnover, people living in substandard conditions, rent over-burdened households, income-qualified households and age of householder. Demand is project specific.

Density – Number of units in a given area. Density is typically measured in dwelling units (DU) per acre – the larger the number of units permitted per acre the higher the density; the fewer units permitted results in lower density. Density is often presented in a gross and net format:

- **Gross Density** – The number of dwelling units per acre based on the gross site acreage.
Gross Density = Total residential units/total development area
- **Net Density** - The number of dwelling units per acre located on the site, but excludes public right-of-ways (ROW) such as streets, alleys, easements, open spaces, etc.
Net Density = Total residential units/total residential land area (excluding ROWs)

Detached housing – a freestanding dwelling unit, most often single-family homes, situated on its own lot.

Effective Rents – Contract rent less applicable concessions.

Elderly or Senior Housing – Housing where all the units in the property are restricted for occupancy by persons age 62 years or better, or at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or better and the housing is designed with amenities, facilities and services to meet the needs of senior citizens.

Extremely low-income – person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

Fair Market Rent – Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

Fair Market Rent – Hennepin County 2016

Fair Market Rent					
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$656	\$813	\$1,027	\$1,444	\$1,693

DEFINITIONS

Floor Area Ratio (FAR) Ratio of the floor area of a building to area of the lot on which the building is located.

Foreclosure – A legal process in which a lender or financial institute attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by using the sale of the house as collateral for the loan.

Gross Rent – The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease, plus the estimated cost of all utilities paid by tenants. Maximum Gross Rents for Hennepin County in 2016 are as follows:

Gross Rent Hennepin County – 2016					
	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$450	\$514	\$579	\$643	\$695
50% of median	\$751	\$857	\$965	\$1,072	\$1,158
60% of median	\$901	\$1,029	\$1,158	\$1,287	\$1,390
80% of median	\$1,202	\$1,372	\$1,544	\$1,716	\$1,854
100% of median	\$1,502	\$1,715	\$1,930	\$2,145	\$2,317
120% of median	\$1,803	\$2,058	\$2,316	\$2,574	\$2,781

Household – All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Household Trends – Changes in the number of households for any particular areas over a measurable period of time, which is a function of new household formations, changes in average household size, and net migration.

Housing Choice Voucher Program – The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

DEFINITIONS

Housing unit – House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Project-Based Section 8 – A federal government program that provides rental housing for very low-income families, the elderly, and the disabled in privately owned and managed rental units. The owner reserves some or all the units in a building in return for a Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

HUD Section 202 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by elder household who have incomes not exceeding 50% of Area Median Income. Section 202 programs are currently reserved for sites that are in qualified low-income census tracts.

HUD Section 811 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy of persons with disabilities who have incomes not exceeding 50% Area Median Income.

HUD Section 236 Program – Federal program that provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% Area Median Income who pay rent equal to the greater or market rate or 30% of their adjusted income.

Income limits – Maximum households income by a designed geographic area, adjusted for household size and expressed as a percentage of the Area Median Income, for the purpose of establishing an upper limit for eligibility for a specific housing program.

	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$18,030	\$20,580	\$23,160	\$25,740	\$27,810	\$29,850	\$31,920	\$33,990
50% of median	\$30,050	\$34,300	\$38,600	\$42,900	\$46,350	\$49,750	\$53,200	\$56,650
60% of median	\$36,060	\$41,160	\$46,320	\$51,480	\$55,620	\$59,700	\$63,840	\$67,980
80% of median	\$48,080	\$54,880	\$61,760	\$68,640	\$74,160	\$79,600	\$85,120	\$90,640
100% of median	\$60,100	\$68,600	\$77,200	\$85,800	\$92,700	\$99,500	\$106,400	\$113,300
120% of median	\$72,120	\$82,320	\$92,640	\$102,960	\$111,240	\$119,400	\$127,680	\$135,960

Inflow/Outflow – The Inflow/Outflow Analysis generates results showing the count and characteristics of worker flows in to, out of, and within the defined geographic area.

Low-Income – Person or household with gross household incomes below 80% of Area Median Income, adjusted for household size.

DEFINITIONS

Low-Income Housing Tax Credit – A program aimed to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and rents on these units be restricted accordingly.

Market analysis – The study of real estate market conditions for a specific type of property, geographic area or proposed (re)development.

Market rent – The rent that an apartment, without rent or income restrictions or rent subsidies, would command in a given area or “Market Area” considering its location, features and amenities.

Market study – A comprehensive study of a specific proposal including a review of the housing market in a defined market or geography. Project specific market studies are often used by developers, property managers or government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what house needs, if any, existing within a specific geography.

Market rate rental housing – Housing that does not have any income-restrictions. Some properties will have income guidelines, which are minimum annual incomes required in order to reside at the property.

Memory Care – Memory Care properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.

Migration – The movement of households and/or people into or out of an area.

Mixed-income property – An apartment property contained either both income-restricted and unrestricted units or units restricted at two or more income limits.

Mobility – The ease at which people move from one location to another.

DEFINITIONS

Moderate Income – Person or household with gross household income between 80% and 120% of the Area Median Income, adjusted for household size.

Multifamily – Properties and structures that contain more than two housing units.

Naturally Occurring Affordable Housing – Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

Net Income – Income earned after payroll withholdings such as state and federal income taxes, social security, as well as retirement savings and health insurance.

Net Worth – The difference between assets and liabilities, or the total value of assets after the debt is subtracted.

Pent-up demand – A market in which there is a scarcity of supply and as such, vacancy rates are very low or non-existent.

Population – All people living in a geographic area.

Population Density – The population of an area divided by the number of square miles of land area.

Population Trends – Changes in population levels for a specific geographic area over a specific period– a function of the level of births, deaths, and in/out migration.

Project-Based rent assistance – Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment – The redesign, rehabilitation or expansion of existing properties.

Rent burden – gross rent divided by adjusted monthly household income.

Restricted rent – The rent charged under the restriction of a specific housing program or subsidy.

DEFINITIONS

Saturation – The point at which there is no longer demand to support additional market rate, affordable/subsidized, rental, for-sale, or senior housing units. Saturation usually refers to a particular segment of a specific market.

Senior Housing – The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives. Maxfield Research Inc. classifies senior housing into four categories based on the level of support services. The four categories are: Active Adult, Independent Living, Assisted Living and Memory Care.

Short Sale – A sale of real estate in which the net proceeds from selling the property do not cover the sellers’ mortgage obligations. The difference is forgiven by the lender, or other arrangements are made with the lender to settle the remainder of the debt.

Single-family home – A dwelling unit, either attached or detached, designed for use by one household and with direct street access. It does not share heating facilities or other essential electrical, mechanical or building facilities with another dwelling.

Stabilized level of occupancy – The underwritten or actual number of occupied units that a property is expected to maintain after the initial lease-up period.

Subsidized housing (Deep-subsidy) – Housing that is income-restricted to households earning at or below 50% AMI. Rent is based on income, with the household contributing 30% of their adjusted gross income toward rent. Some programs may set a specific rent where households may qualify based on 30% or less of AMI. This is also designated as “deep subsidy” housing. This housing targets households with extremely low incomes, according to HUD definitions.

Subsidy – Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment’s contract/market rate rent and the amount paid by the tenant toward rent.

Substandard conditions – Housing conditions that are conventionally considered unacceptable and can be defined in terms of lacking plumbing facilities, one or more major mechanical or electrical system malfunctions, or overcrowded conditions.

Target population – The market segment or segments of the given population a development would appeal or cater to.

Tenant – One who rents real property from another individual or rental company.

Tenant-paid utilities – The cost of utilities, excluding cable, telephone, or internet necessary for the habitation of a dwelling unit, which are paid by said tenant.

Tenure – The distinction between owner-occupied and renter-occupied housing units.

DEFINITIONS

Turnover – A measure of movement of residents into and out of a geographic location.

Turnover period – An estimate of the number of housing units in a geographic location as a percentage of the total house units that will likely change occupants in any one year.

Unrestricted units – Units that are not subject to any income or rent restrictions.

Vacancy period – The amount of time an apartment remains vacant and is available on the market for rent.

Workforce housing – Housing that is income-restricted to households earning between 80% and 120% AMI. Also referred to as moderate-income housing.

Zoning – Classification and regulation of land use by local governments according to use categories (zones); often also includes density designations and limitations

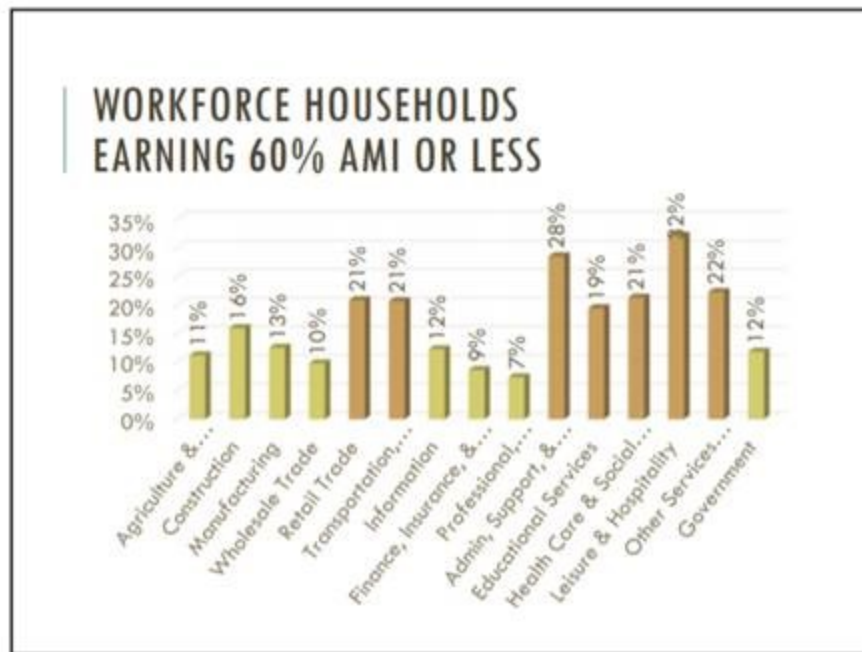


⚠ City offices are closed on Monday, January 1.

Bloomington Housing Trust Fund

The Affordable Housing Trust Fund will promote the development, financing and acquisition of affordable housing while furthering private market development in the City. The Affordable Housing Trust Fund was established by the City's Opportunity Housing Ordinance, launched September 1, 2019. Developments with 20 units or more that include at least 9% affordable units in compliance with the Opportunity Housing Ordinance are eligible for the Housing Trust Fund. Bloomington is among the first suburban cities in the region to establish a Affordable Housing Trust Fund and is leading efforts to develop rental units affordable to very low income tenants.

In Bloomington, households earning less than \$60,000 (60% of Area Median Income) struggle to find rental housing that is reasonably affordable. The addition of affordable units in all new development will stimulate economic growth that benefits the entire community.



BLOOMINGTON RENTAL HOUSING AFFORDABILITY



AFFORDABLE RENT LIMITS			
# BEDROOMS	EXTREMELEY LOW INCOME \$30,000 / 30% OF AREA MEDIAN INCOME*	VERY LOW INCOME \$50,000 / 50% OF AREA MEDIAN INCOME*	LOW INCOME \$60,000 / 60% OF AREA MEDIAN INCOME*
Efficiency	\$525	\$875	\$1,050
1 Bedroom	\$562	\$937	\$1,124
2 Bedroom	\$675	\$1,125	\$1,350
3 Bedroom	\$780	\$1,300	\$1,560
4 Bedroom	\$870	\$1,450	\$1,740

AREA MEDIAN INCOME* LIMITS BY HOUSEHOLD SIZE			
# RESIDENTS	30%	50%	60%
1	\$21,000	\$35,000	\$42,000
2	\$24,000	\$40,000	\$48,000
3	\$27,000	\$45,000	\$54,000
4	\$30,000	\$50,000	\$60,000
5	\$32,400	\$54,000	\$64,800
6	\$34,800	\$58,000	\$69,600

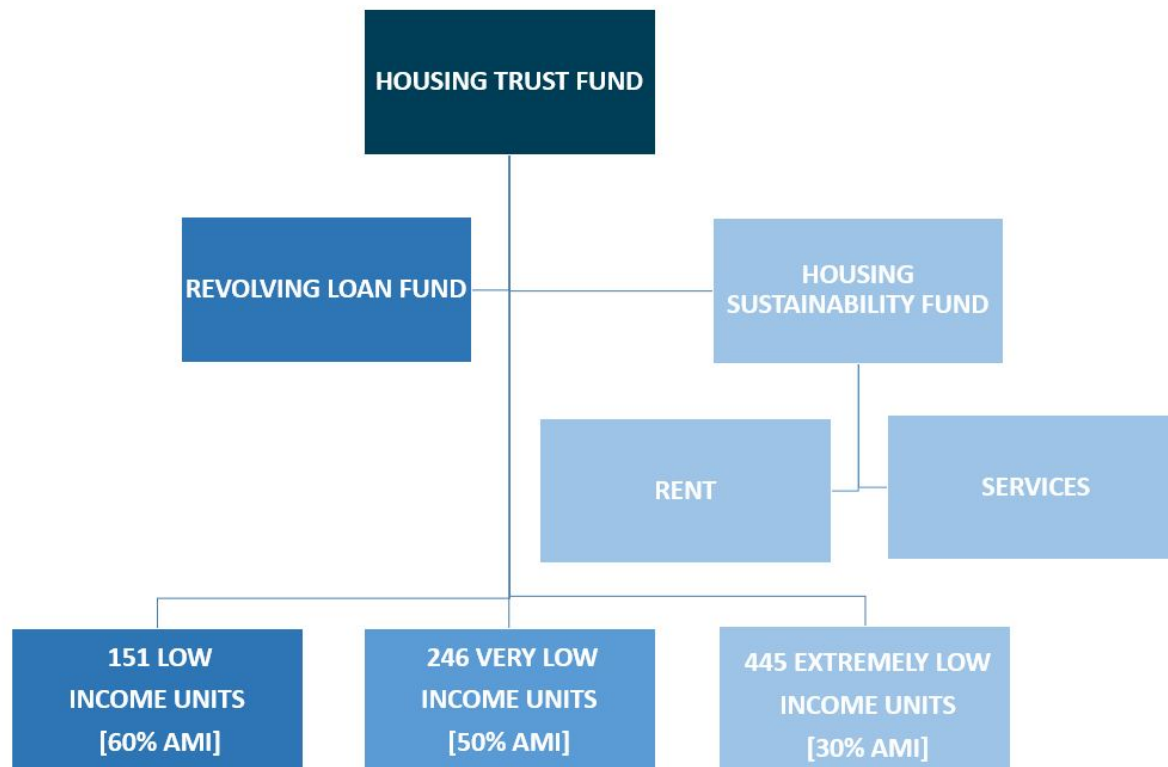
*\$100,000 is the area median income for a family of four
for the Minneapolis - St. Paul - Bloomington Metropolitan Statistical Area in 2019

The goal of the Affordable Housing Trust Fund is to develop 842 affordable rental units by 2030 including: 151 low income units, 246 very low income units and 445 extremely low income units.

The Housing and Redevelopment Authority is working to build the Affordable Housing Trust Fund to provide significant resources to be announced in early 2020. The Affordable Housing Trust Fund will provide resources for a Revolving Loan Fund to develop low income housing and for a Housing Sustainability Fund to serve renters with extremely low incomes.



BLOOMINGTON AFFORDABLE HOUSING TRUST FUND



Revolving Loan Fund - Development gap financing for affordable housing development

Funding will be awarded based on the following criteria:

- Number of affordable units (at least 9% affordable)
- Affordability of units (30% AMI, 50% AMI, 60% AMI)
- Benefits to low and moderate income citizens
- Designated development district and transit area
- Number and types of jobs created or retained
- Private funding related to public investment
- Increase in tax revenue
- Other criteria TBD

Housing Sustainability Fund - Grant Funds for Extremely Low Income Units (30% AMI)

RENTAL SUBSIDY

- Difference between rent at 60% AMI and 30% AMI
- Approximately \$13,000 per unit per year

HOUSING SUPPORT

- Supportive services to maintain housing stability
- Funding TBD

AFFORDABLE HOUSING TRUST FUND | POTENTIAL FUNDING SOURCES

- HRA Levy
- Line of Credit
- Housing Revenue Bonds or General Obligation Bonds
- Tax Increment Financing Allocation
- Revolving Loan Fund Payments of Principal and Interest
- Opportunity Housing Payments in Lieu
- Grants, Donations or Gifts
- Funds from other sources authorized by the HRA, City Council or the voters

For further information or to donate to the Affordable Housing Trust Fund contact:

Housing and Redevelopment Authority

OpportunityHousingOrdinance@BloomingtonMN.gov

For more information on the Opportunity Housing Ordinance: blm.mn/OHO

Contact Information

Opportunity Housing

[Email staff](#)



The intent of the Front Door Grant Program is to pay a portion of project costs to Coon Rapids property owners who will make certain exterior improvements to the front (street side) of their home, increasing its curb appeal, which benefits the entire community. There are no income limits to participate in this program.

Grant

Between \$1,000 - \$5,000. Homeowners must pay at least \$4,000 of their own funds to be eligible to receive the minimum grant amount of \$1,000 from the City. Grant dollars do not need to be repaid.

Grants will equal either 15% or 25% of the applicant's individual project amounts depending upon the scope of work. If the scope of work includes qualifying projects from both categories, then the grant amount will be determined individually in each category. The combined grant amount must be \$1,000 or more (maximum \$5,000) to be eligible. Cost of tools or tool rental will not be eligible for grant dollars.

Eligibility Requirements

- 1 to 4 unit buildings, owner-occupied, single family, townhome, twin home or condo.
- Located in Coon Rapids, MN and has homestead status with Anoka County Property Records. Relative homestead is not eligible.
- Current on Anoka County property taxes.
- Property value is less than \$400,000 based on Anoka County's estimated property value.
- Projects must include at least one item from the Beautification Project list.
- Projects must be visible from the street in front of the house.
- None of the exterior projects are covered, or will be covered, by an insurance claim.
- None of the exterior projects will be part of a Home for Generations II grant.

- Work cannot begin until the required paperwork has been submitted to the City and a Grant Award Certificate has been provided to and signed by the homeowner.
- Applicant was not a Front Door Grant recipient in 2019 - 2023. If you applied in the past but did not receive any funds, then you ARE eligible to apply again.

Beautification Projects (25% grant)

***Applicants REQUIRED to include at least one project from this list.**

- Front door, storm door, and/or garage door
- Sidelight windows by front door
- Columns at front door
- Covered front porch
- Brick, stone or shakes
- Alter roofline on front of house
- Permanent landscaping (includes tree trimming, removal/replacement of overgrown or dead items, planting new trees, shrubs, plants and/or flowers). \$500 minimum if this is your beautification project.
- Driveway, sidewalk (repair or replace)
- Window boxes, shutters (add or replace)
- Screening of utility boxes and/or garbage and recycling cans
- Fence (add, repair, or replace)

Basic Projects (15% grant)

***These are optional projects an applicant may include.**

- Roof
- Siding
- Painting
- Soffit
- Facia
- Trim
- Gutters
- Windows
- Chimney repair, tuck-pointing, repointing
- Deck - front or side yard - visible from front of house (repair or replace)
- Porch - front or side yard - visible from front of house (repair or replace)
- Retaining wall (repair or replace)

Optional Elements

Landscape Architectural Consultation: If landscaping is part of the project, a 2-hour at home consultation with a landscape architect is available. Consultations are subsidized by the City and the homeowner pays a \$25 co-pay.

Financing: The City has low-interest loans available to help finance the balance of your project cost. Starting in January 2023, the interest rates are now available at 2% and 4% interest, depending upon household income, and without income limits. For more information on financing options, contact the Lending Center at the Center for Energy and Environment at [their website](#) or 612-335-5884.

Contact Us

Kristin DeGrande

Housing Programs Coordinator

Email Kristin DeGrande

Phone: Phone: 763-767-6517

Housing

Physical Address

11155 Robinson Drive

Coon Rapids, MN 55433

Phone: 763-767-6430

Directory

City of Northfield

*City Hall
801 Washington Street
Northfield, MN 55057
ci.northfield.mn.us*



Meeting Agenda

Tuesday, March 23, 2021

4:00 PM

GoTo Meeting

Housing & Redevelopment Authority

CALL TO ORDER AND ROLL CALL**APPROVAL OF AGENDA****APPROVAL OF MINUTES**

1. [21-182](#) February 23, 2021 HRA Meeting Minutes

Attachments: [02-23-2021 HRA Minutes](#)

PRESENTATIONS

2. [21-183](#) Housing Study Presentation

Attachments: [1. Final Report 3-4-2021 v2](#)
[2. HRA Meeting Presentation 3-24-2021](#)

PUBLIC HEARINGS AND RELATED ACTION

3. [21-184](#) Public Hearing on HRA financial assistance for CAC Hillcrest Project

Attachments: [1 - Publication_NFLD NEWS_3-3-21](#)
[2 - CAC Hillcrest Village HRA Request with plans](#)
[3 - Public input received](#)

4. [21-185](#) Public Hearing on HRA property contribution to Three Rivers Community Action for Spring Creek II townhome project

Attachments: [1 - Spring Creek II project summary](#)
[2 - HRA Resolution 2018-004](#)
[3 - HRA Motion 2020-007](#)

NEW BUSINESS

5. [HRA Res. 2021-008](#) HRA to consider \$250,000 Forgivable Loan to the Community Action Center of Northfield's Hillcrest Project

Attachments: [1 - HRA Resolution 2020-001](#)

6. [21-186](#) Affordable Housing Task Force As sub-committee of HRA

Attachments: [04-20-16 Creation of AHTF](#)
[04-20-16 HRA Minutes \(Read-Only\)](#)
[AHTF Creation_Request](#)

7. [21-187](#) Rice County Habitat for Humanity

Attachments: [2021.3.5 Request to Northfield HRA](#)

REPORTS FROM BOARD MEMBERS AND CHAIR

STAFF UPDATES

8. [21-188](#) Staff Updates on Outstanding HRA Items

ADJOURNMENT



City of Northfield

City Hall
801 Washington Street
Northfield, MN 55057
ci.northfield.mn.us

Legislation Text

File #: 21-182, **Version:** 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Kari Bonde, Administrative Associate

February 23, 2021 HRA Meeting Minutes

Action Requested:

Please review the February 23, 2021 HRA meeting minutes and approve or approve with amendments.



City of Northfield

City Hall
801 Washington Street
Northfield, MN 55057
ci.northfield.mn.us

Meeting Minutes - Draft Housing & Redevelopment Authority

Tuesday, February 23, 2021

4:00 PM

GoTo Meeting

4:00 PM - REGULAR AGENDA CALL TO ORDER AND ROLL CALL

Chair Nystrom called the meeting to order at 4:02pm.

Also present: Housing Coordinator Melissa Hanson, Administrative Associate Kari Bonde, Community Development Director Mitzi Baker, Economic Development Coordinator Nate Carlson, Rhonda Pownell, Sam Wilmes, Youth Rep: TJ Myers, George Zuccolotto, Scott Wopata.

Present: 7 - Jayne Hager Dee, Kevin Fink, Brent Nystrom, Sandra Gerdes, James Crow, Clarice Grabau and Teng Lee

APPROVAL OF AGENDA

A motion was made by Board Member Gerdes, seconded by Board Member Grabau, to approve the agenda. The motion carried by the following vote:

Yes: 7 - Board Member Dee, Board Member Fink, Chair Nystrom, Board Member Gerdes, Board Member Crow, Board Member Grabau and Board Member Lee

APPROVAL OF MINUTES

1. [21-118](#) November 24, 2020 HRA Meeting Minutes

Attachments: [11-24-2020 HRA Minutes](#)

Chair Nystrom wanted to welcome everyone back and noted that he would like to keep the meetings to a 1 hour time limit.

A motion was made by Board Member Fink, seconded by Board Member Dee, to approve the November 24, 2020 HRA Minutes. The motion carried by the following vote:

Yes: 7 - Board Member Dee, Board Member Fink, Chair Nystrom, Board Member Gerdes, Board Member Crow, Board Member Grabau and Board Member Lee

NEW BUSINESS

2. [21-119](#) Introductions to new HRA members

Chair Nystrom had new HRA members introduce themselves.

Board Member Teng: recently moved to Northfield and is excited to get to know the community! Recently became an attorney!

Board Member Crow: retired attorney, has served on the HRA previously and loves to volunteer.

*Board Member Zuccolotto: works at Blue Monday, serves on City Council.
Board Member Grabau: teacher for adults, serves on City Council.*

3. [21-120](#) Election of Officers

Attachments: [2020 HRA Bylaws 121719](#)

A motion was made by Board Member Dee, seconded by Board Member Crow to approve Chair Nystrom as Chair, Board Member Fink as Vice Chair and Board Member Hager Dee as secretary. The motion carried by the following vote:

Yes: 7 - Board Member Dee, Board Member Fink, Chair Nystrom, Board Member Gerdes, Board Member Crow, Board Member Grabau and Board Member Lee

4. [21-121](#) Orientation to the City of Northfield Housing and Redevelopment Authority

Housing Coordinator Melissa Hanson introduced herself and gave a Power Point presentation overview on what the purpose of the HRA is.

5. [HRA M2021-009](#) HRA to consider financial support to the Community Action Center of Northfield's Hillcrest Project

Attachments: [CAC Hillcrest Village HRA Request with plans](#)
[11-18-20 EQC Minutes](#)

Chair Nystrom and Economic Development Coordinator Nate Carlson introduced this item and answered questions posed by Board Members.

A motion was made by Board Member Dee, seconded by Board Member Grabau, to direct staff to draft appropriate documents for the financial support for CAC Hillcrest Village Project and to call a public hearing to occur in March, in accordance with the City's Business Subsidy Policy. The motion carried by the following vote:

Yes: 7 - Board Member Dee, Board Member Fink, Chair Nystrom, Board Member Gerdes, Board Member Crow, Board Member Grabau and Board Member Lee

6. [21-122](#) 2020 HRA Owned Rental Properties Income and Expense Report

Attachments: [2020 Qtr 4 Rental Income & Expense Report](#)

Housing Coordinator Melissa Hanson noted this was a report for the board to review and no action is needed.

A discussion was held regarding the HRA rental properties.

7. [21-123](#) HRA to Consider a Modification to a Current CDBG Program

Attachments: [1 - Aging in Place Modifications Application Form](#)
[2 - Northfield Dashboard Jan2021](#)

Housing Coordinator Melissa Hanson introduced this item and answered questions posed by Board Members.

8. [21-124](#) 2021 Proposed HRA Meeting Schedule

Attachments: [2021 HRA Meeting Schedule](#)

REPORTS FROM COMMISSION MEMBERS AND CHAIR

No reports.

STAFF UPDATES

9. [21-125](#)

Staff Updates on Outstanding HRA Items

Housing Coordinator Melissa Hanson gave updates on the housing study, Spring Creek II, Three Rivers breaking ground shortly after July 4.

Community Development Director Mitzi Baker gave an update regarding the rental licensing program.

ADJOURNMENT

A motion was made by Board Member Gerdes, seconded by Board Member Fink, to adjourn the meeting at 5:33pm. The motion carried by the following vote:

Yes: 7 - Board Member Dee, Board Member Fink, Chair Nystrom, Board Member Gerdes, Board Member Crow, Board Member Grabau and Board Member Lee

Legislation Text

File #: 21-183, **Version:** 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Melissa Hanson, Housing Coordinator

Housing Study Presentation

Action Requested:

Hoisington Koegler Group (HKGi) to provide a presentation on their findings

Summary Report:

August 2020, Hoisington Koegler Group (HKGi) was contracted by the City of Northfield HRA to assist the City with preparing a plan to address the community's housing needs. The purpose of this study is to provide a comprehensive understanding of Northfield's housing needs in the next five years. In particular, the study's findings will be used to inform the community and to help the community to achieve strategic growth and maintaining sustainable, life-cycle housing options. The study's scope consisted of three components: demographics inventory/ analysis, housing inventory/analysis, and housing demand and supply analysis.

The results of the housing study can be found here:

[<https://www.ci.northfield.mn.us/486/Housing-Redevelopment-Authority>](https://www.ci.northfield.mn.us/486/Housing-Redevelopment-Authority)

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

N/A



Northfield Housing Study Final Report

Northfield, MN | March 2021



Hoisington Kogler Group Inc.

Study Purpose and Scope

Hoisington Koegler Group (HKGi) was contracted by the City of Northfield to assist the City with preparing a plan to address the community's housing needs. Affordable housing was identified as one of the City's top strategic priorities in its 2018-2020 Strategic Plan. The purpose of this study is to provide a comprehensive understanding of Northfield's housing needs in the next five years. In particular, the study's findings will be used to inform the community and to help achieve the community's strategic priority of growing and maintaining its affordable housing options. The study's scope consisted of three components: demographics inventory/ analysis, housing inventory/analysis, and housing demand and supply analysis.

Organization of the Report

The report is organized into four sections. Supplementing the report are three corresponding sets of slides that provide more detailed information, which are incorporated into the report as an appendix.

1. Key Findings
2. Demographics Inventory and Analysis
3. Housing Inventory and Analysis
4. Housing Demand and Supply Analysis
5. Appendix of Detailed Slides (3 Sets)

Key Findings

Based on HKGi's compilation and analysis of Northfield's demographics, housing inventory, 5-year projections, and resulting housing demand and supply, we have identified the following key findings:

1. **Projected 5-Year Household Growth.** An increase of 450 new households is projected over the next 5 years (average: 90/year) which is consistent with Northfield's longer-term historical growth. These 2021 - 2025 population and household projections account for the impacts of Northfield's lagging new housing construction over the past decade, the low housing vacancy rate, and significantly increasing home sales prices, which all indicate pent up demand for more housing in the community. Rather than simply basing the City's 5-year projections on recent population and household growth trends (past 10 years), we are recommending that Northfield's household growth will be about 6.75%. This growth rate is between the projected growth rates of the comparable cities of Hastings (5.8%) projected growth and other nearby Dakota County cities (range from 8% to 11%).
2. **Growing Age Groups Focus.** The biggest population and household growth in the 2010 – 2025 time period is anticipated to be in the following age groups, and the supply of new housing should focus on the needs of these age groups in particular:
 - Senior (ages 55+): Estimated growth of 1,440 people from 2020 – 2025. A mix of active adult, independent living, assisted living, and memory care will be needed

- New Family (ages 25 – 34): Millennials are beginning to start families and are looking for starter and move-up homes
3. **Smaller Households.** The City’s demographic trends and the increasing number of smaller households in general will increase demand for a broader variety of housing options, including smaller size, rental, lower maintenance, and affordable housing.
 4. **Owner-Occupied/For-Sale Housing.** Projected supply of 180 additional for-sale housing units for the 2021 – 2025 time period will be needed, which is 36 units per year. There are 114 for-sale housing units that have already been approved for development, so an additional 68 units will be needed at a minimum.
 5. **Affordable For-Sale Housing.** Substantial demand exists for additional affordable housing units. Due to the necessary construction costs of new owner-occupied/for-sale housing, it is extremely challenging to construct affordable single-family homes. Affordable new construction for-sale housing will most likely need to be in the form of townhouses or similar attached housing types, which is more feasible. Existing naturally occurring affordable housing (NOAH) plays an important role in the supply of affordable single family with new construction more likely meeting a move-up housing market.
 6. **Rental Housing.** Projected supply of 226 additional non-senior rental housing units will be needed, which will likely be a mix of apartments, townhomes, and single family homes. Two apartment projects with a total of 149 rental units will be brought on line in 2021, along with 38 rental townhomes anticipated in the near future. An additional 39 rental units will be needed at a minimum.
 7. **Affordable Rental Housing.** Of the 187 rental units currently planned for development, 46 (25%) are affordable units – 8 apartments and 38 townhouses. Since almost half of current rental households (44.5%) are housing cost-burdened, the remaining projected supply of rental housing (39 units) should include affordable units.
 8. **Senior Housing.** Projected supply of 88 additional senior housing units will be needed, including independent living units (38), assisted living (50), and memory care (15).

Demographics Summary

The first phase of the housing study was assembling the city’s demographics relevant to housing. The demographics inventory consists of data related to four major elements:

1. Population
2. Households
3. Income
4. Employment

This summary section goes along with the attached Demographics Inventory and Analysis slides. Data sources for all of the demographics information is provided on these slides. Where relevant, references to the slide numbers containing the associated tables, charts, or graphics are included.

Population

Growth

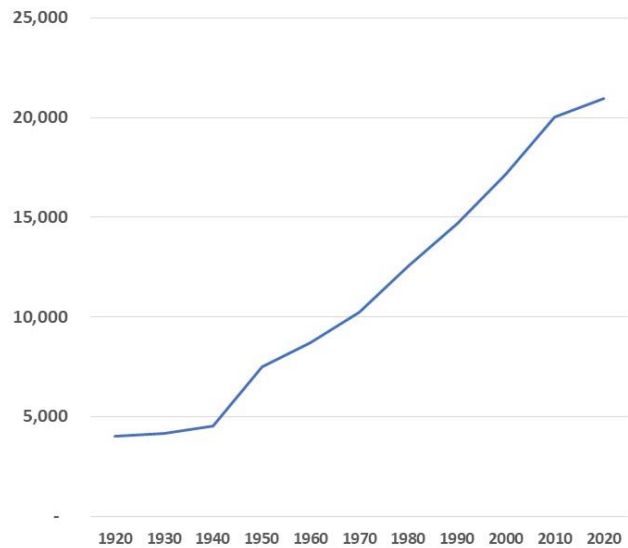
In 2020, the U.S. Census estimated Northfield's total population at 20,968. The non-college population was estimated at 15,776. Since the 1950s, the City of Northfield has seen relatively stable growth, adding an average of roughly 200 people per year. While this number has tapered somewhat in the last decade, growth has continued at about 100 residents being added per year.

Aging

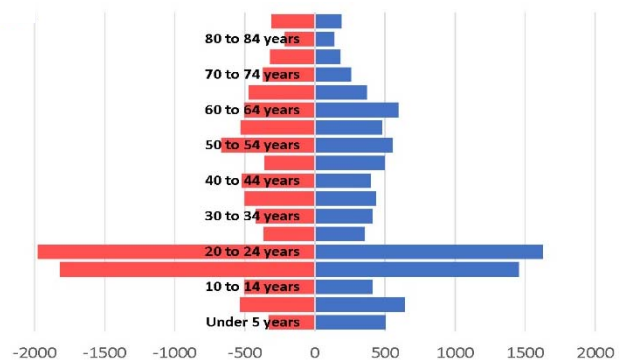
The presence of two colleges means that about a quarter of the population is college students. These students tend to leave after graduation but are replaced by incoming students. This age cohort is a significant portion of the community's population.

With the exception of college students, the Baby Boom generation (aged 56-74 in 2020) represents a larger portion of the City's population than younger generations. As this group ages, the relative size of this population pulls the average age higher. While this trend is not unique to Northfield, it does mean the largest part of the population (except for college aged) is reaching retirement, facing health realities, shifting priorities, and desiring/needing different housing options.

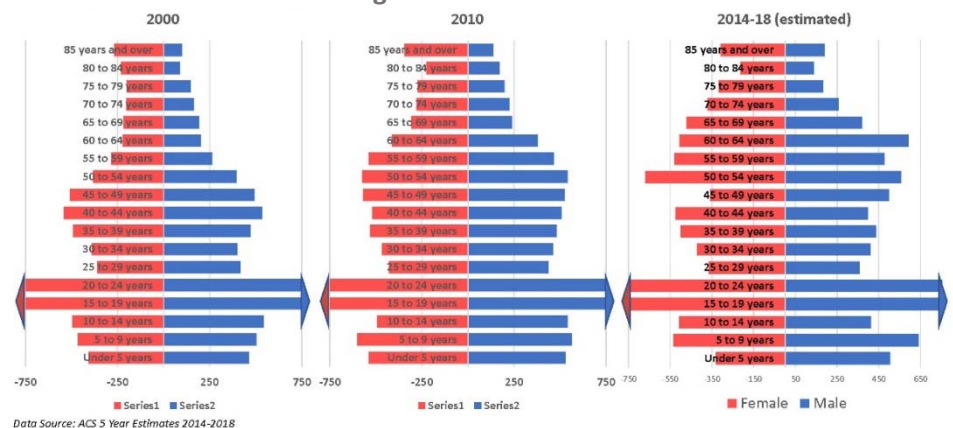
Population Growth



Age & Sex Current



Age & Sex Trends

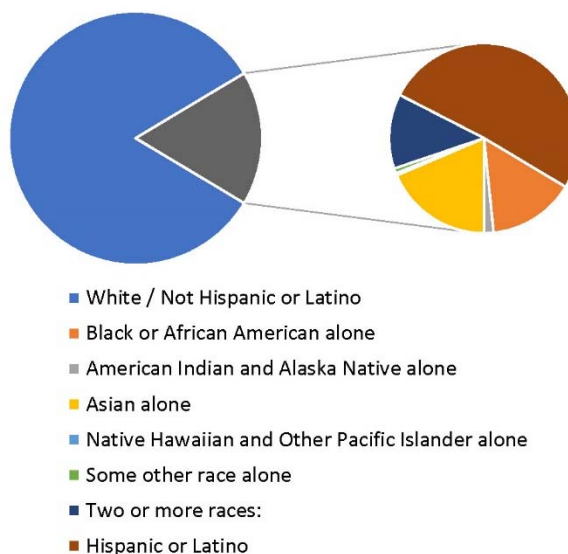


Race/Ethnicity

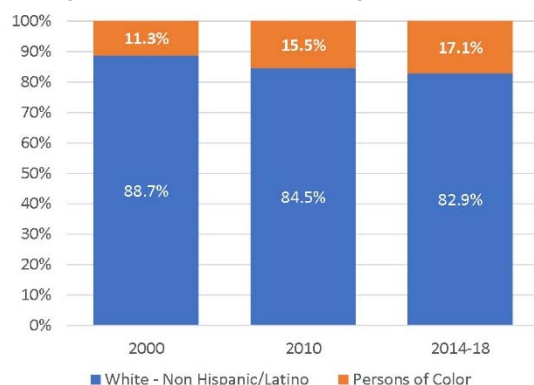
Northfield's racial mix continues to be predominantly white, with about 83% of residents identifying themselves as non-Hispanic white. However, the community has been diversifying, with the non-white population growing 150% since 2000. This diversification is most clearly seen in Northfield's younger generations. About a quarter of residents under 18 are people of color, compared to about 5% of residents over 65.

Hispanic/Latino residents represent the second largest racial group, at about 9% of the total population, and about half of the people of color in the community. Other racial groups including Asian (3.1%), Black/African American (2.5%), people of two or more races (2.2%) and others make up slightly more than 8% of the population.

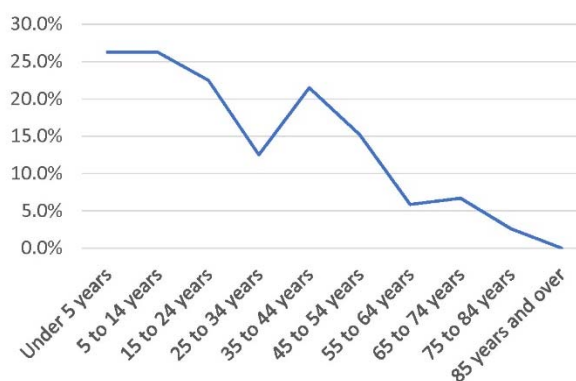
Population - Race/Ethnicity



Population - Race/Ethnicity since 2000



Percent of Population of Color by Age

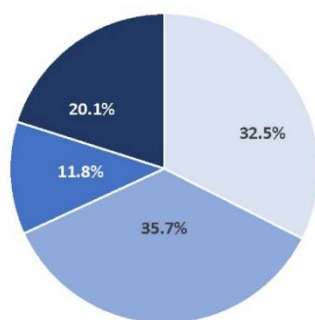


Households

Household Size

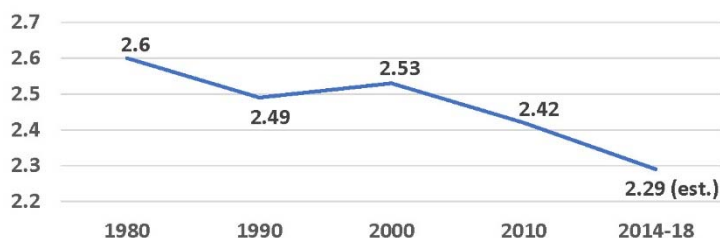
While the city's population growth has tapered somewhat since 2010, the average household size has continued its steady decline. Household size has been decreasing for many decades in the U.S. Northfield's household size has historically been substantially lower than at the national level. For example, in 1960, average household size was 3.33 in the U.S. compared to 2.92 in Northfield. This difference has narrowed substantially over time with U.S. average household size at 2.53 in 2020 compared to 2.45 in Northfield. This combination of factors means the number of households in the city has been growing faster than its population in the last decade. Declining household size also has implications for the mix of housing types that are needed/desired in the City, as two thirds of the households consist of just one or two people.

Household Size



- 1-person household
- 2-person household
- 3-person household
- 4-or-more-person household

Household Size by Decade



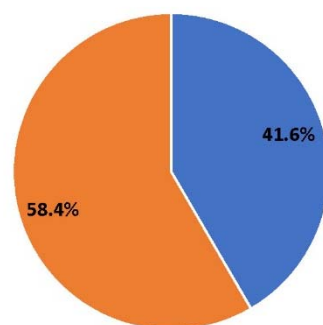
Household Makeup

Similar to the population trends, an increasing percentage of households have at least one person over 60 years old. That number has grown from 29.3% during 2006-2010 to 41.6% for 2014-2018. This ratio is higher than the state of Minnesota (36.4%). This shift is not unexpected, given the aging of the Baby Boomer generation, but does merit consideration when thinking about the city's mix of housing types, features, and prices.

While households with people over 60 are growing, the percentage of households with children continues to decline. In 2000, 35.4% of households had at least one child. By 2014-2018, that percentage had dropped to 29.4%. This ratio is in line with the whole state (30.6%).

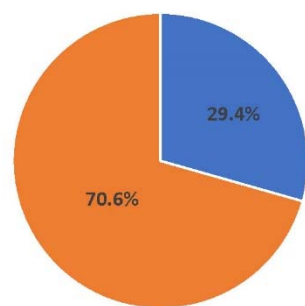
In terms of multi-generational households, 1.4% of households in Northfield have at least one grandparent living in the same household as a grandchild. This ratio is less than the state's number of 2.1% of households. While a small percentage of the total, it does estimate approximately 42-132 households in Northfield, which is not insignificant.

Households with One or More People Over-60



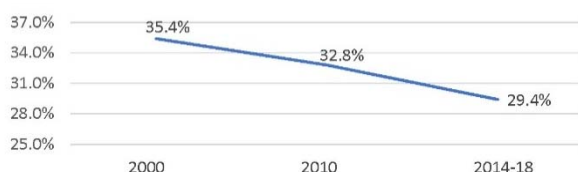
- Households with one or more people 60 years and over
- Households without one or more people 60 years and over

Households with One or More People Under-18



- Households with one or more people under 18 years
- Households without one or more people under 18 years

Households with One or More People Under-18 from 2000-2018

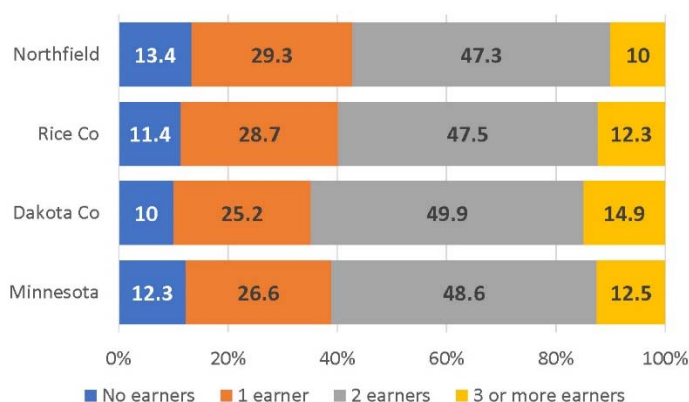


Income

Household Income

Median household income in Northfield was \$65,441/year from 2014-2018. The city's median is similar to Rice County (\$65,758) and the state (\$68,411). Dakota County has a higher household median income at \$83,288. While 27.7% of Northfield households have an income of more than \$100,000 per year, 18% make less than \$35,000.

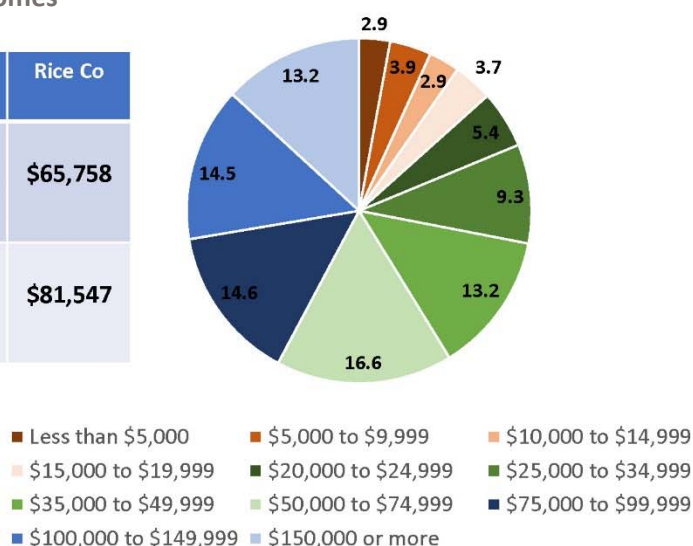
Number of Earners (by % of families)



Median and Mean Household Incomes

	Northfield	State of MN	Dakota Co	Rice Co
Median Household Income	\$65,441	\$68,411	\$83,288	\$65,758
Mean Household Income	\$82,655	\$90,600	\$104,036	\$81,547

Household Income by Percent



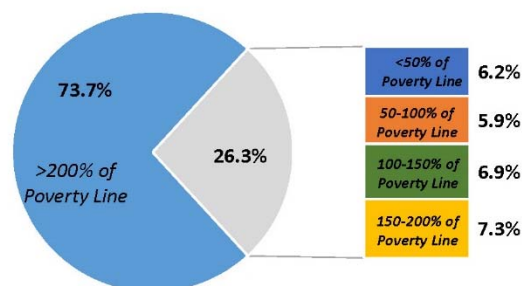
Data Source: ACS 5 Year Estimates 2014-2018

The percentage of households with 0 or 1 earner in Northfield outpaces Rice and Dakota Counties and the state. Households with high earnings are much more likely to have multiple earners, while households at the low end of earnings tend to be 0 or 1 earner households.

Poverty

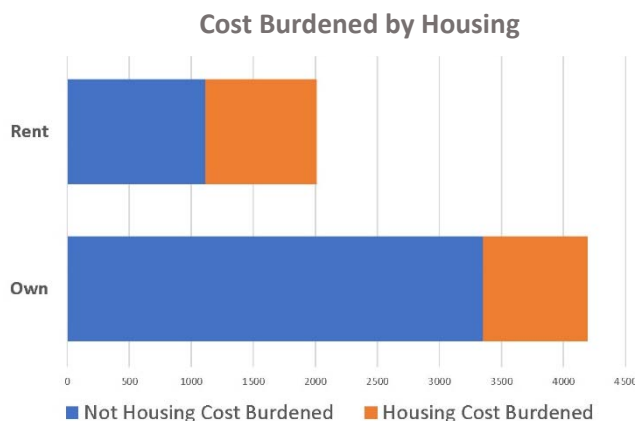
About 1 in 8 residents is living at or below the poverty line (12%), which is \$16,240 for a two-person household. Poverty affects youth more than the general population as 18.5% of residents under the age of 18 live in a household experiencing poverty. More than a quarter (26.3%) of Northfield residents live below 200% of the poverty line, which is \$32,480 for a two-person household.

Population Living in a Household Experiencing Poverty in the Last 12 Months



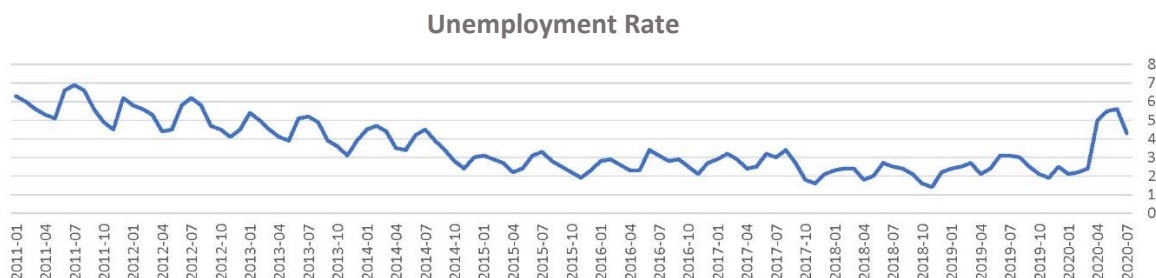
Cost-Burdened Households

Households spending more than 30% of their monthly income (before taxes/deductions) are considered “cost-burdened.” When housing costs are above this threshold, it is more likely that people will be forced to make difficult tradeoffs and may forgo other basic needs. Of the 4,193 owner-occupied households in Northfield, 838 spend more than 30% of their income on housing costs. An additional 893 rental housing units (of 2,008) are also considered cost-burdened. These numbers represent about 20.0% of owned and 44.5% of rented housing units.



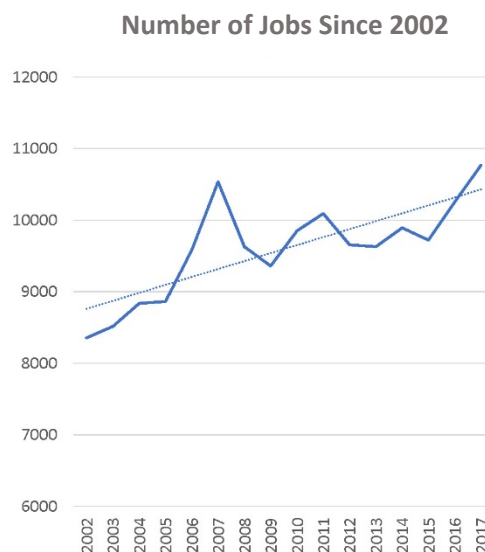
Employment

As of July 2020, the unemployment rate in Northfield was 4.3%, down from 5.6% in June, but higher than it has been since 2014. This number is still well below the national average of 10.2% for July of 2020. The number of jobs in Northfield has also continued to grow, adding an average of 160 jobs per year.



Job Sectors

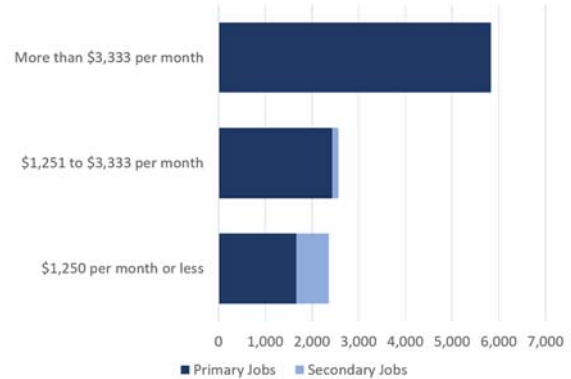
In addition to being a great place to live, nearly 11,000 people find work in the City of Northfield as well. The biggest job sectors in the community are educational services (25.1% of jobs), health care and social assistance (21.5%), manufacturing (18.7%), and accommodation/food services (9.7%). About 55% of these jobs provide wages above \$40,000/year.



Employment Sectors

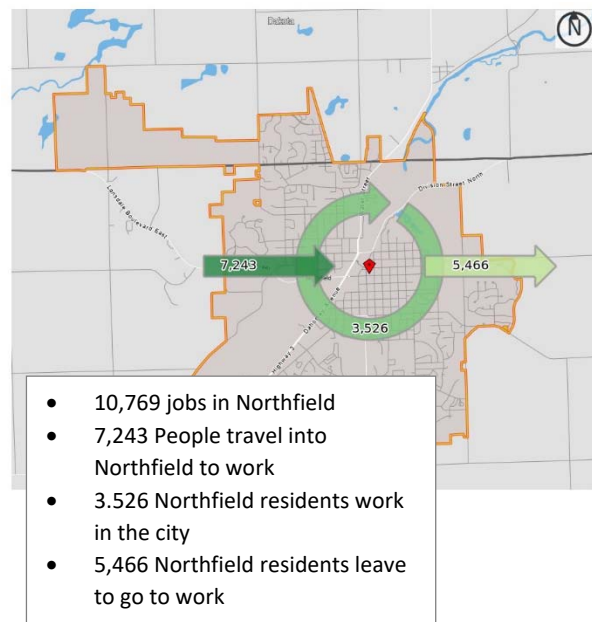
Sector	Total Jobs	% of Jobs
Educational Services	2,703	25.1%
Health Care and Social Assistance	2,312	21.5%
Manufacturing	2,017	18.7%
Accommodation and Food Services	1,043	9.7%
Wholesale Trade	630	5.9%
Retail Trade	505	4.7%
Other Services (excluding Public Administration)	330	3.1%
Finance and Insurance	266	2.5%
Professional, Scientific, and Technical Services	191	1.8%
Other	772	7.2%

Employment Wages

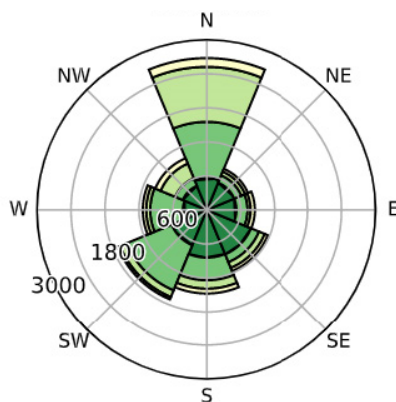


Commuting Patterns

Northfield is a regional center for employment, but is also close enough to the Twin Cities metro that commuting between the two is feasible for many workers. About a third of the jobs in Northfield are filled by residents that live within the city limits. Almost a quarter of jobs in the city are filled by people traveling over 25 miles to get there, primarily from the Twin Cities. At the same time, about a third of Northfield residents travel more than 25 miles to get to work, primarily heading north to Minneapolis, St. Paul, and other suburbs.

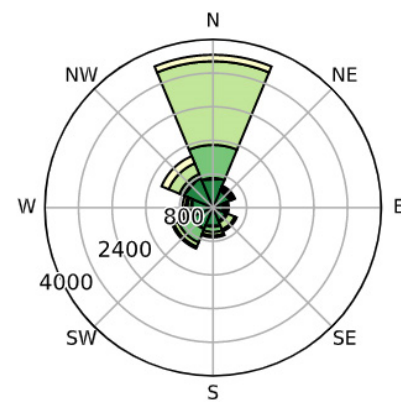


Commuting Distance/Direction Working in Northfield



- About 23% of employees working IN Northfield (left graph) travel more than 25 miles
- Over 35% of residents (right graph) travel more than 25 miles to get to

Commuting Distance/Direction Commuting from Northfield



Housing Inventory and Analysis

The second phase of the housing study was assembling the city's housing inventory and analysis. In order to properly assess the city's future demand and supply for housing, it is important to understand what you have first. The city's existing housing inventory consists of 7,353 housing units, including both for-sale and rental housing types. The inventory and analysis addresses data related to seven major elements:

1. Existing Housing Inventory
2. For-Sale/Owner-Occupied Single Family Housing
3. Home Sales Market
4. Home Sales Construction (Building Permits)
5. Rental Housing
6. Senior Housing
7. Emergency/Supportive Housing

This summary section goes along with the attached Housing Inventory and Analysis slides. Where relevant, references to the slide numbers containing the associated tables, charts, or graphics are included.

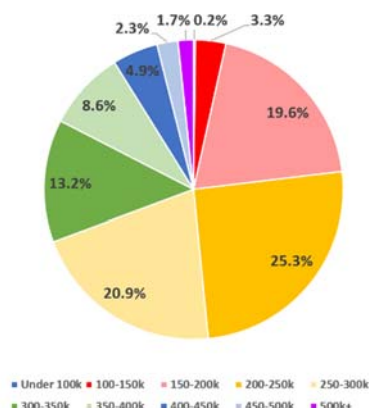
Owner-Occupied / For-Sale Housing Inventory

Housing Units

Approximately 66% (4,843 units) of the city's existing inventory is owner-occupied/for-sale housing, including 214 homes in two manufactured home parks and 521 non-homesteaded single-family houses and townhouses. The cost or value of existing for-sale housing encompasses a wide range. Just 23% (927 units) of the for-sale housing units are valued at \$200K or less. The three largest value ranges represent 2/3 (2,643 units) of the total housing units, which include the following:

- \$150K - \$200K 787 units
- \$200K - \$250K 1,017 units
- \$250K - \$300K 839 units

Owner-Occupied Single-Family Homes on Parcels Under 2 Acres



Existing Housing Inventory

- 7,353 total units
- 4,108 homesteaded properties
- 521 non-homesteaded single family houses or townhouses
- 214 lots within two manufactured home communities
- 2,510 apartment and senior units

Home Value (Total Est. Market Value)	Count
Under \$100,000	8
\$100,000 - 150,000	132
\$150,000 – 200,000	787
\$200,000 – 250,000	1,017
\$250,000 – 300,000	839
\$300,000 – 350,000	531
\$350,000 – 400,000	344
\$400,000 – 450,000	198
\$450,000 – 500,000	91
\$500,000+	67

Affordability

Identifying the number of for-sale housing units that are affordable is dependent upon household income and the number of people in the household. Affordable housing is generally defined as housing on which the household is paying no more than 30 percent of gross household income for housing costs, including utilities.

Northfield's median income is \$63,621, which means an affordable home = \$238K. 63.9% (2,565 homes) of owner-occupied houses would be considered affordable to a household making the median income.

80% of Northfield's median income is \$50,897, which means an affordable home = \$187K. 16.8% (673 homes) of owner-occupied houses would be considered affordable to a household making 80% of the median income.

50% of Northfield's median income is \$31,811, which means an affordable home = \$111K. 0.3% (11 homes) of owner occupied houses would be considered affordable to a household making 50% of the median income.

Rental Housing Inventory

Housing Units

Approximately 32% (2,351 units) of the city's existing inventory is rental housing per the City's rental license program. The city's rental housing inventory includes apartments, townhouses, single-family houses, and senior housing. There are 593 senior housing units, including independent living, nursing home, assisted living, and memory care. With 149 new apartment units coming on line in 2021, the number of rental units will increase as well.



Affordability

HUD identifies 546 rental apartment units being subsidized as affordable housing. For senior housing, approximately 37% (218 units) of all senior housing (593 units) are subsidized, while 375 units are market rate. Of the 149 new apartment units coming on line in 2021, there will only be 8 new affordable units. Of the identified affordable housing units, most are one-bedroom units. The number of naturally occurring affordable housing (NOAH) units have not been estimated and are not included in these numbers. NOAH is defined as units renting at or below 60% of area median income (AMI) respective to unit size and expected number of persons per unit. For Northfield, median income in 2020 was \$63,621, so 60% of the median would be \$38,173. Since affordable housing is defined as housing whose cost does not exceed 30%

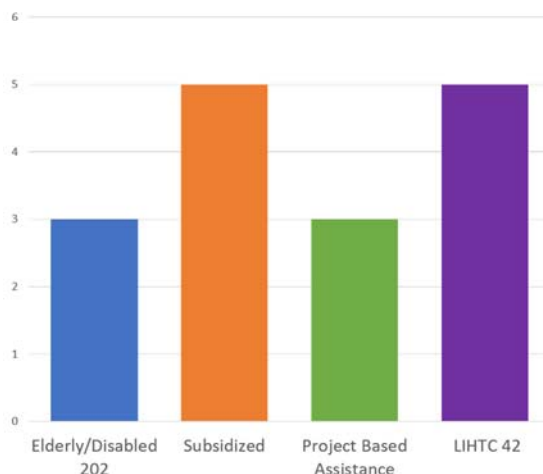
Rental Housing

- Estimated 2,351 rental units in Northfield
- 546 HUD-identified affordable units
- 187 new housing units planned for construction

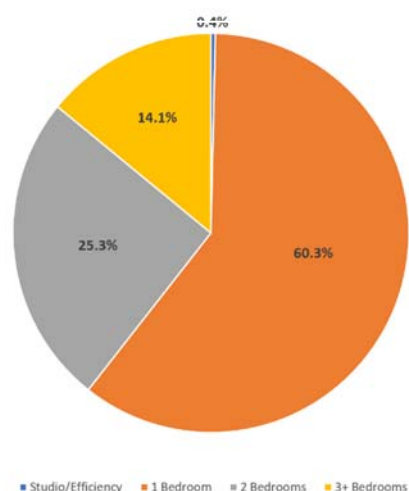
Type	Average Rent	Affordable at:
Studio	\$644	\$25,760
1 BR	\$711	\$28,440
2 BR	\$864	\$34,560
3 BR	\$967	\$38,680

of a household's income, 30% of this household income would be \$11,452 or a monthly rent/mortgage payment of \$954.

HUD-Approved Affordable Housing Program Utilization



Affordable Units by Bedroom Count



Housing Demand and Supply Analysis

The third phase of the housing study was a housing demand and supply analysis. This analysis addresses the following elements:

1. Population Growth Trend
2. 5-Year Population and Household Projections
3. Total Housing Demand and Supply
4. For-Sale Housing Demand and Supply
5. Rental Housing Demand and Supply
6. Senior Housing Demand and Supply

This summary section goes along with the attached Housing Demand and Supply Analysis and Key Findings slides. Where relevant, references to the slide numbers containing the associated tables, charts, or graphics are included.

Population Growth Trend

Northfield's population growth has historically been about 200 to 250 people per year (1980 – 2010), but growth has slowed to about 90 people per year the past 10 years. Following the last 10 years trend would add approximately 96 people/year, whereas, following the last 5 years trend would add approximately 134 people/year. A return to historic trends would add about 200 people per year.

Growth Trends

- Historical growth by 200-250 people per year between 1980 and 2010
- Since 2010 growth has slowed to around 90 people per year
- Growth has been higher than Faribault, lower than suburban Dakota County, most similar to Hastings

5-Year Population and Household Projections

Current Context and Community Attributes

Great Place to Raise a Family

Northfield offers good schools and outdoor opportunities while also providing the “sense of place” that many Millennials are looking for beyond a typical suburb. As Millennials reach the family-raising stage of their lives, many are prioritizing family-friendly locations, while still desiring the downtowns and “thirdplaces” (places where people desire to spend significant time other than home and work) that urban settings offer. By 2025 the 30-34 and 35-39 age cohorts will be the largest in Northfield outside of the college aged demographic.

Diverse Employment Base

Northfield offers a variety of employment options across a number of different sectors. While the loss of a major employer would certainly hurt, Northfield is fairly well diversified across manufacturing, health care, education, accommodation/food services, wholesale and retail trade and professional services. In 2018, nearly 60% of primary jobs paid more than \$40,000/year.

Improved Location

Improving virtual workplace technology benefits for rural & urban fringe communities. Many employers (that are able) see this as a continuing trend for employees, even after COVID-19. Businesses may have more interest in locating outside of urban employment centers if their employees are working virtually. Ability to work remotely at least some of the time makes Northfield a great location, especially for those that may still need to get into the office a few days a week.

Civil Unrest

Uncertainty in Minneapolis and St. Paul has led to some seeking homes outside of the Twin Cities metro. Northfield has a great downtown and cultural opportunities through the colleges without getting too far from friends/family and within reach of Twin Cities offerings.

Relative Affordability

While home prices continue to rise and the available home supply is tight, existing homes can still be purchased at a relative value compared to some of the Twin Cities suburbs or parts of Minneapolis and St. Paul.

Constrained Supply in Dundas & Surrounding Communities

Dundas uses Northfield’s water treatment facilities and is reaching their allotted capacity which will limit their ability to grow significantly without a renegotiation. Surrounding townships are primarily agricultural and do not generally allow much development beyond agricultural densities.

Lagging New Housing Construction

The construction of new housing, both for-sale and rental, has been slow to return to historic levels since the economic downturn in 2008. In the immediate aftermath of the downturn, an excess supply of housing driven by pre-2008 overbuilding put a brake on most new development. But as housing filled up and excess supply was absorbed, new housing construction did not pick up to meet the pace of demand, driving the for-sale house average days on the market from nearly 180 days in 2011 to 90 in 2015. Two major reasons that housing development did not keep pace with demand were that Northfield housing

prices did not justify the costs of new construction and builders' lingering lessons from being left holding too much inventory after the downturn.

Not Quite Close Enough to the Twin Cities

While the proximity to the cities will be close enough for some, Northfield will not see the same level of growth that contiguous suburbs will.

Smaller High-end Market

The market has not been established for \$500K - \$1M homes like it has in some suburbs. Some builders will continue to focus in these areas.

Challenges Developing Affordable Housing

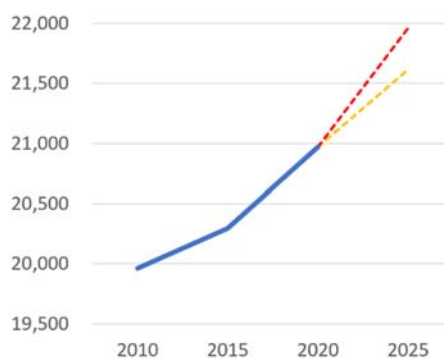
While affordable housing is needed in Northfield, the differences in calculating rents for the metro and Rice County make it more feasible to develop affordable housing in the Twin Cities and surrounding suburbs.

2020 – 2025 Projections

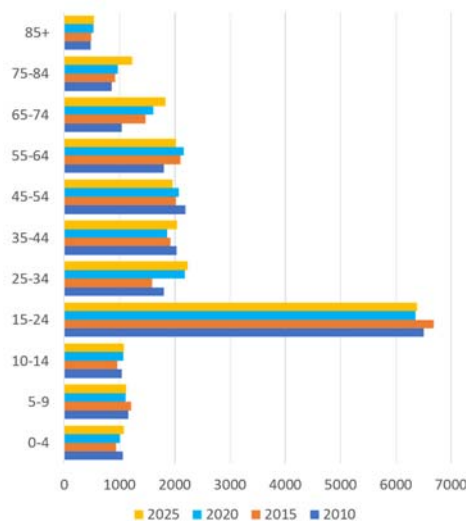
We are projecting population growth of approximately 180 people per year for the 2021 – 2025 time period. This projection includes a bump to Northfield's recent growth trends based on the current context and Northfield's community attributes, but it is somewhat below Northfield's longer term growth trends. The biggest population growth in the 2010 – 2025 time period is anticipated to be in the following age cohorts, in descending order:

- 65 – 74
- 25 - 34
- 75 – 84
- 55 – 64
- 85+

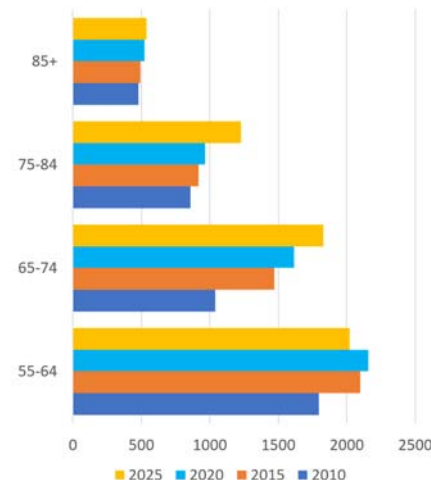
Projected Population Growth



Population Change by Age



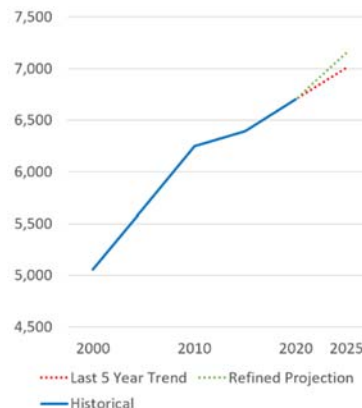
Population Change Over 55 Cohorts



Based on the projected population growth, we are projecting Northfield's household growth to be about 6.75% which is between the growth rates of the comparable cities of Hastings (5.8%) and other nearby Dakota County cities (range from 8% to 11%). This projection results in an increase of approximately 450 new households over the next 5 years (average of 90/year) which is consistent with Northfield's historical growth.

- Household growth projected to be 6.75% in the next 5 years
- Projection of approximately 450 new households in next 5 years

Household Growth



Total Housing Demand and Supply

Based on the projected growth of approximately 450 households, we are able to estimate the supply of new housing units needed. Analysis of for-sale housing, rental housing, and senior housing results in an estimate that approximately 500 new housing units will need to be supplied in the next 5 years. This needed supply can be reduced by the 300 new housing units already in the pipeline for 2021, resulting in a net supply of approximately 200 additional new housing units needed.

For-Sale Housing

We anticipate higher growth in new housing construction over the next 5 years compared with 2015-2020 as housing prices rise and demand stays strong. Projections show a supply of approximately 180 additional for-sale housing units will be needed over the 2021 – 2025 time period or 36 units per year. There are 114 for-sale housing units that have already been approved for development, so an additional 66 housing units will be needed at a minimum.

Single-family home prices have been rising quickly, and making home ownership challenging for residents making 80% of Northfield's area median income (AMI) or less. That being said, a large number of houses are still attainable for households making the median income or higher.

An influx of high-earning households is creating a market for homes in the \$350K - \$500K range. This trend will likely drive growth in new housing construction as this price level can ensure housing development is profitable for builders. It is likely that lower housing prices from the 2010 - 2020 time period were not sufficient to entice builders to Northfield in large numbers, especially as labor costs rose and better housing development opportunities existed in the southern suburbs of the Twin Cities metro. New home prices are now rising to a level that should help increase housing supply in Northfield.

Rental Housing

Projections show a supply of 226 new non-senior rental housing units will be needed, which will likely be a mix of apartments, townhomes, and single family. Two apartment projects with a total of 149 rental units will be brought on line in 2021, along with 38 rental townhomes anticipated in the near future. An additional 39 rental units will be needed at a minimum.

The apartment rental market is incredibly tight right now. A recent market study completed for an apartment developer found less than a 1% vacancy rate. Our research found similar conditions. Much of the existing apartment inventory is older and does not justify high rents. The two new projects will represent the first new apartments built since 2009. It will be important to monitor leasing rates and the impacts on other apartment rents in Northfield.

Senior Housing

Senior housing is a strong and growing market in Northfield. Research suggests that the available options for seniors have a low vacancy rate although turnover does make it possible to obtain spots in senior housing facilities. The oldest Baby Boomers will be turning 79 in 2025 strengthening a senior trend that will gain even more steam during the 2025-2040 time period.

Independent Living: Projected supply need of an additional 38 independent living units by 2025.

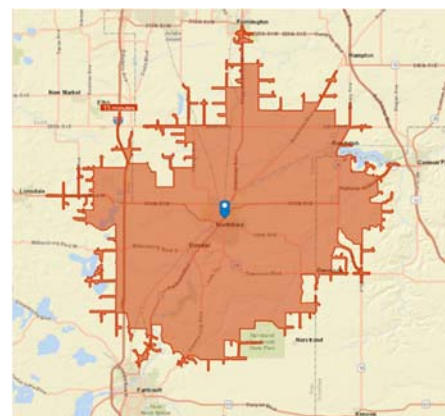
- 29 market rate
- 9 affordable

Assisted Living: Projected supply need of an additional 50 assisted living units by 2025.

- 35 market rate
- 15 affordable

Memory Care: Projected supply need of an additional 15 memory care living units by 2025.

Senior Housing Market Area
(within 15 minute drive)



Over-55 Household Changes
through 2025

Age Cohort	2020 (HHs)	2025 (HHs)	Change (HHs)
55-64	2,165	2,010	-155
65-74	1,649	1,860	+211
+75	1,405	1,698	+293

Affordable Housing

There is a significant demand for affordable housing in Northfield. In particular, 44.5% of rental households (893 households) are housing cost-burdened (spend more than 30% of their income on housing) compared to 20% of owner-occupied households (838 households).

Larger non-profit developers will probably continue to focus development efforts in the Twin Cities metro where higher rents are achievable in affordable housing projects. Therefore the development of affordable housing will likely have to be done by local entities.

Naturally occurring affordable housing (NOAH) that is in the for-sale and rental housing markets have been lost as housing prices/rents continue to rise.

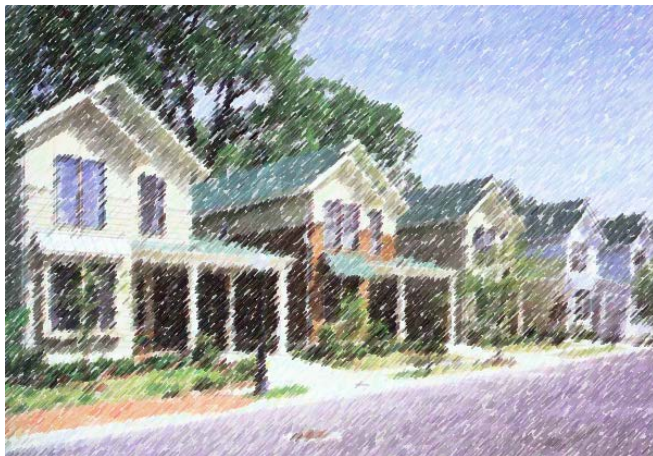
Many of the apartments in Northfield are much more affordable than what can be found in the Twin Cities, even without subsidies. Average rents are still affordable to many households earning 40% of the Northfield's AMI.

Summary of 5-Year Housing Supply Needs

Type of Housing	Housing Units Supply (2021 – 2025)	New Housing Units Planned/Underway	Remaining Housing Units Supply (2021 – 2025)
For Sale Housing	180 (36/year)	114	66
Rental Housing	226	187	39
Senior Housing	88		88
Independent	38 (9 affordable)		38 (9 affordable)
Assisted Living	50 (15 affordable)		50 (15 affordable)
Memory Care (included in Assisted Living supply)	15		15
Total	494	301	193

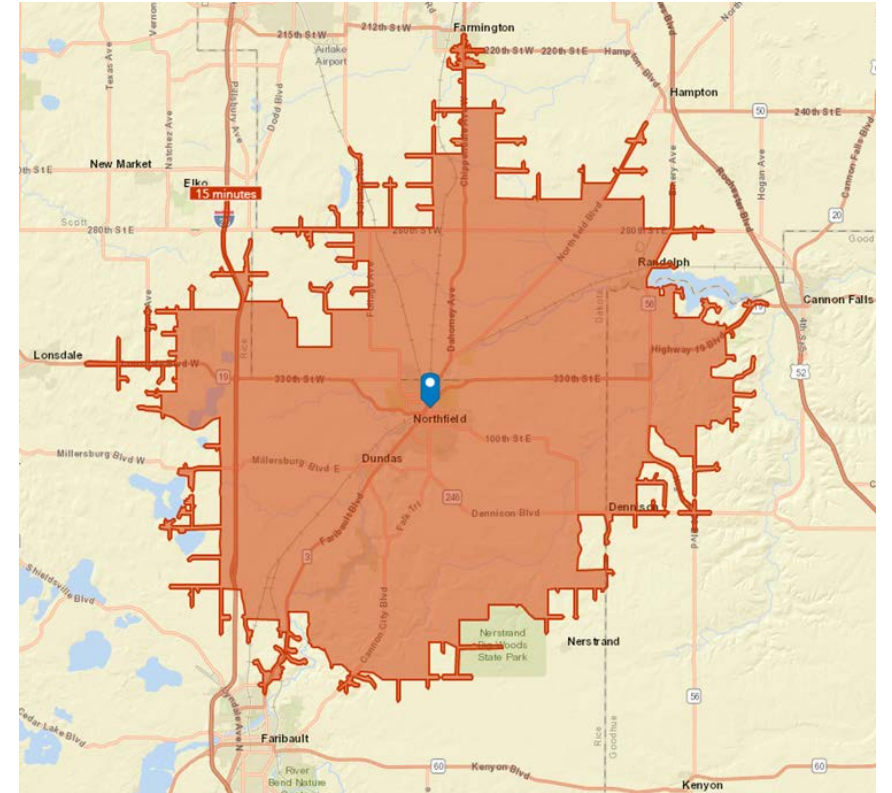
City of Northfield Housing Study Fall 2020 / Winter 2021

HRA Meeting – March 24, 2021



Housing Study Overview

1. Study Purpose & Background
2. Housing Trends & Impacts
3. Demographics Inventory & Analysis
4. Housing Inventory & Analysis
5. Housing Demand & Supply Analysis
/ Key Findings



Purpose of a Housing Study

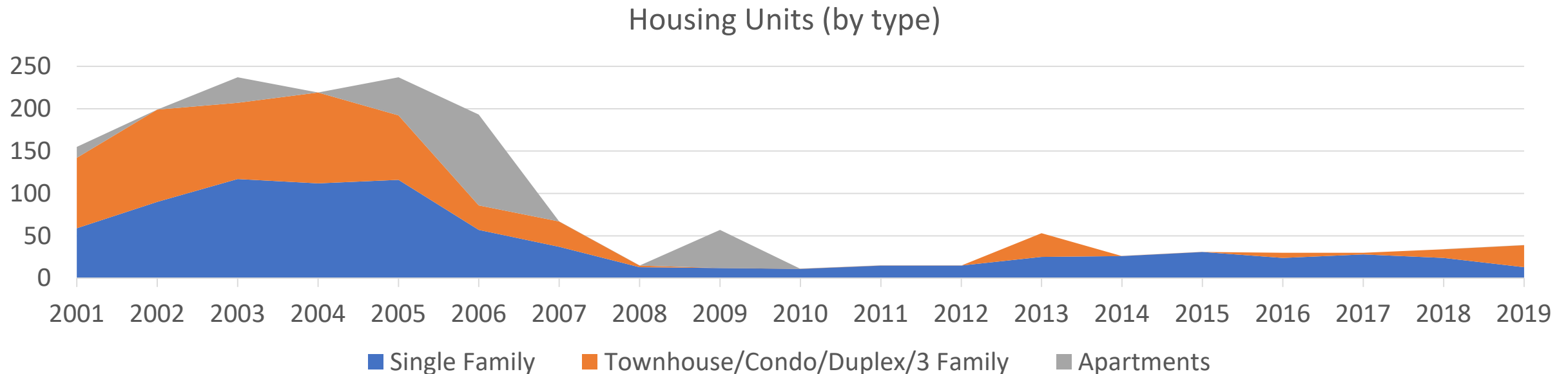
- Provides information for the City to make data-driven decisions about the area's housing needs
- Potential resource for a variety of entities, such as private and non-profit developers, social service organizations, and housing funders
- Compiles and evaluates specific demographic data, economic characteristics and trends, current housing inventory and characteristics
- Projects the housing need based on tenure, price point, and market segment

Key Data Sources

- US Census Decennial, 2010 & earlier
- American Community Survey (ACS), 2014 – 2018 [US Census]
- OnTheMap, 2017 [US Census]
- ESRI
- US Dept. of Housing & Urban Development
- Rice County
- Dakota County
- City of Northfield

Key Housing Trends & Impacts

1. New housing development has lagged behind demand since 2008 recession and is just now starting to ramp up
2. Enormous need for more affordable housing



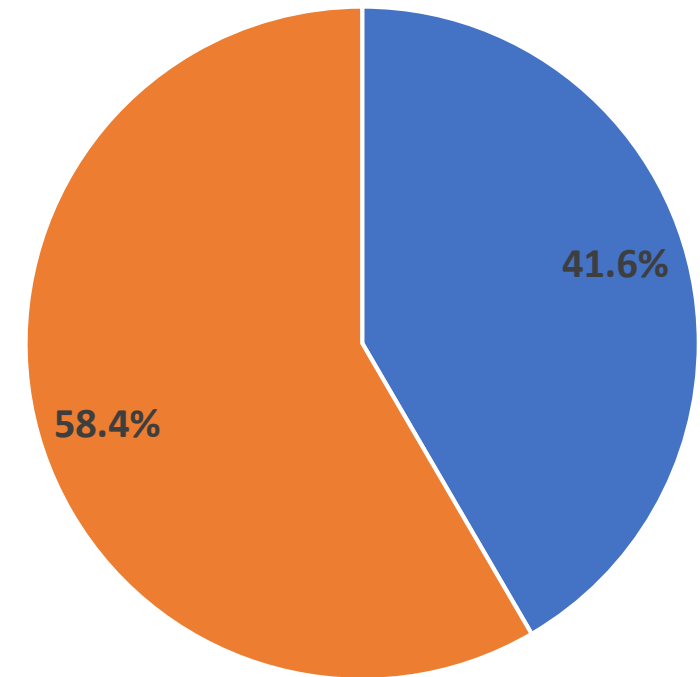
Key Housing Trends & Impacts

3. Shifts in age cohorts

- a. Seniors, age 55+
- b. Millennial generation is starting to raise families, represents a growing and larger cohort than Gen-X and is now larger than the Baby Boom generation, both nationally and in Northfield

4. Shifts in household types and sizes

Households with one or more people 60+



- Households with one or more people 60 years and over
- Households without one or more people 60 years and over

Discussion of Housing Trends & Impacts

5. Increased demand for health care
6. Desired community amenities for all residents increasingly may include trails, parks, schools, businesses/restaurants within walking distance; health facilities; vibrant downtown; strong job opportunities, etc. – Northfield checks many of these boxes for residents



Discussion of Housing Trends & Impacts

7. Unique housing products
- Modular housing
 - Accessory dwelling units
 - Cottage courtyard housing
 - Live-work units



Discussion of Housing Trends & Impacts

8. Virtual workplace technology benefits (during and post-pandemic) for rural & urban fringe communities
9. COVID-19's short term challenges to senior housing developments
10. COVID-19's short term challenges to colleges

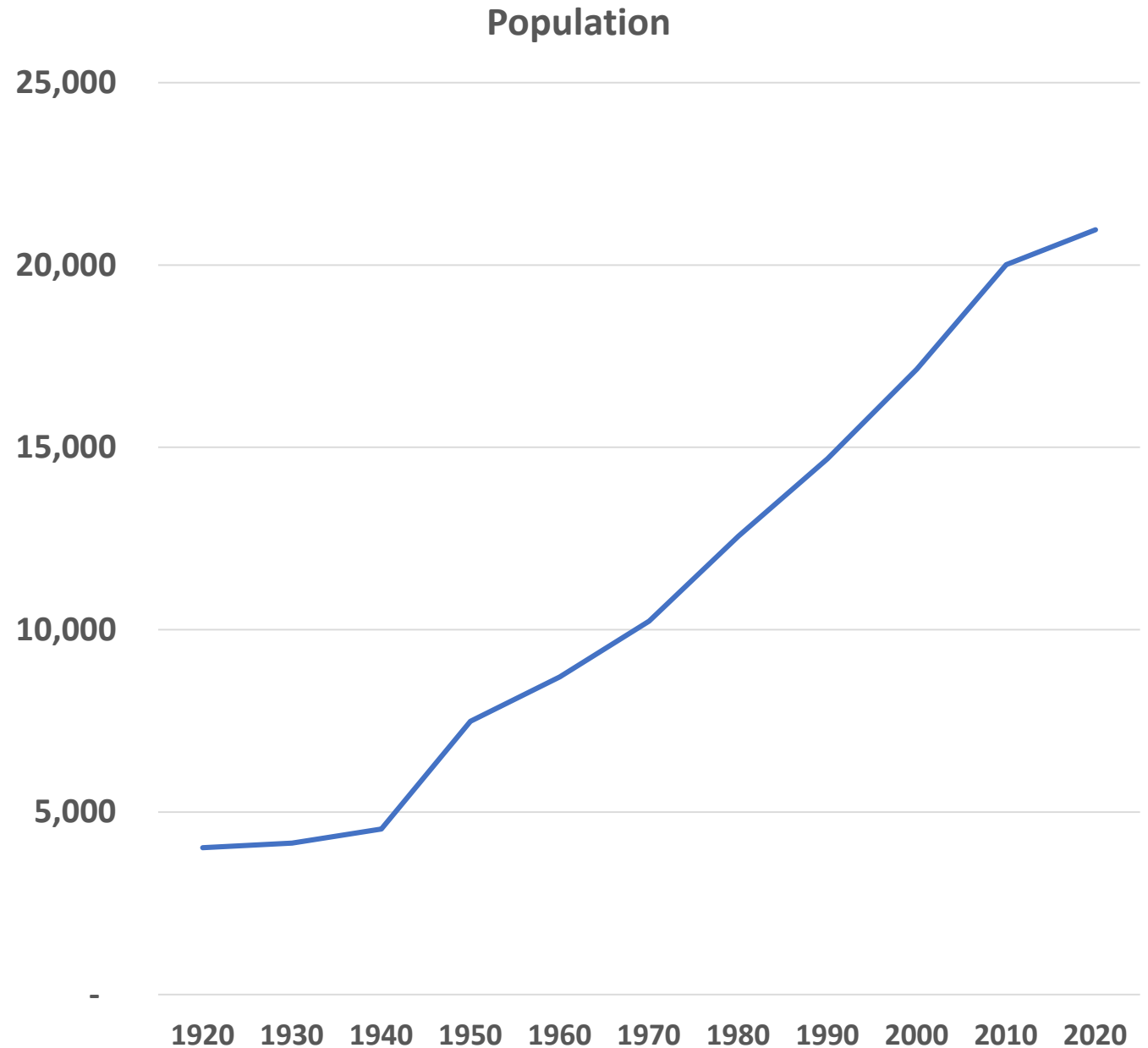


Demographics Inventory & Analysis

- Population
- Households
- Income
- Employment

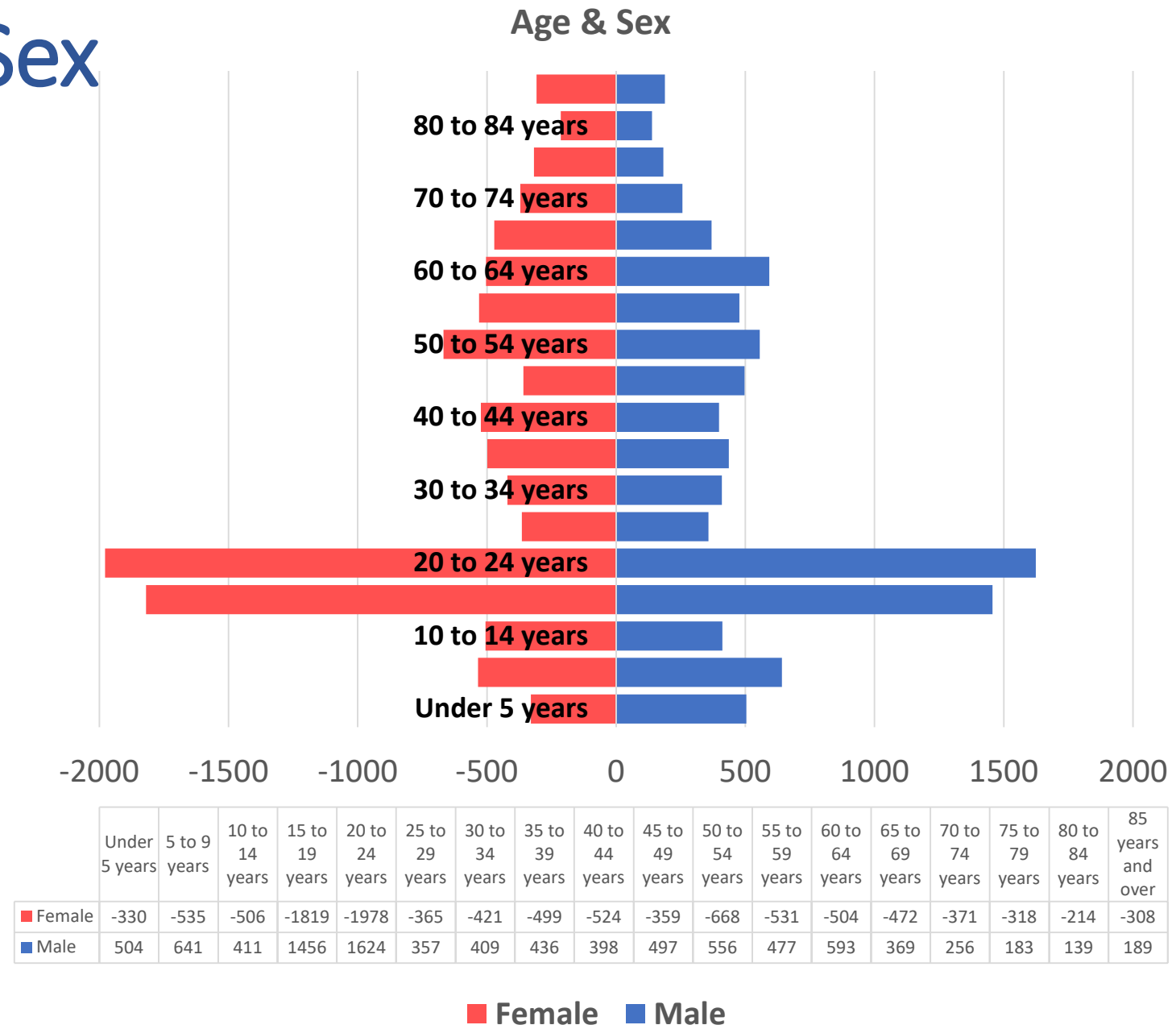
Population – Trend

- Has been growing pretty consistently by about 200 to 250 people per year (1980 – 2010)
- Closer to 90 per year from 2010-2020
- 2020 Total Population: 20,968 (estimated)
- 2020 Non-College Population: 15,776 (estimated)



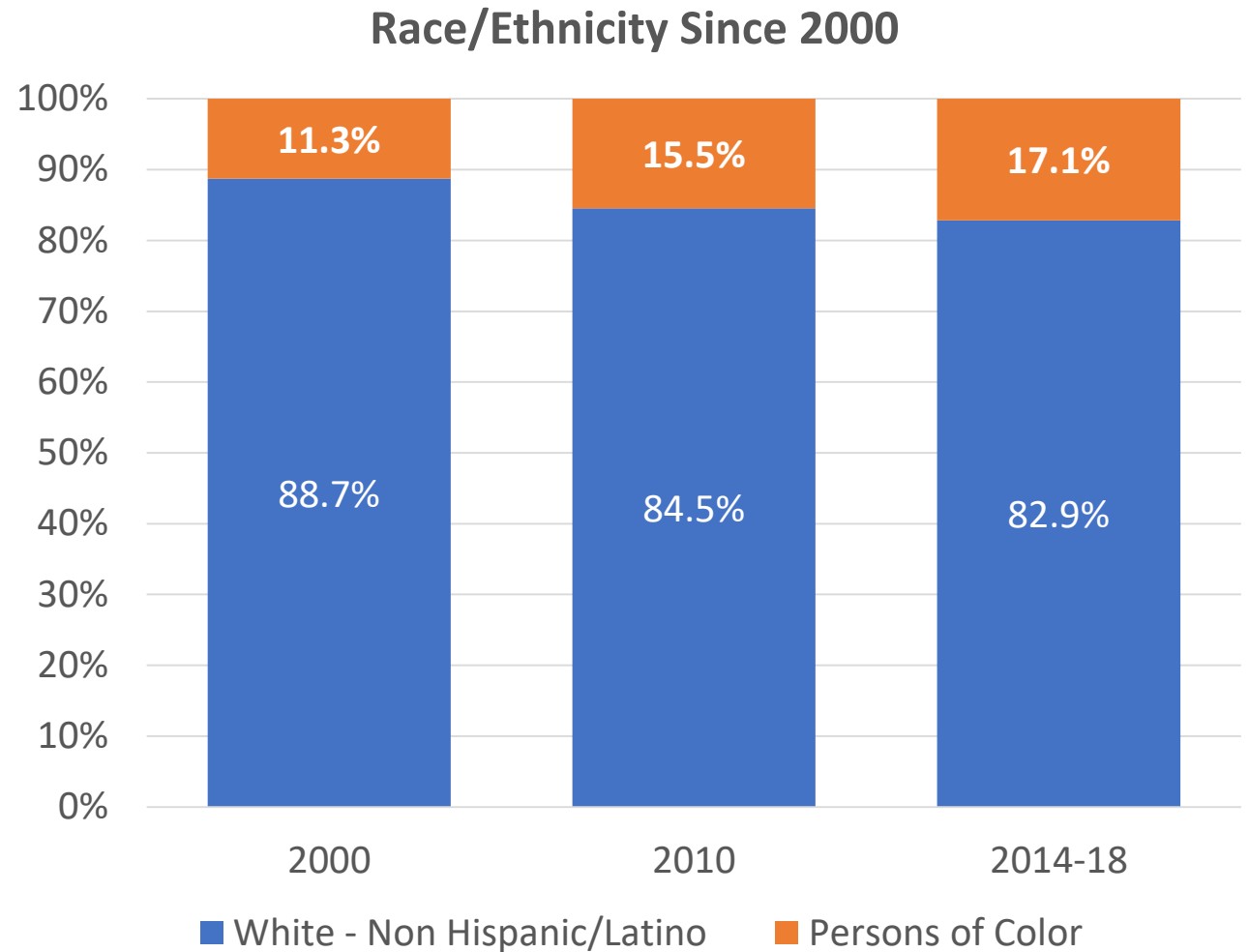
Population – Age & Sex

- Substantial college aged population, which generally does not stay in Northfield post-college
 - St. Olaf and Carleton have an enrollment of approximately 5,150 students
- 3,916 residents over age 60 (approx. 18.6% of total pop. and 24.8% of non-college pop.)
- Of the 3,916 residents, 1,351 residents are age 75+



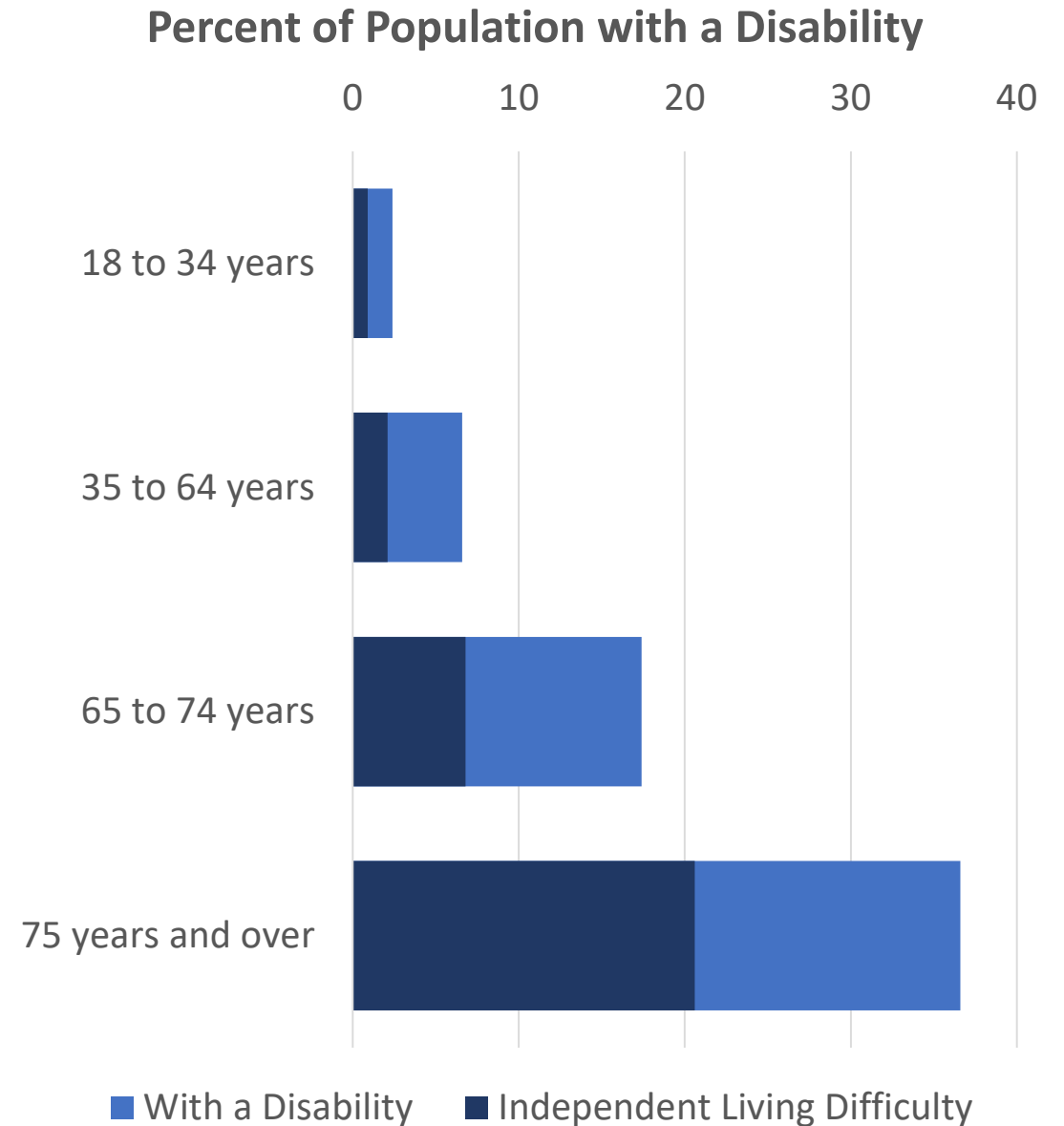
Population – Race/Ethnicity

- Northfield's population is approximately 83% White
- Northfield has grown more diverse from a racial/ethnicity standpoint since 2000



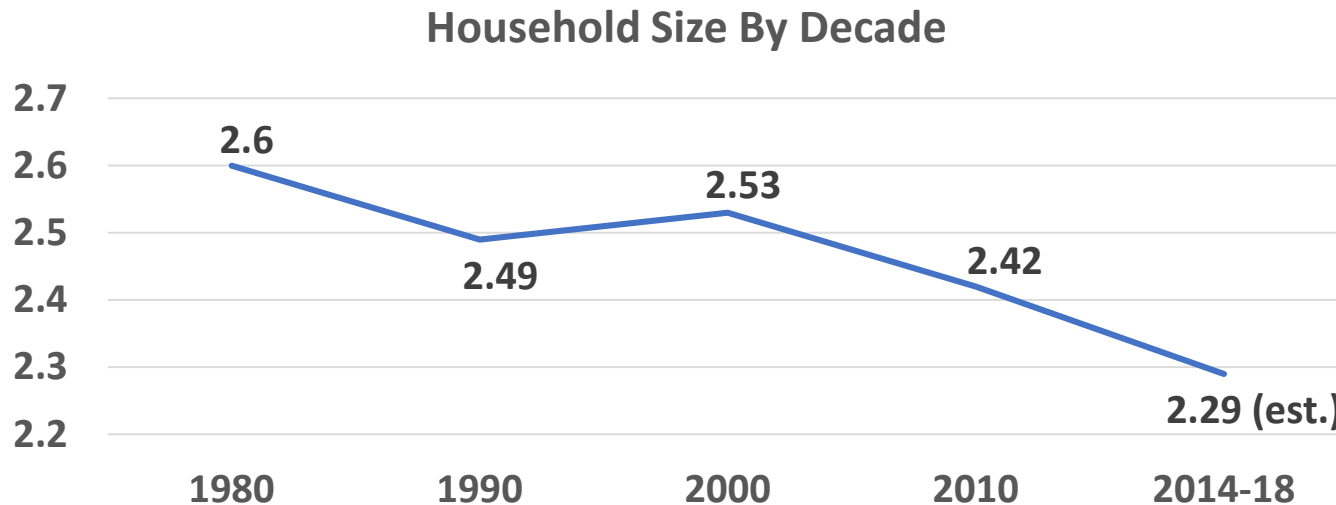
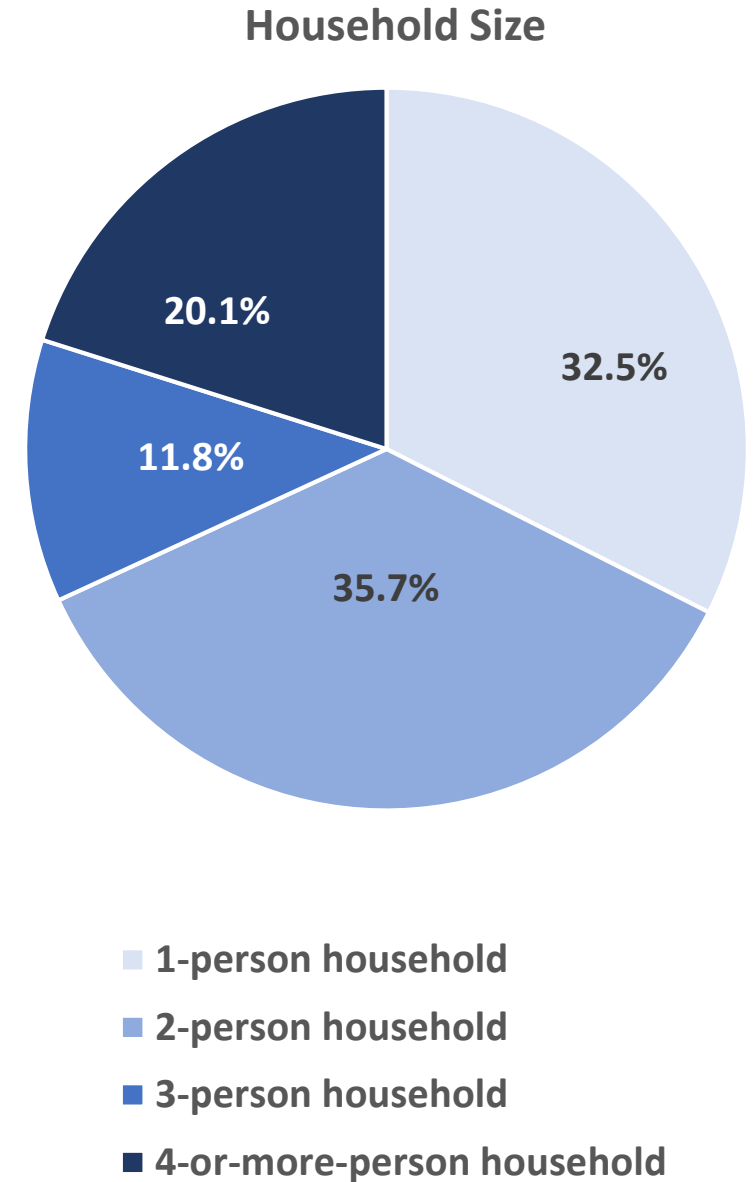
Population – Disability

- An estimated 1,432 residents (7%) have some disability
- An estimated 540 residents have a disability that makes independent living difficult
- **Approximately 1,200 (18%)** of households have at least one person with a disability



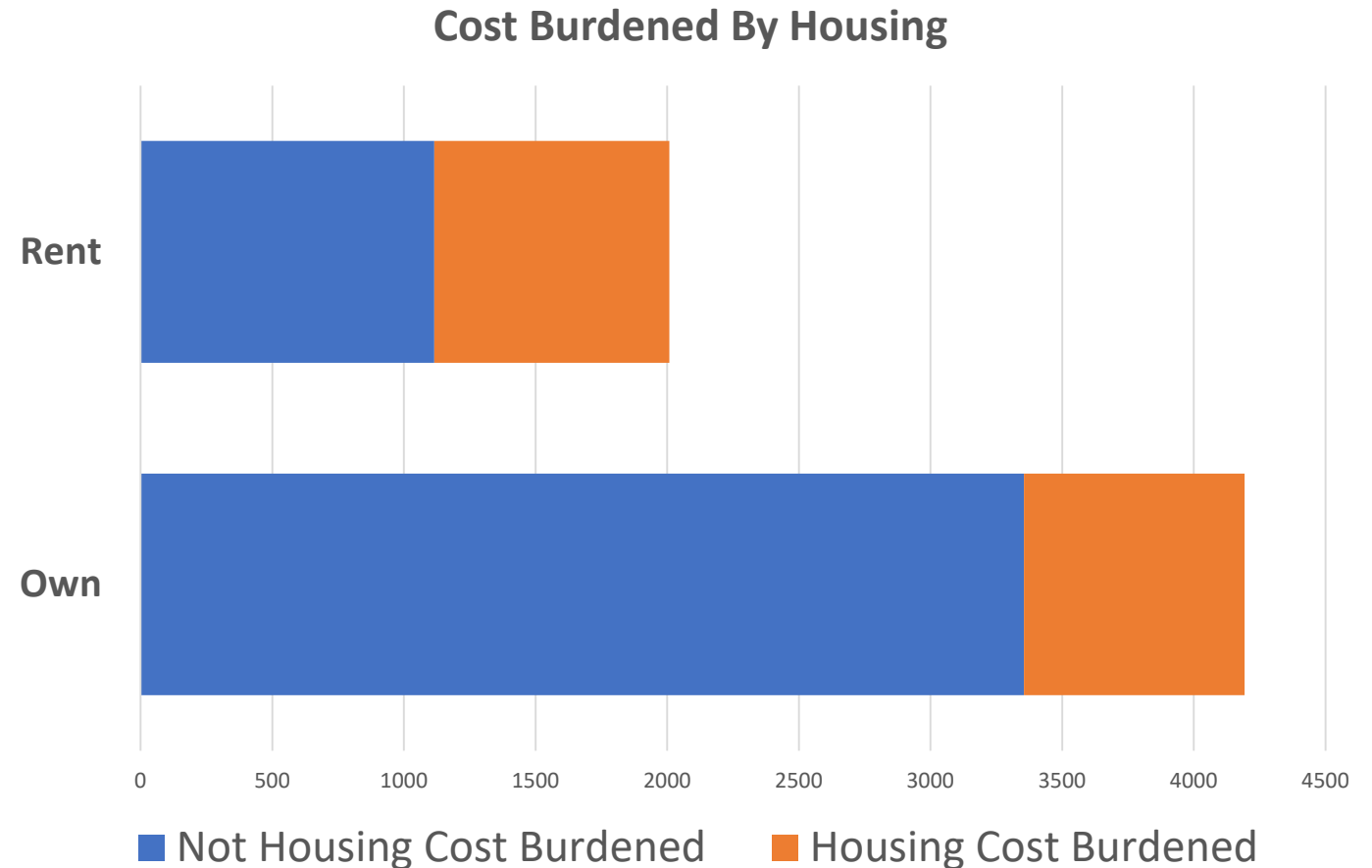
Households – Size

- Less than 1/3 of households have more than two people
- Household size has been decreasing historically
- Household size in Northfield (2.45) is smaller than nearby cities - Faribault, Farmington, Lakeville, Rosemount (ranging from 2.77 to 2.88)



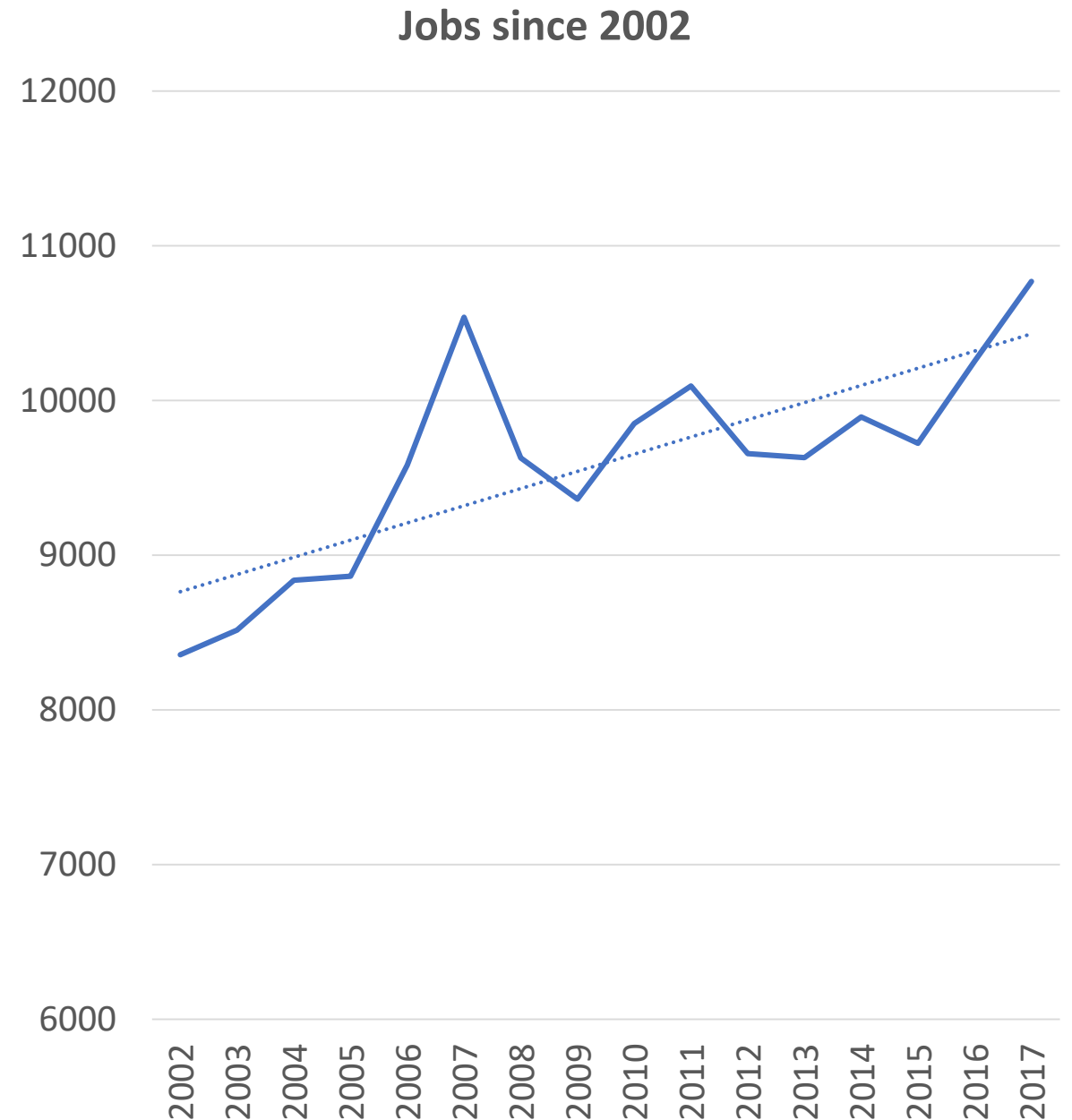
Income – Housing Cost Burdened Households

- 44.5% of renter households (893 HHs) spend more than 30% of their income on housing
- 20% of all owner households (838 HHs) spend more than 30% of their income on housing



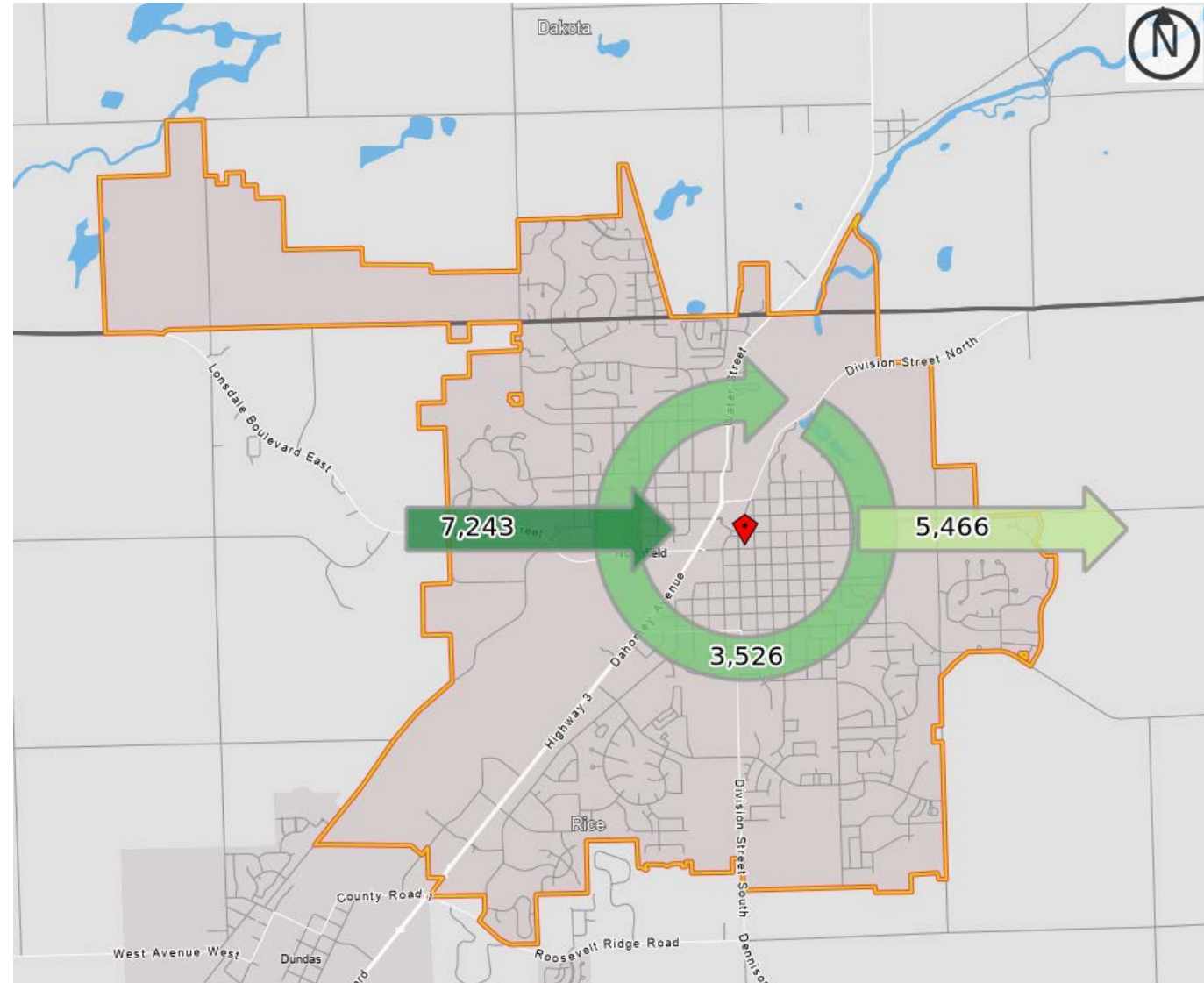
Employment – Number of Jobs

- Trending up
- Average of 160 jobs added per year over the past 15 years



Employment – Commuting Into vs. Out of City

- 10,769 jobs in Northfield
- 7,243 People travel into Northfield to work
- 3,526 Northfield residents work in the city
- 5,466 Northfield residents leave to go to work



Housing Inventory & Analysis

- Existing Housing Inventory
- For Sale/Owned Single Family Housing
- Home Sales Market
- Home Sales Construction (Building Permits)
- Rental Housing
- Senior Housing
- Emergency/Supportive Housing

Existing Housing Inventory

- 7,353 total housing units
- 4,108 homesteaded properties
 - Homestead properties must be owned and function as the primary residence of the owner
- 521 non-homesteaded single family houses or townhomes
- 214 lots within two manufactured home communities
- 2,510 apartment and senior units
 - 1,363 market rate apartments (including 141 coming online in early 2021)
 - 554 affordable, non-age restricted, apartments (including 8 coming online in early 2021)
 - 593 senior housing units

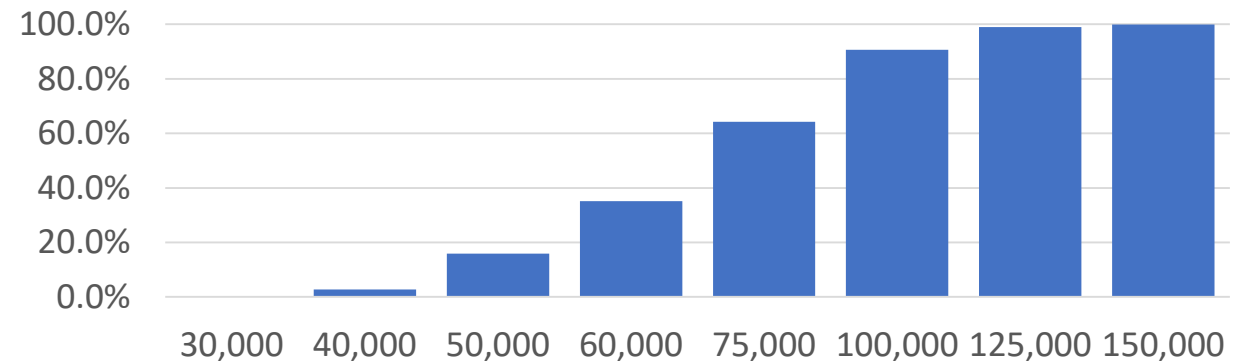
Affordable Single Family Housing

What percent of owner occupied homes would be classified as affordable for people in different income brackets?

Assuming a mortgage with taxes and at 4% with 3.5% down

This includes all owner occupied homes (<2ac.) in Northfield, not just those that are for sale

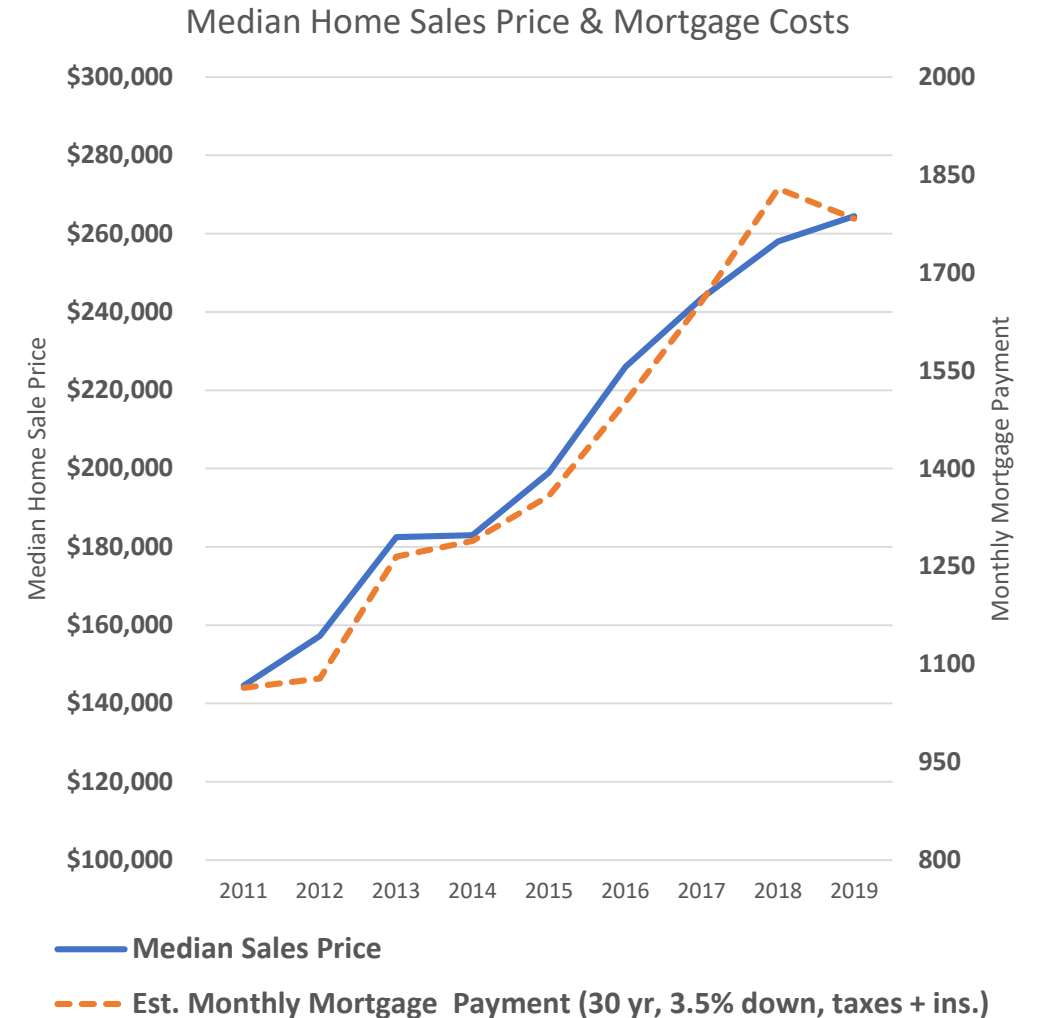
Annual Income	Hourly Wage (Full Time)	Affordable Home Cost (30% of Monthly Income)	Owner Occupied Homes that are Affordable	% of Homes that are Affordable
\$30,000	\$14.38	\$104,000	10	0.2%
\$40,000	\$19.18	\$144,000	111	2.8%
\$50,000	\$23.97	\$184,000	635	15.8%
\$60,000	\$28.77	\$224,000	1,409	35.1%
\$75,000	\$35.96	\$284,000	2,577	64.2%
\$100,000	\$47.95	\$396,000	3,637	90.6%
\$125,000	\$59.93	\$544,000	3,974	99.0%
\$150,000	\$71.92	\$657,000	4,009	99.9%



Home Sales Market - Prices

- Home prices have risen significantly from 2011 to 2019
 - \$145,000 to over \$260,000
- In 2011 the median home price was affordable to someone making \$42,560/year*
- In 2019 someone would need to make \$71,320/year to afford the median home price*

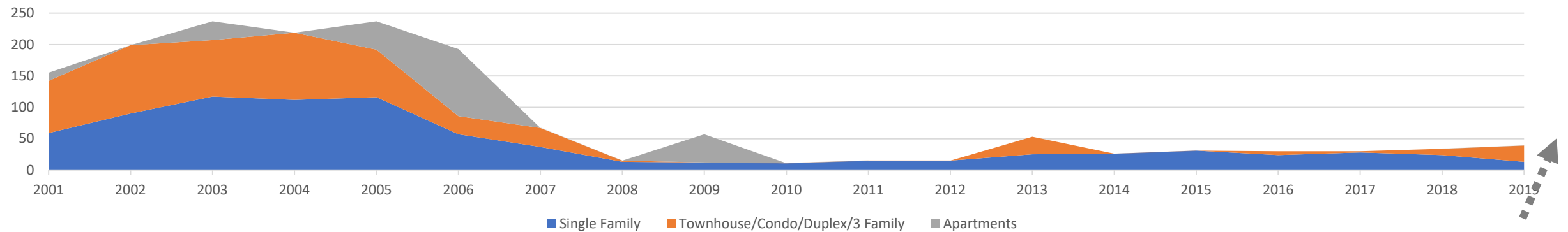
**based on 30% of income with annual average 30 year mortgage rate, 3.5% down (FHA) and taxes+insurance. Does not include other housing costs. Does not imply credit would be available to any specific individual.*



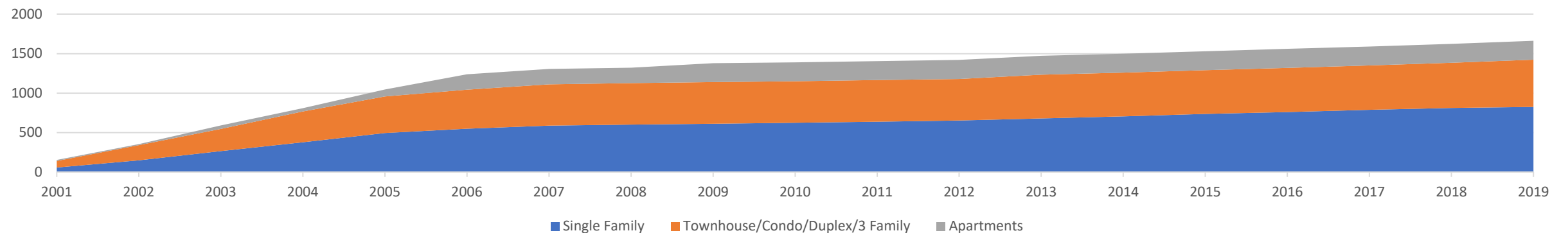
Housing Construction - Building Permits

- New housing has not come close to pre-2008 levels
- 2021 bringing first new apartments since 2009 (149 Units)

Housing Units (by type)



Cumulative Housing Units since 2001 (by type)



Rental Housing

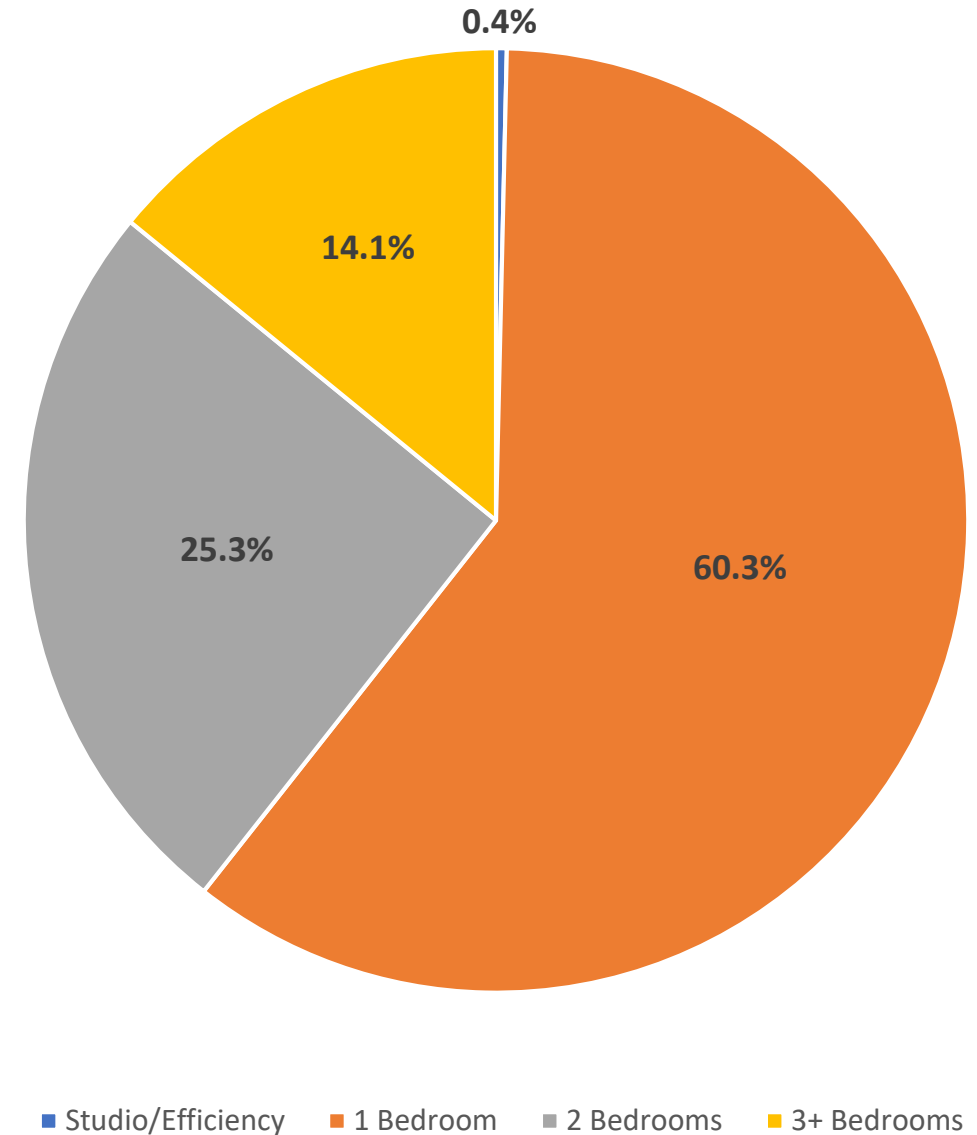
- There are an estimated 2,351 rental units in Northfield as per the City's rental license program
- Apartments.com shows no availability in any of the buildings listed through their site

Type	Average Rent	Affordable at:
Studio	\$644	\$25,760
1 BR	\$711	\$28,440
2 BR	\$864	\$34,560
3 BR	\$967	\$38,680

Affordable Rental Housing

- HUD identifies 546 affordable units of housing in Northfield
 - This does not include Naturally Occurring Affordable Housing (NOAH)
 - This also does not include market rate housing obtained through use of a voucher or USDA Rural (515) programs
- Of the identified affordable housing units, most are 1 bedroom
- 77 units are 3 or more bedrooms

Affordable Units by Bedroom Count



Senior Housing

Senior	593
Nursing Home	76
Assisted Living	170
Memory Care	70
Other	277

Subsidized	218
Market*	375

*76 Nursing Home Units may be subsidized through other programs such as Medicare at an individual resident level



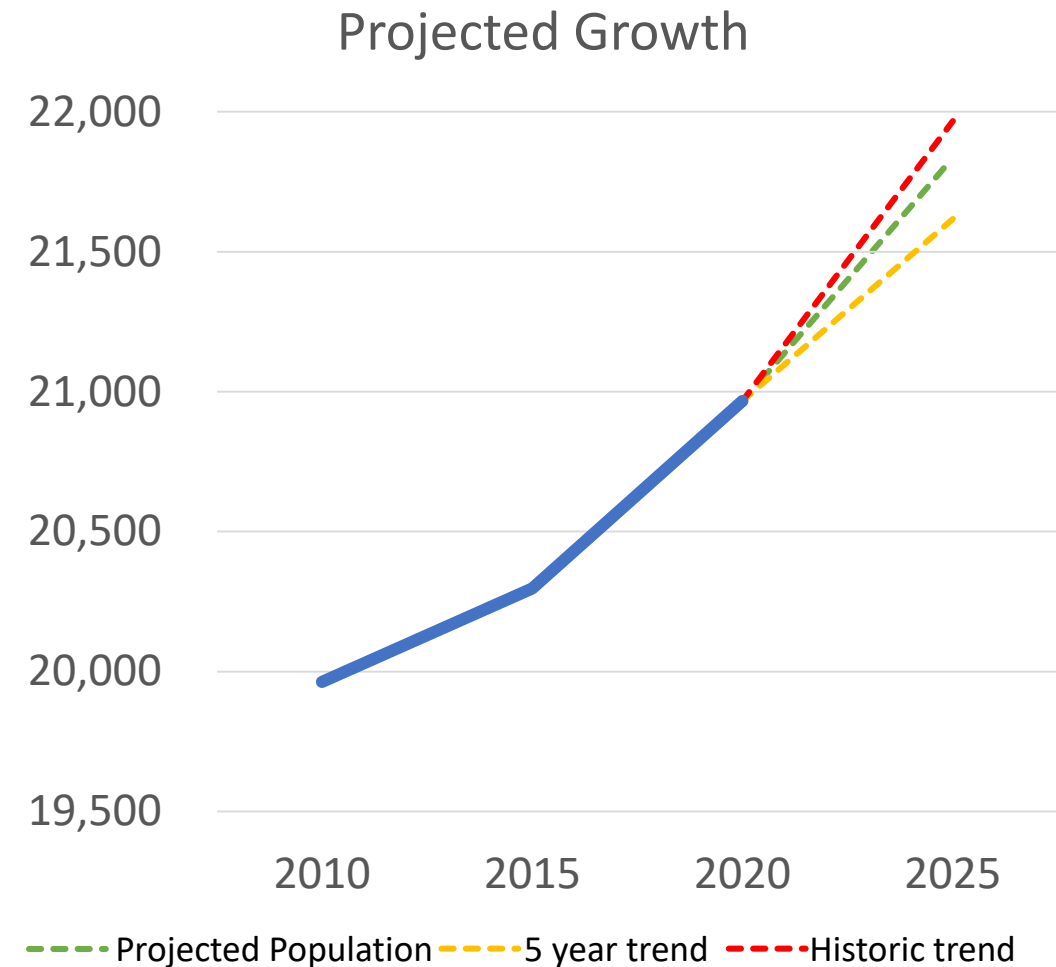
Source: Northfield Hospital Long Term Care Center

Housing Demand & Supply Analysis

- 5-Year Projections
- For-Sale Housing Demand and Supply
- Rental Housing Demand and Supply
- Senior Housing Demand and Supply

Population 5-Year Projection

- A trend following the last 10 years adds approximately 96 people/year
- A trend following the last 5 years adds approximately 134 people/year
- A return to historic trends would add about 200 people per year
- Projected growth of 180 people/year
- Any changes to college enrollment (18-22 year old demographics or pandemic related) could affect population numbers, but not necessarily housing demand



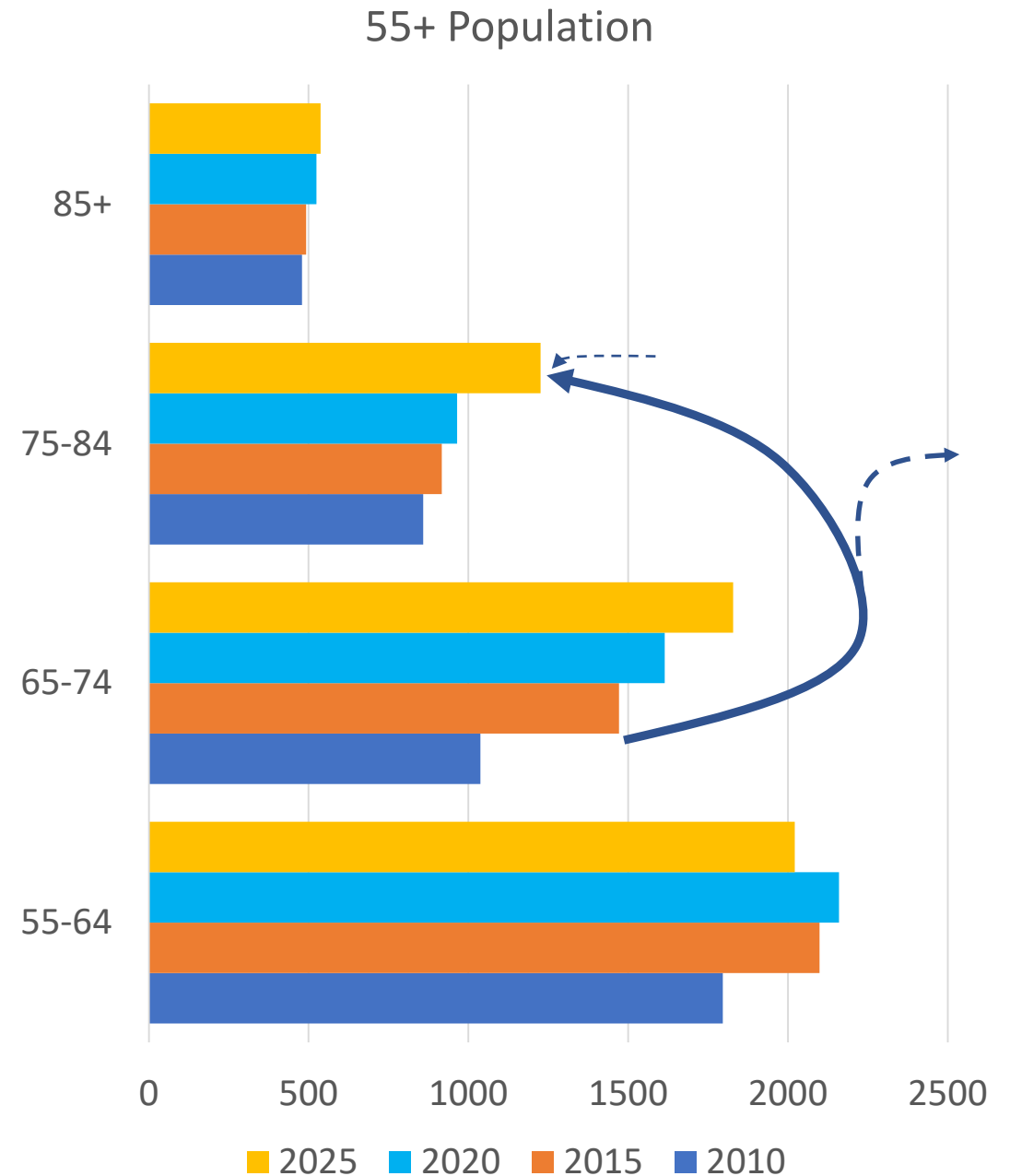
Population by Age Projections, 2010 - 2025

- Growth for the older age cohorts:

<u>85+</u>	<u>+59</u>
<u>75-84</u>	<u>+368</u>
<u>65-74</u>	<u>+790</u>
<u>55-64</u>	<u>+225</u>
<u>Total</u>	<u>+1,442</u>

- Baby Boom Generation cohorts

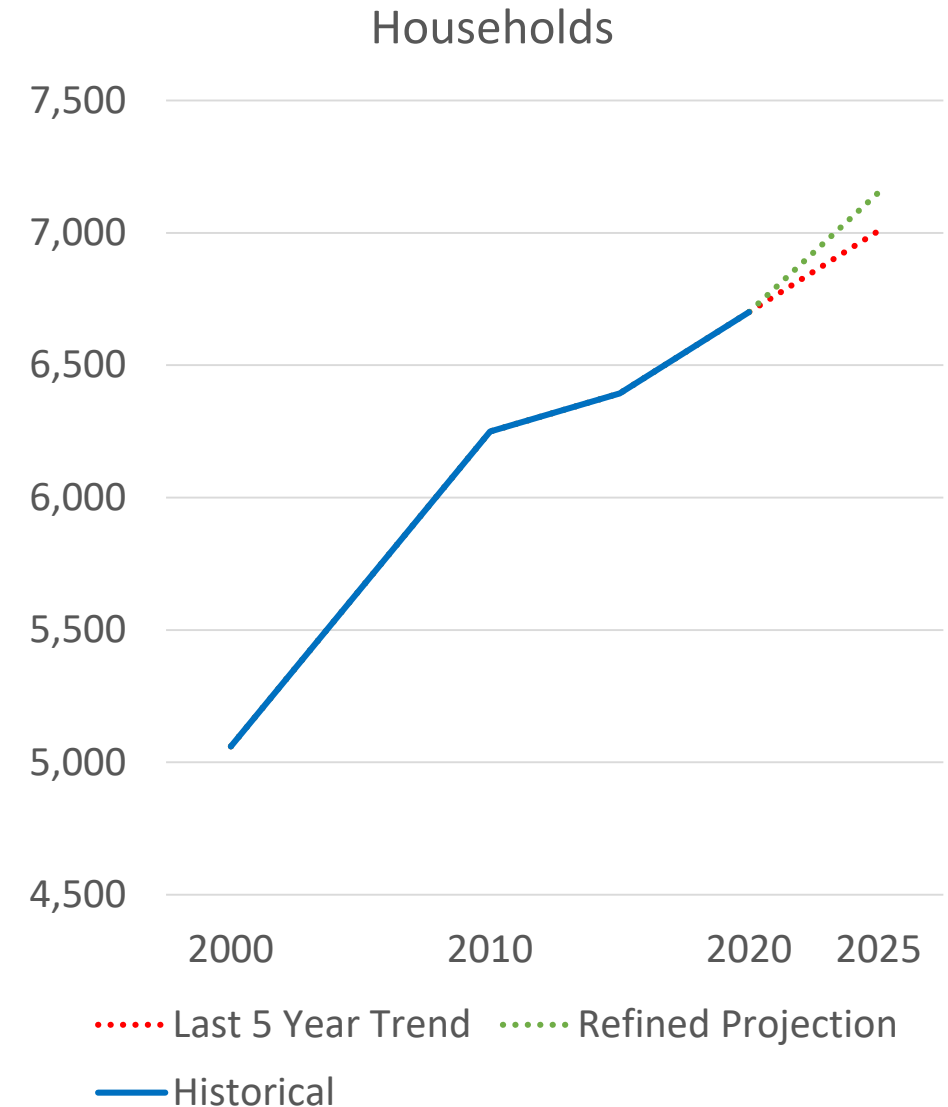
<u>2010</u>	<u>46-64</u>
<u>2025</u>	<u>61-79</u>



Household Projections

- Over the last 5 years, the number of households grew by 307 (average of 61/year)
- Projecting Northfield's household growth to be about 6.75% in the next 5 years which falls between the growth rates of Hastings (5.8%) and other nearby Dakota County cities (range from 8% to 11%)
- This results in a projection of approximately 450 new households over the next 5 years (average: 90/year) which is consistent with historical growth

	1970-80	1980-90	1990-00	2000-10	2010-15	2015-20	2020-25
HH/Yr (avg)	89	94	80	136	24	61	90



For-Sale Housing Units— Projected Need

- Projection of approximately **180 additional units of for-sale housing units** from 2020-2025
 - 36 units per year
- Anticipated sales of 1,443 homes during 2020 – 2025 time period
- There are 114 for-sale housing units that have already been approved for development:
 - ***Hills of Spring Creek*** – 68 single-family houses, market rate
 - ***Bluff View*** – 46 units, including 17 twinhome buildings (34 units) and 3 four-plexes (12 units); market rate oriented to senior independent living

For-Sale Housing Units – Projected Need

- Entry-level housing units will largely be supplied by existing houses and increasingly townhouses
 - Fewer builders are willing or able to build new single-family houses in the \$200K - \$250K or even the \$250K - \$300K range
- Move-up housing market should be strong as rising home values increase equity for move-up buyers and household incomes are projected to rise
 - Almost all new for-sale housing will be aimed at the move-up market (or Millennials that skipped the entry-level housing market)
 - Potential for “right-size” age-in-place housing options

Rental Housing Units – Projected Need

- Currently there is a very tight rental housing market.
- Two apartment projects with a total of 149 rental units will be brought on line in 2021.
- Another 38 new rental townhouse units are anticipated.
- Projections show a supply of **226 new non-senior rental housing units** will be needed. These units could be a mix of apartments, townhomes, and single family homes.
- The new market rate Fifth Street Lofts and Timberfield Apartments have the potential to attract current residents and could open up some existing affordable apartment units.

Affordable Rental Housing Units – Projected Need

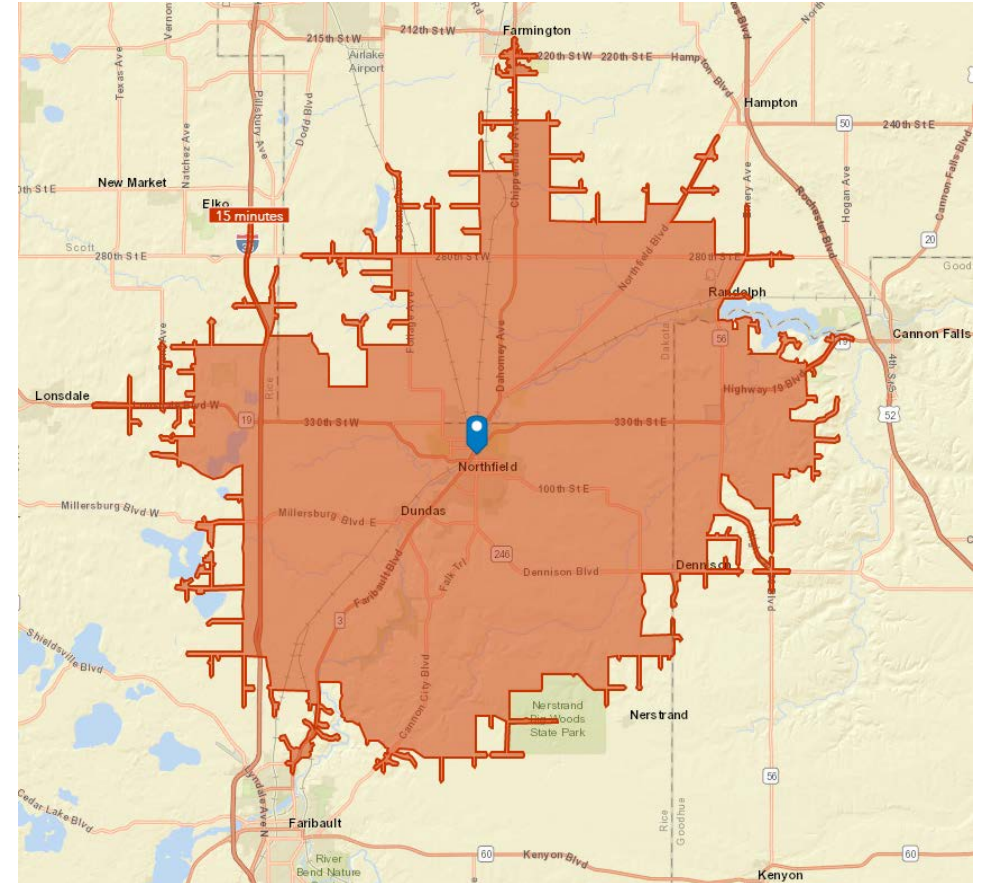
- Very high demand for affordable rental housing units
- It will be a challenge to get larger non-profit developers to supply affordable housing units in Northfield because of development opportunities and the higher rents that can be achieved in the Twin Cities metro
 - LIHTC (60% of AMI) rent for 1 bedroom: \$1,164 vs. \$927
- Development of affordable rental housing will likely require local focus
 - Local developers
 - City/County support



Senior Housing Units – Projected Need

- Primary Market Area is a 15-minute drive to Northfield
 - Generally splits the difference between other clusters of senior housing (Faribault, southern suburbs, Cannon Falls)
 - There may be some additional inflow/outflow due to caregiver/family situations
- As the Baby Boom generation continues to age from 2020-2025:

Age Cohort	2020 (HHs)	2025 (HHs)	Change (HHs)
55-64	2,165	2,010	-155
65-74	1,649	1,860	+211
+75	1,405	1,698	+293



Senior Housing Units – Projected Need

- Independent Living:
 - Supply an additional 38 independent living units by 2025
 - 29 Market Rate
 - 9 Affordable
- Assisted Living:
 - Supply an additional 50 assisted living units by 2025
 - 35 Market Rate
 - 15 Affordable
- Memory Care:
 - *Within the assisted living units*, supply an additional 15 memory care living units by 2025

Summary of 5-Year Housing Units Projected Need

Type of Housing	Housing Units Supply (2020 - 2025)	New Housing Units Planned/ Underway	Remaining Housing Units Supply (2020 – 2025)
For Sale Housing	180 (36/year)	114	66
Rental Housing	226	187	39
Senior Housing	88		88
Independent	38 (9 affordable)		38 (9 affordable)
Assisted Living	50 (15 affordable)		50 (15 affordable)
Memory Care (included in Assisted Living supply)	15		15
Total	494	301	193

Legislation Text

File #: 21-184, **Version:** 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Nate Carlson, Economic Development Coordinator
Melissa Hanson, Housing Coordinator
Mitzi Baker, Community Development Director

Public Hearing on HRA financial assistance for CAC Hillcrest Project

Action Requested:

The Northfield HRA shall make a motion to open the Public Hearing regarding the potential assistance for the CAC Hillcrest Project.

Summary Report:

The Public Hearing Notice was published in the March 3, 2021 edition of the Northfield Newspaper. The notice stated the following:

The Northfield Housing and Redevelopment Authority (HRA) will conduct a public hearing Tuesday, March 23, 2021 beginning on or after 4:00 p.m., Central Time, by telephone or other electronic means via GoToMeeting to consider public input regarding the proposed forgivable loan of \$250,000 to the Northfield Community Action Center for their Hillcrest affordable housing development at 1050 Highway 3 North, Northfield, Minnesota. The forgivable loan would be contributed to a housing development project to support the development of the Hillcrest affordable housing project. The Hillcrest housing units will be constructed on the northern area of City of Northfield adjacent to Minnesota State Highway 3. The HRA is holding this public hearing in accordance with City of Northfield Business Subsidy Policy, subd. 3. b.

The public is hereby notified that due to the COVID-19 Pandemic and declared State and local emergencies related thereto, this hearing will be held by telephone or other electronic means pursuant to Minnesota Statutes, Section 13D.021, and information regarding how you may participate and be heard prior to or during the scheduled hearing is included below in this notice.

To be heard prior to or at the hearing the following alternate methods are available and must be used:

- Mail (must be received by the Economic Development Coordinator prior to or on March 23, 2021) a letter containing your comments, input, testimony to:
 - Economic Development Coordinator Nate Carlson, City of Northfield, 801 Washington Street, Northfield, MN 55057
- Attend in person via electronic means because the meeting is being held online. To do so, prior to the start of the HRA meeting on March 23, call in or connect via computer with the following GoTo Meeting link to provide your oral comments, input, or testimony.

<https://global.gotomeeting.com/join/577203189>

You can also dial in using your phone.

United States: [+1 \(571\) 317-3122](tel:+15713173122) <tel:+15713173122,,577203189>

Access Code: 577-203-189

If you desire to make oral comments to the HRA during the hearing, please contact Economic Development Coordinator Nate Carlson via email at nate.carlson@ci.northfield.mn.us

[<mailto:nate.carlson@ci.northfield.mn.us>](mailto:nate.carlson@ci.northfield.mn.us) no later than 12:00 p.m. to notify the HRA of the same so that arrangements can be made for your participation at the HRA hearing on March 23. You will be called on by the presiding officer when it is your turn to speak, when called upon please state your name and address. During the hearing, please mute your phone until the presiding officer calls on you.

Public comments relating to the HRA's financial assistance are welcome, and may be given in writing prior to the hearing or verbally at the hearing. More information can be obtained by contacting Nate Carlson, Economic Development Coordinator, at 507-645-3069 or at nate.carlson@ci.northfield.mn.us.

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

N/A

NORTHFIELD NEWS

Classifieds

To browse the latest classifieds, visit northfieldnews.com and click the "Classifieds" link.

SELL YOUR STUFF FOR FREE

FREE AD FOR ITEM PRICED UP TO \$50

If you have an item to sell for \$50 or less, or if you are giving an item away for free, you can place a **FREE 30 word classified ad for one week** in 3 area shopping guides and 8 newspapers.

*Your bargain hunter or super saver advertisement will appear for 1 week in our 13 local newspapers and shoppers and on our 8 community websites in the following communities: Faribault, Northfield, Lonsdale, Owatonna, Kenyon, Waseca, St. Peter, and Le Sueur. Limit of one item per ad. Price needs to be listed. Pets, garage sales, fuel and firewood, produce and commercial advertising are not eligible for this special private party offer. You may place as many super savers as you wish, however, Bargain Hunter ads are limited to one per week per household. You may cancel your advertisement when your item sells, however, there are no refunds for these specials.

Contact Classifieds

Phone: 507-333-3146 • Fax: 507-645-6005
In Person: Open 9 AM to 5 PM Monday thru Friday
 115 5th Street W, Northfield, MN 55057
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Online: 24 hours a day, 7 days a week
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Deadlines

For Ads Appearing

Wednesday - Display Ads
 Wednesday - Classified Line Ads
 Saturday - Display Ads
 Saturday - Classified Line Ads

Deadline

11:00 a.m. Monday
 12:00 p.m. Tuesday
 9:00 a.m. Thursday
 4:30 p.m. Thursday

SUPER SAVERS*

Items Valued	Pay	Items Valued	Pay
\$51 to \$100	\$5	\$501 to \$1000	\$20
\$101 to \$250	\$10	\$1001 to \$1,500	\$25
\$251 to \$500	\$15	Private Party Ads Only	

Ads run 1 week in 11 publications and on 8 community websites. Up to 30 words. Reach 63,810 households.

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Bargain Hunters

1970s Children's books: (6) First time Berenstain Bears and (2) Richard Scarry books (size 8" X 8"); 7 9.5" X 13" Richard Scarry books. Disinfected. \$10 call 507-451-5884.

20 1" galvanized H.D. nuts \$20 (507)334-2221

55 Gallon Steel Barrel Like new with Clamp on lid. Ideal for Storage or burning papers. \$25. Call (507)334-5649

Antique Baby Crib Mattress included, walnut stained, good shape. \$20 (507)451-6786

For sale: Bunk beds pick up blooming Prairie \$50 Call/text 507-384-1972

Four puzzles 1000 pece each (no missing pieces) \$16. Call (507)210-1386

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Massey Ferguson Parts Manual/Workshop 6100 Series Tractors. \$50 (507)364-5333 Montgomery

One Tilton and two Johnsrud Chain Saw Bars, all new, all Sprocket nose and 18 inch length. Set of three. Can forward photos. Montgomery area 952-758-7871 \$50

Pet Taxi Pet carrier used twice, like new. Hard Plastic exterior with handle and watering well. 23" long X 12" X 14.5" wide. \$15.00 call 507-451-5884.

storm windows white wood frame, black painted screens about 20 of each \$25 or best offer. sw of owatonna 507-451-8979

Bargain Finders

Baseball Cards \$\$\$\$
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 Do you have any sports cards or Pokemon cards that you would like to turn into \$\$\$\$
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 Buying vintage or current singles, sets or full collections.
 Call or text Lundy @ 612-306-1396 (952)652-2010 Webster

Snowblowers/Plows

TORO POWER MAX 6000 26" snowblower, with 14" serrated auger (eliminates clogging). Electric start, self propelled. 6 forward speeds 2 reverse. Quick Stick chute. Good condition. \$300.00 cash. Call Carol at: 507-698-0298.

Farms/Acreages

Farm for sale- 120 acre farm in Randolph School district located on highway 86 east of highway 3. For sale by owner at 1,300,000. Call 605-730-1085

Autos for Sale

2002 Dodge Dakota Truck, With 4 Wheel Drive, 4 door, V8, FB Topper, Almond color, New tires, Bedliner, Excellent condition, No Rust Call (507)451-2684

Public Notices

PUBLIC NOTICE ANNUAL MEETING AND ELECTION NOTICE
 Notice is hereby given to the qualified voters of Greenvale Township, that the Annual Election of Township Officers and the Annual Township Meeting will be held on Tuesday, March 9, 2021 at the Greenvale Town Hall, 31800 Guam Avenue, Northfield, MN. In case of inclement weather, the election and meeting may be postponed until Tuesday, March 16th. Voting hours will be from 10:00 a.m. until 8:00 p.m. at which time the voters will elect: 1-Supervisor for a 3-year term & 1-Treasurer for a 2-year term. The Annual Meeting will commence at 8:15 p.m. to conduct all necessary business prescribed by law. This year, considering the COVID pandemic, the Board is requesting citizens recess the meeting until summer 2021. The Greenvale Township Board of Canvass Meeting will be held to review and certify the results of the election following the adjournment, or recess, of the Annual Township Meeting.
 Linus Langer
 Greenvale Township Clerk
 98123 2/24, 3/3 NN

WANTED JUNKERS

Public Notices

PUBLIC NOTICE ANNUAL MEETING AND ELECTION NOTICE
 Notice is hereby given to the qualified voters of Greenvale Township, that the Annual Election of Township Officers and the Annual Township Meeting will be held on Tuesday, March 9, 2021 at the Greenvale Town Hall, 31800 Guam Avenue, Northfield, MN. In case of inclement weather, the election and meeting may be postponed until Tuesday, March 16th. Voting hours will be from 10:00 a.m. until 8:00 p.m. at which time the voters will elect: 1-Supervisor for a 3-year term & 1-Treasurer for a 2-year term. The Annual Meeting will commence at 8:15 p.m. to conduct all necessary business prescribed by law. This year, considering the COVID pandemic, the Board is requesting citizens recess the meeting until summer 2021. The Greenvale Township Board of Canvass Meeting will be held to review and certify the results of the election following the adjournment, or recess, of the Annual Township Meeting.
 Linus Langer
 Greenvale Township Clerk
 98125 2/24, 3/3 NN



WEBSTER TOWNSHIP

NOTICE OF TOWNSHIP ELECTION AND ANNUAL MEETING

NOTICE IS HEREBY GIVEN to qualified voters of Webster Township, Rice County State of Minnesota that the Election of Township Officers will be held on March 9, 2021 at the Town Hall in Webster, 4175 Delano Avenue; Webster, MN 55088. Polling hours are from 3:00pm to 8:00pm.

The positions to be voted on are as follows:

One (1) Supervisor Position for a three (3) year term

One (1) Treasurer Position for a one (2) year term

TOWN QUESTIONS

Shall Option B, providing for the appointment of the clerk by the township board, be adopted for the government of the township?

The Webster Township Annual Meeting will be held at 1:30 PM prior to the opening of the polls.

The Board of Canvass Meeting to follow upon the completion of the counting of the ballots.

Roger Van Veldhuizen, Clerk
 Webster Township

LNR 2/23, 3/2 NN 2/24, 3/3

97844



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PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN, that the Northfield Housing and Redevelopment Authority (HRA) will conduct a public hearing Tuesday, March 23, 2021 beginning on or after 4:00 p.m., Central Time, by telephone or other electronic means via GoToMeeting to consider public input regarding the proposed sale of HRA owned property described as a 4.5 acre portion of land located in the southeasterly portion of Southbridge 2nd Addition, Outlot A, Rice County PID 22.07.3.03.003. The property would be contributed to a housing development project to support the development of the Spring Creek II townhome project. The Spring Creek townhomes will be constructed on the western area of Southbridge Drive in the southeast quadrant of the City of Northfield. The HRA is holding this public hearing in accordance with Minnesota State Statute 469.029, subd. 2. Notice; public hearing.

The public is hereby notified that due to the COVID-19 Pandemic and declared State and local emergencies related thereto, this hearing will be held by telephone or other electronic means pursuant to Minnesota Statutes, Section 13D.021, and information regarding how you may participate and be heard prior to or during the scheduled hearing is included below in this notice.

To be heard prior to or at the hearing the following alternate methods are available and must be used:

- Mail (must be received by the Economic Development Coordinator prior to or on March 23, 2021) a letter containing your comments, input, testimony to:
 - o Economic Development Coordinator Nate Carlson, City of Northfield, 801 Washington Street, Northfield, MN 55057
- Attend in person via electronic means because the meeting is being held online. To do so, prior to the start of the HRA meeting on March 23, call in or connect via computer with the following GoTo Meeting link to provide your oral comments, input, or testimony:
 - o <https://global.gotomeeting.com/join/577203189>

You can also dial in using your phone.

United States: +1 (571) 317-3122

Access Code: 577-203-189

If you desire to make oral comments to the HRA during the hearing, please contact Economic Development Coordinator Nate Carlson via email at nate.carlson@ci.northfield.mn.us no later than 12:00 p.m. to notify the HRA of the same so that arrangements can be made for your participation at the HRA hearing on March 23. You will be called on by the presiding officer when it is your turn to speak, when called upon please state your name and address. During the hearing, please mute your phone until the presiding officer calls on you.

Public comments relating to the improvement of the land are welcome, and may be given in writing prior to the hearing or verbally at the hearing. More information can be obtained by contacting Nate Carlson, Economic Development Coordinator, at 507-645-3069 or at nate.carlson@ci.northfield.mn.us.

Nate Carlson
 Economic Development Coordinator

98433

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 E-mail Classified@SouthernMinn.com

NORTHFIELDNEWS.com



School District No. 659

Summary of Regular School Board Meeting

February 8, 2021

Northfield District Office Boardroom

Board Chair Julie Pritchard called the Regular meeting of the Northfield Board of Education of Independent School District 659 to order at 7:00 p.m. Present: Baraniak, Butler, Goerwitz, Gonzalez-George, Pritchard, Quinnell and Stratmoen. In accordance with Governor Walz's Stay Safe Plan, this meeting was set up in accordance with the plan's social distancing guidelines. In addition, all those present wore face coverings the duration of the meeting. Present at this meeting was Dr. Matt Hillmann, Superintendent. Present via video conference was Anita Aase, Executive Administrative Assistant; Erin Bailey, Director of Community Education; Val Mertesdorf, Director of

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PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN, that the Northfield Housing and Redevelopment Authority (HRA) will conduct a public hearing Tuesday, March 23, 2021 beginning on or after 4:00 p.m., Central Time, by telephone or other electronic means via GoToMeeting to consider public input regarding the proposed forgivable loan of \$250,000 to the Northfield Community Action Center for their Hillcrest affordable housing development at 1050 Highway 3 North, Northfield, Minnesota. The forgivable loan would be contributed to a housing development project to support the development of the Hillcrest affordable housing project. The Hillcrest housing units will be constructed on the northern area of City of Northfield adjacent to Minnesota State Highway 3. The HRA is holding this public hearing in accordance with City of Northfield Business Subsidy Policy, subd. 3, b.

The public is hereby notified that due to the COVID-19 Pandemic and declared State and local emergencies related thereto, this hearing will be held by telephone or other electronic means pursuant to Minnesota Statutes, Section 13D.021, and information regarding how you may participate and be heard prior to or during the scheduled hearing is included below in this notice.

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<https://global.gotomeeting.com/join/577203189>
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 United States: +1 (571) 317-3122
 Access Code: 577-203-189

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Public comments relating to the HRA's financial assistance are welcome, and may be given in writing prior to the hearing or verbally at the hearing. More information can be obtained by contacting Nate Carlson, Economic Development Coordinator, at 507-645-3069 or at nate.carlson@ci.northfield.mn.us.

Nate Carlson
Economic Development Coordinator

98434

PUBLIC HEARING NOTICE

Notice is hereby given that the City of Northfield Planning Commission will conduct a public hearing virtually, on Thursday, March 18, 2021, beginning on or after 6:00 p.m. to consider public input regarding a request for a Preliminary Plat to be known as the Hillcrest Village First Addition. The plat consists of approximately 2.22 acres divided into approximately 8 lots (final number of lots may change), which will create 6 buildings and 17 units (final number of buildings and units may change). The site is located West of Highway 3 N., North of Fremouw Ave., and East of Sheldahl Rd.

Pursuant to Minn. Stat. § 13D.021, subd. 1(1), Ben Martig, City Administrator of the City of Northfield, Minnesota, has determined that in-person meetings of the Northfield Boards and Commissions are not prudent during the COVID-19 health pandemic/peacetime emergency declared by the Governor's Executive Order No. 20-01 under Minn. Stat., Ch. 12. **As such, the Northfield Planning Commission meeting scheduled to occur at 6:00 pm on Thursday, March 18, 2021 will be held by telephone / other electronic means via GoToMeeting and any or all member(s) of the Northfield Planning Commission may potentially attend such meeting by phone or other electronic means.**

Additionally, the presence of the public at the regular meeting location is not feasible due to the COVID-19 health pandemic/emergency declaration, pursuant to Minn. Stat. § 13D.021, subd. 1(3).

Based in the foregoing, **the Northfield Planning Commission will hold a meeting on Thursday, March 18, 2021 starting on or after 6:00 pm via electronic means.** Members of the public may monitor the meeting electronically from a remote location via **computer, tablet or smartphone from this link:**

<https://global.gotomeeting.com/join/945160525>

Or by dialing conference number **(United States: tel: 1 (571) 317-3122)** and entering a conference code (**Access Code: 945-160-525**). Members of the public monitoring the meeting will be asked to mute themselves and turn off their cameras.

Public comment relating to the application is welcome. Alternate methods for public input rather than in person participation at the meeting include:

- Sending an email no later than 12:00 PM the day of the meeting to Mikayla Schmidt, City Planner, mikayla.schmidt@ci.northfield.mn.us noting, "Public Hearing Comment" in the subject line and type your comment in the body of the email or attach a document if necessary.
- Calling Mikayla Schmidt at 507-645-3059, no later than 12:00 PM the day of the meeting with input.
- Sending a letter containing your input to:

Community Development, Mikayla Schmidt, City of Northfield, 801 Washington St., Northfield, MN 55057
The Planning Commission meeting will be livestreamed

while in progress on the City's meetings page:
<https://northfield.legistar.com/Calendar.aspx>. Videos of the meetings are typically available on this page the day following the meeting.

Mikayla Schmidt, City Planner

98381

Finance; and Jim Kulseth, Director of Buildings & Grounds. This meeting was live-streamed and recorded and access to the recording was posted to the school district website.

On a motion by Quinnell, seconded by Goerwitz, the Board approved the agenda. To accommodate the public comment portion of our meeting, members of the public were invited via the school district website to submit feedback to the Board via email by 5:00 p.m. on February 8, 2021. All submissions that followed the district policy regarding public comment would be read by Chair Pritchard at this time. There were public comments regarding the renaming of Sibley Elementary School and there were no announcements.

Superintendent Hillmann and Director Mertesdorf reviewed a proposal from Rebound Real Estate, LLC to purchase a small piece of school district property across Lincoln Parkway from Greenvale Park Elementary. Director Mertesdorf and Director Kulseth presented the 2021-2022 Operating Capital Budget and Long-Term Facilities Maintenance Plan. Dr. Hillmann presented policy recommendations, updates on district employee COVID-19 vaccinations, the return of students to campus, the professional development workshop scheduled February 15 with Equity Alliance of Minnesota, and the process of renaming Sibley Elementary School.

Items for Consent Agenda. On a motion by Quinnell, seconded by Butler, the Board approved the consent agenda which included minutes of the Special Closed School Board meeting and the Regular School Board meeting both held on January 25, 2021 and personnel items.

Items for Individual Action

Rename Longfellow School Building. On a motion by Butler, seconded by Gonzalez-George, and in accordance with Policy 809, the Board approved the Longfellow School Building be renamed Northfield School District Office and Area Learning Center effective immediately.

Legislative Action Committee. On a motion by Baraniak, seconded by Goerwitz, the Board approved the formation of the Legislative Action Committee (LAC) and appointed Corey Butler, Claudia Gonzalez-George, and Julie Pritchard to serve on this committee in 2021.

Policies 103, 417, 420 and 422. On a motion by Stratmoen, seconded by Butler, the Board approved policies 103, 417, 420 and 422.

Items for Information. Superintendent Hillmann reviewed the February 2021 enrollment report. The District has tentatively scheduled Thursday, September 23, 2021, 4:00 p.m. - 7:00 p.m. to hold open houses at the new Greenvale Park Elementary School and the renovated Northfield Community Education Center, Sibley Elementary, Bridgewater Elementary and District Offices.

On a motion by Stratmoen, seconded by Quinnell, the Board adjourned at 9:08 p.m.

98233



February 2, 2021

Northfield Housing and Redevelopment Authority (HRA)

Attn: Melissa Hanson

RE: Financial Support for CAC's Emergency Shelter expansion at Hillcrest Village

Dear HRA Members and Northfield Community,

Community Action Center of Northfield (CAC) has been empowering Northfield community members to be part of community solutions for over 50 years. This includes collaborative work to ensure everyone has access to basic needs including food access, shelter, financial assistance, employment, youth services, clothing, transportation, legal services and many other services for low income families. CAC is primarily financially supported by local individuals, organizations, businesses, and partners to ensure that Northfield is a healthy, caring, and just community. In response to the COVID-19 pandemic, CAC has scaled programs exponentially to meet the increasing needs of our community including: **10x** rental assistance, **4x** food access, and **10x** emergency shelter. This has only been possible because of the generosity of local individuals, organizations, and businesses. Additionally, CAC has strategically brought in more than \$650,000 of new resources in 2020 from outside of Northfield to invest in our community during the pandemic.

Concurrently, CAC has empowered a group of community members to drive, shape, and dream of a systemic solution to support the growing needs of homeless individuals, people experiencing housing insecurity, and families looking for affordable housing options. This project has become known as *Hillcrest Village* and is the culmination of years of work to hear from City of Northfield leaders about the city's priorities, community members about community priorities, key employers on the needs of their workforce, and low-income families about their own needs and priorities. *Hillcrest Village* is a redevelopment of the former "*Manger Inn*" site, now a dilapidated property that CAC secured through foreclosure, located at 1050 Highway 3 North. An overview of the project has been presented to the HRA and a summary is attached to this letter.

CAC believes the process of this project has reframed the traditional property developer process and has successfully empowered local community members to be part of community solutions. The process has also ensured that the project's goals and purpose are directly in line with the goals and needs of the community and the City of Northfield, namely: affordable housing near key employers, economic development, climate action goals, equity and inclusion, and geographic strategic planning (related to the north corridor). The housing specific goals specifically related to a continuum of housing are intentionally aligned with the shared mission and purpose of the Northfield HRA. CAC has been providing monthly updates to the HRA's Affordable Housing Task Force since 2017 and has specifically provided updates and taken feedback on the project to the HRA in August of 2018, December of 2019, and November of 2020.

Funding for the project will be a braid of community fundraising, traditional financing, and in-kind contributions. Northfield area community members and organizations have already pledged



over \$1.6 million toward the cost of *Hillcrest Village*. CAC is working with local and regional financial institutions to formalize the financing package, leaning on expertise from the Greater Minnesota Housing Fund. Support from partners and individuals to champion the engineering, site work, construction, and solar array of *Hillcrest Village* through in-kind contributions will help keep this project locally driven and a true community effort. *Hillcrest Village* will be a national leader in aligning climate action initiatives (zero energy) with emergency shelter, transitional, and affordable housing. This intersectional alignment is possible because of the non-traditional developer role of CAC in bringing together community leaders to inspire and drive this project.

CAC has set a timeline of breaking ground in summer of 2021. This is largely dependent on closing the final fundraising gap in February 2021. Families in our community would be able to move into the new property in early 2022. There is much work to do in finalizing engineering, platting, and permitting, but CAC needs to plan now in order to work with and support current tenants to secure temporary housing during construction. The HRA's financial support of this project is critical to securing this timeline and supporting the housing needs of our community.

CAC presented the project and requested the HRA consider financially supporting the construction and site development costs of a two bedroom emergency shelter unit for approximately \$250,000 at the November 2020 HRA meeting. CAC has suggested that this support could be committed over multiple years depending on the strategic concerns and logistics to be determined by the HRA and City of Northfield staff. The total budget and status of the project is outlined in the attached summary. HRA support will address approximately 25% of the remaining fundraising needs.

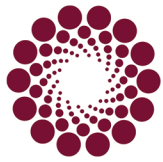
As a locally supported non-profit supporting the basic needs of low-income families, CAC's goal is to create a self-sustaining infrastructure of supportive housing. CAC will be providing services and support for families at *Hillcrest Village* for years to come. CAC is proud to take the lead in providing dedicated emergency shelter infrastructure in Northfield as part of a solution that addresses the need for a continuum of housing. CAC is also honored to provide a demonstrative project for Northfield's Climate Action Plan. This project will be a community *barn raising* with local contractors, engineers, trades people, subcontractors, environmentalists, philanthropists, businesses, and organizations coming together to provide community solutions to systemic challenges. We're excited to see the City of Northfield officially join this movement.

It is an honor to partner with the HRA, to know and work alongside the appointed members of the HRA, to represent the experiences of low-income families, and to work with City staff to move this project toward a tangible reality.

Please reach out with any questions or concerns related to the project or to discuss in more detail.

Regards,

Scott Wopata
Executive Director
Community Action Center of Northfield



Community Action Center Hillcrest Village

an accessible, sustainable housing community

Our Work

Community Action Center of Northfield (CAC) has long worked to collaboratively alleviate hunger, homelessness, and all forms of poverty that impact families and individuals in our community. CAC believes in immediate response to crisis, but also prioritizes systemic approaches to support long-term change that aligns with CAC's mission of creating a caring, healthy, and just community for all.

The Need

Emergency shelter and accessible housing are vital to the fabric of our community.



Full Capacity

CAC's four current emergency shelters are full 365 days per year - providing nearly 1,500 nights of shelter to families and neighbors in need.



Families Waiting

On average, CAC maintains waiting lists of 5–10 households in need of emergency shelter.



Alarming Low Vacancy Rate

With an affordable housing vacancy rate at less than 1%, families struggle to leave CAC's emergency shelters.



Temporary Solutions

CAC currently spends thousands of dollars each year on hotel rooms, providing temporary shelter, but never a home.

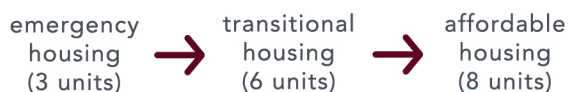


Rising Costs

Rice County is the third most expensive housing district in Minnesota, outside of Rochester and the Twin Cities.

Community Solution

Our goal in building Hillcrest Village is to foster a supportive community that helps families and individuals gain the resources needed to move from **emergency housing** to **transitional housing**, and finally, to **affordable housing**, without ever having to leave home.



"How is a child supposed to focus on school when they don't know where they will sleep at night?"

- Beth Berry, community volunteer

An Innovative Approach

"I had previously been a bit skeptical about the affordability of constructing such energy efficient homes, but through the process of working with CAC I am changing the way I will build in the future. It is both affordable and responsible."

-Steven Schmidt, president of Schmidt Homes



CAC recognizes that climate change will disproportionately affect the same low-income families our organization aims to support. Gaining recognition for its innovative process and design, CAC has brought together leaders from the construction and environmental community to design Hillcrest Village as a Zero Energy Ready project that addresses both homelessness and climate change in a shared community effort. It's the right thing to do, it's our responsibility, it reduces operating costs, it pays for itself, it's affordable, and it aligns with CAC's mission of creating a just community by bringing housing and environmental justice together.

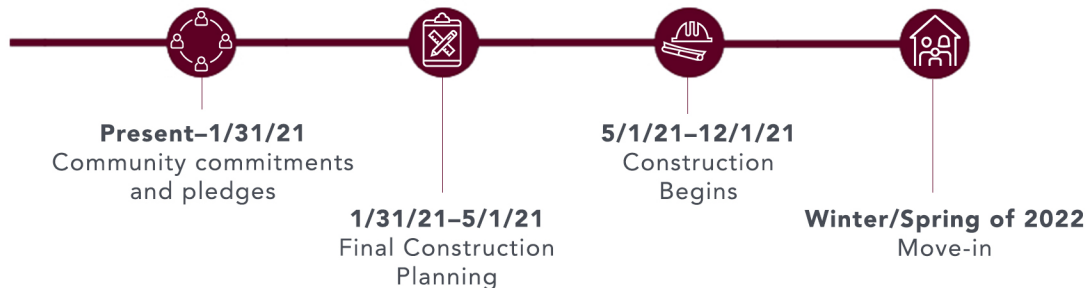
Budget and Support

Hillcrest Village is an affordable project that demonstrates how community solutions to housing and climate change are possible, affordable, and achievable. You can support this project by providing a tax deductible contribution that can be paid in full or pledged over three to five years. We invite you to commit to making this a reality as individuals, families, and groups. It's a great way to make a big impact right here in Northfield.

	Hillcrest Village Giving Opportunities	Quantity	Cost	Total Budget	Funds Raised
		total to build	per unit	per line item	as of Jan. 2021
	A solar panel to provide clean and sustainable energy	225	\$760	\$171,000	74%
	Kitchen appliances for one supportive housing unit	17	\$2,500	\$42,500	88%
	Furnishings to welcome a family into one safe shelter	3	\$10,000	\$30,000	33%
	Landscaping around one of the six buildings	6	\$10,000	\$60,000	50%
	A welcome sign at the entrance of Hillcrest Village	1	\$15,000	\$15,000	100%
	Added costs for a Zero Energy Ready building	6	\$20,000	\$120,000	42%
	A fun and safe playground for children in the community	1	\$25,000	\$25,000	100%
	Development and property site costs for each unit	17	\$45,500	\$773,500	65%
	All construction costs of a one-bedroom unit	8	\$170,000	\$1,360,000	87%
	All construction costs of a two-bedroom unit	4	\$215,000	\$860,000	75%
	All construction costs of a three-bedroom unit	5	\$250,000	\$1,250,000	80%
	Progress to date: \$3,625,000				
	\$2,000,000 Financed \$1,625,000 Funds Raised \$1,082,000 Remaining				
	\$4,707,000 Total Project Cost				

The Time is Now

You have a chance to make a safe and welcoming home a reality for a family in our community. The need for support is now. A pledge and commitment today will help put a shovel in the ground in summer of 2021. Your impact will multiply over decades as families navigate through the supportive community of Hillcrest Village. COVID-19 has exacerbated the effects of homelessness and highlighted the lack of access to affordable housing. Now is the time for us to take action and provide smart and strategic solutions that invest in today and generations to come. Be part of *community action* for the good of families, our community, and our environment.



Giving Support



To bring this ambitious project to fruition, it will be necessary to have the support of those who know that sharing our resources with others is what makes a true and just community.

Providing vital emergency shelter to our neighbors through the use of innovative and sustainable building practices is a gift that will last for generations to come.

"CAC's ability to meet the immediate needs in our community is inspiring. I am honored to help support a sustainable housing project that uses systemic solutions to meet our community needs for the long term."

- Diana Abbott, community volunteer

How to Give

>> In-person

Email CAC Executive Director Scott Wopata at wopata.scott@communityactioncenter.org.

>> Via mail

Fill out the form provided below and use the self-addressed stamped envelope to mail your donation directly to CAC.

>> Online

Visit communityactioncenter.org/hillcrest-village for more information.

>> Other ways to give

Donate shares stock, give from a Donor Advised Fund, enroll in an electronic fund transfer, consider the gift of an estate or IRA distribution. Please contact CAC Executive Director Scott Wopata for more information at **(507) 664-3555** or email wopata.scott@communityactioncenter.org.



Hillcrest Village

an accessible, sustainable housing community



Community Action Center

Donor name(s) _____

Address _____

Preferred Phone _____ Email _____

Pledge Information

I/we would like to make a total contribution to CAC's Hillcrest Village in the amount of \$ _____

I/we would like to make this gift over ☐ 5 ☐ 4 ☐ 3 ☐ 2 ☐ 1 year(s), beginning (month/year) _____

Contribution Method

I/we will pay by ☐ check ☐ checking/credit card ☐ other (please explain) _____

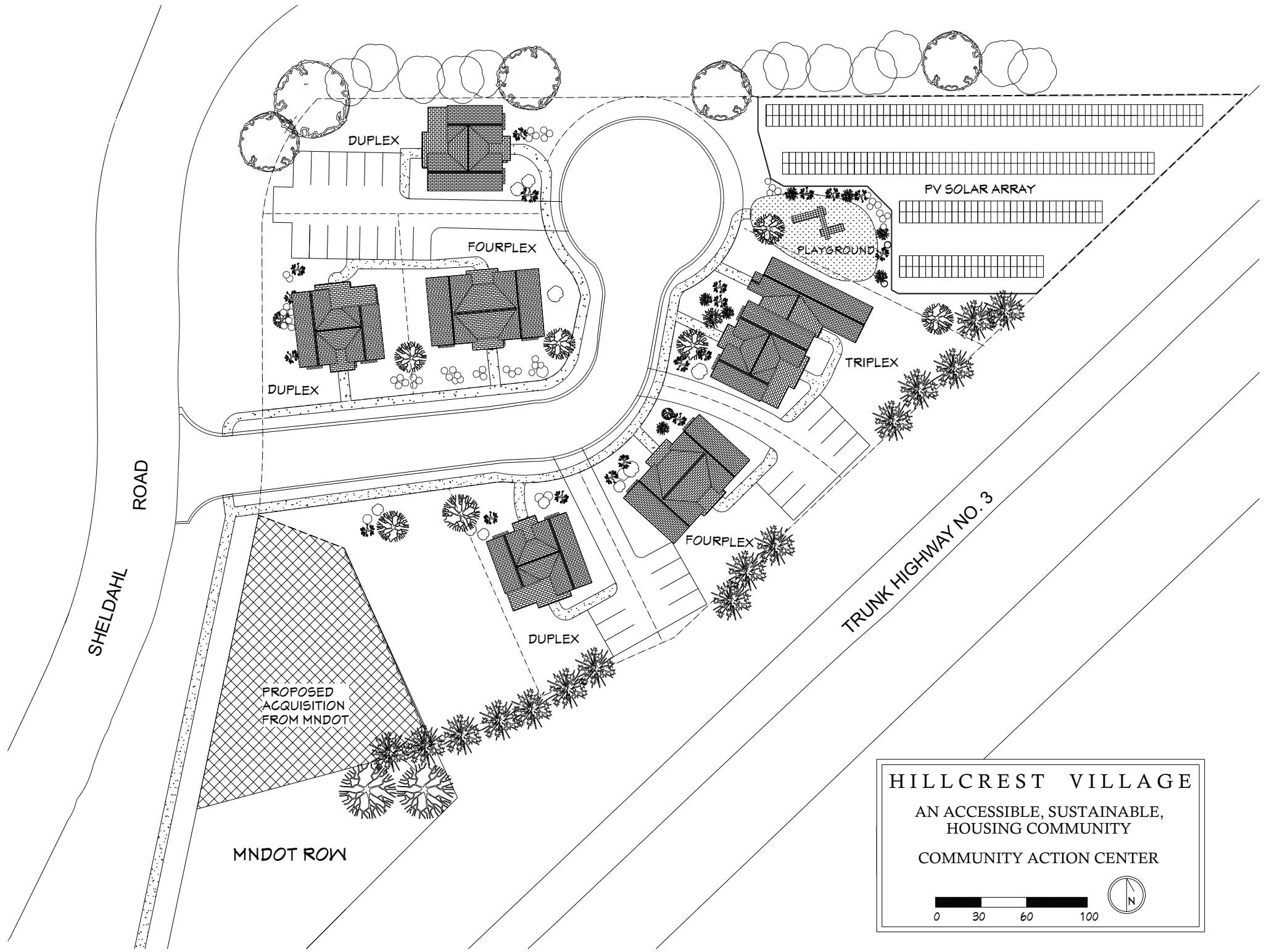
Please invoice me ☐ annually ☐ semi-annually ☐ quarterly ☐ monthly ☐ other _____

Acknowledgement

Please print name(s) as you would like it/them to appear in formal recognitions and/or donor lists.

☐ I/we would like our gift to remain anonymous and do not want to appear in formal recognitions.

Donor signature _____ Date _____



SHELD AHL
ROAD

DUPLEX

FOURPLEX

DUPLEX

PLAYGROUND

PV SOLAR ARRAY

TRIPLEX

FOURPLEX

DUPLEX

PROPOSED
ACQUISITION
FROM MNDOT

MNDOT ROW

TRUNK HIGHWAY NO. 3

HILLCREST VILLAGE
AN ACCESSIBLE, SUSTAINABLE,
HOUSING COMMUNITY
COMMUNITY ACTION CENTER

0 30 60 100

N

From: noreply@ci.northfield.mn.us
To: [Melissa Hanson](#)
Subject: Online Form Submittal: Email Melissa Hanson
Date: Sunday, February 21, 2021 5:15:56 PM

CAUTION: This email originated from outside of the organization.

Email Melissa Hanson

Email Melissa Hanson

First Name	Allan
Last Name	Cox
Reply Email	acpmac@gmail.com
Attachment 1	<i>Field not completed.</i>
Attachment 2	<i>Field not completed.</i>
Subject	Hillcrest Village Project CAC funding request
Comments	My name is Allan C. Cox I have lived in the Northfield Community since 1980.

I was a member of the Northfield United Methodist Church, Friday Morning Men's Group that established the Manger Inn EMERGENCY AND LOW-INCOME housing project in 2001. I was active in the development and management of the Manger Inn project at different stages of the project.

The Manger Inn Housing Project was located on Highway 3 North, Northfield, MN with the intent to and successful purpose of providing emergency shelter and/or low-income housing in the City of Northfield. For Fifteen (15) years the Manger Inn units provided housing security for seven family units.

The CAC leased one of the cabin units for an emergency shelter. During their lease, approximately 12 years, they provided emergency shelter for 1042 people of which over %50 were children.

I am currently the Chairman of the Board of Directors of the Human Capital Development Foundation (501 (c) (3)). The Human Capital Development Foundation assumed the assets and liabilities of the Manger Inn project in 2016 with the intent to continue to provide emergency shelter and/or low-income housing in the City of Northfield.

Human Capital Development Foundation, Board of Directors

facilitated (2019) the acquisition of the Manger Inn property by the CAC Shelter Associates to facilitate the continuation of the provision of emergency shelter and/or low-income housing in the City of Northfield.

Based on our experience at the Manger Inn property, there is an urgent need for emergency shelter and/or low-income housing in the City of Northfield.

The Hillcrest Village Project will greatly aid the City of Northfield's provision of emergency shelter and/or low-income housing. I urgently request that you vote in favor of the CAC \$250,000.00 funding request.

Allan C. Cox
Mobile: 952-807-7825
Email: acpmac@gmail.co

Email not displaying correctly? [View it in your browser.](#)

Dear Member of the Housing and Redevelopment Authority

I am writing to support the application of the Community Action Center for \$250,000 for the development of Hillcrest Village. Northfield has long had a shortage of affordable rentals and accommodations for those who are housing insecure. The Community Action Center is the organization that is most aware and in touch with the needs of the community. Construction and finance are not in my skill set, but in my role as coordinator of the TORCH program at Northfield High School I learned a great deal about supporting and empowering low income students and their families. I had students who were staying at a motel who depended upon the school for their meals each day. I had students who had difficulty looking at a future as they were living from crisis to crisis and trying to get through one day at a time.

I am excited about the development of Hillcrest Village as it represents a possible solution for families experiencing housing insecurity as opposed to a bandaid. Currently the CAC budget is impacted over \$2000 a week to house clients in a motel rooms. How do you have a family meal, how do you feel at home, how do you have a sense of stability in a motel room? The ability of a family in need to move into Hillcrest Village in a crisis situation and have the support of CAC services and the stability of home to work their way to independence is why I am so supportive. In trying to think of an analogy, I thought of my 4 year old grandson who broke his leg sledding. Before he could get a cast, he had to be carried so as to put no weight on the leg. After the swelling went down, he could get a cast to provide support for the leg to heal. He now has a leg brace to provide some support and he occasionally forgets that he should not be jumping on the bed. Many families are in a position where a medical bill, car repair or loss of a job can disrupt their world. At Hillcrest Village a family can arrive in an emergency situation, have a living room, kitchen, and a sense of a home. With the wraparound supportive services of the CAC, the clients can be in a transitional phase without having to move. The designation of the unit is a paperwork transition rather than a physical move. Residents have the opportunity to develop the rental history and credit rating that will then allow them to qualify for another rental, a habitat for humanity or a starter home ownership (and pay taxes).

I hope that the Housing and Redevelopment Authority will fully support the development of this community that provides homes at varying rental costs, homes with varying designs, rather than a barracks project, and an approach that supports solving problems of people as individuals, rather than a finger in the dike and cookie cutter approach. Isn't this true to the purpose of the HRA?

Thank you for your consideration.

Beth Berry
815 Mayflower Ct
Northfield MN

From: [Connie and Gary DeGrote](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village
Date: Monday, February 22, 2021 8:35:47 PM

CAUTION: This email originated from outside of the organization.

Dear Ms. Hanson,
Northfield has a great opportunity to support the CAC Hillcrest Village project with a \$250,000 gift toward the project. The project would provide much needed emergency, supportive and affordable housing in Northfield. Please lend your voice and your support for this great opportunity to address some of the shortages in affordable housing in our community.

Thank you.

Sincerely,
Connie DeGrote
Northfield

February 2, 2021

Melissa Hanson

Northfield City Housing Coordinator
Melissa.Hanson@ci.northfield.mn.us

Dear Ms. Hanson,

My name is Carol Gengenbach. I've been a member of the Northfield Community for the last 32 years. I taught in the Northfield Public Schools for 25 years. After retiring, I served on the Community Action Center Board of Directors from 2012 to 2018. The CAC's mission and commitment to assist all community members in need matches my own goals.

For the past ten years CAC has been working to provide a permanent solution for emergency shelter and accessible housing for all community members. It is a great need. The four CAC emergency units are occupied every night of the year. An additional 5 to 10 households are on a waiting list in need of shelter. The cost to provide temporary shelter for them in hotel rooms is very expensive. The CAC has had a dream and vision for a permanent solution by creating a community such as Hillcrest Village. Our Northfield community has shown commitment and support for the site plan and through fundraising.

I encourage you as HRA commissioners to approve financial support for the CAC's Hillcrest Village project. With your support, the project would begin the summer, 2021. Many of us have made financial pledges that will continue for the next 3 to 5 years.

CAC has thoughtfully planned this project to match the mission and goals of the HRA. Thank you for your concern and service.

Sincerely,

Carol Gengenbach

1608 Maple Street
Northfield, MN 55057

First Name	Fred
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Last Name	Rogers
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Reply Email	frogers@carleton.edu
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Subject:	Hillcrest Village
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(Section Break)

Comments:	Dear Brent, I write to encourage the Housing and Redevelopment Authority to approve the financing proposal that is in front of you for Hillcrest Village. As a former member and chair of the Northfield Economic Development Authority, I know that affordable housing is a high priority for Northfield. As the retired CFO of Carleton I know how important sustainability is for the town as well as the colleges. I also know that there are few opportunities to leverage many resources together to do something significant. Hillcrest Village is such an opportunity. It has been in the planning for several years, and has received broad local support. Jenny and I have decided to make it a high priority in our community support and have personally signed on as donors. This project should be a great success for Northfield and can be a national model for similar projects in other municipalities. Now that the CAC board has officially approved moving ahead, I urge the HRA to confirm its funding and support. Thank you. Fred Rogers PS: if you haven't seen this AIA article, I recommend it to you: https://www.enternm.com/articles/northfield-raises-the-bar-for-high-performance-affordable-housing
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First Name	Michael
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Last Name	Strobel
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Reply Email	mstrobel@aurorapharmaceutical.com
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Subject:	Hillcrest Village project
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(Section Break)

From: [Diana Abbott](#)
To: [Melissa Hanson](#)
Subject: CAC's Hillcrest Village!
Date: Thursday, February 18, 2021 1:46:08 PM

CAUTION: This email originated from outside of the organization.

Hello Melissa. My name is Diana Abbott. I have lived in Bridgewater Township for the past 27 years.

I am writing to express my support for the HRA to approve financial support for CAC's Hillcrest Village Project on February 23, 2021.

I was asked to join the fundraising committee for Hillcrest Village in May, 2020. I joined the committee because I deeply believe in this project to provide housing - crisis, transitional and affordable - for those in need in our community. There is clearly a need, and I believe that it is the responsibility of our community to work to make this project happen. An equally important aspect of Hillcrest Village is that it is being built to be "green", an environmentally responsible housing project. I am heartened that this project is taking social action, as well as climate action, in our lovely community.

The CAC project aligns with community needs and city goals: emergency housing, affordable housing, infrastructure, equity and inclusion, climate action, and so much more. A commitment from HRA now would ensure the project can begin this summer. I ask that the HRA votes to approve financial support for CAC's Hillcrest Village Project on February 23, 2021

Thank you Melissa, for your time in reading my email.

Best regards,

Diana Abbott

From: noreply@ci.northfield.mn.us
To: [Melissa Hanson](#)
Subject: Online Form Submittal: Email Melissa Hanson
Date: Friday, February 19, 2021 7:58:24 PM

CAUTION: This email originated from outside of the organization.

Email Melissa Hanson

Email Melissa Hanson

First Name	David
Last Name	Wolf
Reply Email	dave_wolf@charter.net
Attachment 1	<i>Field not completed.</i>
Attachment 2	<i>Field not completed.</i>
Subject	\$250,000 funding request from Community Action Center for Hillcrest Village Project
Comments	Melissa,

My name is David Wolf. I have lived in the Northfield community since 1981 when I moved here to start work at Sheldahl.

The reason for this e-mail is to ask that you and the HRA approve financial support of \$250,000 for CAC's Hillcrest Village Project at your meeting on February 23, 2021. A commitment from you as the Northfield Housing Coordinator and the HRA now would ensure that the project can begin this summer.

About 21 years ago, the Northfield United Methodist Church Friday Morning Men's Breakfast Group began brainstorming about how to provide sorely needed additional low-income rental housing in Northfield. That brainstorming lead to the purchase of the Hillcrest Motel complex of buildings from the Sjogren family. Development and conversion of the Hillcrest property into low-income housing units by Manger Inn Partners in Service, LLC (MIPS), and many community volunteers, was started in May 2000 and completed in early 2001. The result was seven housing units which included a 4-bedroom house, two 1-bedroom units, three 2-bedroom units and one 3-bedroom unit. Two of the units were handicapped accessible.

Manger Inn Partners in Service was formed and initially funded by issuance of 27 subscribing partner shares at \$5,000 each. Additional bank and private financing were needed to complete the conversion of the Hillcrest Motel property into the seven

From: [Evelyn Burry](#)
To: [Melissa Hanson](#)
Subject: supporting CAC's requests for financial support for the Hillcrest village project
Date: Saturday, February 20, 2021 6:06:25 PM

CAUTION: This email originated from outside of the organization.

I'm Evelyn Burry, writing on behalf of Hillcrest Village request for funds.

I urge the RHA, at its Feb 23 meeting, to approve financial support in the requested amount of \$250,000 for the Hillcrest Village project. The request can then move forward to the City Council for final approval at a March meeting. This would ensure that the project can break ground this summer.

Hillcrest Village is an innovative housing project that allows an individual or family to first come into emergency housing, move through transitional housing and finally be in affordable housing without ever having to leave home. The project is incorporating features that are in line with the city's climate action plan.

I look forward to learning that the request has been approved. Thank you.

Manger Inn housing units and to successfully manage and maintain those low-income housing units over the next fifteen years.

I was one of the original Manger Inn Partners in Service subscribing partners and contributed many hours of sweat equity to convert and maintain that property. I have also pledged another \$5,000 to help fund the Hillcrest Village Playground. Collectively the Friday Morning Men's Breakfast Group has either donated and/or pledged \$25,725 toward the \$25,000 budget to build and equip that playground.

The Hillcrest Village Project aligns with community needs and city goals: emergency housing, affordable housing, infrastructure, equity and inclusion, climate action and so much more.

I urge you to vote in favor of providing the \$250,000 requested by CAC for Hillcrest Village.

David L. Wolf
Mobile: 612-396-6395
Email: dave_wolf@charter.net

Email not displaying correctly? [View it in your browser.](#)

Comments: 2/18/2020

Dear Brent,

I would like to express support for the Hillcrest Village project that the CAC is currently pursuing to develop affordable and transition housing in Northfield. My wife and I have chosen to personally provide significant financial support for this project, and I would urge the HRA and city council to support this project in any way possible as it is so important for the most vulnerable in our community.

The CAC leadership in this area is commendable and with the help of many people the CAC board and Scott Wopata, have garnered significant business and community support to date. The addition of city support will help get this project over the finish line and the local community and those in need will reap the benefits.

I ask you to follow us, the CAC and all the other contributors and lend whatever support you can to help complete this project.

Sincerely,

Mike Strobel
Northfield EDA President

First Name	Emily
Last Name	Monaghan
Reply Email	emilymonaghan5@gmail.com
Subject:	HRA financial support for CAC's Hillcrest Village Project - Feb 23, 2021

(Section Break)

Comments: Hi Brent!

Thank you for sharing your time and talent as a HRA Commissioner.

I am writing to encourage the HRA to approve financial support for CAC's Hillcrest Village Project on February 23, 2021. This \$250,000 commitment from the HRA will ensure the project can begin this summer and provide many low income individuals and families a warm home next winter.

This project is in direct alignment with community needs and city goals involving emergency housing, affordable housing, infrastructure, equity and inclusion, climate action, and so much more.

As a member of the Northfield community for the past 18 years, I've been concerned with the lack of affordable housing and have been involved with trying to find solutions for many years. In 2006, my husband and I purchased a new home for the sole purpose of providing housing for a family in need. Although it provided a warm and safe home for a single mother and her five children for many years, it only provided a solution for that one particular family...there are so many more individuals and families that need this type of assistance.

Recently, I've been sharing my fundraising expertise with Scott Wopata, Director of the CAC, plus have made a personal commitment of \$50,000 to support the CAC's Hillcrest Village Project. Despite the COVID pandemic and restricted financial means of many prospective donors, the CAC has been successful in raising \$2.1M of its \$2.7M goal and they need your support now.

Big problems require collective solutions. Please join me in responding to the housing crisis we are facing in Northfield by directing \$250,000 of HRA funding to the CAC's Hillcrest Village Project on Feb 23rd, 2021.

Thank you for your thoughtful consideration!

- Emily Monaghan
Northfield Resident

First Name	Rod
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Last Name	Christensen
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Reply Email	chris719@charter.net
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Subject: Hillcrest Village

(Section Break)

Comments: I am writing in support of the possible contribution of \$250,000 from the Northfield Housing and Redevelopment Authority to the Hillcrest Village project.

I've lived in Northfield since 1987, and in my family medicine practice I saw so many people struggle to find safe, affordable housing. That need was most urgent in times of crisis, and it was truly heartbreaking to hear the stories of our neighbors.

Now that I have joined the Community Action Center board of directors, I understand better the scope of the problem, and how this local crisis has been multiplied severely by the pandemic. It won't go away even when the virus is controlled, and Hillcrest Village is a wonderful opportunity to expand our emergency, transitional, and affordable housing.

I am especially excited because Hillcrest Village has been designed to be a community for its residents, and to be extremely energy efficient. In fact, it is being held up as a model for other cities, and Northfield has the chance to be a real leader.

If the HRA is able to contribute, we can accelerate the work, breaking ground in 2021, and we can use the generous donations we receive to provide more services, rather than for debt financing. I see Hillcrest Village as a great investment in helping Northfield become the community we dream of. Thank you for considering this request.

Sincerely,
Rod Christensen, MD
719 Highland Ave.
Northfield
612 750-6809

First Name Diana

Last Name Abbott

Reply Email dianalewisabbott@gmail.com

Subject: CAC's Hillcrest Village

(Section Break)

Comments: Hello Brent. My name is Diana Abbott. I have lived in Bridgewater Township for the past 27 years.

I am writing to express my support for the HRA to approve financial support for CAC's Hillcrest Village Project on February 23, 2021. I was asked to join the fundraising committee for Hillcrest Village in May, 2020. I joined the committee because I deeply believe in this project to provide housing - crisis, transitional and affordable - for those in need in our community. There is clearly a need, and I believe that it is the responsibility of our community to work to make this project happen. An equally important aspect of Hillcrest Village is that it is being built to be "green", an environmentally responsible housing project. I am heartened that this project is taking social action, as well as climate action, in our lovely community.

The CAC project clearly aligns with community needs and city goals: emergency housing, affordable housing, infrastructure, equity and inclusion, climate action, and so much more. A commitment from HRA now would ensure the project can begin this summer. I ask that the HRA votes to approve financial support for CAC's Hillcrest Village Project on February 23, 2021

Thank you for your time in reading my email.

Best regards, [11/11/2020] Diana Abbott

First Name David

Last Name Wolf

Reply Email dave_wolf@charter.net

Subject: \$250,000 funding request from Community Action Center for Hillcrest Village Project

(Section Break)

Comments: Brent,

My name is David Wolf. I have lived in the Northfield community since 1981 when I moved here to start work at Sheldahl.

The reason for this e-mail is to ask that you and the HRA approve financial support of \$250,000 for CAC's Hillcrest Village Project at your meeting on February 23, 2021. A commitment from HRA now would ensure that the project can begin this summer.

About 21 years ago, the Northfield United Methodist Church Friday Morning Men's Breakfast Group began brainstorming about how to provide sorely needed additional low-income rental housing in Northfield. That brainstorming lead to the purchase of the Hillcrest Motel complex of buildings from the Sjogren family. Development and conversion of the Hillcrest property into low-income housing units by Manger Inn Partners in Service, LLC (MIPS), and many community volunteers, was started in May 2000 and completed in early 2001. The result was seven housing units which included a 4-bedroom house, two 1-bedroom units, three 2-bedroom units and one 3-bedroom unit. Two of the units were handicapped accessible.

Manger Inn Partners in Service was formed and initially funded by issuance of 27 subscribing partner shares at \$5,000 each. Additional bank and private financing were needed to complete the conversion of the Hillcrest Motel property into the seven Manger Inn housing units and to successfully manage and maintain those low-income housing units over the next fifteen years.

I was one of the original Manger Inn Partners in Service subscribing partners and contributed many hours of sweat equity to convert and maintain that property. I have also pledged another \$5,000 to help fund the Hillcrest Village Playground. Collectively the Friday Morning Men's Breakfast Group has either donated and/or pledged \$25,725 toward the \$25,000 budget to build and equip that playground.

The Hillcrest Village Project aligns with community needs and city goals: emergency housing, affordable housing, infrastructure, equity and inclusion, climate action and so much more. I urge you to vote in favor of providing the \$250,000 requested by CAC for Hillcrest Village.

David L. Wolf

Mobile: 612-396-6395
Email: dave_wolf@charter.net

First Name	Richard
Last Name	Collman
Reply Email	rkcollman@msn.com
Subject:	City support of Hillcrest Housing project

(Section Break)

Comments:	We are writing in support of the city consideration of 250k toward the Hillcrest Housing project. We have lived in Northfield for 16 years; I have been an active part of the men's breakfast on Friday mornings at the United Methodist Church, the original sponsor of Manger Inn where Hillcrest will be built. We have pledged funds toward the new playground which has been oversubscribed by the breakfast group. We need more low cost housing in this county and in our city; we need a model development which is energy efficient. I urge you to support city funding of this project which is well off the ground. Thank you! Rev. Richard F. and Katherine K. Collman
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First Name	Evelyn
Last Name	Burry
Reply Email	evelynburry@hotmail.com
Subject:	supporting approval for Hillcrest Village funding

(Section Break)

Comments:	I'm Evelyn Burry, writing on behalf of Hillcrest Village request for funds.
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I urge the RHA, at its Feb 23 meeting, to approve financial support in the requested amount of \$250,000 for the Hillcrest Village project. The request can then move forward to the City Council for final approval at a March meeting. This would ensure that the project can break ground this summer.

Hillcrest Village is an innovative housing project that allows an individual or family to first come into emergency housing, move through transitional housing and finally be in affordable housing without ever having to leave home. The project is incorporating features that are in line with the city's climate action plan.

I look forward to learning that the request has been approved.

First Name	Kevin
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Last Name	Allin
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Reply Email	allinfamily@g.com
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Subject:	Hillcrest Village
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(Section Break)

Comments:	Dear Brent Nystrom:
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I write today to encourage the City of Northfield Housing and Redevelopment Authority to approve a funding request from the Community Action Center for the Hillcrest Village housing project. This audaciously innovative project is a model for new housing that will showcase what is possible and deliver on the promise of low operating cost instead of merely low cost. It takes the original vision of the people that turned the Hillcrest Motel into the Manger Inn to a whole new level.

I have been part of the Northfield community since the early 80's and rented out a small house I owned from 1986 to 1995 at less than market rate which provided me a glimpse into the need for affordable and transitional housing. I was not in a position to be one of the Manger Inn partners, but knew about the project. As affordable housing needs have increased dramatically since then

and climate change is now understood to be an existential threat, Hillcrest Village can be an important part of the solution. I am one of many supporting Hillcrest Village and plan to do more later. The breadth and depth of support around the community for this project will assure significant "bang for the buck" on any HRA funding.

I also sent essentially the same message above to Melissa Hanson, but would like to add that I am part of a church group that is considering ways to provide ongoing partnership with the CAC or other groups in support of transitional and affordable housing efforts.

Thank you for your consideration.

First Name	Jean
Last Name	Haslett
Reply Email	hasletts66@yahoo.com
Subject:	Funding of Hillcrest Village

(Section Break)

Comments:	My name is Jean Haslett and I am a resident of Northfield. I am writing to advocate for the support of funding to help create the Hillcrest Village. Helping to fund this housing should be a priority for our city. Some of us have so much, and we have to help those who are struggling. Thank you for supporting this project.
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First Name	Alyssa
Last Name	Melby
Reply Email	alyssa.herzog@gmail.com
Subject:	HRA support for Hillcrest Village

(Section Break)

Comments:	Dear Brent,
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I have lived in Northfield since 2015, and one of the things that drew me to this community was how much Northfielders try to care for one another. I'm writing today to express my support for the HRA to do just that by approving financial support of \$250,000 for the CAC's Hillcrest Village Project at its February 23, 2021 meeting. By committing now to this investment, the HRA can help ensure that this strategic and much needed project can begin this summer.

This project is important to me for a variety of reasons. I love that this project is showing how we can build sustainably in ways that steward our natural resources for generations to come. I love that this project aligns with so many known community needs--emergency housing, affordable housing, infrastructure, equity and inclusion efforts, climate action, etc.--that it seems to be a no-brainer for the City to invest in these efforts, too.

But the reason that I care so deeply about this project is because of the impact I know it can have on people who find themselves, for whatever reasons, in a down time. A story I don't often share with others is that when I was in elementary school, my mom and I lived for 3 years in low-incoming housing in another community. While I didn't understand the precariousness of our situation at the time, in looking back, this boost--affordable housing--provided stability in my life at a critical developmental time and helped paved the way for me and my mom to succeed, in school and in buying her own home, respectively!

It's my firm belief that we need to come together to support and care for others. I'm so fortunate to be in a stable place and able to give back now financially, and my family and I are personally supporting this project at the \$5,000 level in order to help make Hillcrest Village happen. I say this not to toot my own horn, but to demonstrate just one success story of a girl who benefited from supportive housing efforts, a story that the HRA could help make for someone else (and likely many others!) by supporting this project.

Thank you for your consideration,
Alyssa Herzog Melby
1004 Highland Ave

First Name

Leota

Last Name	Goodney
Reply Email	leotagoodney@hotmail.com
Subject:	Hillcrest Village

(Section Break)

Comments:	I was so excited to see the write up about the Hillcrest Village project in the Northfield News. I worked (literally hammering nails) on that project when it was first converted from a motel to housing through the Manger Inn and have followed with interest the transfer of the property to the CAC and the proposals for expanding the site. Through my time on the HRA and since I know that there is an urgent need for low income housing in Northfield and am so pleased to see that this project will also incorporate energy efficiency and clean energy technology. I do hope that the HRA is able to fund this project. Leota Goodney
-----------	---

First Name	Allan
Last Name	Cox
Reply Email	acpmac@gmail.com
Subject:	Hillcrest Village Project cac funding request

(Section Break)

Comments:	My name is Allan C. Cox I have lived in the Northfield Community since 1980. I was a member of the Northfield United Methodist Church, Friday Morning Men's Group that established the Manger Inn EMERGENCY AND LOW-INCOME housing project in 2001. I was active in the development and management of the Manger Inn project at different stages of the project. The Manger Inn Housing Project was located on Highway 3 North, Northfield, MN with the intent to and successful purpose of
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providing emergency shelter and/or low-income housing in the City of Northfield. For Fifteen (15) years the Manger Inn units provided housing security for seven family units.

The CAC leased one of the cabin units for an emergency shelter. During their lease, approximately 12 years, they provided emergency shelter for 1042 people of which over %50 were children.

I am currently the Chairman of the Board of Directors of the Human Capital Development Foundation (501 (c) (3)). The Human Capital Development Foundation assumed the assets and liabilities of the Manger Inn project in 2016 with the intent to continue to provide emergency shelter and/or low-income housing in the City of Northfield.

Human Capital Development Foundation, Board of Directors facilitated (2019) the acquisition of the Manger Inn property by the CAC Shelter Associates to facilitate the continuation of the provision of emergency shelter and/or low-income housing in the City of Northfield.

Based on our experience at the Manger Inn property, there is an urgent need for emergency shelter and/or low-income housing in the City of Northfield.

The Hillcrest Village Project will greatly aid the City of Northfield's provision of emergency shelter and/or low-income housing. I urgently request that you vote in favor of the CAC \$250,000.00 funding request.

Allan C. Cox
Mobile: 952-807-7825
Email: acpmac@gmail.co

First Name	Rachel
Last Name	Matney
Reply Email	matneybogott@gmail.com
Subject:	Hillcrest Village Project Support

(Section Break)

Comments:

Dear Brent-

I am writing to express my support for the HRA's consideration of funding for the CAC's Hillcrest Village project.

As a member of the community since 1984 (mostly), I have watched Northfield change in many positive ways. But one ongoing challenge is access to affordable, high-quality housing.

Hillcrest Village's additional units of energy-efficient, affordable and emergency housing will help more families feel at home in Northfield. And Hillcrest Village aligns well with many city goals: emergency housing, affordable housing, infrastructure, equity and inclusion, climate action, and so much more.

And the HRA's commitment can enable the CAC to commit to starting this project this spring - making housing a near-term reality and a welcome positive in these challenging times.

In gratitude for your consideration,
Rachel Matney
Hillcrest Village donor & CAC Board member

First Name Northfield Area Community Solar

Last Name NACS

Reply Email nacsolargarden@gmail.com

Subject: Hillcrest Village

(Section Break)

Comments:

Dear Brent,

Northfield Area Community Solar (NACS) strongly urges HRA financial support for the Hillcrest Village Project. NACS is a nonprofit that has existed for over a decade dedicated to "the promotion of sustainability and social justice in the Northfield area." This project will be one of the largest and most visible statements about environmental justice in Northfield while providing a critical

upgrade
for vital, little served transitional housing.

NACS is contributing generously to this project, and with our for-profit partner, Novel Energy Solutions, will be covering much of the costs of the solar panels. Most financial incentives for renewable energy have long targeted people of means. Years ago, we partnered with the CAC to build funds for an environmental sustainability housing project helping people of limited means. This brings the lowering of utility costs through good insulation, etc. to the families that need it the most given the high percentage of income utilities consume for people of lesser means. HRA commitment to funding of the project would enable work on it to begin this summer. Hillcrest Village addresses a number of community needs in the areas of emergency and affordable housing, the equity goals of the Northfield Climate Action Plan, and so much more.

Sincerely yours,

Mary Jo Cristofaro, Chair, Northfield Area Community Solar

First Name	Jonathan
Last Name	Davis
Reply Email	jdavis@stjohnsnorthfield.org
Subject:	Support for Hillcrest Village

(Section Break)

Comments:	Hi Brent!
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Thanks for your work on the HRA!

I'm writing to voice my support for the Hillcrest Village Project and for the HRA's approval of the financial support for this project.

My support for this project is the intersection of both my personal and professional life. As a pastor in town, I regularly see and hear about the needs for both emergency, transitional, and affordable housing. There simply isn't enough. And it needs to happen as soon as possible. Approval on February 23 would make it possible for the project to begin this summer.

What I love about this project is that not only does it increase our need for all three levels of housing, but it does so with dignity. The design of Hillcrest Village is such that it honors those who will be living there as valued human beings who are part of our community. It is also designed in such a way to create community among the neighborhood, and with the care of creation in mind.

Personally, I've been on the Affordable Housing Taskforce in Northfield and am well aware that this is a need in town and it aligns with our city's goals. Many of them, in fact. Also, I love Northfield and I want to live in a city that builds places like Hillcrest Village and with the city's support behind it. Finally, my wife, Pastor Lauren Baske Davis, and I are willing to put our own financial resources into this project. We really support this project.

Thanks for taking the time to read this. I hope it will help with the HRA's decision on Tuesday night.

Peace,
Jonathan

From: [Emily Monaghan](#)
To: [Melissa Hanson](#)
Subject: HRA financial support for CAC's Hillcrest Village Project - Feb 23, 2021
Date: Friday, February 19, 2021 10:56:17 AM

CAUTION: This email originated from outside of the organization.

Dear Ms. Hanson,

I am writing to encourage the HRA to approve financial support for CAC's Hillcrest Village Project on February 23, 2021. This \$250,000 commitment from the HRA will ensure the project can begin this summer and provide many low income individuals and families a warm home next winter.

This project is in direct alignment with community needs and city goals involving emergency housing, affordable housing, infrastructure, equity and inclusion, climate action, and so much more.

As a member of the Northfield community for the past 18 years, I've been concerned with the lack of affordable housing and have been involved with trying to find solutions for many years. In 2006, my husband and I purchased a new home for the sole purpose of providing housing for a family in need. Although it provided a warm and safe home for a single mother and her five children for many years, it only provided a solution for that *one particular family*...there are *so many* more individuals and families that need this type of assistance.

Recently, I've been sharing my fundraising expertise with Scott Wopata, Director of the CAC, plus have made a personal commitment of \$50,000 to support the CAC's Hillcrest Village Project. Despite the COVID pandemic and restricted financial means of many prospective donors, the CAC has been successful in raising \$2.1M of its \$2.7M goal and they need your support now.

Big problems require collective solutions. Please join me in responding to the housing crisis we are facing in Northfield by directing \$250,000 of HRA funding to the CAC's Hillcrest Village Project on Feb 23rd, 2021.

Thank you for your thoughtful consideration!

- Emily Monaghan
Northfield Resident

From: [Erica Zweifel](#)
To: [Melissa Hanson](#)
Cc: [Scott Wopata](#)
Subject: HRA Support for Hillcrest Village
Date: Monday, February 22, 2021 10:36:39 AM

CAUTION: This email originated from outside of the organization.

Dear Members of Northfield's HRA,

I am writing to you today to express my support for CAC's Hillcrest Village and to ask you to support the project through a financial contribution to the project equal to one of the units for housing people experiencing homelessness.

I have been following this project for several years, from Waterford township meetings to Northfield planning commission meetings. This is one of the most well thought out and collaborative housing projects that I have ever observed. The CAC has done a tremendous job bringing together partners to improve all aspects of this project; from sustainability to a design that fosters community.

The HRA well knows how difficult it is to develop an affordable housing project. It takes years of hard work and multiple funding streams. It will take many different types of housing projects to meet Northfield's current housing needs. I believe this project is well worthy of using 250K from the HRA fund balance of 1.3 million dollars and will get us another big step closer to meeting the needs of our community.

At your February meeting, please call for the public hearing in March and voice your preliminary support for approving the funding request and add the HRA's name to the list of accomplished Hillcrest collaborators. Taking action at your February meeting will give the project the support it needs to break ground this summer.

Thank you for your consideration,
Erica Zweifel
Northfield City Council 2008-2020
Northfield HRA 2011-2020

From: [Bob & Joan Franklin](#)
To: [Melissa Hanson](#)
Subject: Hill crest Village project
Date: Friday, February 19, 2021 9:36:06 AM

CAUTION: This email originated from outside of the organization.

I understand that the city is considering support for the Hillcrest Village project. I am a member of the United Methodist Men's group which has already underwritten a portion of the project. I have only been a resident for 2 years but am proud and excited about Northfield's support of climate issues. This project may be a model for Minnesota and possibly the nation in how to build for the future. It will also work to fulfill a need for low income housing. Please support this project. Thank you, Robert Franklin, 301 7th St W Unit 2405 Northfield.

Sent from my iPad

From: [Diane Genova](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village
Date: Saturday, February 20, 2021 8:49:25 AM

CAUTION: This email originated from outside of the organization.

From: Diane Genova
Resident of Nfd.: 2003-2007
Resident of Dundas: 2007-to the present

Dear Ms. Hanson,

I support the Hillcrest Village project 100%. It will **begin** to meet a long discussed need and the time for action is now! A year of a pandemic only makes immediate action more critical.

I have attended countless discussions at my church led by outside speakers, such as City Council members. Many of us know the need is there; it is time to open everyone's eyes to it.

Hillcrest Village will mesh with the City's declaration of supporting climate action by virtue of the type of construction of the townhomes. And this housing project will support the declarations of those community leaders who do acknowledge that housing affordability is a problem, even here, in the land of *Cows, Colleges and Contentment*.

Sincerely,

Diane Genova

From: [George Davis](#)
To: [Melissa Hanson](#)
Subject: Support for \$250K for CAC to build Hillcrest Family Village
Date: Monday, February 22, 2021 1:33:59 PM

CAUTION: This email originated from outside of the organization.

Melissa,

This is a letter in support of the \$250K request from CAC for the construction of the Hillcrest Family Village. As you know the HFV will be on site of Manger Inn, a project of the Northfield United Methodist Church established over 20 years ago by a group of men who made up our Friday breakfast group. This group currently has 16 members from 3 different Northfield church affiliations.

We are very pleased that CAC has purchased the old Manger Inn site and plans to take emergency housing and affordable housing to the next level. We are also impressed with the new construction plans that will feature high R walls, windows, and roof to keep energy demands low so as to be more cost effective for these folks coming off of a period of homelessness. Our group has already pledged over \$27,000 to the project. When completed this village will be unique to Minnesota in building a carbon neutral neighborhood of low cost housing. We believe that this project will help address the affordable housing needs of Northfield.

George Davis

From: [Jonathan Davis](#)
To: [Melissa Hanson](#)
Subject: Support for Hillcrest Village
Date: Monday, February 22, 2021 9:35:35 AM

CAUTION: This email originated from outside of the organization.

Hi Melissa,

My name is Jonathan Davis and I have lived in Northfield for almost 6 years. I'm also one of the pastors at St. John's Lutheran Church.

I'm writing to voice my support for the Hillcrest Village Project and for the HRA's approval of the financial support for this project.

My support for this project is the intersection of both my personal and professional life. As a pastor in town, I regularly see and hear about the needs for both emergency, transitional, and affordable housing. There simply isn't enough. And it needs to happen as soon as possible. Approval on February 23 would make it possible for the project to begin this summer.

What I love about this project is that not only does it increase our need for all three levels of housing, but it does so with dignity. The design of Hillcrest Village is such that it honors those who will be living there as valued human beings who are part of our community. It is also designed in such a way to create community among the neighborhood, and with the care of creation in mind.

Personally, I've been on the Affordable Housing Taskforce in Northfield and am well aware that this is a need in town and it aligns with our city's goals. Many of them, in fact. Also, I love Northfield and I want to live in a city that builds places like Hillcrest Village and with the city's support behind it. Finally, my wife, Pastor Lauren Baske Davis, and I are willing to put our own financial resources into this project. We really support this project.

Thanks for taking the time to read this. I hope it will help with the HRA's decision on Tuesday night.

Jonathan Davis

Jonathan Davis
Associate Pastor, St. John's Lutheran Church
500 Third St. West
Northfield MN 55057
[507-645-4429](tel:507-645-4429)

From: noreply@ci.northfield.mn.us
To: [Melissa Hanson](#)
Subject: Online Form Submittal: Email Melissa Hanson
Date: Sunday, February 21, 2021 10:26:31 AM

CAUTION: This email originated from outside of the organization.

Email Melissa Hanson

Email Melissa Hanson

First Name	Jean
Last Name	Haslett
Reply Email	hasletts66@yahoo.com
Attachment 1	<i>Field not completed.</i>
Attachment 2	<i>Field not completed.</i>
Subject	Funding for Hillcrest Village
Comments	My name is Jean Haslett and I am a resident of Northfield. I am writing to advocate for the support of funding to help create the Hillcrest Village. Helping to fund this housing should be a priority for our city. Some of us have so much, and we have to help those who are struggling. Thank you for supporting this project.

Email not displaying correctly? [View it in your browser.](#)

From: [Kevin and Amy Allin](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village
Date: Sunday, February 21, 2021 6:51:44 AM

CAUTION: This email originated from outside of the organization.

Dear Melissa Hanson:

I write today to encourage the City of Northfield Housing and Redevelopment Authority to approve a funding request from the Community Action Center for the Hillcrest Village housing project. This audaciously innovative project is a model for new housing that will showcase what is possible and deliver on the promise of low operating cost instead of merely low cost. It takes the original vision of the people that turned the Hillcrest Motel into the Manger Inn to a whole new level.

I have been part of the Northfield community since the early 80's and rented out a small house I owned from 1986 to 1995 at less than market rate which provided me a glimpse into the need for affordable and transitional housing. I was not in a position to be one of the Manger Inn partners, but knew about the project. As affordable housing needs have increased dramatically since then and climate change is now understood to be an existential threat, Hillcrest Village can be an important part of the solution. I am one of many supporting Hillcrest Village and plan to do more later. The breadth and depth of support around the community for this project will assure significant "bang for the buck" on any HRA funding.

Thank you for your consideration.

Kevin Allin
1103 Winona St
Northfield
612-810-4947

From: [Leota Goodney](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village
Date: Sunday, February 21, 2021 3:59:37 PM

CAUTION: This email originated from outside of the organization.

Hello, Ms. Hanson - I was so excited to see the write up about the Hillcrest Village project in the Northfield News. I worked (literally hammering nails) on that project when it was first converted from a motel to housing through the Manger Inn and have followed with interest the transfer of the property to the CAC and the proposals for expanding the site.

Through my time on the HRA and since I know that there is an urgent need for low income housing in Northfield and am so pleased to see that this project will also incorporate energy efficiency and clean energy technology.

I do hope that the HRA is able to fund this project.

Leota Goodney

From: [Mary Jo Cristofaro](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village
Date: Sunday, February 21, 2021 8:56:03 PM

CAUTION: This email originated from outside of the organization.

Dear Melissa,

Northfield Area Community Solar (NACS) strongly urges HRA financial support for the Hillcrest Village Project. NACS is a nonprofit that has existed for over a decade dedicated to “the promotion of sustainability and social justice in the Northfield area.” This project will be one of the largest and most visible statements about environmental justice in Northfield while providing a critical upgrade for vital, little served transitional housing.

NACS is contributing generously to this project, and with our for-profit partner, Novel Energy Solutions, will be covering much of the costs of the solar panels. Most financial incentives for renewable energy have long targeted people of means. Years ago, we partnered with the CAC to build funds for an environmental sustainability housing project helping people of limited means. This brings the lowering of utility costs through good insulation, etc. to the families that need it the most given the high percentage of income utilities consume for people of lesser means. HRA commitment to funding of the project would enable work on it to begin this summer. Hillcrest Village addresses a number of community needs in the areas of emergency and affordable housing, the equity goals of the Northfield Climate Action Plan, and so much more.

Sincerely yours,

Mary Jo Cristofaro, Chair, Northfield Area Community Solar

From: [Marshall Hansen](#)
To: [Melissa Hanson](#)
Subject: Support for Northfield's Community Action Center Hillcrest Village funding next week
Date: Friday, February 19, 2021 11:43:57 AM

CAUTION: This email originated from outside of the organization.

Dear Melissa,

My wife and I have been supporters of Northfield's CAC for the past 20 years, and we are both ex-military with a fair amount of third world work experience. Human rights, social activism, climate change, and climate justice are interests of ours and perhaps of yours, too.

I am hoping that the City of Northfield will assist the CAC with its Hillcrest Village project. Hillcrest was brought to my attention last year by both Martha Larson at Carleton and Scott Wopata and his staff at CAC. It is an endeavor that uniquely addresses both social needs and climate action needs in a manner that can lead the way for others. Anything that can help move us all along faster toward climate/social actions and solutions is a good investment at a time when they are urgently needed.

Feel free to call me if you wish to talk more. You may give my contact information to others on your staff if you think it could help the city and CAC make a good decision on this matter. Thank you for all you are doing for Northfield and the region.

Very sincerely,

Marshall Hansen
416 Sixth St E
Northfield MN 55057
507-403-1048 cell

From: [Michelle Lasswell](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village Funding Request
Date: Monday, February 22, 2021 11:51:21 AM
Attachments: [image001.png](#)

CAUTION: This email originated from outside of the organization.

I am writing in support of the Community Action Center's (CAC) request for \$250,000 for the Hillcrest Village development, which is on the HRA's agenda on Tuesday, February 23rd. I am a board member on the CAC and urge you to help support and fund this amazing project, which will bring much needed housing to our community. Our goal in building Hillcrest Village is to foster a supportive community that helps families and individuals gain the resources needed to move from emergency housing to transitional housing, and finally, to affordable housing, without ever having to leave home. Working with leaders from the construction and environmental community, this project has been designed as a Zero Energy Ready project that addresses both homelessness and climate change in a shared community effort. It reduces operating costs, it pays for itself, it's affordable, and it aligns with CAC's mission of a just community by bringing housing and environmental justice together.

Thank you for your support of this project and all you do for our community.

Michelle M. Lasswell
FRAGO & LASSWELL, PA
500 Water St So, #102
Northfield, MN 55057
Phone: 507-663-7998
Fax: 507-663-0336



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 **Go Green! Please print this email only when necessary.**

From: [Mike Strobel](#)
To: [Rhonda Pownell](#)
Cc: [Mitzi Baker](#); [Ben Martig](#); [Nate Carlson](#)
Subject: Seeking support for the Community action Center Hillcrest Village Project
Date: Thursday, February 18, 2021 4:26:43 PM

CAUTION: This email originated from outside of the organization.

2/18/2020

Dear fellow community volunteers, city staff and elected city council members, and mayor,

I would like to express support for the Hillcrest Village project that the CAC is currently pursuing to develop affordable and transition housing in Northfield. My wife and I have chosen to personally provide significant financial support for this project, and I would urge the HRA and city council to support this project in any way possible as it is so important for the most vulnerable in our community.

The CAC leadership in this area is commendable and with the help of many people the CAC board and Scott Wopata, have garnered significant business and community support to date. The addition of city support will help get this project over the finish line and the local community and those in need will reap the benefits.

I ask you to follow us, the CAC and all the other contributors and lend whatever support you can to help complete this project. Please feel free to share this with others.

Sincerely,

Mike Strobel DVM,

Northfield EDA President

From: [Paul Kluge](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village Project
Date: Saturday, February 20, 2021 9:32:25 AM

CAUTION: This email originated from outside of the organization.

Ms Hanson,

I retired here from Wisconsin in 2013, in large part because of Northfield's progressive culture. My transition was pleasant and short due to likeminded citizens, both long-term and recent. This has been a good move for me.

Since coming here I have volunteered time and energy at Manger Inn. I admit to the old motel as not sustainable in terms of maintenance and upkeep but truly a needed and appreciated concept. I so encourage the HRA to favor consideration of funds for the new project. Why? From my view, the housing need cannot be easily overlooked, the aesthetics of the completed project on the edge of town, and the carbon neutral design of the project is sure to be at the very least a model for the Upper Midwest. As a whole, Hillcrest Village is vital and exciting! Thank you.

Paul Kluge
517 Ford St E
Northfield, MN 55057
507-301-1257

From: [Philip Spensley](#)
To: [Melissa Hanson](#)
Subject: Hillcrest Village
Date: Sunday, February 21, 2021 6:29:35 PM

CAUTION: This email originated from outside of the organization.

Dear Ms. Hanson,

I am a Northfield resident, homeowner and taxpayer here since 1995.

I am writing to underscore the value of the planned Hillcrest Village, a project of the Community Action Center.

As a member of the Northfield United Methodist Church, whose Men's Breakfast Group originally envisaged and developed the prototype for this development on this same property, Manger Inn, I am well aware of the need for and the value of such a project for our community.

Hillcrest Village will serve community needs in many ways including emergency housing and affordable housing, and social equity building opportunity for the economically disadvantaged, giving them a chance for a fulsome life not otherwise available to them.

Beyond those very positive outcomes, Hillcrest Village, as envisaged, will invaluablely serve to support the implementation of the City's Climate Action Plan. As a member of the Advisory Board responsible for developing the Plan, adopted in November 2019, I heartily applaud the CAC's intention to build sustainably with the economic needs of its residents and the planet's environmental needs in mind. By fully embracing renewable energy for all its units and making them energy neutral, this will reduce residents' energy costs, and lower GHG's and lessen pollution thus improving the health and welfare of us all.

Also, as such, it will be a model for all necessary future development, in the city, the state, and the country.

Once again Northfield will be showing its leadership and demonstrating why it is rated among the very top small towns in America.

I urge you to give Hillcrest Village your full support.

Thank you.

Philip Spensley
505 Lincoln St N
Northfield

From: chris719@charter.net
To: [Melissa Hanson](#)
Subject: Hillcrest Village
Date: Friday, February 19, 2021 11:40:18 AM

CAUTION: This email originated from outside of the organization.

Dear Ms. Hanson:

I am writing in support of the possible contribution of \$250,000 from the Northfield Housing and Redevelopment Authority to the Hillcrest Village project.

I've lived in Northfield since 1987, and in my family medicine practice I saw so many people struggle to find safe, affordable housing. That need was most urgent in times of crisis, and it was truly heartbreaking to hear the stories of our neighbors.

Now that I have joined the Community Action Center board of directors, I understand better the scope of the problem, and how this local crisis has been multiplied severely by the pandemic. It won't go away even when the virus is controlled, and Hillcrest Village is a wonderful opportunity to expand our emergency, transitional, and affordable housing.

I am especially excited because Hillcrest Village has been designed to be a community for its residents, and to be extremely energy efficient. In fact, it is being held up as a model for other cities, and Northfield has the chance to be a real leader.

If the HRA is able to contribute, we can accelerate the work, breaking ground in 2021, and we can use the generous donations we receive to provide more services, rather than for debt financing. I see Hillcrest Village as a great investment in helping Northfield become the community we dream of. Thank you for considering this request.

Sincerely,
Rod Christensen, MD
719 Highland Ave.
Northfield
612 750-6809

From: noreply@ci.northfield.mn.us
To: [Melissa Hanson](#)
Subject: Online Form Submittal: Email Melissa Hanson
Date: Sunday, February 21, 2021 11:36:34 AM

CAUTION: This email originated from outside of the organization.

Email Melissa Hanson

Email Melissa Hanson

First Name	Regina
Last Name	Fineran
Reply Email	rebfineran@gmail.com
Attachment 1	<i>Field not completed.</i>
Attachment 2	<i>Field not completed.</i>
Subject	CAC's Hillcrest Village project
Comments	My name is Regina Fineran and I am writing to encourage your support for the CAC's Hillcrest Village project. I have lived in Northfield since 1998. My late husband was part of the NUMC's men's group that began the project as Manager Inn. He spent countless hours renovating and preparing the units for their original occupants as well as continuing to do maintance and upkeep. He felt very strongly in the need to provide affordable housing. Please give your support to the HRA to approve financial support for CAC's Hillcrest Village Project on February 23, 2021. A commitment from HRA would ensure the project can begin this summer. I feel the project is in alignment with community needs and the cities goals for emergency housing and affordable housing as well as equity and inclusion.

Email not displaying correctly? [View it in your browser.](#)

From: [Richard and Katherine Collman](#)
To: [Melissa Hanson](#)
Subject: City support for Hillcrest
Date: Saturday, February 20, 2021 9:34:25 AM

CAUTION: This email originated from outside of the organization.

Hello, Melissa Hanson,

We are writing in support of the city considering 250K toward the Hillcrest Housing project. We have lived here 16 years. I have been an active part of the United Methodist Church and the Friday morning mens' breakfast which began the motel project (Manger Inn) where Hillcrest will be. I have pledged funds toward the new playground which has been oversubscribed by the breakfast group.

We need more low cost housing in this county and in Nfld.

I urge you to consider a city funding of this project which is well off the ground.

Thank you!

Rev. Richard F. and Katherine K. Collman

From: [Rachel & Fritz Matney & Bogott](#)
To: [Melissa Hanson](#)
Subject: HRA: Hillcrest Village Project Support
Date: Sunday, February 21, 2021 5:11:04 PM

CAUTION: This email originated from outside of the organization.

Dear Melissa-

I am writing to express my support for the HRA's consideration of funding for the CAC's Hillcrest Village project.

As a member of the community since 1984 (mostly), I have watched Northfield change in many positive ways. But one ongoing challenge is access to affordable, high-quality housing.

Hillcrest Village's additional units of energy-efficient, affordable and emergency housing will help more families feel at home in Northfield. And Hillcrest Village aligns well with many city goals: emergency housing, affordable housing, infrastructure, equity and inclusion, climate action, and so much more.

And the HRA's commitment can enable the CAC to commit to starting this project this spring - making housing a near-term reality and a welcome positive in these challenging times.

In gratitude for your consideration,
Rachel Matney
Hillcrest Village donor & CAC Board member (& Mila's mom)

Matney Bogott Family
matneybogott@gmail.com

From: noreply@ci.northfield.mn.us
To: [Melissa Hanson](#)
Subject: Online Form Submittal: Email Melissa Hanson
Date: Friday, February 12, 2021 1:11:53 PM

CAUTION: This email originated from outside of the organization.

Email Melissa Hanson

Email Melissa Hanson

First Name	Fred
Last Name	Rogers
Reply Email	frogers@Carleton.edu
Attachment 1	<i>Field not completed.</i>
Attachment 2	<i>Field not completed.</i>
Subject	Hillcrest Village
Comments	Dear Melissa, I write to encourage you to recommend that the Housing and Redevelopment Authority approve the financing proposal that is in front of them for Hillcrest Village. As a former member and chair of the Northfield Economic Development Authority, I know that affordable housing is a high priority for Northfield. As the retired CFO of Carleton I know how important sustainability is for the town as well as the colleges. I also know that there are few opportunities to leverage many resources together to do something significant. Hillcrest Village is such an opportunity. It has been in the planning for several years, and has received broad local support. Jenny (my wife) and I have decided to make it a high priority in our community support and have personally signed on as donors. This project should be a great success for Northfield and can be a national model for similar projects in other municipalities. Now that the CAC board has officially approved moving ahead, I urge the HRA to confirm its funding and support. Thank you. Fred Rogers PS: if you haven't seen this AIA article, I recommend it to you: https://www.entermn.com/articles/northfield-raises-the-bar-for-high-performance-affordable-housing

Email not displaying correctly? [View it in your browser.](#)

Legislation Text

File #: 21-185, Version: 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Nate Carlson, Economic Development Coordinator
Melissa Hanson, Housing Coordinator
Mitzi Baker, Community Development Director

Public Hearing on HRA property contribution to Three Rivers Community Action for Spring Creek II townhome project

Action Requested:

The Northfield HRA shall make a motion to open the Public Hearing regarding the potential property contribution to the Spring Creek II project.

Summary Report:

The Public Hearing Notice was published in the March 3, 2021 edition of the Northfield Newspaper. The notice stated the following:

The Northfield Housing and Redevelopment Authority (HRA) will conduct a public hearing Tuesday, March 23, 2021 beginning on or after 4:00 p.m., Central Time, by telephone or other electronic means via GoToMeeting to consider public input regarding the proposed sale of HRA owned property described as a 4.5 acre portion of land located in the southeasterly portion of Southbridge 2nd Addition, Outlot A. Rice County PID 22.07.3.03.003. The property would be contributed to a housing development project to support the development of the Spring Creek II townhome project. The Spring Creek townhomes will be constructed on the western area of Southbridge Drive in the southeast quadrant of the City of Northfield. The HRA is holding this public hearing in accordance with Minnesota State Statute 469.029, subd. 2. Notice; public hearing. The public is hereby notified that due to the COVID-19 Pandemic and declared State and local emergencies related thereto, this hearing will be held by telephone or other electronic means pursuant to Minnesota Statutes, Section 13D.021, and information regarding how you may participate and be heard prior to or during the scheduled hearing is included below in this notice.

To be heard prior to or at the hearing the following alternate methods are available and must be used:

- Mail (must be received by the Economic Development Coordinator prior to or on March 23, 2021) a letter containing your comments, input, testimony to:
 - Economic Development Coordinator Nate Carlson, City of Northfield, 801 Washington Street, Northfield, MN 55057
- Attend in person via electronic means because the meeting is being held online. To do so, prior to the start of the HRA meeting on March 23, call in or connect via computer with the following GoTo Meeting link to provide your oral comments, input, or testimony.

<https://global.gotomeeting.com/join/577203189>

You can also dial in using your phone.

United States: [+1 \(571\) 317-3122](tel:+1(571)317-3122) <<tel:+15713173122,,577203189>>

Access Code: 577-203-189

If you desire to make oral comments to the HRA during the hearing, please contact Economic Development Coordinator Nate Carlson via email at nate.carlson@ci.northfield.mn.us

[<mailto:nate.carlson@ci.northfield.mn.us>](mailto:nate.carlson@ci.northfield.mn.us) no later than 12:00 p.m. to notify the HRA of the same so that arrangements can be made for your participation at the HRA hearing on March 23. You will be called on by the presiding officer when it is your turn to speak, when called upon please state your name and address. During the hearing, please mute your phone until the presiding officer calls on you.

Public comments relating to the improvement of the land are welcome, and may be given in writing prior to the hearing or verbally at the hearing. More information can be obtained by contacting Nate Carlson, Economic Development Coordinator, at 507-645-3069 or at nate.carlson@ci.northfield.mn.us.

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

N/A

Northfield Spring Creek II Project Summary

May 2020

Location: HRA-owned South Bridge Site
500 Block, Southbridge Drive

About Three Rivers

Three Rivers Community Action is a Community Housing Development Organization with a mission to create and preserve affordable housing throughout the twenty counties of Southeast and South Central Minnesota. Three Rivers has built or rehabilitated over 700 units of affordable workforce rental housing, often utilizing intricate financing mechanisms and assembling numerous sources for each project. After development, Three Rivers oversees the operations of the projects and *ensures the long-term affordability of the housing.*

Spring Creek Project Background

In 2013 Three Rivers developed Spring Creek Townhomes on the west side of the HRA-owned Southbridge site. This attractive 28 unit townhome development was designed to serve the growing need for large-family affordable rental housing in Northfield. Last year, Spring Creek was home to nearly 50 children. **There are currently over 60 families on the waiting list!**



Spring Creek II Project Concept

Over the last several years, the Three Rivers Community Development team has been working with the Northfield HRA to create a plan to develop more affordable rental housing units on the Southbridge site. Due to the success of the original Spring Creek project, the HRA and Three Rivers developed a Spring Creek II project concept together.

- Spring Creek II will be complementary to the existing Spring Creek project and will include features like patios, attached garages, family sized living spaces made with quality durable materials, access to a walking trail, green space/playground and more.
- 32 townhome units for modest income families with children; 8 two bedroom units, 22 three bedroom units and 2 four bedroom units (including 2 accessible units)
- Contract rents will be \$604 for two-bedroom units (all of which are supportive service units with rental assistance), \$1,014 for three bedroom units, and \$997 for four-bedroom units. The property manager will be Lloyd Management, the same firm that manages Spring Creek

- Of the 32 units, 24 families will be at or below 60% of the Area Median Income (AMI) and 8 families will be at or below 30% AMI
- For the 60% AMI households it is anticipated that employment income will be between \$15 and \$20 per hour (estimated)
 - Examples of local jobs at this rate: retail sales, waiters & waitresses, cashiers, gas station workers, administrative assistant, food preparation workers, farm workers and entry level construction laborers.
- The project will include 4 units for local families that do not have stable housing. Three Rivers has partnered with the CAC and The Key; together we will deliver on-site support services and rental assistance to help these families become successful, long-term tenants
- The project will also include 4 units of housing for people with developmental disabilities. Three Rivers has partnered with Rice County Adult Services and Laura Baker Service Association to identify potential tenants and coordinate services for these units. Rental assistance for these units will come from the state's Housing Support program.

Project Timeline

The project submitted for Preliminary Plat approval in May. If all goes well, final financing will be available by early winter of 2020/21. Construction would follow in the spring of 2021 with the project complete in spring 2022. Lease-up should be complete in a few months, so that the project will be 100% completed and fully occupied in summer of 2022.

CITY OF NORTHFIELD
HOUSING AND REDEVELOPMENT AUTHORITY

RESOLUTION NO. 2018-004

Dated: April 24, 2018

RESOLUTION FOR SITE CONTROL OF PARCEL 22.07.3.03.003 AND SUPPORT OF TAX
INCREMENT FINANCING

- WHEREAS,** the Northfield Housing and Redevelopment Authority (HRA) owns 11.18 acres described as: Southbridge 2nd Addition, Outlot A. Rice County PID 22.07.3.03.003; and
- WHEREAS,** it is the purpose of the HRA to remedy the shortage of housing for low and moderate income residents in situations in which private enterprise would not act without government participation or subsidies; and
- WHEREAS,** the HRA partnered with non-profit developer Three Rivers Community Action, Inc. (TRCA) to create 28 affordable workforce townhome rental units known as Spring Creek Townhomes, completed in 2012; and
- WHEREAS,** the HRA is supporting a proposal to develop a portion of Southbridge 2nd Addition, Outlot A for affordable workforce townhome rental unit housing development; and
- WHEREAS,** the HRA is partnering with TRCA to expand Spring Creek Townhomes by adding 32 additional affordable workforce townhome rental units to be known as Spring Creek II.

**NOW, THEREFORE, BE IT RESOLVED, BY THE HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF NORTHFIELD THAT:**

The Housing and Redevelopment Authority of Northfield hereby supports the following:

1. The donation of up to 4.5 acres to Three Rivers Community Action Agency, Inc. contingent upon a successful Tax Credit application and other financing for the Spring Creek II project.
2. The Housing and Redevelopment Authority supports the use of pay-as-you-go Tax Increment Financing for Spring Creek II infrastructure and soil remediation improvements.



Dayna Norvold, Chair



Jayne Hager Dee, Secretary

VOTE: ☒ NORVOLD ☒ ZWEIFEL ☒ HAGER DEE ☐ FINK ☐ NYSTROM

Southbridge Site Description

- Parcel ID 22.07.3.03.003
- 11.8 Acres; 486,914 SF
- Parcel Description: Lot A of Spring Creek Townhomes; Outlot A Spring Creek Townhomes
- Use Code: 5E – Exempt Properties
- Primary Owner: Northfield HRA, 801 Washington St, Northfield MN 55057



April 16, 2018

Broker Price Opinion (BPO) for PID 22.07.3.03.003 – 4.35 Acres

ACTIVE LISTINGS:

XXXX Harvest Hills Outlot, Northfield Rice County PID 22.12.4.26.022
10.3 Acres \$595,000
\$59,500 / Acre

XXXX Telemark Road, Dundas Rice County PID 07.22.2.75.001
5.5 Acres \$125,000
\$22,727 / Acre

27 Outlot A Windsor Park, Faribault Rice County PID 18.01.4.53.007
4.12 Acres \$129,900
\$31,529 / Acre

SOLD LISTINGS:

1107 Ravine St, Faribault Rice County PID 18.32.1.25.009
5.5 Acres \$115,000
\$20,909 / Acre Sold: Oct 2016

14445 Fawn Ct, Northfield Rice County PID 07.36.2.75.001
5.5 Acres \$113,000
\$20,545 Sold: June 2015

XXX Gonvick 5 Acres Ave, Lonsdale Rice County PID 05.12.2.00.006
4.92 Acres \$102,500
\$20,833 / Acre Sold: January 2018

Findings: There is an overall lack of comparable listings & sales for the subject property. As such, I had to extend my search beyond Northfield and reaching back a few years for sales.

With that said, **it is my opinion that a fair market value for the subject property would be in the range of \$184,875 – \$195,750.**

Arlen Malecha, Realtor
Coldwell Banker South Metro
419 Division St S.
Northfield, MN 55057

507.581.0303

Legislation Text

File #: HRA M2020-007, **Version:** 1

DATE: June 23, 2020

TO: Members of the Housing & Redevelopment Authority

FROM: Nate Carlson, Economic Development Coordinator

Reaffirm HRA support for Spring Creek II Tax Increment Financing Request and Property Contribution

SUMMARY AND ACTION REQUESTED:

The HRA shall make a motion to reaffirm their support for the Spring Creek II Tax Increment Financing and property contribution request by Three Rivers Community Action.

BACKGROUND:

Three Rivers Community Action, Incorporated is requesting Tax Increment Financing (TIF) incentives from the City of Northfield to assist with a major planned housing development. The project has the potential to increase affordable housing options in Northfield by implementing the second phase of the Spring Creek Townhome development. The developer, Three Rivers, has worked with the HRA over the past few years to secure Low-Income Housing Tax Credits for the Spring Creek II project. The HRA will be contributing land to the development. The developer received confirmation last fall that their project was chosen for these tax credits.

The City Council and HRA approved resolutions of support for this project and the use of TIF in Spring 2018. The HRA and Council resolutions are attached for review.

The HRA acknowledged that a major contribution to this project could be a contribution of 4.5 acres of HRA owned land. The HRA approved the land contribution in the previous resolution of support.

The developer recognized that the City Council would also play a part in establishing this affordable housing project using Tax Increment Financing. As such, the developer has submitted an application for a Housing Development TIF District. The proposed "pay-as-you-go" TIF District requires the developer to pay all development costs with their own funds. The "pay as you go" reference is in relation to the owner taking on the full risk of future TIF increment payments annually to repay eligible up-front development costs. As the net tax capacity of the district increases, the increase in property taxes paid by the developer (tax increment) can be used to reimburse the developer for eligible costs such as land acquisition, site preparation, and public infrastructure.

Three Rivers has proposed an \$11.1 million townhome project that will add 32 units to the Spring Creek development. The development is intended to be an expansion of the 2013 Spring Creek townhome project.

Staff determined that a Housing Development Tax Increment Finance District would facilitate the needs of this project and has been working with Ehlers, Inc. to review the TIF application. Nick Anhut, a public sector advisor from Ehlers, will provide an initial analysis of the TIF request and determine if the housing project could create more than sufficient tax increment over the statutory maximum 26-year term of a Housing Development TIF District. Additionally, the developer is amenable to abiding by the regulations of a Housing District.

The HRA Board shall make a motion to reaffirm their support for the use of TIF and property contribution for the Spring Creek II townhome project.

Alternative Options:

N/A

Financial Impacts:

- TIF Amount Requested: 26 years of TIF (Amount to be determined)
- Type of TIF District: Housing Development District (26-year Maximum District Life)
- TIF Uses: Site improvements, construction and engineering and assistance with annual cash shortfall
- TIF Funding Structure: "Pay-as-you-go." The Developer will incur all upfront costs and be reimbursed over time.
- Property contribution of 4.5 acres reduces the land owned by the HRA

Tentative Timelines:

June 5 - Rice County and Northfield School District notified of draft TIF Plan

June 23 - HRA provides recommendation to Council

June 24 - Planning Commission reviews TIF conformance with City Plan

July 8 - Publication of notice of public hearing for Business Subsidy

July 21 - Council holds public hearing on Business Subsidy/TIF

July 21 - Council consideration of Resolution approving TIF District

TBD - Council approves TIF Agreement

TBD - HRA contribution of property

RECOMMENDATION:

The HRA Board shall make a motion to reaffirm their support for the use of TIF and property contribution for the Spring Creek II townhome project.

Legislation Text

File #: HRA Res. 2021-008, **Version:** 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Nate Carlson, Economic Development Coordinator
Melissa Hanson, Housing Coordinator
Mitzi Baker, Community Development Director

HRA to consider \$250,000 Forgivable Loan to the Community Action Center of Northfield's Hillcrest Project

Action Requested:

The HRA shall approve Resolution 2021-001 to provide a \$250,000 Forgivable Loan to the CAC Hillcrest Project.

Summary Report:

At the November 24, 2020 Board meeting, the CAC discussed the proposed project and a request of HRA to consider financially supporting Hillcrest Village, a supportive and transitional housing project, with grant funding of \$250,000. The funds will be disbursed in one lump sum prior to the primary financing.

The Hillcrest Village project will add 17 housing units: 3 units of emergency supportive housing, 6 units of transitional supportive housing and 8 units of affordable/workforce housing. This innovative project is designed to be Zero Energy Ready and addresses both homelessness and climate change in shared community effort. The Environmental Quality Commission motioned support of the Net Zero Energy Housing project on November 18, 2020.

The CAC has long worked to collaboratively alleviate hunger, homelessness, and all forms of poverty that impact families and individuals in our community. CAC believes in immediate response to crisis, but also prioritizes systemic approaches to support long-term change that aligns with the CAC's mission of creating a caring, healthy, and just community for all. The CAC's goal in building Hillcrest Village is to foster a supportive community that helps families and individuals gain the resources needed to move from emergency housing to transitional housing, and finally, to affordable housing without ever having to leave home.

The security offered to the HRA is as follows.

- 20-year term for forgiveness.
- Mortgage recorded against entire property.
- In order to receive forgiveness, the CAC must operate the project with 40% of the total units dedicated to tenants whose income is at or below 60% AMI and rent cannot be more than 30% of income for the duration of the term.

Alternative Options:

The HRA could deny the CAC's request for financial assistance, or the HRA could consider funding less than the \$250,000 that the CAC is requesting.

Financial Impacts:

The HRA's funding would be provided in one lump sum prior to primary financing. Funding in 2021 will need to come out of HRA Reserves, which has a balance of \$1,383,618 as of March 1, 2021.

Tentative Timelines:

The CAC intends to close on financing in late-spring with groundbreaking on the project to occur in mid-summer.

Staff Recommendation:

Staff recommends approval of Resolution 2021-001.

NORTHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
RESOLUTION 2021-001

A RESOLUTION BY THE NORTHFIELD HOUSING AND REDEVELOPMENT
AUTHORITY APPROVING THE GRANT OF A FORGIVABLE LOAN TO COMMUNITY
ACTION CENTER OF NORTHFIELD IN THE AMOUNT OF \$250,000.00

- WHEREAS, pursuant to Minn. Stat. § 469.001, the Authority was created and exists in significant part to provide a sufficient supply of adequate, safe, and sanitary dwellings and to remedy the shortage of affordable housing for low- and moderate-income residents of the City of Northfield (the “City”); and
- WHEREAS, there exists in the City a shortage of adequate, safe, and sanitary affordable housing; and
- WHEREAS, Community Action Center of Northfield (the “Recipient”) is a locally supported nonprofit corporation with the goal of supporting the basic needs of low- and moderate-income families in the City and surrounding area; and
- WHEREAS, Recipient seeks to create affordable housing for individuals and families in need of emergency or temporary shelter, as well as affordable workforce housing options for low- and moderate-income individuals and families, through redevelopment of the now dilapidated “Manger Inn” site (the “Project”); and
- WHEREAS, Recipient has made a request to the Authority for funds in the amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) (the “Request”) to partially fund the Project; and
- WHEREAS, Recipient is the owner of the property upon which the Project will occur located at 1050 Highway 3 North, Northfield, MN 55057; and
- WHEREAS, pursuant to Minn. Stat. § 116J.994, subd 2, the Authority has evaluated the Request in light of the City of Northfield, Minnesota Business Subsidy Policy, and has found the Request to satisfy the criteria for the awarding of a business subsidy contained therein; and
- WHEREAS, pursuant to Minn. Stat. § 116J.993, subd. 3(7), granting the Request for the Project is not a business subsidy for the purposes of Minn. Stat. § 116J.994, subd. 3; and
- WHEREAS, pursuant to Minn. Stat. § 469.192, the Authority is authorized to grant loans for any purpose the Authority is otherwise authorized to carry out; and
- WHEREAS, based upon the forgoing recitals the Authority has determined that granting the Recipient’s request for funds in the form of a forgivable loan furthers the

Authority’s purpose of ensuring a sufficient supply of adequate, safe, and sanitary affordable housing options for Northfield’s low- and moderate-income residents, and has agreed to make a forgivable loan in the amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) (the “Forgivable Loan”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Northfield Housing and Redevelopment Authority that:

1. The Board of Commissioners hereby finds that granting the Recipient the Forgivable Loan in the amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00), to help fund the creation of affordable temporary/emergency and workforce housing through the Recipient’s redevelopment of the Property located at 1050 Highway 3 North, Northfield, MN, subject to the terms and conditions of the Forgivable Loan Agreement attached hereto as Exhibit A, furthers the purposes of the Authority and is in the best interests of the residents of the City.
2. The Board of Commissioners hereby approves the attached Forgivable Loan Agreement and authorizes and directs the Chair and Secretary to: (a) execute the Forgivable Loan Agreement substantially in the form hereby approved and allowing any necessary minor or technical changes as approved by the City Attorney; (b) execute such other documentation as necessary to satisfy the terms and conditions of the Forgivable Loan Agreement; and (c) record the mortgage deed executed by the Recipient and such other documentation as necessary with the Office of the Rice County Recorder.

PASSED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Northfield on this 23rd day of March, 2021.

Brent Nystrom, Chair

Jayne Hager Dee, Secretary

VOTE: ____ NYSTROM ____ CROW ____ FINK ____ GERDES
 ____ GRABAU ____ HAGER DEE ____ LEE

EXHIBIT A

FORGIVABLE LOAN AGREEMENT

**NORTHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
FORGIVABLE LOAN AGREEMENT**

THIS LOAN AGREEMENT (this “Agreement”) is made and entered into as of this ____ day of _____, 20__ (the “Effective Date”), by and between Community Action Shelter Associates 2, Inc, a nonprofit corporation organized under the laws of the State of Minnesota, 1651 Jefferson Pkwy #HS 200, Northfield, MN 55057 (the “Recipient”), and the Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota, 801 Washington St., Northfield, MN 55057 (the “Authority”); (collectively the “parties”).

WHEREAS, pursuant to Minn. Stat. § 469.001, the Authority was created and exists in significant part to provide a sufficient supply of adequate, safe, and sanitary dwellings and to remedy the shortage of affordable housing for low- and moderate-income residents of the City of Northfield (the “City”); and

WHEREAS, there exists in the City a shortage of adequate, safe, and sanitary affordable housing; and

WHEREAS, Recipient is a locally supported nonprofit corporation with the goal of supporting the basic needs of low- and moderate-income families in the City and surrounding area; and

WHEREAS, Recipient seeks to create affordable housing for individuals and families in need of emergency or temporary shelter, as well as affordable workforce housing options for low- and moderate-income individuals and families, through redevelopment of the now dilapidated “Manger Inn” site (the “Project”); and

WHEREAS, Recipient has made a request to the Authority for funds in the amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) (the “Request”) to partially fund the Project; and

WHEREAS, Recipient is the owner of the property upon which the Project will occur located at 1050 Highway 3 North, Northfield, MN 55057 (the “Property”); and

WHEREAS, pursuant to Minn. Stat. § 116J.994, subd 2, the Authority has evaluated the Request in light of the City of Northfield, Minnesota Business Subsidy Policy, and has found the Request to satisfy the criteria for the awarding of a business subsidy contained therein; and

WHEREAS, pursuant to Minn. Stat. § 116J.993, subd. 3(7), granting the Request for the Project is not a business subsidy for the purposes of Minn. Stat. § 116J.994, subd. 3; and

WHEREAS, pursuant to Minn. Stat. § 469.192, the Authority is authorized to grant loans for any purpose the Authority is otherwise authorized to carry out; and

WHEREAS, based upon the foregoing recitals, the Authority has determined that granting the Request in the form of a forgivable loan furthers the Authority's purpose of ensuring a sufficient supply of adequate, safe, and sanitary housing options for Northfield's low- and moderate-income residents, and has agreed to make a forgivable loan to the Recipient in the amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) (the "Forgivable Loan"); and

WHEREAS, pursuant to Resolution #_____, dated _____, 20____, the Authority has approved this Forgivable Loan for the Project.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

1. AMOUNT AND TERMS OF THE FORGIVABLE LOAN.

- a. Forgivable Loan. Subject to, and upon the terms and conditions herein set forth, the Authority agrees to make the Forgivable Loan to Recipient in the principal amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) ("Loan Funds").
- b. Term. The term of the Forgivable Loan shall be twenty (20) years from the Effective Date of this Agreement.
- c. Interest. No interest shall accrue on the Loan Funds, except following default as provided in Paragraph 7.
- d. Promissory Note. Recipient shall execute a Promissory Note in the amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00).
- e. Disbursements. The Forgivable Loan shall be disbursed to Recipient as provided herein below.

2. REPRESENTATIONS OF RECIPIENT. Recipient warrants that the following statements are true:

- a. Recipient is in good standing with all public entities having any authority or jurisdiction over Recipient, and Recipient is in compliance and shall at all times remain in compliance with all federal, state and local laws, rules and regulations, which apply to Recipient.
- b. The statements and representations made in Recipient's request/application for the Forgivable Loan were at the time of the request and as of the date hereof true and correct.
- c. Recipient is current on local property tax and special assessment payments owing on Recipient's Property, which is the subject of this Agreement.

- d. Recipient shall use the Loan Funds for, and only for, the Project, namely, to create affordable housing for individuals and families in need of emergency or temporary shelter, as well as affordable workforce housing options for low- and moderate-income individuals and families, through redevelopment of the Property located at 1050 Highway 3 North, Northfield, MN 55057.
 - e. At least 40% of the housing units created pursuant to the Project shall have annual rent amounts set no higher than 30% of 60% of the area median income (“AMI”).
 - f. Recipient shall continue to operate the housing units developed pursuant to the Project at all times during the term of this Agreement, unless otherwise provided herein.
3. DISTRIBUTION OF LOAN FUNDS. The Authority will pay the sum of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) to the Recipient as follows:
 - a. An amount of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) shall be paid in a lump sum amount following:
 - i. Execution of this Agreement;
 - ii. Execution of a Promissory Note;
 - iii. Execution of a Borrower’s Affidavit;
 - iv. Execution a Mortgage Deed on the Property to the benefit of the Authority; and
 - v. Receipt by the Authority of commitment letters and/or other documentation sufficient in the Authority’s reasonable judgement to establish that Recipient has secured financing for the total cost of the Project. For purposes of this provision 3.1.v., it is understood and accepted by the parties that disbursement of Project funds to the Recipient by lenders other than the Authority may be contingent on the Recipient first receiving the Loan Funds from the Authority under this Agreement, and such an arrangement will not mean that such financing has not been secured.
4. SECURITY. As security for the payment of the Loan Funds as the same may be required pursuant to the terms of this Agreement, Recipient hereby grants the following to the Authority:
 - a. Mortgage. A mortgage upon the Property on which Recipient will complete the Project, located at 1050 Highway 3 North, Northfield, MN 55057 (PID No. _____), legally described as follows:

[INSERT LEGAL DESCRIPTION]
 - b. Insurance. The Recipient shall maintain, at Recipient’s cost and expense, commercial general liability and other policies of insurance for liability, wind, fire and other casualty purposes on the Property identified in this Agreement.

- c. Subordination. The Authority's mortgage on the Property may be subordinate to no more than two mortgages on the Property, in a combined amount not to exceed the total cost of the Project, granted by Community Action Shelter Associates 2, Inc, a nonprofit corporation organized under the laws of the State of Minnesota, as Mortgagor, in favor of one or two lenders for the purposes of securing funding for the cost of Project. The parties agree and understand that this Agreement in itself does not subordinate the Authority's mortgage on the Property. Following the execution of this Agreement, should the Authority's mortgage on the Property need to be subordinated to that of another lender or lenders for the Recipient to receive funding for the cost of the Project, Recipient shall notify the Authority in writing. The Authority shall within a reasonable period thereafter, and upon approval of the Board of Commissioners of the Northfield Housing and Redevelopment Authority, execute a subordination agreement(s), in a form reasonably acceptable to the Authority, subject to the provisions of this Paragraph 4.c.
5. DISCLOSURE BY RECIPIENT. Recipient shall provide to the Authority, upon request, any and all business and financial records as may be necessary to confirm to the Authority that Recipient continues to be in existence on the Property, operating in good standing, and that the Loan Funds have been used and/or continue to be used in compliance with the approved purposes of the Forgivable Loan. Recipient shall also provide to the Authority a year-end report annually for a period of twenty (20) calendar years following the Effective Date of this Agreement. "Year-end" shall be defined as December 31, with the year-end report being due by the following January 31. The year-end reports shall demonstrate to the Authority the status of the purposes for which the Forgivable Loan was given to Recipient and shall document the continuing existence of the Recipient on the Property in the City and whether the Recipient has created and is maintaining emergency or temporary shelter, as well as affordable workforce housing options for low- and moderate-income individuals and families on the Property and is meeting the other terms and conditions of this Agreement.
6. FORGIVENESS/REPAYMENT OF LOAN FUNDS. The Forgivable Loan shall be forgiven, without interest, provided that:
 - a. Recipient completes the Project by redeveloping the Property located at 1050 Highway 3 North, Northfield, MN 55057 to create adequate, safe, and sanitary emergency or temporary shelter, as well affordable workforce housing options for low- and moderate-income individuals and families by December 31, 2023.
 - b. From completion of the Project until (20) years from the date of this Agreement, the housing units created on the Property pursuant to the Project are used continuously and exclusively for affordable emergency or temporary shelter, as well as affordable workforce housing options for low- and moderate-income individuals and families, with at least 40% of the housing units having annual rent amounts set no higher than 30% of 60% AMI.

- c. Recipient does not transfer title to the Property within twenty (20) years from the date of this Agreement without the written consent of the Authority.
 - d. Any individual or entity to whom Recipient transfers title to the Property within twenty (20) years from the date of this Agreement, shall assume in full all terms, covenants, conditions, and any other obligations whatsoever, contained in this Agreement and shall assume or execute any other related loan documents at the request of, and in a form acceptable to, the Authority.
 - e. Recipient does not default or breach any of the promises, terms and conditions stated in this Agreement or the Promissory Note of even date herewith.
7. **DEFAULT.** If Recipient defaults on any material provision of this Agreement, including failure to ensure the satisfaction of any one or more of the conditions for forgiveness of the Forgivable Loan set forth in Paragraph 6, then the sum total of the Loan Funds disbursed to Recipient as of the date of the default shall be immediately due and payable in full, and interest shall accrue on such amount until paid, as follows: interest shall accrue from and after the date of default, at the rate of one (1) percent simple interest per annum. Payment by Recipient shall be applied first to interest and then to principal. Recipient shall also pay any costs of collection, including but not limited to reasonable attorneys' fees and expenses, incurred by the Authority in enforcing this obligation.
8. **GENERAL TERMS.**
- a. **Voluntary and Knowing Action.** The parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
 - b. **Authorized Signatories.** The parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
 - c. **Recitals.** The recitals to this Agreement are made a part hereof and incorporated herein by reference.
 - d. **Assignment.** This Agreement may not be assigned by either party without the written consent of the other party.
 - e. **Modifications/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Agreement shall be only valid

when they have been reduced to writing and signed by an authorized representative of the Authority and Recipient.

- f. Records—Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, Recipient agrees that the Authority or the City of Northfield, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any book, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of Recipient and involve transactions relating to this Agreement. Recipient agrees to maintain these records for a period of six years from the date of termination of this Agreement.
- g. Compliance with Laws. Recipient shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement or to the facilities, programs and staff for which Recipient is responsible.
- h. Interest by Authority or City Officials. No elected official, officer, or employee of the Authority or the City shall, during his or her tenure of employment and for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.
- i. Cumulative Rights. Except as otherwise expressly stated herein, no right or remedy herein conferred on or reserved to the Authority is intended to be exclusive of any other right or remedy hereby provided by law, but each shall be cumulative in, and in addition to, every other right or remedy given herein or hereafter existing at law, in equity, or by statute.
- j. Indemnification. The Recipient expressly releases from and covenants and agrees to indemnify and hold the Authority and the City of Northfield and its officers, agents, servants, employees harmless from and against all claims, costs and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of this Agreement or the Project and further releases such officers, employees, agents and members from any personal liability in connection with handling funds pursuant to the terms of this Agreement. The indemnification provided hereunder shall not apply to intentional acts or the negligence of the individual or entity so indemnified. Recipient further agrees to pay, indemnify and hold the Authority and the City harmless from any and all costs, expenses and fees, including reasonable attorney's fees that may be incurred by the Authority or the City in enforcing this Agreement.
- k. Governing Law. This Agreement shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall

govern any interpretations or constructions of the Agreement without regard to its choice of law or conflict of laws principles.

- l. Data Practices. The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes Section 13.01 et seq.
- m. No Waiver. Any party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Agreement or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that party's right to assert or rely upon the terms and conditions of this Agreement. Any express waiver of a term of this Agreement shall not be binding and effective unless made in writing and properly executed by the waiving party.
- n. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.
- o. Entire Agreement. These terms and conditions constitute the entire Agreement between the parties regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Agreement.
- p. Headings and Captions. Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
- q. Survivability. All covenants, indemnities, guarantees, releases, representations and warranties by any party, and any discharged obligations of the Authority and Recipient arising prior to the expiration of this Agreement (whether by completion or earlier termination), shall survive such expiration.
- r. Execution. This Agreement may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any party to the counterpart shall be deemed a signature to the Agreement, and may be appended to, any other counterpart. Facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing party.

[Signature pages follow.]

IN WITNESS WHEREOF the parties have caused these presents to be signed as of the date and year first above written.

RECIPIENT:**Community Action Shelter Associates 2, Inc**

Date: _____

By:_____

Its: _____

Date: _____

By:_____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by _____, the _____ and by _____ the _____ of Community Action Shelter Associates 2, Inc, a nonprofit corporation organized under the laws of the State of Minnesota, on behalf of the corporation.

(Notary Seal)

Notary Public

AUTHORITY:

**Northfield Housing and Redevelopment
Authority, a/k/a Housing and Redevelopment
Authority of the City of Northfield, Minnesota**

Date: _____

By: _____
Brent Nystrom, Its Chair

Date: _____

By: _____
Jayne Hager Dee, Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before on _____, 20____, by Brent Nystrom, the Chair, and by Jayne Hager Dee, the Secretary, of the Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota, on behalf of the body politic and corporate.

(Notary Seal)

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103
651-225-8840

BORROWER'S AFFIDAVIT

The undersigned hereby certifies that:

1. Purpose of Loan. I/We understand that the Forgivable Loan as provided by the Northfield Housing and Redevelopment Authority (the "Authority") is to assist with Recipient's redevelopment of real property located at 1050 Highway 3 North, Northfield, MN 55057 for the purpose of creating low-income housing. I/We, in receiving the Forgivable Loan, verify that the repayment terms for the purposes set forth in the Forgivable Loan Agreement and Promissory Note of even date herewith shall be upheld.

2. Consequences of False Statements. I/We acknowledge and understand that a material misstatement made in this affidavit or in any other statement made by me/us in connection with my/our request for the Forgivable Loan may constitute a violation of the law and affect my/our future eligibility to receive loan funds or trigger an immediate repayment of loan funds, if the same have already been received.

I/We certify that the facts and information I have presented to the City of Northfield and the Authority in connection with my request for the Forgivable Loan have not substantially changed as of the date of the loan closing.

[Signature page follows]

BORROWER:

Community Action Shelter Associates 2, Inc

Date: _____

By: _____

Its: _____

Date: _____

By: _____

Its: _____

STATE OF _____)
_____) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, and _____, as
_____, of Community Action Shelter Associates 2, Inc, a nonprofit corporation
organized under the laws of the State of Minnesota, on behalf of the corporation.

(Notary Seal)

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103
651-225-8840

MORTGAGE DEED

MORTGAGE REGISTRY TAX DUE HEREON: \$ _____

THIS INDENTURE, is made this ____ day of _____, 20____, between Community Action Shelter Associates 2, Inc, a nonprofit corporation organized under the laws of the State of Minnesota, Mortgagor, and the Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota, Mortgagee.

WITNESSETH, that the said Mortgagor, in consideration of the sum of Two Hundred and Fifty Thousand and 00/100 DOLLARS (\$250,000.00), pledged to Mortgagor by Mortgagee subject to the terms and conditions of a Forgivable Loan Agreement of even date herewith, the value of which is hereby acknowledged and received, does hereby convey unto Mortgagee, forever, real property located at 1050 Highway 3 North, Northfield, Rice County, Minnesota, described as follows:

[Insert legal description . . .]

together with all hereditaments and appurtenances belonging thereto (the Property),

TO HAVE AND TO HOLD THE SAME, to Mortgagee forever. The Mortgagor covenants with Mortgagee as follows: That Mortgagor is lawfully seized of the Property and has good right to convey the same; that the Property is free from all encumbrances.

PROVIDED, NEVERTHELESS, that if Mortgagor shall either (1) satisfy each of the conditions for forgiveness of the Loan according to the terms of a promissory note of even date herewith (the Note), or (2) pay to Mortgagee the sum of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00), according to the terms of the Note, on terms as provided in the Note, and shall repay to the Mortgagee, at the times and with interest as specified, all sums advanced in protecting the lien of this Mortgage, in payment of taxes on the Property and assessments payable herewith, insurance premiums covering buildings thereon, principal or interest on any prior liens, expenses and attorney's fees herein provided for and sums advanced for any other purpose authorized herein, and shall keep and perform all the covenants and agreements herein contained, then this Mortgage to be null and void, and shall be released at the Mortgagor's expense.

AND THE MORTGAGOR covenants with the Mortgagee as follows:

1. to either satisfy each of the conditions for forgiveness of the principal sum of money according to the terms of the Note or pay the principal sum of money with interest as specified in the Note;
2. to pay all taxes and assessments now due or that may hereafter become liens against the Property before penalty attaches thereto;

3. to keep all buildings, improvements and fixtures now or later located on or a part of the property insured against loss by fire, extended coverage perils, vandalism, malicious mischief and, if applicable, steam boiler explosion, for at least the amount of **full insurable value** at all times while any amount remains unpaid under this Mortgage. If any of the buildings, improvements or fixtures are located in a federally designated flood prone area, and if flood insurance is available for that area, Mortgagor shall procure and maintain flood insurance in amounts reasonably satisfactory to Mortgagee. Each insurance policy shall contain a loss payable clause in favor of Mortgagee affording all rights and privileges customarily provided under the so-called standard mortgage clause. In the event of damage to the Property by fire or other casualty, Mortgagor shall promptly give notice of such damage to Mortgagee and the insurance company. The insurance shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Mortgagee. The insurance policies shall provide for not less than ten days written notice to Mortgagee before cancellation, non-renewal, termination, or change in coverage, and Mortgagor shall deliver to Mortgagee a duplicate original or certificate of such insurance policies;
4. to pay, when due, both principal and interest of all prior liens or encumbrances, if any, and to keep the Property free and clear of all other prior liens or encumbrances;
5. to commit or permit no waste on the Property and to keep it in good repair;
6. to complete forthwith any improvements which may hereafter be under course of construction on the Property; and
7. to pay any other expenses and attorney's fees incurred by Mortgagee by reason of litigation with any third party for the protection of the lien of this Mortgage.

In case of failure to pay said taxes and assessments, prior liens or encumbrances, expenses and attorney's fees as above specified, or to insure said buildings, improvements and fixtures and deliver the policies as aforesaid, the Mortgagee may pay such taxes, assessments, prior liens, expenses and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest of seven (7%) percent per annum from the date of such payment, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to Mortgagee and this Mortgage shall from date thereof secure the repayment of such advances with interest.

In case of default in any of the foregoing covenants, Mortgagor confers upon the Mortgagee the option of declaring the unpaid balance of the Note and the interest accrued thereon, together with any and all sums advanced hereunder, immediately due and payable without notice, and hereby authorizes and empowers Mortgagee to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the moneys arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees Mortgagor agrees to pay.

The terms of this Mortgage shall run with the Property and bind the parties hereto and their successors in interest.

[Signature page follows]

In Testimony Whereof, Mortgagor has hereunto set its hand the day and year first above written.

MORTGAGOR:

Community Action Shelter Associates 2, Inc

By: _____

Its: _____

By: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by _____, the
_____ and by _____ the _____ of
Community Action Shelter Associates 2, Inc, a nonprofit corporation organized under the laws of the State of
Minnesota, on behalf of the corporation.

(Notary Seal)

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103
651-225-8840

FAILURE TO RECORD OR FILE THIS MORTGAGE
MAY AFFECT PRIORITY OF THIS MORTGAGE

**NORTHFIELD HOUSING AND
REDEVELOPMENT AUTHORITY
FORGIVABLE LOAN**

PROMISSORY NOTE

Community Action Shelter Associates 2, Inc

\$250,000.00

Northfield, MN

_____, 20____

FOR VALUE RECEIVED, the undersigned loan recipient, hereinafter referred to as the “MAKER”, promises to repay to the NORTHFIELD HOUSING AND REDEVELOPMENT AUTHORITY, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, hereinafter referred to as the “LENDER,” at its office located at 801 Washington Street, Northfield, Minnesota, 55057, or such other place as the holder hereof shall designate in writing, the Loan proceeds it received under the LENDER’s Forgivable Loan in the principal amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) (the “Loan”), lawful money of the United States, without interest, to partially fund the creation of low-income housing through the redevelopment of the real property located at 1050 Highway 3 North, Northfield, MN 55057 (the “Property”), upon the occurrence of any of the following conditions:

- a. Recipient fails to complete the Project by redeveloping the Property located at 1050 Highway 3 North, Northfield, MN 55057 to create adequate, safe, and sanitary emergency or temporary shelter, as well as affordable workforce housing options for low- and moderate-income individuals and families by December 31, 2023.
- b. From completion of the Project until (20) years from the date of this Note, the housing units created on the Property pursuant to the Project fail to be used continuously and exclusively for emergency or temporary shelter, as well as affordable workforce housing options for low- and moderate-income individuals and families; and/or at any time during the same period, a total of less than 40% of the housing units have annual rent amounts set no higher than 30% of 60% AMI.
- c. Recipient transfers title to the Property within twenty (20) years from the date of this Note without the written consent of the Authority.
- d. Any individual or entity to whom Recipient transfers title to the Property within twenty (20) years from the date of this Note, fails to assume in full all terms, covenants, conditions, and any other obligations whatsoever, contained in the

Forgivable Loan Agreement of even date herewith or assume or execute any other related loan documents at the request of, and in a form acceptable to, the Authority.

- e. Any default or breach of the promises, terms and conditions stated in the Forgivable Loan Agreement of even date herewith.

Upon any of these occurrences, the full amount of the Loan proceeds shall become immediately due and payable to the Authority, and interest thereon shall accrue on such principal balance at a rate of one percent (1%) per annum from and after the earliest occurrence of any of the above listed events. Any payments made by MAKER for less than the outstanding principal and interest shall be credited first to accrued interest and the remainder to principal.

The Forgivable Loan will be forgiven twenty (20) years after the Effective Date of the Forgivable Loan Agreement of even date herewith if none of the occurrences triggering an obligation to repay the Loan enumerated in paragraphs a. through e. above have occurred.

This Note is secured by a mortgage on the Property of even date herewith granted by MAKER, as Mortgagor, in favor of LENDER, as Mortgagee.

Any change of the MAKER's name or address must be promptly disclosed to the LENDER.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Forgivable Loan Agreement of even date herewith, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If a default occurs under the Forgivable Loan Agreement, or any instrument securing this Note, then the LENDER of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with any costs of collection including attorney fees incurred by the LENDER of this Note in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder, or under any instrument securing this Note, subject to the cure period described below. The MAKER agrees that the LENDER may, without notice to the MAKER and without affecting the liability of the MAKER, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

Failure to perform any covenant or agreement hereunder, shall constitute a default under this instrument and any other instrument securing or otherwise relating to the Forgivable Loan, and a default under any other instrument, including any mortgage instrument securing the Forgivable Loan, shall constitute a default hereunder. Upon such default, the Authority, at its option, may declare all or any part of the grant immediately due and payable in full without notice, subject to the cure period described below.

In the event of default, the LENDER shall give written notice thereof to the Maker at 1651 Jefferson Pkwy #HS 200, Northfield, MN 55057, or to such other address as the MAKER may inform the LENDER in writing. In the event that any such default is not cured within Ten (10) days of the receipt of such notice, the LENDER may, at its option, declare the entire balance due hereunder immediately due and payable without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise this option at a later date. After the date of default, payment by MAKER shall be applied first to interest and then to principal.

If payments are in default more than 60 days, interest on the unpaid principal balance shall accrue at Ten percent (10%) per annum. Said increased interest shall be as and for liquidated damages to LENDER and shall not be considered a penalty.

The remedies of the LENDER as provided herein, and in the Forgivable Loan Agreement, or any other instrument securing this Note, shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the LENDER, may be exercised as often as occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The LENDER shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the LENDER and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. No waiver by the Authority of any default hereunder shall operate as a waiver of any other default on a future occasion. No delay on the part of the Authority in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by the Authority shall preclude future exercise thereof or the exercise of any other right or remedy.

This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

The undersigned, in the case of suit on this Note, agrees to pay the LENDER's attorney fees and costs incurred therein. The MAKER and any endorsers and sureties waive demand of payment, notice of nonpayment, protest and notice. Sureties, endorsers and guarantors agree to all of the provisions of this Note, and consent that the time of payment of all or any part hereof may be extended at the discretion of the LENDER from time to time, without notice.

The undersigned agrees to pay this Note and waive demand, presentment, protest, and notice of dishonor, and exonerate the LENDER hereof from any duty and obligation to make demand on anyone for payment or, except as otherwise provided herein, to give notice to anyone of nonpayment hereof and further consent to the extension, renewal, exchange, surrender or release of this Note or any person bound hereunder by the holder hereof.

MAKER agrees to provide periodic information upon request by the LENDER regarding the status of relevant matters described in this promissory Note and the accompanying exhibits hereto.

This Note shall be governed by, and construed in accordance with, the laws of the state of Minnesota without regard to its conflict of law provisions. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

The headings used in this Note are solely for convenience of reference, are no part of this Note, and are not to be considered in construing or interpreting this Note.

This Note, with the Forgivable Loan Agreement of even date herewith and other Loan Documents, constitutes the entire Note between the parties pertaining to its subject matter and it supersedes all prior contemporaneous Notes, representations, and understandings of the parties pertaining to the subject matter of this Note.

Wherever possible, each provision of this Note and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Note or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note or any other related document.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

[Signature page follows]

IN WITNESS WHEREOF, the MAKER has caused this Note to be duly executed as of the latest date affixed hereto below.

MAKER:

Community Action Shelter Associates 2, Inc

Date: _____

By:_____

Its: _____

Date: _____

By: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by _____, the _____ and by _____ the _____ of Community Action Shelter Associates 2, Inc, a nonprofit corporation organized under the laws of the State of Minnesota, on behalf of the corporation.

(Notary Seal)

Notary Public

(Attached exhibits include Northfield Housing and Redevelopment Authority Forgivable Loan Agreement; Mortgage Deed; and Borrower's Affidavit.)

Legislation Text

File #: 21-186, Version: 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Melissa Hanson, Housing Coordinator

Affordable Housing Task Force As sub-committee of HRA

Action Requested:

The HRA is requested to consider dissolving the Affordable Housing Task Force as a sub-committee of the HRA Board.

Summary Report:

In 2016, an ad hoc group was formed to discuss possible ways to provide low/moderate income housing by developing the 11.18 acres of land owned by the HRA, which is located in Southbridge. Since 2016, the HRA has partnered with Three Rivers Community Action (TRCA) to develop up to 4.5 acres in what is being developed as Spring Creek II.

The group was formally recognized and created at HRA's April 20, 2016 meeting in an effort to be open and transparent due to open meeting laws and the fact that at any given time there were at least 2 HRA board members participating in these meetings.

The Affordable Housing Task Force evolved to be considered a sub-committee to the HRA. In researching the history of the Affordable Housing Task Force, there appears to be a lack of clarity as to why the Task Force exists as a sub-committee. The original request to HRA requested "that the HRA approve a sub-committee that includes, but is not limited to, the above named people, to continue to research and explore possibilities. The land possibilities will include, but not be limited to, the 11 acres that the HRA owns in Southbridge." At that time, Staff analysis of the request, indicated that an Affordable Housing Task Force would be an adequate vehicle in which ideas about the use of public owned land at Southbridge could be shared with the HRA Board. The purpose and function of the Task Force has evolved over time. While there may be community value in a venue for individuals and groups to explore interests in affordable housing and to be a voice for educations and/or advocacy, that role can exist independent of the HRA Board.

Typically, a task force that advises an elected or appointed board, is established as a temporary body with a defined scope and purpose; often associated with a specific initiative or undertaking.

Recent discussions indicate there is recognition that the current affiliation of the Affordable Housing Task Force, as advisory to the HRA, may be an affiliation that need not perpetuate.

Recommendation:

In light of the information outlining the origin and evolution of the Affordable Housing Task Force, the HRA Board is recommended to dissolve the Task Force as a body affiliated with and/or advisory to the Northfield HRA Board.

If the Board wishes to proceed, the Board should approve a motion to request that staff prepare a Resolution to dissolve the Affordable Housing Task Force as a body affiliated with and/or advisory to the Northfield HRA. A Resolution would then be prepared and scheduled for action in April.

Alternative Options:

An alternative would be to maintain the current affiliation and better define the role, scope and purpose for the Task Force.

Financial Impacts: N/A

Legislation Text

File #: 16-164, **Version:** 1

DATE: April 20, 2016

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

Affordable Housing Task Force

SUMMARY:

The Housing & Redevelopment Authority (HRA) is being asked to consider the creation of an Affordable Housing Task Force or sub-committee to discuss possible ways to provide low/moderate income housing by developing the 11.18 acres of land owned by the Housing & Redevelopment Authority (HRA), which is located in the Southbridge area.

BACKGROUND:

Earlier this year an ad hoc group was formed to discuss affordable housing. The group has met on the 2nd Monday of each month at the Tavern since January 2016. The group includes HRA Board Members Dayna Norvold and Jayne Hager Dee as well as other housing advocates in Northfield and Rice County. The ad hoc group has considered several housing topics such as tiny houses and emergency shelters. Most recently the topic discussed is the development of part or all of the land owned by the HRA in the Southbridge area.

In an effort to be open and transparent with the process it is recommended that the HRA Board be given the opportunity to participate through the creation of an Affordable Housing Task Force. Task Force members could include stakeholders from the community and all meetings would be open to the public. Task Force meetings would be noticed as a public meeting and that a quorum of the HRA could be in attendance. Minutes of the Affordable Housing Task Force meetings would also be included in future HRA agenda packets to retain a permanent record of the meetings. The Affordable Housing task Force could also be a regular topic on future HRA agendas so that all members could participate with ideas and feedback and provide direction to the Task Force.

ANALYSIS:

An Affordable Housing Task Force would be an adequate vehicle in which to peruse ideas about the use of public land and the HRA Board should be the entity to provide staff direction and make decisions regarding staff resources and time.

OPTIONS:

The HRA Board could schedule a special meeting and invite all ad hoc committee members to attend. The meeting would be open to the public encouraging participation from all citizens.

RECOMMENDATION:

There are concerns about whether a subcommittee is subject to Open Meeting Law and how all members of the HRA Board could be involved in this important discussion. Staff consulted with City Attorney Chris Hood, and he concurred that the establishment of an Affordable Housing Task Force and noticing each meeting as a public meeting would most assuredly comply with the Open Meeting Law.

Staff recommends the HRA Board establish an Affordable Housing Task Force which would include HRA Board Members, existing ad hoc committee members and others. The meetings should be public and posted on the City of Northfield Meeting Notice List so that all HRA Board members may attend. The Affordable Housing Task Force should also be a regular topic on HRA Board meeting agendas.

To: Northfield HRA
From: Dayna Norvold, Chair
Date: April 13, 2016

A small group of people have been meeting monthly since January, 2016, to discuss affordable housing options in Northfield. As we began we wanted to get a sense of the housing needs of different populations in our community. This ranged from seniors to young adults with special needs to people who are homeless and in general, people who are low-income.

Our conversations have included discussions about tiny homes, small homes, high-density housing and single family housing with a community center component.

The following people have been invited and have participated in these conversations:

1. Jim Blaha, Community Action Center
2. Carol Gengenbach, Community Action Center
3. Jayne Hager Dee, Community Action Center and Northfield HRA
4. Sandi Gerdes, Laura Baker
5. Virginia Lorang, Laura Baker
6. Patricia Vincent, Three Links Care Center
7. Kyle Nordine, Northfield Retirement Community
8. Chris Heineman, City of Northfield
9. Deb Haan, Viking Terrace
10. Dayna Norvold, Rice County Habitat for Humanity and Northfield HRA
11. Janine Atchison, City of Northfield
12. Jenny Larson, Three Rivers
13. Chris Kennelly, Northfield Construction and BlueWater Properties
14. Allan Cox, Manger's Inn
15. Mike Behr, Manger's Inn
16. John Jefferies, Edina Realty

It is clear there is a need for affordable housing for these different kinds of groups. We are now at a stage where we'd like to begin looking at the following:

1. Available land
2. Available financing

Dayna Norvold, Chair of HRA, requests that the HRA approve a sub-committee that includes, but is not limited to, the above named people, to continue to research and explore possibilities. The land possibilities will include, but not be limited to, the 11 acres that the HRA owns in SouthBridge. The sub-committee would have no authority and would only make recommendations back to the HRA.

The sub-committee will meet on the 2nd Monday of the month at 4 p.m. The May 9 meeting will be held at Laura Baker. These meetings are open to the public and welcomes community input.

Minutes of previous meetings available upon request.



City of Northfield

City Hall
801 Washington Street
Northfield, MN 55057
ci.northfield.mn.us

Meeting Minutes - Final Housing & Redevelopment Authority

Wednesday, April 20, 2016

5:00 PM

Council Chambers

Rollcall

Present: 5 - Jayne Hager Dee, Kris Vohs, Erica Zweifel, Kevin Fink and Dayna Norvold

16-187

I. Call to Order and Approval of Agenda

II. Approval of Minutes

A motion was made by Board Member Hager Dee, seconded by Board Member Vohs, to approve the March 10, 2016 HRA Minutes . The motion carried by the following vote:

A motion was made by Board Member Fink, seconded by Board Member Hager Dee, to approve the March 29, 2016 Special HRA Meeting Minutes. The motion carried by the following vote:

Yes: 5 - Board Member Hager Dee, Board Member Vohs, Board Member Zweifel, Board Member Fink and Board Member Norvold

1. [16-160](#) March 10 & 29 HRA Meeting Minutes

Attachments: [03-10-16 HRA Minutes](#)
[03-29-2016 HRA Minutes](#)

III. Unfinished Business

3. [16-161](#) Community Development Block Grant (CDBG) Amendment

Attachments: [Public Notice](#)

Staff reported on the public hearing for the CDBG Amendment which is set for May 17, 2016. The overall amount will be reduced from \$146,555 to \$144,420 since the recaptured funds were lower than anticipated. She plans on attending the public hearing.

4. [16-162](#) Community Development Block Grant (CDBG) Fund use for Cannon River Community Land Trust (CRCLT)

Staff noted the Dakota County Community Development Association (CDA) requested information on the use of Community Development Block Grant (CDBG) funds for

acquisition of Cannon River Community Land Trust properties. She summarized how \$73,920 of CDBG funds were used to acquire three land trust properties at 513 Bunker Drive (\$30,234), 1904 Wilcox Blvd. E. (\$40,000) and 1905 Wilcox Blvd. E. (\$3,686). If it is determined these funds were income for the HRA they may be liable to return it. Staff noted the funds were used for developing the lots.

5. [16-163](#) 2007 Hidden Valley Road

Attachments: [Scope of Work](#)

Staff reported on the repairs to be done at 2007 Hidden Valley Road and asked the board to include replacement of the roof, exterior painting and expanded landscaping to the list. She has received one bid that seemed somewhat high but is still seeking additional bids. A special meeting may need to be held to approve the bids.

The HRA also discussed how the unit would be utilized. Chair Norvold stated Ruth's House is still interested in using the unit for long term stable housing. Her program would be able to fund rent at \$1,230 per month. The board decided to invite Ruth Hickey to a future meeting to provide more details about the program.

IV. New Business Items

6. [16-164](#) Affordable Housing Task Force

Attachments: [Sub-committee request to HRA](#)

The board discussed creating an affordable housing task force to discuss ways to provide low/moderate income housing. An ad hoc group was formed at the beginning of 2016 and has met four times this year. The group included HRA Board Members Norvold and Hager Dee as well as other housing advocates in Northfield and Rice County. In order to be transparent it was recommended the HRA be given the opportunity to participate through the creation of an Affordable Housing Task Force. They would be noticed as public meetings and the HRA would be in charge of agenda management. The board spoke in favor of creating the task force and also asked to be given minutes from previously held ad hoc meetings.

A motion was made by Board Member Hager Dee, seconded by Board Member Fink, to approve establishing an Affordable Housing Task Force to include HRA members, existing ad hoc committee members and others. The motion carried by the following vote:

Yes: 5 - Board Member Hager Dee, Board Member Vohs, Board Member Zweifel, Board Member Fink and Board Member Norvold

V. Reports and Discussion Items

- a) Commissioner Comments and Reports
- b) Staff Updates and Reports
- c) Comments from the Chair

K. Vohs suggested the help of board members to remove the deck at 2007 Hidden Valley Road in order to save costs.

Due to conflicts, the May HRA Meeting will be held on Monday, May 16th at 5:00 p.m.

VI. Adjournment

The meeting adjourned at 6:00 p.m.

To: Northfield HRA
From: Dayna Norvold, Chair
Date: April 13, 2016

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Minutes of previous meetings available upon request.

Legislation Text

File #: 21-187, Version: 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Melissa Hanson, Housing Coordinator

Rice County Habitat for Humanity

Action Requested:

The HRA Board is being provided a copy of a request from Rice County Habitat for Humanity, for informational purposes. No decision is requested at this time. Prior to scheduling discussion and action, staff requests to meet with a subset of the HRA Board to discuss HRA financials, options and other considerations.

Summary Report:

Habitat partners with families who, without their financial support, would be unable to achieve the dream of homeownership. These families are burdened by the high cost of rent and often do not have any other options.

In the past, the HRA has paid for building permits and water/sewer hook-up fees (SAC/WAC) for the homes that Habitat has built in Northfield. Additionally, the Northfield HRA has provided land to Habitat for the purpose of building affordable housing in Northfield.

At this time, Rice County Habitat for Humanity (Habitat) is requesting:

- #1- financial support from the Northfield Housing & Redevelopment Authority (HRA) for building permits for their six (6) builds in Northfield;
- #2- to fund up to six (6) additional Down Payment Assistance loans through levy dollars for the households purchasing Habitat homes in Northfield if funding is no longer available through Community Development Block Grant (CDBG);
- #3- Habitat would like to organize a Build Day with the HRA, EDA, Planning Commission, City Council and City Staff.

Financial Impacts:

Request #1- The financial impact of request #1 is not known at this time. Habitat has not yet applied for building permits, however, staff estimates that the cost of the permits will be approximately \$11,807. At this time, it is staff's understanding that there are no sewer and water access charges remaining on these properties.

Request #2- Habitat has requested that HRA provide for Down Payment Assistance for all 6 households totaling \$150,000 (\$25,000 per household). Currently, the City of Northfield HRA offers down payment assistance funds through CDBG funds allocated by Dakota County. As of today, only \$8,374.86 is available for Down Payment Assistance loans. July 1, 2021 another \$29,472 will be available through CDBG for Down Payment Assistance loans. There are enough funds in reserves to consider additional programming for Down Payment Assistance Loans; however, no policies or procedures have been approved to allow for such activity.

Request #3- None

Tentative Timelines:

Habitat for Humanity is requesting that HRA consider their requests and provide feedback and a decision at HRA's April meeting. Habitat is anticipating that they will break ground May 2021 with completion November 2021.

Staff Recommendations:

Staff notes that there are no formal or informal adopted policies or procedures currently in place that allows for Down Payment Assistance Loans to be made from levy dollars. Staff recommends meeting with a subset of HRA board members prior to HRA's April meeting, to discuss the request and potential options.

To: City of Northfield's Housing and Redevelopment Authority
From: Rice County Habitat for Humanity, Dayna Norvold
Date: March, 5, 2021
Re: Requests for our 2021 Builds

As you know, the need for affordable housing remains high in our community. There are some projects in construction and under consideration that will fill the gap for some moderate-income households (60% of AMI, about 47K annually) but it still leaves our lower income folks with no new housing options. Additionally, all the new housing options for low to moderate-income folks are RENTALS.

Habitat for Humanity believes HOMEOWNERSHIP can end generational poverty, address the income inequalities for people of color and help build community that's long-lasting. Homeownership can be a catalyst to wealth building for low-income households and households of color like nothing else can.

Rice County Habitat for Humanity is creating **six homeownership opportunities** in Northfield in 2021. In this document I'll share a bit of our history, our plans for 2021 and a request for partnership with the HRA.

Our History of Builds in Northfield:

1993



Kleeberger Family (1)
315 S. Poplar, Northfield

2000



Palmquist Family (5)
754 Sibley Dr, Northfield

2002



Patzner Family (7)
601 Bunker Dr., Northfield

2004



Warring Family (9)
404 Bunker Dr., Northfield

2007



Simonson Family (14)
900 W. 2nd St., Northfield

2011



Curci Family (24)
1209 Superior Drive, Northfield
Thrivent Builds

2011



Manderfeld Family (25)
1213 Superior Drive, Northfield

2016



Alexander Family (Partner Family 42, Build 40)
805 1st Street NW, Northfield

We build strength, stability and self-reliance through shelter.

204 7th Street West, PMB 128
Northfield, MN 55057
www.habitatricecounty.org
507-323-5167

We select households that have incomes between 30K – 68K/annually. That's 30-80% of Area Median Income. However, the average income of the households we've selected over the last four years is \$39,635, which is about 50% of AMI. With that income, their housing payment is kept at about \$990/month (that includes principal, interest, taxes and insurance). That's LESS than what Fair Market Rent is for a 3 and 4 bedroom unit in Northfield.

Additionally, all of our homes have at least three bedrooms and we've built up to 6 bedrooms. Our workforce, many of whom have children, need more than a one and two bedroom unit (which is the majority of what's being built with the new developments).

Further, all of our homes are built either fully handicap accessible or to a "visitable" standard (which means a wheelchair can enter on the main level). We've built homes that accommodate people with hearing impairments and physical limitations that require a full wheelchair accessible home and shower/bathroom.

We have not built in Northfield since 2016 because acquiring affordable land is an incredible challenge. That's why, for 2021, we've pivoted to a different build design so that we could acquire land and serve more families. We've moved to building multi-family units, instead of just single family homes.

2021 Build Plans



We will be joining an existing Home Owners Association to build this quad on the south end of town. We were able to acquire two pieces of land that will have four units on each for a total of 8 units for 160K (20K each). We will build the first quad in 2021 and the second quad in 2023 or 2024. These units are all slab on grade. The two end units can have up to three bedrooms and will be fully handicap accessible. The two middle units will also have three bedrooms.

We will also be building a duplex (pictured below) at 1207 Archibald Court in Northfield. This site (which we paid 20K for) had an old farmhouse on it that hadn't been lived in for at least 10 years (pictures below). To rehab this home and make it energy efficient (which means affordable) was too high a price to pay. Instead, we demolished the home for 15K. Removing this blighted property is an improvement in the neighborhood. We are going to build a duplex on this property for two homeowners. These units will have a basement and will each have the capacity for four bedrooms.



STREET (WEST) SIDE



SOUTH EAST SIDE

In total, that will be HOMEOWNERSHIP for six households in Northfield. We don't know what these homes will appraise for, but we anticipate each unit will have an appraisal for at least 225K.

What will the actual costs of these builds be and how will they be financed?

Example:

Land	20,000
Construction	200,000
Operating	20,000 <i>(this does not capture all of the operating costs that include insurance liability, construction loan costs, trailers, tools and staff time. We typically use 10% of the anticipated construction costs to come to this amount)</i>
TOTAL	\$240,000

We may be in a situation where the house costs more than the appraisal result. Nonetheless, we cannot finance the house for more than the appraisal value. So, let's look at how we might finance the houses.

This is the only loan they pay on.

The deeper the investment here, the lower we can go in household income.

These junior mortgages are 0% interest and deferred. They are due in full upon a future title transfer.

	Quad 1	Quad 2	Quad 3	Quad 4
Income that could afford 1 st Mortgage	58,240	52,000	45,760	41,600
1 st Mortgage with USDA's Rural Development	200,000	180,000	160,000	140,000
2 nd Mortgage – hopefully with the HRA DPA Funds	25,000	25,000	25,000	25,000
3 rd Mortgage – Three Rivers potential		10,000		
4 th Mortgage with Habitat MN			20,000	20,000
5 th Mortgage with Rice County Habitat		10,000	20,000	40,000
TOTAL FINANCED	225,000	225,000	225,000	225,000

Questions you might ask: Why can't Three Rivers provide more funding for more units? Their funds are extremely limited. Why can't Habitat MN provide more funding for more units? Their funds are limited as well. Where does Habitat come up with the money? We have mortgage income from previous homes, donors and grants.

Request for Partnership with the HRA

The HRA in Northfield has been a great partner in the past with Habitat and we look forward to that continuing. Examples of support in the past have included the payment of the Building Permit Fees. We anticipate the Build Permit fees for each unit to be about 7K. That's 42K. We anticipate submitting the build permit in mid-March so we will know the exact costs then.

REQUEST 1: to pay the full Build Permit fees for the six units as a grant to Habitat.

The households we select for our Partner Families for these units will all fit the criteria for the Down Payment Assistance program with the HRA. That's six units at 25K each = \$150,000. These funds are, of course, secured by a mortgage, and will be paid back in full upon a future title transfer. This is an investment to six units of homeownership in Northfield for people at 80% of AMI or below.

REQUEST 2: to fully fund the 25K in Down Payment Assistance to each of six applicants for a total of \$150K, either through CDBG funds or levy funds or any other funds you have available!

We'd also like to invite you to join us on the build site! We'd love to have a day where the HRA would initiate a Build Day with Habitat and invite members of the Planning Commission, EDA, members of City Council and City Staff. We'll ensure a meaningful work day and you'll get a chance to get boots on the ground and work site by side with other people from the city who believe affordable housing is a priority in our community.

REQUEST 3: Initiate a Build Day with Habitat

Building affordable housing takes partnerships, investments, generosity and hard work. It takes trust, some accepted level of risk and a belief in the resilience and strength of people who have been underserved and under believed in. We can't just look to the city or the developers or nonprofits to build affordable housing. We must ALL come together in a big way. **Let's go big so we can all go home.**



every parent

wants a better future for their family



We build strength, stability and self-reliance through shelter.

204 7th Street West, PMB 128
Northfield, MN 55057
www.habitatricecounty.org
507-323-5167

Legislation Text

File #: 21-188, Version: 1

Meeting Date: March 23, 2021

To: Members of the Housing & Redevelopment Authority

From: Melissa Hanson, Housing Coordinator

Staff Updates on Outstanding HRA Items

Summary Report:

The HRA Board shall be given an update by staff on outstanding HRA items.

Background:

There are a number of outstanding items related to the HRA. Below is a summary update on each item. Staff will provide an update during the meeting and the HRA has the opportunity to discuss each item individually if desired.

CDBG Funded Programs

- Down Payment Assistance- city inspection 3/17/21, closing scheduled 3/19/21, 1 application approved, remaining uncommitted DPA balance \$8,374.86
- Mobile Home Rehab Program- 2 approved application, assessments complete, contractors have been contacted, waiting for bids, uncommitted fund balance \$20,063.27
- Home Matters Residential Rehab- 1 approved application, working on coordinating and Energy Audit and inspection, no scope submitted, uncommitted fund balance \$21,293
- Aging in Place Modifications- information shared with public, communications is assisting with public communications and interpreting, no applications submitted, uncommitted fund balance \$21,453

HRA Rentals

- Washington Street insulation added, dilapidated shed removed from property
- Furnace blower motor replaced at 2330 Elianna
- Fire extinguisher maintenance has been completed
- Staff continues to explore alternative maintenance arrangements, management options, and how other HRAs operate and if/how they operate rentals

HRA Sponsored Licensing/Policy Review- Staff continues to work with consultants and city attorneys to prepare draft ordinance language.

Financial Impacts:

N/A

Tentative Timelines:

N/A



Richfield Economic Development Authority Apartment Remodeling Program Procedural Guidelines

Statement of Purpose

The Richfield Apartment Remodeling Program (ARP) was established by the Richfield Economic Development Authority (EDA) to encourage investment in the City's apartment buildings and improve the City's rental housing stock. The purpose of ARP is to provide financial incentives to owners of residential apartment property to make physical improvements to their properties.

NOTE: Procedural Guidelines are a tool for guiding program administration. Procedural Guidelines do not constitute a contractual agreement or liability on the part of the City or the Economic Development Authority (EDA).

Program Objectives

-) To maintain and improve Richfield's rental housing stock.
-) To offset costs associated with deferred maintenance and updates associated with rental housing.
-) To incentivize owners to invest private resources into apartment buildings.
-) To preserve naturally-occurring affordable rental housing.
-) To stabilize and improve neighborhoods.

Criteria for Eligibility

1. Residential rental property with four or more units.
2. Only one Loan will be provided per eligible property during the 15-year loan period.
3. The building(s) to be improved must be at least 30 years old.
4. The Property must be located within the City of Richfield municipal boundaries.
5. The Applicant must have a current rental housing license for the Property and be in compliance with applicable city codes and ordinances.
6. The combined loan-to-value ratio of all loans secured by the property must not exceed 110% of the property value.
7. The Applicant must be current on mortgage/contract for deed payments and property taxes.

Terms and Conditions of the ARP Loan

1. Funds will be awarded in the form of a fifteen-year, zero-interest, forgivable Loan.
2. If a Borrower sells or transfers title of the property before the maturity date, the Borrower will be responsible for repaying the Loan in full.
3. If a Borrower retains ownership and continues to rent the Property for the full length of the loan term, the lien will be forgiven fifteen years from the date of the loan.
4. Minimum loan amount = \$5,000
Maximum loan amount per building = \$50,000
Maximum amount per unit = \$5,000

The EDA Board may consider requests for loan amounts more than the maximum.

5. Loan funds must be matched on a 1:1 basis by other funds.
6. Funding is available on a limited basis. The EDA is not responsible for unavailability of Loan funds to Applicants.
7. Funding an application is at the EDA's discretion.

Application Procedure

The Applicant must:

1. Complete the Application Form (Exhibit A).
2. Submit completed Application Form and all required documentation, including a rehabilitation plan, at least one bid(s), and digital photos. The EDA reserves the right to require a second bid.
3. Submit the \$300 application fee.

The EDA will:

1. Review applications for completeness and compliance with ARP Guidelines.
2. Review and award Applications on a first-come, first-served basis, based on the date of receipt and completeness of the application, as determined by the EDA. Priority may be given to buildings that qualify as Naturally Occurring Affordable Housing (NOAH) and to projects that don't displace current tenants.
3. If the Application is determined to be eligible and funds are available, will provide a Loan commitment letter to the Applicant.

Loan Process

1. Upon receipt of a Commitment letter, the Borrower has 30 days to close on the loan.
2. A lien will be placed against the Property by the EDA for the full Loan amount through a Mortgage and Promissory Note (Exhibits B and C). The Borrower will provide the EDA with an executed mortgage in recordable form. The Loan recipient must also provide to the EDA an executed Promissory Note, Loan Agreement, Errors and Omissions Acknowledgement Agreement, and Certificate and Request for Notice: Foreclosure. (See examples in Exhibits B, C, D, E, and F.) The Borrower will pay the cost of recording the mortgage.
3. Work must be completed and funds requested within 180 days of the Loan closing date.
4. Loan funds will be paid upon completion of the work. The following items must be received prior to final disbursement of funds:
 - 1) final invoice from contractor;
 - 2) lien waivers for the full amount of the payment, and
 - 3) a Completion Certificate signed by the city inspector, the Borrower, and Contractor (Exhibit G).
5. If at any time during the life of the ARP Loan an Event of Default occurs or the Loan matures prior to the original fifteen year term, the Loan will be required to be repaid in full.
6. A satisfaction of Mortgage (Exhibit H) in recordable form will be provided upon receipt of repayment of the Loan or at the end of the repayment period. The ARP Loan may also be paid in full at any time.

Eligible/Ineligible Improvements

1. Value-added improvements, such as remodeling kitchens and/or bathrooms.
2. Maintenance and repair, such as roof replacement, window/door replacement, or electrical updates.
3. Furnaces, water heaters, and central air conditioning.
4. Cosmetic improvements, such as painting or flooring replacement/repair.
5. Improvements to common areas, as approved by EDA staff.
6. Energy-efficient-related improvements, such as insulation, caulking, or air sealing.
7. Permanent landscaping, as determined by EDA staff.
8. Swimming pools, hot tubs, and appliances (except for built-in appliances) are **not** eligible for loan funds.
9. Improvements begun prior to the day of closing are **not** eligible for loan funds.

Contractors/Permits

1. All work must be performed by a licensed Contractor(s), when required by city/state ordinance.
2. All proper permits must be obtained per city code.
3. During the rehabilitation process, required inspections must be arranged by the Applicant or Contractor. Additional inspections may be requested by EDA staff.
4. Work can be performed on a “sweat equity” basis; however, loan funds cannot be used to compensate for labor, only for materials. The owner must clearly demonstrate the ability to complete the work in a quality manner and within the program time requirement. The EDA reserves the right to deny a loan if it determines that this requirement is not likely to be met. When required by city ordinance, a building permit must be obtained by the Borrower.

General Conditions

1. Borrowers shall not discriminate against holders of Section 8 vouchers or other forms of rent assistance.
2. In the event of a sale of the property, Borrowers shall provide the EDA with 90 days’ written notice, prior to closing on the sale of the property.

General Program Marketing

Program marketing is entirely at the discretion of the EDA. It may include the following:

-) Promotional Articles
-) Direct Mail or Email contact
-) Website announcements

Data Privacy

The EDA is subject to Minnesota Statutes Chapter 13 (the “Minnesota Government Data Practices Act”). Under the Minnesota Government Data Practices Act, the names and addresses of applicants for or recipients of assistance under this program and the amount of assistance

received under this program are public data. All other financial information submitted to the HRA for purposes of the program application is considered private data.

Hold Harmless

Applicants shall indemnify and hold harmless the EDA and the City, their officers, agents, and employees from and against all claims, loss, damage, cost, and expense alleged to have resulted from any remodeling or rehabilitation work completed with the funds provided under ARP.

No EDA officer authorized to take part in administering the ARP Loan Program, in his or her official capacity, shall have a personal financial interest or benefit financially from the Loan. No member, official, or employee of the EDA shall be personally liable to the Buyer, or any successor in interest, for any act or omission of the EDA or for any amount which may become due to the Applicant or successor or on any EDA obligations.

Definitions

Applicant—Person or persons who apply for ARP funding.

ARP Loan or Loan—Interest-free loan offered by the EDA for rehabilitating a Property. The maximum loan amount is \$50,000 and \$5,000 per unit. The Loan is payable upon sale of the Property or forgiven after 15 years.

Borrower – The person receiving the loan.

City — The City of Richfield.

Combined Loan-to-Value Ratio (CLTV) – The sum of all debt owed against a property divided by the total value of the property.

Contractor – A professional, appropriately licensed by the Minnesota Department of Labor, hired by the Applicant to complete all or a portion of the Improvements.

Economic Development Authority (EDA) – The Richfield Economic Development Authority.

Deferred Loan – Payment of the loan is deferred until such time as the loan matures. The loan requires no payments or interest as long as the terms of the Note and Mortgage are being met.

Event of Default – A default under a Mortgage or Loan Agreement executed by the Buyer for purposes of an ARP Loan.

Improvements — Each and all of the remodeling or rehabilitation to be constructed on the Property by the Applicant, as specified in the Rehabilitation Plans approved by the EDA.

Loan Agreement – A contract between a Borrower and the EDA that regulates the mutual promises made by each party.

Mortgage and Holder — The Mortgage shall include financing creating an encumbrance or lien upon the Property or any part thereof, as security for a loan. The Holder includes any insurer or guarantor (other than the Buyer) of any obligation or condition secured by such mortgage or deed of trust.

Naturally Occurring Affordable Housing (NOAH) - Residential rental properties that maintain affordable rents without public subsidies. Properties charge rents that are affordable to a household earning less than 60 percent of the Area Median Income (AMI), as published annually by the Department of Housing and Urban Development.

Property – The rental property identified in the ARP application.

Rehabilitation Plans — Collectively, the plans, drawings, and documents related to the Improvements.

Rental Property — A property from which the owner receives payment from an occupant(s) in return for occupying the property for at least 12 months prior to applying for an ARP Loan.

Sweat Equity – Improvements made to a property by the property's owner.

List of Exhibits

Exhibit A – Application Form
Exhibit B – Mortgage
Exhibit C – Promissory Note
Exhibit D - Loan Agreement
Exhibit E – Errors and Omissions Acknowledgement Agreement
Exhibit G – Certificate and Request for Notice: Foreclosure
Exhibit H - Satisfaction of Mortgage

EXHIBIT A



APARTMENT REMODELING PROGRAM Application

APPLICANT INFORMATION

Name of Applicant(s)	
Address of Subject Property	
Legal Name of Property Owner	
Applicant(s) current address	
Applicant(s) phone number	
Applicant(s) email address	
Amount of Loan Requested	

LENDER INFORMATION (if applicable)

Proposed Closing Date	
Lending Institution	
Lender contact person	
Lender phone number	
Lender email address	
Mailing address	

APPLICATION REQUIREMENTS: A completed application packet must be received before formal review will begin.

- ☐ \$300 Application Fee
- ☐ Picture of the Property, front as well as area(s) to be improved (digital format)
- ☐ Rehabilitation Plan (use form in Attachment A)
- ☐ Copy of Bid(s)
- ☐ Evidence of financing commitment for matching funds

APPLICANT(S) SIGNATURE(S)

Signature	Date
Signature	Date

Date Received: _____



APARTMENT REMODELING PROGRAM

Application – Page 2

PROJECT INFORMATION

Provide a description of improvements to be made:

Contractor(s) and subcontractors:

Company	Contact Name	Phone Number
Company	Contact Name	Phone Number
Company	Contact Name	Phone Number

PROPERTY INFORMATION

Total # of units in building to be improved			
Total # of units in apartment complex			
Amount of debt owed against the property			
Property value			
Rents charged by unit size			
# of Efficiency/Studio units:		Rent range:	
# of 1 bedroom units:		Rent range:	
# of 2 bedroom units:		Rent range:	
# of 3 bedroom units:		Rent range:	
Proposed rents following rehab (if changing)			
# of Efficiency/Studio units:		Rent range:	
# of 1 bedroom units:		Rent range:	
# of 2 bedroom units:		Rent range:	
# of 3 bedroom units:		Rent range:	



APARTMENT REMODELING PROGRAM

Application – Page 3

REHABILITATION PLAN

PROPERTY ADDRESS: _____

	ITEM - DESCRIPTION	CONTRACTOR	COST ESTIMATE
	<i>Example: Replace Roof</i>	<i>A-1 Roofing</i>	\$ 25,000
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
		TOTAL	\$

	SOURCE OF FUNDS	AMOUNT
1.	Richfield HRA	\$
2.		
3.		
4.		
	TOTAL	\$

Note: Loan funds must be matched 1:1 with other funds.

☐ If applicable, attach plans prepared by a qualified draftsman or architect.

EXHIBIT B

FORM OF MORTGAGE

(Top 3 inches reserved for recording data)

MORTGAGE

MORTGAGE REGISTRY TAX

DATE: _____, 20__

DUE: \$ _____

☐ **CHECK IF APPLICABLE: NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, ENFORCEMENT OF THIS MORTGAGE IN MINNESOTA IS LIMITED TO A DEBT AMOUNT OF \$[...], UNDER CHAPTER 287 OF MINNESOTA STATUTES.**

THIS MORTGAGE ("Mortgage") is given by _____, a [entity type/individual] [include spouse if married individual], as mortgagor ("Borrower"), to the Richfield Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, as mortgagee ("Lender"). In consideration of the receipt of _____ Dollars (\$ _____) (the "Indebtedness") from Lender, Borrower hereby mortgages, with power of sale, the real property in Hennepin County, Minnesota, legally described as follows:

[Insert legal description]

Check here if all or part of the described real property is Registered (Torrens) ☐

together with all hereditaments and appurtenances belonging thereto (the "**Property**"), subject to the following exceptions:

- (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any;
- (b) Reservations of minerals or mineral rights by the State of Minnesota, if any;
- (c) Utility and drainage easements which do not interfere with present improvements;
- (d) Applicable laws, ordinances, and regulations;
- (e) The lien of real estate taxes and installments of special assessments not yet due and payable; and
- (f) The following liens or encumbrances, if any: [insert encumbrances]

Borrower covenants with Lender as follows:

1. **Repayment of Indebtedness.** If Borrower (a) pays the Indebtedness to Lender according to the terms of the Promissory Note or other instrument of even date herewith that evidences

the Indebtedness and all renewals, extensions, and modifications thereto (the "Note"), final payment of which is due on _____, 20____; (b) repays to Lender, at the times as specified, all sums advanced in protecting the lien of this Mortgage, if any; and (c) keeps and performs all the covenants and agreements contained herein, then Borrower's obligations under this Mortgage will be satisfied, and Lender will deliver an executed satisfaction of this Mortgage to Borrower. No interest shall accrue on the Indebtedness. It is Borrower's responsibility to record any satisfaction of this Mortgage at Borrower's expense.

2. **Statutory Covenants.** Borrower makes and includes in this Mortgage the following covenants and provisions set forth in Minn. Stat. 507.15, and the relevant statutory covenant equivalents contained therein are hereby incorporated by reference:

- (a) To warrant the title to the Property;
- (b) To pay the Indebtedness as herein provided;
- (c) To pay all taxes;
- (d) That the Property shall be kept in repair and no waste shall be committed;
- (e) To pay principal and interest on prior mortgages (if any).

3. **Additional Covenants and Agreements of Borrower.** Borrower makes the following additional covenants and agreements with Lender:

(a) Borrower shall keep all buildings, improvements, and fixtures now or later located on all or any part of the Property (collectively, the "Improvements") insured against loss by fire, lightning, and such other perils as are included in a standard all-risk endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft, and if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the Improvements, without deduction for physical depreciation. If any of the Improvements are located in a federally designated flood prone area, and if flood insurance is available for that area, Borrower shall procure and maintain flood insurance in amounts reasonably satisfactory to Lender. Borrower shall procure and maintain liability insurance against claims for bodily injury, death, and property damage occurring on or about the Property in amounts reasonably satisfactory to Lender and naming Lender as an additional insured, all for the protection of the Lender.

(b) Each insurance policy required pursuant to Paragraph 3(a) must contain provisions in favor of Lender affording all right and privileges customarily provided under the so-called standard mortgagee clause. Each policy must be issued by an insurance company or companies licensed to do business in Minnesota and acceptable to Lender. Each policy must provide for not less than ten (10) days written notice to Lender before cancellation, non-renewal, termination, or change in coverage. Borrower will deliver to Lender a duplicate original or certificate of such insurance policies and of all renewals and modifications of such policies.

(c) If the Property is damaged by fire or other casualty, Borrower must promptly give notice of such damage to Lender and the insurance company. In such event, the insurance proceeds paid on account of such damage will be applied to payment of the amounts owed by Borrower pursuant to the Note, even if such amounts are not otherwise then due, unless Borrower is permitted to make an election as described in the next paragraph. Such amounts will be applied to the principal to be paid as provided in the Note. The balance of insurance proceeds, if any, will be the property of Borrower.

(d) Notwithstanding the provisions of Paragraph 3(c), and unless otherwise agreed by Borrower and Lender in writing, if (i) Borrower is not in default under this Mortgage (or after Borrower

has cured any such default); (ii) the mortgagees under any prior mortgages do not require otherwise; and (iii) such damage does not exceed ten percent (10%) of the then assessed market value of the Improvements, then Borrower may elect to have that portion of such insurance proceeds necessary to repair, replace, or restore the damaged Property (the "Repairs") deposited in escrow with a bank or title insurance company qualified to do business in Minnesota, or such other party as may be mutually agreeable to Lender and Borrower. The election may only be made by written notice to Lender within sixty (60) days after the damage occurs; and the election will only be permitted if the plans, specifications, and contracts for the Repairs are approved by Lender, which approval shall not be unreasonably withheld, conditioned, or delayed. If such a permitted election is made by Borrower, Lender and Borrower shall jointly deposit the insurance proceeds into escrow when paid. If such insurance proceeds are insufficient for the Repairs, Borrower shall, before the commencement of the Repairs, deposit into such escrow sufficient additional money to insure the full payment for the Repairs. Even if the insurance proceeds are unavailable or are insufficient to pay the cost of the Repairs, Borrower shall at all times be responsible to pay the full cost of the Repairs. All escrowed funds shall be disbursed in accordance with sound, generally accepted, construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Borrower into such escrow before the commencement of the Repairs. Borrower shall complete the Repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be completed by Borrower within one (1) year after the damage occurs. If, following the completion of and payment for the Repairs, there remains any undisbursed escrow funds, such funds shall be applied to payment of the amounts owed by Borrower under the Note in accordance with Paragraph 3(c).

(e) If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof must be applied to payment of the amounts due by Borrower to Lender under the Note as set forth in Paragraph 3(c), even if such amounts are not then due to be paid.

(f) Borrower will diligently complete all Improvements, if any, that may now or hereafter be under construction on the Property.

(g) Borrower will pay all dues, fees, or assessments, if any, which are due and payable by Borrower to any homeowners or similar association as a result of the Property's inclusion therein.

(h) Borrower will pay any other expenses and attorneys' fees incurred by Lender pursuant to the Note or as reasonably required for the protection of the lien of this Mortgage.

4. **Payment by Lender.** If Borrower fails to pay any amounts to be paid hereunder to Lender or any third parties, or to insure the Improvements, and deliver the policies as required herein, Lender may make such payments or secure such insurance. The sums so paid shall be additional Indebtedness, bear interest from the date of such payment at the same rate set forth in the Note, be an additional lien upon the Property, and be immediately due and payable upon written demand. This Mortgage secures the repayment of such advances.

5. **Default.** In case of default (i) in the payment of sums to be paid under the Note or this Mortgage, when the same becomes due, (ii) in any of the covenants set forth in this Mortgage, (iii) under the terms of the Note, or (iv) under any addendum attached to this Mortgage, Lender may declare the unpaid balance of the Note, together with all sums advanced hereunder, immediately due and payable without notice, and Borrower hereby authorizes and empowers Lender to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same in fee simple in

accordance with Minn. Stat. Ch. 580, and out of the monies arising from such sale, to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law, which costs, charges, and fees Borrower agrees to pay.

6. **Residential Mortgages.** Notwithstanding the provisions of Paragraph 5, if the Indebtedness is a "conventional loan" as defined in Minn. Stat. 47.20, subd. 2(3), Borrower and Lender further covenant and agree as follows:

(a) Lender shall furnish to Borrower a conformed copy of the Note and this Mortgage at the time of execution or within a reasonable time after recordation hereof.

(b) Upon default by Borrower of any covenant or agreement under the terms of this Mortgage, Lender shall give notice to Borrower prior to foreclosure as provided in Paragraph 6(c) and such notice shall specify: (i) the nature of the default; (ii) the action required to cure the default; (iii) a date, not less than thirty (30) days from the date the notice is mailed to Borrower, by which the default must be cured; (iv) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property; (v) that Borrower has the right to reinstate this Mortgage after acceleration; and (vi) that Borrower has the right to bring a court action to assert the non-existence of the default or any other defense of Borrower to acceleration and sale.

(c) In addition to any notice required under applicable law to be given in another manner, (i) any notice to Borrower provided for in this Mortgage shall be addressed to Borrower and given by mailing the notice via certified mail to the Property address (or to such other address as Borrower may designate by written notice to Lender as provided herein), and (ii) any notice to Lender shall be given by mailing the notice via certified mail to the following address (or to such other address as Lender may designate by written notice to Borrower as provided herein):

To Lender: Richfield Economic Development Authority
6700 Portland Avenue
Richfield, MN 55423
Attn: Executive Director

To Borrower: [BORROWER]
[ADDRESS]
[Attn: _____]

7. **Governing Law; Severability.** This Mortgage shall be governed by the laws of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.

8. **Additional Terms.** Check this box ☐ if Minnesota Uniform Conveyancing Blank 20.2.1 or any other addendum (either one or more) containing additional terms and conditions is attached to this Mortgage. If the foregoing box is not checked, then this Mortgage shall not contain any such additional terms and conditions. The number of additional attached pages is _____. Terms of this Mortgage will run with the Property and bind the parties hereto and their successors in interest.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

[BORROWER -- entity]

By _____
Its _____

[BORROWER – individual]

By _____
Printed Name _____

[include spouse if married individual]

STATE OF MINNESOTA)
)ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____, the _____ of _____, a
_____, on behalf of the Mortgagor.

Notary Public

This document drafted by:

Richfield Economic Development Authority
6700 Portland Avenue
Richfield, MN 55423

Note: Failure to record or file this mortgage may give other parties priority over this mortgage.

EXHIBIT C

FORM OF PROMISSORY NOTE

PROMISSORY NOTE (APARTMENT REMODELING PROGRAM)

\$ _____

Date: _____, 20____

_____, a [entity type/individual][include spouse if married individual] (the "Maker"), for value received, hereby promises to pay to the Richfield Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, or its assigns (collectively referred to herein as the "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of \$ _____ or so much thereof as may be advanced under this Note, without interest thereon, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. Any capitalized terms used herein that are otherwise not defined shall have the meanings assigned such terms in the Loan Agreement of even date herewith (the "Loan Agreement") between the Holder and the Maker.

1. If the Maker does not sell the Property within 15 years of the Loan Closing Date and does not default under the Agreement, no payments shall be payable on this Note and the entire principal balance shall be forgiven.

2. If the Loan is not forgiven by the Holder, the entire unpaid balance of principal shall be due and payable upon the earlier of the following: (i) 30 days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Loan Agreement of even date herewith (the "Agreement") between the Maker and the Holder, which includes the Program Guidelines; or (ii) 10 days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance or transfer in any other mode, of the Property, if such transfer occurs within 15 years following the date of this Note.

3. This Note is given pursuant to the Agreement between the Maker and Holder. If any information in the Agreement is found to be invalid for whatever reason, such invalidity shall constitute an Event of Default hereunder.

4. All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Agreement, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Holder of this Note as provided herein, and in the Agreement, or any other instrument securing this Note shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

7. If any Event of Default occurs, and if the Holder engages legal counsel or others in connection with advice to the Holder or the Holder's rights and remedies under the Agreement or this Note, the Maker shall pay all reasonable expenses incurred by the Holder for such persons, irrespective of whether any suit or other proceeding has been or is filed or commenced. Any such expenses, costs and charges shall constitute additional principal, payable upon demand, and subject to this Note.

8. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

9. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Maker has caused this Promissory Note to be duly executed as of the date and year first written above.

[BORROWER -- entity]

By _____
Its _____

[BORROWER – individual]

By _____
Printed Name _____

[include spouse if married individual]

EXHIBIT D

LOAN AGREEMENT (APARTMENT REMODELING PROGRAM)

THIS LOAN AGREEMENT (the "Agreement") is made and entered into this ____ day of _____, 20____, between the Richfield Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (the "EDA"), and _____, a _____ [entity type/individual] (the "Borrower").

RECITALS

WHEREAS, the EDA has established the Apartment Remodeling Program (the "Program"), which is a local incentive program designed to provide owners of residential apartment property located within the City of Richfield (the "City") with financial support in order to encourage such owners to make physical improvements to their property; and

WHEREAS, the EDA has approved the Apartment Remodeling Program Procedural Guidelines (the "Program Guidelines"), which are attached hereto as EXHIBIT A and fully incorporated into this Agreement, providing, in part, a summary and background of the Program, Program eligibility requirements, Program terms, a list of Program-eligible improvements, and other Program-specific policies and procedures; and

WHEREAS, the Borrower is fee owner of certain real property located at _____ in the City (the "Property"), which contains _____ building[s] with _____ units per building, which the Borrower proposes to make improvements to with Program assistance; and

WHEREAS, pursuant to the Program Guidelines, the Borrower has made application to the EDA to participate in the Program, and the EDA has determined that the Borrower is eligible to participate; and

WHEREAS, the EDA has agreed to lend to the Borrower, upon execution of this Agreement, a loan in the amount of \$_____ for improvements of the Property (the "Loan"), subject to additional approvals by the EDA and compliance with all requirements of the Program Guidelines; and

WHEREAS, the parties understand that if the Borrower satisfies certain requirements contained in this Agreement, the Loan shall be forgiven; and

WHEREAS, the EDA has reviewed this Agreement and finds that execution of this Agreement by the EDA and performance of the EDA's obligations hereunder are in the best interests of the EDA, the City, and its residents; and

WHEREAS, the parties are authorized and empowered to enter into this Agreement under the laws of the State of Minnesota; and

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the EDA and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Agreement and the exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein. The Borrower agrees to fully comply with the Program Guidelines and acknowledges that all terms, conditions, and requirements contained in the Program Guidelines, as attached hereto as EXHIBIT A, are made a part of this Agreement.

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2. The Borrower intends to make certain Program-eligible improvements to the Property in accordance with its application, including the following: _____ (the "Improvements"). The EDA agrees to provide the Loan in an amount not to exceed \$ _____ to the Borrower as reimbursement for up to 50% of the total cost of the Improvements upon delivery of the following items to the EDA: (i) a final invoice from the contractor for the Improvements (the "Contractor"); (ii) lien waivers for the full amount of the payment; and (iii) a completion certificate (in the form provided by the Program Guidelines) executed by the City inspector, the Borrower, and the Contractor. The Improvements must be completed and the Borrower must request the disbursement of the Loan within 180 days of _____, 20__ (the "Loan Closing Date"). The parties understand that proceeds of the Loan may not be disbursed until the Improvements have been completed.

3. The Loan is evidenced by a Promissory Note of even date herewith (the "Note"), from the Borrower to the EDA. The Loan shall be for a term of 15 years (the "Term of the Loan"), commencing on the Loan Closing Date, and shall not accrue interest. If the Borrower retains ownership of and continues to rent out the residential apartment property during the full Term of the Loan, then the Loan shall be forgiven at the end of the Term of the Loan. The Note is substantially in the form attached hereto as EXHIBIT B.

4. In connection with the execution of this Agreement, the Borrower has executed and delivered to the EDA a Mortgage of even date herewith (the "Mortgage"). The Mortgage shall be filed with the County Recorder and/or the Registrar of Titles of Hennepin County, Minnesota (the "County"), as applicable. The EDA shall maintain a lien on the Property pursuant to the Mortgage. Following the satisfaction of the term of the Loan, whether by forgiveness or a default by the Borrower under the terms hereof, the EDA shall satisfy the Mortgage and cause such satisfaction to be filed against the Property in the real estate records of the County. All recording fees shall be paid by the Borrower. The Mortgage is substantially in the form attached hereto as EXHIBIT C.

5. The Borrower shall not discriminate against holders of Section 8 vouchers or other forms of rental assistance.

6. The Borrower shall provide the EDA with at least 90 days' written notice prior to closing on the sale of the Property. If the sale of the Property occurs before the maturity date of the Loan, the Loan must be repaid in full within thirty (30) days. For purposes of this Agreement, a "sale" shall not include the transfer of the Property to an heir of the Borrower or the transfer of the Property to an affiliate, co-owner, partner or member of the Borrower.

7. The EDA acknowledges receipt of executed copies of the Errors and Omissions Acknowledgement Agreement and the Certificate and Request for Notice: Foreclosure, in forms deemed acceptable to the EDA.

8. Failure to comply with any term, covenant, condition, or requirement contained in this Agreement, including the Program Guidelines, or contained in the Note, the Mortgage, or other instrument executed in connection with this Agreement, following thirty (30) days' written notice by the EDA specifying the form of said non-compliance, shall constitute a breach of this Agreement and a default by the Borrower. If the Borrower does not repay the Loan within thirty (30) days of sale of the Property as described in Section 6, such failure to repay shall also constitute a default under this Agreement.

If any default shall occur, the EDA may declare the Loan provided to Borrower to be due and payable in accordance with the terms of the Note. The EDA may also pursue remedies available under

the terms of any mortgage or other instrument executed to secure its interests in the Loan or the Property, and other such remedies as may be available under local, state, or federal laws.

9. Without limitation of any provision set forth herein, the Borrower agrees to pay to the EDA any costs or expenses, including without limitation attorneys' fees, incurred by the EDA in enforcing any provision of this Agreement.

10. Except as expressly set forth herein, nothing in this Agreement shall constitute a limitation or waiver of the EDA's or the City's right to enforce any ordinance, law, rule, or regulation.

11. The Borrower shall and does hereby agree to protect, defend, indemnify and hold the EDA, including its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the EDA by reason of any alleged obligations or undertakings on the part of the EDA to perform or discharge any of the terms, covenants, or agreements contained in this Agreement. This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment or repayment of the Loan. The Borrower waives notice of the acceptance of this Agreement by the EDA. Nothing in this Agreement shall constitute a waiver or limitation of the EDA's immunities or limitations on liability as set forth in Minnesota Statutes, Chapter 466, or otherwise.

12. A notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally:

To the Borrower: [BORROWER]
[ADDRESS]
[Attn: _____]

To the EDA: Richfield Economic Development Authority
6700 Portland Avenue
Richfield, MN 55423
Attn: Executive Director

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

13. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

14. The EDA and the Borrower acknowledge that nothing contained in this Agreement or any act by the EDA and the Borrower shall be deemed or construed by the parties or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the EDA, the City, and the Borrower.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of the State of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

16. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by both parties. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

17. This Agreement may be modified solely through written amendments executed by both the Borrower and the EDA.

18. The Borrower shall not assign, subcontract, transfer, or pledge this Agreement whether in whole or in part, without the prior written consent of the EDA.

19. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.

20. This Agreement, together with the exhibits hereto, which are expressly incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, pertaining to the subject matter of this Agreement or concerning the Loan.

21. The Borrower warrants that all work performed pursuant to this Agreement shall be in compliance with existing laws, ordinances, pertinent regulations, standards, and specifications. This Agreement does not act as a substitute for any permits or approvals that are otherwise required by the Borrower in order to complete any of the Improvements.

22. Each of the undersigned parties warrants it has the full authority to execute this Agreement.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the EDA and the Borrower have executed this Loan Agreement as of the date and year first written above.

**RICHFIELD ECONOMIC DEVELOPMENT
AUTHORITY**

By _____
Its President

By _____
Its Executive Director

Execution page of the Borrower to the Loan Agreement dated as of the date and year first written above.

[BORROWER -- entity]

By _____
Its _____

[BORROWER – individual]

By _____
Printed Name _____

[If individual married, include spouse as party]

EXHIBIT E

ERRORS, OMISSIONS AND ACKNOWLEDGMENT AGREEMENT

_____ (the "Mortgagor") acknowledges that the Housing and Redevelopment Authority in and for the City of Richfield ("HRA" or "Mortgagee") is handling all or part of the closing of the mortgage from the HRA to Mortgagor encumbering property at _____, Richfield, MN 55423.

The Mortgagor acknowledges that the HRA CLOSING AGENT HAS NOT EXPRESSED OPINION REGARDING THE LEGAL EFFECT OF THE CLOSING DOCUMENTS OR OF THE CLOSING ITSELF.

Mortgagor agrees to re-execute any of the closing documents, execute any further documents which are necessary to complete closing of the mortgage contemplated by the agreement between the parties, and cooperate in correcting any clerical errors or miscalculations of any figures in said closing.

Dated: _____

MORTGAGOR:

By: _____

By: _____

MORTGAGEE:

Housing and Redevelopment Authority in and
for the City of Richfield

By: _____

Its: _____

EXHIBIT F

(Top 3 inches reserved for recording data)

CERTIFICATE AND REQUEST FOR NOTICE **by Business Entity**

1. The name and mailing address of the person holding a lien or having a redeemable interest in real property requesting notice is: Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of Minnesota (“**Requesting Party**”).

2. The redeemable interest or lien of the Requesting Party was created by the following instrument:
[insert name of document/instrument] dated [month/day/year] and recorded on [month/day/year], as Document Number [...] (or in Book [...] of [...] Page [...]), in the Office of the ☐ County Recorder ☐ Registrar of Titles of Hennepin County, Minnesota.

3. The Requesting Party has a redeemable interest in or lien upon real property in Hennepin County, Minnesota, described as follows:
[insert legal description...]

Check here if all or part of the described real property is Registered (Torrens) ☐

4. The Requesting Party requests notice of any mortgage foreclosure by advertisement as provided in Minn. Stat. 580.032, subd. 1.

EXHIBIT G

Richfield Economic Development Authority COMPLETION CERTIFICATE

Note: This form must be signed by all parties before release of full or partial payment under the Richfield Transformation Loan Program.

Homeowner

Property Address

CONTRACTOR: The undersigned Contractor hereby certifies that the improvements specified by the Work Contract pertaining to the above Homeowner have been completed in their entirety and in accordance with the agreement between the undersigned and the Homeowner, and that all work performed by the undersigned is subject to and in conformity with the Contractor's Warranty set forth in said Work Contract. The Contractor affirms that all required permits were obtained from the Richfield Inspections Division.

Name of Firm

\$ _____
Amount of Contract Completed

Signature of Authorized Representative

INSPECTOR: The undersigned Inspector hereby certifies that the Contractor listed above has completed the work and/or delivered all materials per applicable codes *for the housing rehabilitation improvements noted on the back side of this form, or attached to this form*. No other improvements are part of this sign-off request.

Signature of Inspector

Date Inspected

HOMEOWNER: The undersigned Homeowner hereby certifies that the Contractor listed above has completed the work and/or delivered all materials for the housing rehabilitation improvements, in full compliance with the terms of the Work Contract between the undersigned and said Contractor. The undersigned hereby authorizes the EDA to disburse the funds directly to the Contractor.

Signature of Homeowner

Date

RICHFIELD ECONOMIC AUTHORITY:

The undersigned Administering Entity hereby certifies that the above-referenced Homeowner is in conformity with eligibility requirements as set forth in the Transformation Loan Program Procedural Guidelines.

Authorized Signature/Title

Date

~~PLEASE COMPLETE REVERSE SIDE~~

IMPROVEMENTS COMPLETED AS PART OF THIS CERTIFICATE

Property Address: _____

R:\CDAdmin\HOUSING\Programs and Services\Apartment Rehabilitation\Forms\Form Completion Certificate.doc

EXHIBIT H

Date:

Satisfaction of Mortgage

THAT CERTAIN MORTGAGE owned by the undersigned, dated X/YY/2018, executed by Name, entity type, Mortgagor to Housing and Redevelopment Authority in and for the City of Richfield, as Mortgagee, and filed for record X/YY/2018, as Document Number ##### in the Office of the County Recorder/Registrar of Titles of Hennepin County, Minnesota, is with the indebtedness thereby secured, fully paid and satisfied.

Housing and Redevelopment Authority in and for the
City of Richfield

By _____
Its Chairperson

By _____
Its Executive Director

STATE OF MINNESOTA }

ss.:

COUNTY OF HENNEPIN)

The following instrument was acknowledged before me this ____ day of _____, 20 ____, by Mary B. Supple, the Chairperson, of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic under the laws of Minnesota, on behalf of the HRA.

NOTARIAL STAMP OR SEAL

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

STATE OF MINNESOTA }

ss.:

COUNTY OF HENNEPIN)

The following instrument was acknowledged before me this ____ day of _____, 20 ____, by, Steven L. Devich, the Executive Director, of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a public body corporate and politic under the laws of Minnesota, on behalf of the HRA.

NOTARIAL STAMP OR SEAL

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

This Instrument Drafted By:

The Housing and Redevelopment Authority
in and for the City of Richfield
6700 Portland Avenue South
Richfield, MN 55423
(612) 861-9760

Update of Comprehensive Housing Needs For Washington County, Minnesota

Prepared For:
Washington County CDA
Woodbury, MN

November 2022



Maxfield
Research & Consulting

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Roseville, MN 55113
612.338.0012
www.maxfieldresearch.com



Maxfield

Research & Consulting

Breaking Ground since 1983

November 27, 2022

Ms. Karly Schoeman
Deputy Assistant Director
Washington County Community Development Agency
7645 Currell Boulevard
Woodbury, MN 55125

Ms. Schoeman:

Attached is the update of the *Comprehensive Housing Needs Assessment for Washington County, Minnesota* conducted by Maxfield Research and Consulting. The analysis projects housing demand for the submarkets in Washington County from 2022 to 2040. It also provides recommendations on the amount and types of housing that could be built to satisfy demand from current and future residents over the next decade and beyond.

The Comprehensive Housing Needs Assessment finds the rental market in Washington County is tight with a vacancy rate of 2.3% and for-sale home prices have increased dramatically over the past three years. Housing affordability for owned housing and for rental housing continues to decrease for many owner and renter households in Washington County, but particularly for low- and moderate-income households.

The study identifies a potential demand for 15,956 new housing units in Washington County to 2030 and another 17,699 new units between 2030 and 2040. Demand is spread across all product types. Detailed information regarding housing demand by submarket and recommended housing types can be found in the *Conclusions and Recommendations* section at the end of the report.

We have enjoyed the opportunity to be able to assist you as you consider housing needs and specific initiatives for Washington County. If you need additional information, please contact us.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING, LLC

Mary C. Bujold
President

Attachment

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KEY FINDINGS

This section highlights key findings from the Comprehensive Housing Needs Assessment completed for the Washington County Community Development Agency. Calculations of projected housing demand are provided to 2040 and recommendations for housing products to meet demand over the short-term are found at the end of the report.

Key Findings

1. Household growth continues to be robust in Washington County and throughout the Twin Cities Metro Area despite the downturn from the pandemic and slower than expected employment growth. The Twin Cities Metro Area continues to have labor shortages in many industry segments and shortages in in-person industries is expected to continue for some time. Limited development of new rental housing in all submarkets except Lake Elmo, Woodbury and Forest Lake, has resulted in vacancy rates that continue to decline while rental rates continue to increase, especially for older market rate housing which has been some of the most affordable rental housing in the county.
2. Housing Demand
 - a. General occupancy demand is projected for an estimated 10,554 owned housing units and 5,402 rental units between 2022 and 2030.
 - b. An estimated 58% of the general occupancy demand is projected to be for owned housing and 42% for rental housing.
 - i. 2022-2030 = 15,956 (66% owned, 33% rental)
 - ii. 2030-2040 = 17,699 (61% owned, 39% rental)
 - c. Owned housing demand by submarket for 2022 to 2030 by housing product:
Single-Family
 - i. Northeast 184 units (2.6%)
 - ii. Stillwater 500 units (7.1%)
 - iii. Southeast 363 units (5.1%)
 - iv. Forest Lake 564 units (8.0%)
 - v. Hugo 717 units (10.1%)
 - vi. Mahtomedi 243 units (3.4%)
 - vii. Oakdale 191 units (2.7%)
 - viii. Lake Elmo 655 units (9.2%)
 - ix. Woodbury 2,493 units (35.2%)
 - x. Cottage Grove 1,175 units (16.6%)

KEY FINDINGS

Multifamily

i. Northeast	33 units (1.0%)
ii. Stillwater	334 units (9.6%)
iii. Southeast	90 units (2.6%)
iv. Forest Lake	242 units (7.0%)
v. Hugo	240 units (6.9%)
vi. Mahtomedi	105 units (3.0%)
vii. Oakdale	286 units (8.2%)
viii. Lake Elmo	164 units (4.7%)
ix. Woodbury	1,343 units (38.7%)
x. Cottage Grove	632 units (18.2%)

- d. Of the 5,402 rental units, 56% will be for market rate units, 25% for affordable units and 19% for subsidized units.

i. Market Rate	=	3,019 units (56%)
ii. Affordable	=	1,361 units (25%)
iii. Subsidized	=	1,022 units (19%)

- e. There is also demand for 4,449 senior housing units by 2030. Senior housing demand is in addition to general occupancy demand.

i. Affordable	=	547 units (12.3%)
ii. Subsidized	=	337 units (7.6%)
iii. MR Active Adult	=	1,620 units (36.4%)
iv. MR Independent	=	225 units (5.0%)
v. MR Assisted Living	=	1,175 units (26.4%)
vi. MR Memory Care	=	545 units (12.2%)

- f. Rental Housing demand from 2022 to 2030 by submarket:

i. Northeast	=	42 units (0.8%)
ii. Stillwater	=	814 units (15.1%)
iii. Southeast	=	59 units (1.1%)
iv. Forest Lake	=	585 units (10.8%)
v. Hugo	=	291 units (5.4%)
vi. Mahtomedi	=	205 units (3.8%)
vii. Oakdale	=	692 units (12.8%)
viii. Lake Elmo	=	161 units (3.0%)
ix. Woodbury	=	1,779 units (32.9%)
x. Cottage Grove	=	774 units (14.3%)

KEY FINDINGS

3. The submarkets are divided between East and West Washington County. The East consists of the Northeast, Stillwater, and Southeast submarkets while Forest Lake, Hugo, Mahtomedi, Oakdale, Lake Elmo, Woodbury, and Cottage Grove comprise the West. The East submarket consists of higher priced single-family homes (median resale price in 2021 was \$455,000 compared to \$378,740 in the West) and fewer rental units. Higher priced homes in the East submarket are attributed, in part, to proximity to the St. Croix River, but also to large residential acreage development.
4. Development and enhancement of public transportation systems in Washington County continue to move forward. The Gateway Bus Rapid Transit (BRT) line is planned to begin construction in 2025 with completion by 2030. Approximately 11 stations are planned. Both the Gateway and Red Rock Corridors have the potential to attract new households through new transit-oriented development. Development of major transit corridors could increase growth beyond current forecasts and additional transportation options will improve access to job opportunities for low- and moderate-income households.
5. Washington County is a jobs exporter as the ratio of employed residents to jobs is 0.58. Many residents commute from Washington County to jobs in Ramsey or Hennepin County for higher-paying jobs. Although the median household income in Washington County was \$104,578 in 2022, the average wage was \$54,808 (2021 annual) for jobs in the county. As a result, many Washington County workers cannot afford market rate housing in Washington County unless they have two or more incomes in the household. For example, a household would need to earn \$67,920 to be able to afford the average two-bedroom monthly rent of \$1,698. The addition of more affordable housing would make it easier for workers to live closer to their place of employment. From an employer's perspective, it makes it easier – and less costly – to recruit and retain employees when affordable housing is available.
6. A higher proportion of Washington County renter households are housing cost-burdened than owner households. The Department of Housing and Urban Development has a general benchmark of 30% of a household's adjusted gross income as affordable. In Washington County, an estimated 47% of all renter households pay 30% or more of their income for rent. An estimated 22% of all renter households pay 50% or more of their income for rent and are considered "severely" cost-burdened. For renter households with incomes at or less than \$35,000 annually, 85% are cost-burdened (30% or more of income for rent) and 59% are severely cost-burdened (50% or more of income for rent).
7. Among owner households in Washington County, 17% of all owner households are cost-burdened as of 2022 (paying 30% or more of income on housing) and 6% are "severely cost-burdened (paying 50% or more of income on housing). For owner households with incomes at or less than \$50,000 annually, 58% are cost-burdened (30% or more of income for housing costs) and 32% are "severely" cost-burdened (50% or more of income for housing costs).

KEY FINDINGS

8. Washington County needs to increase the production of affordable housing. There are currently 4,153 affordable units in properties that are income-restricted. From 2022 to 2030, on average, 298 affordable/subsidized units are needed annually to meet demand to 2030. Maxfield Research recommends establishing a goal of 100 to 150 units annually to meet the growing need over the next decade. To satisfy this need, public and private sector efforts will be necessary.
9. Some communities in Washington County are experiencing significant growth in new subdivisions to meet demand for for-sale housing, while others are lagging. In some submarkets, there remains a need to plat additional lots to meet demand in the short-term (next three years) to have a sufficient lot supply available. In certain categories, such as townhomes and small lot single-family development, demand has increased, but there is still a lack of this product in the market to meet demand. Some of the issue is density and land costs, but developers are focused on meeting demand where they can cover costs and make a reasonable profit. This has increased the amount of product in the luxury home category.
10. The aging baby boomer generation is substantially impacting the composition of Washington County's population. This demographic is projected to have the highest growth and will be aging into their young senior years later this decade. This shift will result in demand for alternative housing products such as association-maintained villa product and twinhomes. At the same time household sizes are shrinking while non-family households are increasing. This shift is expected to continue due to changing demographics (i.e. delayed marriages, fewer children, aging of the population, etc.)
11. Rental vacancy rates have hit new lows in some communities and tightening vacancies and increasing rents have resulted in low- and moderate-income households experiencing greater challenges to secure affordable housing.
12. Development of market rate rental housing has been generally limited in suburban locations as the recovery has ensued. Developers have continued to focus on inner-city and urban core locations where households have been willing to pay higher rents for new apartments. Most of the new rental development within Washington County has been focused in Woodbury. Low vacancy rates indicate that continued pent-up demand exists for additional market rate rental units across the county. New market rate move-up apartments are needed among renter households, opening up more affordable units to low- and moderate-income households.

KEY FINDINGS

13. According to the Minneapolis Area Association of Realtors, which monitors the majority of home sales in the Twin Cities Metro Area, the median resale single-family price in 2021 was \$416,870, up 38% from 2017. Washington County posted the second highest median resale price in 2021 (\$386,000), behind Carver County at \$420,000. Market times for existing homes continue to post new lows in the Twin Cities Metro Area and entry-level for-sale homes are often in bidding wars. The median sales price for new construction single-family homes is at \$500,000 in the Metro Area and at \$555,000 in Washington County.

Study Impetus

Maxfield Research was engaged by the Washington County Community Development Agency (Washington County CDA) to conduct an update of the Comprehensive Housing Needs Assessment for Washington County. This housing needs assessment updates previous assessments completed by Maxfield Research in 2001, 2007, 2013 and 2017 for Washington County.

The comprehensive housing needs assessment calculates demand from 2022 to 2040 for various types of housing in each defined “Market Area” in the county. The study provides recommendations on the amount and types of housing that should be developed to accommodate the housing needs of new and existing households.

Scope of Work

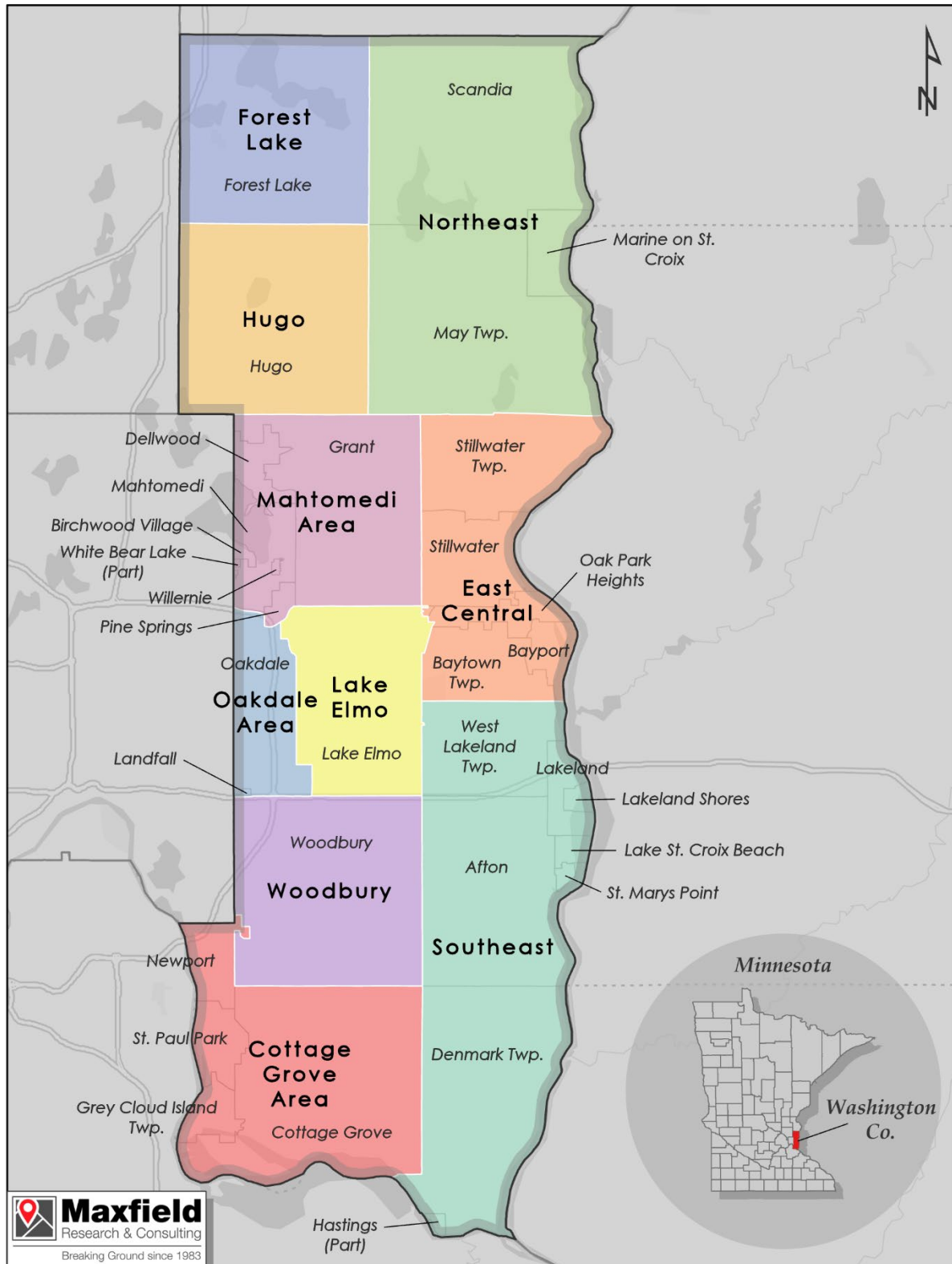
The scope of this study includes:

- an analysis of the demographic growth trends and characteristics of the county to 2040;
- an assessment of current housing characteristics in the county;
- an analysis of the for-sale housing market in the county;
- an analysis of the rental housing market in the county;
- an analysis of the senior housing market in the county;
- an estimate of the demand for all types of housing in the county from 2022 to 2040; and
- recommendations of appropriate housing concepts to meet current and future needs of county residents.

The report contains primary and secondary research. Primary research includes interviews with rental property managers and owners, developers, City staff and others involved in the housing market in Washington County. All the market data on existing and pending housing developments was collected by Maxfield Research and is accurate to the best of our knowledge. Secondary data, such as U.S. Census, is credited to the source, and is used as a basis for analysis.

Data was collected and analyzed for 10 defined “Market Areas” in the county. A map on the following page shows these Market Areas.

Washington County Housing Submarkets



Introduction

This section of the report examines factors related to the current and future demand for owned and rented housing in Washington County, Minnesota. It includes an analysis of population and household growth trends and projections, projected age distribution, household income, household types, household tenure, employment growth trends and characteristics. A review of these characteristics provides insight into the demand for various types of housing in the county.

Population and Household Growth from 1980 to 2020

Table D-1 presents the population and household growth of each submarket in Washington County for the decades 1980, 1990, 2000, 2010 and 2020. The data is from the U.S. Decennial Censuses. A breakdown of historic population and household growth trends for all cities and townships in each submarket in Washington County is provided at the end of the Demographic Analysis section.

Population

- The greatest numerical growth occurred between 1990 and 2000, where the population increased by 55,234 people (37.9%). This strong growth was fueled by movement to the outer fringe of the Twin Cities Metro Area as there was little available land to accommodate new housing closer to the Twin Cities core. Growth has remained robust but the subsequent decades, 2000 to 2010 and 2010 to 2020 experienced lower population growth, 37,006 and 29,432, respectively.
- Woodbury accounts for the largest proportion of growth in Washington County over the previous three decades, followed by Cottage Grove, although Hugo had significant growth during the 2000s. From 2010 to 2020, Woodbury accounted for an estimated 45% of all population growth; Cottage Grove accounted for 17% and Lake Elmo accounted for 11%.
- The East submarket's population increased by 4% from 2010 to 2020, while the West submarket's population increased by nearly 15%.

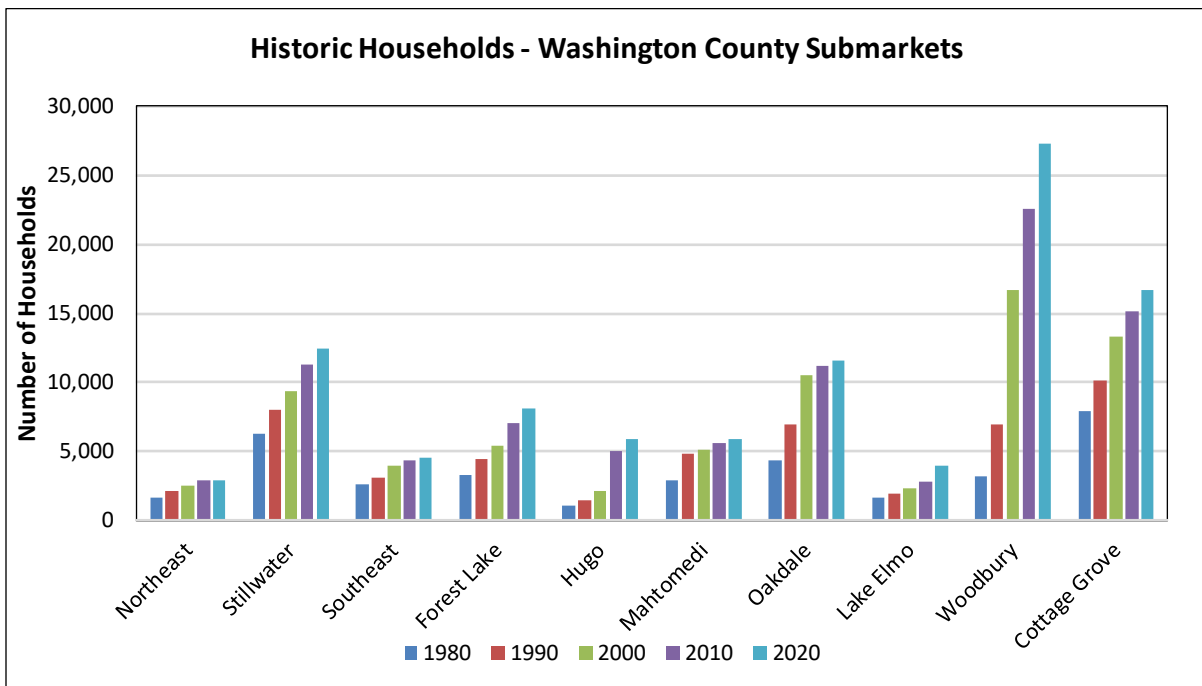
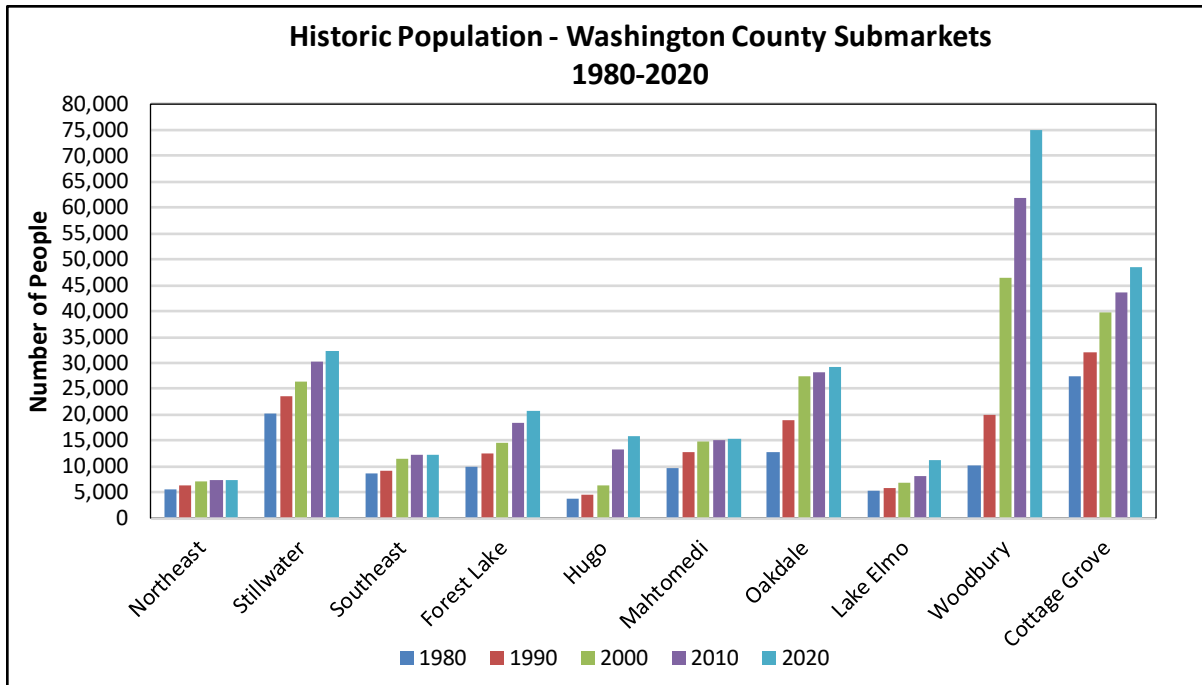
Households

- Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. However, additional demand can result from changing demographics of the population base, which results in demand for different housing products.

DEMOGRAPHIC ANALYSIS

TABLE D-1
HISTORIC POPULATION AND HOUSEHOLD GROWTH TRENDS
WASHINGTON COUNTY
1980-2020

	U.S. Census					Change							
						1980-1990		1990-2000		2000-2010		2010-2020	
	1980	1990	2000	2010	2020	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
POPULATION													
Northeast	5,477	6,334	7,222	7,401	7,318	857	15.6%	888	14.0%	179	2.5%	-83	-1.1%
Stillwater	20,263	23,573	26,348	30,124	32,221	3,310	16.3%	2,775	11.8%	3,776	14.3%	2,097	7.0%
Southeast	8,531	9,266	11,493	12,195	12,179	735	8.6%	2,227	24.0%	702	6.1%	-16	-0.1%
East Total	34,271	39,173	45,063	49,720	51,718	4,902	14.3%	5,890	15.0%	4,657	10.3%	1,998	4.0%
Forest Lake	9,927	12,523	14,440	18,375	20,611	2,596	26.2%	1,917	15.3%	3,935	27.3%	2,236	12.2%
Hugo	3,771	4,417	6,363	13,332	15,766	646	17.1%	1,946	44.1%	6,969	109.5%	2,434	18.3%
Mahtomedi	9,675	12,712	14,911	15,023	15,427	3,037	31.4%	2,199	17.3%	112	0.8%	404	2.7%
Oakdale	12,802	19,059	27,353	28,064	29,146	6,257	48.9%	8,294	43.5%	711	2.6%	1,082	3.9%
Lake Elmo	5,296	5,903	6,863	8,069	11,335	607	11.5%	960	16.3%	1,206	17.6%	3,266	40.5%
Woodbury	10,297	20,075	46,463	61,961	75,102	9,778	95.0%	26,388	131.4%	15,498	33.4%	13,141	21.2%
Cottage Grove	27,532	32,034	39,674	43,592	48,463	4,502	16.4%	7,640	23.8%	3,918	9.9%	4,871	11.2%
West Total	79,300	106,723	156,067	188,416	215,850	27,423	34.6%	49,344	46.2%	32,349	20.7%	27,434	14.6%
Washington County Total	113,571	145,896	201,130	238,136	267,568	32,325	28.5%	55,234	37.9%	37,006	18.4%	29,432	12.4%
HOUSEHOLDS													
Northeast	1,663	2,114	2,555	2,883	2,906	451	27.1%	441	20.9%	328	12.8%	23	0.8%
Stillwater	6,295	7,988	9,413	11,270	12,490	1,693	26.9%	1,425	17.8%	1,857	19.7%	1,220	10.8%
Southeast	2,579	3,070	3,981	4,384	4,508	491	19.0%	911	29.7%	403	10.1%	124	2.8%
East Total	10,537	13,172	15,949	18,537	19,904	2,635	25.0%	2,777	21.1%	2,588	16.2%	1,367	7.4%
Forest Lake	3,311	4,424	5,433	7,014	8,131	1,113	33.6%	1,009	22.8%	1,581	29.1%	1,117	15.9%
Hugo	1,082	1,416	2,125	4,990	5,939	334	30.9%	709	50.1%	2,865	134.8%	949	19.0%
Mahtomedi	2,935	4,842	5,101	5,574	5,912	1,907	65.0%	259	5.3%	473	9.3%	338	6.1%
Oakdale	4,314	6,999	10,535	11,213	11,608	2,685	62.2%	3,536	50.5%	678	6.4%	395	3.5%
Lake Elmo	1,687	1,973	2,347	2,776	4,004	286	17.0%	374	19.0%	429	18.3%	1,228	44.2%
Woodbury	3,232	6,927	16,676	22,594	27,290	3,695	114.3%	9,749	140.7%	5,918	35.5%	4,696	20.8%
Cottage Grove	7,903	10,093	13,296	15,157	16,719	2,190	27.7%	3,203	31.7%	1,861	14.0%	1,562	10.3%
West Total	24,464	36,674	55,513	69,318	79,603	12,210	49.9%	18,839	51.4%	13,805	24.9%	10,285	14.8%
Washington County Total	35,001	49,846	71,462	87,855	99,507	14,845	42.4%	21,616	43.4%	16,393	22.9%	11,652	13.3%
Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC													



- From 2000 to 2010, Washington County added 16,393 households (22.9%), increasing its household base to 87,855 households. Households in the Metro Area increased 9.4% over the same period. From 2010 to 2020, households increased by 11,652 (13.3%) to 99,507. Woodbury was again the leader, adding nearly 4,700 households (20.8%) during the period.
- Household growth rates modestly outpaced population growth in Washington County, suggesting there is a trend toward smaller household sizes. However, the county has continued to attract a significant number of families with children. Aging of the population base is reflected in growth in empty-nester households whose children have grown as well and empty-nester households moving into the county.

Population and Household Estimates and Projections

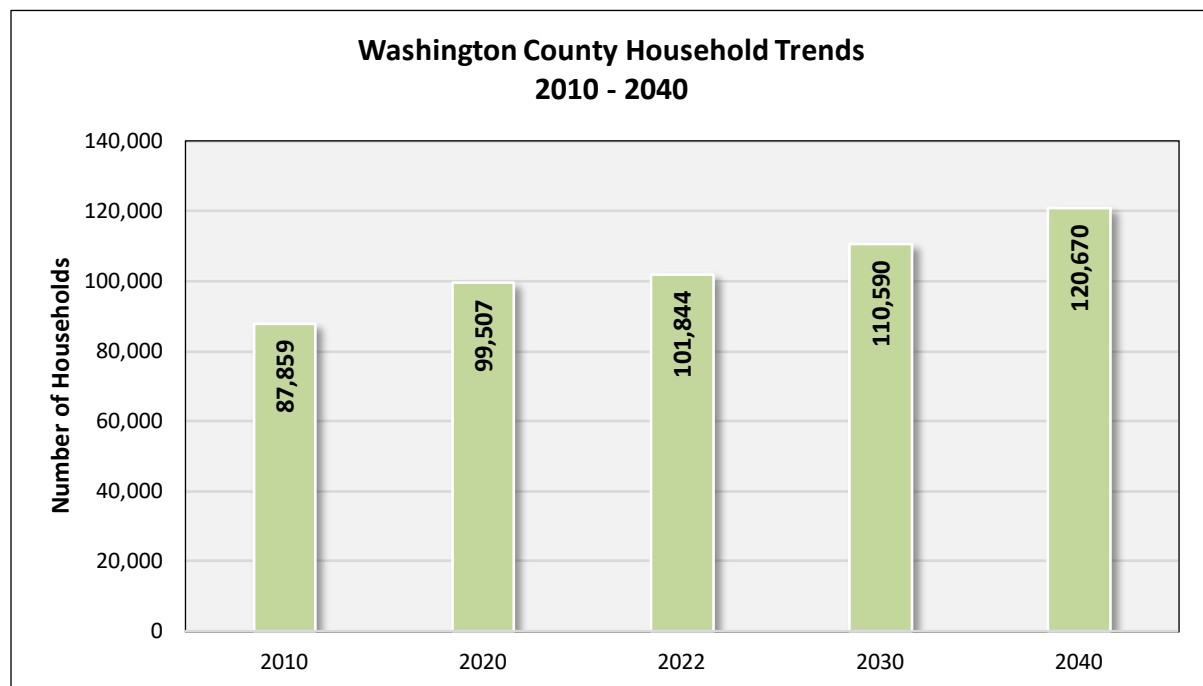
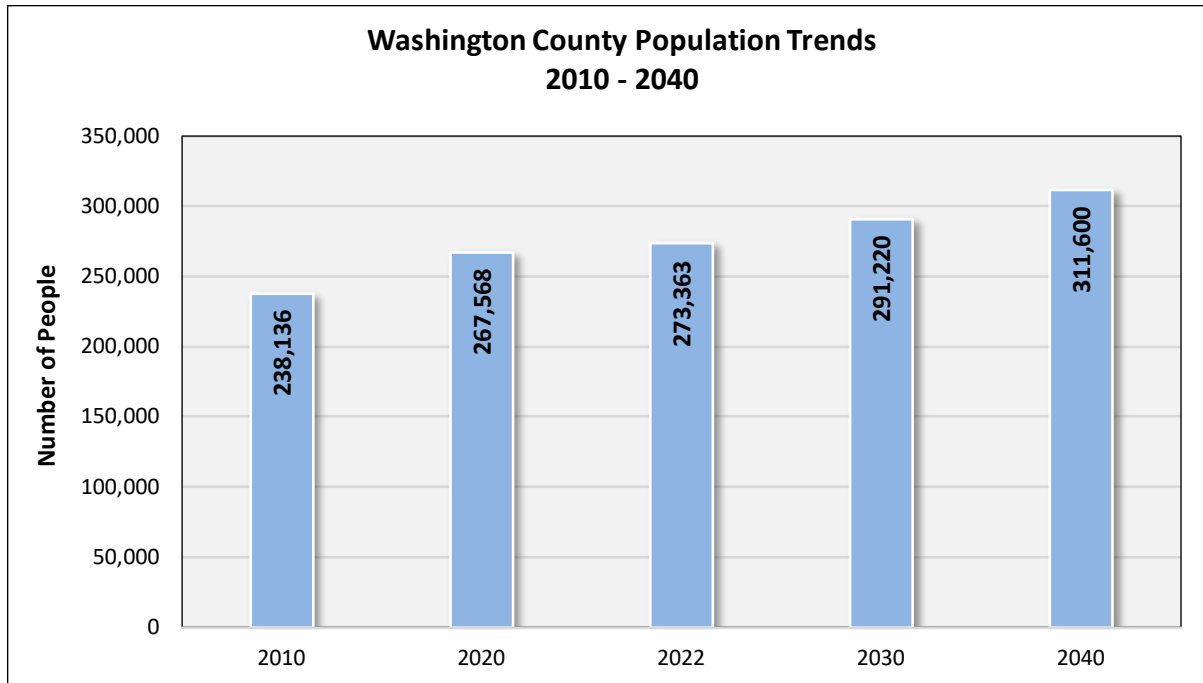
Table D-2 presents population and household growth trends and projections for Washington County through 2040. Estimates for 2022 and projections to 2040 are based on data compiled by the Metropolitan Council, with adjustments made by Maxfield Research to incorporate recent growth trends.

- Washington County will continue to experience strong growth during the next decade, but at a slower rate than during the past decade. Washington County is projected to grow by 23,652 people (8.1%) and 11,083 households (11.1%) between 2020 and 2030. In addition, Washington County is forecast to grow by 20,380 people (7.0%) and 10,080 households (9.1%) between 2030 and 2040.
- Since households represent occupied housing units, growth of approximately 11,000 households in Washington County this decade is anticipated to require an equal number of new housing units to accommodate the projected growth.
- There are two large transit projects that will, over time, have an impact on future growth and development in the central and southeast portions of the county. The first project is the Gateway Corridor (Gold Line Bus Rapid Transit) that will extend from Woodbury to Downtown St. Paul along Hudson Road for an estimated distance of 10 miles. The goal of the Gold Line BRT is to improve transit connections between the East Metro and Downtown St. Paul. As of March 2020, the project had met the environmental review requirements, per Met Council reports and construction is expected to begin in late 2022. The new Gateway Corridor transitway could be operational by 2025. The second project is the Red Rock Corridor, extending from Hastings to Downtown St. Paul with the objective of improving transit connections along Highway 61. The Red Rock Commission has selected BRT over rail as their preferred improvement and are moving forward with station area planning for the Red Rock BRT. As they proceed, these transit improvements are likely to positively impact growth and development in their respective geographies. A Red Rock Corridor Commission meeting is scheduled for July 2022.

DEMOGRAPHIC ANALYSIS

**TABLE D-2
POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS
WASHINGTON COUNTY
2010-2040**

	Census		Estimate	Forecast		Change					
						2010-2020		2020-2030		2030-2040	
	2010	2020	2022	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.
POPULATION											
Northeast	7,399	7,318	7,310	7,420	7,600	-81	-1.1%	102	1.4%	180	2.4%
Stillwater	30,124	32,221	32,640	34,100	35,800	2,097	7.0%	1,879	5.8%	1,700	5.0%
Southeast	12,203	12,179	12,175	12,500	13,000	-24	-0.2%	321	2.6%	500	4.0%
East Total	49,726	51,718	52,125	54,020	56,400	1,992	4.0%	2,302	4.5%	2,380	4.4%
Forest Lake	18,377	20,611	21,058	22,800	25,000	2,234	12.2%	2,189	10.6%	2,200	9.6%
Hugo	13,332	15,766	16,253	18,100	20,000	2,434	18.3%	2,334	14.8%	1,900	10.5%
Mahtomedi	15,023	15,427	15,508	15,800	16,100	404	2.7%	373	2.4%	300	1.9%
Oakdale	28,064	29,146	29,362	30,300	31,300	1,082	3.9%	1,154	4.0%	1,000	3.3%
Lake Elmo	8,061	11,335	11,890	13,500	17,500	3,274	40.6%	2,165	19.1%	4,000	29.6%
Woodbury	61,961	75,102	77,730	83,500	88,800	13,141	21.2%	8,398	11.2%	5,300	6.3%
Cottage Grove	43,592	48,463	49,437	53,200	56,500	4,871	11.2%	4,737	9.8%	3,300	6.2%
West Total	188,410	215,850	221,238	237,200	255,200	27,440	14.6%	21,350	9.9%	18,000	7.6%
Washington County Total	238,136	267,568	273,363	291,220	311,600	29,432	12.4%	23,652	8.1%	20,380	7.0%
Twin Cities Metro Area	2,849,567	3,163,104	3,220,684	3,451,000	3,653,000	313,537	11.0%	287,896	8.3%	202,000	5.9%
HOUSEHOLDS											
Northeast	2,883	2,906	2,915	3,140	3,470	23	0.8%	234	8.1%	330	10.5%
Stillwater	11,270	12,490	12,735	13,500	14,400	1,220	10.8%	1,010	8.1%	900	6.7%
Southeast	4,387	4,508	4,530	4,750	5,050	121	2.8%	242	5.4%	300	6.3%
East Total	18,540	19,904	20,180	21,390	22,920	1,364	7.4%	1,486	7.5%	1,530	7.2%
Forest Lake	7,015	8,131	8,355	9,200	10,200	1,116	15.9%	1,069	13.1%	1,000	10.9%
Hugo	4,990	5,939	6,129	6,900	7,900	949	19.0%	961	16.2%	1,000	14.5%
Mahtomedi	5,574	5,912	5,980	6,300	6,600	338	6.1%	388	6.6%	300	4.8%
Oakdale	11,213	11,608	11,690	12,100	12,350	395	3.5%	492	4.2%	250	2.1%
Lake Elmo	2,776	4,004	4,250	5,000	6,200	1,228	44.2%	996	24.9%	1,200	24.0%
Woodbury	22,594	27,290	28,230	31,500	35,000	4,696	20.8%	4,210	15.4%	3,500	11.1%
Cottage Grove	15,157	16,719	17,030	18,200	19,500	1,562	10.3%	1,481	8.9%	1,300	7.1%
West Total	69,319	79,603	81,664	89,200	97,750	10,284	14.8%	9,597	12.1%	8,550	9.6%
Washington County Total	87,859	99,507	101,844	110,590	120,670	11,648	13.3%	11,083	11.1%	10,080	9.1%
Twin Cities Metro Area	1,117,749	1,239,526	1,266,794	1,351,000	1,447,000	121,777	10.9%	111,474	9.0%	96,000	7.1%
Sources: U.S. Census Bureau; Metropolitan Council; Maxfield Research & Consulting, LLC											

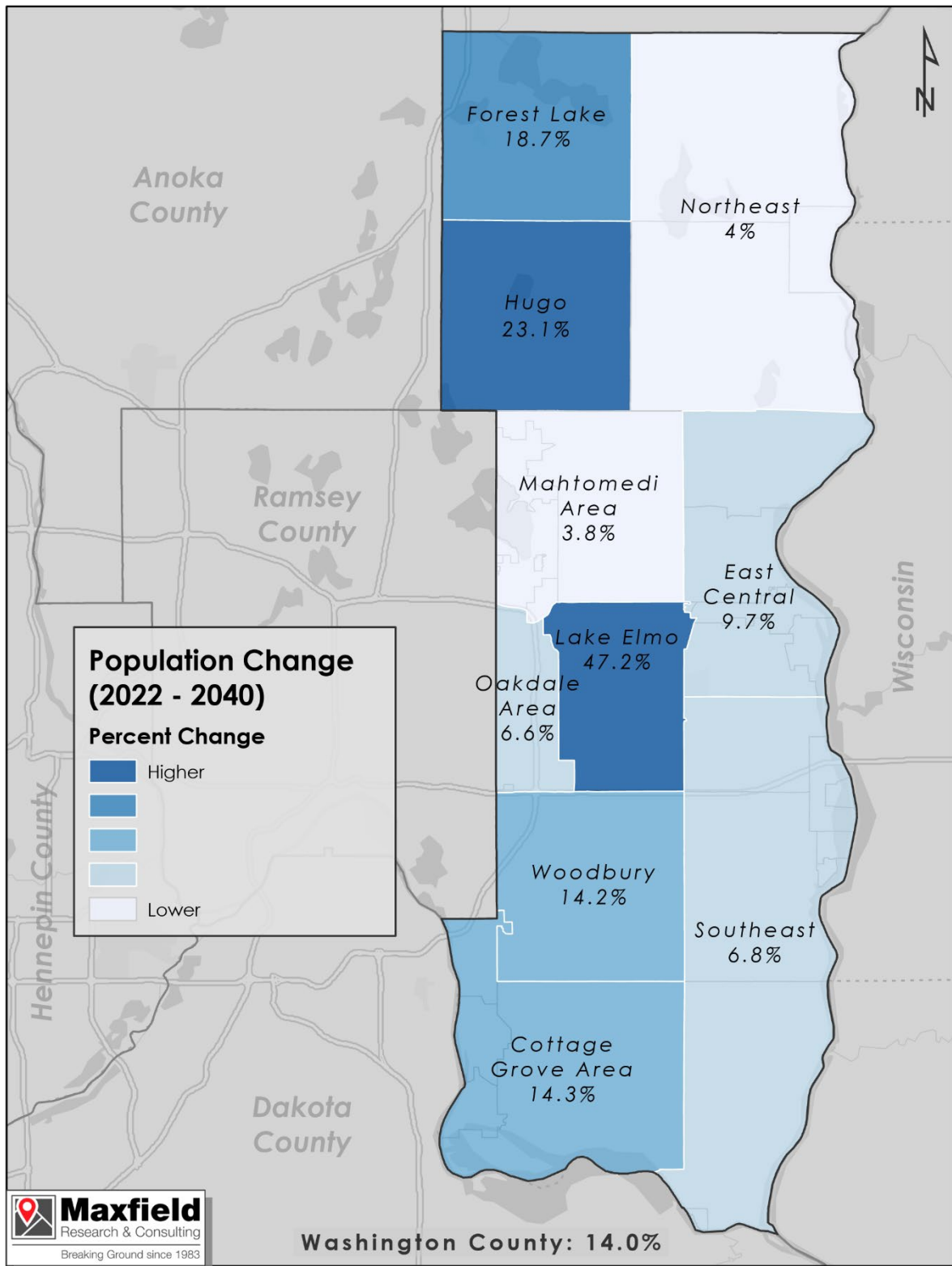


DEMOGRAPHIC ANALYSIS

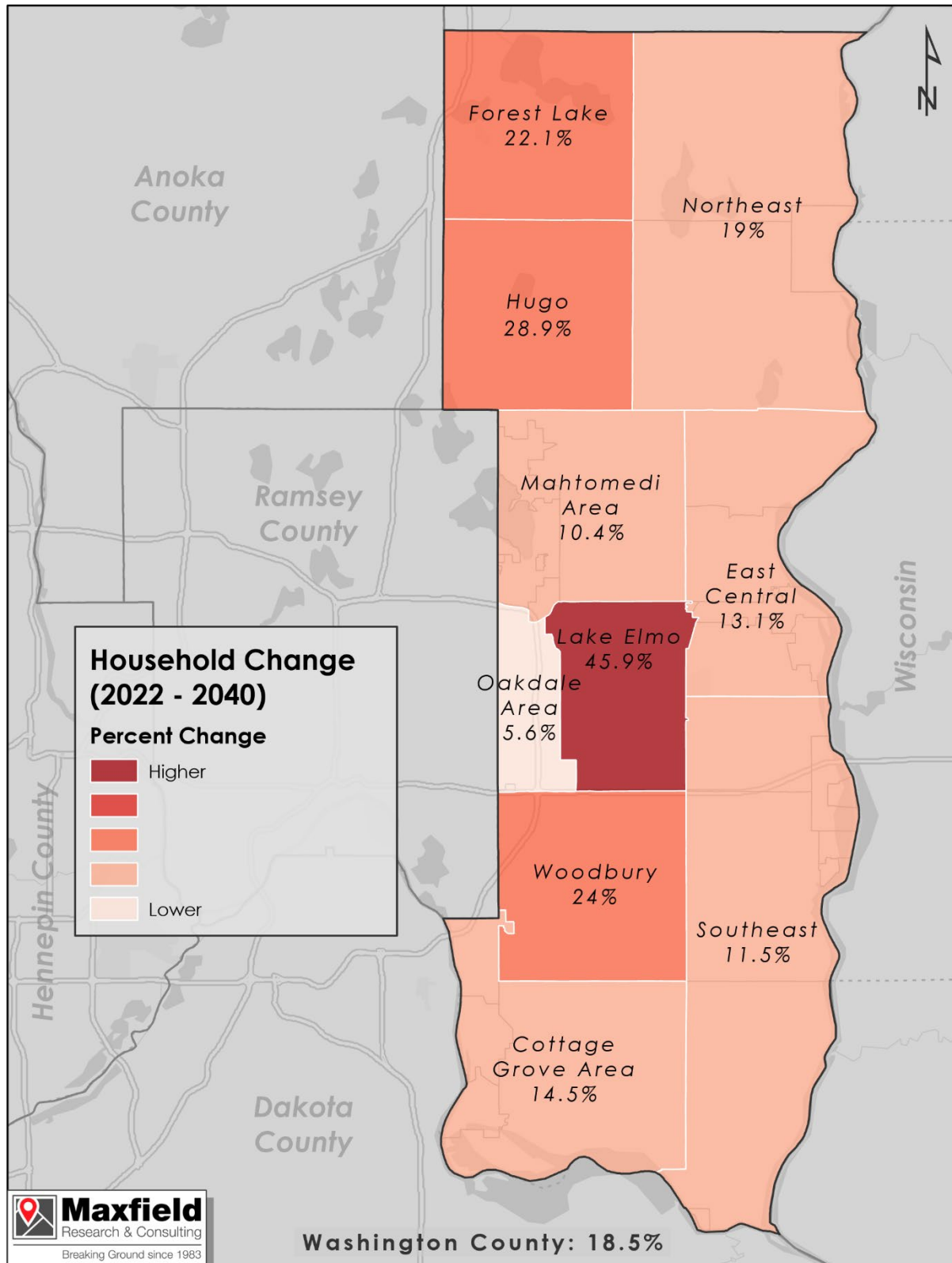
Maxfield Research completed the previous Washington County Comprehensive Housing Needs Analysis in 2017. With 2020 Census data, we can compare Metropolitan Council Projections vs actual figures from the U.S. Census. The 2020 Census is the official record of population and households but gathering of data for the 2020 Census experienced significant challenges including political discourse as well as the global COVID-19 pandemic. Table D-3 on the following page shows actual vs. projected data for each submarket, Washington County, and the Twin Cities Metro Area as a whole.

TABLE D-3 CHANGE IN ACTUAL VS PROJECTED - POPULATION AND HOUSEHOLDS WASHINGTON COUNTY					
	Census/Met Council		Difference		
	Actual	Projected			
	2020	2020	Number		Pct.
Population					
Northeast	7,318	8,000	-682		-9.3%
Stillwater	32,221	33,330	-1,109		-3.4%
Southeast	12,179	12,980	-801		-6.6%
East Total	51,718	54,310	-2,592		-5.0%
Forest Lake	20,611	21,500	-889		-4.3%
Hugo	15,766	16,900	-1,134		-7.2%
Mahtomedi	15,427	15,600	-173		-1.1%
Oakdale	29,146	30,360	-1,214		-4.2%
Lake Elmo	11,335	11,020	315		2.8%
Woodbury	75,102	72,500	2,602		3.5%
Cottage Grove	48,463	48,300	163		0.3%
West Total	215,850	216,180	-330		-0.2%
Washington County	267,568	270,490	-2,922		-1.1%
Twin Cities Metro	3,163,104	3,168,000	-4,896		-0.2%
Households					
Northeast	2,906	3,240	-334		-11.5%
Stillwater	12,490	13,160	-670		-5.4%
Southeast	4,508	4,770	-262		-5.8%
East Total	19,904	21,170	-1,266		-6.4%
Forest Lake	8,131	8,600	-469		-5.8%
Hugo	5,939	6,700	-761		-12.8%
Mahtomedi	5,912	5,970	-58		-1.0%
Oakdale	11,608	12,300	-692		-6.0%
Lake Elmo	4,004	3,800	204		5.1%
Woodbury	27,290	26,800	490		1.8%
Cottage Grove	16,719	17,250	-531		-3.2%
West Total	79,603	81,420	-1,817		-2.3%
Washington County	99,507	102,590	-3,083		-3.1%
Twin Cities Metro	1,239,526	1,237,000	2,526		0.2%
Sources: US Census; Metropolitan Council					

Washington County – Population Change



Washington County – Household Change



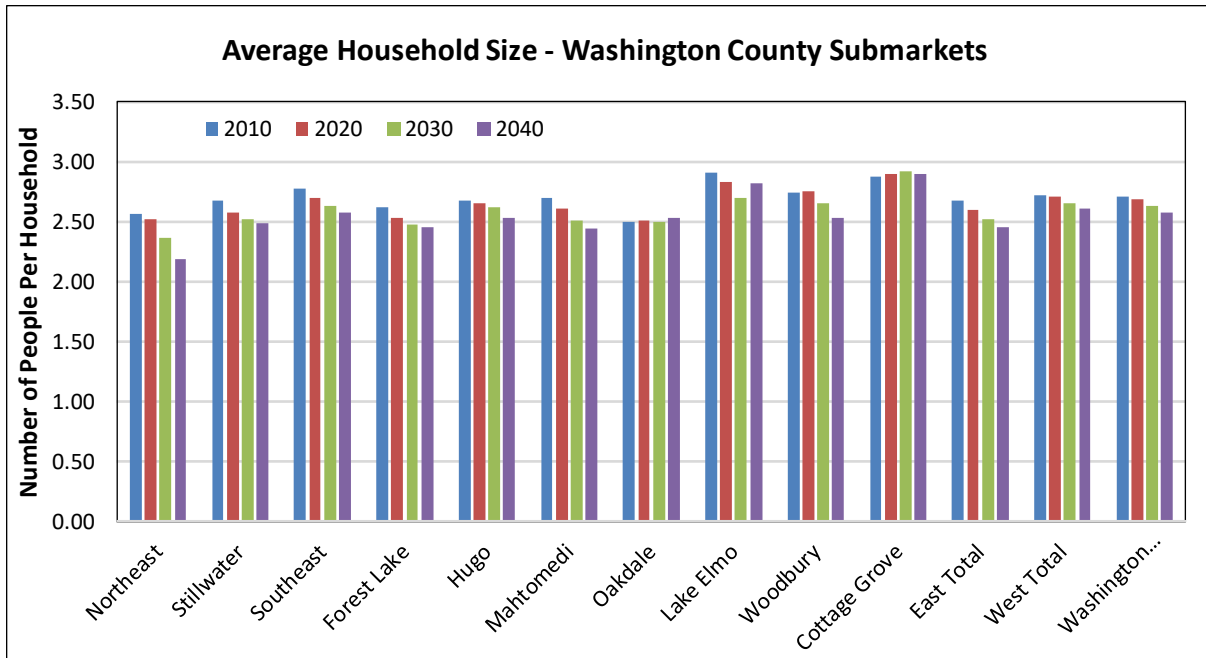
Household Size

Household size is calculated by dividing the number of people in occupied dwelling units by the number of households, excluding group quarters. The average number of people per households in the U.S. has been declining for over a century; there have been however, sharp declines that started in the late 1960s and have continued. The number of people per household in the U.S. was estimated at 4.5 in 1916 and had decreased to 3.2 in the 1960s. It dropped to 2.57 as of the 2000 Census. During the economic recession, this trend temporarily stalled as renters and laid-off employees “doubled-up,” which increased the average U.S. household size to 2.59 by the 2010 Census. With Millennials in their childbearing years, there has been some stabilization in household size in the Twin Cities Metro Area, but the State Demographer has predicted that household size will continue to decrease over the next 20 years as the population overall continues to age.

Declining household sizes have been caused by several factors, including: aging of the population as a whole, higher divorce rates, cohabitation, smaller family sizes and demographic trends in marriage. Most of these changes have resulted from shifts in societal values, the economy, and improvements in health care that influence people’s lifestyles. Table D-4 and the following charts show the household size for each submarket in Washington County.

- In 2010, average household sizes ranged between 2.50 (Oakdale submarket) and 2.91 (Lake Elmo submarket). In Washington County, the average household size was 2.71. As of 2020, Oakdale again had the smallest household size and Cottage Grove had the largest at 2.90.
- By 2030, the average household size in Washington County is projected to decrease from 2.71 in 2010 to 2.63, before decreasing slightly to 2.58 by 2040.

TABLE D-4 POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS WASHINGTON COUNTY 1990 - 2040							
	Census		Census		Estimate	Forecast	
	1990	2000	2010	2020	2022	2030	2040
PEOPLE PER HOUSEHOLD							
Northeast	3.00	2.83	2.57	2.52	2.51	2.36	2.19
Stillwater	2.95	2.80	2.67	2.58	2.56	2.53	2.49
Southeast	3.02	2.89	2.78	2.70	2.69	2.63	2.57
East Total	2.97	2.83	2.68	2.60	2.58	2.53	2.46
Forest Lake	2.83	2.66	2.62	2.53	2.52	2.48	2.45
Hugo	3.12	2.99	2.67	2.65	2.65	2.62	2.53
Mahtomedi	2.63	2.92	2.70	2.61	2.59	2.51	2.44
Oakdale	2.72	2.60	2.50	2.51	2.51	2.50	2.53
Lake Elmo	2.99	2.92	2.91	2.83	2.80	2.70	2.82
Woodbury	2.90	2.79	2.74	2.75	2.75	2.65	2.54
Cottage Grove	3.17	2.98	2.88	2.90	2.90	2.92	2.90
West Total	2.91	2.81	2.72	2.71	2.71	2.66	2.61
Washington County Total	2.93	2.81	2.71	2.69	2.68	2.63	2.58
Sources: US Census Bureau; Metropolitan Council; Maxfield Research and Consulting, LLC.							



Age Distribution Trends

All people born together in a particular year or group of years are sometimes called historical or cohort generations. The following table shows the accepted periods for the five American generations during the 20th and 21st Centuries.

Generation Y and the Baby Boom generation account for the largest generations in Washington County in 2022, an estimated 22.7%. By 2030, the largest generation in Washington County is estimated to be Generation Z, accounting for 27.3% of the population.

DEMOGRAPHICS & HOUSING DEMAND							
Year	Student Housing	Rental Housing	1st-time Home Buyer	Move-up Home Buyer	2nd Home Buyer	Empty Nester/ Downsizer	Senior Housing
2022	Gen Y	Gen Y	Gen Y	Gen X	Gen X	Baby B	Silent Baby B
2025	Gen Z	Gen Z	Gen Y Gen Z	Gen X Gen Y	Gen X Gen Y	Gen X Baby B	Silent Baby B
2030	Gen Z	Gen Z	Gen Z	Gen Y	Gen Y	Gen X	Baby B
2040	TBD	Gen Z	Gen Z	Gen Y	Gen Y	Gen X	Baby B

Source: Maxfield Research & Consulting, LLC

AMERICAN GENERATIONS YEAR BORN AND PERCENT OF POPULATION				
Generation	Born	2022 Age	2022 % of Wash. Co.	2022 % of Metro Area
Silent Generation	before 1946	77+	4.7%	5.3%
Baby Boomers	1946 - 1964	58 - 76	20.2%	19.3%
Generation X	1965 - 1980	42 - 57	21.8%	20.1%
Generation Y (Millennials)	1981 - 1994	28 - 41	19.7%	22.7%
Generation Z	1995 - 2009	13 - 27	17.1%	17.5%
Generation Alpha	2010 - 2024	0 - 12	16.5%	15.1%
Generation	Born	2030 Age	2030 % of Wash. Co.	2030 % of Metro Area
Silent Generation	before 1946	84+	2.3%	2.5%
Baby Boomers	1946 - 1964	66 - 83	13.9%	15.5%
Generation X	1965 - 1980	50 - 65	20.7%	20.4%
Generation Y (Millennials)	1981 - 1994	36 - 49	26.2%	25.7%
Generation Z	1995 - 2009	21 - 35	18.8%	19.8%
Generation Alpha	2010 - 2024	6 - 20	18.1%	16.1%

Table D-5 shows the distribution of people in nine age cohorts for the ten submarkets in Washington County in 2000 and 2010 with estimates for 2022 and projections for 2030, summarized on the table above and the charts below. The 2000 and 2010 age distributions are from the U.S. Census Bureau. The 2022 estimates and 2030 projections were obtained from ESRI. The following are key points from the table.

- In 2010, the largest adult cohort in Washington County was 45 to 54, totaling 40,412 people (17.0% of the total population). Mirroring trends observed across the nation, the aging baby boom generation is substantially impacting the composition of County's population. Born between 1946 and 1964, these individuals comprised the age groups 45 to 54 and 55 to 64 in 2010. As of 2010, baby boomers accounted for an estimated 29.4% of Washington County's population. This age group is projected to decline to 19.6% of the county population by 2022 as it will be overtaken by the Generation Z generation at 30.1% and Generation Y at 24.8%).
- The social changes that occurred with the aging of the baby boom generation, such as higher divorce rates, higher levels of education and lower birth rates has led to a greater variety of lifestyles than existed in the past – not only among baby boomers, but also among their parents and children. The increased variety of lifestyles has fueled demand for alternative housing products to single-family homes. Seniors, in particular, and middle-aged persons tend to do more traveling and participate in more activities than previous generations and they increasingly prefer maintenance-free housing that enables them to spend more time on activities outside the home.

DEMOGRAPHIC ANALYSIS

- The 35 to 44 age group was the third largest cohort with 37,816 people (13.8%). Washington County has an almost equal proportion of Generation X (age 42-57) than the Metro Area (20.3% compared to 21.0%, respectively) as of 2022.
- Washington County's population of 18- to 34-year-olds, which consists primarily of renters and first-time homebuyers, increased by 16.8% between 2010 and 2022 and is projected to increase another 4.1% between 2022 and 2030. This will increase demand for rental units and starter homes.

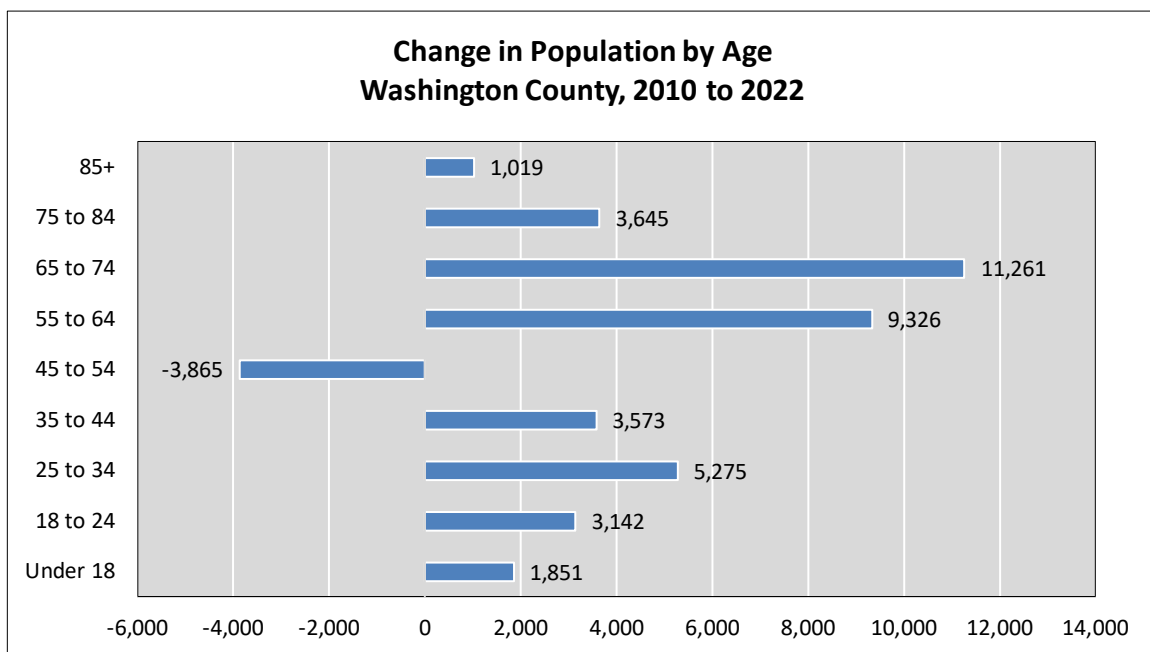
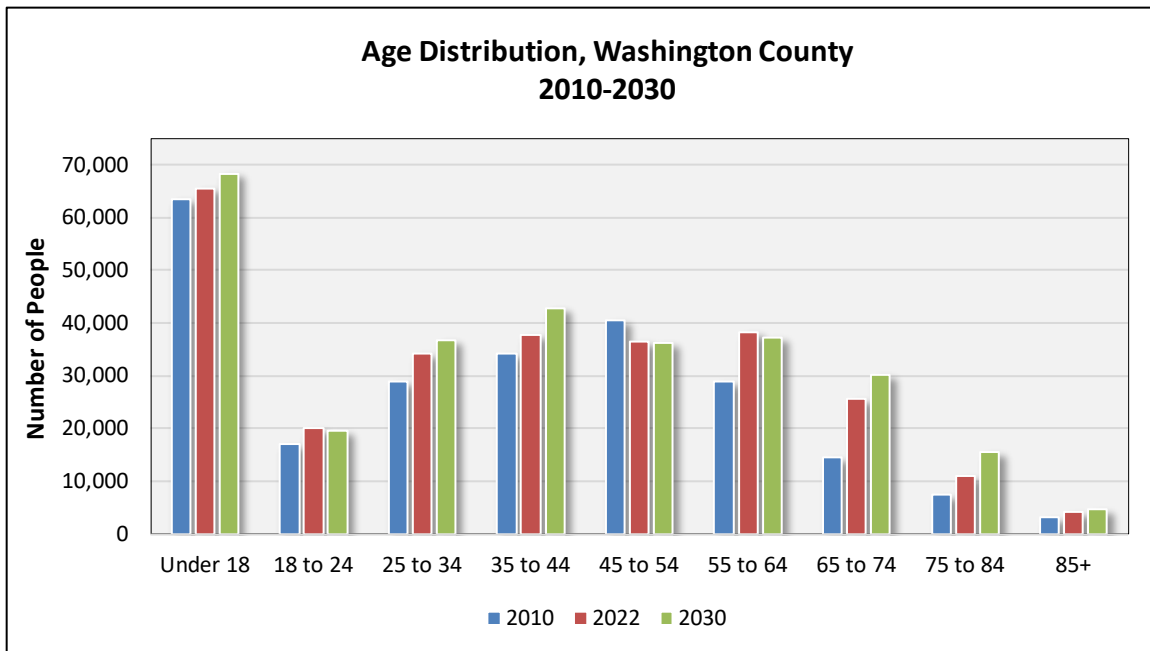


TABLE D-5 POPULATION AGE DISTRIBUTION WASHINGTON COUNTY 2000 to 2030								
	Number of People				Change			
	U.S. Census		Estimate	Projection	2000-2010		2022-2030	
	2000	2010	2022	2030				
Northeast	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	1,942	1,622	1,394	1,396	-320	-19.7	2	0.1
18 to 24	431	379	357	341	-52	-13.7	-16	-4.3
25 to 34	484	406	430	424	-78	-19.2	-6	-1.4
35 to 44	1,389	839	739	791	-550	-65.6	52	6.2
45 to 54	1,498	1,605	1,217	1,161	107	6.7	-56	-3.5
55 to 64	836	1,473	1,606	1,422	637	43.2	-184	-12.5
65 to 74	396	704	1,082	1,259	308	43.8	178	25.2
75 to 84	200	284	376	497	84	29.6	121	42.7
85+	46	89	111	129	43	48.3	18	20.8
Total	7,222	7,401	7,310	7,420	179	2.4	110	1.5
Stillwater	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	6,704	6,936	6,326	6,276	232	3.3	-50	-0.7
18 to 24	1,960	2,232	2,719	2,582	272	12.2	-136	-6.1
25 to 34	3,424	3,394	4,154	4,613	-30	-0.9	458	13.5
35 to 44	4,874	4,304	3,752	4,173	-570	-13.2	421	9.8
45 to 54	4,206	5,001	4,434	4,030	795	15.9	-403	-8.1
55 to 64	2,325	3,983	4,813	4,758	1,658	41.6	-55	-1.4
65 to 74	1,393	2,099	3,594	4,098	706	33.6	504	24.0
75 to 84	1,006	1,356	1,865	2,514	350	25.8	648	47.8
85+	456	819	983	1,056	363	44.3	73	8.9
Total	26,348	30,124	32,640	34,100	3,776	12.5	1,460	4.8
Southeast	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	3,285	3,101	2,278	2,202	-184	-5.9	-76	-2.5
18 to 24	670	770	893	706	100	13.0	-187	-24.2
25 to 34	991	783	1,411	1,408	-208	-26.6	-3	-0.3
35 to 44	2,275	1,493	1,075	1,595	-782	-52.4	521	34.9
45 to 54	2,259	2,617	1,581	1,257	358	13.7	-324	-12.4
55 to 64	1,220	2,095	2,432	2,051	875	41.8	-381	-18.2
65 to 74	495	925	1,706	2,063	430	46.5	357	38.6
75 to 84	233	321	653	1,003	88	27.4	350	109.1
85+	65	90	147	214	25	27.8	67	74.5
Total	11,493	12,195	12,175	12,500	702	5.8	325	2.7
Forest Lake	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	3,902	4,827	5,132	5,456	925	19.2	324	6.7
18 to 24	1,172	1,401	1,602	1,753	229	16.3	151	10.8
25 to 34	1,842	2,417	2,772	2,867	575	23.8	95	3.9
35 to 44	2,564	2,570	2,896	3,164	6	0.2	268	10.4
45 to 54	2,210	2,790	2,610	2,777	580	20.8	167	6.0
55 to 64	1,320	2,286	2,695	2,691	966	42.3	-4	-0.2
65 to 74	713	1,229	2,123	2,321	516	42.0	198	16.1
75 to 84	501	578	917	1,388	77	13.3	471	81.5
85+	216	277	312	385	61	22.0	72	26.1
Total	14,440	18,375	21,058	22,800	3,935	21.4	1,742	9.5
--continued--								

TABLE D-5 Continued POPULATION AGE DISTRIBUTION WASHINGTON COUNTY 2000 to 2030								
	Number of People				Change			
	U.S. Census		Estimate	Projection				
	2000	2010	2022	2030	2000-2010		2022-2030	
Hugo	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	1,994	3,721	4,492	4,927	1,727	46.4	435	11.7
18 to 24	415	834	1,054	1,093	419	50.2	39	4.6
25 to 34	950	2,381	1,929	2,078	1,431	60.1	149	6.3
35 to 44	1,252	2,136	2,934	3,313	884	41.4	378	17.7
45 to 54	894	1,905	2,116	2,248	1,011	53.1	131	6.9
55 to 64	549	1,315	1,863	1,969	766	58.3	107	8.1
65 to 74	187	719	1,218	1,539	532	74.0	321	44.7
75 to 84	95	233	540	765	138	59.2	225	96.4
85+	27	88	107	169	61	69.3	62	70.6
Total	6,363	13,332	16,253	18,100	6,969	52.3	1,847	13.9
Mahtomedi	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	4,692	3,822	3,113	2,967	-870	-22.8	-146	-3.8
18 to 24	802	967	1,112	974	165	17.1	-139	-14.4
25 to 34	1,048	890	1,281	1,405	-158	-17.8	124	13.9
35 to 44	3,025	1,613	1,385	1,617	-1,412	-87.5	233	14.4
45 to 54	2,599	3,231	2,423	2,198	632	19.6	-224	-6.9
55 to 64	1,498	2,329	3,019	2,718	831	35.7	-300	-12.9
65 to 74	777	1,167	1,844	2,278	390	33.4	434	37.2
75 to 84	363	642	896	1,163	279	43.5	267	41.6
85+	107	362	436	480	255	70.4	44	12.2
Total	14,911	15,023	15,508	15,800	112	0.7	292	1.9
Oakdale	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	7,935	6,799	6,090	6,253	-1,136	-16.7	163	2.4
18 to 24	1,986	2,650	2,333	2,259	664	25.1	-74	-2.8
25 to 34	4,129	3,718	4,550	4,309	-411	-11.1	-241	-6.5
35 to 44	5,335	3,590	3,913	4,556	-1,745	-48.6	643	17.9
45 to 54	3,617	4,829	3,506	3,426	1,212	25.1	-80	-1.7
55 to 64	2,054	3,351	4,252	3,860	1,297	38.7	-392	-11.7
65 to 74	1,286	1,711	2,888	3,311	425	24.8	423	24.7
75 to 84	819	1,021	1,314	1,767	202	19.8	453	44.4
85+	192	395	516	559	203	51.4	43	10.8
Total	27,353	28,064	29,362	30,300	711	2.5	938	3.3
Lake Elmo	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	2,004	2,189	2,772	3,029	185	8.5	257	11.8
18 to 24	496	516	788	770	20	3.9	-19	-3.6
25 to 34	648	582	1,101	1,206	-66	-11.3	106	18.1
35 to 44	1,361	1,099	1,507	1,928	-262	-23.8	421	38.3
45 to 54	1,185	1,669	1,858	1,941	484	29.0	83	5.0
55 to 64	688	1,128	1,989	2,088	440	39.0	99	8.8
65 to 74	330	589	1,260	1,617	259	44.0	358	60.7
75 to 84	121	236	485	746	115	48.7	261	110.7
85+	30	61	130	174	31	50.8	44	72.8
Total	6,863	8,069	11,890	13,500	1,206	14.9	1,610	20.0

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DEMOGRAPHIC ANALYSIS

TABLE D-5 Continued
POPULATION AGE DISTRIBUTION
WASHINGTON COUNTY
2000 to 2030

	Number of People				Change			
	U.S. Census		Estimate	Projection				
	2000	2010	2022	2030	2000-2010		2022-2030	
Woodbury	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	14,218	18,318	21,744	22,907	4,100	22.4	1,163	6.3
18 to 24	2,749	3,844	5,470	5,499	1,095	28.5	29	0.8
25 to 34	7,790	8,297	9,342	10,690	507	6.1	1,348	16.3
35 to 44	9,374	9,998	12,502	13,442	624	6.2	940	9.4
45 to 54	6,428	9,979	10,422	10,803	3,551	35.6	380	3.8
55 to 64	3,078	6,361	9,351	9,162	3,283	51.6	-190	-3.0
65 to 74	1,651	2,971	5,791	6,836	1,320	44.4	1,045	35.2
75 to 84	809	1,619	2,296	3,191	810	50.0	895	55.3
85+	366	574	812	971	208	36.2	159	27.7
Total	46,463	61,961	77,730	83,500	15,498	25.0	5,770	9.3
Cottage Grove	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	12,549	12,263	12,108	12,789	-286	-2.3	681	5.6
18 to 24	3,045	3,454	3,860	3,702	409	11.8	-158	-4.6
25 to 34	6,035	5,996	7,171	7,726	-39	-0.7	556	9.3
35 to 44	7,428	6,601	7,114	8,135	-827	-12.5	1,021	15.5
45 to 54	5,314	6,786	6,380	6,413	1,472	21.7	33	0.5
55 to 64	2,916	4,667	6,295	6,398	1,751	37.5	103	2.2
65 to 74	1,602	2,326	4,195	4,942	724	31.1	747	32.1
75 to 84	635	1,175	1,770	2,437	540	46.0	667	56.8
85+	150	324	546	660	174	53.7	114	35.1
TOTAL	39,674	43,592	49,437	53,200	3,918	9.0	3,763	8.6
Washington Total	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	59,225	63,598	65,449	68,202	4,373	6.9	2,753	4.3
18 to 24	13,726	17,047	20,189	19,678	3,321	19.5	-510	-3.0
25 to 34	27,341	28,864	34,139	36,726	1,523	5.3	2,587	9.0
35 to 44	38,877	34,243	37,816	42,713	-4,634	-13.5	4,897	14.3
45 to 54	30,210	40,412	36,547	36,254	10,202	25.2	-293	-0.7
55 to 64	16,484	28,988	38,314	37,117	12,504	43.1	-1,197	-4.1
65 to 74	8,830	14,440	25,701	30,265	5,610	38.9	4,564	31.6
75 to 84	4,782	7,465	11,110	15,470	2,683	35.9	4,360	58.4
85+	1,655	3,079	4,098	4,795	1,424	46.2	697	22.6
TOTAL	201,130	238,136	273,363	291,220	37,006	15.5	17,857	7.5

Sources: U.S. Census Bureau; ESRI; Maxfield Research & Consulting, LLC

Race and Ethnicity

The race and ethnicity of the population shows the diversity for each submarket in Washington County. Tables D-6 and D-7 present race and ethnicity data in 2010 and the 2020 from the U.S. Census.

- In 2020, “White Alone” comprised the largest proportion of the population in every submarket and 87.8% of the County population. The Oakdale submarket was estimated to have the lowest percentage (66.9%) and the Northeast submarket had the highest (93.7%).
- While “White Alone” is estimated as the largest race category in 2020, it represented a smaller portion of the total population, decreasing from 87.8% in 2010 to 79.1% in 2020.
- “Two or More Races” experienced the largest growth, numerically and by percentage between 2010 and 2020, increasing 238.8% (11,959 people) in Washington County. This was followed by “Some Other Race” increasing by an estimated 114.7% (2,639 people) and “Black or African American Alone,” which increased by 5,462 people or 63.7%.
- Although Hispanics/Latinos are estimated to comprise only 3.4% of the population in 2010, there was a 61.1% increase in this group between 2010 and 2020.
- Individuals responding to the Census select their race in addition to indicating if they are of Hispanic/Latino origin. Since people self-identify their racial classification, there may be confusion on the part of some people about what category most accurately describes their race. Some people may choose to self-identify using their ethnicity as their race. The increasing diversity of the nation has likely resulted in some confusion over these figures which is expected to continue.

DEMOGRAPHIC ANALYSIS

**TABLE D-6
RACE
WASHINGTON COUNTY
2010 & 2020**

	White Alone		Black or African American Alone		American Indian or Alaska Native Alone		Native Hawaiian or Other Pacific Islander Alone		Asian Alone		Some Other Race		Two or More Races Alone	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
Number														
Northeast	7,219	6,858	15	19	21	15	0	7	61	54	18	55	67	310
Stillwater	27,745	28,037	1,057	1,347	317	299	5	12	394	565	154	282	452	1,679
Southeast	11,526	11,012	72	60	39	34	4	3	335	391	60	138	159	541
East Total	46,490	45,907	1,144	1,426	377	348	9	22	790	1,010	232	475	678	2,530
Forest Lake	17,394	18,196	195	350	73	91	10	4	269	547	117	239	317	1,184
Hugo	12,381	13,837	105	307	39	67	4	2	465	527	77	196	261	830
Mahtomedi	14,280	13,850	223	288	39	25	5	0	215	307	54	146	207	811
Oakdale	22,770	19,492	1,664	2,916	134	157	8	13	2,258	3,539	434	1,114	796	1,915
Lake Elmo	7,451	9,329	65	201	28	59	1	1	266	632	107	433	151	680
Woodbury	50,462	54,319	3,487	5,578	171	246	15	19	5,660	8,576	592	1,072	1,574	5,292
Cottage Grove	37,784	36,724	1,696	2,975	227	291	25	17	2,148	3,466	687	1,264	1,025	3,726
West Total	162,522	165,747	7,435	12,615	711	936	68	56	11,281	17,594	2,068	4,464	4,331	14,438
Washington Total	209,012	211,654	8,579	14,041	1,088	1,284	77	78	12,071	18,604	2,300	4,939	5,009	16,968
Percent of Total														
Northeast	97.5%	93.7%	0.2%	0.3%	0.3%	0.2%	0.0%	0.1%	0.8%	0.7%	0.2%	0.8%	0.9%	4.2%
Stillwater	92.1%	87.0%	3.5%	4.2%	1.1%	0.9%	0.0%	0.0%	1.3%	1.8%	0.5%	0.9%	1.5%	5.2%
Southeast	94.5%	90.4%	0.6%	0.5%	0.3%	0.3%	0.0%	0.0%	2.7%	3.2%	0.5%	1.1%	1.3%	4.4%
East Total	93.5%	88.8%	2.3%	2.8%	0.8%	0.7%	0.0%	0.0%	1.6%	2.0%	0.5%	0.9%	1.4%	4.9%
Forest Lake	94.7%	88.3%	1.1%	1.7%	0.4%	0.4%	0.1%	0.0%	1.5%	2.7%	0.6%	1.2%	1.7%	5.7%
Hugo	92.9%	87.8%	0.8%	1.9%	0.3%	0.4%	0.0%	0.0%	3.5%	3.3%	0.6%	1.2%	2.0%	5.3%
Mahtomedi	95.1%	89.8%	1.5%	1.9%	0.3%	0.2%	0.0%	0.0%	1.4%	2.0%	0.4%	0.9%	1.4%	5.3%
Oakdale	81.1%	66.9%	5.9%	10.0%	0.5%	0.5%	0.0%	0.0%	8.0%	12.1%	1.5%	3.8%	2.8%	6.6%
Lake Elmo	92.3%	82.3%	0.8%	1.8%	0.3%	0.5%	0.0%	0.0%	3.3%	5.6%	1.3%	3.8%	1.9%	6.0%
Woodbury	81.4%	72.3%	5.6%	7.4%	0.3%	0.3%	0.0%	0.0%	9.1%	11.4%	1.0%	1.4%	2.5%	7.0%
Cottage Grove	86.7%	75.8%	3.9%	6.1%	0.5%	0.6%	0.1%	0.0%	4.9%	7.2%	1.6%	2.6%	2.4%	7.7%
West Total	86.3%	76.8%	3.9%	5.8%	0.4%	0.4%	0.0%	0.0%	6.0%	8.2%	1.1%	2.1%	2.3%	6.7%
Washington Total	87.8%	79.1%	3.6%	5.2%	0.5%	0.5%	0.0%	0.0%	5.1%	7.0%	1.0%	1.8%	2.1%	6.3%

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-7 ETHNICITY WASHINGTON COUNTY 2010 & 2020				
	Hispanic or Latino		Not Hispanic or Latino	
	2010	2020	2000	2020
Number				
Northeast	78	121	7,323	7,197
Stillwater	664	991	29,460	31,230
Southeast	215	331	11,980	11,848
East Total	957	1,443	48,763	50,275
Forest Lake	430	782	17,945	19,829
Hugo	319	538	13,013	15,228
Mahtomedi	241	396	14,782	15,031
Oakdale	1,349	2,180	26,715	26,966
Lake Elmo	279	761	7,790	10,574
Woodbury	2,329	3,603	59,632	71,499
Cottage Grove	2,223	3,391	41,369	45,072
West Total	7,170	11,651	181,246	204,199
Washington Total	8,127	13,094	230,009	254,474
Percent of Total				
Northeast	1.1%	1.7%	98.9%	98.3%
Stillwater	2.2%	3.1%	97.8%	96.9%
Southeast	1.8%	2.7%	98.2%	97.3%
East Total	1.9%	2.8%	98.1%	97.2%
Forest Lake	2.3%	3.8%	97.7%	96.2%
Hugo	2.4%	3.4%	97.6%	96.6%
Mahtomedi	1.6%	2.6%	98.4%	97.4%
Oakdale	4.8%	7.5%	95.2%	92.5%
Lake Elmo	3.5%	6.7%	96.5%	93.3%
Woodbury	3.8%	4.8%	96.2%	95.2%
Cottage Grove	5.1%	7.0%	94.9%	93.0%
West Total	3.8%	5.4%	96.2%	94.6%
Washington Total	3.4%	4.9%	96.6%	95.1%
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC				

Household Income by Age of Householder

The estimated distribution of household incomes in Washington County for 2022, 2030 and 2040 is shown in Table D-8. The data was estimated by Maxfield Research based on income trends provided by ESRI and the Metropolitan Council. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

The Department of Housing and Urban Development defines affordable housing costs as 30% of a household's adjusted gross income. For example, a household with an income of \$50,000 per year would be able to afford a monthly housing cost of about \$1,250. Maxfield Research utilizes a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments.

A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home. Thus, a \$50,000 income would translate to an affordable single-family home of \$150,000 to \$175,000. The higher end of this range assumes that the person has adequate funds for down payment and closing costs, but also does not include savings or equity in an existing home which would allow them to purchase a higher priced home.

- In 2022, the median household income in Washington County was estimated to be \$104,578 and is projected to climb nearly 12% to \$119,153 by 2030. By comparison, the median household income in the Metro Area was estimated at \$85,940 in 2022.
- The Lake Elmo submarket had the highest median household income in 2022, at \$133,370 (28% higher than the county median), followed by the Southeast submarket at \$124,843. The lowest median incomes were found in Oakdale (\$72,575) and Forest Lake (\$82,278). By 2022, Southeast is expected to have the highest median household income at \$149,582, followed by Mahtomedi at \$149,183 and Lake Elmo at \$144,823.
- As households age through their lifecycles, household incomes tend to peak in their late 40s and early 50s which explains why most upscale housing is targeted to people in this age group. This trend is apparent in the county as households in the 45 to 54 age group have a median household income of \$130,197.
- With a median household income of \$104,578, a household could afford a monthly housing cost estimated at \$2,614, based on an allocation of 30% of income toward housing. This would correspond to a home price roughly between \$310,000 and \$365,000, based on a home price of 3.0 to 3.5 times a household's annual income, without accounting for additional equity that may be brought forward to a home purchase.

DEMOGRAPHIC ANALYSIS

TABLE D-8
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
WASHINGTON COUNTY
2022 & 2030

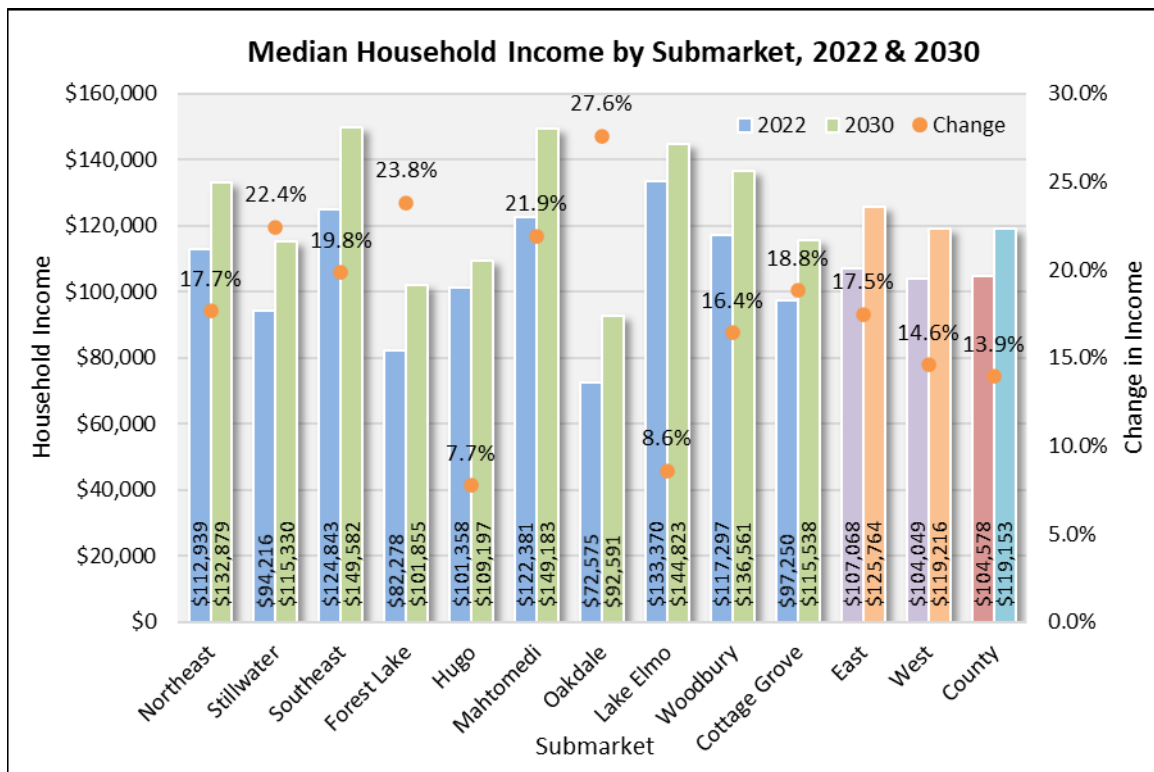
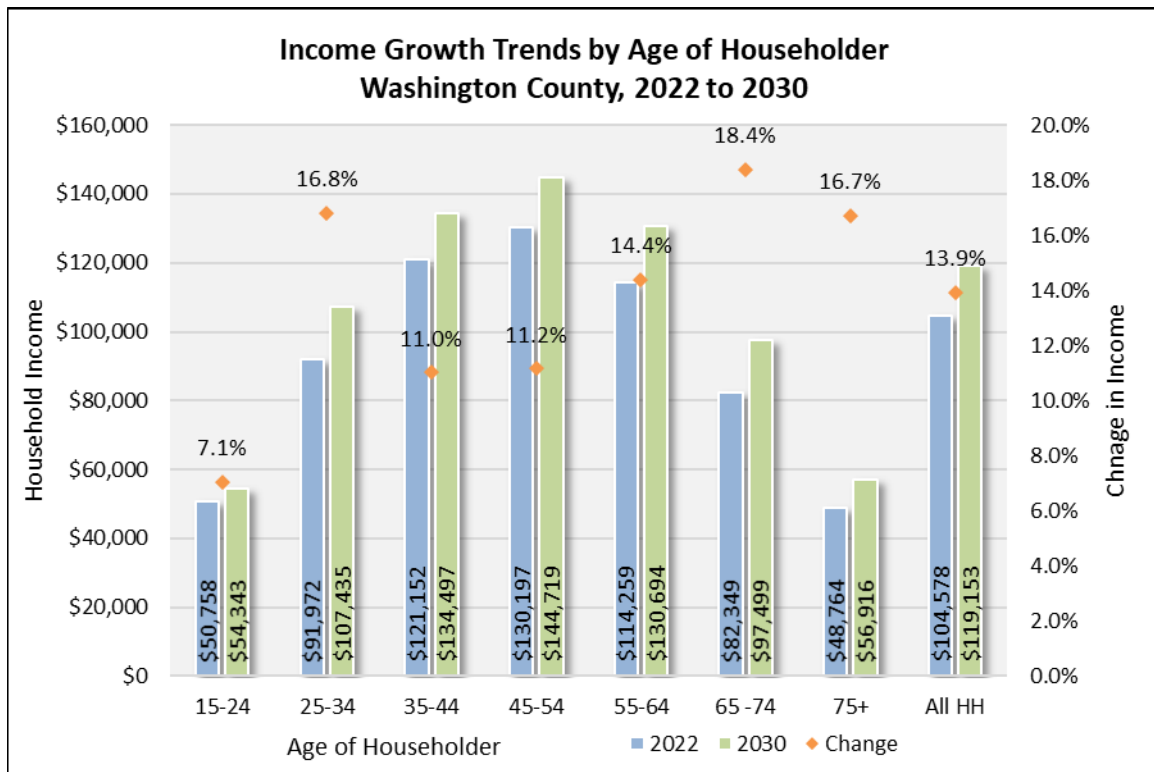
	Age of Householder														Total No.	HH Income
	15-24		25-34		35-44		45-54		55-64		65-74		75+			
	No.	Income	No.	Income	No.	Income	No.	Income	No.	Income	No.	Income	No.	Income		
2022																
Northeast	12	\$55,735	127	\$109,129	344	\$134,645	605	\$134,284	877	\$133,720	642	\$89,826	309	\$51,190	2,915	\$112,939
Stillwater	239	\$46,973	1,491	\$87,070	1,744	\$123,080	2,362	\$136,080	2,740	\$111,771	2,280	\$80,701	1,880	\$43,893	12,735	\$94,216
Southeast	23	\$48,681	402	\$121,248	506	\$156,589	800	\$165,282	1,302	\$152,395	1,002	\$95,452	495	\$56,517	4,530	\$124,843
East Total	274	\$48,009	2,019	\$97,210	2,593	\$131,974	3,767	\$143,937	4,919	\$127,071	3,924	\$85,755	2,683	\$49,180	20,180	\$107,068
Forest Lake	253	\$44,778	1,274	\$75,880	1,622	\$102,669	1,499	\$102,605	1,566	\$92,611	1,324	\$72,225	816	\$45,981	8,355	\$82,278
Hugo	137	\$49,001	875	\$90,118	1,644	\$117,936	1,244	\$112,143	1,095	\$102,040	711	\$83,636	424	\$55,844	6,129	\$101,358
Mahtomedi	35	\$41,740	434	\$97,839	658	\$162,842	1,259	\$161,411	1,685	\$148,294	1,086	\$103,398	823	\$44,188	5,980	\$122,381
Oakdale	356	\$35,645	1,983	\$71,474	2,015	\$100,258	1,940	\$98,437	2,402	\$82,446	1,758	\$59,219	1,236	\$36,437	11,690	\$72,575
Lake Elmo	32	\$41,478	330	\$101,303	686	\$164,779	961	\$177,959	1,089	\$155,566	753	\$85,578	399	\$54,543	4,250	\$133,370
Woodbury	699	\$59,059	4,182	\$101,657	6,713	\$140,920	5,897	\$150,369	5,387	\$128,634	3,399	\$92,726	1,952	\$56,876	28,230	\$117,297
Cottage Grove	343	\$53,403	2,819	\$93,630	3,401	\$113,394	3,295	\$114,221	3,341	\$101,231	2,351	\$76,725	1,480	\$46,095	17,030	\$97,250
West Total	1,855	\$51,017	11,897	\$91,156	16,740	\$119,806	16,095	\$127,454	16,565	\$111,045	11,382	\$81,122	7,130	\$48,570	81,664	\$104,049
Washington Co	2,129	\$50,758	13,916	\$91,972	19,333	\$121,152	19,862	\$130,197	21,484	\$114,259	15,306	\$82,349	9,813	\$48,764	101,844	\$104,578
2030																
Northeast	15	\$52,931	131	\$121,043	393	\$153,903	777	\$150,409	958	\$154,301	592	\$109,625	273	\$58,081	3,140	\$132,879
Stillwater	232	\$51,421	1,442	\$105,416	2,221	\$139,553	2,861	\$151,239	2,912	\$132,314	1,996	\$93,350	1,836	\$53,764	13,500	\$115,330
Southeast	21	\$54,141	272	\$143,238	713	\$171,993	1,307	\$171,983	1,362	\$166,767	767	\$118,780	308	\$63,516	4,750	\$149,582
East Total	269	\$51,619	1,845	\$111,506	3,328	\$155,132	4,945	\$155,084	5,232	\$148,637	3,355	\$104,390	2,417	\$56,678	21,390	\$125,764
Forest Lake	278	\$47,368	1,481	\$94,190	1,730	\$108,732	1,830	\$110,311	1,870	\$105,396	1,253	\$85,522	758	\$56,909	9,200	\$101,855
Hugo	135	\$55,693	1,607	\$100,039	1,514	\$124,761	1,365	\$122,373	1,181	\$109,705	766	\$90,127	332	\$62,971	6,900	\$109,197
Mahtomedi	38	\$44,313	359	\$113,994	810	\$176,685	1,718	\$177,183	1,613	\$163,690	1,016	\$121,671	746	\$55,212	6,300	\$149,183
Oakdale	409	\$38,023	1,898	\$89,261	1,959	\$108,831	2,738	\$109,850	2,393	\$98,423	1,545	\$68,194	1,159	\$42,235	12,100	\$92,591
Lake Elmo	37	\$44,488	327	\$118,444	849	\$166,572	1,404	\$177,761	1,221	\$160,600	807	\$95,695	355	\$62,124	5,000	\$144,823
Woodbury	739	\$64,299	5,581	\$111,701	7,217	\$154,472	7,074	\$160,969	5,685	\$147,925	3,171	\$109,039	2,034	\$65,764	31,500	\$136,561
Cottage Grove	362	\$57,671	3,112	\$110,100	3,778	\$123,523	3,991	\$127,534	3,464	\$116,000	2,163	\$90,491	1,331	\$54,892	18,200	\$115,538
West Total	1,999	\$54,654	14,364	\$106,831	17,856	\$131,637	20,120	\$142,116	17,427	\$126,397	10,721	\$95,085	6,714	\$57,016	89,200	\$119,216
Washington Co	2,268	\$54,343	16,209	\$107,435	21,184	\$134,497	25,065	\$144,719	22,659	\$130,694	14,075	\$97,499	9,131	\$56,916	110,590	\$119,153
CONTINUED																

DEMOGRAPHIC ANALYSIS

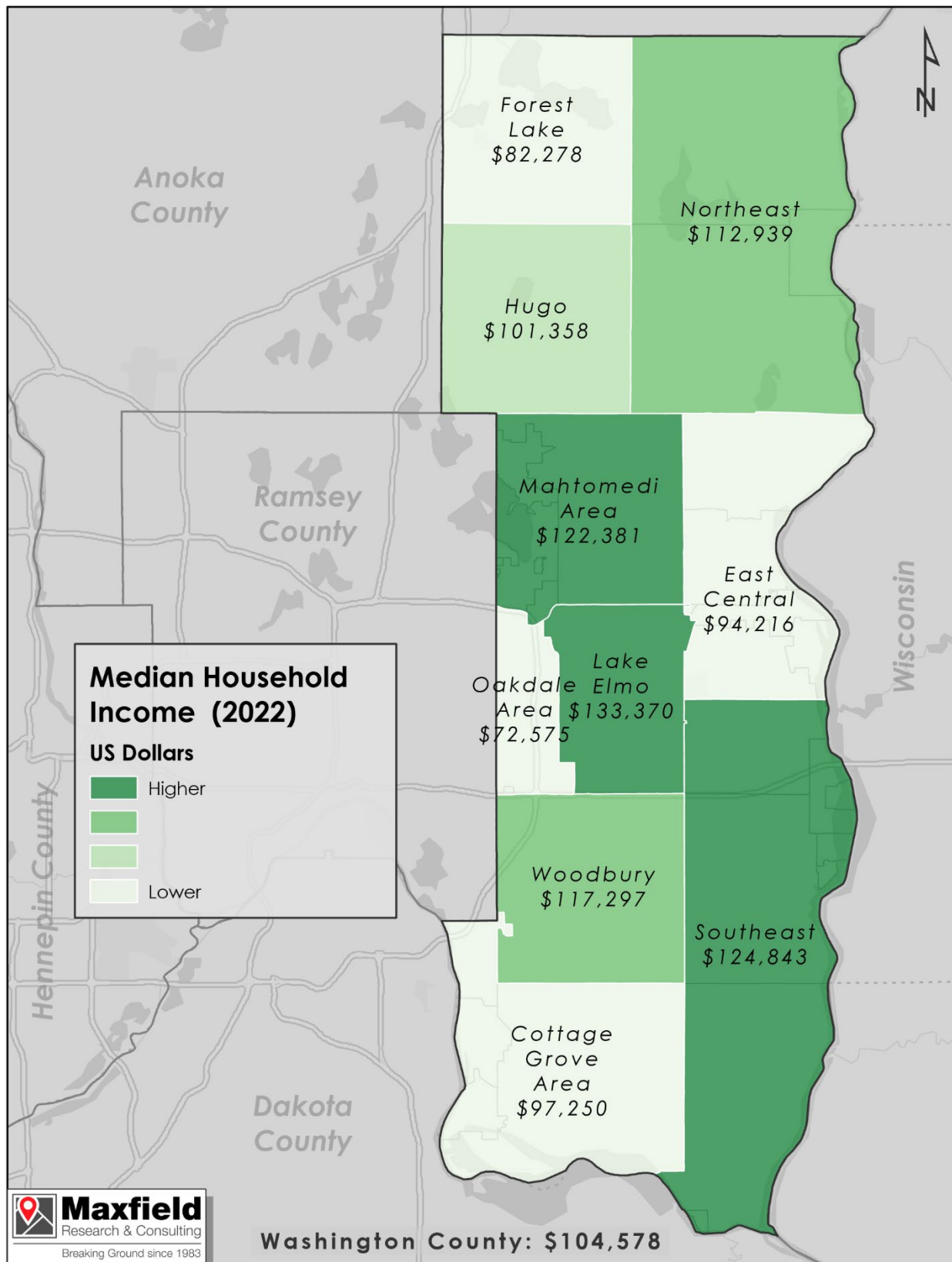
TABLE D-8 (CONTINUED)
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
WASHINGTON COUNTY
2030 & 2040

	Age of Householder														Total No.	HH Income
	15-24		25-34		35-44		45-54		55-64		65 -74		75+			
	No.	Income	No.	Income	No.	Income	No.	Income	No.	Income	No.	Income	No.	Income		
2040																
Northeast	17	\$56,576	145	\$135,489	435	\$178,030	858	\$170,169	1,059	\$180,353	654	\$136,270	302	\$66,644	3,470	\$142,786
Stillwater	248	\$57,869	1,538	\$129,893	2,369	\$160,010	3,052	\$169,658	3,106	\$159,055	2,129	\$109,405	1,958	\$67,103	14,400	\$126,448
Southeast	23	\$62,210	289	\$171,799	758	\$190,470	1,390	\$179,563	1,448	\$183,938	815	\$150,851	327	\$72,124	5,050	\$162,206
East Total	287	\$56,740	1,972	\$129,485	3,562	\$185,046	5,300	\$168,179	5,613	\$176,345	3,598	\$129,399	2,587	\$66,155	22,920	\$125,764
Forest Lake	308	\$50,970	1,642	\$119,295	1,918	\$115,722	2,028	\$119,343	2,074	\$121,338	1,389	\$102,836	840	\$71,844	10,200	\$112,335
Hugo	155	\$65,847	1,839	\$112,079	1,734	\$132,621	1,563	\$134,556	1,352	\$118,689	877	\$97,753	380	\$71,769	7,900	\$112,612
Mahtomedi	40	\$47,907	376	\$134,660	849	\$193,071	1,800	\$196,090	1,689	\$182,257	1,064	\$145,301	782	\$70,436	6,600	\$163,211
Oakdale	417	\$41,365	1,937	\$113,810	1,999	\$118,984	2,794	\$123,780	2,442	\$119,413	1,577	\$79,530	1,183	\$49,610	12,350	\$103,787
Lake Elmo	46	\$48,745	405	\$140,456	1,053	\$168,538	1,741	\$177,975	1,514	\$166,246	1,000	\$108,069	440	\$71,585	6,200	\$149,872
Woodbury	821	\$71,845	6,201	\$123,756	8,019	\$170,693	7,860	\$173,334	6,317	\$172,254	3,523	\$130,118	2,260	\$77,041	35,000	\$145,983
Cottage Grove	388	\$63,758	3,334	\$131,382	4,047	\$135,564	4,276	\$143,792	3,712	\$134,554	2,317	\$108,338	1,426	\$66,417	19,500	\$124,754
West Total	2,176	\$59,790	15,735	\$127,013	19,618	\$145,834	22,063	\$159,994	19,100	\$145,542	11,749	\$113,064	7,310	\$67,911	97,750	\$119,216
Washington Co	2,463	\$59,402	17,707	\$127,272	23,180	\$150,692	27,363	\$162,367	24,713	\$151,299	15,347	\$117,223	9,898	\$67,364	120,670	\$127,084

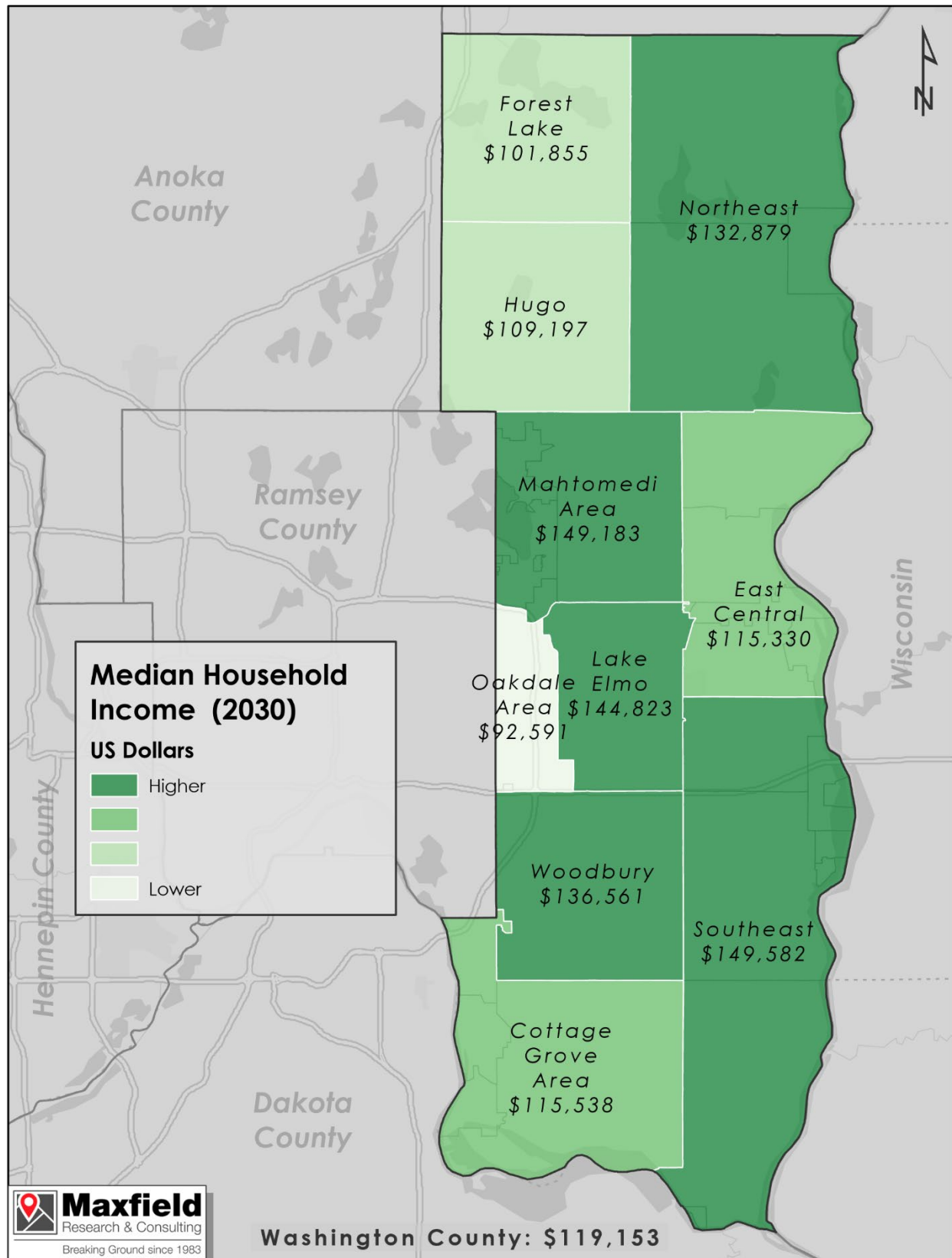
Sources: ESRI; Maxfield Research & Consulting, LLC



Washington County-Median Household Income (2022)



Washington County–Median Household Income (2030)



Tenure by Age of Householder

Table D-9 shows the number of owner and renter households in Washington County by age group in 2010 and 2020. Table D-10 shows 2022 tenure data for each of the submarkets from the U.S. Census Bureau. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual's life cycle. The following are key findings from Tables D-9 and D-10.

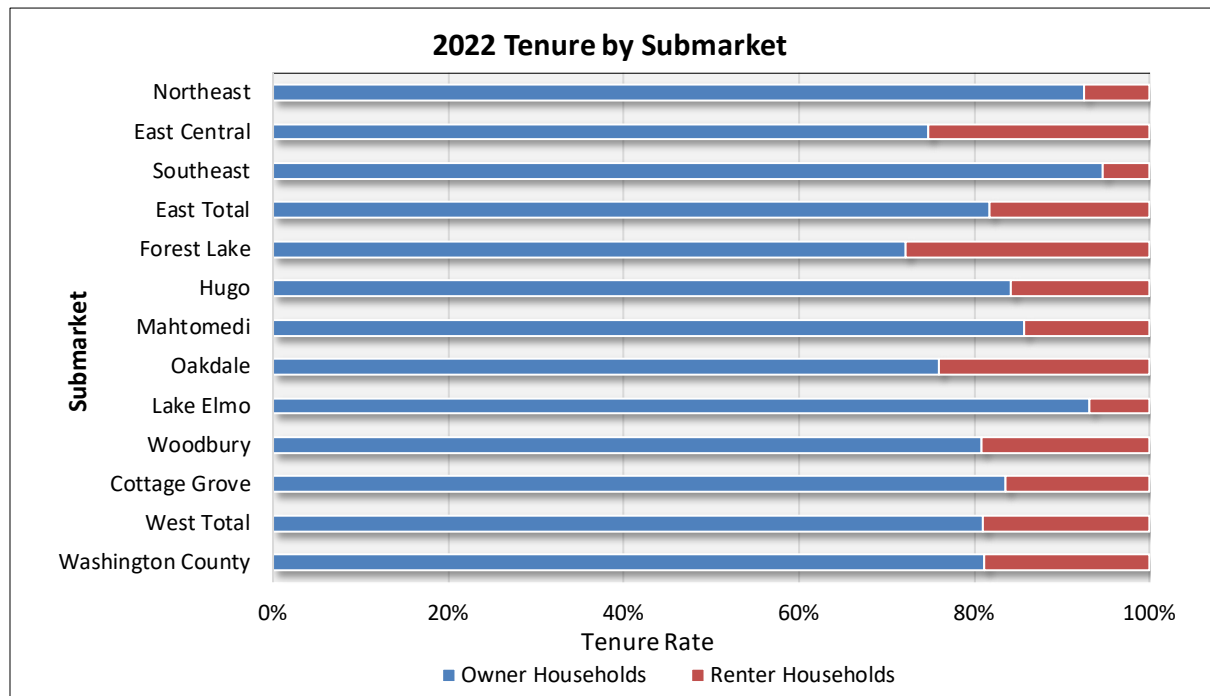
- In 2010, 82.8% of all households in Washington County owned their housing. By 2022, that percentage is estimated to have decreased to 81.2%. This is higher than the Metro Area with a 70% homeownership rate. The housing market downturn contributed to a decrease in the homeownership rate during the late 2000s. Shifts in preferences for owning versus renting among different age groups along with economic challenges such as student debt for young buyers and a lack of supply at affordable price points continue to contribute to a decrease in the homeownership rate.
- The Southeast submarket had the highest ownership rate at 94.7%, while Forest Lake had the lowest ownership rate (72.2%). Woodbury, the largest city in the County, has an estimated homeownership rate of 80.8%.
- As households progress through their life cycle, housing needs change. Typically, the proportion of renter households decreases as households age out of their young-adult years until their older adult years, age 65 or older when the pattern reverses. This pattern is apparent in the county as 75.1% of households Under 25, 34.7% of age 25 to 34 households and 18.2% of 65 and older households are estimated to rent their housing in 2022. The proportion of renters age 65+ ranged from a low of 0.9% in the Southeast to a high of 30.5% in the East Central Area. Stillwater and Oak Park Heights (both in the East Central Area) have high proportions of senior housing supply compared to other submarkets. By comparison, only 13.9% of the age 35 to 64 households in the county rented.
- Among the Under 25 age group, the East Central submarket had the highest proportion of renters at 86.8% (173 renter households), followed by Forest Lake at 84.7% (391 renter households). Woodbury had the largest number of renter households in this age group with 405 (28.5% of the county).
- The homeownership rate in the U.S. was 65.5% as of 2021, up from 63.4% in 2016, the most recent data in the previous study. Historically low interest rates and pent-up demand from Millennial households has resulted in higher homeownership rates. The Midwest has always had higher homeownership rates than the nation and as of 2021, it was 70.5%, up from a low point of 68.3% in 2015. This data is from the US Census Bureau and a chart showing the homeownership rate from 1965 to 2021 in the Midwest and the United States is on the following page.

DEMOGRAPHIC ANALYSIS

**TABLE D-9
HOUSEHOLD TENURE
WASHINGTON COUNTY
2010 & 2022**

Submarket	2010					2022				
	Owner	Pct.	Renter	Pct.	Total	Owner	Pct.	Renter	Pct.	Total
Northeast	2,670	92.6	214	7.4	2,884	2,697	92.5	218	7.5	2,915
East Central	8,447	75.0	2,823	25.0	11,270	9,512	74.7	3,223	25.3	12,735
Southeast	4,135	94.3	249	5.7	4,384	4,290	94.7	240	5.3	4,530
East Total	15,252	82.3	3,286	17.7	18,538	16,500	81.8	3,680	18.2	20,180
Forest Lake	5,362	76.4	1,652	23.6	7,014	6,030	72.2	2,325	27.8	8,355
Hugo	4,539	91.0	451	9.0	4,990	5,163	84.2	966	15.8	6,129
Mahtomedi	4,891	87.7	683	12.3	5,574	5,119	85.6	861	14.4	5,980
Oakdale	8,704	77.6	2,509	22.4	11,213	8,872	75.9	2,818	24.1	11,690
Lake Elmo	2,648	95.3	131	4.7	2,779	3,959	93.2	291	6.8	4,250
Woodbury	18,290	81.0	4,304	19.0	22,594	22,801	80.8	5,429	19.2	28,230
Cottage Grove	13,032	86.0	2,125	14.0	15,157	14,238	83.6	2,792	16.4	17,030
West Total	57,466	82.9	11,855	17.1	69,321	66,182	81.0	15,482	19.0	81,664
Washington Total	72,718	82.8	15,141	17.2	87,859	82,682	81.2	19,162	18.8	101,844

Sources: U.S. Census; Maxfield Research & Consulting, LLC

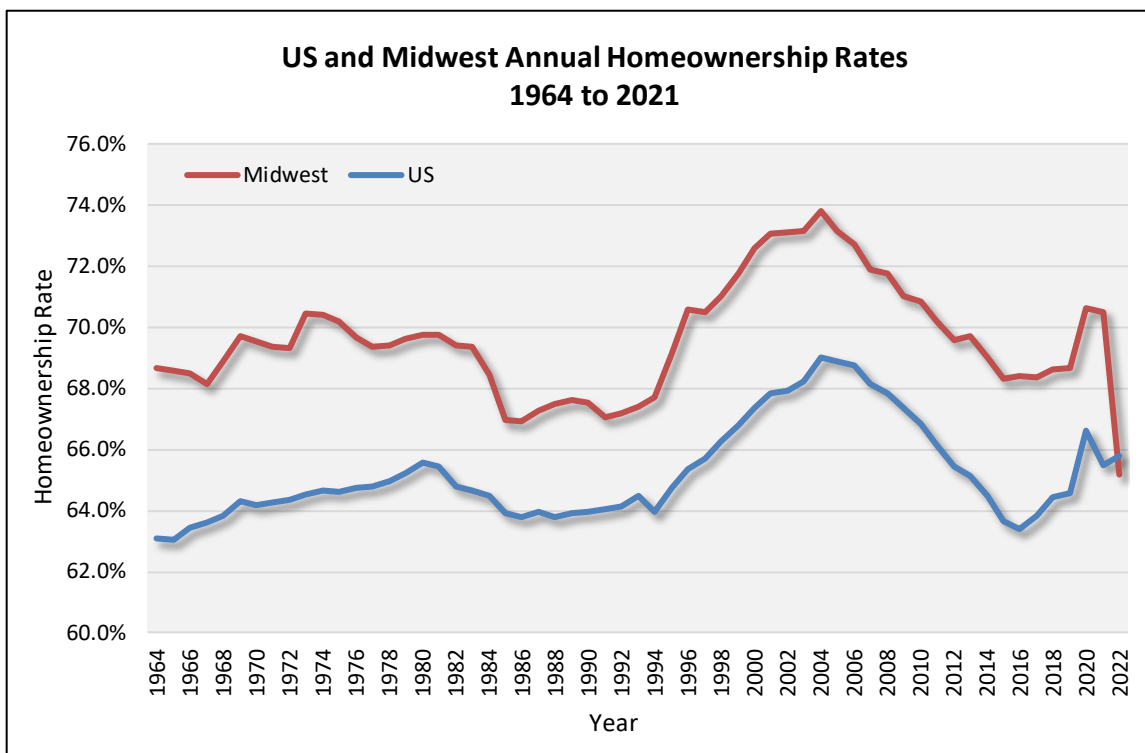
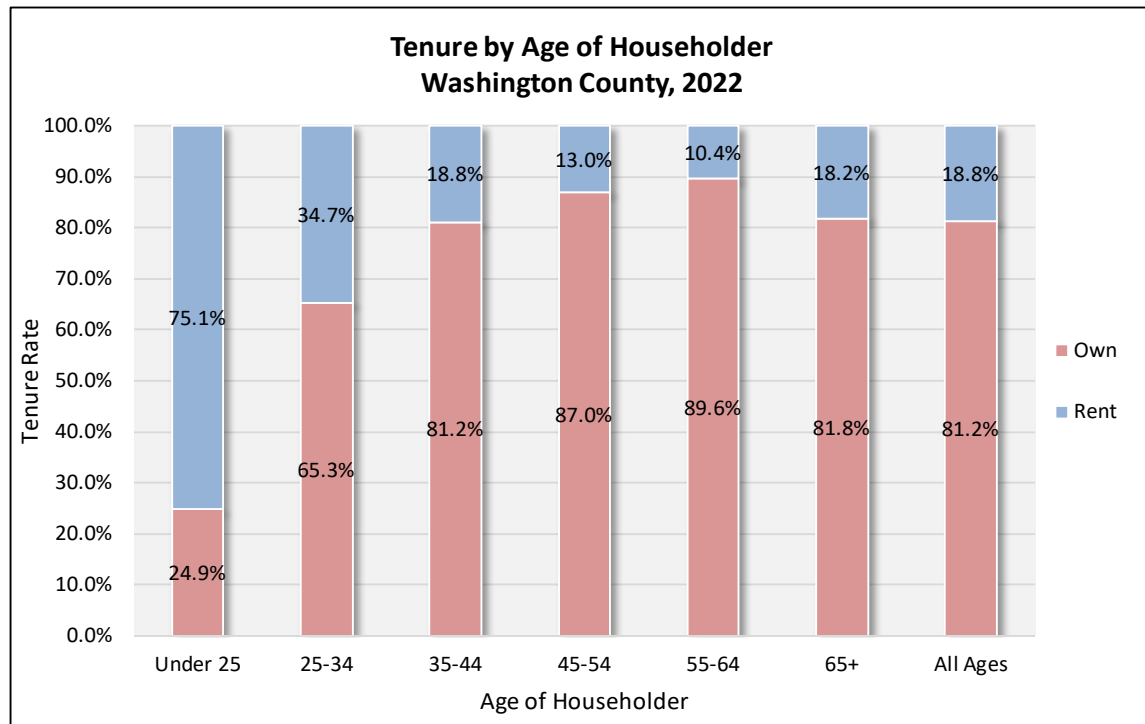


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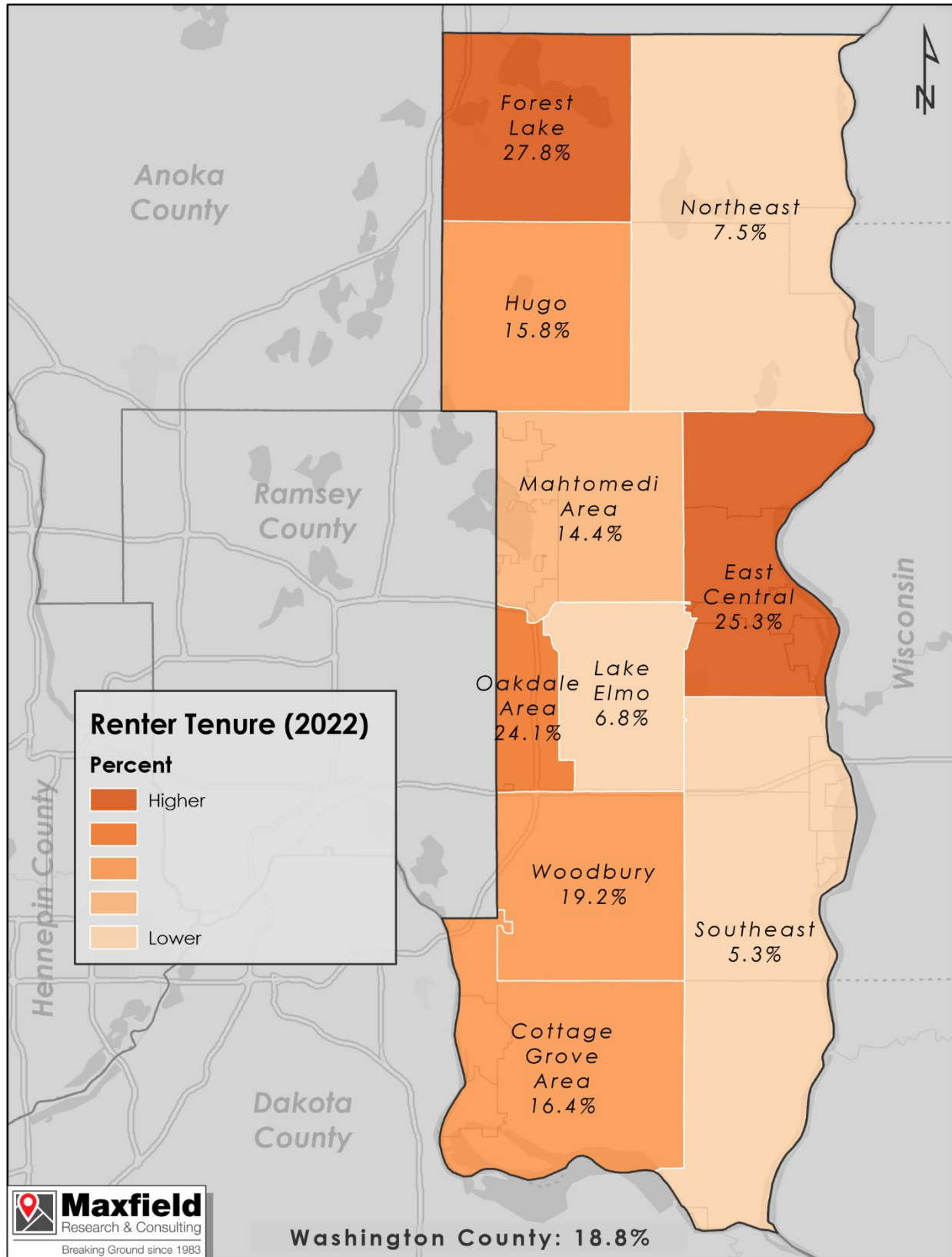
TABLE D-10
TENURE BY AGE OF HOUSEHOLDER
WASHINGTON COUNTY
2022

Age		Northeast		East Central		Southeast		Forest Lake		Hugo		Mahtomedi		Oakdale		Lake Elmo		Woodbury		Cottage Grove		Washington	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 25	Own	2	40.0	26	13.2	18	47.4	70	15.3	41	52.9	16	100.0	47	16.7	13	43.5	170	29.6	68	32.5	473	24.9
	Rent	3	60.0	173	86.8	20	52.6	391	84.7	37	47.1	0	0.0	235	83.3	17	56.5	405	70.4	142	67.5	1,424	75.1
	Total	5	100.0	200	100.0	38	100.0	461	100.0	78	100.0	16	100.0	283	100.0	31	100.0	575	100.0	211	100.0	1,898	100.0
25-34	Own	140	94.6	840	55.8	235	81.0	690	58.2	912	76.6	331	74.8	1,136	60.2	365	79.7	2,468	59.1	1,789	75.9	8,905	65.3
	Rent	8	5.4	667	44.2	55	19.0	495	41.8	279	23.4	111	25.2	750	39.8	93	20.3	1,711	40.9	569	24.1	4,737	34.7
	Total	148	100.0	1,507	100.0	290	100.0	1,186	100.0	1,191	100.0	442	100.0	1,886	100.0	458	100.0	4,179	100.0	2,357	100.0	13,643	100.0
35-44	Own	309	92.2	1,545	75.4	567	91.8	1,022	75.0	1,080	88.4	717	87.0	1,163	73.0	593	90.6	4,921	81.6	3,288	81.4	15,205	81.2
	Rent	26	7.8	505	24.6	51	8.2	341	25.0	141	11.6	107	13.0	430	27.0	62	9.4	1,110	18.4	753	18.6	3,527	18.8
	Total	335	100.0	2,051	100.0	618	100.0	1,363	100.0	1,221	100.0	824	100.0	1,593	100.0	655	100.0	6,031	100.0	4,041	100.0	18,732	100.0
45-54	Own	494	86.5	2,202	82.9	1,029	92.1	1,359	77.7	1,190	91.4	979	90.9	1,697	84.7	1,109	97.1	5,879	87.5	3,281	87.2	19,218	87.0
	Rent	77	13.5	456	17.1	88	7.9	390	22.3	112	8.6	98	9.1	307	15.3	34	2.9	838	12.5	481	12.8	2,880	13.0
	Total	571	100.0	2,657	100.0	1,117	100.0	1,749	100.0	1,302	100.0	1,077	100.0	2,004	100.0	1,143	100.0	6,718	100.0	3,762	100.0	22,098	100.0
55-64	Own	890	92.8	2,264	89.5	1,206	98.8	1,308	85.7	979	77.3	1,535	97.0	2,457	89.5	946	97.1	4,675	89.7	2,831	86.4	19,092	89.6
	Rent	69	7.2	266	10.5	15	1.2	219	14.3	288	22.7	47	3.0	290	10.5	28	2.9	535	10.3	447	13.6	2,204	10.4
	Total	959	100.0	2,531	100.0	1,221	100.0	1,527	100.0	1,266	100.0	1,581	100.0	2,747	100.0	974	100.0	5,211	100.0	3,278	100.0	21,296	100.0
65 +	Own	863	96.1	2,634	69.5	1,235	99.1	1,580	76.4	962	89.8	1,543	75.6	2,372	74.6	933	94.3	4,686	85.0	2,980	88.2	19,788	81.8
	Rent	35	3.9	1,155	30.5	11	0.9	489	23.6	109	10.2	497	24.4	806	25.4	57	5.7	830	15.0	400	11.8	4,389	18.2
	Total	898	100	3,789	100.0	1,246	100.0	2,069	100.0	1,071	100.0	2,040	100.0	3,178	100.0	989	100.0	5,517	100.0	3,380	100.0	24,177	100.0
TOTAL	Own	2,697	92.5	9,512	74.7	4,290	94.7	6,030	72.2	5,163	84.2	5,119	85.6	8,872	75.9	3,959	93.2	22,801	80.8	14,238	83.6	82,682	81.2
	Rent	218	7.5	3,223	25.3	240	5.3	2,325	27.8	966	15.8	861	14.4	2,818	24.1	291	6.8	5,429	19.2	2,792	16.4	19,162	18.8
	Total	2,915	100.0	12,735	100.0	4,530	100.0	8,355	100.0	6,129	100.0	5,980	100.0	11,690	100.0	4,250	100.0	28,230	100.0	17,030	100.0	101,844	100.0

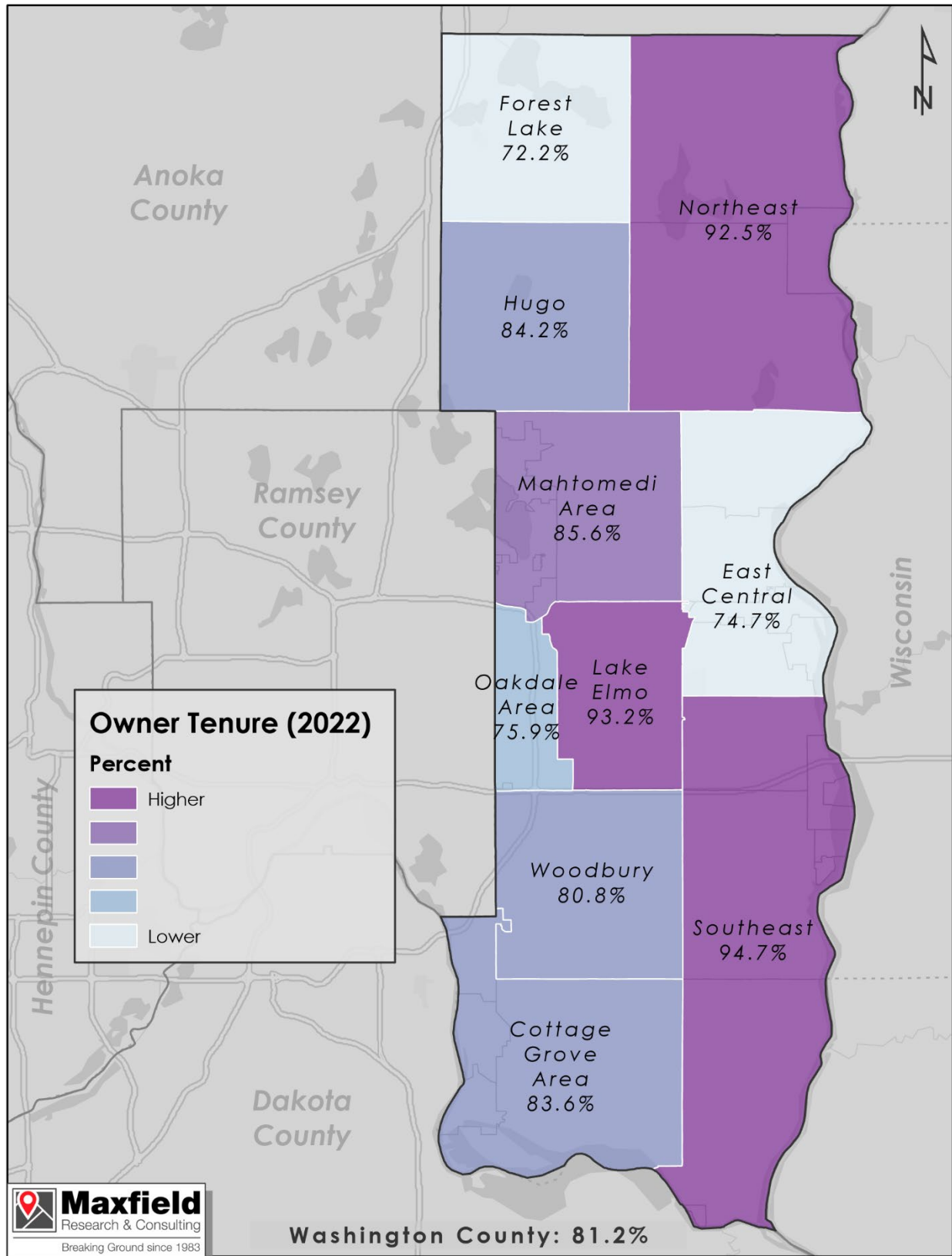
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC



Washington County – Proportion of Renter Households



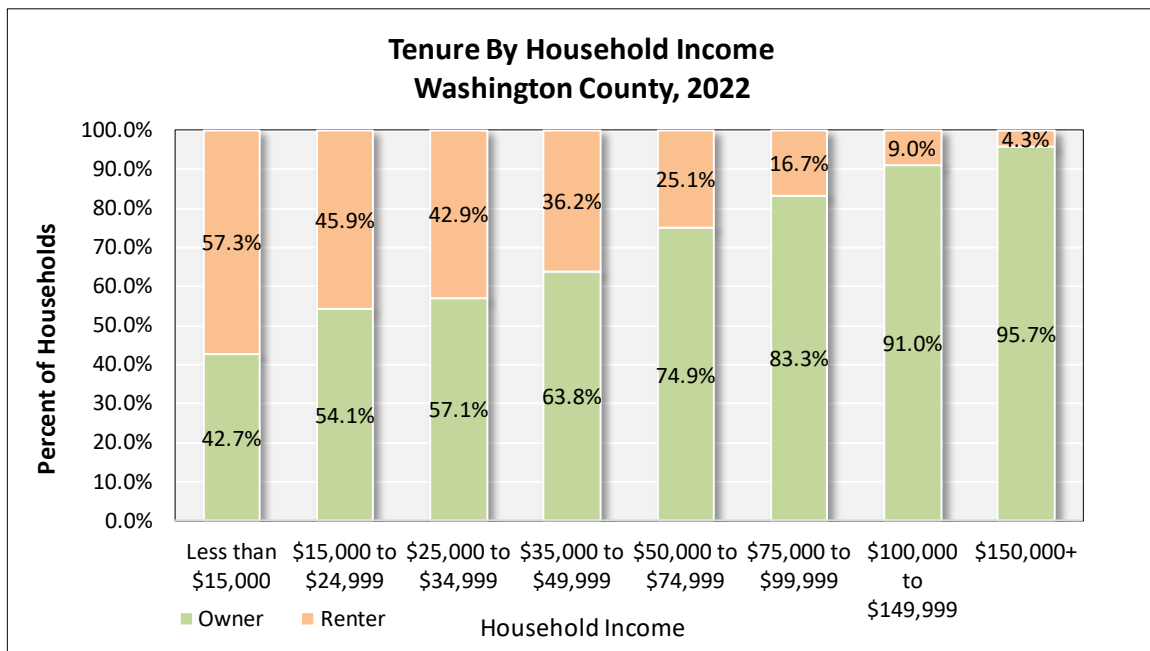
Washington County – Proportion of Owner Households



Tenure by Household Income

Table D-11 shows household tenure by age of householder for Washington County in 2022. The data is an estimate from the American Community Survey. Household tenure information is important to assess the propensity for owner-occupied or renter-occupied housing options based on household affordability. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household's income. The higher the income the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households, spend more than 30% of their income, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income.

- Typically, as income increases, so does the rate of homeownership. This can be seen in Washington County, where the homeownership rate steadily increases from 42.7% of households with incomes below \$15,000 to 95.7% of households with incomes above \$150,000.
- A portion of renter households that are referred to as lifestyle renters, or those who are financially able to own but choose to rent, have household incomes above \$50,000 (about 51% of Washington County's renters in 2022). Households with incomes below \$15,000 are typically a market for subsidized rental housing (about 11% of Washington County renters in 2022).



DEMOGRAPHIC ANALYSIS

TABLE D-11
TENURE BY HOUSEHOLD INCOME
WASHINGTON COUNTY
2022

Income	NORTHEAST				EAST CENTRAL				SOUTHEAST				FOREST LAKE			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Less than \$15,000	65	77.4%	19	22.6%	236	36.7%	407	63.3%	72	83.7%	14	16.3%	185	39.2%	287	60.8%
\$15,000 to \$24,999	72	79.1%	19	20.9%	266	35.9%	475	64.1%	99	89.2%	12	10.8%	184	36.6%	318	63.4%
\$25,000 to \$34,999	54	72.0%	21	28.0%	321	44.8%	395	55.2%	122	83.0%	25	17.0%	211	58.9%	148	41.1%
\$35,000 to \$49,999	232	89.9%	26	10.1%	638	57.2%	477	42.8%	203	88.6%	26	11.4%	464	43.3%	608	56.7%
\$50,000 to \$74,999	358	81.4%	82	18.6%	1,370	66.0%	707	34.0%	649	89.4%	77	10.6%	962	63.2%	559	36.8%
\$75,000 to \$99,999	389	98.2%	7	1.8%	1,492	87.4%	216	12.6%	580	97.8%	13	2.2%	968	88.5%	125	11.5%
\$100,000 to \$149,999	677	96.4%	25	3.6%	2,103	84.9%	373	15.1%	966	97.2%	28	2.8%	1,598	91.0%	159	9.0%
\$150,000+	850	97.8%	19	2.2%	3,084	94.7%	173	5.3%	1,600	97.3%	45	2.7%	1,458	92.3%	121	7.7%
Total	2,697	92.5%	218	7.5%	9,512	74.7%	3,223	25.3%	4,290	94.7%	240	5.3%	6,030	72.2%	2,325	27.8%

Income	HUGO				MAHTOMEDI				OAKDALE				LAKE ELMO			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Less than \$15,000	132	100.0%	0	0.0%	86	32.5%	180	67.5%	155	21.3%	572	78.7%	74	84.6%	13	15.4%
\$15,000 to \$24,999	68	37.9%	111	62.1%	129	42.2%	177	57.8%	554	60.3%	365	39.7%	237	71.2%	96	28.8%
\$25,000 to \$34,999	177	100.0%	0	0.0%	164	80.1%	41	19.9%	448	41.6%	628	58.4%	98	81.1%	23	18.9%
\$35,000 to \$49,999	411	62.5%	247	37.5%	383	74.9%	128	25.1%	825	67.2%	403	32.8%	292	90.8%	30	9.2%
\$50,000 to \$74,999	868	78.7%	236	21.3%	599	81.3%	138	18.7%	1,736	80.6%	419	19.4%	384	90%	42	9.8%
\$75,000 to \$99,999	922	84.2%	173	15.8%	583	90.2%	64	9.8%	1,317	85.7%	220	14.3%	444	91.2%	43	8.8%
\$100,000 to \$149,999	1,364	94.0%	88	6.0%	1,097	92.9%	83	7.1%	2,374	93.7%	160	6.3%	669	96%	26	3.7%
\$150,000+	1,220	91.6%	111	8.4%	2,079	97.6%	51	2.4%	1,463	96.6%	51	3.4%	1,761	99%	19	1.1%
Total	5,163	84.2%	966	15.8%	5,119	85.6%	861	14.4%	8,872	75.9%	2,818	24.1%	3,959	93.2%	291	6.8%

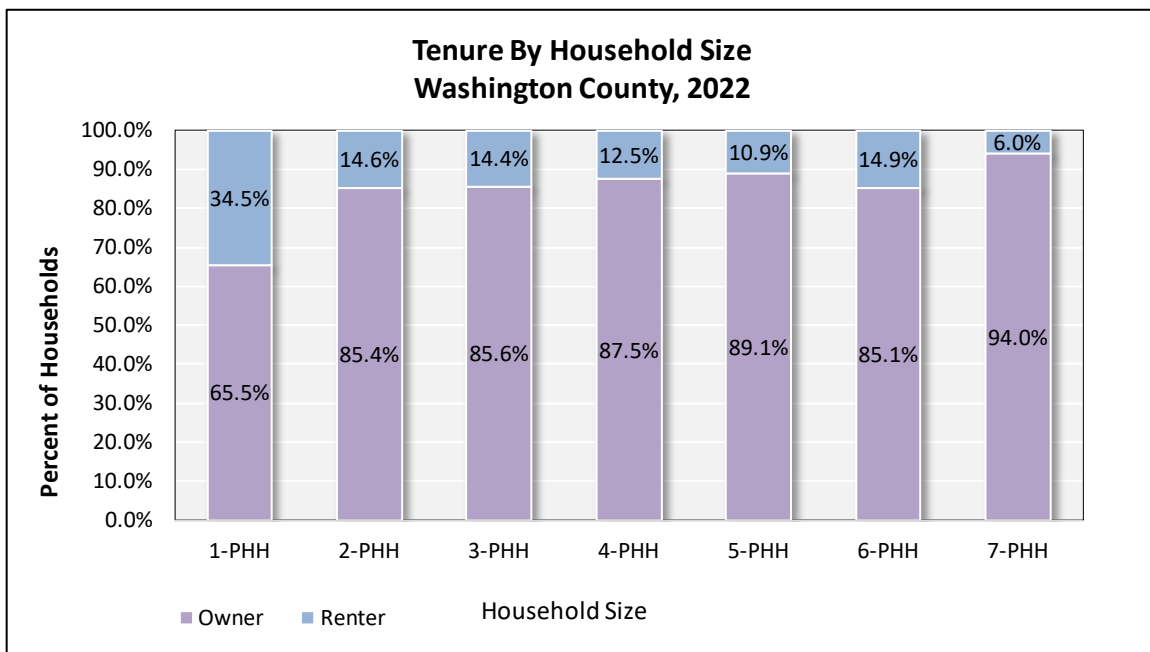
Income	WOODBURY				COTTAGE GROVE				WASHINGTON COUNTY			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Less than \$15,000	416	48.2%	447	51.8%	227	50.1%	226	49.9%	1,649	43.2%	2,166	56.8%
\$15,000 to \$24,999	538	68.4%	248	31.6%	260	56.2%	202	43.8%	2,407	54.3%	2,023	45.7%
\$25,000 to \$34,999	724	64.1%	405	35.9%	527	55.5%	423	44.5%	2,847	57.5%	2,109	42.5%
\$35,000 to \$49,999	1,017	56.4%	787	43.6%	1,018	72.4%	388	27.6%	5,483	63.7%	3,119	36.3%
\$50,000 to \$74,999	3,050	73.6%	1,094	26.4%	2,302	74.9%	771	25.1%	12,278	74.9%	4,124	25.1%
\$75,000 to \$99,999	2,895	70.6%	1,204	29.4%	2,314	86.8%	352	13.2%	11,904	83.1%	2,418	16.9%
\$100,000 to \$149,999	5,692	87.2%	837	12.8%	4,232	93.5%	295	6.5%	20,772	90.9%	2,073	9.1%
\$150,000+	8,468	95.4%	406	4.6%	3,359	96.1%	135	3.9%	25,341	95.7%	1,131	4.3%
Total	22,801	80.8%	5,429	19.2%	14,238	83.6%	2,792	16.4%	82,682	81.2%	19,162	18.8%

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

Tenure by Household Size

Table D-12 shows the distribution of households by size and tenure in Washington County in 2022. This data is useful in that it sheds insight into the distribution of households by the number of people in each household and reflects the types of housing products that may be most in demand.

- Household size for renters tends to be smaller than for owners. This trend is a result of the typical market segments for rental housing, including households that are younger and are less likely to be married with children as well as older adults and seniors who choose to downsize from their single-family homes. In 2022, the average renter household had 2.17 people compared to the average owner household of 2.78 people.
- An estimated 50% of renter households in Washington County in 2022 have either one or two people. One-person households and two-person households that are couples are most likely to seek out one-bedroom units, depending on income levels. Two-person households consisting of a parent and child, or roommate would primarily seek two-bedroom units. Larger households are likely to seek units that have three or more bedrooms.



DEMOGRAPHIC ANALYSIS

TABLE D-12
TENURE BY HOUSEHOLD SIZE
WASHINGTON COUNTY
2022

Persons Per HH	NORTHEAST				EAST CENTRAL				SOUTHEAST				FOREST LAKE			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1-PHH	369	76.0%	116	24.0%	1,783	51.6%	1,671	48.4%	616	87.0%	92	13.0%	1,121	51.9%	1,037	48.1%
2-PHH	1,362	95.0%	72	5.0%	3,757	83.1%	766	16.9%	2,114	97.4%	56	2.6%	2,269	79.0%	603	21.0%
3-PHH	365	98.9%	4	1.1%	1,840	83.8%	355	16.2%	660	96.3%	26	3.7%	996	74.1%	348	25.9%
4-PHH	322	95.3%	16	4.7%	1,279	81.0%	301	19.0%	581	97.2%	17	2.8%	1,064	82.5%	226	17.5%
5-PHH	167	100.0%	0	0.0%	733	87.1%	109	12.9%	193	82.5%	41	17.5%	458	86.4%	72	13.6%
6-PHH	42	80.9%	10	19.1%	96	81.7%	22	18.3%	104	100.0%	0	0.0%	95	75.4%	31	24.6%
7-PHH	70	100.0%	0	0.0%	24	100.0%	0	0.0%	22	71.7%	9	28.3%	28	78.2%	8	21.8%
Total	2,697	92.5%	218	7.5%	9,512	74.7%	3,223	25.3%	4,290	94.7%	240	5.3%	6,030	72.2%	2,325	27.8%
Persons Per HH	HUGO				MAHTOMEDI				OAKDALE				LAKE ELMO			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1-PHH	1,115	81.3%	256	18.7%	816	66.1%	419	33.9%	1,988	57.5%	1,469	42.5%	507	76.8%	153	23.2%
2-PHH	1,921	80.8%	457	19.2%	2,066	90.9%	206	9.1%	3,373	84.9%	602	15.1%	1,390	97.2%	40	2.8%
3-PHH	913	95.7%	41	4.3%	799	88.1%	108	11.9%	1,557	79.5%	402	20.5%	1,006	96.9%	32	3.1%
4-PHH	591	81.6%	133	18.4%	877	92.2%	74	7.8%	1,186	86.6%	184	13.4%	616	100.0%	0	0.0%
5-PHH	420	84.0%	80	16.0%	429	97.1%	13	2.9%	437	77.5%	127	22.5%	336	86%	56	14.3%
6-PHH	114	100.0%	0	0.0%	131	75.7%	42	24.3%	184	84.0%	35	16.0%	51	83.7%	10	16.3%
7-PHH	89	100.0%	0	0.0%	2	100.0%	0	0.0%	147	100.0%	0	0.0%	54	100%	0	0.0%
Total	5,163	84.2%	966	15.8%	5,119	85.6%	861	14.4%	8,872	75.9%	2,818	24.1%	3,959	93.2%	291	6.8%
Persons Per HH	WOODBURY				COTTAGE GROVE				WASHINGTON COUNTY							
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.				
1-PHH	4,355	72.5%	1,654	27.5%	2,223	66.3%	1,131	33.7%	14,893	65.1%	7,998	34.9%				
2-PHH	7,601	79.3%	1,984	20.7%	4,949	87.7%	693	12.3%	30,802	84.9%	5,478	15.1%				
3-PHH	3,880	82.6%	816	17.4%	2,254	87.0%	338	13.0%	14,270	85.2%	2,469	14.8%				
4-PHH	4,461	86.5%	695	13.5%	3,062	87.2%	449	12.8%	14,039	87.0%	2,095	13.0%				
5-PHH	1,729	89.9%	194	10.1%	1,307	93.3%	95	6.7%	6,208	88.8%	785	11.2%				
6-PHH	573	88.1%	77	11.9%	214	79.3%	56	20.7%	1,603	85.0%	282	15.0%				
7-PHH	201	95.7%	9	4.3%	229	88.2%	31	11.8%	865	93.9%	56	6.1%				
Total	22,801	80.8%	5,429	19.2%	14,238	83.6%	2,792	16.4%	82,682	81.2%	19,162	18.8%				

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

Household Type

Table D-13 shows a breakdown of the type of households present in Washington County in 2010 and 2022. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

- Family households are the most common type of household in the county, representing over 74% of all households in 2010 and 72% in 2022.
- Married couples without children comprised 33.1% of all households in 2010 and 33.4% in 2022. Married couple families with children comprised 27.7% of all the Washington County households in 2010 and are estimated to have dropped to 25.9% in 2022.
- Married couple families without children are generally made up of younger couples that have not had children and older couples with adult children that have moved out of the home. There is also a growing national trend toward married couples choosing delay childbirth, delaying children, or choosing not to have children entirely as birthrates have noticeably decreased. Older couples with adult children often desire multifamily housing options for convenience reasons but older couples in rural areas typically hold onto their single-family homes until they need services. Married couple families with children typically generate demand for single-family detached ownership housing. Other family households, defined as a male or female householder with no spouse present (typically single-parent households), often require affordable housing.
- Non-family households made up 24.5% of all households in 2010, increasing to 27.9% in 2022. The percentage of people living alone increased from 19.0% in 2010 to 22.6% in 2022. Roommates and unmarried couples comprised 5.6% of Washington County households in 2010, compared to 5.2% in 2022.
- Between 2010 and 2022, living alone households experienced the largest increase as a percentage of 28.9%, or 4,391 households.
- Other family households increased by 11.3%, or 1,327 households. Other families include single-parents and unmarried couples with children. With only one income, these families are most likely to need affordable or modest housing, both rental and for-sale.
- According to the 2021 National Association of Realtors (NAR) Home Buyer and Seller Generational Trends, approximately 60% of all homebuyers were married couples, 28% were single, 9% were unmarried couples, and 3% were other.

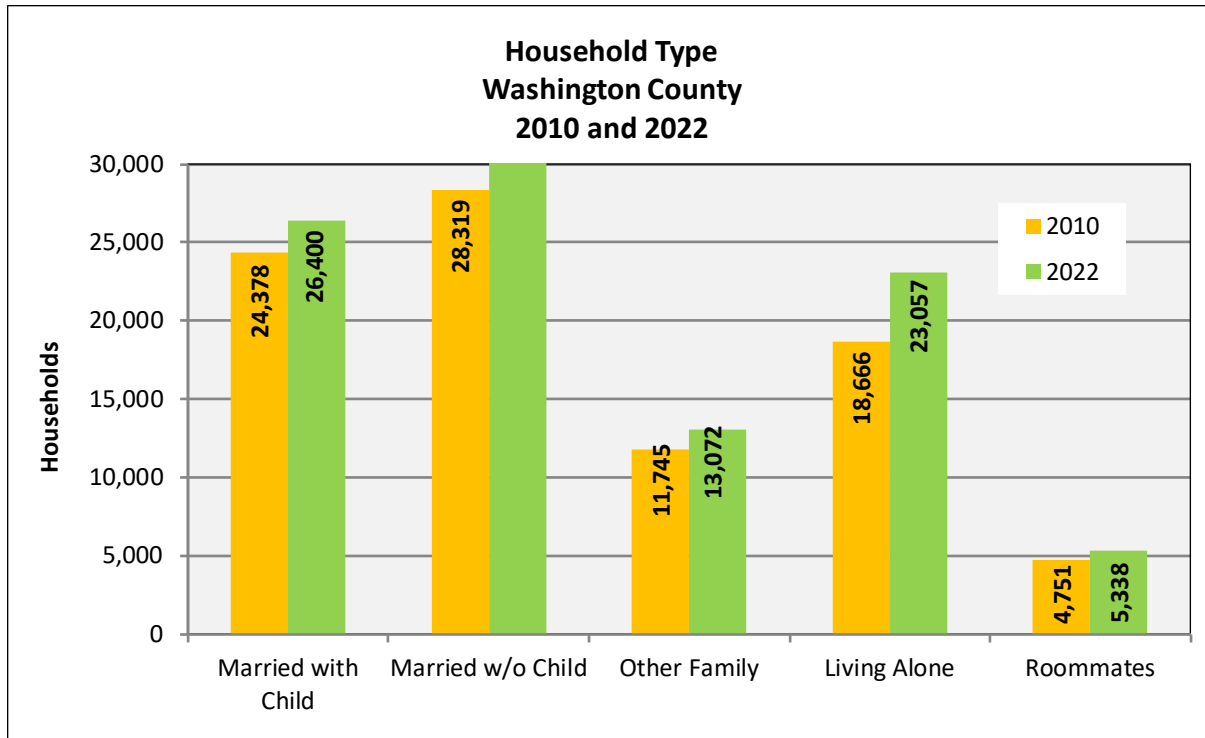
DEMOGRAPHIC ANALYSIS

**TABLE D-13
HOUSEHOLD TYPE
WASHINGTON COUNTY
2010 & 2022**

Number of Households	Total HH's		Family Households						Non-Family Households			
			Married w/o Child		Married w/Child		Other Family *		Living Alone		Roommates	
	2010	2022	2010	2022	2010	2022	2010	2022	2010	2022	2010	2022
Northeast	2,884	2,915	1,322	1,516	676	574	239	198	523	464	124	163
East Central	11,270	12,735	3,600	4,175	2,542	2,634	1,492	1,488	3,064	3,848	572	590
Southeast	4,384	4,530	1,885	2,245	1,248	1,043	392	321	653	629	206	293
East Total	18,538	20,180	6,807	7,936	4,466	4,251	2,123	2,007	4,240	4,941	902	1,045
Forest Lake	7,014	8,355	2,219	2,939	1,721	1,779	1,104	1,256	1,535	1,867	435	513
Hugo	4,990	6,129	1,548	1,856	1,485	1,610	671	870	978	1,291	308	503
Mahtomedi	5,574	5,980	2,141	2,490	1,530	1,335	608	617	1,109	1,317	186	220
Oakdale	11,213	11,690	3,077	3,668	2,279	1,628	1,953	2,225	3,197	3,664	707	505
Lake Elmo	2,779	4,250	1,118	1,606	846	1,244	288	522	413	708	114	171
Woodbury	22,594	28,230	6,470	7,998	7,504	9,318	2,714	3,286	4,614	6,167	1,292	1,460
Cottage Grove	15,157	17,030	4,939	5,484	4,547	5,234	2,284	2,289	2,580	3,102	807	921
West Total	69,321	81,664	21,512	26,040	19,912	22,149	9,622	11,066	14,426	18,116	3,849	4,293
Washington Total	87,859	101,844	28,319	33,977	24,378	26,400	11,745	13,072	18,666	23,057	4,751	5,338
Percent of Total												
Northeast	100%	100%	45.8%	52.0%	23.4%	19.7%	8.3%	6.8%	18.1%	15.9%	4.3%	5.6%
East Central	100%	100%	31.9%	32.8%	22.6%	20.7%	13.2%	11.7%	27.2%	30.2%	5.1%	4.6%
Southeast	100%	100%	43.0%	49.6%	28.5%	23.0%	8.9%	7.1%	14.9%	13.9%	4.7%	6.5%
East Total	100%	100%	36.7%	39.3%	24.1%	21.1%	11.5%	9.9%	22.9%	24.5%	4.9%	5.2%
Forest Lake	100%	100%	31.6%	35.2%	24.5%	21.3%	15.7%	15.0%	21.9%	22.4%	6.2%	6.1%
Hugo	100%	100%	31.0%	30.3%	29.8%	26.3%	13.4%	14.2%	19.6%	21.1%	6.2%	8.2%
Mahtomedi	100%	100%	38.4%	41.6%	27.4%	22.3%	10.9%	10.3%	19.9%	22.0%	3.3%	3.7%
Oakdale	100%	100%	27.4%	31.4%	20.3%	13.9%	17.4%	19.0%	28.5%	31.3%	6.3%	4.3%
Lake Elmo	100%	100%	40.2%	37.8%	30.4%	29.3%	10.4%	12.3%	14.9%	16.7%	4.1%	4.0%
Woodbury	100%	100%	28.6%	28.3%	33.2%	33.0%	12.0%	11.6%	20.4%	21.8%	5.7%	5.2%
Cottage Grove	100%	100%	32.6%	32.2%	30.0%	30.7%	15.1%	13.4%	17.0%	18.2%	5.3%	5.4%
West Total	100%	100%	31.0%	31.9%	28.7%	27.1%	13.9%	13.6%	20.8%	22.2%	5.6%	5.3%
Washington Total	100%	100%	32.2%	33.4%	27.7%	25.9%	13.4%	12.8%	21.2%	22.6%	5.4%	5.2%

* Single-parent families, unmarried couples with children.

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC



Public School Enrollment Trends

School enrollment trends identify the number of children enrolled in the public school system and indicates the number of families with school age children residing in the county. School enrollment in the public school districts that encompass Washington County has decreased since 2010. In some areas, the growth of children that would have occurred because of young families moving into the county has been offset by children of existing older baby boomer households graduating from high school and leaving home. Table D-14 provides public school enrollment trends from 2016 to 2022.

- The only increase was in the South Washington County (833) District, which includes most of Woodbury and Cottage Grove. Between 2016 and 2022, the District grew by 371 students. All the remaining districts had enrollment decreases.
- The steepest decline was in the Forest Lake District (831), which saw enrollment decline by 420 students (-6.6%), and Hastings which lost 295 students (-6.6%).
- There are also two collaborative school districts in Washington County. East Metro Integration District 6067 is a collaborative district between St. Paul and nine suburban school neighbors formed to foster voluntary, inter-district integration. Northeast Metro 916 is a collaborative district consisting of eleven east metro K-12 member districts and five charter schools.

DEMOGRAPHIC ANALYSIS

TABLE D-14 SCHOOL ENROLLMENT¹ FOR WASHINGTON COUNTY² 2016-2022								
School District & (number)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Change 16-22	
Chisago Lakes (2144)	3,372	3,451	3,475	3,471	3,341	3,357	(15)	-0.4%
Forest Lake (831)	6,378	6,261	6,148	6,024	5,914	5,958	(420)	-6.6%
Hastings (200)	4,455	4,416	4,391	4,335	4,222	4,160	(295)	-6.6%
Mahtomedi (832)	3,252	3,305	3,342	3,338	3,233	3,229	(23)	-0.7%
North St. Paul, Maplewood, Oakdale (622)	10,528	10,767	10,808	10,704	10,352	10,450	(78)	-0.7%
South Washington County (833)	18,623	18,924	18,966	19,298	19,001	18,994	371	2.0%
Stillwater (834)	8,357	8,444	8,554	8,572	8,290	8,203	(154)	-1.8%
White Bear Lake (624)	8,483	8,744	8,860	8,889	8,705	8,481	(2)	0.0%
Total	63,448	64,312	64,544	64,631	63,058	62,832	(616)	-1.0%
¹ Included in these counts are students who were enrolled over October 1 of the school year. Grade Pre-kindergarten through grade 12 are included in the counts. ² Listed are all school districts that serve Washington County, including those which are only partly within the county.								
Sources: Minnesota Department of Education; Maxfield Research & Consulting, LLC								

Net Worth

Table D-15 shows household net worth in Washington County in 2022. Simply stated, net worth is the difference between assets and liabilities or the total value of assets after the debt is subtracted. The data was compiled and estimated by ESRI based on the Survey of Consumer Finances and Federal Reserve Board data.

According to data released Federal Reserve in September 2020, the average American homeowner has a net worth, about 40 times greater than that of a renter. Research is based on the 2016 to 2019 Survey of Consumer Finances conducted by the Federal Reserve Board that showed the average net worth of a homeowner was \$255,000, whereas the average net worth of a renter was \$6,300.

- Washington County has an estimated average net worth of \$1,642,488 in 2022 and a median net worth of \$422,329. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with very large net worth can significantly skew the average. By comparison, the Metro Area had an average net worth of \$1,254,925 and median net worth of \$230,145.
- Similar to household income, net worth increases as households age and decreases after they pass their peak earning years and move into retirement. Median and average net worth peak in the 55 to 64 age cohort, posting an average of \$2,809,947 and a median of over \$757,404.

DEMOGRAPHIC ANALYSIS

- In the county, the Southeast and Lake Elmo submarkets had the highest median net worth at \$812,046 and \$773,248, respectively. Conversely, the Oakdale submarket had the lowest median net worth at \$210,324.
- Households often delay purchasing homes and instead choose to rent until they acquire sufficient net worth to cover the costs of a down payment and closing costs associated with home ownership. Although interest rates are historically low, they are expected to increase in the short-term as the Federal Reserve works to rein in the high inflation rate that has emerged after the COVID-19 pandemic.

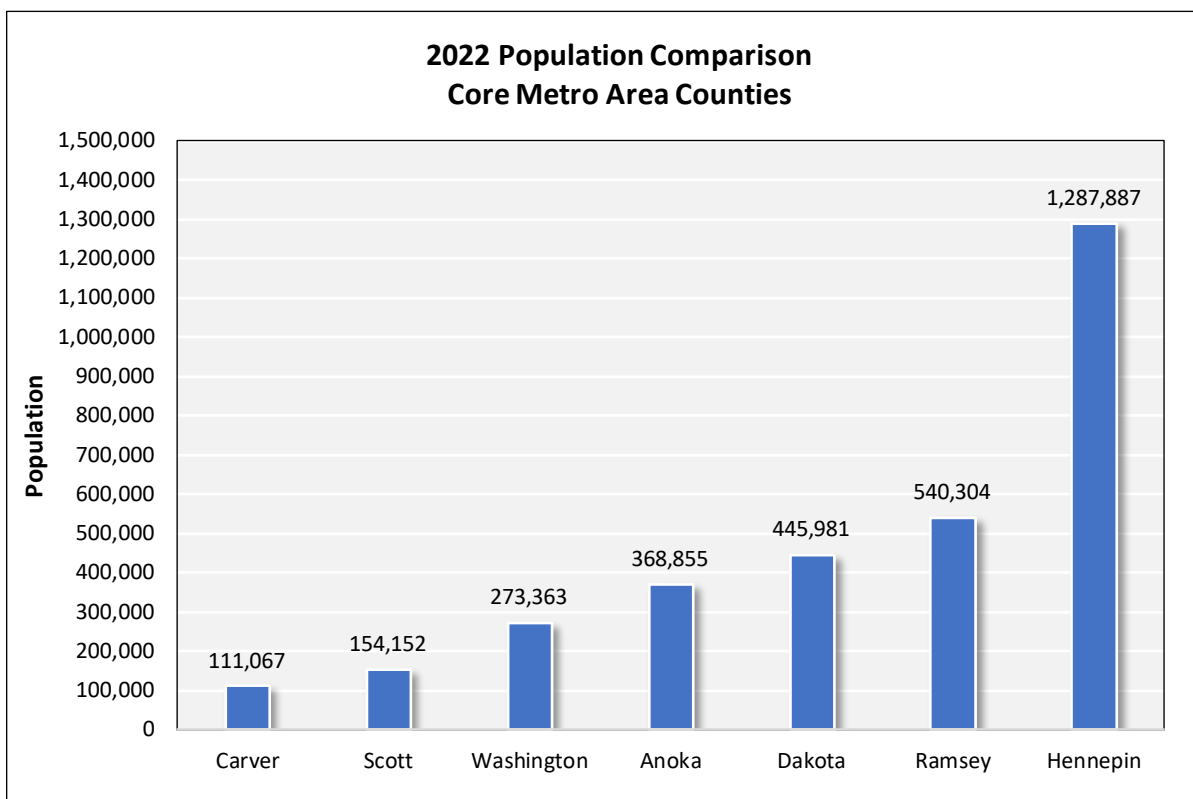
TABLE D-15 ESTIMATED NET WORTH BY AGE OF HOUSEHOLDER WASHINGTON COUNTY 2022								
	Age of Householder							
	Total		15-24		25-34		35-44	
	Average	Median	Average	Median	Average	Median	Average	Median
Northeast	\$2,861,793	\$682,359	\$39,042	\$21,321	\$297,612	\$158,676	\$1,912,465	\$500,000
Stillwater	\$2,008,122	\$381,241	\$77,891	\$20,029	\$212,971	\$80,783	\$1,558,827	\$357,430
Southeast	\$2,902,456	\$812,046	\$72,272	\$23,857	\$381,473	\$182,693	\$1,542,575	\$570,137
East Total	\$2,344,476	\$526,941	\$75,681	\$20,424	\$253,639	\$107,113	\$1,603,692	\$420,331
Forest Lake	\$1,167,398	\$243,167	\$45,501	\$13,977	\$165,997	\$65,510	\$730,948	\$204,321
Hugo	\$1,604,856	\$389,120	\$144,233	\$97,473	\$257,491	\$126,946	\$1,274,210	\$368,971
Mahtomedi	\$2,998,905	\$752,301	\$84,817	\$23,915	\$274,233	\$110,420	\$829,196	\$540,224
Oakdale	\$909,136	\$210,324	\$51,684	\$13,918	\$132,163	\$64,089	\$778,245	\$191,907
Lake Elmo	\$2,688,642	\$773,248	\$56,966	\$31,447	\$292,264	\$136,187	\$744,441	\$568,017
Woodbury	\$1,854,884	\$498,684	\$78,904	\$31,729	\$235,921	\$103,136	\$1,324,508	\$472,913
Cottage Grove	\$1,319,556	\$342,564	\$88,457	\$58,795	\$232,584	\$118,098	\$1,126,086	\$314,685
West Total	\$1,642,488	\$422,329	\$75,324	\$35,559	\$214,536	\$99,011	\$1,110,312	\$375,994
Washington Total	\$1,783,841	\$403,083	\$75,407	\$27,658	\$220,241	\$97,439	\$1,177,595	\$349,909
	Age of Householder							
	45-54		55-64		65-74		75+	
	Average	Median	Average	Median	Average	Median	Average	Median
Northeast	\$2,616,332	\$633,704	\$3,966,163	\$1,000,001	\$2,938,090	\$754,598	\$2,264,013	\$520,417
Stillwater	\$2,490,301	\$544,415	\$2,907,751	\$726,477	\$2,637,964	\$611,177	\$1,416,967	\$284,767
Southeast	\$3,289,484	\$1,000,001	\$4,144,735	\$1,000,001	\$3,060,089	\$884,224	\$2,224,100	\$652,070
East Total	\$2,688,141	\$660,070	\$3,442,464	\$851,909	\$2,800,499	\$707,816	\$1,674,000	\$383,985
Forest Lake	\$1,024,923	\$271,076	\$1,813,329	\$437,950	\$1,977,505	\$529,302	\$1,653,903	\$356,124
Hugo	\$1,604,304	\$402,927	\$2,421,612	\$633,638	\$2,725,719	\$743,684	\$2,151,955	\$608,172
Mahtomedi	\$3,181,141	\$1,000,001	\$4,461,705	\$1,000,001	\$3,919,194	\$1,000,001	\$1,820,007	\$374,876
Oakdale	\$973,403	\$283,513	\$1,417,981	\$337,934	\$1,396,437	\$348,515	\$834,578	\$266,204
Lake Elmo	\$3,343,261	\$1,000,001	\$4,217,367	\$1,000,001	\$2,841,039	\$751,602	\$2,231,652	\$635,680
Woodbury	\$2,264,041	\$665,075	\$2,945,457	\$989,441	\$2,839,799	\$807,174	\$1,822,689	\$562,062
Cottage Grove	\$1,403,267	\$418,055	\$1,973,915	\$557,719	\$1,988,270	\$587,477	\$1,392,663	\$370,113
West Total	\$1,897,248	\$556,526	\$2,618,026	\$730,925	\$2,430,829	\$667,584	\$1,579,445	\$430,848
Washington Total	\$2,049,853	\$528,555	\$2,809,947	\$757,404	\$2,527,040	\$656,457	\$1,606,183	\$394,586

Sources: ESRI; Maxfield Research & Consulting, LLC

Demographic Summary

Table D-16 provides a demographic summary comparing Washington County to the remaining counties in the core Twin Cities Metro Area (seven counties).

- Washington County had the third smallest estimated population at 273,363 people in 2022. Scott County (154,152 people) and Carver County (111,067 people) were behind Washington County.
- Washington County had the second highest estimated median household income at \$104,578, just behind Scott County at \$106,823. Washington County however, had the highest net median net worth at \$403,083, ahead of Scott County at \$371,620.
- Washington County had the fourth highest ownership rate at 81.8%, behind Anoka County (81.8%), Scott County (83.5%) and Carver County (84.4%).
- Washington County had the lowest percentage of Married with Children households, comprising 25.9% of all households in 2022.



DEMOGRAPHIC ANALYSIS

TABLE D-16
DEMOGRAPHIC SUMMARY
WASHINGTON COUNTY COMPARED TO OTHER METRO AREA COUNTIES
2022

Demographic Summary	Anoka		Carver		Dakota		Hennepin		Ramsey		Scott		Washington	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Total Population & Households														
Population	368,855	100.0%	111,067	100.0%	445,981	100.0%	1,287,887	100.0%	540,304	100.0%	154,152	100.0%	273,363	100.0%
Households	135,307	100.0%	40,134	100.0%	170,777	100.0%	528,641	100.0%	216,477	100.0%	53,339	100.0%	101,844	100.0%
Age Distribution														
Under 18	89,631	24.3%	29,970	27.0%	109,927	24.6%	287,711	22.3%	126,112	23.3%	43,710	28.4%	65,449	23.9%
18 to 24	23,983	6.5%	7,230	6.5%	29,453	6.6%	108,061	8.4%	47,075	8.7%	9,599	6.2%	20,189	7.4%
25 to 34	50,238	13.6%	14,227	12.8%	60,955	13.7%	191,826	14.9%	84,061	15.6%	20,648	13.4%	34,139	12.5%
35 to 44	51,418	13.9%	16,287	14.7%	62,589	14.0%	178,035	13.8%	70,001	13.0%	23,958	15.5%	37,816	13.8%
45 to 54	49,167	13.3%	14,768	13.3%	56,666	12.7%	152,436	11.8%	58,174	10.8%	20,819	13.5%	36,547	13.4%
55 to 64	50,889	13.8%	14,853	13.4%	60,702	13.6%	163,666	12.7%	66,717	12.3%	18,076	11.7%	38,314	14.0%
65 to 74	34,239	9.3%	8,824	7.9%	40,945	9.2%	120,640	9.4%	51,115	9.5%	10,929	7.1%	25,701	9.4%
75 or older	19,290	5.2%	4,906	4.4%	24,744	5.5%	85,512	6.6%	37,049	6.9%	6,414	4.2%	15,209	5.6%
Household Income*														
Average Household Income	\$105,365		\$133,806		\$113,152		\$117,260		\$92,749		\$132,746		\$130,825	
Median Household Income	\$86,036		\$103,666		\$90,569		\$85,101		\$70,737		\$106,823		\$104,578	
Average Weekly Wage														
Average Weekly Wage 2021	\$1,172		\$1,187		\$1,231		\$1,601		\$1,358		\$1,103		\$1,054	
Net Worth*														
Average Net Worth	\$1,101,091		\$1,287,288		\$1,302,332		\$1,287,288		\$830,058		\$1,571,234		\$1,783,841	
Median Net Worth	\$278,661		\$194,092		\$273,648		\$194,092		\$137,245		\$371,620		\$403,083	
Household Tenure														
Owner Households	110,717	81.8%	33,854	84.4%	133,390	78.1%	334,693	63.3%	133,993	61.9%	44,545	83.5%	82,682	81.2%
Renter Households	24,590	18.2%	6,280	15.6%	37,387	21.9%	193,948	36.7%	82,484	38.1%	8,793	16.5%	19,162	18.8%
Household Type														
Married with Children	56,885	42.0%	19,588	48.8%	71,223	41.7%	187,853	35.5%	73,467	33.9%	25,845	48.5%	26,400	25.9%
Married without Children	33,465	24.7%	10,065	25.1%	40,586	23.8%	107,857	20.4%	42,264	19.5%	12,576	23.6%	33,977	33.4%
Other	15,567	11.5%	2,965	7.4%	18,934	11.1%	53,760	10.2%	28,424	13.1%	5,459	10.2%	13,072	12.8%
Living Alone	23,260	17.2%	6,054	15.1%	31,917	18.7%	138,731	26.2%	57,515	26.6%	7,467	14.0%	23,057	22.6%
Roommates	6,130	4.5%	1,463	3.6%	8,116	4.8%	40,440	7.6%	14,807	6.8%	1,992	3.7%	5,338	5.2%

*Data from ESRI, Inc.

U.S. Census Bureau; Esri, Inc.; MNDEED; Maxfield Research and Consulting, LLC.

Introduction

Employment characteristics are important components in assessing housing needs in any given market area. These trends are important to consider since job growth can generally fuel household and population growth as people generally desire to live near where they work. Long commute times and the redevelopment of core cities have encouraged households to move closer to major employment centers. The recent Pandemic disrupted to some degree the historic trend of moving closer to urban areas as households were forced to work from home. Some households elected to relocate out of the urban area to suburban or more rural areas with this shift. It is unclear how the long-term impacts of telework will play out over time. To date, more people are back in the workplace, at least a few days per week, but companies are still discussing in-office and out of office work strategies.

Employment Growth and Projections

Table E-1 shows employment growth trends and projections from 2010 to 2040 based on the most recent information available from the Minnesota Department of Employment and Economic Development (DEED). Data for 2010, 2020, and 2030 is provided by the Metropolitan Council while data for 2021 is from Minnesota Department of Employment and Economic Development (DEED) and represents year end.

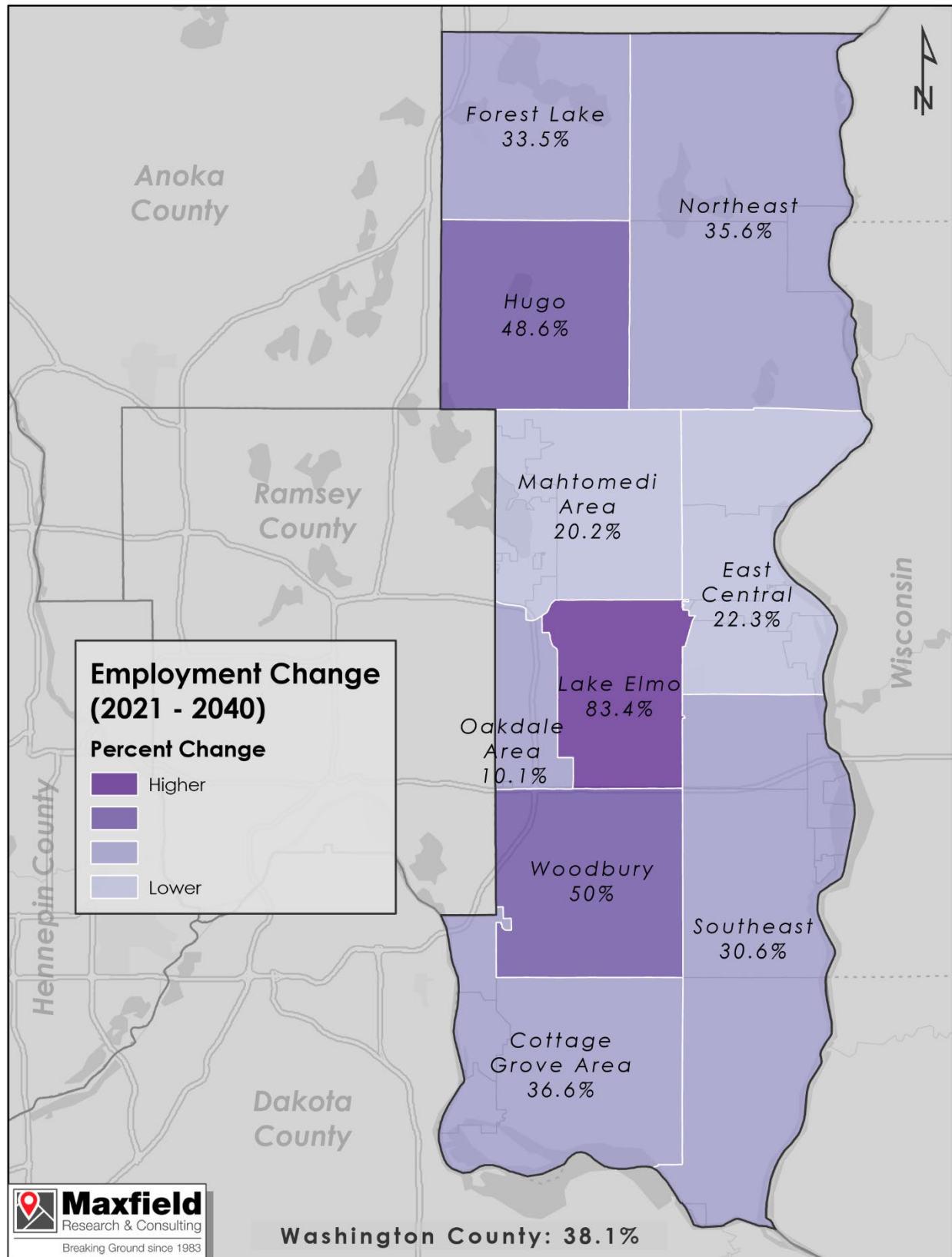
- Washington County is estimated to have increased employment by 21.8% (11,216 jobs) between 2010 and 2020. By comparison, the Metro Area is estimated to have increased by 6.6% (101,330 jobs) during the same period. As of 2021 Q4, Washington County is estimated to have 89,085 jobs, an increase of 5,466 (6.5%) despite the COVID-19 Pandemic as employment growth has demonstrated continued strength in the county over the past year.
- Employment projections from 2020 to 2030 show that Washington County is projected to grow by 18,921 jobs (22.6%). The Twin Cities Metro Area is projected to grow by 370,798 (22.5%). The projected higher increase for Washington County reflects relatively strong employment growth projected for the larger cities such as Woodbury and Stillwater, increases of 4,915 and 4,295 jobs, respectively. Proportionally, Lake Elmo, Hugo and Forest Lake are forecast to see the largest increases, by 68.1%, 39.1% and 36.2%, respectively.
- As of 2022, Cottage Grove and Oakdale are experiencing the greatest increase in industrial development; an estimated four million square feet of space is under construction. This development is likely to translate into higher levels of employment for these two communities than originally projected by Metropolitan Council.

EMPLOYMENT TRENDS

TABLE E-1
EMPLOYMENT GROWTH TRENDS AND PROJECTIONS
WASHINGTON COUNTY
2010-2040

	Employment															
	Actual								Forecasts							
	2010		2020		2021		2030		2040		2010-2020		2020 - 2030		2030 - 2040	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Northeast Area	709	1.0%	861	1.0%	922	1.0%	1,100	1.0%	1,250	1.0%	391	55.1%	239	27.8%	150	13.6%
East Central Area	18,010	25.0%	18,234	21.8%	19,260	21.6%	21,430	20.3%	23,560	23.8%	3,420	19.0%	3,196	17.5%	2,130	9.9%
Southeast Area	1,808	2.5%	1,938	2.3%	2,297	2.6%	2,550	2.4%	3,000	2.4%	742	41.0%	612	31.6%	450	17.6%
East Total	20,527	28.6%	21,033	25.2%	22,479	25.2%	25,080	23.8%	27,810	27.2%	4,553	22.2%	4,047	19.2%	2,730	10.9%
Forest Lake	6,449	9.0%	6,754	8.1%	7,117	8.0%	8,500	8.1%	9,500	8.8%	2,051	31.8%	1,746	25.9%	1,000	11.8%
Hugo	1,973	2.7%	2,875	3.4%	3,029	3.4%	3,900	3.7%	4,500	3.4%	1,927	97.7%	1,025	35.7%	600	15.4%
Mahtomedi Area	3,279	4.6%	4,035	4.8%	4,036	4.5%	4,630	4.4%	4,850	4.3%	1,351	41.2%	595	14.7%	220	4.8%
Oakdale Area	8,676	12.1%	10,715	12.8%	11,085	12.4%	13,040	12.4%	15,040	12.7%	4,364	50.3%	2,325	21.7%	2,000	15.3%
Lake Elmo	1,941	2.7%	2,737	3.3%	2,999	3.4%	4,150	3.9%	5,500	3.3%	2,209	113.8%	1,413	51.6%	1,350	32.5%
Woodbury	19,438	27.0%	23,785	28.4%	26,007	29.2%	31,400	29.8%	39,000	27.1%	11,962	61.5%	7,615	32.0%	7,600	24.2%
Cottage Grove Area	9,614	13.4%	11,685	14.0%	12,333	13.8%	14,700	13.9%	16,850	13.2%	5,086	52.9%	3,015	25.8%	2,150	14.6%
West Total	51,370	71.4%	62,586	74.8%	66,606	74.8%	80,320	76.2%	95,240	72.8%	28,950	56.4%	17,734	28.3%	14,920	18.6%
Washington Total	71,897	100.0%	83,619	100.0%	89,085	100.0%	105,400	100.0%	123,050	100.0%	33,503	46.6%	21,781	26.0%	17,650	16.7%
Twin Cities Metro Area	1,543,872		1,645,202		1,714,556		1,900,000		2,016,000		356,128	23.1%	254,798	15.5%	116,000	6.1%
Notes: Twin Cities Metro equals the 7-County region; Projections shown consider recent development trends and communities that have already exceeded previous projections.																
Sources: MN Dept of Employment and Economic Development; Metropolitan Council; Maxfield Research & Consulting, LLC																

Washington County-Employment Change (2021-2040)



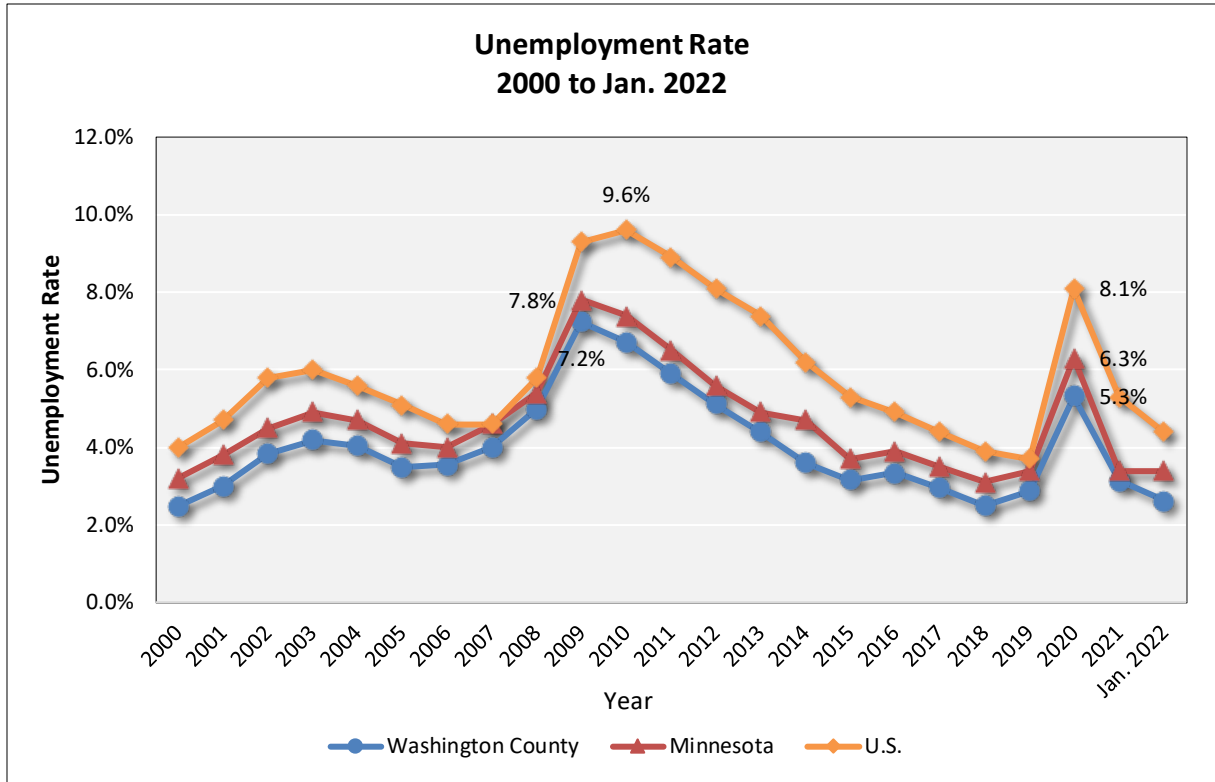
EMPLOYMENT TRENDS

- As of 2022, Cottage Grove and Oakdale are experiencing the greatest increase in industrial development; an estimated four million square feet of space is under construction. This development is likely to translate into higher levels of employment for these two communities than originally projected by Metropolitan Council.
- Data from the Quarterly Census of Employment and Wages indicates that Washington County gained 5,421 jobs (6.5%) from year-end 2020 through 2021. Most of the job growth over this period occurred in Woodbury, which added 2,222 jobs (9.3%), the East Central Area, which added 1,026 jobs (5.6%) and Cottage Grove, which added 648 jobs (5.5%).

Resident Labor Force

Table E-2 presents resident employment data for Washington County from 2000 through January 2022. Resident employment data is calculated as an annual average *and reveals the work force and number of employed people living in the county*. Not all of individuals necessarily work in the county. The data is from the Minnesota Department of Employment and Economic Development.

- Resident employment in Washington County increased by 8,029 people between 2000 and 2010 (7.0%), while the labor force increased by 13,954 (11.8%). This resulted in an increase in unemployment from 2.5% (2000) to 6.7% (2010). Between 2010 and 2020, the opposite occurred, and the labor force expanded 3.5% against an employment expansion of 6.6%, driving the unemployment rate down from 6.7% in 2010 to 5.3% in 2020. The unemployment rates in 2019 and 2021 were 2.9% and 3.4%.
- Since 2011, the unemployment rate in Washington County gradually decreased to 2.5% at the end of 2018. An unemployment rate of less than 5.0% typically indicates that some industries may be experiencing job shortages for some types of positions. As of January 2021, the unemployment rate of 2.6% is slightly higher than in 2018 at 2.5%, but still below the State and nation at 3.4% and 5.6%, respectively.

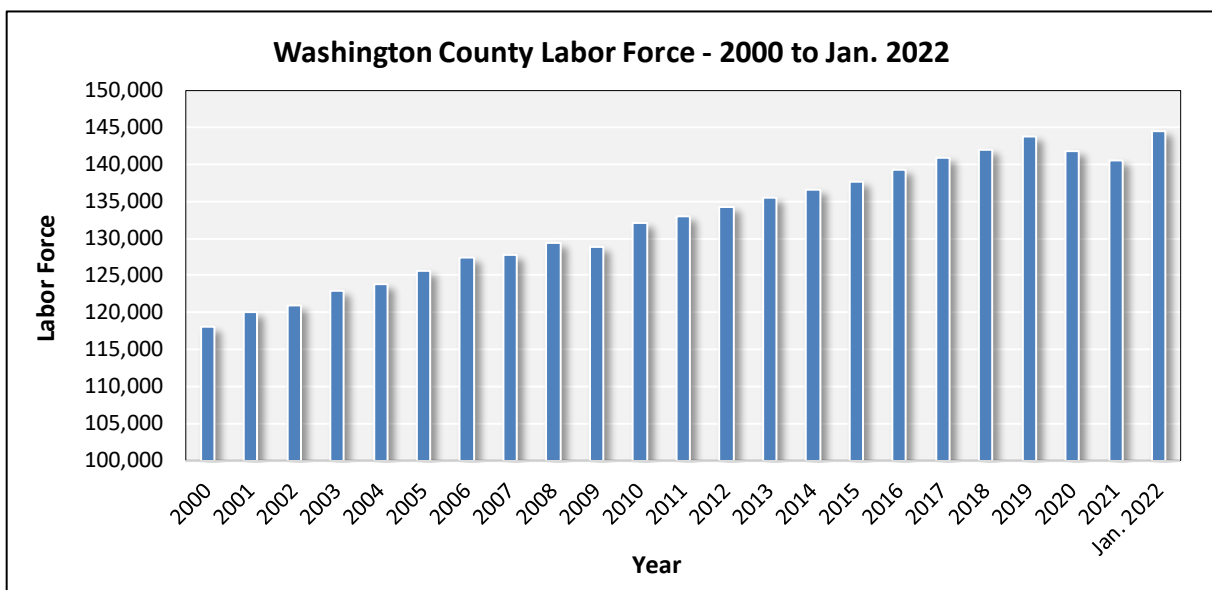


EMPLOYMENT TRENDS

TABLE E-2
RESIDENT EMPLOYMENT (ANNUAL AVERAGE)
WASHINGTON COUNTY
2000 through January 2022

Year	Total Labor Force	Total Employed	Total Unemployed	Unemployment Rate	Minnesota Unemployment Rate	U.S. Unemployment Rate
2000	118,092	115,159	2,933	2.5%	3.2%	4.0%
2001	119,974	116,379	3,595	3.0%	3.8%	4.7%
2002	120,946	116,297	4,649	3.8%	4.5%	5.8%
2003	122,962	117,815	5,147	4.2%	4.9%	6.0%
2004	123,805	118,788	5,017	4.1%	4.7%	5.6%
2005	125,591	121,213	4,378	3.5%	4.1%	5.1%
2006	127,484	122,962	4,522	3.5%	4.0%	4.6%
2007	127,837	122,731	5,106	4.0%	4.6%	4.6%
2008	129,322	122,858	6,464	5.0%	5.4%	5.8%
2009	128,886	119,550	9,336	7.2%	7.8%	9.3%
2010	132,046	123,188	8,858	6.7%	7.4%	9.6%
2011	133,063	125,221	7,842	5.9%	6.5%	8.9%
2012	134,228	127,359	6,869	5.1%	5.6%	8.1%
2013	135,478	129,519	5,959	4.4%	4.9%	7.4%
2014	136,504	121,547	14,957	3.6%	4.7%	6.2%
2015	137,668	133,330	4,338	3.2%	3.7%	5.3%
2016	139,211	134,566	4,645	3.3%	3.9%	4.9%
2017	140,927	136,764	4,163	3.0%	3.5%	4.4%
2018	141,974	138,416	3,558	2.5%	3.1%	3.9%
2019	143,686	139,544	4,142	2.9%	3.4%	3.7%
2020	141,828	134,276	7,552	5.3%	6.3%	8.1%
2021	140,592	136,188	4,404	3.1%	3.4%	5.3%
January 2022	144,442	140,641	3,801	2.6%	3.4%	4.4%
Change 2000 - 10	13,954	8,029	5,925	4.2%	4.2%	5.6%
Change 2010 - 21	8,546	13,000	-4,454	-3.6%	-4.0%	-4.3%

Sources: Minnesota Workforce Center; Maxfield Research & Consulting, LLC

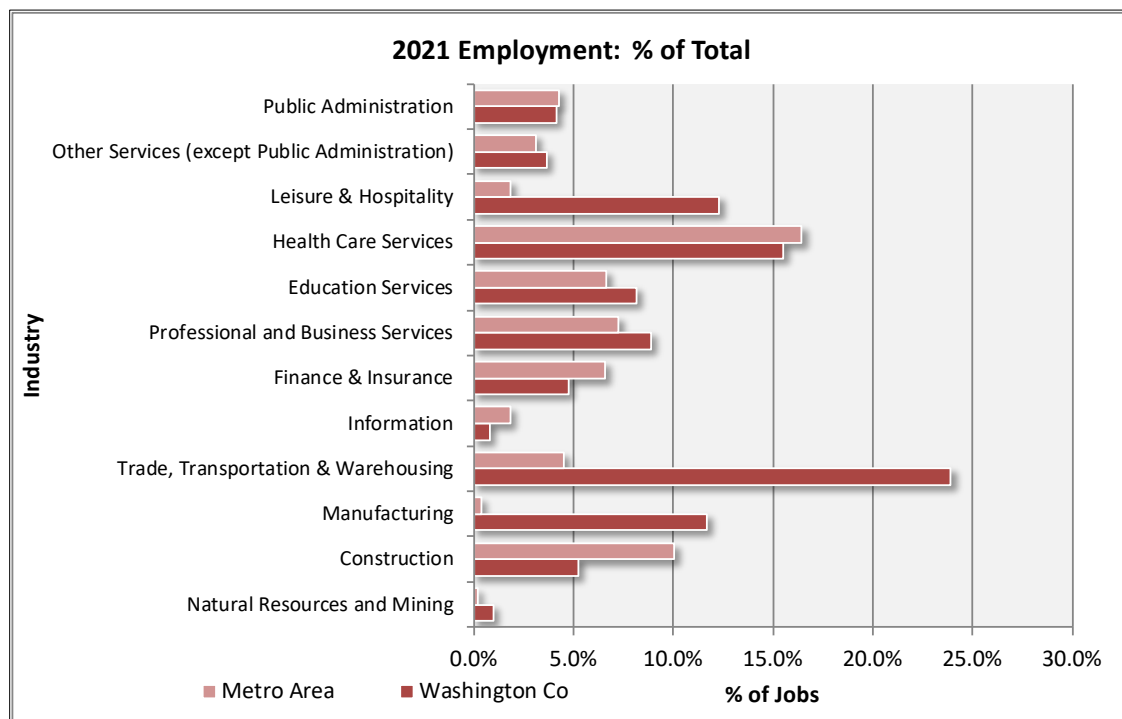


Covered Employment by Industry

The following tables display information on employment and average wages in each of the submarkets in Washington County along with a summary for the entire county and the Metro Area. Covered employment data is calculated as an annual average and *reveals the number of jobs in the submarket*, which are covered by unemployment insurance. Most farm jobs, self-employed people, and some other types of jobs are not covered by unemployment insurance and are not included in the table. The data is from the Minnesota Department of Employment and Economic Development. Data is from 2020 annual figures and 2021.

Washington County

- There were 84,026 jobs in Washington County as of 2021 which, represented a jobs to employed resident ratio of 0.60 compared to 1.05 in the Metro Area, based on 2021 resident employment totals. This ratio indicates that there were more employed residents than jobs in the county, suggesting that many residents commute outside the area for employment. The ratio of 1.01 for the Metro Area means that there were more jobs than employed residents, indicating that employers brought in workers from outside the Metro Area.
- As illustrated in the chart below, Washington County has an employment distribution similar to the Metro Area, but the county has much higher proportions of workers in Retail Trade, Accommodation and Food Services, Educational Services and Construction.



EMPLOYMENT TRENDS

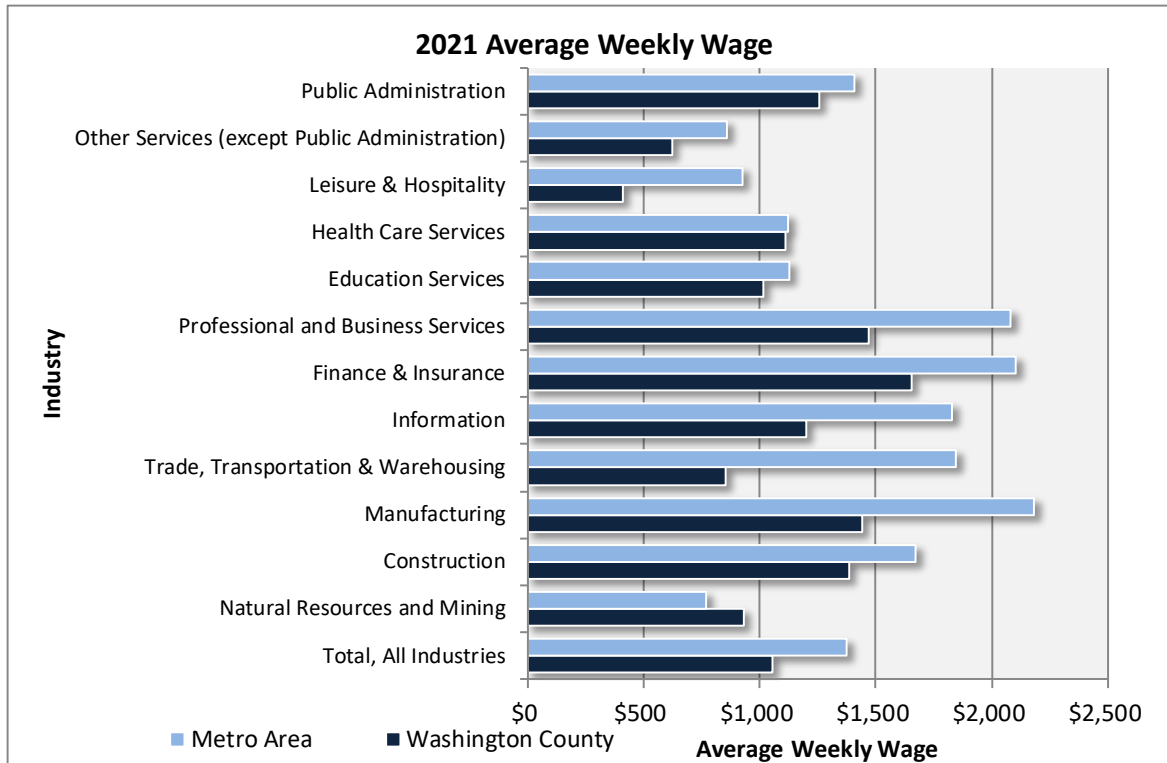
TABLE E-3
QUARTERLY CENSUS OF EMPLOYMENT AND WAGES
WASHINGTON COUNTY

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	%	Wage #	%
WASHINGTON COUNTY										
Total, All Industries	5,289	71,292	\$745	6,301	88,488	\$1,054	17,196	24.1%	\$309	41.5%
Natural Resources and Mining	46	655	\$607	52	895	\$931	240	36.6%	\$324	53.4%
Construction	586	2,741	\$950	606	4,625	\$1,386	1,884	68.7%	\$436	45.9%
Manufacturing	219	7,492	\$1,156	220	10,313	\$1,442	2,821	37.7%	\$286	24.7%
Trade, Transportation & Utilities	1,085	16,226	\$570	1,063	21,129	\$851	4,903	30.2%	\$281	49.3%
Information	85	794	\$879	95	718	\$1,198	(76)	-9.6%	\$319	36.3%
Financial Activities	625	4,712	\$1,163	712	4,229	\$1,655	(483)	-10.3%	\$492	42.3%
Professional and Business Services	977	6,662	\$997	1,098	7,849	\$1,472	1,187	17.8%	\$475	47.6%
Education Services	139	7,272	\$730	178	7,235	\$1,013	(37)	-0.5%	\$283	38.8%
Health Care Services	468	8,806	\$837	913	13,733	\$1,112	4,927	56.0%	\$275	32.9%
Leisure and Hospitality	506	9,830	\$274	600	10,894	\$411	1,064	10.8%	\$137	50.0%
Other Services	483	2,543	\$378	704	3,211	\$622	668	26.3%	\$244	64.6%
Public Administration	70	3,559	\$880	60	3,657	\$1,258	98	2.8%	\$378	43.0%
METRO AREA										
Total, All Industries	86,631	1,645,202	\$1,376	87,786	1,684,839	\$1,373	39,637	2.4%	(\$3)	-0.2%
Natural Resources and Mining	293	3,139	\$774	289	3,640	\$771	501	16.0%	(\$3)	-0.4%
Construction	4,061	166,170	\$1,556	4,011	169,580	\$1,671	3,410	2.1%	\$115	7.4%
Manufacturing	110	6,216	\$2,494	105	6,342	\$2,181	126	2.0%	(\$313)	-12.6%
Trade, Transportation and Warehousing	5,039	75,036	\$1,781	5,015	75,940	\$1,846	904	1.2%	\$65	3.6%
Information	1,751	32,226	\$1,872	1,812	30,575	\$1,830	(1,651)	-5.1%	(\$42)	-2.2%
Financial Activities	4,916	114,789	\$2,422	4,863	111,182	\$2,101	(3,607)	-3.1%	(\$321)	-13.3%
Professional and Business Services	11,407	121,627	\$2,067	11,210	122,469	\$2,081	842	0.7%	\$14	0.7%
Educational Services	2,222	128,232	\$1,159	2,298	111,664	\$1,130	(16,568)	-12.9%	-\$29	-2.5%
Health Care Services	11,646	270,279	\$1,079	12,328	276,825	\$1,122	6,546	2.4%	\$43	4.0%
Leisure and Hospitality	1,729	23,435	\$1,088	1,743	31,162	\$925	7,727	33.0%	(\$163)	-15.0%
Other Services	9,567	48,213	\$849	10,231	52,248	\$859	4,035	8.4%	\$10	1.2%
Public Administration	793	70,966	\$1,400	803	72,345	\$1,410	1,379	1.9%	\$10	0.7%
Note: The Metro Area consists of Anoka, Carver, Dakota, Hennepin, Scott, Ramsey and Washington Counties.										
Sources: MNDEED; Maxfield Research and Consulting, LLC.										

- The Retail Trade industry was the largest employment sector in the county, providing 21,129 jobs in 2021 (23.8% of the total). The next highest industries were Health Care and Social Assistance (13,733 jobs, 15.5%) and Construction (10,313 jobs, 11.6%).
- The most notable job losses occurred in the Financial Activities sector, a loss of 483 jobs or 10.3% decline. The most significant increase occurred in the Health Care and Social Assistance sector (4,927 jobs for a 56.0% increase).

EMPLOYMENT TRENDS

- From the end of 2020 to year-end 2021, the average weekly wage in Washington County increased 41.5% (\$309) to \$1,054. By comparison, wages decreased 0.2% (\$3) in the Metro Area to \$1,373. Average wages were lower in the county than in the Metro Area in every industry sector other than the Natural Resources and Mining sector.



Northeast

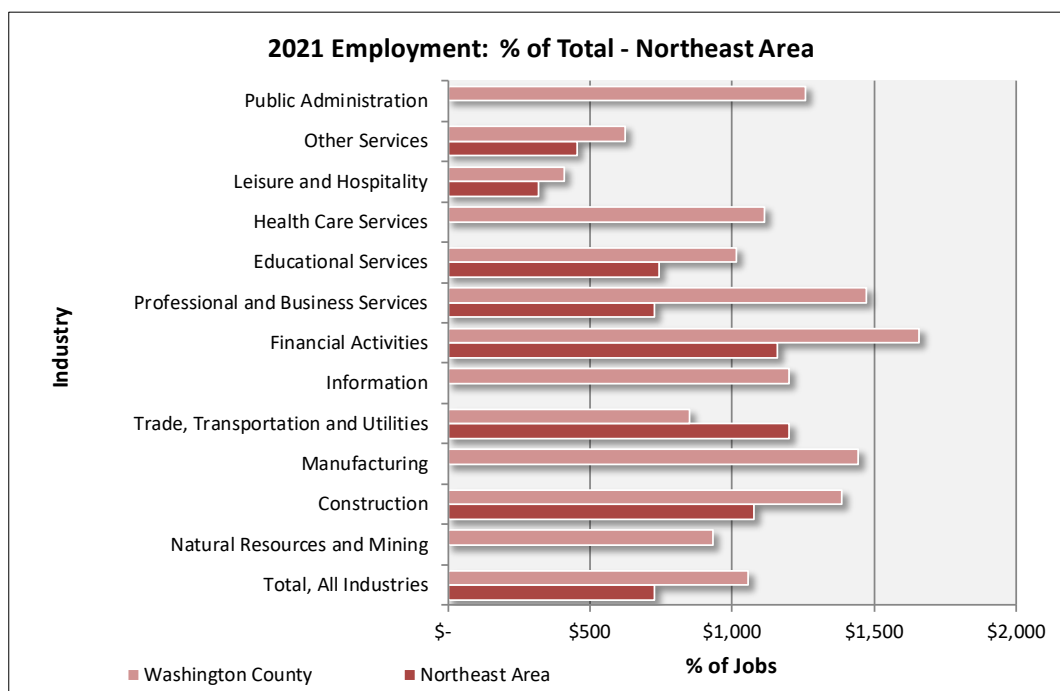
- There were 889 jobs in the Northeast submarket as of 2021 which represented 1.0% of all covered employment in Washington County.
- The Education Services industry was, by far, the largest employment sector in the Northeast submarket, providing 182 jobs in 2021 (20% of the total).
- Between 2010 and 2021, the number of employees in the Northeast submarket increased slightly (3.3%). The largest changes in covered employment occurred in the Educational Services sector (loss of 61 jobs, 25.1%) and an increase of 36 jobs in the Construction sector, an increase of 65.5% and an increase of 43 jobs in the Professional and Business Services (70.5%).

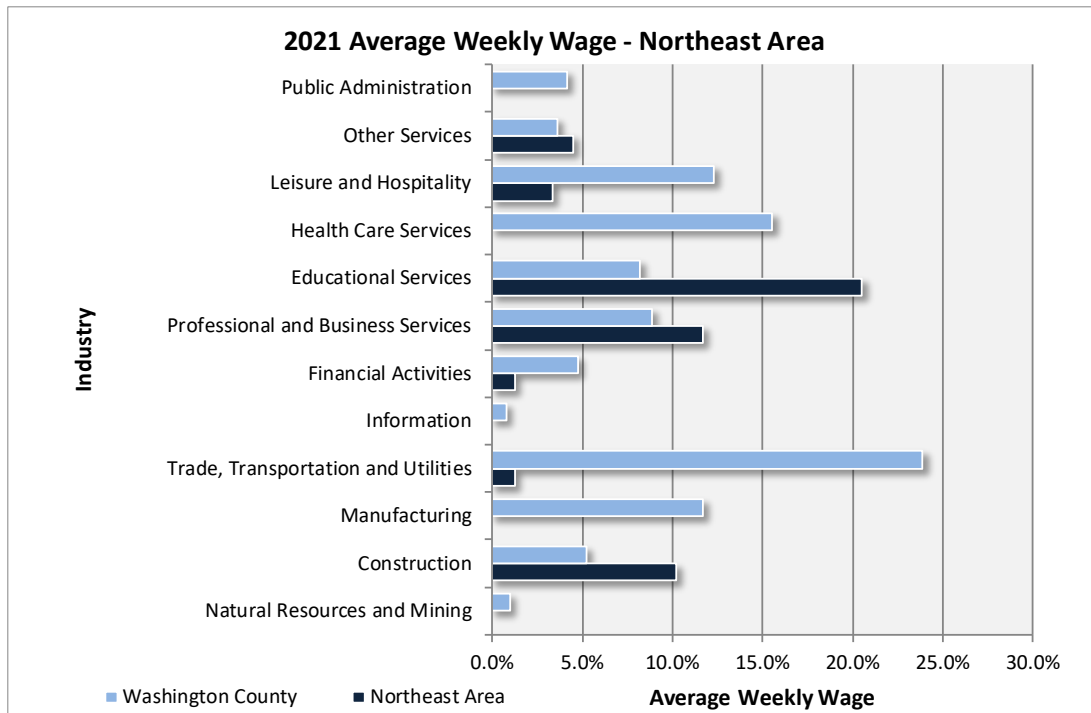
EMPLOYMENT TRENDS

- From 2010 through 2021, the average weekly wage in the Northeast submarket increased \$118 to \$726. The largest increases occurred in the Trade, Transportation and Utilities sector which increased by \$680 or 130.5% and Construction, which increased by \$434 or 67.8%. The largest decrease was in the Other Services category, which decreased by \$435 or 57.8%.
- At \$726, the average weekly wage for all industries in the Northeast submarket was lower than the county (\$1,054). Average weekly wages were lower in the Northeast submarket than in the county in every industry other than Trade, Transportation and Utilities (\$1,201 in Northeast compared to \$851 in Washington County).

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	%	Wage #	%
NORTHEAST AREA										
Total, All Industries	168	748	\$608	186	889	\$726	141	18.9%	\$118	19.4%
Natural Resources and Mining	3	12	\$137	--	--	--	--	--	--	--
Construction	43	54	\$641	35	91	\$1,075	37	68.5%	\$434	67.8%
Manufacturing	4	61	\$804	--	--	--	--	--	--	--
Trade Transportation & Utilities	21	96	\$521	2	11	\$1,201	-85	-88.5%	\$680	130.5%
Information	--	--	--	--	--	--	--	--	--	--
Finance & Insurance	9	34	\$1,293	6	11	\$1,159	-23	-67.6%	(\$134)	-10.4%
Professional & Business Services	32	112	\$505	22	104	\$728	-8	-7.1%	\$223	44.2%
Education Services	3	164	\$929	13	182	\$743	18	11.0%	(\$186)	-20.0%
Health Care Services	7	34	\$321	--	--	--	--	--	--	--
Leisure & Hospitality	14	78	\$612	--	--	--	--	--	--	--
Other Services	15	24	\$753	12	30	\$318	6	25.0%	(\$435)	-57.8%
Public Administration	3	47	\$543	3	40	\$456	-7	-14.9%	(\$87)	-16.0%

Sources: MNDEED; Maxfield Research & Consulting, LLC





EMPLOYMENT TRENDS

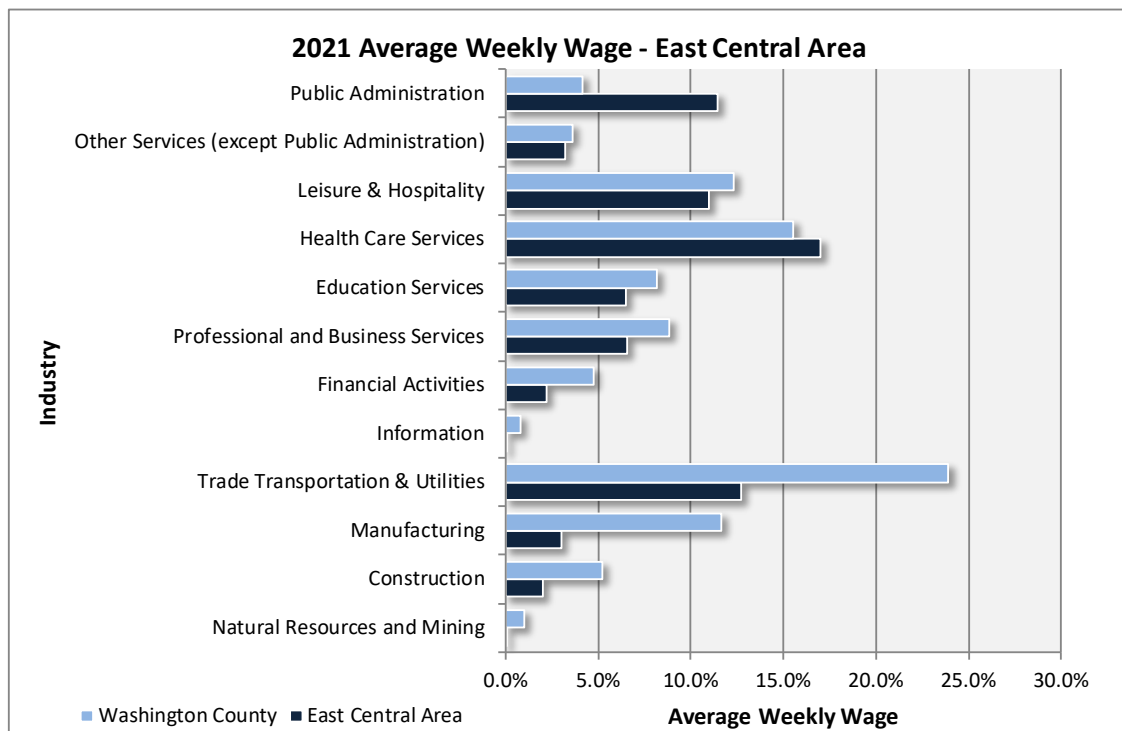
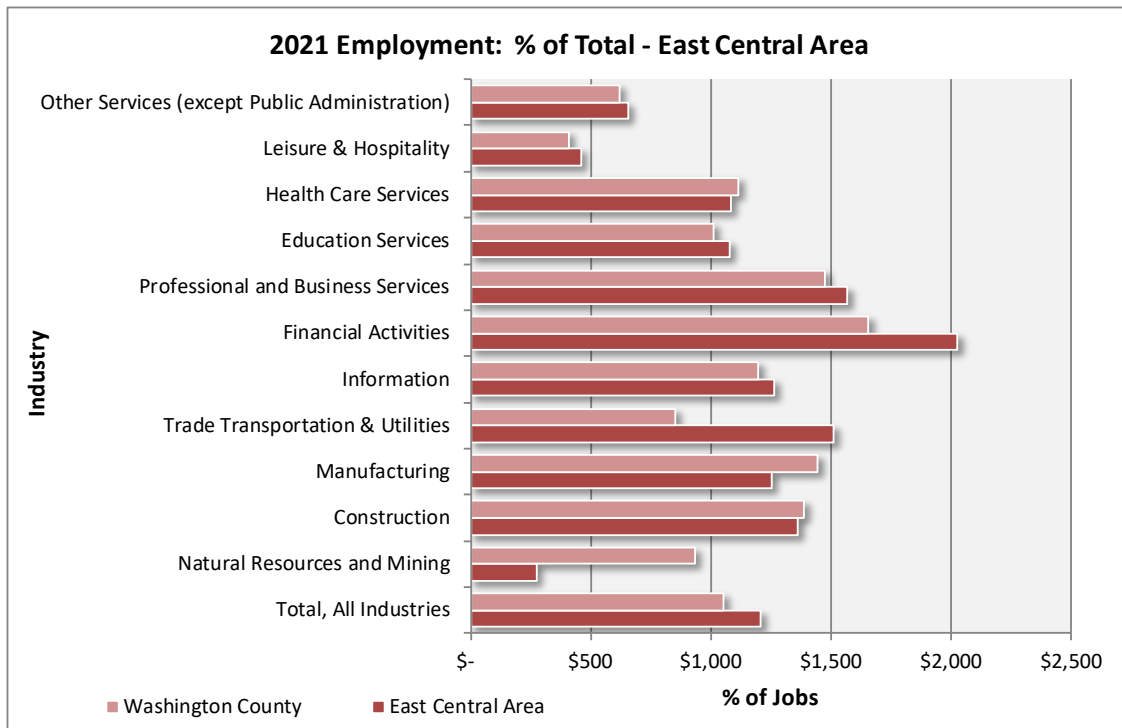
East Central Area

- There were 19,127 jobs in the East Central Area as of year-end 2021 which represented 21.6% of all covered employment in Washington County.

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment		Wage	
	#	%	#	%	#	%	#	%	#	%
EAST CENTRAL AREA										
Total, All Industries	1,062	17,730	\$800	1,112	19,127	\$1,207	1,397	7.9%	\$407	50.9%
Natural Resources and Mining	4	17	\$416	4	5	\$275	-12	-70.6%	(\$141)	-34.0%
Construction	6	66	\$1,110	32	386	\$1,362	320	484.8%	\$252	22.7%
Manufacturing	27	560	\$977	28	574	\$1,252	14	2.5%	\$275	28.1%
Trade, Transportation & Utilities	227	3,329	\$861	159	2,434	\$1,508	-895	-26.9%	\$647	75.1%
Information	22	80	\$936	9	20	\$1,265	-60	-75.0%	\$329	35.1%
Financial Activities	95	452	\$1,232	91	423	\$2,024	-29	-6.4%	\$792	64.3%
Professional and Business Services	160	865	\$751	182	1,261	\$1,567	396	45.8%	\$816	108.7%
Education Services	24	993	\$714	26	1,247	\$1,077	254	25.6%	\$363	50.8%
Health Care Services	76	2,385	\$825	151	3,254	\$1,085	869	36.4%	\$260	31.5%
Leisure & Hospitality	122	2,058	\$290	128	2,106	\$462	48	2.3%	\$172	59.3%
Other Services (except Public Administration)	99	601	\$290	130	610	\$655	9	1.5%	\$365	125.9%
Public Administration	27	2,219	\$738	20	2,191	\$1,239	-28	-1.3%	\$501	67.9%

Sources: MNDEED; Maxfield Research & Consulting, LLC

- The Health Care & Social Assistance industry is the largest employment sector in the East Central submarket, providing 3,254 jobs as of year-end 2021 (17.0% of the total in the submarket).
- From 2010 through 2021, the number of jobs in the East Central submarket increased by 1,397 (7.9%). The most notable changes occurred in the Construction sector (320 jobs, a 484.8% increase), while the greatest numerical increase occurred in the Health Care Services sector, which added 869 jobs (36.4%).
- From 2010 through 2021, the average weekly wage in the East Central submarket increased 50.9% (\$407) to \$1,207. The largest increases were in the Professional and Business Services and Financial Activities sectors, which had increases of \$816 and \$792, respectively. The only decrease occurred in the Natural Resources and Mining sector, where wages decreased by \$141 over the period, a decline of 34.0%.
- At \$1,207, the average weekly wage for all industries in the East Central submarket was 14.5% higher than the county (\$1,054).



EMPLOYMENT TRENDS

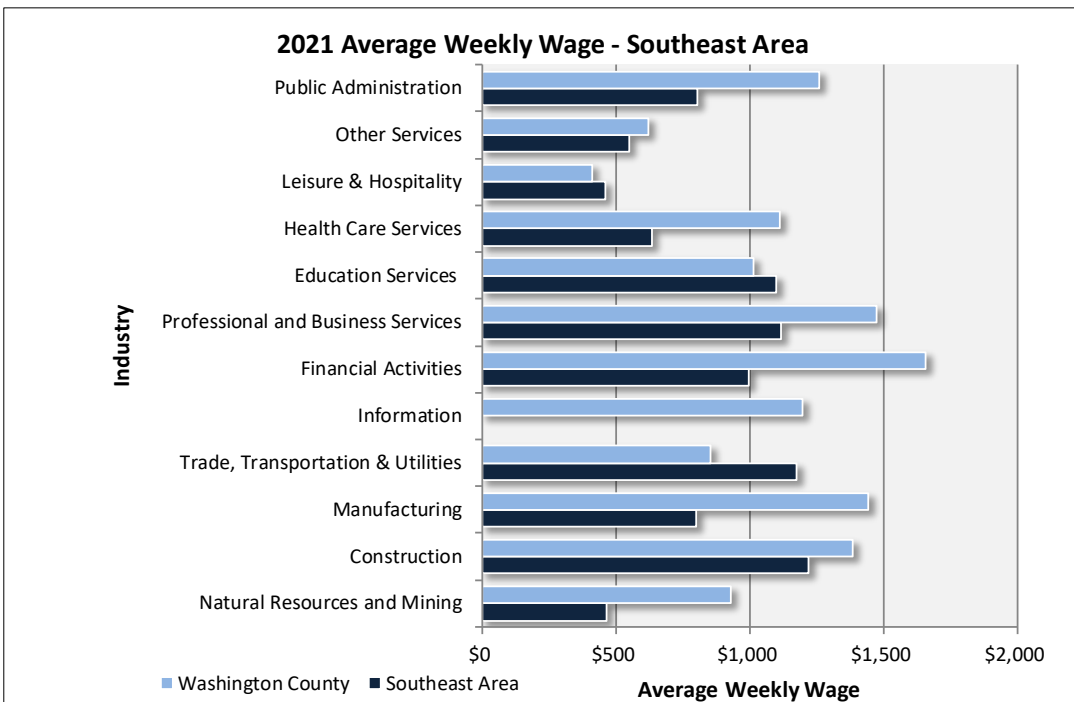
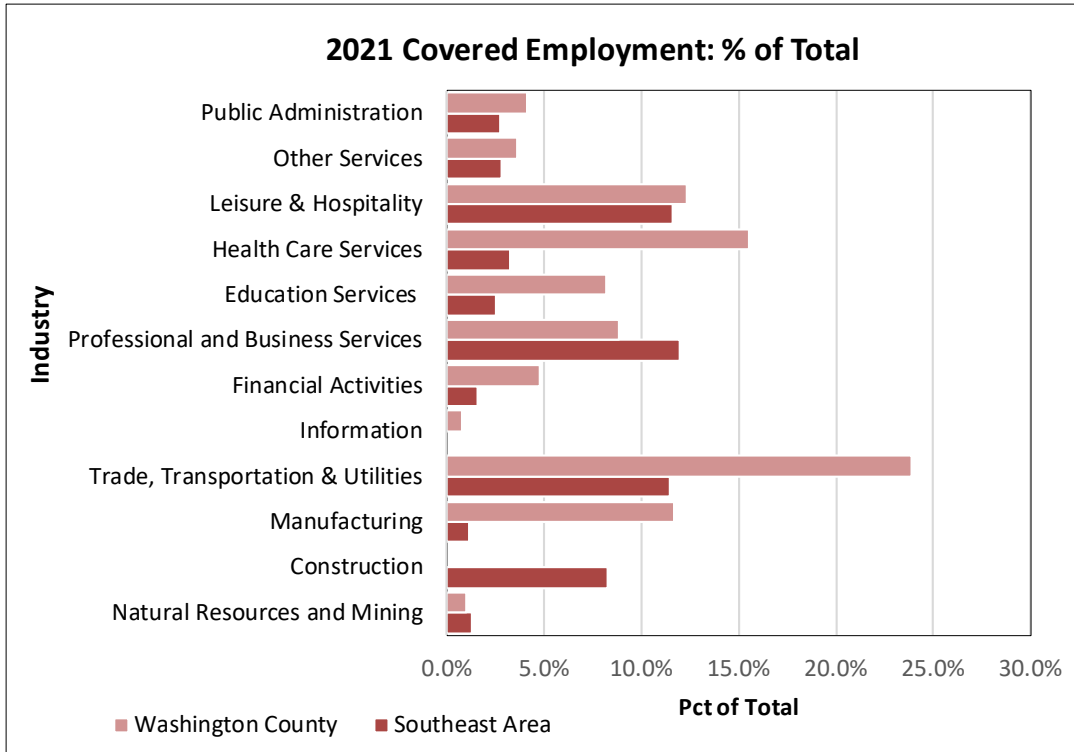
Southeast

- There were 2,329 jobs in the Southeast Area as of year-end 2021, representing 2.6% of all covered employment in the county.

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	%	Wage #	%
SOUTHEAST AREA										
Total, All Industries	239	1,774	\$535	299	2,329	\$942	555	31.3%	\$407	76.1%
Natural Resources and Mining	5	19	\$398	6	30	\$466	11	57.9%	\$68	17.1%
Construction	22	131	\$1,343	22	192	\$1,219	61	46.6%	(\$124)	-9.2%
Manufacturing	--	--	--	4	27	\$798	--	--	--	--
Trade, Transportation & Utilities	31	204	\$691	35	267	\$1,173	63	30.9%	\$482	69.8%
Information	--	--	--	--	--	--	--	--	--	--
Financial Activities	4	18	\$330	21	36	\$995	18	100.0%	\$665	201.5%
Professional and Business Services	46	96	\$757	58	278	\$1,118	182	189.6%	\$361	47.7%
Educational Services	1	61	\$951	1	58	\$1,099	-3	-4.9%	\$148	15.6%
Health Care Services	7	67	\$502	7	76	\$634	9	13.4%	\$132	26.3%
Leisure & Hospitality	12	185	\$270	17	270	\$458	85	45.9%	\$188	69.6%
Other Services (except Public Administration)	5	23	\$438	10	65	\$552	42	182.6%	\$114	25.9%
Public Administration	7	61	\$291	8	64	\$806	3	4.9%	\$515	177.0%

Sources: MNDEED; Maxfield Research & Consulting, LLC

- The Professional and Business Services segment was the largest employment sector in the Southeast submarket, providing 278 jobs in 2021 (11.9% of the total). Often, a portion of covered employment data is withheld for privacy reasons. For example, there may be only a small number of employers or only one employer which could be identified from the published data. Therefore, individual industry segments do not sum to the total.
- From 2010 through year-end 2021, the number of jobs in the Southeast submarket increased by 555 (31.3%). The largest change over the period occurred in the Professional and Business Services sector, which increased by 182 jobs or 189.6%.
- From 2010 through 2021, the average weekly wage in the Southeast submarket increased 76.1% (\$407) to \$942. The largest increase occurred in the Financial Activities sector, which increased by \$665 or 201.5%. The only decrease occurred in the Construction sector, a decrease of \$124 or 9.2%.
- At \$942, the average weekly wage for all industries in the Southeast submarket was lower than the county (\$1,054). Average wages were lower in the Southeast submarket than in the county in most industry sectors but higher in the Trade, Transportation & Utilities sector and in the Leisure and Hospitality sector.



EMPLOYMENT TRENDS

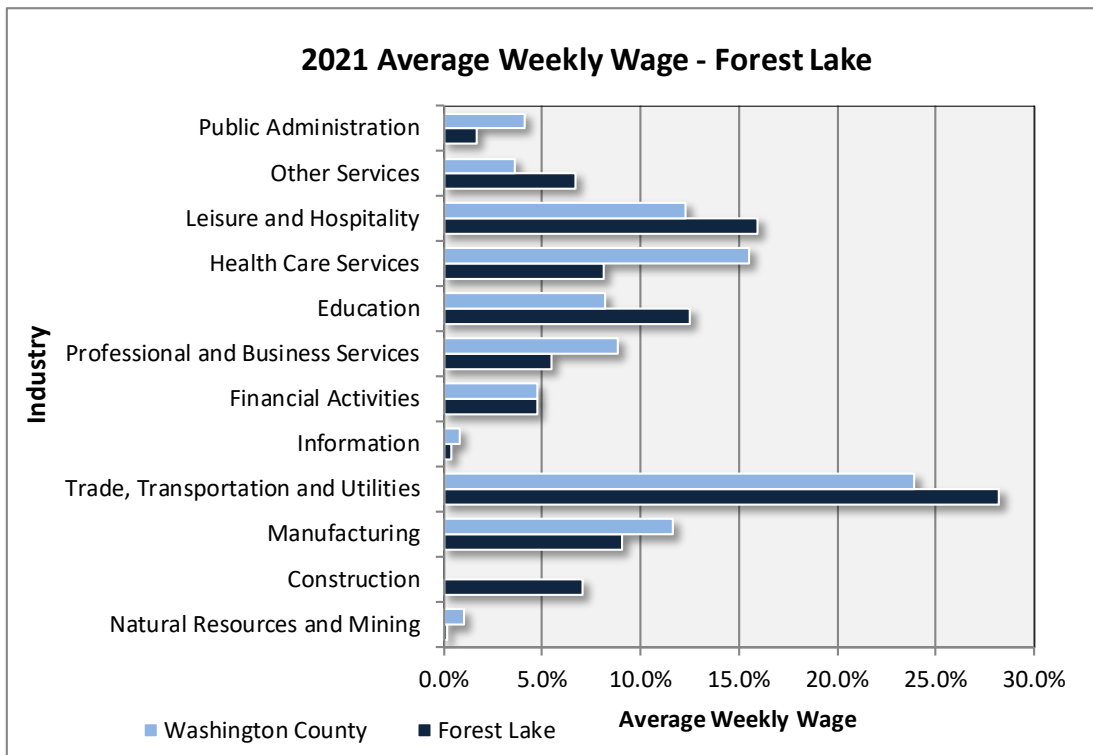
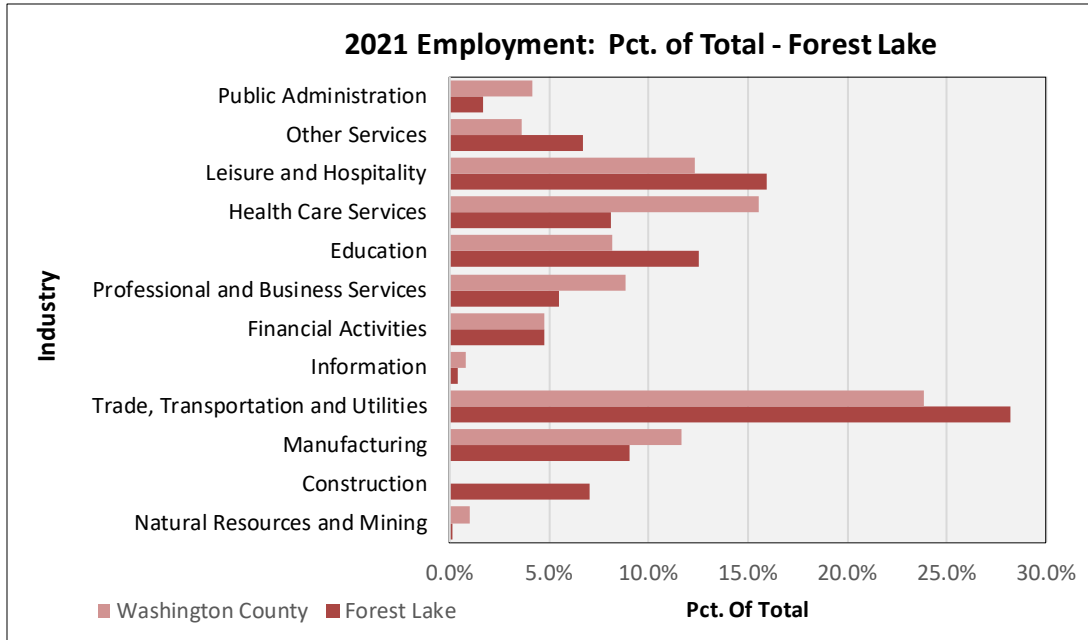
Forest Lake

- There were 7,062 jobs in the Forest Lake submarket as of 2021 which represented 8% of all jobs in Washington County.
- The Retail Trade industry was the largest employment sector in the Forest Lake submarket, providing 1,991 jobs in 2021 (28.2% of the total).
- From 2010 through 2021, employment in Forest Lake grew by 643 employees (10.0%).

Industry	2010			2021			Change 2010-2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	%	Wage #	%
FOREST LAKE										
Total, All Industries	537	6,419	\$546	565	7,062	\$813	643	10.0%	\$267	48.9%
Natural Resources and Mining	2	8	\$459	2	9	\$629	1	---	\$170	---
Construction	59	294	\$895	60	498	\$1,306	204	69.4%	\$411	45.9%
Manufacturing	33	360	\$808	32	639	\$1,213	279	77.5%	\$405	50.1%
Trade, Transportation and Utilities	125	2,132	\$534	95	1,991	\$735	(141)	-6.6%	\$201	37.6%
Information	3	47	\$919	4	27	\$1,044	(20)	-42.6%	\$125	13.6%
Financial Activities	71	278	\$667	70	336	\$1,367	58	20.9%	\$700	104.9%
Professional and Business Services	73	355	\$514	75	387	\$977	32	9.0%	\$463	90.1%
Education	13	890	\$611	21	885	\$805	(5)	-0.6%	\$194	31.8%
Health Care Services	49	587	\$646	75	574	\$903	(13)	-2.2%	\$257	39.8%
Leisure and Hospitality	54	1,015	\$233	63	1,125	\$382	110	10.8%	\$149	63.9%
Other Services	50	347	\$392	66	472	\$559	125	36.0%	\$167	42.6%
Public Administration	5	106	\$890	5	119	\$1,061	13	12.3%	\$171	19.2%

Sources: MN DEED; Maxfield Research and Consulting, LLC

- Within the Forest Lake submarket, the most notable job losses occurred in the Trade, Transportation and Utilities sector which contracted by 141 jobs (-6.6%) and the Information sector, which decreased by 20 jobs (-42.6%).
- From 2010 through 2021, the average weekly wage in the Forest Lake submarket increased by nearly 49% to \$813. The largest increases in wages occurred in the Financial Activities sector (104.9%) and the Professional and Business Services sector (90.1%). Wages in the Manufacturing sector increased by 50% over the period.
- At \$813, the average weekly wage for all industries in the Forest Lake submarket was lower than the county (\$1,054) by nearly 30%. Average weekly wages in Forest Lake were lower in every industry sector than the county.



EMPLOYMENT TRENDS

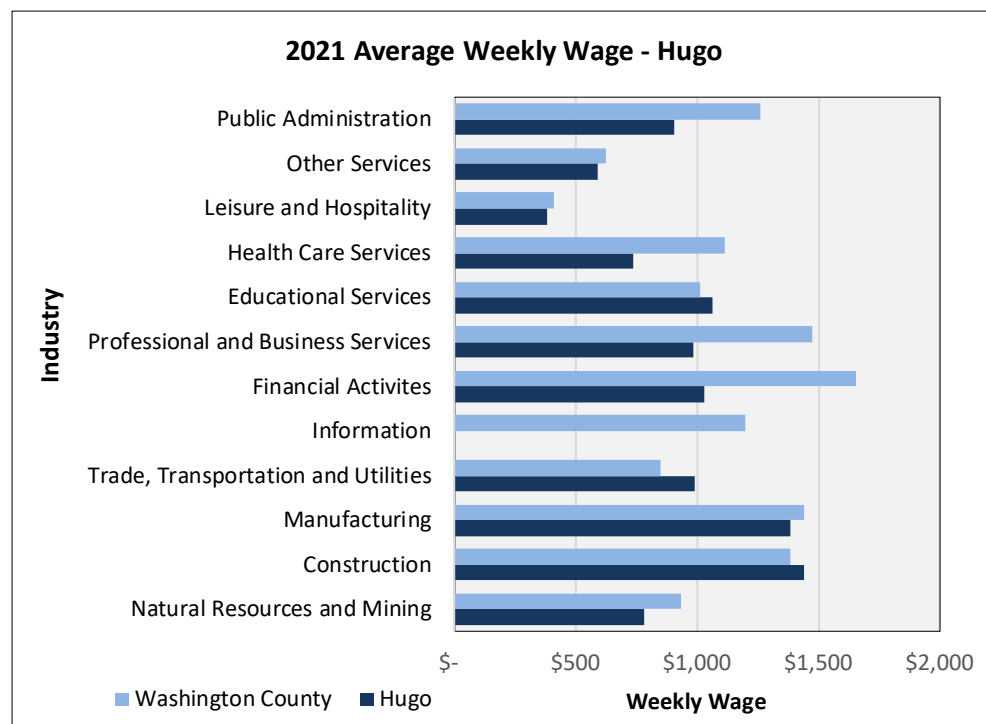
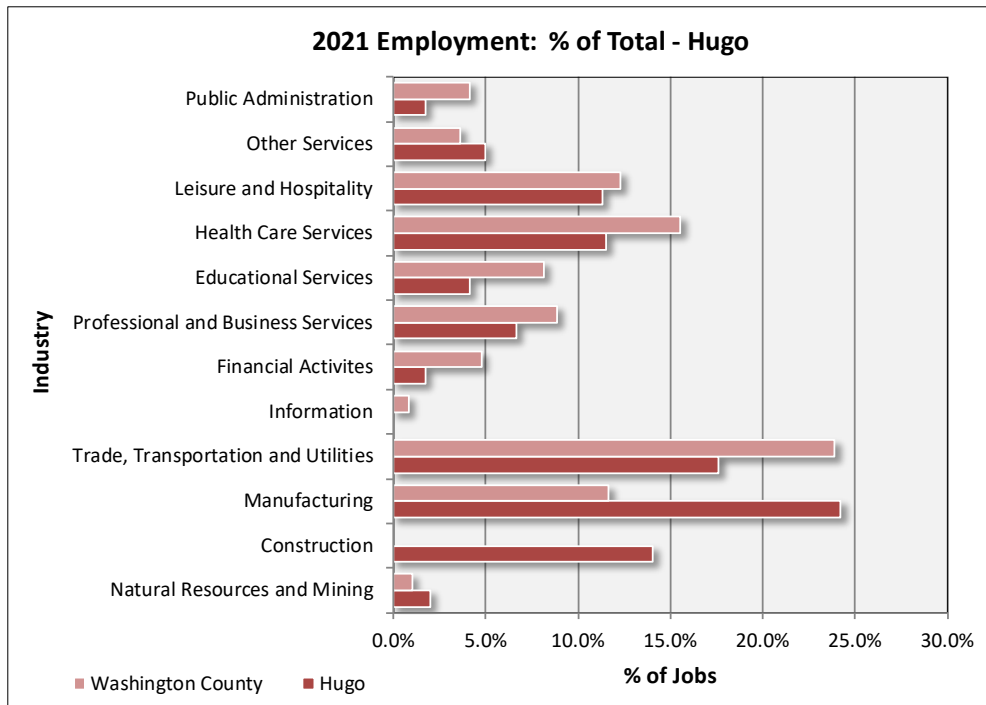
Hugo

- There were 2,995 jobs in the Hugo submarket as of year-end 2021, which represented 3.4% of all jobs in Washington County.

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	%	Wage #	%
HUGO										
Total, All Industries	236	1,960	\$767	300	2,995	\$1,045	1,035	52.8%	\$278	36.2%
Natural Resources and Mining	5	15	\$422	5	60	\$784	45	300.0%	\$362	85.8%
Construction	57	371	\$1,015	51	420	\$1,441	49	13.2%	\$426	42.0%
Manufacturing	16	509	\$1,116	22	725	\$1,384	216	42.4%	\$268	24.0%
Trade, Transportation and Utilities	37	309	\$542	39	527	\$989	218	70.6%	\$447	82.5%
Information	--	--	--	--	--	--	--	--	--	--
Financial Activities	15	42	\$740	22	53	\$1,028	11	26.2%	\$288	38.9%
Professional and Business Services	41	142	\$645	43	200	\$983	58	40.8%	\$338	52.4%
Educational Services	2	109	\$771	3	124	\$1,065	15	13.8%	\$294	38.1%
Health Care Services	21	174	\$448	49	345	\$737	171	98.3%	\$289	64.5%
Leisure and Hospitality	15	180	\$251	20	339	\$384	159	88.3%	\$133	53.0%
Other Services	25	81	\$422	45	150	\$591	69	85.2%	\$169	40.0%
Public Administration	2	28	\$1,013	1	52	\$907	24	85.7%	(\$106)	-10.5%

Sources: MNDEED; Maxfield Research & Consulting, LLC

- The Manufacturing industry was the largest employment sector in the Hugo submarket, providing 725 jobs in 2021 (24.2% of the total).
- Between 2010 and 2021, the number of workers increased by 1,035 (52.8%). The largest increases occurred in Trade, Transportation and Utilities (218 jobs or 70.6%), followed by Manufacturing, which increased by 216 jobs or 42.4%. Health Services and Leisure and Hospitality also exhibited strong increases, growing by 171 and 159 jobs, respectively.
- From 2010 through 2021, the average weekly wage in the Hugo submarket increased 36.2% to \$1,045. The largest increases were in Trade, Transportation and Utilities, which increased by \$447 or 82.5% and in Construction, which increased by \$426 or 42.0%. Public Administration was the only sector to show a wage decrease of \$106 over the period.
- At \$1,045, the average weekly wage for all industries in the Hugo submarket is just slightly lower than the county (\$1,054). Wages were higher in Hugo in the Trade, Transportation and Utilities and Construction sectors.



EMPLOYMENT TRENDS

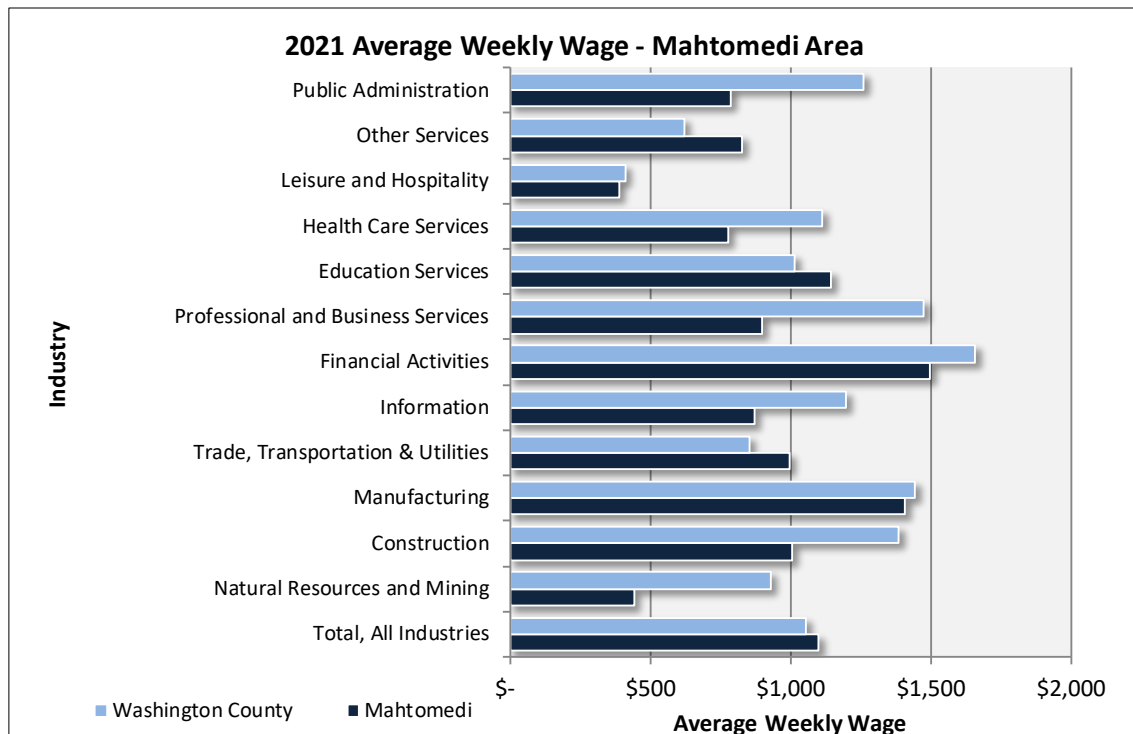
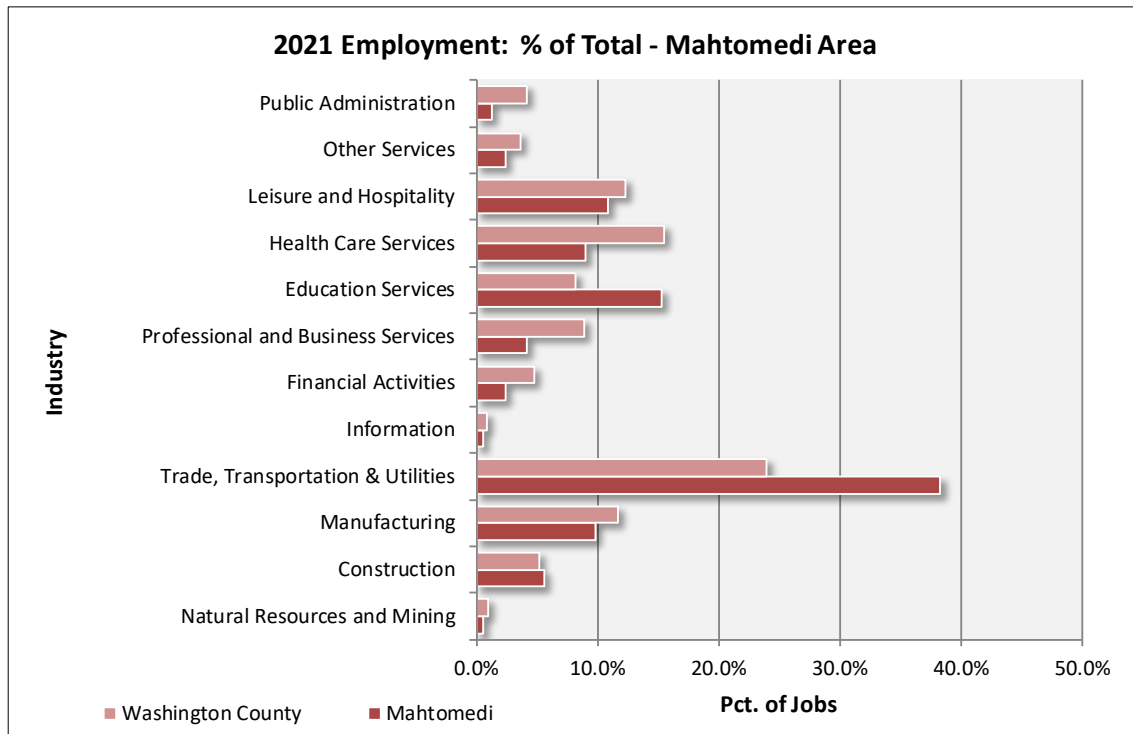
Mahtomedi

- There were 3,637 jobs in the Mahtomedi Area as of year-end 2021 which represented 4.1% of covered employment in Washington County.

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment		Wage	
	#	%	#	%	#	%	#	%	#	%
MAHTOMEDI AREA										
Total, All Industries	246	2,745	\$779	353	3,637	\$1,098	892	32.5%	\$319	40.9%
Natural Resources and Mining	3	39	\$396	6	20	\$442	(19)	-48.7%	\$46	11.6%
Construction	32	136	\$1,031	45	205	\$1,005	69	50.7%	(\$26)	-2.5%
Manufacturing	11	150	\$880	22	356	\$1,407	206	137.3%	\$527	59.9%
Trade, Transportation and Utilities	23	966	\$402	87	1,392	\$996	426	44.1%	\$594	147.8%
Information	1	8	\$782	5	19	\$871	11	137.5%	\$89	11.4%
Financial Activities	---	---	---	32	86	\$1,498	---	---	---	---
Professional and Business Services	25	49	\$953	27	151	\$897	102	208.2%	(\$56)	-5.9%
Education Services	6	365	\$794	8	554	\$1,143	189	51.8%	\$349	44.0%
Health Care Services	49	250	\$702	62	326	\$775	76	30.4%	\$73	10.4%
Leisure & Hospitality	27	400	\$274	28	396	\$389	(4)	-1.0%	\$115	42.0%
Other Services	11	74	\$495	26	87	\$827	13	17.6%	\$332	67.0%
Public Administration	5	39	\$644	5	45	\$787	6	15.4%	\$143	22.2%

Sources: MNDEED; Maxfield Research & Consulting, LLC

- The Trade, Transportation & Utilities industry was, by far, the largest employment sector in the Mahtomedi submarket, providing 1,392 jobs in 2021 (38.2% of the total).
- Between 2010 and 2021, the number of jobs increased by 892 (32.5%). The only declines were a decrease of 19 jobs in the Natural Resources and Mining sector and 4 jobs in the Leisure and Hospitality sector.
- From 2010 to 2021, the average weekly wage in the Mahtomedi submarket increased 40.9% (\$319) to \$1,098. The two sectors with the greatest numerical increases were Trade, Transportation and Utilities (\$594) and Manufacturing (\$527). The two sectors with the highest average weekly wages were Financial Activities (\$1,498) and Manufacturing (\$1,407).
- At \$1,098 as of year-end 2021, the average weekly wage for all industries in the Mahtomedi submarket was modestly higher than the county (\$1,054).



EMPLOYMENT TRENDS

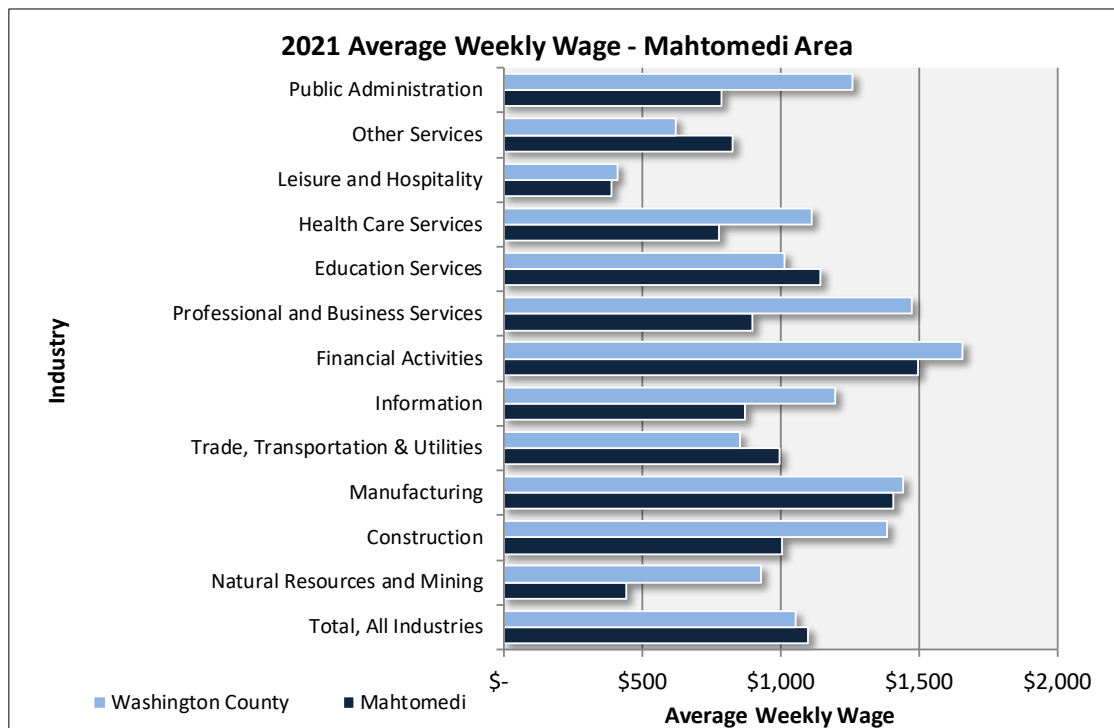
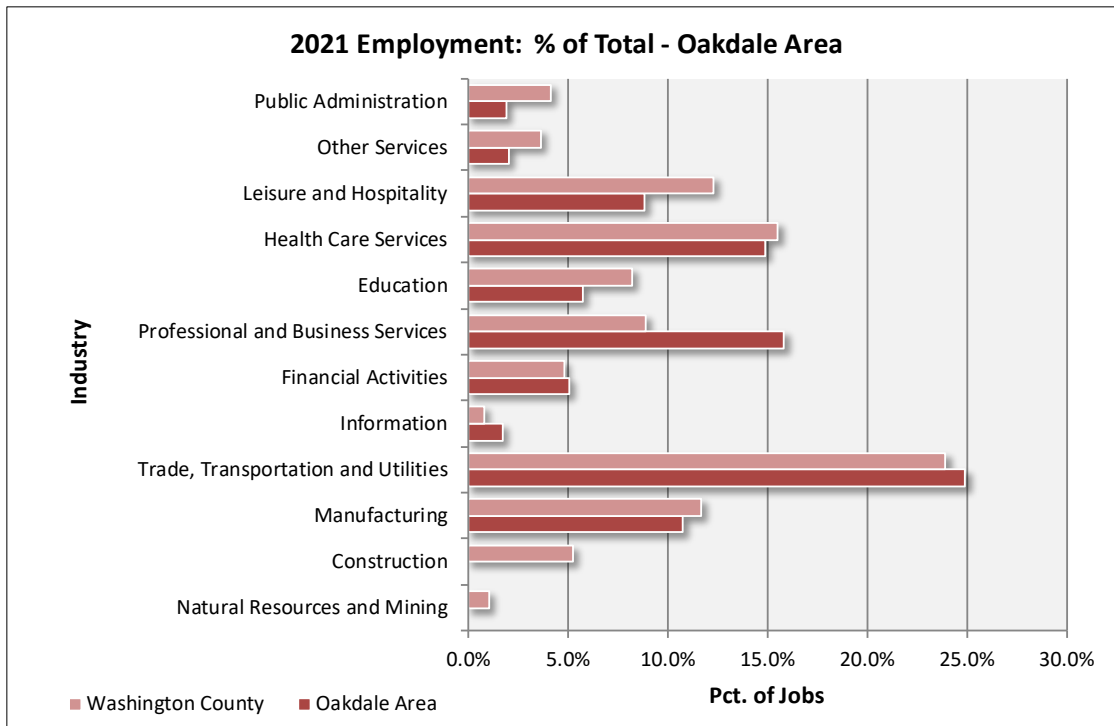
Oakdale

- There were 11,086 jobs in the Oakdale submarket as of 2021 which represented 12.5% of all jobs in Washington County.

TABLE E-10 QUARTERLY CENSUS OF EMPLOYMENT AND WAGES OAKDALE AREA										
Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment # %		Wage # %	
OAKDALE AREA										
Total, All Industries	688	8,792	\$903	686	11,086	\$1,090	2,294	26.1%	\$187	20.7%
Natural Resources and Mining	---	---	---	---	---	---	---	---	---	---
Construction	---	---	---	---	---	---	---	---	---	---
Manufacturing	41	1,249	\$1,525	39	1,193	\$1,384	(56)	-4.5%	(\$141)	-9.2%
Trade, Transportation and Utilities	47	909	\$702	122	2,760	\$917	1,851	203.6%	\$215	30.6%
Information	---	---	---	10	188	\$807	---	---	---	---
Financial Activities	61	891	\$1,216	94	562	\$1,607	(329)	-36.9%	\$391	32.2%
Professional and Business Services	100	1,613	\$1,491	142	1,751	\$1,507	138	8.6%	\$16	1.1%
Education Services	14	588	\$1,167	15	637	\$1,021	49	8.3%	(\$146)	-12.5%
Health Care Services	37	465	\$815	94	1,646	\$796	1,181	254.0%	(\$19)	-2.3%
Leisure and Hospitality	48	1,134	\$313	48	981	\$427	(153)	-13.5%	\$114	36.4%
Other Services	52	198	\$467	51	226	\$694	28	14.1%	\$227	48.6%
Public Administration	3	203	\$1,186	3	214	\$1,748	11	5.4%	\$562	47.4%
Sources: MNDEED: Maxfield Research & Consulting, LLC										

Sources: MNDEED; Maxfield Research & Consulting, LLC

- The largest employment sector was Trade, Transportation and Utilities, providing 2,760 jobs in 2021 (25.0% of the total). More than half of this employment was in Retail Trade (not shown).
- Between 2010 and 2021, the number of jobs increased by 26.1% (2,294). The largest numerical increases occurred in the Trade, Transportation and Utilities and Health Care and Social Assistance sectors, which experienced increases of 1,851 jobs and 1,181 jobs, respectively. Three industry sectors lost employment, Manufacturing, Financial Activities and Leisure and Hospitality.
- From 2010 through 2021, the average weekly wage in the Oakdale submarket increased by 20.7% to \$1,090. The largest increases in wages occurred in the Public Administration and Financial Activities sectors. Three sectors lost ground in average weekly wages in the Health Care Services, Education Services and Manufacturing sectors.
- At \$1,090, the average weekly wage for all industries in the Oakdale Area was modestly higher than the county (\$1,054).



EMPLOYMENT TRENDS

Lake Elmo

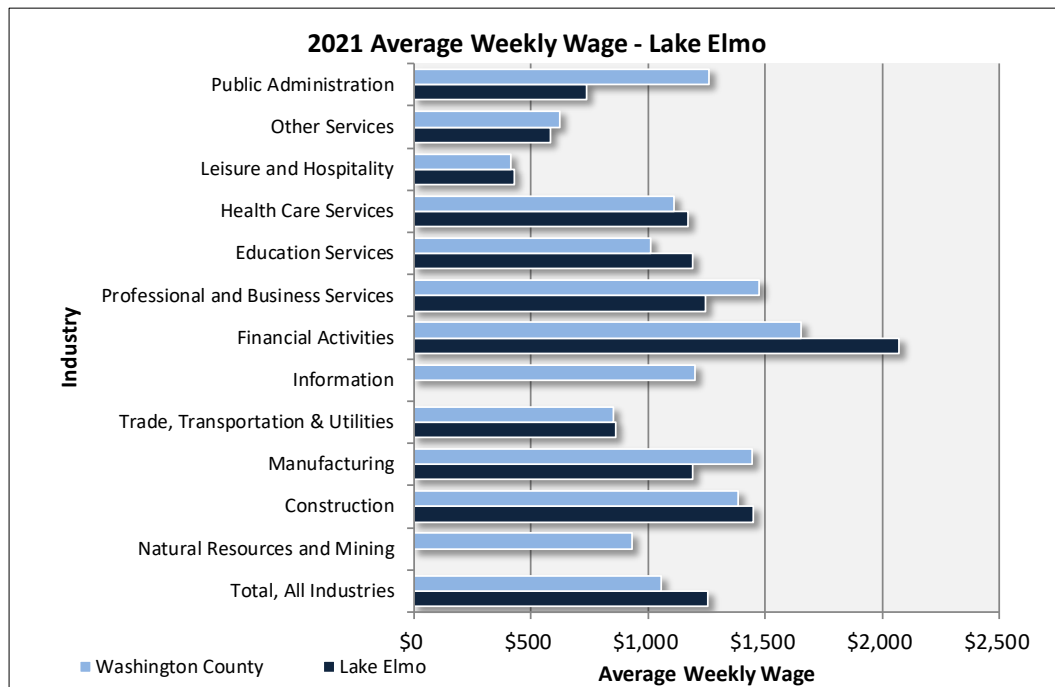
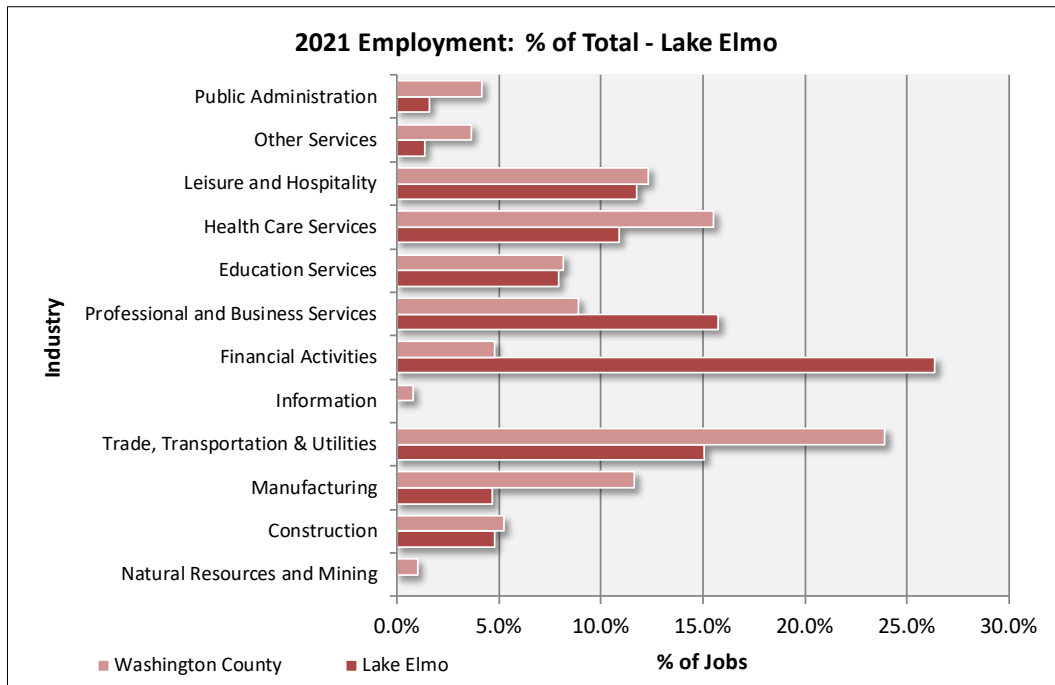
- There were 2,923 jobs in the Lake Elmo submarket as of year-end 2021, which represented 3.3% of all jobs in Washington County.

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment		Wage	
	#	%	#	%	#	%	#	%	#	%
LAKE ELMO										
Total, All Industries	231	1,934	\$712	310	2,923	\$1,255	989	51.1%	\$543	76.3%
Natural Resources and Mining	---	---	---	---	---	---	---	---	---	---
Construction	13	114	\$1,053	30	140	\$1,450	26	22.8%	\$397	37.7%
Manufacturing	12	89	\$812	18	136	\$1,189	47	52.8%	\$377	46.4%
Trade, Transportation and Utilities	32	195	\$609	36	440	\$859	245	125.6%	\$250	41.1%
Information	---	---	---	---	---	---	---	---	---	---
Financial Activities	37	238	\$985	54	770	\$2,070	532	223.5%	\$1,085	110.2%
Professional and Business Services	68	288	\$941	73	460	\$1,247	172	59.7%	\$306	32.5%
Education Services	5	242	\$762	8	231	\$1,190	(11)	-4.5%	\$428	56.2%
Health Care Services	48	377	\$898	51	318	\$1,172	(59)	-15.6%	\$274	30.5%
Leisure and Hospitality	15	346	\$326	20	343	\$427	(3)	-0.9%	\$101	31.0%
Other Services	---	---	---	19	39	\$585	---	---	---	---
Public Administration	1	45	\$384	1	46	\$738	1	2.2%	\$354	92.2%

Sources: MNDEED; Maxfield Research & Consulting, LLC

- The Financial Activities industry was the largest employment sector in the Lake Elmo submarket, providing 770 jobs as of year-end 2021 (26.3% of the total).
- From 2010 through 2021, the number of jobs increased by 989 (51.1%). The largest change occurred in the Financial Activities sector, increased by 523 employees or 223.5%. The largest decrease was in the Professional, Scientific and Tech Services sector which declined by 13 employees or 3.6%.
- From 2010 through 2021, the average weekly wage in the Lake Elmo submarket increased by \$543 (76.3%) to \$1,255. The largest increase occurred in the Financial Activities sector, which had an increase in wages of \$1,085 or 110.2% over the period.
- At \$1,255, the average weekly wage overall in the Lake Elmo submarket was higher than the county (\$1,054). Average weekly wages among industry sectors in the Lake Elmo submarket were higher in six sectors than the county (Construction, Trade/Transportation/Utilities, Financial Activities, Education, Health Care Services and Leisure/Hospitality).

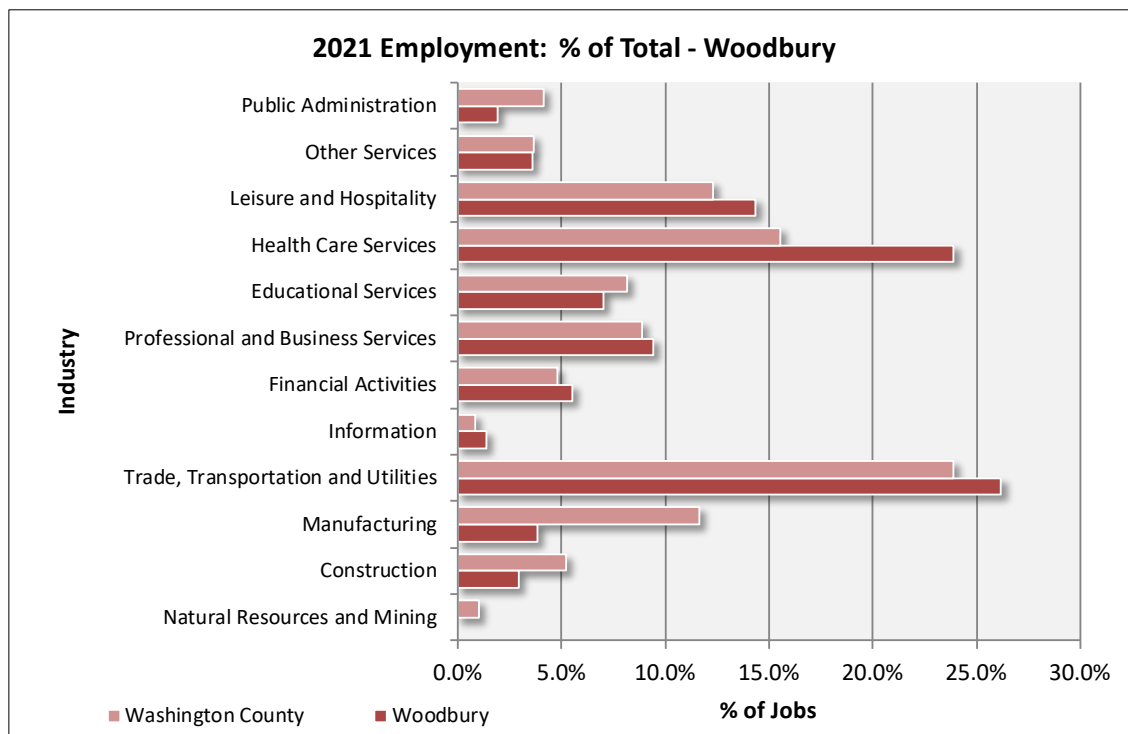
EMPLOYMENT TRENDS



EMPLOYMENT TRENDS

Woodbury

- There were 25,500 jobs in Woodbury as of year-end 2021, which represented 28.9% of all covered employment in Washington County.
- The Health Care and Social Assistance industry was the largest employment sector in Woodbury, providing 6,099 jobs 2021 (23.9% of the total).
- From 2010 through 2021, the number of jobs increased by 6,257 (32.4%). The largest change by industry sector was in the Health Care and Social Assistance industry, which increased by 2,744 jobs, an increase of 81.8%. The largest decrease was in the Financial Activities sector, which experienced a decline of 976 jobs, or -40.9%.
- From 2010 through 2021, the average weekly wage in the Woodbury submarket increased by \$261, 35.6% to \$995. The largest increase in wages occurred in the Professional and Business Services sector, which increased by \$490, or 49.8%. No sectors experienced a decline in the average weekly wage over the period.
- At \$995 as of year-end 2021, the average weekly wage in Woodbury was lower than the county by 5.9% (\$1,054). Average wages were higher in Woodbury in the Information, Professional and Business Services, Education, Health Care Services, Leisure/Hospitality and Other Services sectors.



EMPLOYMENT TRENDS

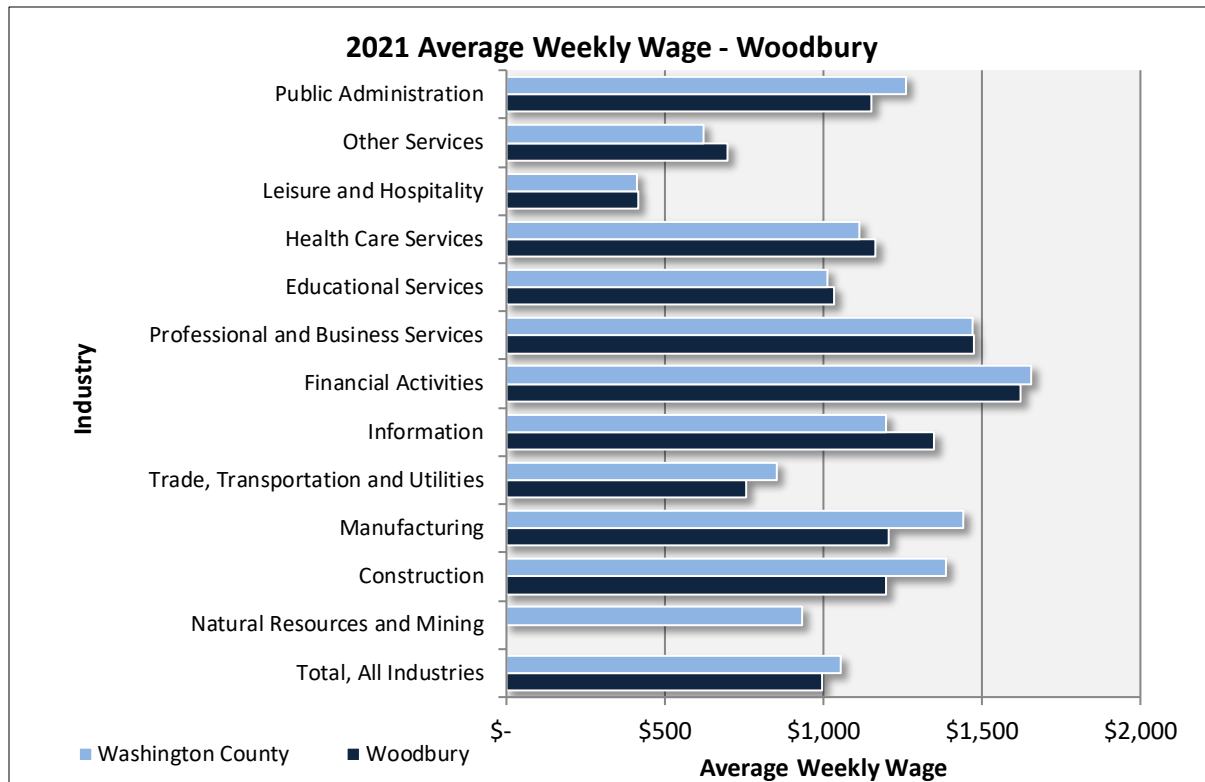


TABLE E-12 QUARTERLY CENSUS OF EMPLOYMENT AND WAGES WOODBURY										
Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	%	Wage #	%
WOODBURY										
Total, All Industries	1,282	19,293	\$734	1,687	25,550	\$995	6,257	32.4%	\$261	35.6%
Natural Resources and Mining	---	---	---	---	---	---	---	---	---	---
Construction	62	190	\$870	78	745	\$1,196	555	292.1%	\$326	37.5%
Manufacturing	24	839	\$1,138	31	981	\$1,204	142	16.9%	\$66	5.8%
Trade, Transportation and Utilities	281	4,764	\$467	313	6,689	\$755	1,925	40.4%	\$288	61.7%
Information	28	441	\$939	37	346	\$1,349	(95)	-21.5%	\$410	43.7%
Financial Activities	185	2,389	\$1,251	193	1,413	\$1,621	(976)	-40.9%	\$370	29.6%
Professional and Business Services	265	1,778	\$983	316	2,411	\$1,473	633	35.6%	\$490	49.8%
Educational Services	36	1,619	\$702	56	1,792	\$1,033	173	10.7%	\$331	47.2%
Health Care Services	155	3,355	\$915	302	6,099	\$1,164	2,744	81.8%	\$249	27.2%
Leisure and Hospitality	120	2,812	\$290	163	3,670	\$417	858	30.5%	\$127	43.8%
Other Services	120	661	\$391	190	911	\$697	250	37.8%	\$306	78.3%
Public Administration	6	445	\$854	8	493	\$1,150	48	10.8%	\$296	34.7%

Sources: MNDEED; Maxfield Research & Consulting, LLC

EMPLOYMENT TRENDS

Cottage Grove

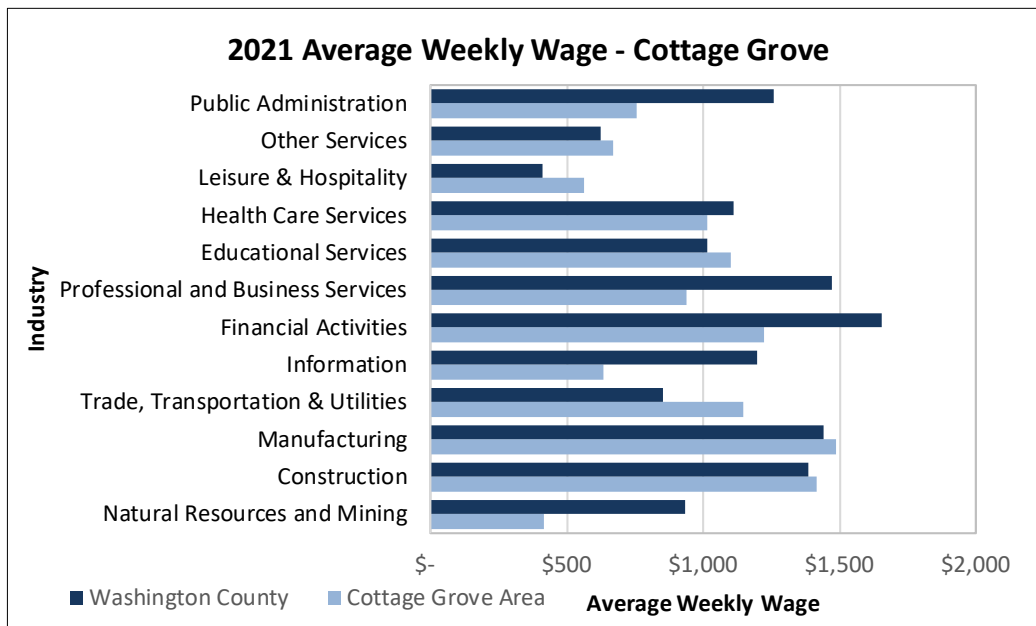
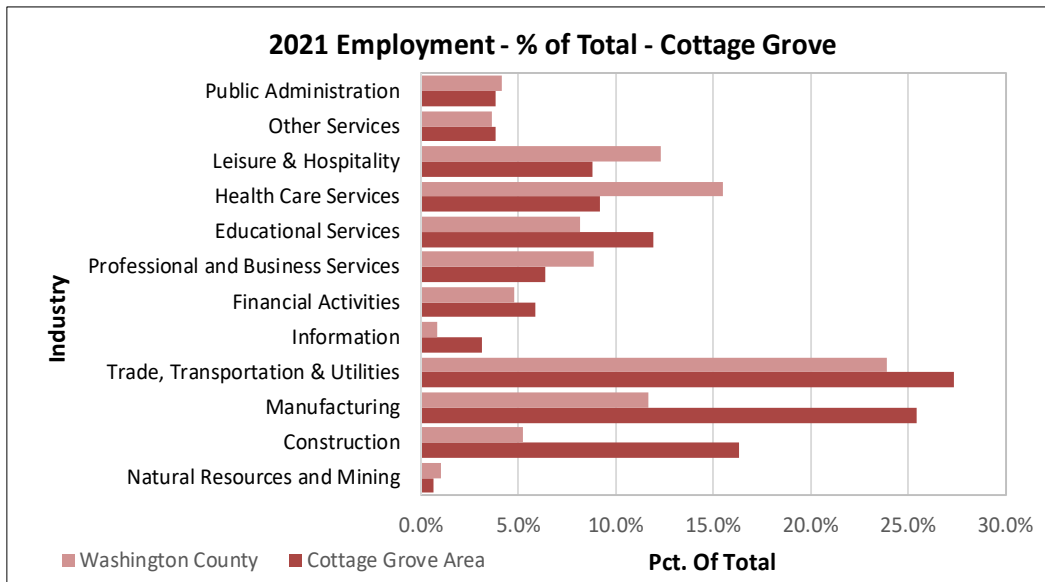
- There were 12,350 jobs in the Cottage Grove submarket as of Q3 2021 which represented 14.7% of all covered employment in Washington County.

Industry	2010			2021			Change 2010 - 2021			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment		Wage	
	#	%	#	%	#	%	#	%	#	%
COTTAGE GROVE AREA										
Total, All Industries	599	9,361	\$809	768	12,320	\$1,304	2,959	31.6%	\$495	61.2%
Natural Resources and Mining	2	43	\$240	3	80	\$417	37	86.0%	\$176	73.4%
Construction	71	455	\$966	162	2,014	\$1,415	1,559	342.6%	\$448	46.4%
Manufacturing	21	2,082	\$1,172	21	3,131	\$1,485	1,049	50.4%	\$313	26.7%
Trade, Transportation and Utilities	156	2,012	\$776	200	3,368	\$1,147	1,356	67.4%	\$370	47.7%
Information	2	4	\$228	12	388	\$632	384	9600.0%	\$404	176.8%
Financial Activities	64	160	\$461	110	725	\$1,221	565	353.1%	\$760	164.9%
Professional and Business Services	85	514	\$693	115	785	\$938	271	52.7%	\$244	35.3%
Education	20	1,497	\$753	85	1,471	\$1,102	(26)	-1.7%	\$349	46.4%
Health Care Services	55	880	\$744	86	1,129	\$1,013	249	28.3%	\$269	36.2%
Leisure and Hospitality	57	938	\$237	62	1,083	\$564	145	15.5%	\$327	138.1%
Other Services	57	418	\$334	106	473	\$668	55	13.2%	\$335	100.3%
Public Administration	9	358	\$798	12	474	\$756	116	32.4%	(\$42)	-5.3%

Sources: MNDEED; Maxfield Research & Consulting, LLC

- The Trade, Transportation and Utilities sector was the largest sector in the Cottage Grove Area, providing 3,368 jobs as of year-end 2021 (27.3% of the total).
- From 2010 through 2021, employment increased by 2,959 jobs in the Cottage Grove Area, an increase of 31.6%. Among employment sectors, the largest numerical changes were in the Construction sector (increase of 1,559 jobs), the Trade, Transportation and Utilities sector (increase of 1,356 jobs) and the Manufacturing sector (increase of 1,049 jobs). The largest proportional increase was in the Information sector, which grew by 384 jobs (9,600.0%) over the period. The Education sector was the only industry to have a decrease, 26 jobs, or -1.7%.
- From 2010 through 2021, the average weekly wage in the Cottage Grove submarket increased 61.2% (\$495) to \$1,304. The largest increases in wages occurred in the Financial Activities sector, an increase of \$760 or 164.9% and in Construction, an increase of \$448 or 46.5%. Other sectors experienced significant proportional increases in wages over the period including Information, Leisure and Hospitality and Other Services, which weekly wages more than doubled.
- At \$1,304, the average weekly wage in the Cottage Grove submarket was 23.7% higher than the county (\$1,054). Cottage Grove had higher weekly wages in six of the 12 job sectors compared to Washington County.

EMPLOYMENT TRENDS



Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often accounts for a large proportion of households' budgets. Tables E-14 and E-15 highlight the commuting patterns of workers in Washington County in 2019 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau.

- An estimated 38% of the workers employed in Washington County lived in Washington County. The remaining 62% commuted from other areas, most notably Ramsey County (17.7%), Dakota County (8.5%) and St. Croix County (7.0%).
- An estimated 49.8% of Washington County's workers traveled less than 10 miles to their place of residence, while over 33.3% had a commute distance of between 10 and 24 miles and nearly 16.8% commuted more than 25 miles.
- An estimated 23.7% of Washington County residents also worked in Washington County. Other major work destinations included Ramsey County (29.0%), Hennepin County (26.0%), and Dakota County (8.6%).
- An estimated 37.5% of workers residing in the county commuted less than 10 miles to their place of work while 4.3% commuted a distance of more than 50 miles.
- The top employment destinations for Washington County residents as of 2019 included the central cities of St. Paul (14.0%) and Minneapolis (11.3%) along with Woodbury (6.8%) and Maplewood (5.5%).
- The top residential destinations for Washington County workers included Woodbury (9.6%), St. Paul (8.6%), Cottage Grove (6.3%), Stillwater (4.3%) and Oakdale (3.7%).

TABLE E-14
COMMUTING PATTERNS BY CITY
WASHINGTON COUNTY
2019

Where Washington County Workers Live			Where Washington County Residents Work		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Woodbury city, MN	8,413	9.6%	St. Paul city, MN	19,553	14.0%
St. Paul city, MN	7,516	8.6%	Minneapolis city, MN	15,769	11.3%
Cottage Grove city, MN	5,478	6.3%	Woodbury city, MN	9,591	6.8%
Stillwater city, MN	3,797	4.3%	Maplewood city, MN	7,718	5.5%
Oakdale city, MN	3,231	3.7%	Cottage Grove city, MN	4,481	3.2%
Maplewood city, MN	2,422	2.8%	Bloomington city, MN	4,312	3.1%
Minneapolis city, MN	2,309	2.6%	Eagan city, MN	4,145	3.0%
Forest Lake city, MN	2,293	2.6%	Stillwater city, MN	4,115	2.9%
White Bear Lake city, MN	1,413	1.6%	Oakdale city, MN	3,352	2.4%
Hugo city, MN	1,310	1.5%	Roseville city, MN	2,869	2.0%
Eagan city, MN	1,196	1.4%	White Bear Lake city, MN	2,500	1.8%
Lake Elmo city, MN	1,138	1.3%	Forest Lake city, MN	2,229	1.6%
Inver Grove Heights city, MN	1,084	1.2%	Oak Park Heights city, MN	2,199	1.6%
Hastings city, MN	1,077	1.2%	Eden Prairie city, MN	2,041	1.5%
Hudson city, WI	1,035	1.2%	Edina city, MN	1,702	1.2%
Blaine city, MN	890	1.0%	Blaine city, MN	1,620	1.2%
North St. Paul city, MN	858	1.0%	Plymouth city, MN	1,576	1.1%
St. Paul Park city, MN	806	0.9%	Fridley city, MN	1,367	1.0%
Mahtomedi city, MN	765	0.9%	St. Louis Park city, MN	1,353	1.0%
Oak Park Heights city, MN	744	0.8%	Golden Valley city, MN	1,346	1.0%
Wyoming city, MN	734	0.8%	Inver Grove Heights city, MN	1,317	0.9%
South St. Paul city, MN	723	0.8%	Vadnais Heights city, MN	1,298	0.9%
Roseville city, MN	673	0.8%	Lake Elmo city, MN	1,275	0.9%
New Richmond city, WI	619	0.7%	Minnetonka city, MN	1,262	0.9%
Lakeville city, MN	606	0.7%	Burnsville city, MN	1,235	0.9%
All Other Locations	36,503	41.7%	All Other Locations	39,917	28.5%
<u>Distance Traveled</u>			<u>Distance Traveled</u>		
Total Primary Jobs	140,142	100.0%	Total Primary Jobs	87,633	100.0%
Less than 10 miles	52,514	37.5%	Less than 10 miles	43,685	49.8%
10 to 24 miles	67,151	47.9%	10 to 24 miles	29,187	33.3%
25 to 50 miles	14,490	10.3%	25 to 50 miles	9,338	10.7%
Greater than 50 miles	5,987	4.3%	Greater than 50 miles	5,423	6.2%

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC

TABLE E-15
COMMUTING PATTERNS BY COUNTY
WASHINGTON COUNTY
2019

Where Washington County Workers Live			Where Washington County Residents Work		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Washington County, MN	33,267	38.0%	Ramsey County, MN	40,647	29.0%
Ramsey County, MN	15,496	17.7%	Hennepin County, MN	36,394	26.0%
Dakota County, MN	7,501	8.6%	Washington County, MN	33,267	23.7%
Hennepin County, MN	6,256	7.1%	Dakota County, MN	12,084	8.6%
St. Croix County, WI	6,132	7.0%	Anoka County, MN	5,560	4.0%
Anoka County, MN	5,042	5.8%	St. Croix County, WI	2,103	1.5%
Chisago County, MN	3,046	3.5%	Chisago County, MN	1,068	0.8%
Polk County, WI	1,416	1.6%	St. Louis County, MN	991	0.7%
Pierce County, WI	796	0.9%	Scott County, MN	839	0.6%
Wright County, MN	722	0.8%	Stearns County, MN	520	0.4%
All Other Locations	7,959	9.1%	All Other Locations	6,669	4.8%
<u>Distance Traveled</u>			<u>Distance Traveled</u>		
Total Primary Jobs	140,142	100.0%	Total Primary Jobs	87,633	100.0%
Less than 10 miles	52,514	37.5%	Less than 10 miles	43,685	49.8%
10 to 24 miles	67,151	47.9%	10 to 24 miles	29,187	33.3%
25 to 50 miles	14,490	10.3%	25 to 50 miles	9,338	10.7%
Greater than 50 miles	5,987	4.3%	Greater than 50 miles	5,423	6.2%

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC

Inflow/Outflow

Table E-16 provides a summary of the inflow and outflow of workers in the county. Outflow reflects the number of workers living in the county but employed outside of the county while inflow measures the number of workers that are employed in the county but live outside. Interior flow reflects the number of workers that both live and work in the area.

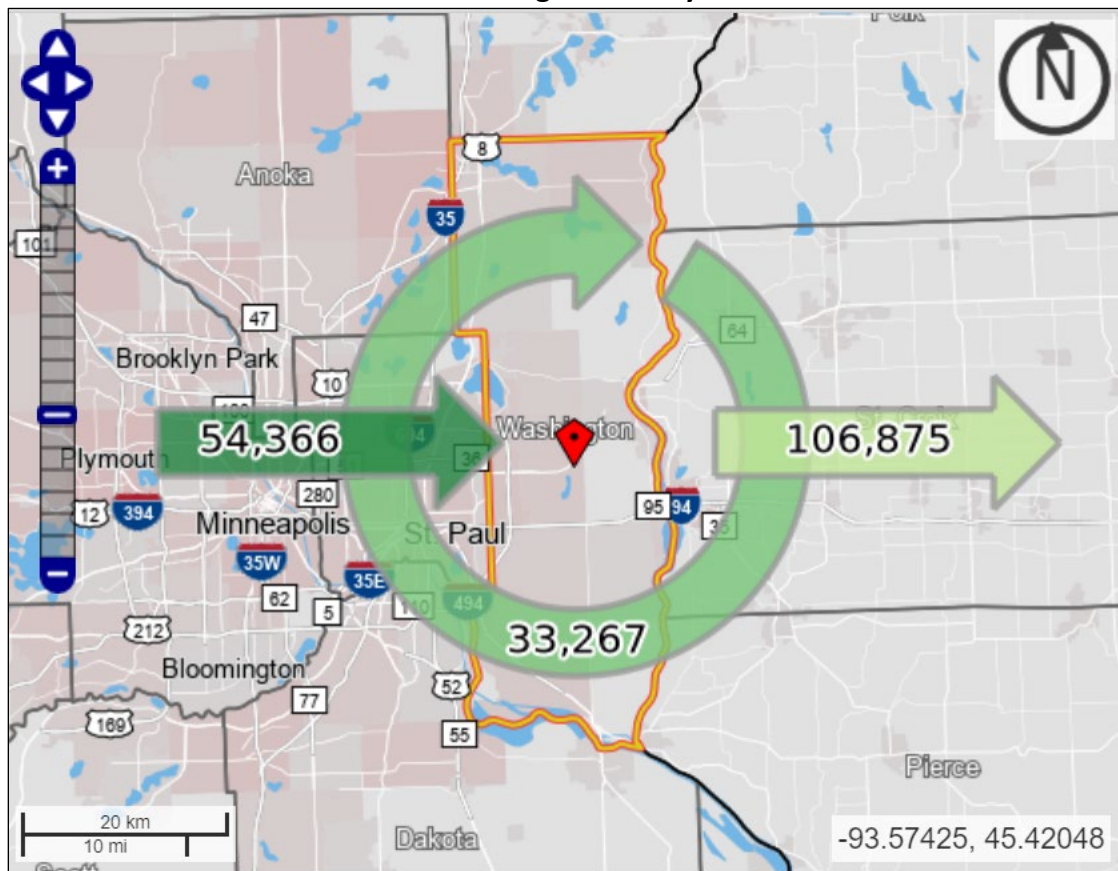
- Washington County can be considered an exporter of workers, as the number of residents leaving the county for work (outflow) exceeded the number of workers coming into the county (inflow) for employment. Approximately 54,366 workers came into the county for work while 106,875 workers left, for a net difference of -52,509.

TABLE E-16 COMMUTING INFLOW/OUTFLOW WASHINGTON COUNTY 2019								
	NORTHEAST		EAST CENTRAL		SOUTHEAST		FOREST LAKE	
	Num.	Pct.	Num.	Pct.	Num.	Pct.	Num.	Pct.
Employed in the Selection Area	703	100%	17,897	100%	2,389	100%	7,454	100%
Employed and Living in the Selection Area	204	29.0%	3,898	21.8%	253	10.6%	1,584	21.3%
Employed in the Selection Area but Living Outside	499	71.0%	13,999	78.2%	2136	89.4%	5,870	78.7%
Living in the Selection Area	3,605	100%	16,169	100%	6,526	100%	10,164	100%
Living and Employed in the Selection Area	204	5.7%	3,898	24.1%	253	3.9%	1,584	15.6%
Living in the Selection Area but Employed Outside	3,401	94.3%	12,271	75.9%	6,273	96.1%	8,580	84.4%
	HUGO		MAHTOMEDI		OAKDALE		LAKE ELMO	
	Num.	Pct.	Num.	Pct.	Num.	Pct.	Num.	Pct.
Employed in the Selection Area	3,022	100%	3,505	100%	11,402	100%	3,294	100%
Employed and Living in the Selection Area	467	15.5%	535	15.3%	1,212	10.6%	180	5.5%
Employed in the Selection Area but Living Outside	2,555	84.5%	2,970	84.7%	10,190	89.4%	3,114	94.5%
Living in the Selection Area	8,548	100%	7,748	100%	17,041	100%	4,918	100%
Living and Employed in the Selection Area	467	5.5%	535	6.9%	1,212	7.1%	180	3.7%
Living in the Selection Area but Employed Outside	8,081	94.5%	7,213	93.1%	15,829	92.9%	4,738	96.3%
	WOODBURY		COTTAGE GROVE		WASH. CO.			
	Num.	Pct.	Num.	Pct.	Num.	Pct.		
Employed in the Selection Area	25,934	100%	12,033	100%	87,633	100%		
Employed and Living in the Selection Area	4,993	19.3%	3,767	31.3%	17,093	19.5%		
Employed in the Selection Area but Living Outside	20,941	80.7%	8,266	68.7%	70,540	80.5%		
Living in the Selection Area	39,411	100%	26,012	100%	140,142	100%		
Living and Employed in the Selection Area	4,993	12.7%	3,767	14.5%	17,093	12.2%		
Living in the Selection Area but Employed Outside	34,418	87.3%	22,245	85.5%	123,049	87.8%		

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

As shown on the table, Lake Elmo and the Southeast Submarket had the highest proportions of workers living in, but employed outside of their respective areas, with 96.3% and 96.1% of workers, respectively. Submarkets that exhibited the lowest number of workers commuting outside of the submarket were those living in East Central (75.9%), Forest Lake (84.4%) and Cottage Grove (85.5%).

Inflow-Outflow
Washington County



Worker Profile Comparison

Table E-17 compares characteristics of employed residents living in each submarket in 2019. Information on monthly earnings, age, race and ethnicity, educational attainment and job classification is provided. Conversely, Table E-18 compares characteristics of employees working in each submarket.

Resident Profile

- Washington County residents have a large proportion of high-income earners. As of 2019, an estimated 58% of all employed residents earn more than \$3,333 per month.
- Higher earnings also correlated to higher educational attainment. An estimated 28% of all employed county residents had a Bachelor's or Advanced Degree.
- The greatest proportion of residents worked in the Health Care Services industry (15% in 2019).

Worker Profile

- The greatest concentrations of employment are in the Woodbury and Cottage Grove submarkets with 25,934 and 17,897 employees, respectively.
- The Woodbury and Stillwater submarkets also have high concentrations of high earners. An estimated 54% of Stillwater submarket employees earned more than \$3,333 per month and 41% of Woodbury submarket employees. Hugo and the Stillwater Area had the highest percentage of employees earning \$3,333 per month or more at 54%.
- The Retail Trade Industry Sector was the largest in Washington County, which accounted for 13,528 jobs or 15% of the total jobs in Washington County, followed by Health Care Services which was 13,320, or 15% of jobs in the county.

EMPLOYMENT TRENDS

TABLE E-17
EMPLOYED RESIDENTS PROFILE
WASHINGTON COUNTY
2019

Employed Resident Profile	Northeast		East Central		Southeast		Forest Lake		Hugo		Mahtomedi		Oakdale		Lake Elmo		Woodbury		Cottage Grove		Washington Co.	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Total Working in Selection Area																						
Total Working in Selection Area	3,605	100%	16,169	100%	6,526	100%	10,164	100%	8,548	100%	7,748	100%	17,041	100%	4,918	100%	39,411	100%	26,012	100%	140,142	100%
Monthly Earnings																						
\$1,250 or less	790	22%	3,797	23%	1,379	21%	2,182	21%	1,707	20%	1,665	21%	3,809	22%	1,021	21%	7,888	20%	5,356	21%	29,594	21%
\$1,251 to \$3,333	741	21%	3,418	21%	1,280	20%	2,406	24%	1,544	18%	1,436	19%	4,516	27%	848	17%	7,110	18%	5,910	23%	29,209	21%
More than \$3,333	2,074	58%	8,954	55%	3,867	59%	5,576	55%	5,297	62%	4,647	60%	8,716	51%	3,049	62%	24,413	62%	14,746	57%	81,339	58%
Worker Ages																						
Age 29 or Younger	686	19%	3,434	21%	1,359	21%	2,338	23%	1,740	20%	1,509	19%	4,318	25%	1,030	21%	8,326	21%	5,866	23%	30,606	22%
Age 30 to 54	1,689	47%	8,425	52%	3,298	51%	5,510	54%	4,912	57%	3,952	51%	8,641	51%	2,545	52%	22,645	57%	14,616	56%	76,233	54%
Age 55 or Older	1,230	34%	4,310	27%	1,869	29%	2,316	23%	1,896	22%	2,287	30%	4,082	24%	1,343	27%	8,440	21%	5,530	21%	33,303	24%
Worker Race and Ethnicity																						
Race																						
White Alone	3,422	95%	14,949	92%	6,055	93%	9,417	93%	7,839	92%	7,213	93%	13,124	77%	4,440	90%	31,667	80%	22,259	86%	120,385	86%
Black or African American Alone	68	2%	429	3%	119	2%	268	3%	211	2%	176	2%	1,695	10%	100	2%	2,861	7%	1,469	6%	7,396	5%
American Indian or Alaska Native Alone	17	0%	70	0%	28	0%	52	1%	23	0%	30	0%	72	0%	26	1%	153	0%	119	0%	590	0%
Asian Alone	60	2%	438	3%	217	3%	292	3%	334	4%	207	3%	1,802	11%	275	6%	4,009	10%	1,676	6%	9,310	7%
Native Hawaiian or Other Pacific Islander Alone	2	0%	15	0%	7	0%	5	0%	4	0%	4	0%	11	0%	3	0%	18	0%	29	0%	98	0%
Two or More Race Groups	36	1%	268	2%	100	2%	130	1%	137	2%	118	2%	337	2%	74	2%	703	2%	460	2%	2,363	2%
Ethnicity																						
Not Hispanic or Latino	3,528	98%	15,700	97%	6,367	98%	9,870	97%	8,302	97%	7,576	98%	16,153	95%	4,725	96%	37,828	96%	24,611	95%	134,660	96%
Hispanic or Latino	77	2%	469	3%	159	2%	294	3%	246	3%	172	2%	888	5%	193	4%	1,583	4%	1,401	5%	5,482	4%
Worker Educational Attainment																						
Less Than High School	187	5%	925	6%	349	5%	579	6%	492	6%	414	5%	1,165	7%	272	6%	2,410	6%	1,717	7%	8,510	6%
High School or Equivalent, No College	713	20%	3,077	19%	1,265	19%	2,040	20%	1,622	19%	1,468	19%	3,061	18%	863	18%	6,691	17%	4,842	19%	25,642	18%
Some College or Associate Degree	1,025	28%	4,276	26%	1,728	26%	2,730	27%	2,326	27%	2,049	26%	4,145	24%	1,236	25%	9,696	25%	6,768	26%	35,979	26%
Bachelor's Degree or Advanced Degree	994	28%	4,457	28%	1,825	28%	2,477	24%	2,368	28%	2,308	30%	4,352	26%	1,517	31%	12,288	31%	6,819	26%	39,405	28%
Educational Attainment Not Available	686	19%	3,434	21%	1,359	21%	2,338	23%	1,740	20%	1,509	19%	4,318	25%	1,030	21%	8,326	21%	5,866	23%	30,606	22%
Jobs by Industry Sector																						
Agriculture, Forestry, Fishing and Hunting	21	1%	55	0%	14	0%	12	0%	30	0%	45	1%	21	0%	5	0%	88	0%	102	0%	393	0%
Mining, Quarrying, and Oil and Gas Extraction	0	0%	5	0%	5	0%	6	0%	4	0%	0	0%	6	0%	1	0%	14	0%	29	0%	70	0%
Utilities	5	0%	39	0%	12	0%	25	0%	31	0%	25	0%	28	0%	13	0%	81	0%	62	0%	321	0%
Construction	229	6%	790	5%	338	5%	635	6%	489	6%	376	5%	664	4%	208	4%	1,162	3%	1,214	5%	6,105	4%
Manufacturing	390	11%	1,489	9%	631	10%	1,239	12%	960	11%	742	10%	1,510	9%	440	9%	2,879	7%	2,488	10%	12,768	9%
Wholesale Trade	173	5%	664	4%	279	4%	450	4%	438	5%	354	5%	668	4%	220	4%	1,675	4%	1,164	4%	6,085	4%
Retail Trade	310	9%	1,721	11%	603	9%	1,151	11%	708	8%	662	9%	1,792	11%	473	10%	3,451	9%	2,831	11%	13,702	10%
Transportation and Warehousing	111	3%	431	3%	209	3%	277	3%	194	2%	203	3%	497	3%	121	2%	913	2%	947	4%	3,903	3%
Information	49	1%	237	1%	117	2%	112	1%	142	2%	145	2%	303	2%	90	2%	860	2%	465	2%	2,520	2%
Finance and Insurance	173	5%	817	5%	363	6%	446	4%	429	5%	421	5%	883	5%	360	7%	2,782	7%	1,491	6%	8,165	6%
Real Estate and Rental and Leasing	37	1%	232	1%	88	1%	131	1%	119	1%	103	1%	213	1%	61	1%	493	1%	316	1%	1,793	1%
Professional, Scientific, and Technical Services	195	5%	959	6%	386	6%	586	6%	520	6%	523	7%	948	6%	337	7%	2,905	7%	1,407	5%	8,766	6%
Management of Companies and Enterprises	175	5%	1,086	7%	500	8%	345	3%	409	5%	496	6%	1,001	6%	478	10%	3,746	10%	1,397	5%	9,633	7%
Admin & Support, Waste Mgmt and Remediation	169	5%	678	4%	258	4%	489	5%	415	5%	350	5%	845	5%	218	4%	1,570	4%	1,302	5%	6,294	4%
Educational Services	385	11%	1,457	9%	536	8%	897	9%	836	10%	811	10%	1,338	8%	394	8%	3,699	9%	2,097	8%	12,450	9%
Health Care Services	453	13%	2,430	15%	960	15%	1,455	14%	1,232	14%	1,153	15%	3,032	18%	685	14%	6,218	16%	4,037	16%	21,655	15%
Arts, Entertainment, and Recreation	109	3%	407	3%	180	3%	242	2%	180	2%	197	3%	361	2%	115	2%	861	2%	521	2%	3,173	2%
Accommodation and Food Services	307	9%	1,320	8%	455	7%	821	8%	620	7%	564	7%	1,442	8%	325	7%	2,892	7%	1,845	7%	10,591	8%
Other Services (excluding Public Administration)	135	4%	598	4%	244	4%	423	4%	321	4%	266	3%	597	4%	163	3%	1,217	3%	913	4%	4,877	3%
Public Administration	179	5%	754	5%	348	5%	422	4%	471	6%	312	4%	892	5%	211	4%	1,905	5%	1,384	5%	6,878	5%

Note: Median Household Income not available for workers that live outside of the submarket and commute in.

Average weekly wage reflects the wages for workers that work in the submarket.

Source: U.S. Census Bureau; Maxfield Research and Consulting LLC

EMPLOYMENT TRENDS

TABLE E-18
EMPLOYED WORKERS PROFILE
WASHINGTON COUNTY
2019

Worker Profile	Northeast		East Central		Southeast		Forest Lake		Hugo		Mahtomedi		Oakdale		Lake Elmo		Woodbury		Cottage Grove		Washington Co.	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Total Living in Selection Area																						
Total Living in Selection Area	703	100%	17,897	100%	2,389	100%	7,454	100%	3,022	100%	3,505	100%	11,402	100%	3,294	100%	25,934	100%	12,033	100%	87,633	100%
Monthly Earnings																						
\$1,250 or less	250	36%	4,136	23%	855	36%	2,402	32%	651	22%	969	28%	2,883	25%	656	20%	7,922	31%	3,003	25%	23,727	27%
\$1,251 to \$3,333	223	32%	4,165	23%	672	28%	2,396	32%	752	25%	945	27%	3,023	27%	712	22%	7,354	28%	2,804	23%	23,046	26%
More than \$3,333	230	33%	9,596	53.6%	862	36%	2,656	36%	1,619	53.6%	1,591	45%	5,496	48%	1,926	58%	10,658	41%	6,226	52%	40,860	47%
Worker Ages																						
Age 29 or Younger	182	26%	4,279	24%	670	28%	2,243	30%	739	24%	828	24%	3,124	27%	615	19%	8,441	33%	3,113	26%	24,234	28%
Age 30 to 54	332	47%	9,415	53%	1,152	48%	3,542	48%	1,618	54%	1,789	51%	5,683	50%	1,858	56%	12,739	49%	6,330	53%	44,458	51%
Age 55 or Older	189	27%	4,203	23%	567	24%	1,669	22%	665	22%	888	25%	2,595	23%	821	25%	4,754	18%	2,590	22%	18,941	22%
Worker Race and Ethnicity																						
Race																						
White Alone	679	97%	16,450	92%	2,126	89%	6,955	93%	2,775	92%	3,150	90%	9,442	83%	3,055	93%	21,506	83%	10,324	86%	76,462	87%
Black or African American Alone	7	1%	495	3%	72	3%	187	3%	42	1%	124	4%	741	6%	81	2%	1,862	7%	568	5%	4,179	5%
American Indian or Alaska Native Alone	5	1%	68	0%	17	1%	34	0%	12	0%	17	0%	56	0%	12	0%	126	0%	64	1%	411	0%
Asian Alone	4	1%	603	3%	140	6%	176	2%	146	5%	153	4%	938	8%	105	3%	1,813	7%	854	7%	4,932	6%
Native Hawaiian or Other Pacific Islander Alone	0	0%	13	0%	1	0%	2	0%	0	0%	7	0%	10	0%	3	0%	29	0%	7	0%	72	0%
Two or More Race Groups	8	1%	268	1%	33	1%	100	1%	47	2%	54	2%	215	2%	38	1%	598	2%	216	2%	1,577	2%
Ethnicity																						
Not Hispanic or Latino	684	97%	17,399	97%	2,282	96%	7,230	97%	2,896	96%	3,360	96%	10,860	95%	3,169	96%	24,541	95%	11,382	95%	83,803	96%
Hispanic or Latino	19	3%	498	3%	107	4%	224	3%	126	4%	145	4%	542	5%	125	4%	1,393	5%	651	5%	3,830	4%
Worker Educational Attainment																						
Less Than High School	38	5%	932	5%	180	8%	429	6%	238	8%	208	6%	706	6%	172	5%	1,488	6%	838	7%	5,229	6%
High School or Equivalent, No College	120	17%	3,513	20%	467	20%	1,582	21%	666	22%	735	21%	2,081	18%	662	20%	4,135	16%	2,396	20%	16,357	19%
Some College or Associate Degree	195	28%	4,772	27%	605	25%	1,866	25%	838	28%	897	26%	2,859	25%	914	28%	5,769	22%	2,814	23%	21,529	25%
Bachelor's Degree or Advanced Degree	168	24%	4,401	25%	467	20%	1,334	18%	541	18%	837	24%	2,632	23%	931	28%	6,101	24%	2,872	24%	20,284	23%
Educational Attainment Not Available	182	26%	4,279	24%	670	28%	2,243	30%	739	24%	828	24%	3,124	27%	615	19%	8,441	33%	3,113	26%	24,234	28%
Jobs by Industry Sector																						
Agriculture, Forestry, Fishing and Hunting	14	2%	71	0%	14	1%	3	0%	43	1%	77	2%	6	0%	7	0%	1	0%	387	3%	623	1%
Mining, Quarrying, and Oil and Gas Extraction	0	0%	0	0%	32	1%	3	0%	0	0%	0	0%	0	0%	0	0%	0	0%	49	0%	84	0%
Utilities	0	0%	10	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	6	0%	16	0%
Construction	105	15%	621	3%	300	13%	404	5%	530	18%	317	9%	863	8%	298	9%	852	3%	330	3%	4,620	5%
Manufacturing	42	6%	2,951	16%	159	7%	766	10%	799	26%	301	9%	1,317	12%	63	2%	698	3%	2,935	24%	10,031	11%
Wholesale Trade	19	3%	572	3%	60	3%	91	1%	128	4%	117	3%	895	8%	23	1%	749	3%	444	4%	3,098	4%
Retail Trade	92	13%	2,008	11%	172	7%	1,686	23%	160	5%	138	4%	1,727	15%	278	8%	5,380	21%	1,887	16%	13,528	15%
Transportation and Warehousing	1	0%	263	1%	192	8%	166	2%	9	0%	284	8%	191	2%	63	2%	58	0%	777	6%	2,004	2%
Information	2	0%	22	0%	8	0%	47	1%	12	0%	23	1%	322	3%	8	0%	543	2%	23	0%	1,010	1%
Finance and Insurance	23	3%	480	3%	7	0%	158	2%	32	1%	30	1%	298	3%	909	28%	1,716	7%	122	1%	3,775	4%
Real Estate and Rental and Leasing	4	1%	270	2%	32	1%	141	2%	11	0%	80	2%	86	1%	39	1%	235	1%	87	1%	985	1%
Professional, Scientific, and Technical Services	19	3%	522	3%	86	4%	224	3%	41	1%	118	3%	1,201	11%	384	12%	1,319	5%	242	2%	4,156	5%
Management of Companies and Enterprises	0	0%	826	5%	0	0%	36	0%	0	0%	8	0%	295	3%	2	0%	559	2%	48	0%	1,774	2%
Admin & Support, Waste Mgmt and Remediation	64	9%	216	1%	247	10%	340	5%	176	6%	115	3%	496	4%	113	3%	587	2%	425	4%	2,779	3%
Educational Services	93	13%	1,220	7%	75	3%	1,201	16%	146	5%	583	17%	763	7%	204	6%	1,876	7%	1,767	15%	7,928	9%
Health Care Services	37	5%	3,286	18%	208	9%	571	8%	347	11%	645	18%	1,477	13%	401	12%	5,562	21%	786	7%	13,320	15%
Arts, Entertainment, and Recreation	21	3%	290	2%	522	22%	121	2%	93	3%	160	5%	240	2%	72	2%	526	2%	64	1%	2,109	2%
Accommodation and Food Services	104	15%	1,685	9%	122	5%	933	13%	249	8%	284	8%	838	7%	283	9%	3,560	14%	892	7%	8,950	10%
Other Services (excluding Public Administration)	23	3%	634	4%	93	4%	486	7%	182	6%	188	5%	199	2%	104	3%	1,057	4%	419	3%	3,385	4%
Public Administration	40	6%	1,950	11%	60	3%	77	1%	64	2%	37	1%	188	2%	43	1%	656	3%	343	3%	3,458	4%

Note: Median Household Income not available for workers that live outside of the submarket and commute in.

Average weekly wage reflects the wages for workers that work in the submarket.

Sources: U.S. Census Bureau; ESRI, Inc.; Maxfield Research & Consulting, LLC

Existing Business Mix by Industry Sectors

Table E-19 presents business data as compiled from the Minnesota Department of Employment and Economic Development (DEED) for 2010 and 2021. The data is characterized by industry based on the six-digit North American Industry Classification System (NAICS). NAICS is a numerical classification standard used by Federal statistical agencies to group business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

- There were 6,446 businesses with 91,120 employees in Washington County at the end of 2021. Retail Trade was the largest sector with 669 businesses and 14,792 employees, followed by Health Care Services with 932 establishments and 13,863 employees. The third most common industry sector is Manufacturing with 222 businesses and 10,518 employees.

EMPLOYMENT TRENDS

TABLE E-19
DETAILED BUSINESS SUMMARY BY INDUSTRY SECTOR
WASHINGTON COUNTY
2010 & 2021

Business/Industry	2010				2021				Employment Change	
	Businesses		Employees		Businesses		Employees		2010 through 2021	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Total Industries	5,289	100.0%	17,292	100.0%	6,446	100.0%	90,120	100.0%	12,003	226.9%
Agriculture, Forestry, Fishing, and Hunting	38	1.9%	620	3.6%	45	0.7%	851	0.9%	582	1.7%
Mining, Quarrying, and Oil and Gas Extraction	--	--	--	--	8	0.1%	49	0.1%	--	--
Utilities	10	0.2%	316	1.8%	7	0.1%	238	0.3%	306	1.6%
Construction	586	11.1%	2,741	15.9%	617	9.6%	4,691	5.2%	2,155	4.8%
Manufacturing	219	4.1%	7,492	43.3%	222	3.4%	10,518	11.7%	7,273	39.2%
Wholesale Trade	241	4.6%	1,509	8.7%	248	3.8%	3,021	3.4%	1,268	4.2%
Retail Trade	688	13.0%	11,510	66.6%	669	10.4%	14,792	16.4%	10,822	53.6%
Transportation and Warehousing	146	2.8%	2,890	16.7%	160	2.5%	3,273	3.6%	2,744	14.0%
Information	92	1.7%	867	5.0%	103	1.6%	716	0.8%	775	3.3%
Finance and Insurance	336	6.4%	3,968	22.9%	386	6.0%	3,240	3.6%	3,632	16.6%
Real Estate and Rental and Leasing	290	5.5%	744	4.3%	339	5.3%	1,048	1.2%	454	-1.2%
Professional, Scientific, and Technical Services	672	12.7%	2,379	13.8%	763	11.8%	3,701	4.1%	1,707	1.1%
Management of Companies and Enterprises	29	0.5%	1,301	7.5%	58	0.9%	1,549	1.7%	1,272	7.0%
Admin. Support & Waste Mgmt & Remediation Svcs	276	5.2%	2,946	17.0%	310	4.8%	2,786	3.1%	2,670	11.8%
Educational Services	139	2.6%	7,272	42.1%	180	2.8%	7,651	8.5%	7,133	39.4%
Health Care Services	468	8.8%	8,806	50.9%	932	14.5%	13,863	15.4%	8,338	42.1%
Arts, Entertainment, and Recreation	119	2.2%	1,951	11.3%	164	2.5%	2,025	2.2%	1,832	9.0%
Accommodation and Food Services	387	7.3%	7,878	45.6%	450	7.0%	9,128	10.1%	7,491	38.2%
Other Services	483	9.1%	2,543	14.7%	725	11.2%	3,323	3.7%	2,060	5.6%
Public Administration	70	1.3%	3,559	20.6%	60	0.9%	3,657	4.1%	3,489	19.3%

Sources: MN DEED, Maxfield Research & Consulting, LLC

Major Employers

A portion of the employment growth in Washington County will be generated by the largest employers in the county. The table below lists some of the top employers in the county along with a description of their primary industry and number of employees. Table E-20 shows the major employers in Washington County based on data provided by the Washington County Comprehensive Annual Financial Report for 2020 (CAFR).

- Andersen Corporation is the largest employer in Washington County with 5,000 employees. Andersen Corporation specializes in window and manufacturing. The company employs over 10,000 people across North America and is headquartered in Bayport, Minnesota.
- Independent School District 833 is the second biggest employer with 2,655 employees. This school district covers various cities in South Washington County such as: Woodbury, Cottage Grove, Newport, and St. Paul Park. It also includes the following townships: Afton, Denmark, and Grey Cloud Island.

TABLE E-20 MAJOR EMPLOYERS WASHINGTON COUNTY 2020			
Name	City	Industry/Product/Service	Employee Size
Washington County			
Andersen Corporation	Bayport, Cottage Grove	Manufacturing	5,000
Independent School District 833	Woodbury	Education	2,655
M Health Fairview (Formerly Woodwinds)	Woodbury	Healthcare	1,331
Washington County	Forest Lake	Government	1,315
Hy-Vee Grocery	Multiple Locations	Retail	1,250
Wal-Mart	Multiple Locations	Retail	1,245
Independent School District 834	Forest Lake	Education	1,143
Independent School District 831	Forest Lake	Education	1,071
Target	Multiple Locations	Retail	958
MN Correctional Facility	Bayport, Oak Park Heights	Correctional Facilities	868
Total			16,836
Sources: Washington County CAFR, Maxfield Research & Consulting, LLC			

- M Health Fairview, formerly Woodwinds is a hospital campus in Woodbury along Interstate 494. M Health is a collaboration of the University of Minnesota Medical School, University of Minnesota Physicians, and Fairview Health Services.

Employment Summary

Table E-21 provides an employment summary that compares Washington County to the remaining counties in the Metro Area.

- Washington County had the lowest inflow/outflow ratio. There were about twice (50.9%) as many people commuting outside of Washington County than workers coming into Washington County. Hennepin County had the highest inflow/outflow ratio at 278.7%, followed by Ramsey County at 140.2%.
- Scott County had the highest median household income (\$106,823), followed by Washington County (\$104,578) and Carver County was third at (\$103,666).
- Average weekly wage was highest in Hennepin County (\$1,518) followed by Ramsey County (\$1,311) and third by Carver County (\$1,218). Washington County was the lowest of the seven counties at \$1,009.
- Washington County had the second highest percentage of Retail Trade jobs in the Metro Area at 15.4%. Dakota County had the second highest percentage at 11.6%.

EMPLOYMENT TRENDS

TABLE EMP-21
EMPLOYMENT SUMMARY
WASHINGTON COUNTY COMPARED TO OTHER METRO AREA COUNTIES
2019

Employment Summary	Anoka		Carver		Dakota		Hennepin		Ramsey		Scott		Washington	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Inflow/Outflow														
Inflow	75,721		24,619		103,373		411,482		226,024		32,275		54,366	
Outflow	140,702		41,979		148,444		147,617		161,187		60,312		106,875	
Interior Flow	57,574		14,537		83,770		393,484		112,160		20,242		33,267	
Median HH Income/Avg. Weekly Wage														
Median HH Income (2019)	\$86,036		\$103,666		\$90,569		\$85,101		\$70,737		\$106,823		\$104,578	
Average Weekly Wage (2019)	\$1,218		\$1,175		\$1,191		\$1,518		\$1,311		\$1,095		\$1,009	
Employee Ages														
Age 29 or Younger	32,247	24.2%	9,223	23.6%	44,166	23.6%	185,596	23.1%	76,271	22.6%	12,976	24.7%	24,234	27.7%
Age 30 to 54	70,375	52.8%	20,826	53.2%	99,049	52.9%	442,715	55.0%	182,878	54.1%	27,384	52.1%	44,458	50.7%
Age 55 or Older	30,673	23.0%	9,107	23.3%	43,928	23.5%	176,655	21.9%	79,035	23.4%	12,157	23.1%	18,941	21.6%
Jobs by NAICS Industry Sector														
Agriculture, Forestry, Fishing and Hunting	307	0.2%	105	0.3%	808	0.4%	622	0.1%	119	0.0%	101	0.2%	623	0.7%
Mining	0	0.0%	0	0.0%	122	0.1%	320	0.0%	30	0.0%	58	0.1%	84	0.1%
Utilities	439	0.3%	14	0.0%	455	0.2%	2,677	0.3%	729	0.2%	189	0.4%	16	0.0%
Construction	9,526	7.1%	2,630	6.7%	9,906	5.3%	30,385	3.8%	12,753	3.8%	5,436	10.4%	4,620	5.3%
Manufacturing	25,733	19.3%	10,697	27.3%	19,893	10.6%	71,308	8.9%	30,054	8.9%	7,584	14.4%	10,031	11.4%
Wholesale Trade	7,033	5.3%	2,285	5.8%	9,868	5.3%	49,128	6.1%	12,867	3.8%	3,208	6.1%	3,098	3.5%
Retail Trade	14,242	10.7%	2,936	7.5%	21,630	11.6%	64,375	8.0%	25,766	7.6%	5,686	10.8%	13,528	15.4%
Transportation & Warehousing	4,584	3.4%	330	0.8%	10,303	5.5%	19,048	2.4%	4,928	1.5%	1,663	3.2%	2,004	2.3%
Information	727	0.5%	287	0.7%	6,671	3.6%	18,449	2.3%	4,556	1.3%	478	0.9%	1,010	1.2%
Finance & Insurance	1,592	1.2%	844	2.2%	12,450	6.7%	77,276	9.6%	16,993	5.0%	733	1.4%	3,775	4.3%
Real Estate, Rental & Leasing	1,308	1.0%	401	1.0%	2,134	1.1%	15,609	1.9%	5,030	1.5%	297	0.6%	985	1.1%
Professional, Scientific & Tech Services	4,638	3.5%	2,107	5.4%	7,907	4.2%	100,277	12.5%	16,109	4.8%	1,001	1.9%	4,156	4.7%
Management of Companies & Enterprises	4,650	3.5%	933	2.4%	4,438	2.4%	54,847	6.8%	23,125	6.8%	153	0.3%	1,774	2.0%
Admin & Support & Waste Mgmt & Remediation	6,438	4.8%	1,020	2.6%	7,736	4.1%	59,080	7.3%	15,537	4.6%	2,187	4.2%	2,779	3.2%
Educational Services	11,167	8.4%	4,341	11.1%	16,836	9.0%	17,548	2.2%	35,004	10.4%	4,002	7.6%	7,928	9.0%
Health Care & Social Assistance	18,282	13.7%	3,518	9.0%	25,214	13.5%	128,058	15.9%	64,912	19.2%	5,362	10.2%	13,320	15.2%
Arts, Entertainment & Recreation	3,108	2.3%	1,243	3.2%	3,629	1.9%	14,154	1.8%	7,578	2.2%	2,261	4.3%	2,109	2.4%
Accommodation & Food Services	9,731	7.3%	2,931	7.5%	13,709	7.3%	55,988	7.0%	23,568	7.0%	7,584	14.4%	8,950	10.2%
Other Services (except Public Administration)	5,058	3.8%	1,039	2.7%	7,721	4.1%	25,817	3.2%	12,341	3.6%	1,929	3.7%	3,385	3.9%
Public Administration	4,732	3.6%	1,495	3.8%	5,713	3.1%	0	0.0%	26,185	7.7%	2,605	5.0%	3,458	3.9%

Sources: U.S. Census Bureau (On The Map); MN DEED; ESRI Inc.; Maxfield Research & Consulting, LLC

Recent Business Expansions in Washington County

Eyesafe, with headquarters office in Eden Prairie, has leased additional lab space in the 4Front Technology & Office Campus. This equates to a four-fold increase in Eyesafe's lab space overall according to executive leadership at the firm. Over the past four years, Eyesafe's revenues have increased by 900% from the sale of 40 million computer devices that are now using Eyesafe's product that provides protection from the health hazards of blue light. Demand for Eyesafe's products and technology is anticipated to expand over time market penetration of its products increases. Eyesafe's products are becoming the standard in tablets, laptops, monitors and smartphones. Eyesafe is leasing lab space in the 4Front Technology & Office Campus in Oakdale, which additional space increased its lab space fourfold from its space in Eden Prairie. Eyesafe has an estimated total of 51 employees with about half of those employees at its lab facility in Oakdale.

Andersen Windows and Doors was seeking to hire 250 workers in 2021 to support its three Twin Cities factories: Bayport, Cottage Grove and North Branch and another 750 workers nationwide to support its other operations. New workers at the three Minnesota plants would start out at between \$16 to \$22 per hour with on-the-job training, health benefits, English language lessons, foot washing stations, quiet rooms for prayer and floating holidays. The need for additional workers was urgent because of the significant spike in demand from home improvements and new housing.

Amazon is developing a new office and warehouse distribution facility in Woodbury with 517,000 square feet, which will have, at capacity, 500 workers. The facility will be slightly different than Amazon's current fulfillment centers in Lakeville and Shakopee. The facility is under construction and is scheduled to open late Summer 2022. Another 500 seasonal workers may be hired during the Holiday season. The facility is at the southwest corner of Hudson Road and Manning Avenue in northeast Woodbury. The new warehouse facility will include an estimated 18,750 square feet of office space.

Cottage Grove has approved a 3.4 million square foot warehouse and trucking logistics center that will break ground in Spring 2022. The new center, at an estimated cost of \$310 million, is expected to employ 1,870 workers and pay \$73 million in wages annually. **NorthPoint Development** is developing the facility at 100th Street and Ideal Avenue.

United Properties has begun construction on its 200,000 square foot industrial building in Oakdale at the new 4Front Technology + Office Campus. The redevelopment of the former Imation headquarters in the northeast corner of the I-694 and County Road 14 interchange, is considered to be the "premier" industrial campus in the East Metro. Suites will range from 30,000 square feet up to the full 200,000 square feet. Nine acres of the property will be targeted to the development of retail businesses. Plans are to add more than 600,000 square feet of office and industrial space at the 4Front campus over the next several years.

Introduction

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. Housing functions as a building block for neighborhoods and goods and services. We examined the housing stock in each submarket by reviewing data on the age of the existing housing supply; examining residential building trends since 2000 and reviewing housing data from the American Community Survey (2020 Estimates).

Residential Construction Trends 2000 through February 2022

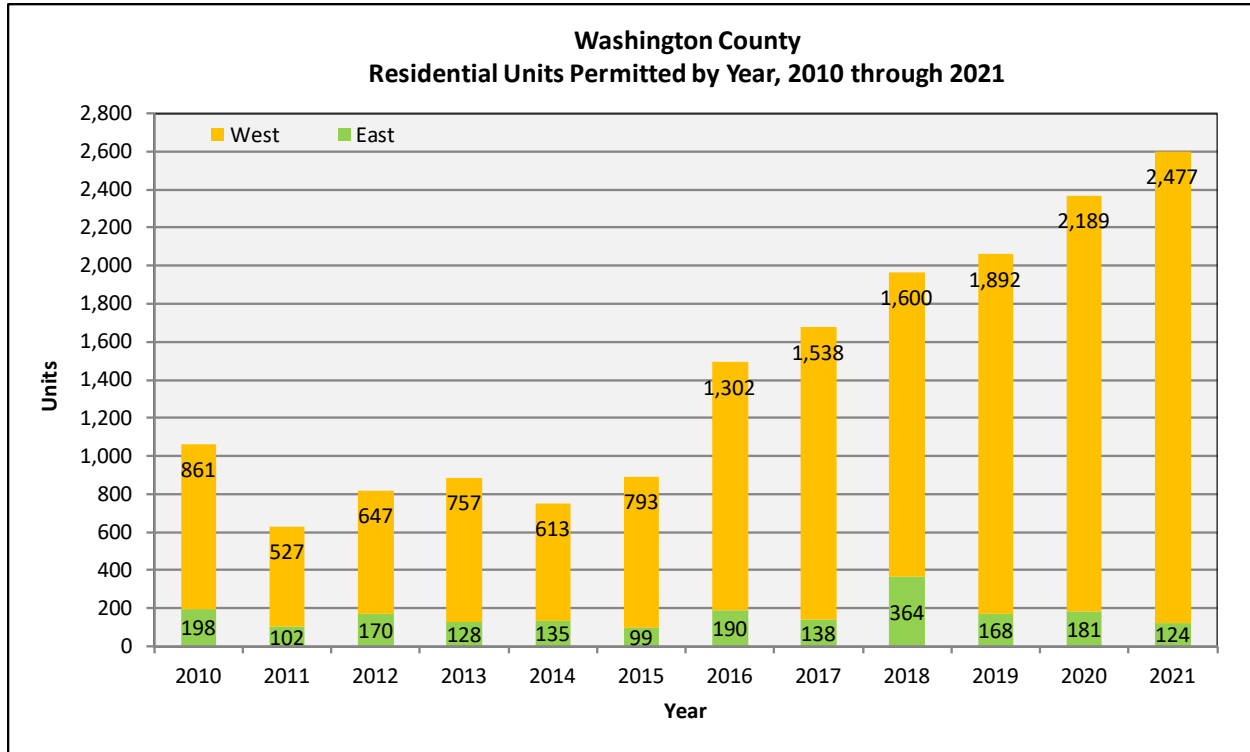
Maxfield Research obtained data on the number of building permits issued for new housing units from 2000 through February 2022 from the U.S. Census Building Permits Survey (BPS) and the U.S. Department of Housing and Urban Development State of the Cities Data Systems (HUD SOCDs). The purpose of the BPS is to provide national, state, and local statistics on the new privately-owned housing units authorized by building or zoning permits in the United States. Statistics from the BPS are based on reports submitted by local permit officials and the survey covers all “permit-issuing places” which are jurisdictions that issue building or zoning permits. Areas for which no authorization is required to construct new housing units are not included in the survey. The HUD SOCDs takes information from the BPS and includes any subsequent Census revisions to achieve higher quality data (2020 estimates).

Table HC-1 displays the number of units permitted for single-family homes and multifamily structures (includes duplexes, structures with three or four units, and structures with five or more units) from 2005 through February 2022. Multifamily housing includes for-sale and rental units and is defined as residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities. Single-family housing is defined as fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses. For attached units, each unit must be separated from the adjacent unit by a ground-to-roof wall and they must not share systems or utilities to be classified as single-family.

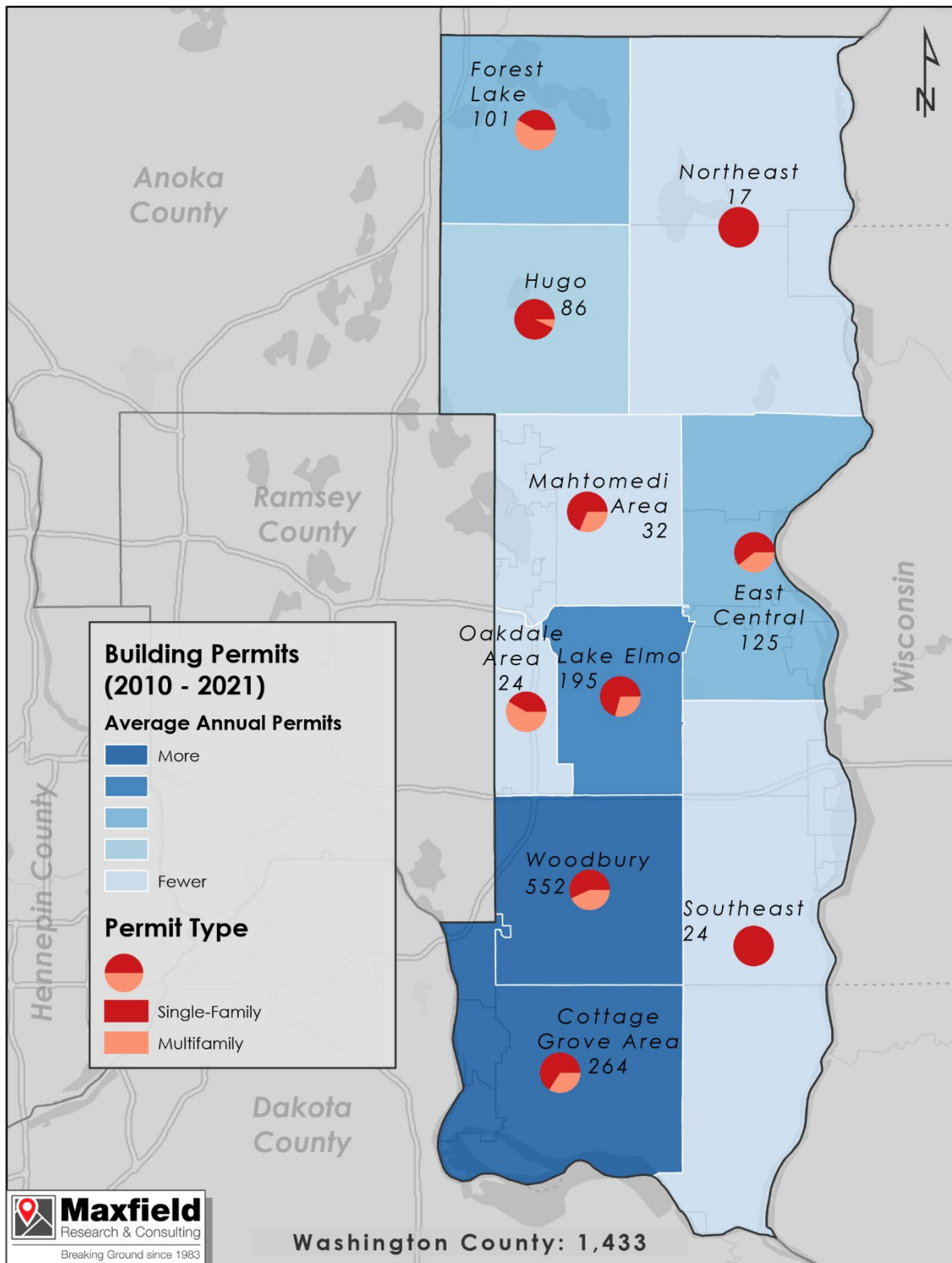
- Building permits were issued for 10,671 residential units in Washington County from 2017 through 2021, equating to 2,134 units per year. An estimated 58% of these units were single-family while the remaining 42% were in multifamily structures (townhomes, twinhomes, and multi-story buildings). From 2010 through 2016, Washington County added 6,522 residential units with 71% single family units and 29% multifamily units.
- The City of Woodbury issued permits for the greatest number of new residential units from 2017 through 2021 with 3,906 units. According to new residential construction reports issued by Housing First Minnesota (formerly Builders Association of the Twin Cities), the top five communities issuing new residential permits in 2021 were Lakeville (669), Woodbury (536), Cottage Grove (485), Otsego (391) and Blaine (368).

HOUSING CHARACTERISTICS

- As illustrated in the following graph, 2021 was the most active year for residential permit activity in Washington County, with a total of 2,477 units permitted, followed by 2020 (2,189 units). Residential construction activity accelerated after 2015 with an increase from 713 units up to 1,302 units in 2016.



Residential Building Permits



HOUSING CHARACTERISTICS

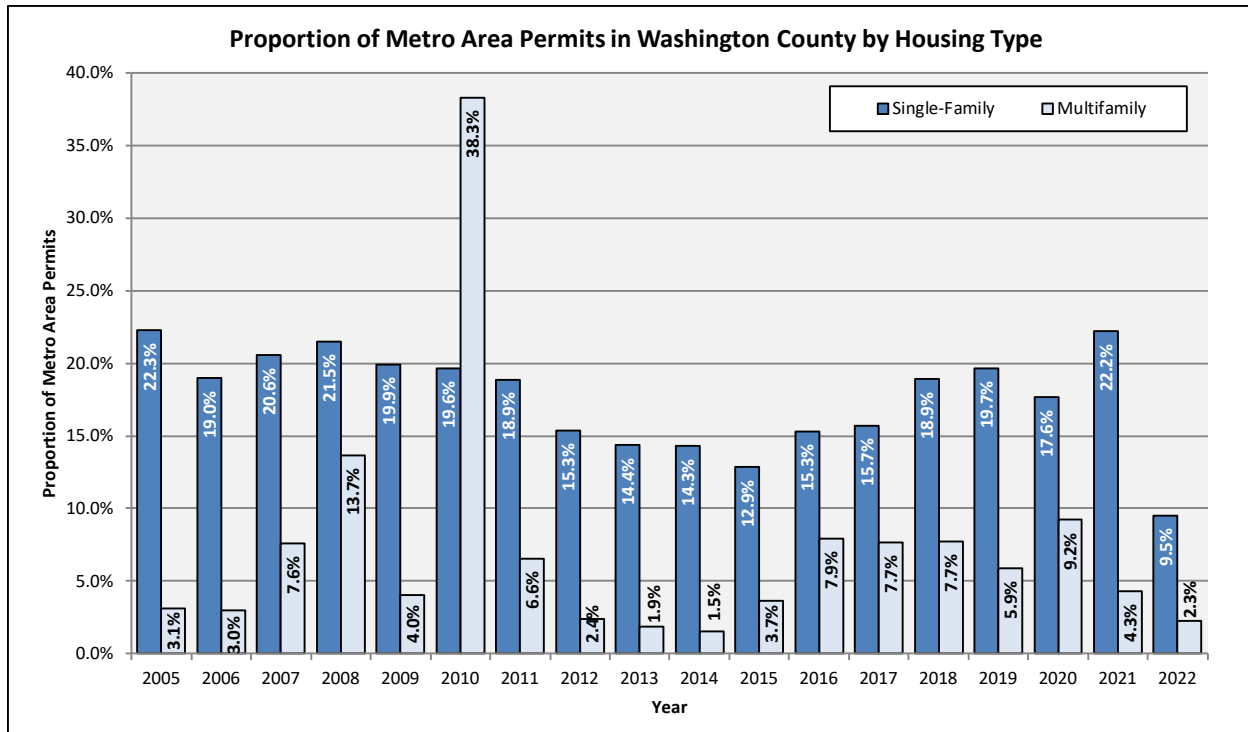
TABLE HC-1
ANNUAL RESIDENTIAL BUILDING ACTIVITY, UNITS PERMITTED
WASHINGTON COUNTY
2005 - 2022*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
Northeast	38	16	9	3	9	8	8	5	15	15	18	28	30	25	13	13	26	4
Marine on St. Croix	4	3	2	0	0	0	1	0	0	1	0	2	0	1	0	0	4	0
May Township	0	0	0	0	0	0	0	0	4	7	4	10	8	8	5	3	4	2
Scandia	34	13	7	3	9	8	7	5	11	7	14	16	22	16	8	10	18	2
East Central	294	87	95	75	42	178	72	146	93	102	50	132	85	313	126	138	66	9
Bayport	7	9	18	8	6	13	11	25	23	7	6	16	26	32	29	27	9	2
Baytown Township	9	7	7	3	1	0	14	18	26	14	15	18	19	14	7	15	9	0
Oak Park Heights	30	11	19	4	0	120	0	63	0	30	10	62	0	72	4	8	5	0
Stillwater	244	56	50	60	34	44	47	39	42	45	13	32	40	187	81	86	39	6
Stillwater Township	4	4	1	0	1	1	0	1	2	6	6	4	0	8	5	2	4	1
Southeast	40	32	25	18	8	12	22	19	20	18	31	30	23	26	29	30	32	2
Afton	6	7	7	6	1	4	5	5	8	5	11	9	10	3	10	8	16	0
Denmark Township	13	14	7	3	3	4	6	3	3	7	9	8	8	10	8	14	0	0
Lake St. Croix Beach	1	0	0	0	0	0	0	0	1	0	0	0	1	2	0	1	0	0
Lakeland	2	3	1	1	0	0	4	2	6	2	1	1	0	2	1	1	1	1
Lakeland Shores	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Mary's Point	2	0	0	0	0	3	2	0	0	0	3	6	1	1	0	0	2	0
West Lakeland Township	16	8	10	8	4	1	5	9	2	4	7	6	3	8	10	6	13	1
Forest Lake	121	130	83	20	11	49	88	59	98	79	81	117	157	215	188	51	202	1
Hugo	765	338	249	190	148	86	50	89	51	49	69	99	111	129	103	249	240	25
Mahtomedi	52	31	77	7	5	13	14	30	18	22	97	15	60	20	25	34	13	3
Birchwood Village	1	0	2	0	1	0	1	0	0	0	2	1	0	0	1	2	0	0
Dellwood	2	1	3	1	0	0	0	0	2	4	1	3	5	0	0	4	2	0
Grant	9	2	3	2	1	2	2	3	3	0	2	5	6	8	9	17	0	2
Mahtomedi	31	28	69	4	3	11	11	26	13	16	91	6	47	12	14	10	7	1
Pine Springs	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	1	0
Willernie	9	0	0	0	0	0	0	0	0	2	0	0	2	0	1	1	3	0
Lake Elmo	22	29	26	23	16	26	19	30	36	36	40	339	299	273	342	641	273	24
Oakdale	39	80	16	47	16	70	18	6	96	2	11	9	4	4	1	4	50	30
Landfall	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oakdale	39	80	16	47	16	70	18	6	96	2	11	9	4	4	1	4	50	30
Woodbury	981	713	432	342	255	519	286	374	387	342	417	391	647	747	695	890	927	75
Cottage Grove	310	215	247	94	71	98	52	59	71	83	78	332	260	212	538	569	820	81
Cottage Grove	262	185	236	88	66	89	49	51	57	77	65	283	245	184	283	503	590	52
Grey Cloud Island	0	0	1	0	1	1	0	0	0	0	1	1	0	0	0	0	0	0
Newport	1	2	5	1	0	1	0	1	3	3	5	44	7	26	247	66	228	29
St. Paul Park	47	28	5	5	4	7	3	7	11	3	7	4	8	2	8	0	2	0
East Total	372	135	129	96	59	198	102	170	128	135	99	190	138	364	168	181	124	15
West Total	2,290	1,536	1,130	723	522	861	527	647	757	613	793	1,302	1,538	1,600	1,892	2,438	2,525	239
Washington Total	2,662	1,671	1,259	819	581	1,059	629	817	885	748	892	1,492	1,676	1,964	2,060	2,619	2,649	254
Metro Area Total	15,985	11,633	7,522	4,268	3,692	4,154	4,130	10,075	12,428	10,669	12,400	13,746	15,781	17,343	20,716	20,047	21,777	4,043

*Through February 2022.

Note: 2021 and 2022 data are preliminary.

Sources: US HUD State of the Cities Data Systems; US Census Bureau; Metropolitan Council; Maxfield Research & Consulting, LLC.



American Community Survey

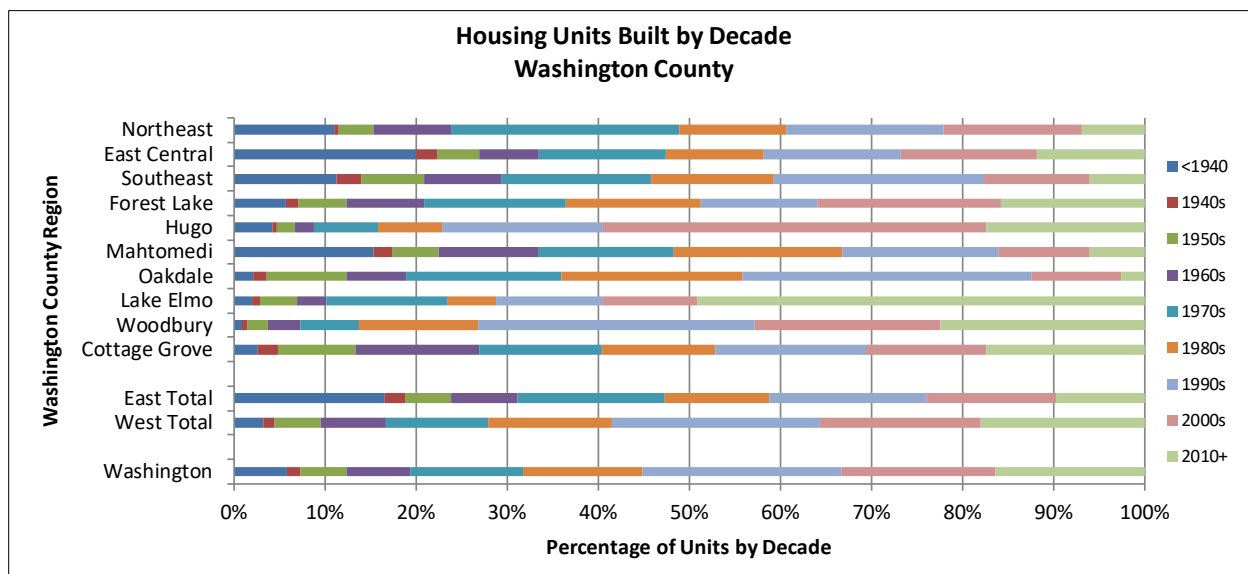
The American Community Survey (“ACS”) is an ongoing statistical survey administered by the U.S. Census Bureau that is sent to approximately three million addresses annually. The survey gathers data previously contained only in the long form of the Decennial Census. As a result, the survey is ongoing and provides a more “up-to-date” portrait of demographic, economic, social and household characteristics every year, not just every ten years. Whenever possible, Maxfield Research used the five-year estimates as they provide the largest sample size and have a longer period of data collection. All ACS surveys are subject to sampling error and uncertainty. The ACS reports margins of errors (MOEs) with estimates for most standard census geographies. The MOE is shown by reliability from low, medium to high. Due to the MOE, ACS data may have some inconsistencies with previous years and with data from the Decennial Census. Some data points are now only collected through the ACS and are no longer collected through the Decennial Census. Most housing data is collected through the American Community Surveys.

Tables HC-2 and HC-3 show the Age of the Housing Stock and Tenure by Units in Structure from the American Community Survey for Washington County. Information is provided by submarket. The Age of the Housing Stock data was updated to include actual building permits figures for the period from 2010 through 2021.

Age of Housing Stock

The following graph shows the age distribution of the housing stock based on data from the U.S. Census Bureau and the American Community Survey (5-Year). Table HC-2 includes the number of housing units built in Washington County, prior to 1940 and during each decade since. Figures for 2010+ represent data from 2010 through 2021.

- The greatest proportion of homes in Washington County was built in the 1990s, which comprised 22% of the housing stock in the county. Another 17% was built in the 2000s and 16% was built in the 2010s or later. By comparison, only 14% of homes in the Metro Area were built in the 1990s.
- The East Central submarket had the highest proportion of older homes as 20% of the housing supply was built prior to 1940, followed by Mahtomedi at 15% and Northeast at 11%. Conversely, the largest proportions of newer homes are in Lake Elmo (49%), Woodbury (23%), Cottage Grove/Hugo (17%) and Forest Lake (16%) built after 2010.
- Since 2010, 15,435 housing units are estimated to have been added to the county's housing stock, 16% of the total. Woodbury was the leader with 6,697 new units, followed by Cottage Grove with 3,253 and Lake Elmo with 2,378 new units.



HOUSING CHARACTERISTICS

**TABLE HC-2
AGE OF HOUSING STOCK (OCCUPIED HOUSING UNITS)
WASHINGTON COUNTY
2022**

	Total Units	Med. Yr. Built	Year Structure Built																	
			<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s		2010 or later	
			No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Northeast	2,991	1979	327	10.9%	18	0.6%	112	3.7%	257	8.6%	746	24.9%	352	11.8%	519	17.4%	452	15.1%	208	7.0%
East Central	12,768	1983	2,550	20.0%	301	2.4%	582	4.6%	843	6.6%	1,780	13.9%	1,362	10.7%	1,929	15.1%	1,911	15.0%	1,510	11.8%
Southeast	4,836	1979	540	11.2%	135	2.8%	334	6.9%	412	8.5%	791	16.4%	652	13.5%	1,115	23.1%	563	11.6%	294	6.1%
Forest Lake	8,725	1987	497	5.7%	117	1.3%	463	5.3%	738	8.5%	1,366	15.7%	1,284	14.7%	1,125	12.9%	1,750	20.1%	1,385	15.9%
Hugo	6,051	2002	250	4.1%	30	0.5%	123	2.0%	124	2.0%	427	7.1%	424	7.0%	1,072	17.7%	2,548	42.1%	1,053	17.4%
Mahtomedi	6,034	1978	926	15.3%	121	2.0%	309	5.1%	659	10.9%	893	14.8%	1,120	18.6%	1,035	17.2%	607	10.1%	364	6.0%
Oakdale	11,404	1984	235	2.1%	179	1.6%	989	8.7%	750	6.6%	1,940	17.0%	2,270	19.9%	3,622	31.8%	1,114	9.8%	305	2.7%
Lake Elmo	4,835	1993	97	2.0%	39	0.8%	195	4.0%	161	3.3%	639	13.2%	258	5.3%	568	11.7%	500	10.3%	2,378	49.2%
Woodbury	29,795	1996	265	0.9%	173	0.6%	666	2.2%	1,072	3.6%	1,897	6.4%	3,891	13.1%	9,067	30.4%	6,067	20.4%	6,697	22.5%
Cottage Grove	18,674	1969	472	2.5%	415	2.2%	1,592	8.5%	2,540	13.6%	2,513	13.5%	2,325	12.5%	3,089	16.5%	2,475	13.3%	3,253	17.4%
East Total	20,595	1979	3,417	16.6%	454	2.2%	1,028	5.0%	1,512	7.3%	3,317	16.1%	2,366	11.5%	3,563	17.3%	2,926	14.2%	2,012	9.8%
West Total	85,518	1981	2,742	3.2%	1,074	1.3%	4,337	5.1%	6,044	7.1%	9,675	11.3%	11,572	13.5%	19,578	22.9%	15,061	17.6%	15,435	18.0%
Washington Total	106,113	1990	6,159	5.8%	1,528	1.4%	5,365	5.1%	7,556	7.1%	12,992	12.2%	13,938	13.1%	23,141	21.8%	17,987	17.0%	17,447	16.4%

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC.

Housing Units by Tenure and Structure Type

Table HC-3 shows the number of units by structure type for owner- and renter-occupied units by submarket in Washington County. Data is from the 2020 American Community Survey.

HOUSING CHARACTERISTICS

TABLE HC-3
HOUSING UNITS BY STRUCTURE & TENURE
WASHINGTON COUNTY
2020

Units in Structure	NORTHEAST				EAST CENTRAL				SOUTHEAST				FOREST LAKE			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	2,524	98.7%	123	37.5%	7,404	83.4%	574	18.3%	4,373	98.7%	220	73.3%	4,873	83.1%	292	13.9%
1, attached	15	0.6%	161	49.1%	840	9.5%	670	21.3%	37	0.8%	21	7.0%	781	13.3%	252	12.0%
2	8	0.3%	13	4.0%	110	1.2%	184	5.9%	6	0.1%	3	1.0%	24	0.4%	50	2.4%
3 to 4	0	0.0%	22	6.7%	98	1.1%	200	6.4%	0	0.0%	38	12.7%	37	0.6%	50	2.4%
5 to 9	0	0.0%	9	2.7%	50	0.6%	146	4.6%	0	0.0%	5	1.7%	0	0.0%	108	5.1%
10 to 19	0	0.0%	0	0.0%	17	0.2%	133	4.2%	0	0.0%	0	0.0%	0	0.0%	118	5.6%
20 to 49	0	0.0%	0	0.0%	186	2.1%	239	7.6%	2	0.0%	4	1.3%	0	0.0%	756	35.9%
50 or more	0	0.0%	0	0.0%	146	1.6%	981	31.2%	0	0.0%	0	0.0%	14	0.2%	471	22.4%
Mobile home	9	0.4%	0	0.0%	28	0.3%	0	0.0%	11	0.2%	9	3.0%	134	2.3%	8	0.4%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	13	0.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2,556	100%	328	100%	8,879	100%	3,140	100%	4,429	100%	300	100%	5,863	100%	2,105	100%

Units in Structure	HUGO				MAHTOMEDI				OAKDALE				LAKE ELMO			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	3,057	63.5%	131	16.7%	4,687	94.2%	282	29.8%	6,081	68.1%	163	6.3%	2,496	85.0%	49	20.9%
1, attached	1,456	30.2%	475	60.5%	262	5.3%	77	8.1%	2,295	25.7%	545	21.1%	98	3.3%	0	0.0%
2	0	0.0%	8	1.0%	0	0.0%	44	4.7%	17	0.2%	0	0.0%	11	0.4%	67	28.6%
3 to 4	27	0.6%	68	8.7%	3	0.1%	17	1.8%	77	0.9%	68	2.6%	7	0.2%	0	0.0%
5 to 9	37	0.8%	49	6.2%	0	0.0%	16	1.7%	86	1.0%	34	1.3%	0	0.0%	0	0.0%
10 to 19	26	0.5%	0	0.0%	13	0.3%	18	1.9%	0	0.0%	203	7.9%	0	0.0%	0	0.0%
20 to 49	0	0.0%	15	1.9%	0	0.0%	167	17.7%	0	0.0%	687	26.6%	0	0.0%	0	0.0%
50 or more	0	0.0%	39	5.0%	0	0.0%	324	34.3%	57	0.6%	875	33.9%	8	0.3%	28	12.0%
Mobile home	213	4.4%	0	0.0%	9	0.2%	0	0.0%	314	3.5%	4	0.2%	317	10.8%	90	38.5%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	4,816	100%	785	100%	4,974	100%	945	100%	8,927	100%	2,579	100%	2,937	100%	234	100%

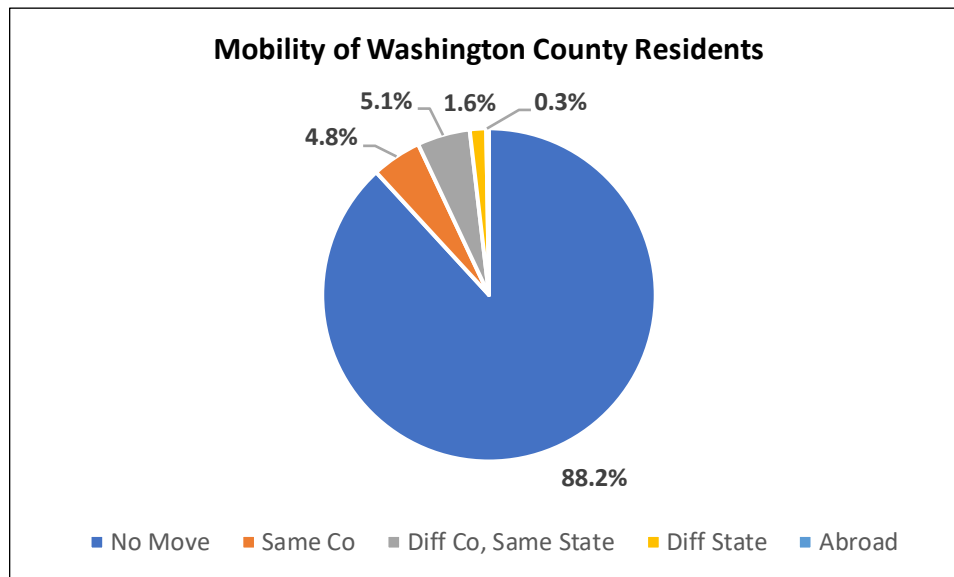
Units in Structure	WOODBURY				COTTAGE GROVE				TOTAL			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	15,142	71.7%	533	11.0%	12,158	88.9%	728	30.8%	62,795	80.3%	3,095	17.6%
1, attached	5,027	23.8%	1,721	35.5%	1,307	9.6%	424	18.0%	12,118	15.5%	4,346	24.7%
2	194	0.9%	22	0.5%	0	0.0%	30	1.3%	370	0.5%	421	2.4%
3 to 4	237	1.1%	120	2.5%	11	0.1%	141	6.0%	497	0.6%	724	4.1%
5 to 9	290	1.4%	332	6.8%	59	0.4%	206	8.7%	522	0.7%	905	5.1%
10 to 19	54	0.3%	231	4.8%	0	0.0%	216	9.1%	110	0.1%	919	5.2%
20 to 49	30	0.1%	514	10.6%	0	0.0%	258	10.9%	218	0.3%	2,640	15.0%
50 or more	56	0.3%	1,352	27.9%	0	0.0%	327	13.9%	281	0.4%	4,397	24.9%
Mobile home	88	0.4%	26	0.5%	134	1.0%	14	0.6%	1,257	1.6%	151	0.9%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	17	0.7%	0	0.0%	30	0.2%
Total	21,118	100%	4,851	100%	13,669	100%	2,361	100%	78,168	100%	17,628	100%

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC.

Mobility in the Past Year

Table HC-4 shows the mobility patterns of Washington County residents in 2021.

- The majority of residents (88%) did not move within the last 12 months.
- Of the residents that moved within the past 12 months, an estimated 5% moved outside of Washington County but within Minnesota and 5% were intra-county moves (i.e. one location in Washington County to another Washington County location).
- A greater proportion of younger age cohorts tended to move within the last year compared to older age cohorts. Most of those that moved were between the ages of 25 and 44.



HOUSING CHARACTERISTICS

TABLE HC-4
MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE
WASHINGTON COUNTY
February 2022

Age	Not Moved		Moved							
	Same House		Within Same County		Different County, Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 18	58,003	24.1%	3,634	27.5%	2,491	17.7%	926	21.3%	225	31.1%
18 to 24	17,007	7.1%	1,639	12.4%	2,115	15.1%	888	20.4%	29	4.0%
25 to 34	24,887	10.3%	1,798	13.6%	4,345	31.0%	919	21.2%	77	10.6%
35 to 44	31,025	12.9%	2,986	22.6%	2,074	14.8%	529	12.2%	171	23.6%
45 to 54	35,635	14.8%	1,333	10.1%	1,103	7.9%	438	10.1%	75	10.3%
55 to 64	36,237	15.0%	853	6.5%	777	5.5%	261	6.0%	57	7.9%
65 to 74	23,334	9.7%	419	3.2%	611	4.4%	125	2.9%	61	8.5%
75+	14,907	6.2%	566	4.3%	518	3.7%	259	6.0%	29	4.0%
Total	241,036	100.0%	13,227	100.0%	14,033	100.0%	4,343	100.0%	724	100.0%

Sources: US Census Bureau: American Community Survey; Maxfield Research and Consulting LLC

Introduction

Maxfield Research and Consulting analyzed the for-sale housing market in Washington County by collecting data on single-family and multifamily home sales, active listings, identifying active subdivisions and pending for-sale developments and conducting interviews with local real estate professionals, developers and planning officials.

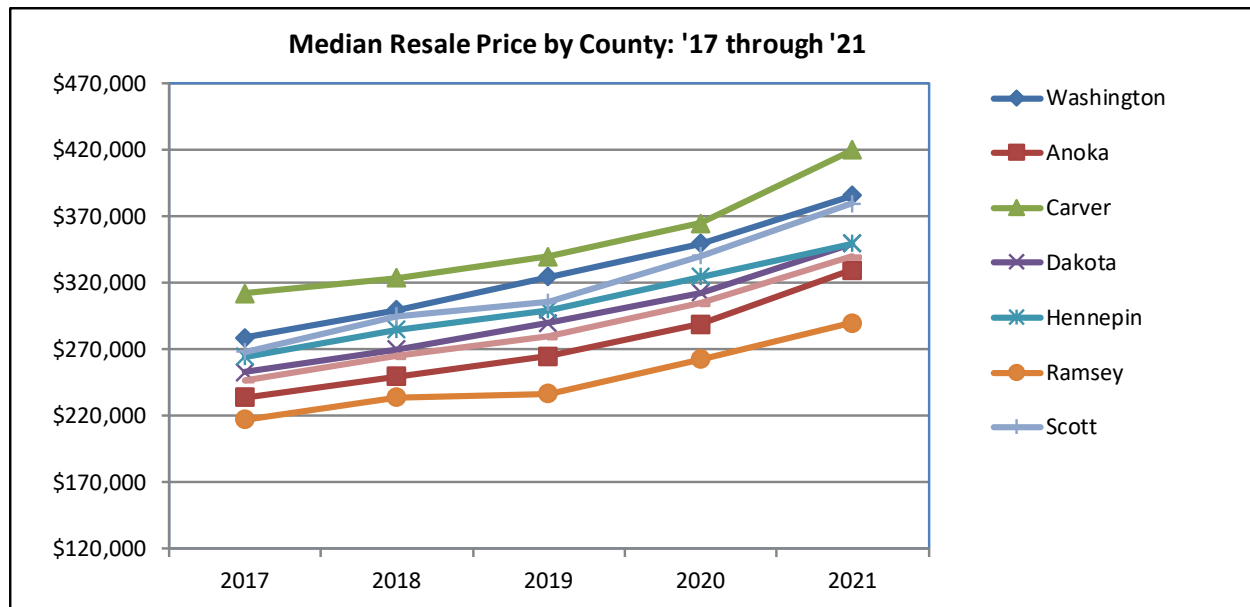
Home Resale Comparison in Twin Cities Metro Area

Table FS-1 presents summary resale data for single-family and multifamily housing units in Washington County and the other six core Metro Area counties. The table shows the median resale sales price from 2017 through 2021 according to the Minneapolis Area Association of Realtors (“MAAR”). Table FS-2 illustrates key metrics for closed sales in 2021. The following are the key points from Tables FS-1 and FS-2.

- In the Seven County Metro Area, Washington County typically posted the second highest median resale prices during the period. Carver County has posted the highest housing resale prices each year of the period.
- Resales in Washington County have had a median resale price that is an average of 14% higher than the median for the Metro Area between 2017 and 2021.
- Washington County resale home prices increased by 10% between 2020 and 2021. Over the period 2017 through 2021, the median resale price rose by 38.4%. The average for the Twin Cities Metro was 37.7%. The highest overall price increase occurred in Scott County, with an increase of 41.6%.

TABLE FS-1 MEDIAN RESALE COMPARISON BY METRO AREA COUNTY 2017 through 2021					
County	2017	2018	2019	2020	2021
Washington	\$279,000	\$300,000	\$325,000	\$349,900	\$386,000
Anoka	\$234,000	\$250,000	\$265,000	\$289,100	\$330,000
Carver	\$312,500	\$323,965	\$340,000	\$365,000	\$420,000
Dakota	\$253,000	\$270,000	\$289,900	\$313,000	\$350,000
Hennepin	\$264,700	\$284,900	\$300,000	\$325,000	\$350,000
Ramsey	\$217,500	\$234,000	\$237,000	\$262,900	\$290,000
Scott	\$268,450	\$295,000	\$306,000	\$340,761	\$380,000
Twin Cities Metro (7-County)	\$247,000	\$265,000	\$280,000	\$305,000	\$340,000
Sources: Minneapolis Area Association of Realtors, Maxfield Research & Consulting, LLC					

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- In 2021, Washington County resales accounted for 9.8% of all transactions listed on the Multiple Listing Service (MLS) in the seven-county Metro Area.
- New construction homes accounted for 16.5% of Washington County sales; higher than the 6.4% average in the overall Metro Area.

**TABLE FS-2
RESALE COMPARISON
METRO AREA BY COUNTY
2021**

Geography	Closed Sales	Percent		CDOM ¹	Pct. of Orig. List Price
		New Construction	Townhome/Condo		
Washington	5,450	16.5%	29.4%	26	100.8%
Anoka	6,549	11.4%	21.7%	24	102.2%
Carver	2,201	18.3%	24.1%	24	100.5%
Dakota	7,939	8.2%	32.8%	22	101.8%
Hennepin	22,723	4.6%	26.8%	44	100.6%
Ramsey	7,986	2.4%	23.4%	44	101.3%
Scott	2,749	9.5%	26.6%	22	101.2%
Twin Cities Region	55,597	6.4%	22.8%	35	101.2%

¹ Cumulative Days on Market ("CDOM") is the collective sum of days on the market from the current and any previous listings within the past year.

² Includes foreclosures and short sales

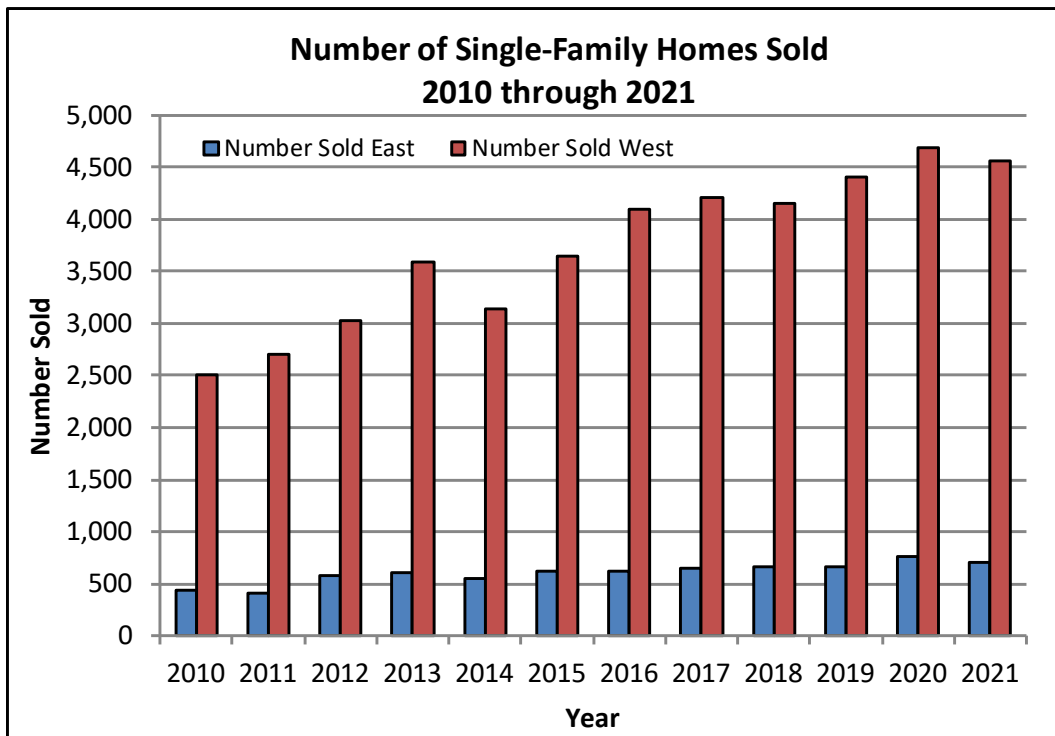
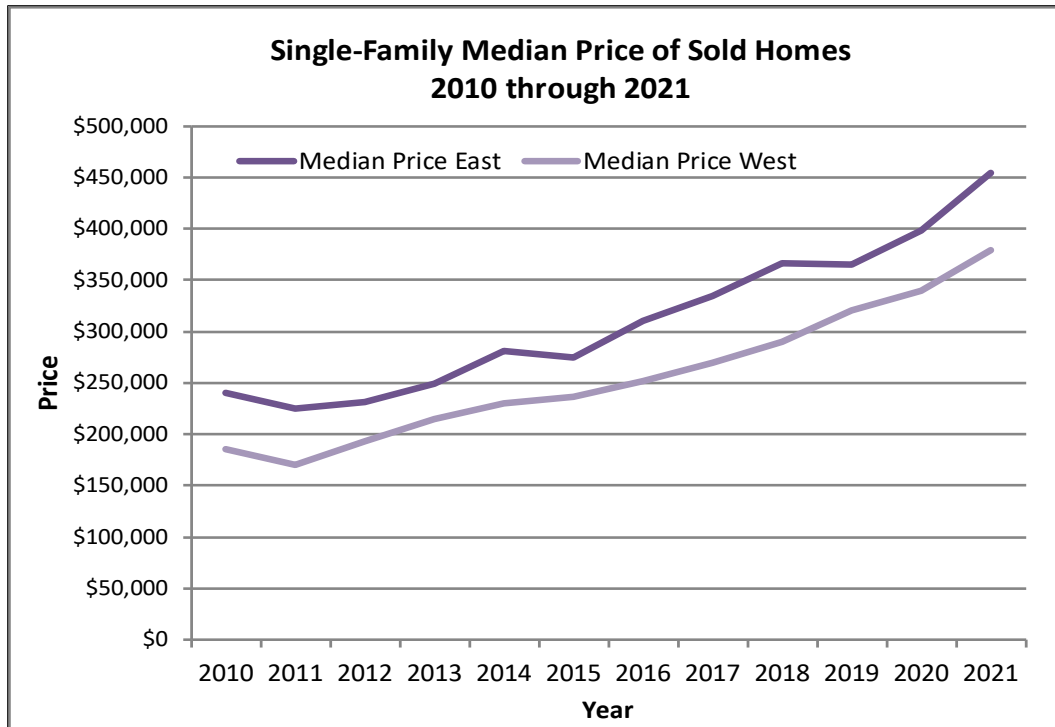
Sources: Minneapolis Area Association of Realtors, Maxfield Research and Consulting, LLC

Home Resale Comparison in Washington County

Tables FS-3 to FS-5 present summary resale data for Washington County submarkets. Tables FS-3 and FS-4 present summary data for resales of single-family and owned multifamily housing units for all Washington County submarkets from 2005 through 2021. Table FS-5 illustrates resale data by type of sale and submarket based only on 2021 resale activity. All data is sourced to the Regional Multiple Listing Service of Minnesota (RMLS).

Single-Family Resales

- Washington County submarkets experienced rapid home sale appreciation after the Great Recession as home prices escalated substantially beginning in 2015. From 2016 through 2021, the median resale price increased by 65.5% in the overall East Submarket and by 59.8% in the West Submarket. In addition, the average price increased by 61.8% in the East Submarket and by 54.8% in the West Submarket.
- Housing values across the Twin Cities Metro Area and in Washington County continued to increase during the second half of this decade as mortgage interest rates decreased and housing demand rose substantially. Despite a significant amount of new housing construction, it did not keep pace with local and regional demand.
- Several individual submarkets experienced even higher percentage appreciation rates including Hugo (88.3%), Northeast (82.3%) and Southeast (71.9%). Of all submarkets, only two had resale appreciation percentages less than 50% (Lake Elmo and Forest Lake).
- The number of single-family resales fluctuated somewhat from 2016 through 2021 but peaked in 2020 at 5,455 sales closed. Sales dropped modestly in 2021 to 5,268 single-family homes closed for the year amid reduced supply.
- Days on market also decreased substantially during the period shown on the table. The percentage decreases in days on market in Washington County for individual submarkets ranged from the low 60% to the high 70% from 2016 through 2021. The percentage for the East submarket was -68.5% and was -66.7% for the West submarket.
- The highest median sold prices as of 2021 for single-family homes in Washington County were in the Northeast submarket (\$593,000), the Southeast submarket (\$580,000) and Lake Elmo (\$550,852).



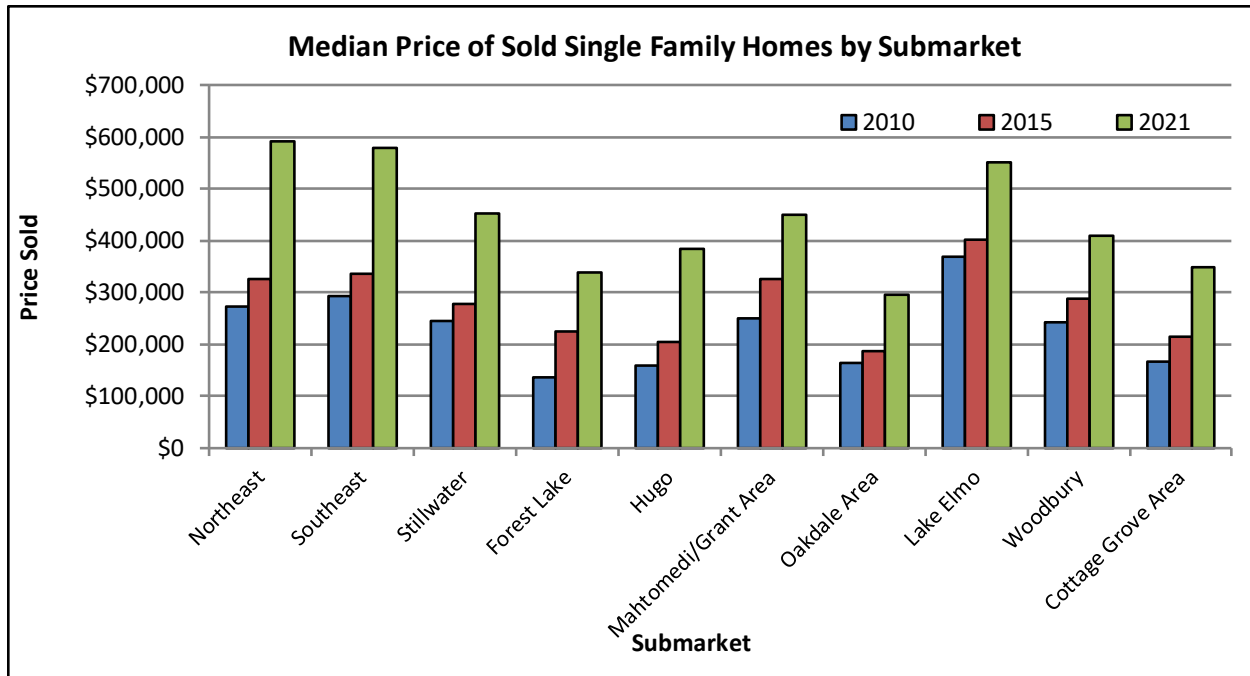
FOR-SALE HOUSING ANALYSIS

TABLE FS-3 SINGLE-FAMILY HOME SALES WASHINGTON COUNTY 2010 through 2021									
Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market	Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market
Northeast					East Central Area				
2010	56	\$354,579	\$272,000	224	2010	279	\$265,350	\$245,855	154
2011	61	\$332,133	\$294,000	275	2011	260	\$261,565	\$225,000	157
2012	93	\$309,566	\$290,000	235	2012	347	\$284,325	\$235,375	139
2013	79	\$387,542	\$342,000	162	2013	379	\$288,748	\$245,500	100
2014	73	\$354,586	\$285,000	157	2014	354	\$340,654	\$318,000	90
2015	93	\$383,721	\$325,330	164	2015	382	\$319,472	\$277,450	92
2016	81	\$445,117	\$395,000	192	2016	382	\$356,225	\$310,000	98
2017	87	\$469,128	\$438,900	135	2017	415	\$373,708	\$345,000	76
2018	110	\$445,684	\$400,000	109	2018	418	\$397,187	\$370,000	59
2019	108	\$479,460	\$430,000	126	2019	401	\$399,854	\$355,000	70
2020	122	\$512,207	\$451,000	92	2020	494	\$422,833	\$373,000	49
2021	114	\$661,240	\$593,000	45	2021	441	\$506,872	\$452,750	35
Pct. Change					Pct. Change				
10 to 15	66.1%	8.2%	19.6%	-26.8%	10 to 15	36.9%	12.9%	12.9%	-40.3%
15 to 21	22.6%	72.3%	82.3%	-72.6%	15 to 21	15.4%	58.7%	63.2%	-62.0%
Southeast					East Total				
2010	103	\$362,010	\$293,000	195	2010	438	\$276,860	\$240,000	178
2011	94	\$372,559	\$300,000	192	2011	416	\$267,619	\$225,000	187
2012	136	\$323,847	\$282,500	165	2012	576	\$279,156	\$230,950	162
2013	146	\$376,452	\$301,000	131	2013	604	\$304,861	\$249,000	121
2014	117	\$412,015	\$370,000	130	2014	544	\$333,584	\$281,500	106
2015	142	\$411,083	\$337,450	133	2015	618	\$326,473	\$275,000	108
2016	152	\$440,157	\$399,900	142	2016	614	\$363,743	\$310,500	115
2017	155	\$459,130	\$404,500	111	2017	656	\$378,838	\$335,000	87
2018	137	\$482,194	\$435,000	92	2018	665	\$403,681	\$366,000	70
2019	152	\$512,771	\$437,000	96	2019	662	\$417,100	\$365,000	78
2020	151	\$587,776	\$525,000	100	2020	767	\$451,254	\$397,750	63
2021	153	\$649,763	\$580,000	33	2021	709	\$527,762	\$455,000	34
Pct. Change					Pct. Change				
10 to 15	37.9%	13.6%	15.2%	-31.8%	10 to 15	41.1%	17.9%	14.6%	-39.3%
15 to 21	7.7%	58.1%	71.9%	-75.2%	15 to 21	14.7%	61.7%	65.5%	-68.5%
Forest Lake					Hugo				
2010	251	\$172,809	\$135,450	150	2010	287	\$192,238	\$158,338	145
2011	280	\$170,187	\$153,000	151	2011	289	\$180,740	\$137,000	150
2012	283	\$199,129	\$185,000	143	2012	319	\$200,908	\$164,199	98
2013	367	\$215,674	\$191,000	106	2013	344	\$222,582	\$195,000	76
2014	302	\$251,159	\$219,900	102	2014	279	\$237,239	\$180,000	77
2015	412	\$246,191	\$225,500	93	2015	327	\$259,759	\$204,500	64
2016	399	\$272,222	\$230,000	82	2016	387	\$265,841	\$230,900	62
2017	415	\$286,149	\$250,050	70	2017	425	\$281,324	\$233,200	51
2018	360	\$288,961	\$269,900	57	2018	422	\$291,585	\$235,250	45
2019	386	\$333,090	\$306,250	59	2019	400	\$324,005	\$280,000	45
2020	434	\$338,370	\$310,000	51	2020	434	\$350,889	\$320,000	41
2021	376	\$382,157	\$338,100	29	2021	471	\$403,997	\$385,018	25
Pct. Change					Pct. Change				
10 to 15	64.1%	42.5%	66.5%	-38.0%	10 to 15	13.9%	35.1%	29.2%	-55.9%
15 to 21	-8.7%	55.2%	49.9%	-68.8%	15 to 21	44.0%	55.5%	88.3%	-60.9%
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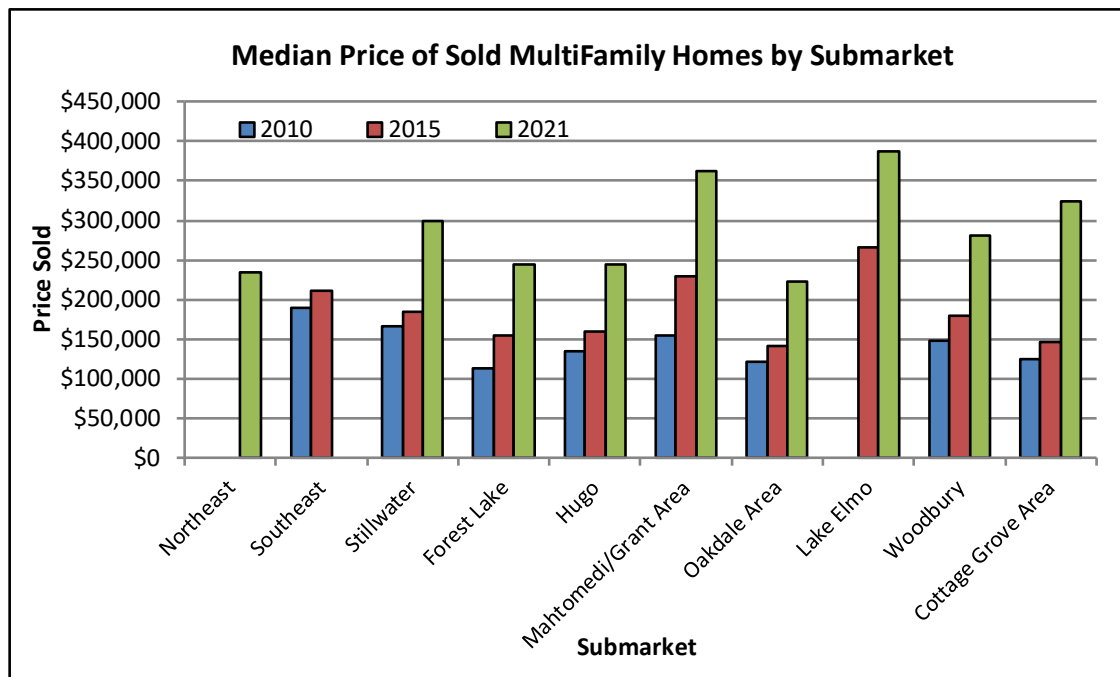
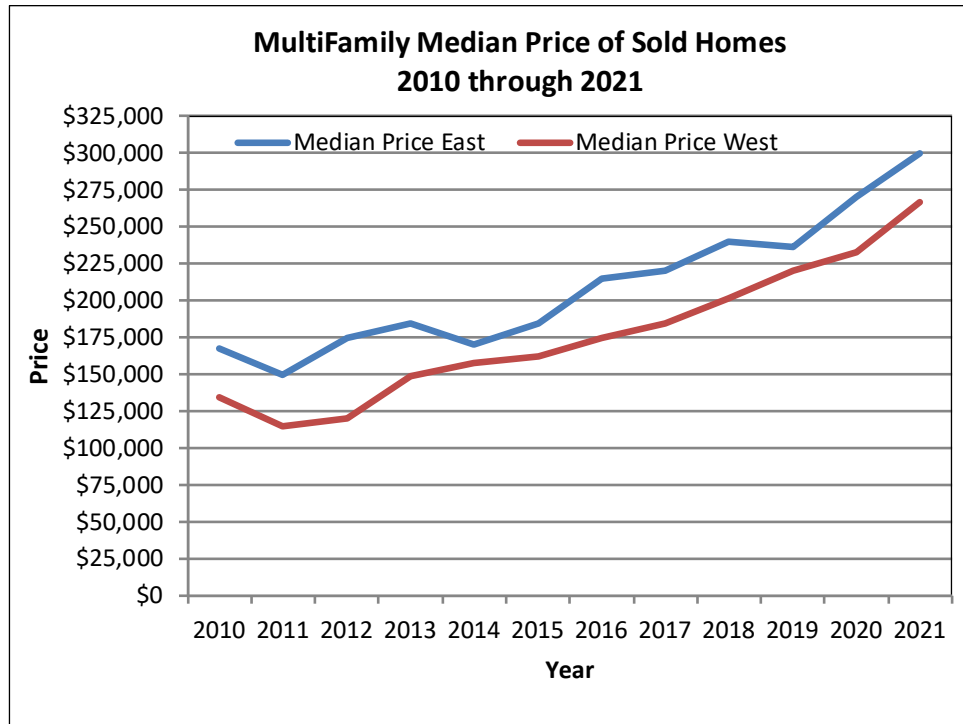
TABLE FS-3 (CONTINUED) SINGLE-FAMILY HOME SALES WASHINGTON COUNTY 2010 through 2021									
Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market	Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market
Mahtomedi/Grant Area					Oakdale Area				
2010	85	\$328,682	\$251,250	141	2010	373	\$167,605	\$165,000	127
2011	125	\$292,168	\$250,000	150	2011	374	\$145,419	\$133,000	131
2012	131	\$289,503	\$244,900	145	2012	387	\$146,457	\$134,950	93
2013	190	\$297,542	\$242,000	123	2013	460	\$169,854	\$162,000	78
2014	145	\$412,716	\$312,000	114	2014	389	\$179,738	\$167,500	68
2015	190	\$409,568	\$325,000	97	2015	466	\$194,789	\$187,900	63
2016	170	\$358,472	\$300,000	86	2016	554	\$209,666	\$210,000	48
2017	181	\$406,915	\$330,250	82	2017	516	\$217,872	\$211,250	43
2018	191	\$418,257	\$352,200	67	2018	470	\$235,672	\$225,000	32
2019	184	\$483,139	\$375,000	79	2019	463	\$250,844	\$235,000	31
2020	187	\$460,472	\$396,000	54	2020	507	\$265,573	\$255,000	25
2021	174	\$608,707	\$450,000	21	2021	512	\$298,585	\$295,500	17
Pct. Change					Pct. Change				
10 thru 15	123.5%	24.6%	29.4%	-31.2%	10 thru 15	24.9%	16.2%	13.9%	-50.4%
16 thru 21	-8.4%	48.6%	38.5%	-78.4%	16 thru 21	9.9%	53.3%	57.3%	-73.0%
Lake Elmo					Woodbury				
2010	68	\$427,948	\$369,500	212	2010	914	\$260,270	\$243,750	130
2011	60	\$396,419	\$374,800	181	2011	997	\$236,636	\$219,900	135
2012	83	\$413,122	\$367,500	186	2012	1,122	\$257,603	\$240,000	103
2013	89	\$405,044	\$374,900	94	2013	1,422	\$286,778	\$267,250	68
2014	95	\$478,479	\$428,500	122	2014	1,257	\$305,521	\$284,000	63
2015	87	\$468,899	\$401,000	97	2015	1,381	\$308,232	\$288,100	68
2016	190	\$418,338	\$406,550	70	2016	1,542	\$307,616	\$294,500	57
2017	248	\$460,100	\$432,500	88	2017	1,547	\$332,006	\$312,000	54
2018	279	\$511,311	\$473,439	77	2018	1,553	\$339,182	\$325,000	46
2019	278	\$505,598	\$469,419	98	2019	1,651	\$370,134	\$352,000	48
2020	339	\$545,167	\$495,000	84	2020	1,710	\$386,594	\$376,100	43
2021	333	\$590,964	\$550,852	41	2021	1,664	\$439,355	\$410,000	25
Pct. Change					Pct. Change				
10 thru 15	27.9%	9.6%	8.5%	-54.2%	10 thru 15	51.1%	18.4%	18.2%	-47.7%
16 thru 21	282.8%	26.0%	37.4%	-57.7%	16 thru 21	20.5%	42.5%	42.3%	-63.2%
Cottage Grove Area					West Total				
2010	518	\$189,047	\$167,000	122	2010	2,513	\$223,326	\$185,000	135
2011	556	\$168,225	\$147,725	134	2011	2,703	\$205,233	\$170,000	140
2012	676	\$186,608	\$165,000	91	2012	3,029	\$223,192	\$192,995	107
2013	674	\$197,497	\$178,700	63	2013	3,589	\$247,001	\$215,000	78
2014	662	\$215,482	\$200,500	62	2014	3,146	\$271,590	\$230,000	72
2015	762	\$230,819	\$215,000	63	2015	3,645	\$276,776	\$237,000	72
2016	820	\$250,390	\$231,500	51	2016	4,091	\$283,822	\$252,000	60
2017	833	\$258,293	\$240,000	40	2017	4,214	\$306,189	\$270,000	55
2018	831	\$277,927	\$255,000	37	2018	4,160	\$324,120	\$290,000	47
2019	974	\$308,358	\$280,000	37	2019	4,405	\$353,630	\$320,000	50
2020	1,005	\$330,721	\$306,650	33	2020	4,688	\$371,559	\$340,000	44
2021	1,041	\$375,135	\$350,000	21	2021	4,559	\$420,517	\$378,740	24
Pct. Change					Pct. Change				
10 thru 15	47.1%	22.1%	28.7%	-48.4%	10 thru 15	45.0%	23.9%	28.1%	-46.7%
16 thru 21	36.6%	74.1%	62.8%	-66.7%	16 thru 21	25.1%	54.8%	59.8%	-66.7%

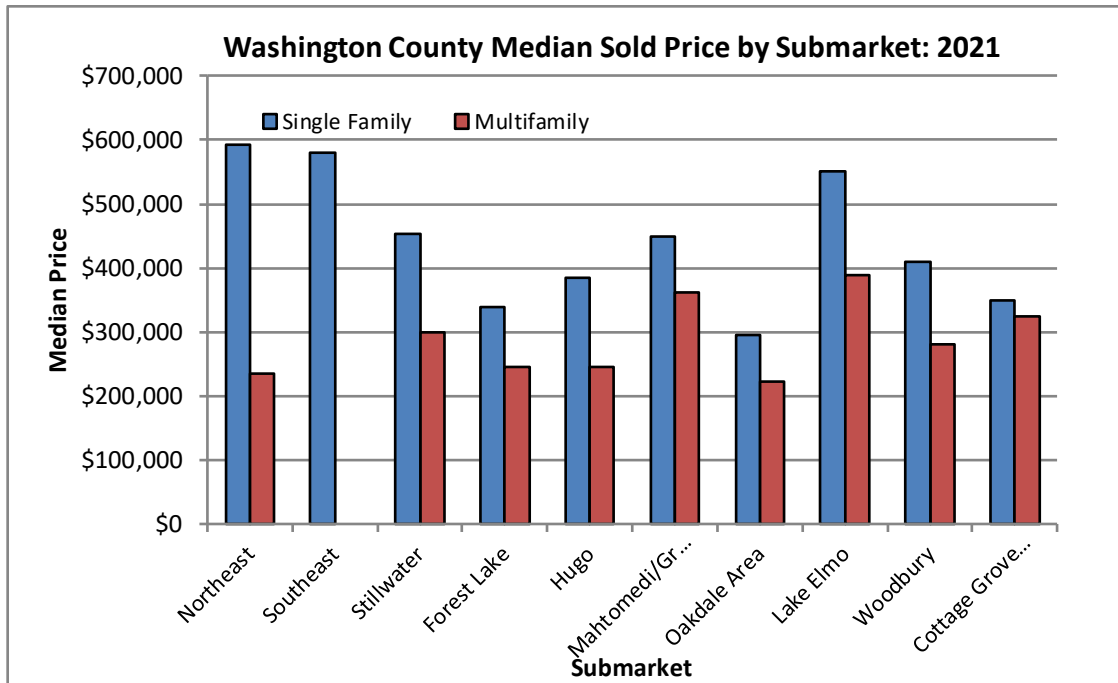
Sources: Greater Minneapolis Area Association of Realtors; Maxfield Research & Consulting, LLC.



Owned Multifamily Resales

- From 2005 through 2012, owned multifamily resales accounted for an estimated 33% of all Washington County resales. In 2012, multifamily resales accounted for 27% of closed transactions; the lowest percentage over the eight-year timeframe. In 2016, owned multifamily resales accounted for 31% and was at the same percentage from 2013 through 2016. In 2017 and 2018, the proportion was 24%, down significantly from 2016 and decreased again from 2019 through 2021 to only 23% as buyers move over to single-family homes due to declining mortgage interest rates.
- The West Submarket dominates the owned multifamily resale market. Since 2010, 88% of Washington County owned multifamily resales have been in the West Submarket. The East Submarket averaged 119 owned multifamily resales per year, while the West Submarket averaged 1,535 resales per year. These proportions have remained consistent through 2021.
- Owned multifamily resale transactions continued to rise in 2017 and 2018 but decreased in 2019 and 2020 before increasing again in 2021. In 2021, there were 1,601 owned multifamily sales compared to 1,376 in 2005. Some of the significant increase in owned multifamily resales is due to a higher proportion of baby boomers making a shift from a single-family home to owned multifamily products that require less exterior maintenance and upkeep.
- Although there are substantially more resales in the West Submarket, resale pricing in the East Submarket averaged 12% higher than the West Submarket, a decrease from 2017. Higher construction levels in the West Submarket specifically of townhomes has pushed prices higher.
- Days on market (list market time) continued to decrease through 2021 with the very low number of days on market (24) demonstrating high demand and very limited supply.





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TABLE FS-4 OWNED MULTIFAMILY HOME SALES WASHINGTON COUNTY 2010 through 2021									
Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market	Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market
Northeast					East Central Area				
2010	0	--	--	--	2010	103	\$190,967	\$166,900	208
2011	0	--	--	--	2011	125	\$172,725	\$150,000	203
2012	1	\$183,500	\$183,500	314	2012	118	\$196,563	\$172,862	160
2013	3	\$152,000	\$152,000	254	2013	104	\$213,497	\$188,000	132
2014	0	--	--	--	2014	103	\$212,902	\$169,950	95
2015	0	--	--	--	2015	135	\$222,361	\$184,250	88
2016	1	\$195,000	\$195,000	49	2016	129	\$257,915	\$215,000	86
2017	0	--	--	--	2017	123	\$238,939	\$219,900	62
2018	3	\$304,967	\$349,900	102	2018	108	\$295,614	\$240,000	43
2019	4	\$253,000	\$221,000	28	2019	114	\$298,786	\$236,000	41
2020	1	\$240,000	\$240,000	17	2020	111	\$335,448	\$270,000	47
2021	1	\$235,000	\$235,000	0	2021	125	\$348,242	\$300,000	22
Pct. Change					Pct. Change				
10 to 15	--	--	--	--	10 to 15	31.1%	10.4%	10.4%	-57.7%
15 to 21	--	--	--	--	15 to 21	-7.4%	56.6%	62.8%	-75.0%
Southeast					East Total				
2010	1	\$190,000	\$190,000	63	2010	104	\$190,958	\$167,490	207
2011	0	--	--	--	2011	125	\$172,725	\$150,000	203
2012	2	\$128,700	\$128,700	194	2012	121	\$195,313	\$174,990	162
2013	0	--	--	--	2013	107	\$212,303	\$185,000	136
2014	2	\$229,950	\$229,950	16	2014	105	\$213,230	\$170,500	93
2015	2	\$211,500	\$211,500	214	2015	137	\$222,198	\$184,250	90
2016	3	\$202,467	\$185,000	83	2016	133	\$256,165	\$215,000	86
2017	1	\$294,900	\$294,900	26	2017	124	\$239,397	\$219,950	61
2018	0	--	--	--	2018	111	\$295,867	\$240,000	45
2019	2	\$270,000	\$270,000	7	2019	120	\$296,729	\$236,000	40
2020	1	\$389,900	\$389,900	33	2020	113	\$335,079	\$270,000	46
2021	0	--	--	--	2021	126	\$347,343	\$300,000	22
Pct. Change					Pct. Change				
10 to 15	100.0%	11.3%	11.3%	239.7%	10 to 15	31.7%	16.4%	10.0%	-56.5%
15 to 21	-100.0%	--	--	--	15 to 21	-8.0%	56.3%	62.8%	-75.6%
Forest Lake					Hugo				
2010	93	\$121,630	\$113,250	89	2010	167	\$136,517	\$135,000	131
2011	83	\$117,110	\$116,000	84	2011	157	\$115,806	\$103,750	136
2012	58	\$124,611	\$116,000	54	2012	154	\$132,047	\$120,000	91
2013	94	\$157,507	\$139,450	45	2013	173	\$157,321	\$150,000	65
2014	77	\$168,302	\$150,000	43	2014	154	\$175,842	\$159,950	65
2015	110	\$178,616	\$155,000	43	2015	162	\$169,913	\$160,000	53
2016	103	\$196,359	\$170,000	44	2016	189	\$194,791	\$167,000	54
2017	102	\$199,448	\$180,000	33	2017	228	\$202,968	\$180,000	32
2018	105	\$202,864	\$182,250	27	2018	246	\$224,260	\$199,900	29
2019	75	\$225,158	\$201,100	27	2019	218	\$241,230	\$210,000	35
2020	105	\$237,411	\$220,000	20	2020	212	\$254,094	\$224,000	27
2021	109	\$272,017	\$245,000	18	2021	179	\$277,778	\$245,000	23
Pct. Change					Pct. Change				
10 to 15	18.3%	46.9%	36.9%	-51.7%	10 to 15	-3.0%	24.5%	18.5%	-59.5%
15 to 21	-0.9%	52.3%	58.1%	-58.1%	15 to 21	10.5%	63.5%	53.1%	-56.6%
CONTINUED									

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TABLE FS-4 (CONTINUED) OWNED MULTIFAMILY HOME SALES WASHINGTON COUNTY 2010 through 2021									
Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market	Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Days on Market
Mahtomedi/Grant Area					Oakdale Area				
2010	6	\$155,214	\$155,500	139	2010	115	\$124,070	\$122,250	168
2011	14	\$183,993	\$153,750	111	2011	144	\$103,182	\$97,000	149
2012	10	\$186,330	\$182,700	79	2012	135	\$97,313	\$92,500	98
2013	16	\$214,013	\$195,600	71	2013	158	\$126,655	\$119,500	81
2014	10	\$262,870	\$255,000	32	2014	158	\$137,393	\$135,800	67
2015	19	\$242,483	\$230,000	101	2015	172	\$143,259	\$141,500	55
2016	21	\$249,169	\$214,900	112	2016	203	\$150,435	\$149,000	47
2017	15	\$285,193	\$235,000	54	2017	205	\$162,207	\$159,650	39
2018	16	\$274,338	\$264,000	19	2018	190	\$179,095	\$175,000	32
2019	19	\$332,572	\$335,000	63	2019	174	\$195,573	\$185,000	29
2020	15	\$356,043	\$345,000	58	2020	186	\$200,521	\$199,450	27
2021	14	\$394,197	\$362,500	26	2021	206	\$226,791	\$222,250	22
Pct. Change					Pct. Change				
10 thru 15	216.7%	56.2%	47.9%	-27.3%	10 thru 15	49.6%	15.5%	15.7%	-67.3%
16 thru 21	-26.3%	62.6%	57.6%	-74.3%	16 thru 21	19.8%	58.3%	57.1%	-60.0%
Lake Elmo					Woodbury				
2010	0	--	--	--	2010	367	\$168,380	\$147,500	129
2011	1	\$305,000	\$305,000	181	2011	402	\$154,594	\$132,500	144
2012	1	\$287,500	\$287,500	693	2012	428	\$163,025	\$142,000	104
2013	1	--	--	0	2013	539	\$192,928	\$164,900	65
2014	2	\$189,200	\$189,200	26	2014	506	\$211,727	\$182,000	58
2015	8	\$260,687	\$266,200	27	2015	555	\$208,657	\$180,000	58
2016	66	\$351,597	\$361,360	19	2016	640	\$215,094	\$190,000	48
2017	60	\$360,856	\$311,401	42	2017	687	\$232,588	\$205,000	39
2018	58	\$426,975	\$407,583	15	2018	671	\$247,574	\$225,000	40
2019	51	\$422,556	\$394,313	71	2019	664	\$262,390	\$244,000	41
2020	48	\$466,714	\$448,521	57	2020	645	\$271,045	\$250,250	38
2021	66	\$465,393	\$387,990	29	2021	667	\$303,083	\$280,500	24
Pct. Change					Pct. Change				
10 to 15	--	--	--	--	10 to 15	51.2%	23.9%	22.0%	-55.0%
15 to 21	725.0%	78.5%	45.8%	7.4%	15 to 21	20.2%	45.3%	55.8%	-58.6%
Cottage Grove Area					West Total				
2010	93	\$124,926	\$125,000	140	2010	841	\$145,376	\$134,500	135
2011	86	\$99,896	\$95,000	171	2011	887	\$131,070	\$115,000	144
2012	97	\$105,242	\$104,250	95	2012	883	\$139,103	\$120,000	101
2013	105	\$128,517	\$124,000	58	2013	1,086	\$168,502	\$149,000	69
2014	93	\$138,509	\$135,000	55	2014	1,000	\$184,814	\$157,900	60
2015	106	\$144,119	\$147,200	62	2015	1,132	\$184,839	\$162,000	58
2016	116	\$154,626	\$153,250	50	2016	1,338	\$202,298	\$174,500	50
2017	118	\$178,806	\$169,000	29	2017	1,416	\$216,017	\$185,000	38
2018	139	\$203,430	\$184,750	29	2018	1,426	\$234,086	\$202,000	34
2019	156	\$227,787	\$202,500	34	2019	1,359	\$251,474	\$220,000	39
2020	183	\$261,140	\$238,500	34	2020	1,403	\$263,443	\$233,000	35
2021	229	\$318,350	\$324,050	31	2021	1,475	\$297,601	\$267,000	26
Pct. Change					Pct. Change				
10 thru 15	14.0%	15.4%	17.8%	-55.7%	10 thru 15	34.6%	27.1%	20.4%	-57.0%
16 thru 21	116.0%	129.8%	120.1%	-50.0%	16 thru 21	30.3%	61.0%	64.8%	-55.2%

Sources: Greater Minneapolis Area Association of Realtors; Maxfield Research & Consulting, LLC.

Current Supply of Homes on the Market

To more closely examine the current market for available owner-occupied housing in Washington County, we compiled and reviewed the current supply of homes on the market (listed for sale). Table FS-5 shows homes currently listed for sale in Washington County distributed into 11 price ranges. The data is provided by the Greater Minneapolis Area Association of Realtors, based on active listings as of February 2022. Although the first quarter of the year is usually a period of low listing activity, the months of supply of homes on the market has consistently decreased over the past five years and most real estate firms note that the months of supply of existing homes is at record low levels, causing home prices to escalate. MLS listings generally account for the vast majority of all residential sale listings in a given area (95%). Table FS-6 summarizes active listings by submarket and housing type (SF vs MF). Key findings from the tables follow.

- As of February 2022, there were 300 single-family and 129 owned multifamily homes listed for sale in Washington County. The total number is 53% lower than the listings available in 2017. Again, most are in the West Submarket (the larger geography and more rapidly growing section of the county). Single-family homes accounted for 70% of current listings in Washington County, a decrease of 11% since 2017.
- The median list price in Washington County was \$540,153 (\$649,900 for single-family homes and \$377,900 for owned multifamily homes). The median sale price is generally a more accurate indicator of housing values in a community than the average sale price. Average sale prices can be easily skewed by a few very high-priced or very low-priced homes in any given year, whereas the median sale price better represents the pricing of most homes in a given market.
- The median list price for single-family homes is 6% higher in the East Submarket (\$525,000) as compared to the West Submarket (\$519,000). For owned multifamily homes, it is 4.6% higher in the East Submarket than the West Submarket. The gap in median list price has closed significantly since 2017.
- Based on a median list price in Washington County of \$540,153, the income required to afford a home at this price would be \$154,330 to \$180,050, based on a standard of 3.0 to 3.5 times the median household income (and assuming households do not have a high level of debt). A household with significantly more equity (in an existing home and/or savings) could afford a higher-priced home. A household with significant non-mortgage debt could afford a lower-priced home. An estimated 40% of Washington County households have annual household incomes at or above \$150,000 compared to 34% of the Twin Cities Metro Area. The median household income for Washington County was \$104,639 as of 2022 compared to \$86,023 for the Twin Cities Metro Area.

FOR-SALE MARKET ANALYSIS

TABLE FS-5
HOMES CURRENTLY LISTED FOR-SALE
WASHINGTON COUNTY
February 2022

	Northeast				East Central Area				Southeast				East Total			
	Single-Family		Multifamily		Single-Family		Multifamily		Single-Family		Multifamily		Single-Family		Multifamily	
Price Range	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$49,999	0	0.0%	0	--	0	0.0%	0	0.0%	1	5.9%	0	--	1	1.8%	0	0.0%
\$50,000 to \$99,999	0	0.0%	0	--	0	0.0%	0	0.0%	1	5.9%	0	--	1	1.8%	0	0.0%
\$100,000 to \$149,999	0	0.0%	0	--	0	0.0%	0	0.0%	0	0.0%	0	--	0	0.0%	0	0.0%
\$150,000 to \$199,999	0	0.0%	0	--	0	0.0%	0	0.0%	1	5.9%	0	--	1	1.8%	0	0.0%
\$200,000 to \$249,999	0	0.0%	0	--	0	0.0%	0	0.0%	0	0.0%	0	--	0	0.0%	0	0.0%
\$250,000 to \$299,999	0	0.0%	0	--	1	2.9%	1	20.0%	0	0.0%	0	--	1	1.8%	1	20.0%
\$300,000 to \$399,999	0	0.0%	0	--	3	8.8%	2	40.0%	2	11.8%	0	--	5	8.9%	2	40.0%
\$400,000 to \$499,999	1	20.0%	0	--	3	8.8%	1	20.0%	1	5.9%	0	--	5	8.9%	1	20.0%
\$500,000 to \$699,999	0	0.0%	0	--	10	29.4%	0	0.0%	1	5.9%	0	--	11	19.6%	0	0.0%
\$700,000 to \$999,999	3	60.0%	0	--	8	23.5%	1	20.0%	3	17.6%	0	--	14	25.0%	1	20.0%
\$1,000,000 and Over	1	20.0%	0	--	9	26.5%	0	0.0%	7	41.2%	0	--	17	30.4%	0	0.0%
	5	100.0%	0	--	34	100%	5	100%	17	100%	0	--	56	100%	5	100%
Minimum	\$430,000		--		\$274,900		\$279,900		\$49,000		--		\$274,900		\$49,000	
Maximum	\$1,139,000		--		\$1,899,000		\$799,900		\$2,298,000		--		\$2,298,000		\$799,900	
Median	\$790,000		--		\$699,950		\$392,000		\$750,000		--		\$750,000		\$392,000	
Average	\$790,479		--		\$773,668		\$454,760		\$888,626		--		\$790,479		\$454,760	

	Forest Lake				Hugo				Mahtomedi/Grant Area				Oakdale Area			
	Single-Family		Multifamily		Single-Family		Multifamily		Single-Family		Multifamily		Single-Family		Multifamily	
Price Range	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$49,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$50,000 to \$99,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,000 to \$149,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	6.7%
\$150,000 to \$199,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$200,000 to \$249,999	0	0.0%	1	7.1%	0	0.0%	4	26.7%	0	0.0%	0	0.0%	0	0.0%	6	40.0%
\$250,000 to \$299,999	0	0.0%	2	14.3%	0	0.0%	4	26.7%	3	15.8%	0	0.0%	0	0.0%	7	46.7%
\$300,000 to \$399,999	4	4.3%	5	35.7%	0	0.0%	2	13.3%	2	10.5%	0	0.0%	3	60.0%	1	6.7%
\$400,000 to \$499,999	5	5.3%	6	42.9%	3	10.3%	4	26.7%	6	31.6%	0	0.0%	1	20.0%	0	0.0%
\$500,000 to \$699,999	3	3.2%	0	0.0%	18	62.1%	1	6.7%	3	15.8%	0	0.0%	1	20.0%	0	0.0%
\$700,000 to \$999,999	2	2.1%	0	0.0%	4	13.8%	0	0.0%	3	15.8%	1	100.0%	0	0.0%	0	0.0%
\$1,000,000 and Over	5	5.3%	0	0.0%	4	13.8%	0	0.0%	2	10.5%	0	0.0%	0	0.0%	0	0.0%
	19	20.2%	14	100%	29	100%	15	100%	19	100%	1	100%	5	100%	15	100%
Minimum	\$350,000		\$234,900		\$420,000		\$229,900		\$250,000		\$965,000		\$309,900		\$149,900	
Maximum	\$1,800,000		\$499,900		\$1,585,000		\$675,000		\$3,650,000		\$965,000		\$574,670		\$375,000	
Median	\$539,000		\$374,900		\$649,900		\$285,000		\$450,000		\$965,000		\$394,900		\$249,900	
Average	\$740,116		\$377,771		\$714,685		\$337,873		\$724,786		\$965,000		\$419,413		\$253,278	

CONTINUED

FOR-SALE MARKET ANALYSIS

TABLE FS-5 (Con't)
HOMES CURRENTLY LISTED FOR-SALE
WASHINGTON COUNTY
February 2022

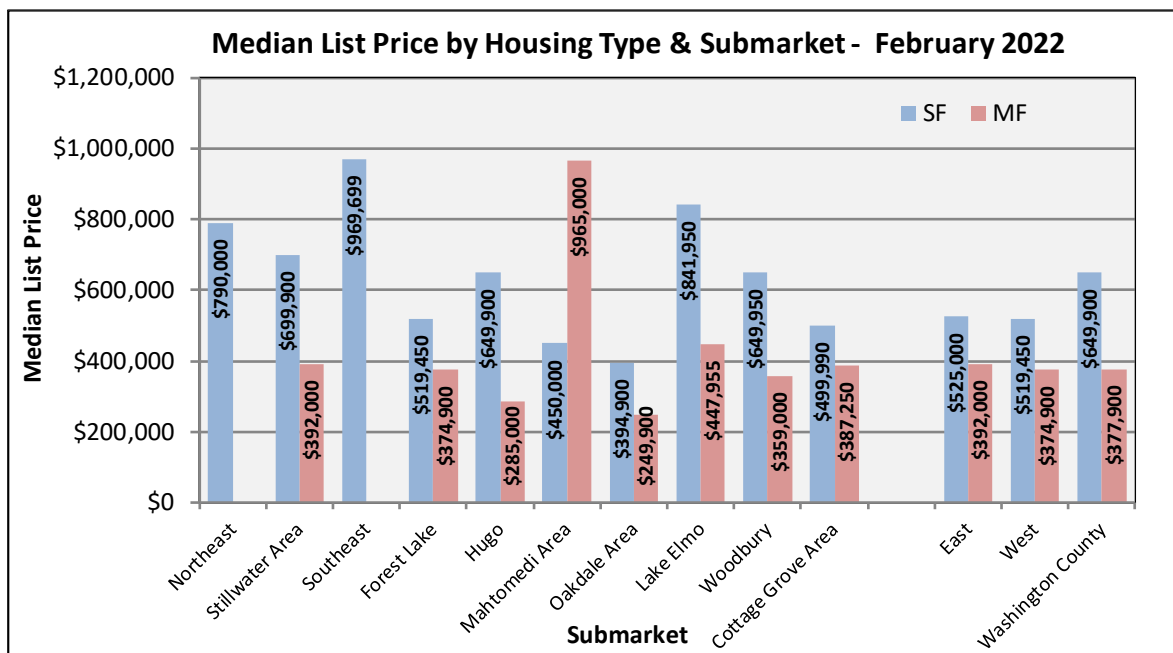
	Lake Elmo				Woodbury				Cottage Grove Area				West Total			
	Single-Family		Multifamily		Single-Family		Multifamily		Single-Family		Multifamily		Single-Family		Multifamily	
Price Range	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$49,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$50,000 to \$99,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,000 to \$149,999	0	0.0%	0	0.0%	0	0.0%	1	3.0%	0	0.0%	0	0.0%	0	0.0%	2	1.7%
\$150,000 to \$199,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	2.2%	0	0.0%	1	0.4%	0	0.0%
\$200,000 to \$249,999	0	0.0%	0	0.0%	0	0.0%	6	18.2%	0	0.0%	0	0.0%	0	0.0%	17	14.0%
\$250,000 to \$299,999	0	0.0%	0	0.0%	2	2.1%	6	18.2%	4	8.9%	6	15.8%	9	3.8%	25	20.7%
\$300,000 to \$399,999	0	0.0%	0	0.0%	5	5.3%	8	24.2%	12	26.7%	21	55.3%	26	10.9%	37	30.6%
\$400,000 to \$499,999	0	0.0%	5	100.0%	12	12.8%	5	15.2%	6	13.3%	9	23.7%	33	13.8%	29	24.0%
\$500,000 to \$699,999	10	35.7%	0	0.0%	42	44.7%	4	12.1%	8	17.8%	1	2.6%	85	35.6%	6	5.0%
\$700,000 to \$999,999	13	46.4%	0	0.0%	23	24.5%	3	9.1%	12	26.7%	1	2.6%	57	23.8%	5	4.1%
\$1,000,000 and Over	5	17.9%	0	0.0%	10	10.6%	0	0.0%	2	4.4%	0	0.0%	28	11.7%	0	0.0%
	28	100.0%	5	100.0%	94	100.0%	33	100.0%	45	100.0%	38	100.0%	239	100.0%	121	100.0%
Minimum	\$649,900		\$405,615		\$275,000		\$144,500		\$195,000		\$250,000		\$195,000		\$144,500	
Maximum	\$2,195,000		\$490,000		\$1,695,000		\$839,000		\$1,100,000		\$607,148		\$3,650,000		\$965,000	
Median	\$841,950		\$447,955		\$649,950		\$359,000		\$499,990		\$387,250		\$539,000		\$374,900	
Average	\$892,230		\$445,290		\$669,430		\$390,694		\$518,860		\$388,745		\$714,685		\$388,745	

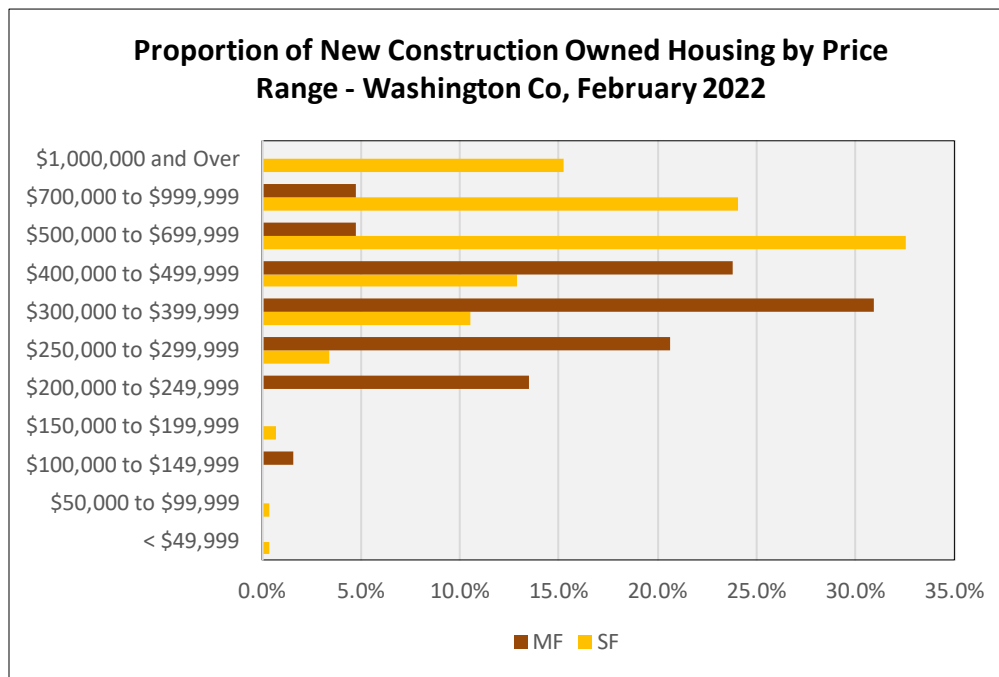
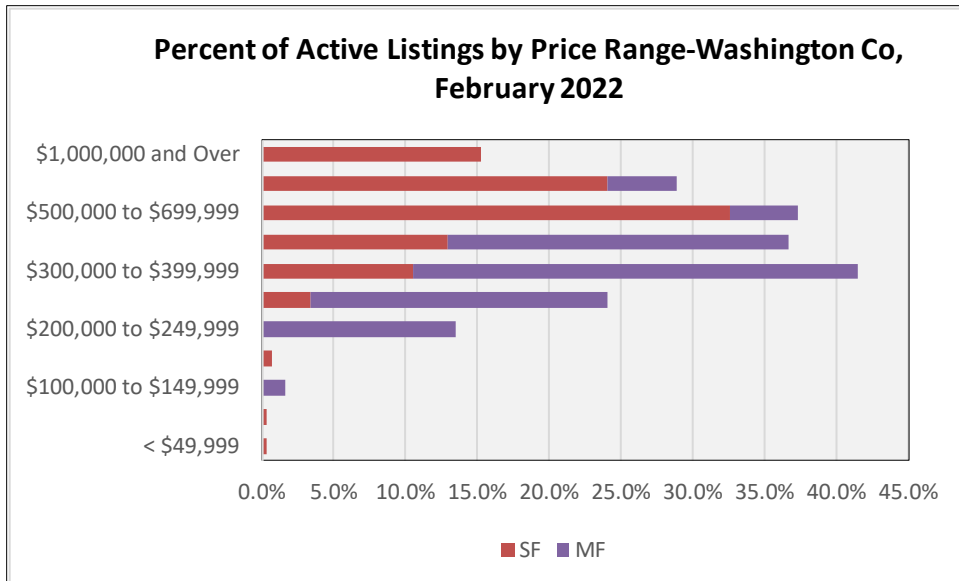
	Washington County Total			
	Single-Family		Multifamily	
Price Range	No.	Pct.	No.	Pct.
< \$49,999	1	0.3%	0	0.0%
\$50,000 to \$99,999	1	0.3%	0	0.0%
\$100,000 to \$149,999	0	0.0%	2	1.6%
\$150,000 to \$199,999	2	0.7%	0	0.0%
\$200,000 to \$249,999	0	0.0%	17	13.5%
\$250,000 to \$299,999	10	3.4%	26	20.6%
\$300,000 to \$399,999	31	10.5%	39	31.0%
\$400,000 to \$499,999	38	12.9%	30	23.8%
\$500,000 to \$699,999	96	32.5%	6	4.8%
\$700,000 to \$999,999	71	24.1%	6	4.8%
\$1,000,000 and Over	45	15.3%	0	0.0%
	295	100.0%	126	100.0%
Minimum	\$195,000		\$49,000	
Maximum	\$3,650,000		\$965,000	
Median	\$644,500		\$383,450	
Average	\$752,582		\$421,753	

Sources: Greater Mpls Area Association of Realtors, Maxfield Research & Consulting, LLC

FOR-SALE MARKET ANALYSIS

- There were two homes listed for sale under \$100,000 in the Southeast submarket as of February 2022 and none in any of the other submarkets. In Washington County, 23.4% of single-family listings are priced between \$300,000 and \$499,999, 32.5% of single-family listings are priced between \$500,000 and \$699,999 (the highest proportion) and another 24% are priced between \$700,000 and \$999,999. An estimated 15% of single-family homes are listed at \$1,000,000 or higher, double the proportion in 2017. Much smaller proportions of single-family homes were listed below \$300,000, only 4.7% in Washington County.
- Owned multifamily homes are priced substantially lower than single-family homes in both the East and West Submarkets. The median list price in the East Submarket is \$525,000 for single-family homes and \$392,000 for owned multifamily homes. Similarly, the median list price was \$519,000 for single-family homes and \$374,900 in the West submarket.
- Over 60% of Washington County single-family listings were priced over \$400,000. Comparatively, only 10% of owned multifamily homes were priced above \$400,000. Nearly 55% of owned multifamily homes in Washington County were listed between \$300,000 and \$499,999.
- The median list price for single-family homes ranges from \$394,900 in the Oakdale Area to \$969,699 in the Southeast area. The owned multifamily median list price ranges from \$249,900 in the Oakdale Area to \$965,000 in the Mahtomedi Area.



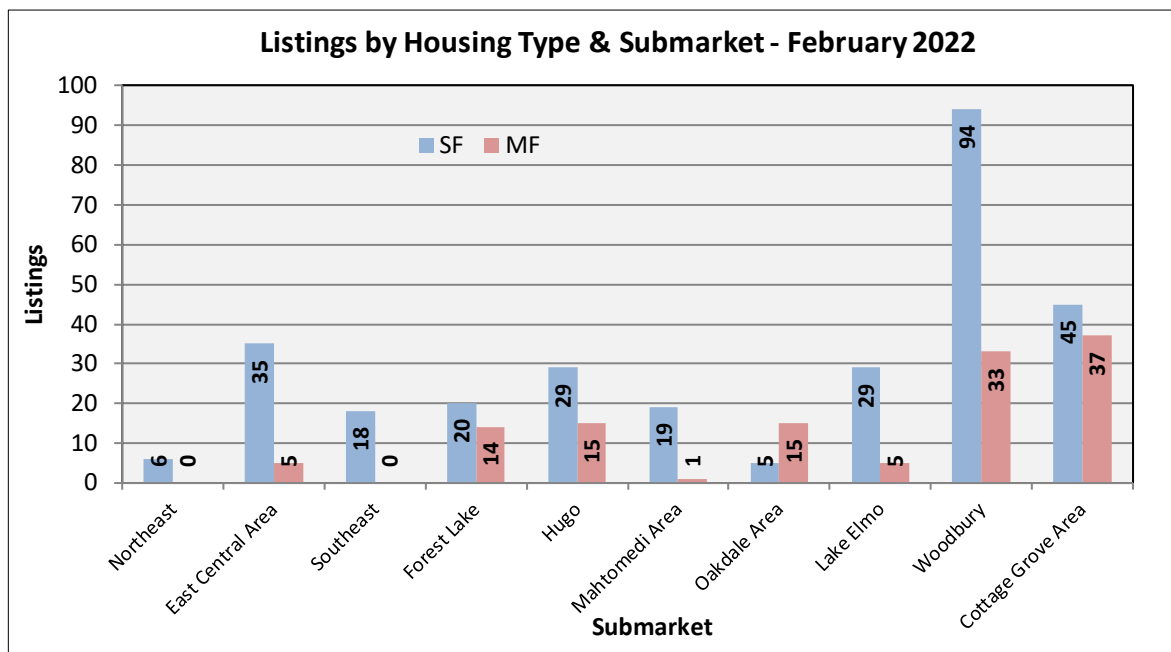
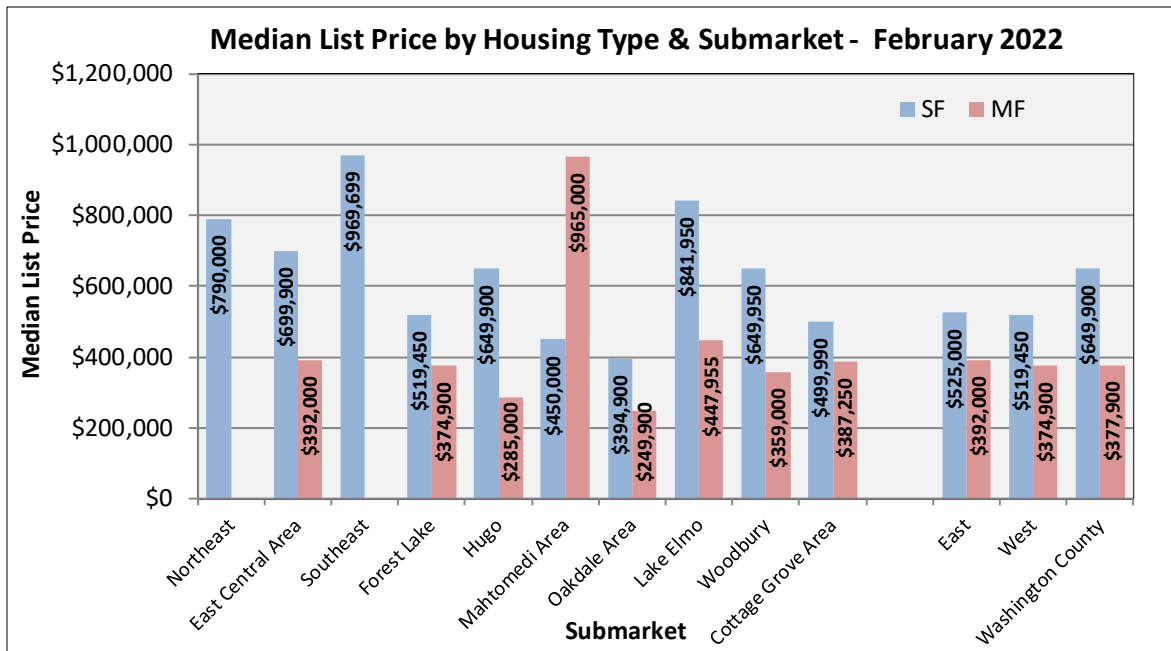


- The Woodbury submarket accounted for the highest number of listings at 94 (nearly 32% of the supply of single-family homes for-sale in the county). The number is much lower than in 2017 and the proportion of listings captured by Woodbury is higher than previously due to the lack of listings in other locations in the county. Cottage Grove had the highest number of owned multifamily listings at 38, which include primarily townhomes and twinhomes (30%).

FOR-SALE MARKET ANALYSIS

- The Northeast and Southeast Submarkets are the only two submarkets that do not have any owned multifamily homes for-sale as of February 2022. This was the same in 2017. These submarkets have median single-family values of \$790,000 and \$969,699, respectively.
- Condominiums and cooperatives account for less than 1% of the active homes for-sale in Washington County. These listings are spread across the county.
- The number of listings for each housing type is higher in the West Submarket than the East Submarket. The average list price however, is higher for each product type in the East Submarket.
- The median list price for single-family homes in Washington County was \$649,900 and for owned multifamily homes was \$377,900.

TABLE FS-6 ACTIVE LISTINGS BY TYPE & SUBMARKET February 2022				
Submarket	Product Type			Total
	Single-Family	Townhome/Twinhome	Condo/Coop	
Northeast	6	--	--	6
East Central Area	35	5	--	40
Southeast	18	--	--	18
Forest Lake	20	13	1	34
Hugo	29	19	--	48
Mahtomedi/Grant Area	19	1	--	20
Oakdale Area	5	14	1	20
Lake Elmo	29	5	--	34
Woodbury	94	32	1	127
Cottage Grove Area	45	37	--	82
Total	300	126	3	429
East	59	5	0	64
West	241	121	3	383
Sources: Greater Mpls Area Assoc. of Realtors, Maxfield Research & Consulting, LLC				



New Construction Housing Activity

Maxfield Research & Consulting, LLC obtained lot inventory and subdivision data from Zonda Housing Market Research (formerly Metrostudy), a homebuilding consulting company that maintains a database of all subdivision activity in the greater Metro Area. Tables FS-7 to FS-10 provide information on the new home construction market in Washington County. The following terms are used in the lot inventory tables:

- ▶ Annual Starts and Closings: The sum of activity for the most recent four quarters.
- ▶ Closing: Defined as when a “move in” has occurred and the home is occupied.
- ▶ Future Lots Inventory: Future lots are recorded after a preliminary plat or site plan has been submitted for consideration by the city.
- ▶ Lot Front: Range of all lot sizes within the subdivision; based on the lot front foot width
- ▶ Occupied: A buyer has taken possession of the home that was previously under construction or a model home.
- ▶ Price: Range of all base home price offered within the subdivision
- ▶ Starts: The housing slab or foundation has been poured.
- ▶ Total Lots: A summation of all lots platted in a subdivision, including those closed, under construction, and vacant.
- ▶ Vacant Developed lot (VDL): The subdivision is considered developed after subdivision streets are paved and vehicles can physically drive in front of the lot.

Historic Construction Starts/Closings

- As of the end of 2017, the number of new construction deliveries totaled 862. As of the end of 2021, annual deliveries had increased to 1,141, an increase of 32.4%.
- Most new construction closings occurred in the West Submarket, focused on the rapidly growing communities of Woodbury, Lake Elmo, Forest Lake, Cottage Grove and Hugo. From 2018 through 1st Quarter 2022, the West Submarket accounted for 87% of all new single-family closings and 100% of owned multifamily closings over the period.
- Woodbury had a 24% share of all new construction closings as of 1st Quarter 2022 while Cottage Grove’s share was 26%. Lake Elmo had a 20% share and Hugo had a 16% share.

FOR-SALE MARKET ANALYSIS

- The charts below display the percent share of home closings in Washington County as of 1st Quarter 2022.

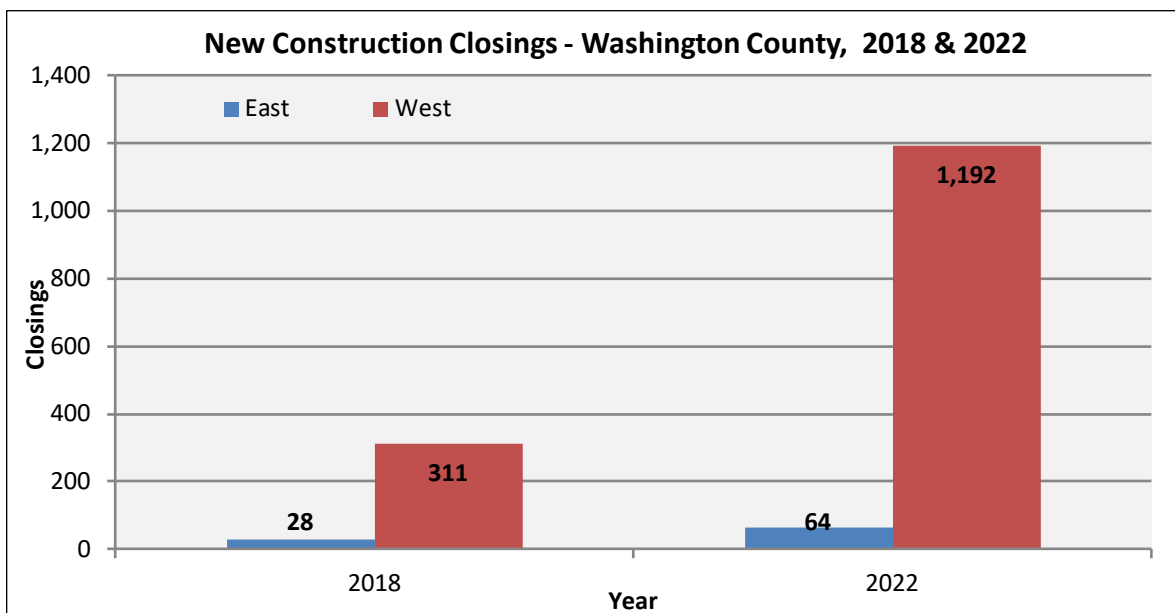
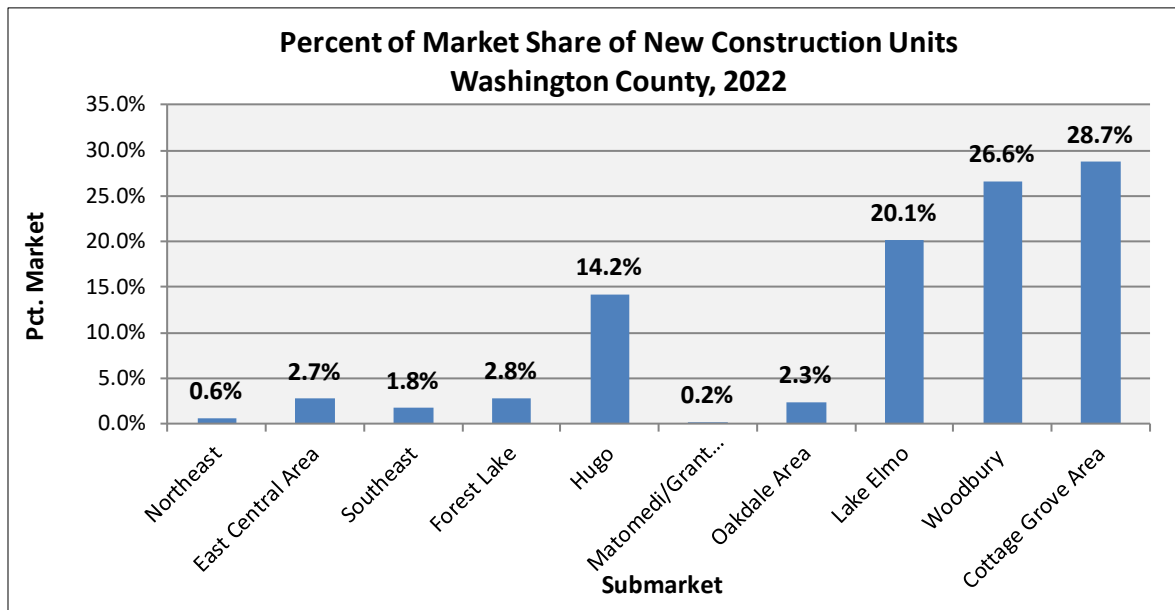
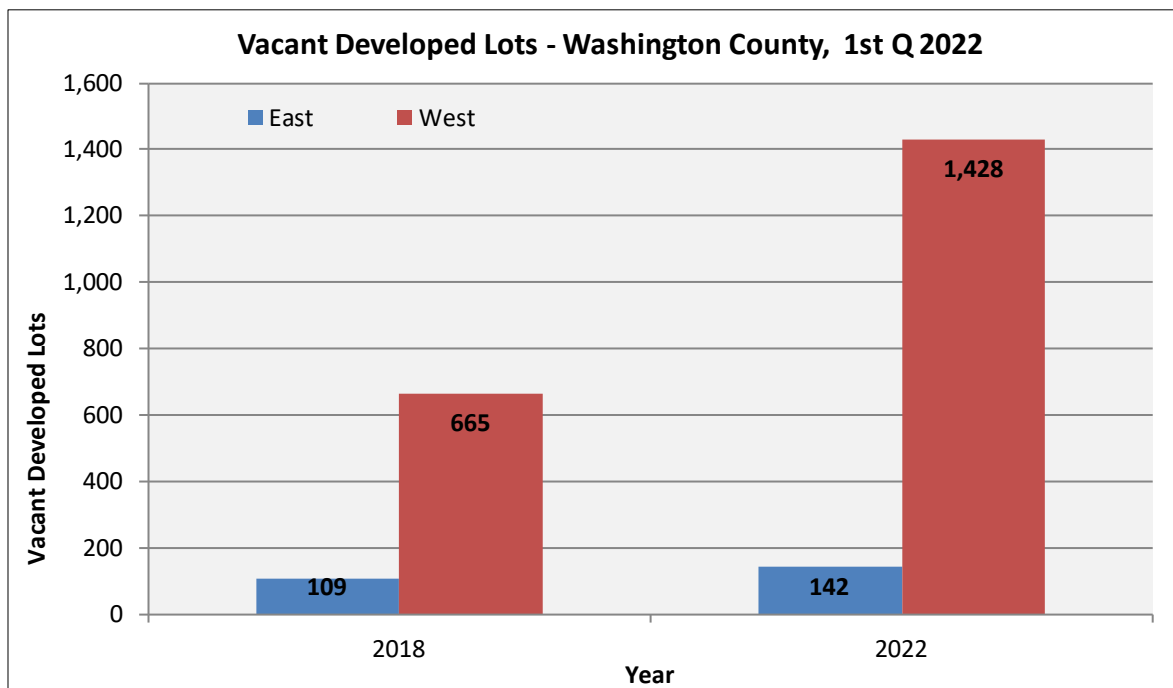


TABLE FS-7 NEW CONSTRUCTION HOUSING ACTIVITY STATISTICS WASHINGTON COUNTY 2018 & 2021				
	Annual Statistics		Pct. Change	Market Share
	2018	2021	2018 - 2021	2021
Annual Closings (1st-4th Quarters)				
East Submarket				
Northeast	10	8	-20.0%	0.6%
East Central	8	34	325.0%	2.7%
Southeast	10	22	120.0%	1.8%
East Total	28	64	128.6%	5.1%
West Submarket				
Forest Lake	25	35	40.0%	2.8%
Hugo	79	178	125.3%	14.2%
Matomedi/Grant Area	0	2	---	0.2%
Oakdale Area	0	29	---	2.3%
Lake Elmo	62	253	308.1%	20.1%
Woodbury	83	334	302.4%	26.6%
Cottage Grove Area	62	361	482.3%	28.7%
West Total	311	1,192	283.3%	94.9%
Washington County Total	339	1,256	270.5%	100.0%
Vacant Developed Lots (4th Quarter)				
East Submarket				
Northeast	48	30	-37.5%	1.9%
East Central	42	85	102.4%	5.4%
Southeast	19	27	42.1%	1.7%
East Total	109	142	30.3%	9.0%
West Submarket				
Forest Lake	138	77	-44.2%	4.9%
Hugo	111	153	37.8%	9.7%
Matomedi/Grant Area	0	5	--	0.3%
Oakdale Area	0	52	--	3.3%
Lake Elmo	95	241	153.7%	15.4%
Woodbury	262	360	37.4%	22.9%
Cottage Grove Area	59	540	815.3%	34.4%
West Total	665	1,428	114.7%	91.0%
Washington County Total	774	1,570	102.8%	100.0%
Definitions: "closing" defined as housing unit becoming occupied; "vacant developed lot" defined as completion of subdivision streets and ability to physically drive in				
Sources: Zonda Market Research; Maxfield Research and Consulting, LLC				

Historic Vacant Developed Lots

- As shown on Table FS-7, the number of vacant developed lots increased by 30% in the East submarket and by 115% in the West submarket from 2018 through 2021.
- Cottage Grove and Woodbury have the highest numbers of vacant developed lots in the county. Combined, these two communities account for an estimated 63% of the county's total as of the end of 2021. The more fully developed communities had no vacant developed lots in 2018, but because of additional construction, totals had increased by the end of 2021. In the case of Lake Elmo, Woodbury, Forest Lake and Hugo, vacant developed lots may decrease more rapidly than new ones can be developed. Also, the recent moratorium in Lake Elmo due to water supply and water quality issues will result in pent-up demand for new lots. Despite the rise in development and construction costs, developers continue to bring forward proposals for new subdivisions.
- Vacant developed lot inventories doubled in the Stillwater Area and in Lake Elmo and quadrupled in the Cottage Grove Area. Although Woodbury shows only a 37.4% increase in vacant developed lots, demand has been high, and lots are being absorbed almost as soon as they are placed into development.



Lot Supply

- Among active subdivisions, there are 4,444 single-family and 668 multifamily homes in the new home inventory (i.e., occupied units, under construction, model units and vacant homes) as of 1st Quarter 2022. An estimated 91% of this inventory is in the West Submarket and 9% of the home inventory is for single-family homes.
- Woodbury and Cottage Grove account for 70% of the vacant home inventory in the West submarket and the East Central Area accounts for 83% of the vacant home inventory in the East Submarket.
- The West submarket accounts for the majority of the vacant developed and future lot supply in the county (95%).
- The vacant lot inventory slightly more than doubled from 2018 through 1st Quarter 2022, with most submarkets experiencing increases in vacant developed lots as market demand surged, most notably in Lake Elmo, Cottage Grove, Woodbury and Stillwater. Table FS-8 shows a summary of actively marketing subdivisions as of 1st Quarter 2022. There were 4,024 future lots in Washington County (1st Quarter 2022) that have received preliminary or final approvals but have not yet become active. Development of a portion of these lots may be delayed, especially in Lake Elmo, which recently enacted a moratorium, although rising development costs, supply chain challenges and increased mortgage interest rates may also dampen some for-sale development.
- While Woodbury has the highest level of new owned multifamily activity (470 lots occupied, under construction and vacant), Lake Elmo has the highest number of vacant developed and future lots (325 lots), followed closely by Cottage Grove with 280 lots. The number of vacant owned multifamily lots (1,025) is only 19% of the total vacant lot inventory with single-family homes accounting for the rest. This is substantially lower than in 2017. Four submarkets have no owned multifamily lot supply (Northeast, Stillwater Area, Southeast and Mahtomedi/Grant Area). Hugo and Oakdale each have a modest number of lots under construction or available.
- In Washington County overall, there were 1,294 vacant developed single-family lots. The following submarkets had the highest single-family vacant developed lot inventories:
 - Cottage Grove – 440 lots
 - Woodbury – 319 lots
 - Hugo – 153 lots
 - Lake Elmo – 121 lots

FOR-SALE MARKET ANALYSIS

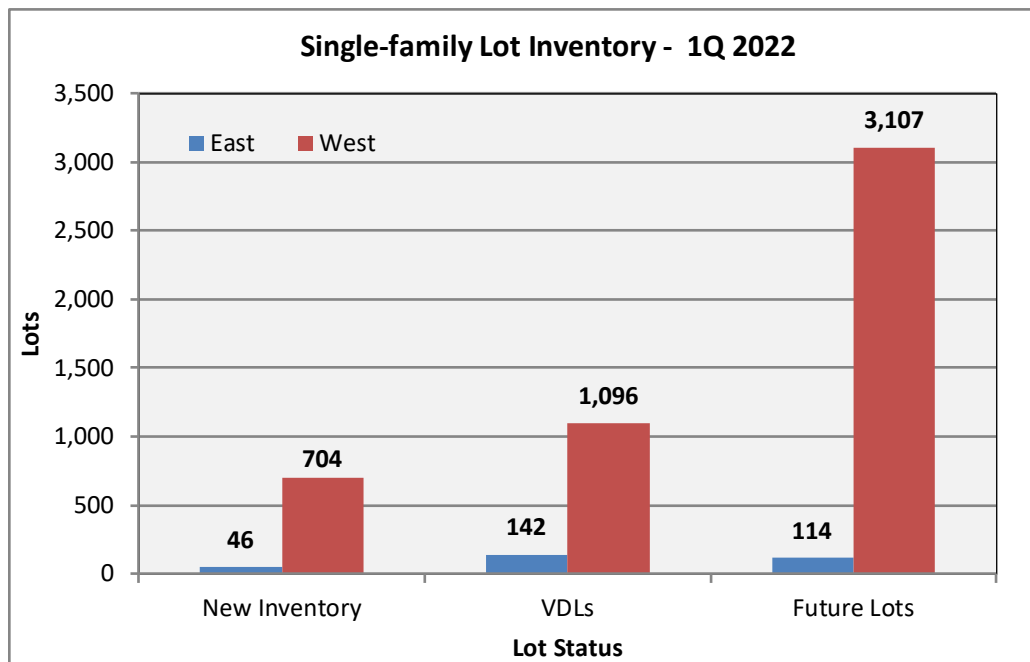
TABLE FS-8 SUMMARY OF ACTIVELY MARKETING SUBDIVISIONS WASHINGTON COUNTY 1st Quarter 2022										
Submarket	Single-Family					Multifamily				
	Home Inventory ¹	New Inventory ²	VDLs	Future Lots ³	Total Lots	Home Inventory ¹	New Inventory ²	VDLs	Future Lots ³	Total Lots
East Submarket										
Northeast	103	1	30	0	133	0	0	0	0	0
East Central	129	38	85	103	317	0	0	0	0	0
Southeast	181	7	27	11	219	0	0	0	0	0
East Total	413	46	142	114	669	0	0	0	0	0
West Submarket										
Forest Lake	137	10	49	201	387	116	8	28	0	144
Hugo	748	109	153	535	1,436	0	0	0	84	84
Matomedi/Grant Area	7	0	5	0	12	0	0	0	0	0
Oakdale Area	0	6	9	290	299	0	20	43	0	43
Lake Elmo	843	111	121	530	1,494	37	15	10	315	362
Woodbury	747	241	319	703	1,769	205	43	41	224	470
Cottage Grove Area	799	227	440	848	2,314	83	141	100	180	363
West Total	3,281	704	1,096	3,107	7,711	441	227	222	803	1,466
Total	3,694	750	1,238	3,221	8,380	441	227	222	803	1,466

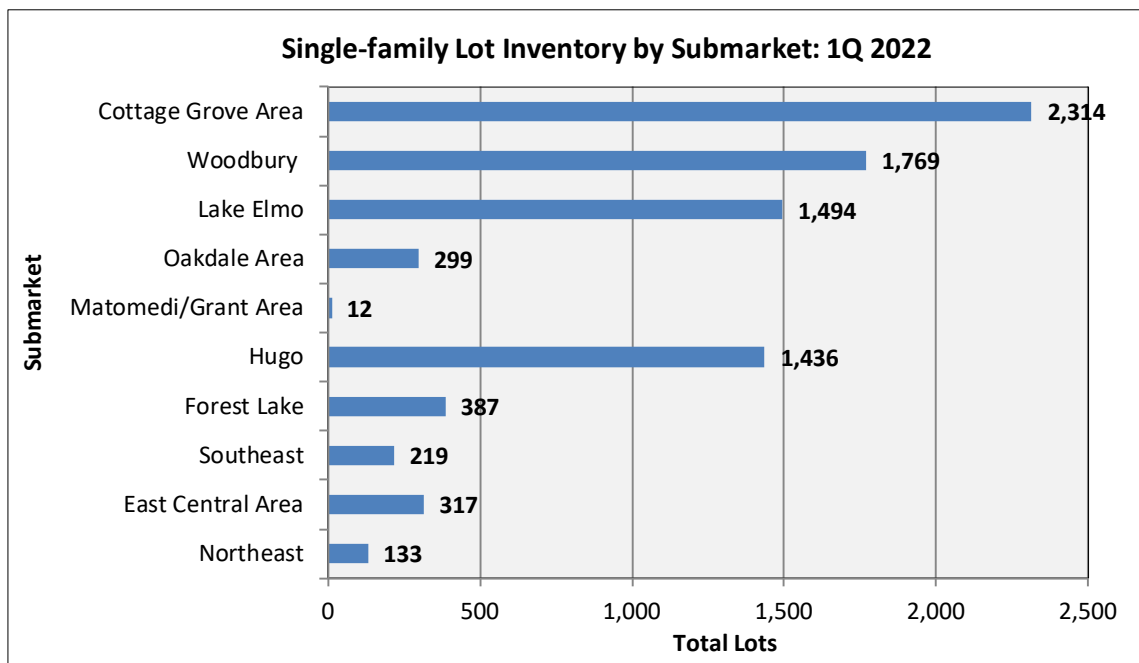
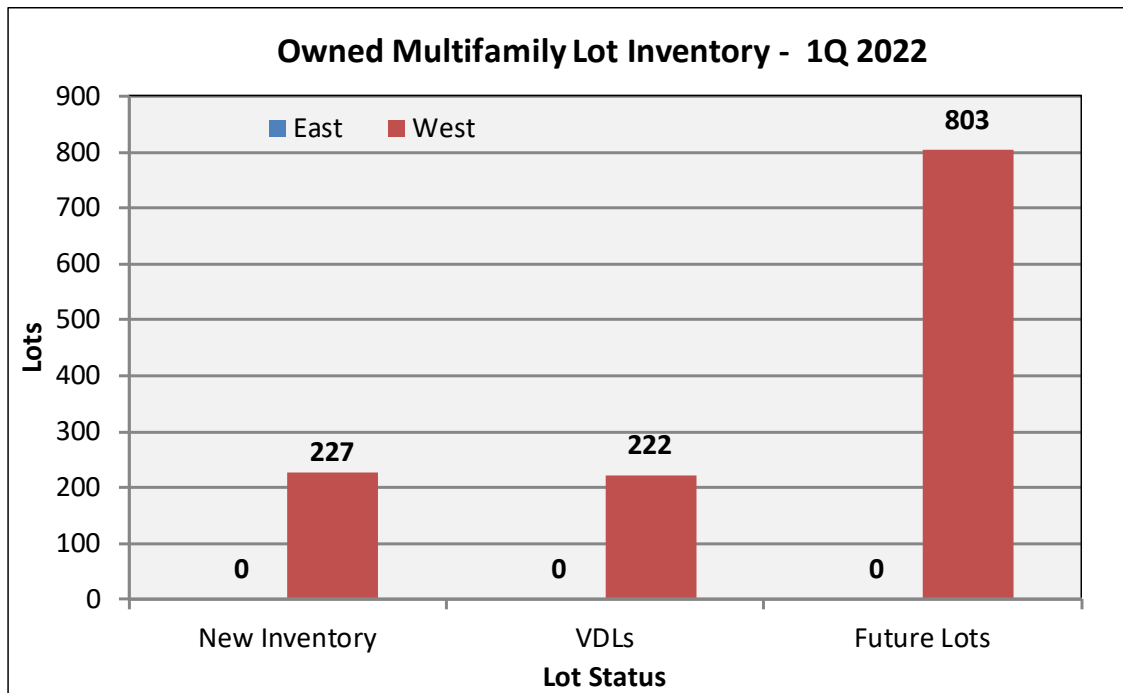
¹ Includes occupied units

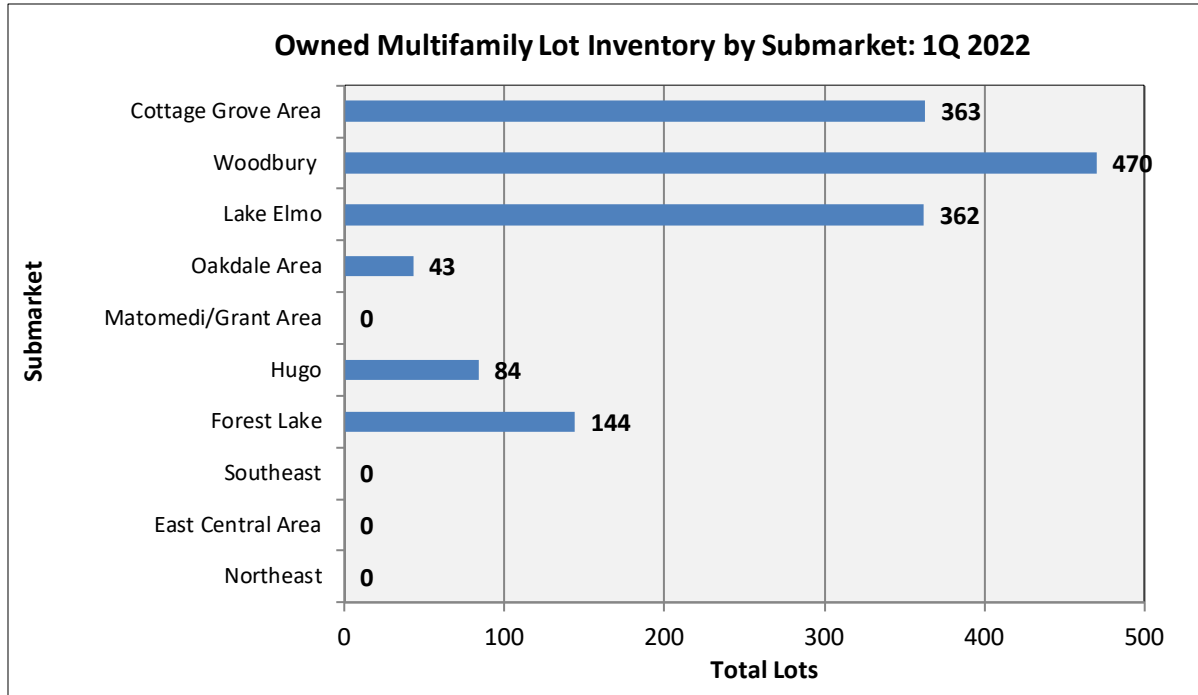
² Includes model units (i.e. spec homes), finished vacant homes, and homes under construction

³ Includes only future lots in actively marketing subdivisions. Additional future lots are currently identified in new subdivisions in the pipeline.

Sources: Zonda Market Research; Maxfield Research and Consulting, LLC







For owned multifamily housing, a total of 1,025 vacant developed lots was identified with the largest inventories in the following communities:

- Woodbury – 470 lots
- Cottage Grove – 363 lots
- Lake Elmo – 362 lots
- Forest Lake – 144 lots

Actively Marketing Subdivisions

- Since the beginning of 2018, 62% of the actively marketing single-family subdivisions and 79% of the owned multifamily subdivisions delivered lots to the market. These proportions are significant increases from 2017, indicating that owned housing demand has been strong and previous inventories from the housing downturn are gone.
- Twelve of the 14 active multifamily subdivisions (86%) and 84 of the 101 active single-family subdivisions (83%) new site activity in 2021, indicating very strong market activity despite significantly rising prices.
- Among the actively marketing single-family subdivisions, 78% of the developed lots have been absorbed. There is an estimated 11 months of vacant developed lot inventory available in the county, but this is not equally distributed throughout. At 11 months, additional lots should be supplied to the market, but demand may soften in the short-term due to rising mortgage rates, although existing homes will still be in demand. Therefore, a vacant developed lot inventory of only 11 months is too low to support demand. In addition, Lake Elmo's moratorium on new home development and other commercial and industrial development will further delay new home construction and new lot deliveries in that community until the water supply issues can be resolved, most likely by state legislation.
- With very limited townhome and twinhome development in the past decade, new townhome development is now occurring with 11 actively market subdivisions and less than 10 months supply of vacant developed lots. Despite significantly rising single-family home prices, townhome and twinhome development has lagged traditional product. In addition, a portion of the twinhome demand has shifted over to detached villa product, which is included in single-family sales.
- Ninety-five percent of subdivisions had new site activity in 2021, a significant increase from 2016 and from 2013, when the proportion was in the mid-60%. Among all actively marketing subdivisions, 74% of the developed lots have an existing home either built or under construction on the lot.
- The chart following Table FS-10 highlights the average prices for new single-family and owned multifamily homes by community in Washington County. Similar to the existing resale data, single-family and owned multifamily homes are priced higher in the East Submarkets versus the West Submarkets. At this time, the Ponds at Heifort Hills is currently marketing detached villa lots in Stillwater. The first addition has 70 lots and a second addition will provide another 50 lots.

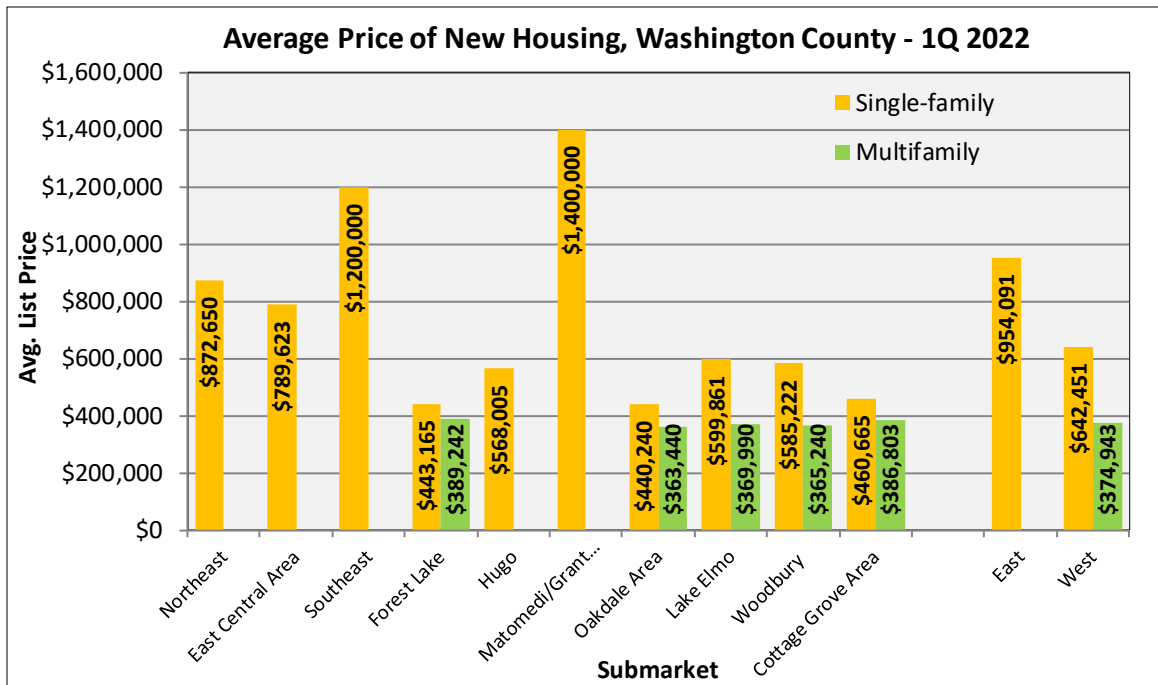
- The slowdown of the housing market between 2008 and 2010 pushed housing and lot costs down leading to a substantial decrease in new construction. Pricing bottomed out in 2012 and builders have been steadily increasing pricing as the new construction market resurged and as the number of resale homes on the market decreased to well below market equilibrium in many submarkets (less than six months of supply and in many submarkets, less than three months of supply).
- With the significant rise in building and labor costs for new construction along with the increase in mortgage interest rates, there is likely to be a slowdown in new construction in the short-term until inflation decreases to a more reasonable level and local supply chains even out.

FOR-SALE MARKET ANALYSIS

TABLE FS-9 SUBMARKET SUMMARY - ACTIVELY MARKETING SUBDIVISIONS - SINGLE-FAMILY WASHINGTON COUNTY First Quarter 2022							
Subdivision Name	Occupied	New Inventory ¹	Home Inventory ²	VDL	Future Lots	Total Lots	
East Central							
<i>Stillwater Area Subtotal (SF)</i>	129	38	167	85	103	355	
Housing Inventory (Mos Available)						13.4	
Vacant Developed Lots (Mos Available)						18.9	
Southeast							
<i>Southeast Subtotal (SF)</i>	181	7	188	27	11	226	
Housing Inventory (Mos Available)						3.8	
Vacant Developed Lots (Mos Available)						19.1	
Northeast							
<i>Northeast Subtotal (SF)</i>	103	1	104	30	0	134	
Housing Inventory (Mos Available)						1.5	
Vacant Developed Lots (Mos Available)						40.0	
East Totals	413	46	459	142	114	715	
Housing Inventory (Mos Available)						1.5	
Vacant Developed Lots (Mos Available)						40.0	
Forest Lake							
<i>Forest Lake Subtotal (SF)</i>	137	10	147	49	201	397	
Housing Inventory (Mos Available)						8.6	
Vacant Developed Lots (Mos Available)						39.2	
Hugo							
<i>Hugo Subtotal (SF)</i>	748	109	857	153	535	1,545	
Housing Inventory (Mos Available)						7.3	
Vacant Developed Lots (Mos Available)						9.8	
Mahtomedi/Grant Area							
<i>Mahtomedi Subtotal (SF)</i>	7	0	7	5	0	12	
Housing Inventory (Mos Available)						0.0	
Vacant Developed Lots (Mos Available)						n/a	
Oakdale							
<i>Oakdale Subtotal (SF)</i>	0	6	6	9	290	305	
Housing Inventory (Mos Available)						n/a	
Vacant Developed Lots (Mos Available)						18.0	
Lake Elmo							
<i>Lake Elmo Subtotal (SF)</i>	843	111	954	121	530	1,605	
Housing Inventory (Mos Available)						6.2	
Vacant Developed Lots (Mos Available)						6.3	
Woodbury							
<i>Woodbury Subtotal (SF)</i>	747	241	988	319	703	2,010	
Housing Inventory (Mos Available)						11.0	
Vacant Developed Lots (Mos Available)						10.3	
Cottage Grove Area							
<i>Cottage Grove Area Subtotal (SF)</i>	799	227	1,026	440	848	2,314	
Housing Inventory (Mos Available)						7.8	
Vacant Developed Lots (Mos Available)						12.8	
West Totals	3,281	704	3,985	1,096	3,107	8,188	
Housing Inventory (Mos Available)						1.5	
Vacant Developed Lots (Mos Available)						40.0	
Washington County Total (SF)	3,694	750	4,444	1,238	3,221	8,903	
Housing Inventory (Mos Available)						8.3	
Vacant Developed Lots (Mos Available)						11.4	
¹ Includes model units (i.e. spec homes), finished vacant homes, and homes under construction							
² Includes occupied units plus model units, finished vacant homes, and homes under construction							
Sources: Zonda Research; Maxfield Research and Consulting LLC							

FOR-SALE MARKET ANALYSIS

TABLE FS-10 SUBMARKET SUMMARY - ACTIVELY MARKETING SUBDIVISIONS - MULTIFAMILY WASHINGTON COUNTY First Quarter 2022							
Subdivision Name	Price Range (in thousands)	Occupied	New Inventory ¹	Home Inventory ²	VDL	Future Lots	Total Lots
East Central							
	<i>Stillwater Area Subtotal (SF)</i>	0	0	0	0	0	0
Housing Inventory (Mos Available)							---
Vacant Developed Lots (Mos Available)							---
Southeast							
	<i>Southeast Subtotal (SF)</i>	0	0	0	0	0	0
Housing Inventory (Mos Available)							---
Vacant Developed Lots (Mos Available)							---
Northeast							
	<i>Northeast Subtotal (SF)</i>	0	0	0	0	0	0
Housing Inventory (Mos Available)							---
Vacant Developed Lots (Mos Available)							---
East Totals							
		0	0	0	0	0	0
Housing Inventory (Mos Available)							---
Vacant Developed Lots (Mos Available)							---
Forest Lake							
	<i>Forest Lake Subtotal (SF)</i>	116	8	124	28	0	152
Housing Inventory (Mos Available)							4.6
Vacant Developed Lots (Mos Available)							18.7
Hugo							
	<i>Hugo Subtotal (SF)</i>	0	0	0	0	84	84
Housing Inventory (Mos Available)							n/a
Vacant Developed Lots (Mos Available)							n/a
Mahtomedi/Grant Area							
	<i>Mahtomedi Subtotal (SF)</i>	0	0	0	0	0	0
Housing Inventory (Mos Available)							n/a
Vacant Developed Lots (Mos Available)							n/a
Oakdale							
	<i>Oakdale Subtotal (SF)</i>	0	20	20	43	0	63
Housing Inventory (Mos Available)							n/a
Vacant Developed Lots (Mos Available)							25.8
Lake Elmo							
	<i>Lake Elmo Subtotal (SF)</i>	37	15	52	10	315	377
Housing Inventory (Mos Available)							4.9
Vacant Developed Lots (Mos Available)							3.3
Woodbury							
	<i>Woodbury Subtotal (SF)</i>	747	241	988	319	703	2,010
Housing Inventory (Mos Available)							7.4
Vacant Developed Lots (Mos Available)							7.9
Cottage Grove Area							
	<i>Cottage Grove Area Subtotal (SF)</i>	799	227	1,026	440	848	2,314
Housing Inventory (Mos Available)							20.6
Vacant Developed Lots (Mos Available)							7.4
West Totals							
		1,699	511	2,210	840	1,950	5,000
Housing Inventory (Mos Available)							9.4
Vacant Developed Lots (Mos Available)							12.6
Washington County Total (SF)							
		1,699	511	2,210	840	1,950	5,000
Housing Inventory (Mos Available)							13.0
Vacant Developed Lots (Mos Available)							8.9
¹ Includes model units (i.e. spec homes), finished vacant homes, and homes under construction ² Includes occupied units plus model units, finished vacant homes, and homes under construction Sources: Zonda Research; Maxfield Research and Consulting LLC							



- The preceding graph shows the average price of new construction single-family and owned multifamily homes by submarket in Washington County with an average for the East and West submarkets. The East submarkets had no figures for owned multifamily as of 1st Quarter 2022, the same as in 4th Quarter 2016. The average price of single-family homes sold in the East submarket was 49% higher than the West submarket. In 2016, the difference was 32%.

Future Lots

- There are an estimated 5,848 vacant developed and future single-family lots in Washington County. Of those 21.1% are vacant developed lots in actively marketing subdivisions, 55.1% are undeveloped lots in actively marketing subdivisions and 23.8% are in planned/pending subdivisions with undeveloped and non-platted lots. Only 7.2% of vacant developed and future single-family lots are in the East Submarket. There are a total of 1,412 vacant developed and future owned multifamily lots with the largest inventories in Woodbury, Lake Elmo and Cottage Grove.
- A three- to five-year supply of lots is an appropriate balance between providing adequate consumer choice and minimizing developers' carrying costs. With an annual average absorption of 1,052 lots (based on the average annual number of closings), Washington County would need a supply of at least 5,260 platted developable lots (five-year supply given current growth rates). With 1,238 vacant developed single-family lots today, there would be about a 14-month supply at the previous average rate of closings. Closings are not anticipated to increase substantially due to increased pricing and higher mortgage interest rates. There are also 4,610 undeveloped lots in actively marketing subdivisions and

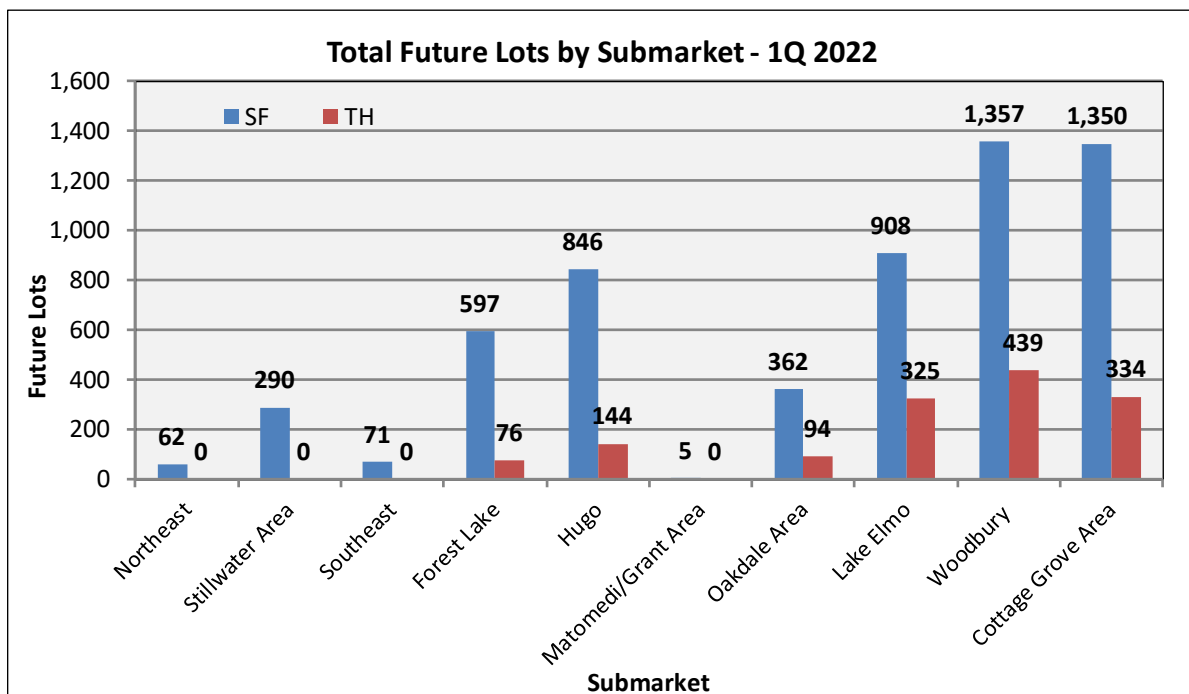
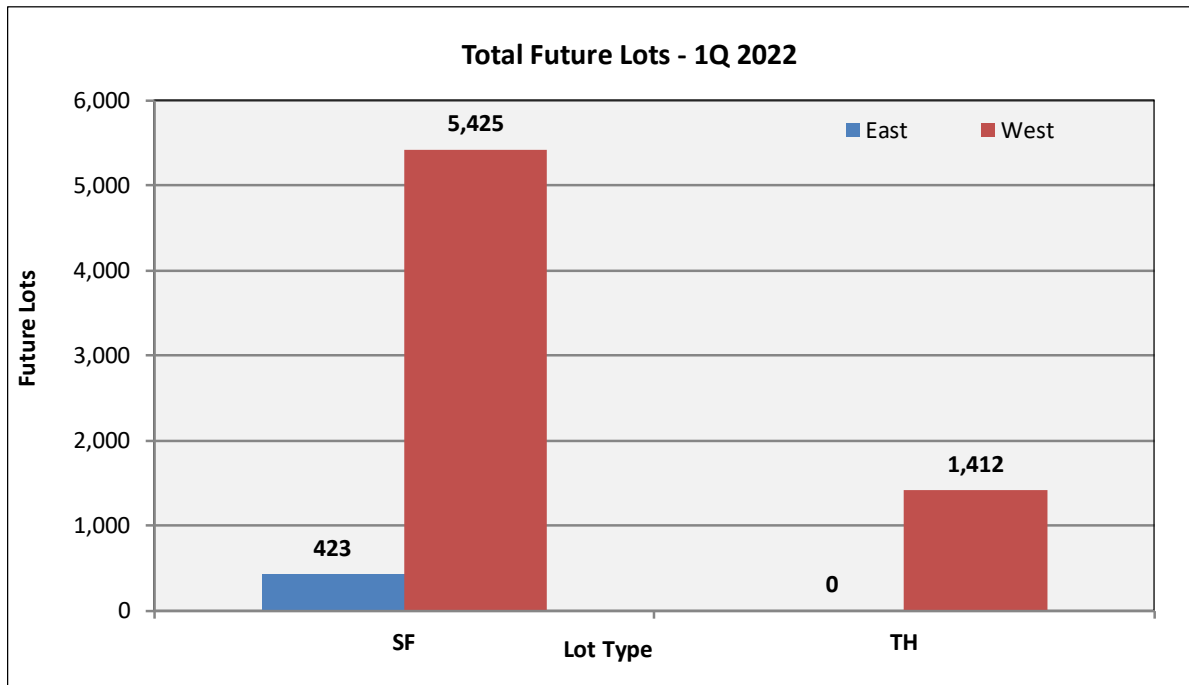
in the approval process of proposed subdivisions. New applications continue to come into many communities and there is also subdividing activity of larger lot parcels (subdividing into two or three lots) occurring in the townships such as Denmark, Baytown and New Scandia. The supply of vacant developed and future single-family lots is not evenly distributed throughout the county. While there is additional demand across the county, the East submarket needs more developable lots, especially in the owned multifamily segment. Some of the lack of development in the East submarkets are low-density zoning, more limited infrastructure and in some communities and limited land availability.

- If annual absorption remains at an estimated 1,050 units annually, there would be an estimated supply of lots for 5.5 years if all vacant developed and future lots were to be brought to the market.

TABLE FS-11 SUMMARY OF FUTURE LOTS WASHINGTON COUNTY 1st Quarter 2022								
Submarket	Single-Family				Townhome/Twinhome/Condominium			
	VDL ¹ Lots	UAL ² Lots	Future ³ Lots	Total Lots	VDL ¹ Lots	UAL ² Lots	Future ³ Lots	Total Lots
Northeast	30	0	32	62	0	0	0	0
East Central	85	103	102	290	0	0	0	0
Southeast	27	11	33	71	0	0	0	0
Forest Lake	49	201	347	597	28	0	48	76
Hugo	153	535	158	846	0	84	60	144
Matomedi/Grant Area	5	0	0	5	0	0	0	0
Oakdale Area	9	290	63	362	43	0	51	94
Lake Elmo	121	530	257	908	10	315	0	325
Woodbury	319	703	335	1,357	41	224	174	439
Cottage Grove Area	440	848	62	1,350	100	180	54	334
Total	1,238	3,221	1,389	5,848	222	803	387	1,412
¹ Vacant Developed Lots ² Undeveloped Active Lots ³ Future lots include non-developed planned/pending subdivisions.								
Sources: Zonda Research; Maxfield Research & Consulting, LLC								

FOR-SALE MARKET ANALYSIS

The charts below show a summary of future lots by East and West submarkets and by individual submarket for 1st Quarter 2022.



New Construction

Table FS-12 presents summary information on new home construction from 2019 through 2021 for all MLS real estate listings sold, pending, or active in Washington County. Table FS-13 compares new home construction in Washington County versus other Metro Area counties. The data is provided by the Greater Minneapolis Area Association of Realtors. MLS listings generally account for the majority of all residential sale listings in a given area, they account for only a portion of new construction listings. Many subdivisions may only market a few listings on the MLS in a larger subdivision. A review of new construction listings finds the following characteristics:

Washington County

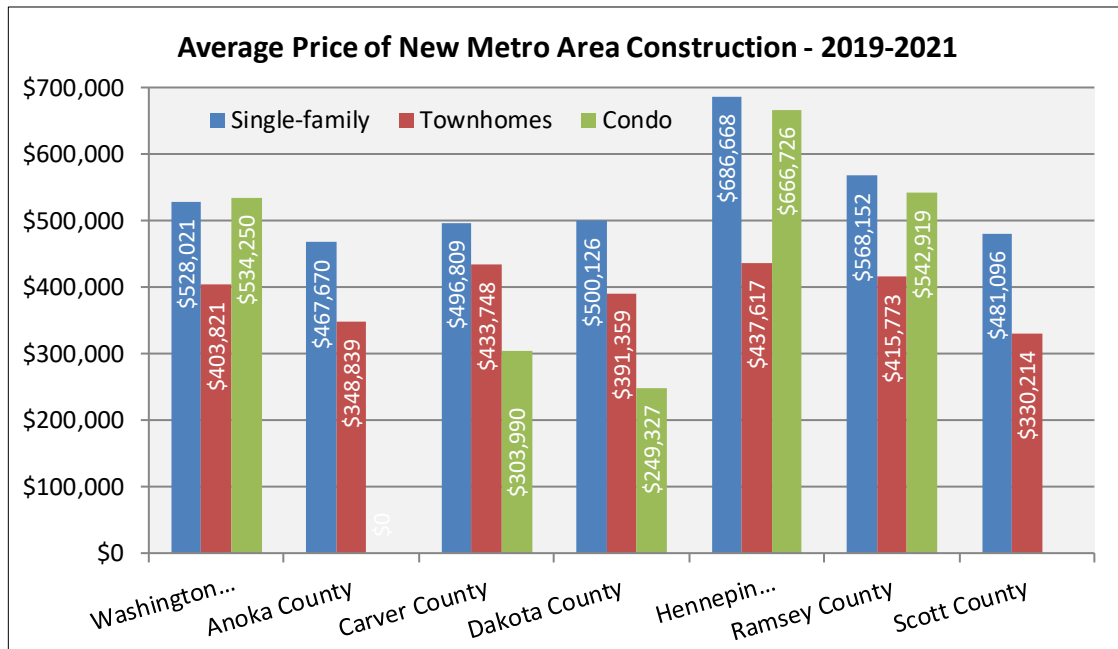
- There are no new condominiums actively marketing at this time. Condominium development has been focused in Downtown Minneapolis and Wayzata, although there is an interest in some new condominium development in targeted locations for upper bracket product.

FOR-SALE MARKET ANALYSIS

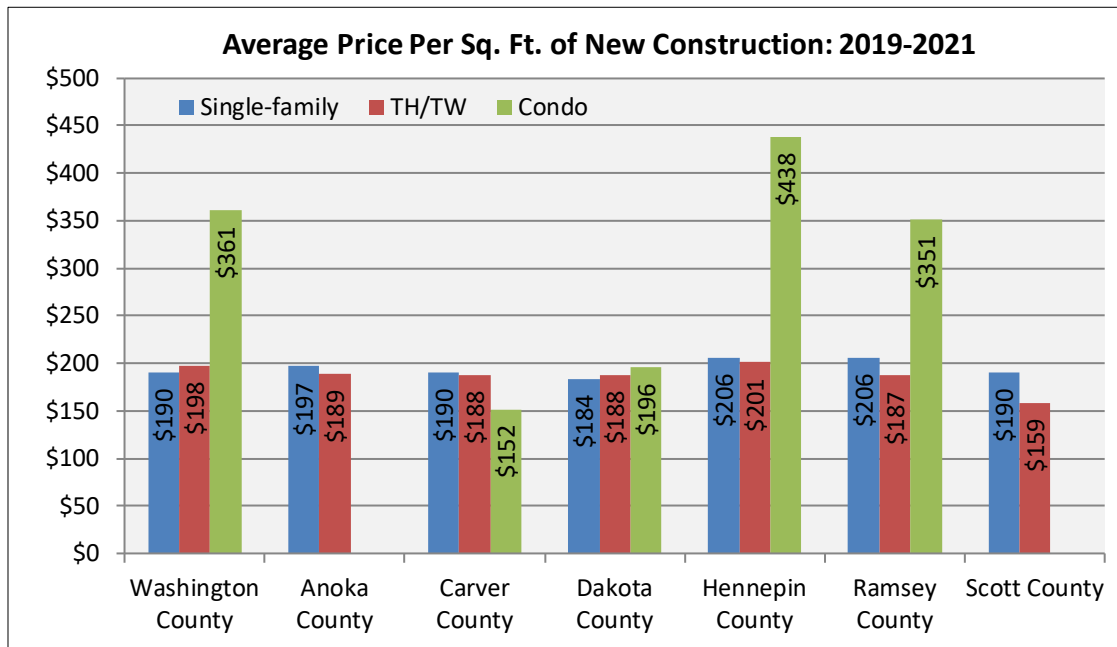
TABLE FS-12 SUMMARY OF NEW CONSTRUCTION HOMES ON MLS METRO AREA COUNTIES 2019 THROUGH 2021								
Property Type	# of Sales	Pct.	Avg. Price	Med. Price	Avg. Size (Sq. Ft.)	Avg. Price Per Sq. Ft.	Avg. Bedrooms	Avg. Bathrooms
Single-Family								
Washington County	1,993	20.5%	\$528,021	\$484,780	2,833	\$190	3.8	3.2
Anoka County	1,601	16.5%	\$467,670	\$445,000	2,497	\$197	3.8	3.0
Carver County	944	9.7%	\$496,809	\$469,840	2,681	\$190	3.7	3.1
Dakota County	1,517	15.6%	\$500,126	\$462,575	2,810	\$184	4.0	3.4
Hennepin County	2,675	27.5%	\$686,668	\$570,000	3,271	\$206	4.0	3.7
Ramsey County	219	2.3%	\$568,152	\$505,080	2,716	\$206	4.0	3.2
Scott County	777	8.0%	\$481,096	\$456,535	2,603	\$190	3.8	3.0
Total/Avg.	9,726	100.0%	\$541,992	\$471,500	2,875	\$190	3.9	3.3
Townhomes/Twinhomes								
Washington County	674	22.8%	\$403,821	\$354,750	2,057	\$198	2.9	2.9
Anoka County	493	16.7%	\$348,839	\$332,110	1,873	\$189	2.8	2.7
Carver County	236	8.0%	\$433,748	\$338,125	2,187	\$188	2.9	2.8
Dakota County	342	11.6%	\$391,359	\$367,923	2,113	\$188	2.9	2.9
Hennepin County	770	26.0%	\$437,617	\$358,120	2,123	\$201	2.9	3.0
Ramsey County	262	8.9%	\$415,773	\$352,922	2,185	\$187	2.9	3.0
Scott County	182	6.2%	\$330,214	\$307,180	2,078	\$159	2.9	3.1
Total/Avg.	2,959	100.0%	\$400,932	\$347,586	2,183	\$191	2.9	2.9
Condominiums/Cooperatives								
Washington County	1	0.3%	\$534,250	\$534,250	1,478	\$361	2.0	3.0
Anoka County	0	0.0%	---	---	---	---	---	---
Carver County	1	0.3%	\$303,990	\$303,990	1,871	\$152	3.0	3.0
Dakota County	1	0.3%	\$249,327	\$249,327	1,275	\$196	3.0	2.0
Hennepin County	381	96.9%	\$666,726	\$573,985	1,518	\$438	2.0	2.1
Ramsey County	9	2.3%	\$542,919	\$650,000	1,400	\$351	2.0	2.0
Scott County	0	0.0%	---	---	---	---	---	---
Total/Avg.	393	100.0%	\$661,568	\$573,985	1,515	\$434	2.0	2.0
Sources: Greater Minneapolis Area Association of Realtors; Maxfield Research & Consulting, LLC								

Metro Area Comparison

- The average sales price of a new single-family home in the Metro Area is \$541,991. This is modestly higher than the average sales price in Washington County of \$528,021.



- The average price per square foot (PSF) for new single-family homes in Washington County is \$190 PSF. This is equal to the Metro Area at an average of \$190 over the past two years.



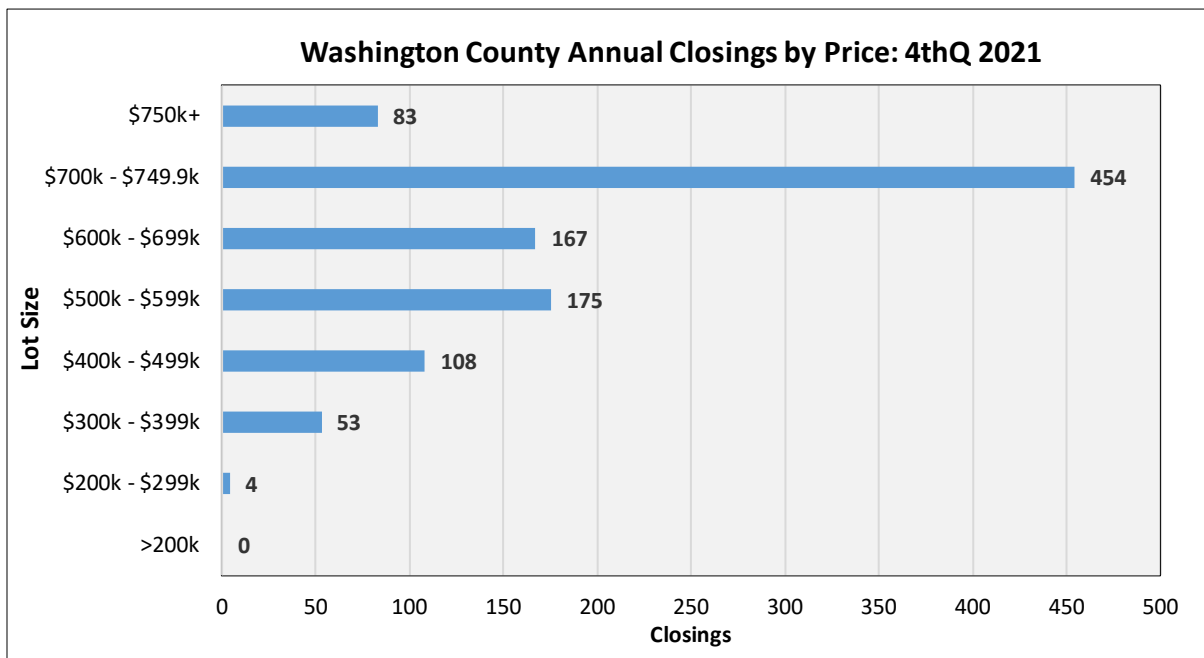
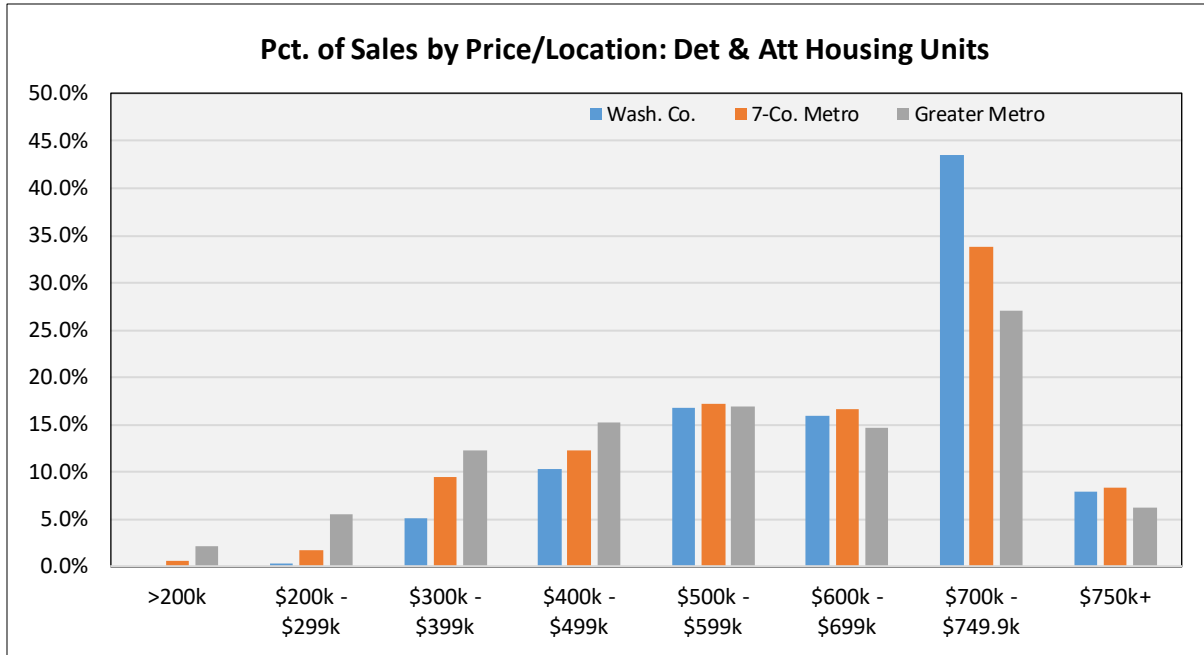
- Compared to other counties in the Metro Area, new construction pricing in Washington County for condominiums is modestly lower than Hennepin County, on par with Ramsey County and higher than the other core area counties. For single-family homes however, it is slightly lower than Hennepin, Ramsey and Anoka counties, on par with Carver and Scott but higher than Dakota county.

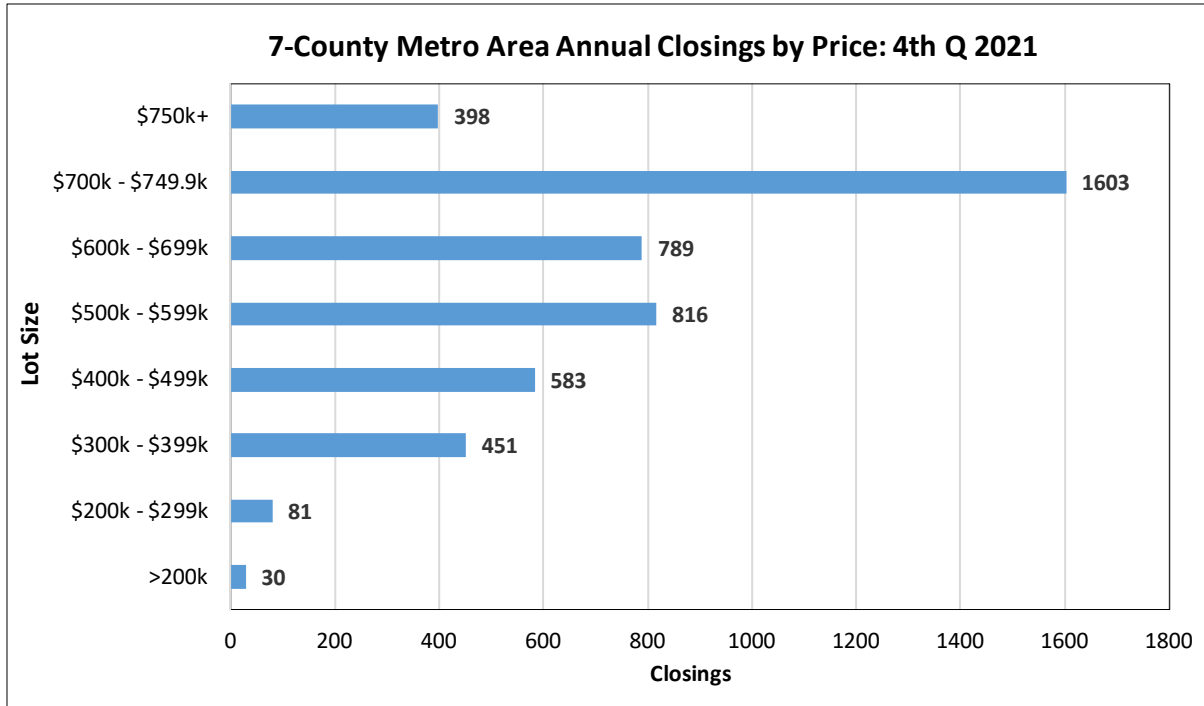
FOR-SALE MARKET ANALYSIS

- Of all new detached single-family homes in Washington County 42% were priced between \$300,000 and \$399,999. Another 36% of homes were priced between \$400,000 and \$499,999. Less than 1% of new construction was priced below \$300,000. Similarly, 29% of all new homes constructed in the 7-County Metro Area were priced in the \$400s.
- Of all new single-family closings in the county, 20.5% were priced above \$500,000. Another 62% of the homes priced over \$500,000 were priced between \$500,000 and \$700,000.

TABLE FS-13 NEW CONSTRUCTION ACTIVITY BY PRICE POINT WASHINGTON COUNTY 2021 (Annual)								
Price Point (Base Pricing)	Quarterly		Annual		Fn. Vac. (FV)	Under Const. (UC)	Hsg. Invent.	Vac. Dev. Lots (VDL)
	Starts	Closing	Starts	Closing				
Washington County								
\$0 - \$249,999	0	0	0	0	0	0	0	1
\$250,000 - \$299,999	0	0	3	4	0	0	0	4
\$300,000 - \$349,999	14	10	129	53	2	29	31	75
\$350,000 - \$399,999	59	28	218	108	14	177	198	182
\$400,000 - \$449,999	40	50	208	175	12	96	114	205
\$450,000 - \$499,999	37	36	211	167	7	103	116	203
\$500,000 - \$749,999	138	135	622	454	27	300	350	772
\$750,000 - And Over	27	25	105	83	7	60	70	242
Summary	315	284	1,496	1,044	69	765	879	1,684
7-County Metro Total								
\$0 - \$249,999	7	9	25	30	3	15	18	249
\$250,000 - \$299,999	36	23	121	81	3	76	80	178
\$300,000 - \$349,999	165	113	719	451	19	347	379	538
\$350,000 - \$399,999	335	170	1,127	583	52	752	838	1,367
\$400,000 - \$449,999	282	227	1,084	816	35	588	661	1,410
\$450,000 - \$499,999	261	208	1,087	789	23	566	630	1,493
\$500,000 - \$749,999	506	477	2,152	1,603	60	1,148	1,283	2,504
\$750,000 - And Over	156	120	568	398	23	459	499	860
Summary	1,748	1,347	6,883	4,751	218	3,951	4,388	8,599
Greater Metro Area Total								
\$0 - \$249,999	18	48	130	150	10	29	39	1,035
\$250,000 - \$299,999	77	82	395	372	16	188	206	762
\$300,000 - \$349,999	269	196	1,216	832	68	543	627	1,195
\$350,000 - \$399,999	453	288	1,696	1,038	91	1,005	1,142	2,078
\$400,000 - \$449,999	378	320	1,476	1,145	53	804	906	2,003
\$450,000 - \$499,999	326	264	1,326	992	33	695	775	1,951
\$500,000 - \$749,999	579	533	2,400	1,834	73	1,264	1,418	3,144
\$750,000 - And Over	164	129	600	427	23	472	514	1,040
Summary	2,264	1,860	9,239	6,790	367	5,000	5,627	13,208

Sources: Zonda Marketing (formerly Metrostudy), Maxfield Research & Consulting, LLC





Manufactured Homes (Mobile Home Parks)

Maxfield Research identified seven manufactured home communities in Washington County. Table FS-14 presents information on these communities including location, age, number of lots, number of homes for-sale and pricing if available. Most of these communities have been in existence for more than 50 years. The oldest is Landfall Terrace, established in 1952 and the newest is Cottage Grove Estates, established in 1990.

These developments offer some of the most affordable homes in the county. Additionally, new manufactured home concepts are being deployed in locations throughout Minnesota, offering energy-efficient and attractive homes at more affordable pricing levels. Concepts are offered for slab on grade and those with basements.

The existing manufactured home communities in Washington County have a relatively even geographic distribution across the county. Communities are situated in Landfall, Lake Elmo, Oakdale, Cottage Grove, St. Paul Park, Hugo and Forest Lake.

Most parks offer an on-site storm shelter and playground. Additional amenities may include walking paths, picnic areas, clubhouse, fitness center and/or basketball court.

There are very few pads available for rent or home to purchase or rent. Therefore, the availability of this home product is also quite limited.

FOR-SALE MARKET ANALYSIS

Sale prices range from \$7,000 to roughly \$70,000 depending on the size of the home, its age and quality.

TABLE FS-14 MANUFACTURED HOME COMMUNITIES WASHINGTON COUNTY February 2022							
Community	Year Opened	No. of Lots	No. of Homes For-Sale	Home Price Range	No. of Vacant Lots	Lot Rental Range	Amenities
Landfall Terrace 50 Aspen Way Landfall	1954	300	0	n/a	0	\$400 - \$1,700	Play Area Clubhouse
Park Estates 906 Hastings Ave St. Paul Park	1982	116	2	\$39,900- \$109,900	0		Play Area
Twenty-Nine Pines 5330 Grafton Oakdale	1962	152	0	n/a	0		Play Area
Cimmaron Park 901 Lake Elmo Ave N. Lake Elmo	1970	505	5	\$55,000- \$79,900	0		Play Area/Pool Clubhouse BB Court
Cottage Grove Estates 7385 99th Street South Cottage Grove	1990	103	0	n/a	1		Storm Shelter Picnic Area
Hugo Estates 15057 Forest Blvd N Hugo	1960	134	1	\$55,000	2		Storm Shelter Walking Paths
Woodlund 1719 Lake St S Forest Lake	1960	128	0	n/a	0		BB Court RV Storage Play Area
Totals		1,438	8		3		
Sources: Mobile Home Village; Maxfield Research and Consulting LLC							

Introduction

Maxfield Research and Consulting, LLC identified and surveyed rental properties of 12 or more units in Washington County. Some smaller properties were included in the survey in communities where the overall rental housing stock for larger size buildings is limited. Interviews were conducted with real estate agents, developers, rental housing management firms and others in the community familiar with Washington County's rental properties and rental market conditions.

Rental properties were classified into two groups, general occupancy and senior (age restricted). Senior properties are included in the *Senior Rental Analysis* section of the report.

General occupancy rental properties are divided into three groups, market rate (those without income restrictions), affordable, (those with income restrictions and rent affordable to households with incomes at 80% or less of area median income) and subsidized (households with incomes at or less than 50% of the area median income).

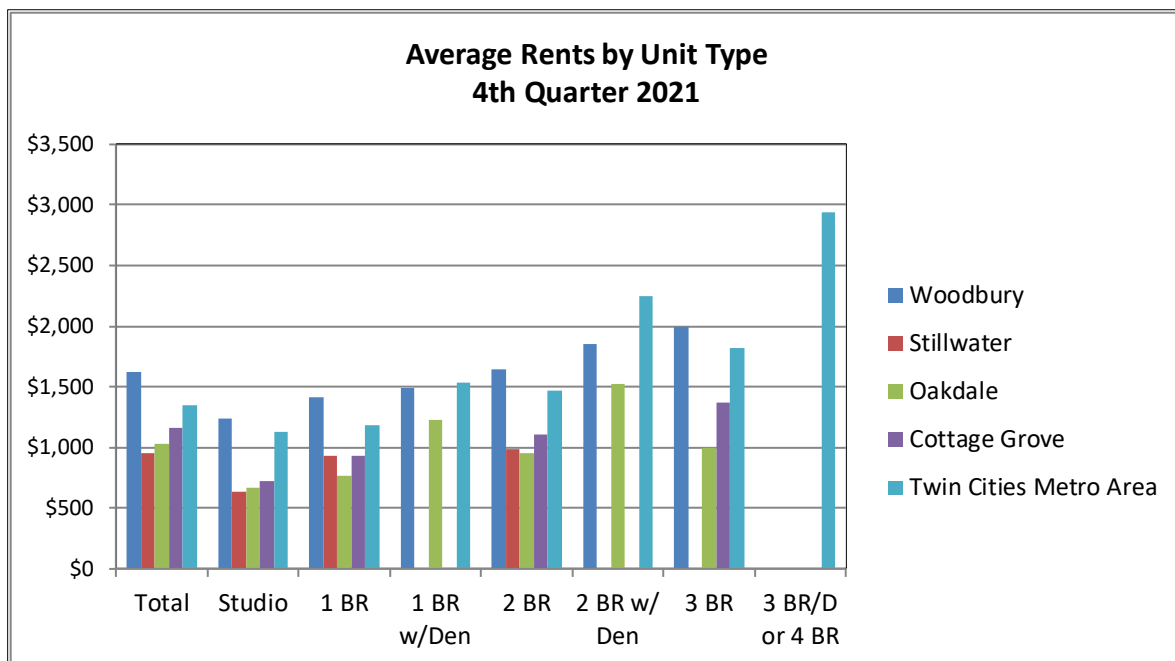
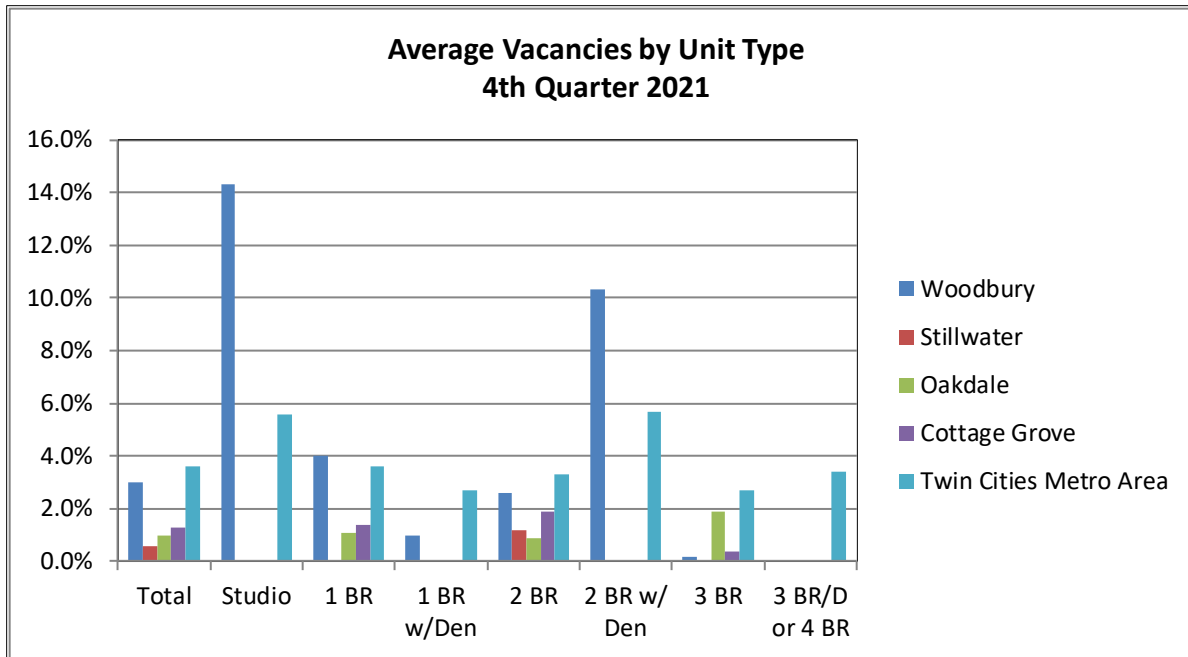
Rental Market Overview

Table R-1 shows average monthly rents and vacancy from 4th Quarter 2020 and 4th Quarter 2021 by unit type in Washington County submarkets. Data is from Marquette Advisors, Inc., which compiles apartment trends quarterly, with 4th Quarter 2021 being the most recent information available. Marquette Advisors does not inventory all Washington County submarkets or each property in the identified geographies. The inventoried properties in each submarket are shown in Tables R-5 to R-7.

- Monthly rents increased in Washington County by 0.6% to \$1,625 from year-end 2020 through year-end 2021. Monthly rents decreased in Stillwater and remained essentially unchanged in the Cottage Grove submarket. Oakdale's average rent increased the most by 1.3%. By comparison, average rent in the Twin Cities Metro Area increased 3.4% to \$1,354 during the same period.
- Rental rates are highest in Woodbury than in the submarkets. Average monthly rents in Stillwater, Oakdale and Cottage Grove submarkets were \$955, \$1,029 and \$1,158, respectively, in the 4th Quarter 2021, compared to \$1,625 in Woodbury and \$1,354 in the Metro Area.
- Vacancy rates among the submarkets decreased over the period and all remained well below the market equilibrium rate (5%). As of 4th Quarter 2021, Stillwater had the lowest vacancy rate at 0.6%. Woodbury had the highest vacancy rate at 2.8%. By comparison, the Twin Cities Metro Area vacancy rate decreased from 4.4% to 3.6%.

RENTAL MARKET ANALYSIS

TABLE R-1 AVERAGE RENTS/VACANCIES TRENDS WASHINGTON COUNTY 4th Quarter 2020 and 4th Quarter 2021								
	<u>Total</u>	<u>Studio</u>	<u>1 BR</u>	<u>1 BR w/ Den</u>	<u>2 BR</u>	<u>2 BR w/ Den</u>	<u>3 BR</u>	<u>3 BR/D or 4BR</u>
WOODBURY								
4th Q 2020	Units	3,284	21	750	195	1,842	78	398
	No. Vacant	99	3	32	1	49	5	9
	Avg. Rent	\$1,537	\$1,266	\$1,301	\$1,479	\$1,557	\$1,830	\$1,862
	Vacancy	3.0%	14.3%	4.3%	0.5%	2.7%	6.4%	2.3%
4th Q 2021	Units	3,501	21	850	195	1,917	78	440
	No. Vacant	97	3	34	2	49	8	1
	Avg. Rent	\$1,625	\$1,236	\$1,415	\$1,488	\$1,643	\$1,855	\$1,991
	Vacancy	2.8%	14.3%	4.0%	1.0%	2.6%	10.3%	0.2%
STILLWATER								
4th Q 2020	Units	317	10	140	-	167	-	-
	No. Vacant	2	0	0	-	2	-	-
	Avg. Rent	\$959	\$631	\$936	-	\$998	-	-
	Vacancy	0.6%	0.0%	0.0%	-	1.2%	-	-
4th Q 2021	Units	317	10	140	-	167	-	-
	No. Vacant	2	0	0	-	2	-	-
	Avg. Rent	\$955	\$631	\$936	-	\$991	-	-
	Vacancy	0.6%	0.0%	0.0%	-	1.2%	-	-
OAKDALE								
4th Q 2020	Units	1,365	94	559	45	541	18	108
	No. Vacant	22	0	9	0	12	0	1
	Avg. Rent	\$1,016	\$797	\$906	\$1,248	\$1,097	\$1,591	\$1,173
	Vacancy	1.6%	0.0%	1.6%	0.0%	2.2%	0.0%	0.9%
4th Q 2021	Units	1,365	94	559	45	541	18	108
	No. Vacant	13	0	6	0	5	0	2
	Avg. Rent	\$1,029	\$669	\$764	\$1,227	\$954	\$1,523	\$993
	Vacancy	1.0%	0.0%	1.1%	0.0%	0.9%	0.0%	1.9%
COTTAGE GROVE/NEWPORT/ST.PAUL PARK								
4th Q 2020	Units	708	2	147	-	319	-	240
	No. Vacant	11	0	1	-	4	-	6
	Avg. Rent	\$1,159	\$725	\$925	-	\$1,113	-	\$1,368
	Vacancy	1.6%	0.0%	0.7%	-	1.3%	-	2.5%
4th Q 2021	Units	708	2	147	-	319	-	240
	No. Vacant	9	0	2	-	6	-	1
	Avg. Rent	\$1,158	\$725	\$927	-	\$1,109	-	\$1,368
	Vacancy	1.3%	0.0%	1.4%	-	1.9%	-	0.4%
TWIN CITIES METRO AREA								
4th Q 2020	Units	160,646	11,097	70,967	3646	64,355	2275	7939
	No. Vacant	7,135	785	3,134	104	2,698	130	270
	Avg. Rent	\$1,321	\$1,106	\$1,175	\$1,535	\$1,425	\$2,050	\$1,707
	Vacancy	4.4%	2.8%	2.4%	3.0%	3.0%	4.3%	3.1%
4th Q 2021	Units	165,534	11,596	73,144	3,643	66,143	2,331	8,295
	No. Vacant	5,901	649	2,616	97	2,172	134	220
	Avg. Rent	\$1,354	\$1,132	\$1,189	\$1,540	\$1,468	\$2,246	\$1,816
	Vacancy	3.6%	5.6%	3.6%	2.7%	3.3%	5.7%	2.7%
Sources: Marquette Advisors; Maxfield Research and Consulting LLC								

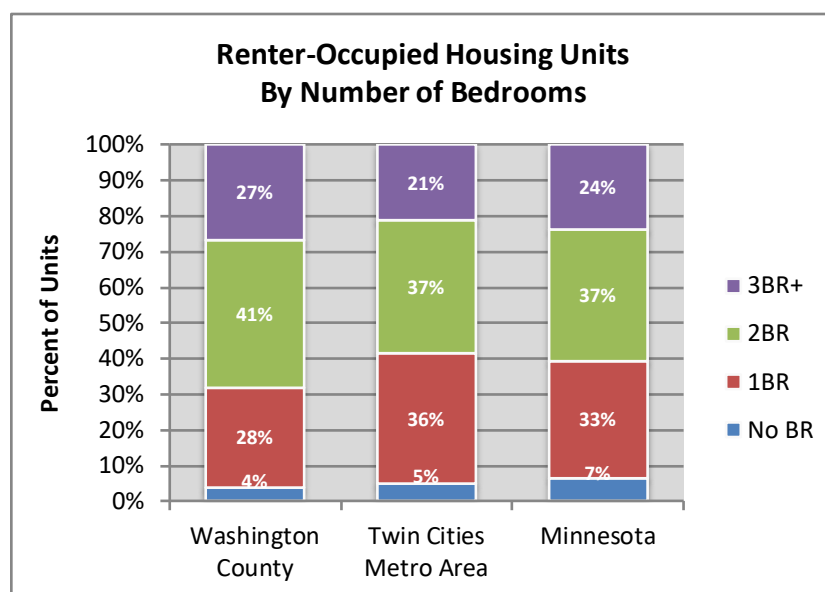


Rental Market Conditions

Maxfield Research utilized some data from the American Community Survey (ACS) to summarize rental market conditions for all submarkets in Washington County, especially those not specifically tracked by local companies. The ACS is an ongoing survey conducted by the US Census Bureau that provides data every year rather than every ten years as presented by the Decennial Census. Data presented from the ACS may not match with information presented from other surveys and includes other types of units that are rented including single-family homes, manufactured homes and owned multifamily units.

Table R-2 on the following page presents a breakdown of median gross rent and monthly gross rent ranges by number of bedrooms in renter-occupied housing units from the 2020 ACS in Washington County compared to the Twin Cities Metro Area. Gross rent is defined as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, wood, etc.) if these are paid by the renter.

- An estimated 27% of renter-occupied housing units in Washington County have three or more bedrooms compared to 19.8% in the Metro Area. One-bedroom units comprise 28% of Washington County's rental housing supply and 4% of units have no bedroom (studio/efficiency). Two-bedroom units remain the dominant unit type at 41% of rental units, although the proportions of one-bedroom and studio units have increased since 2017, due to new rental properties incorporating higher proportions of smaller unit types.
- By comparison, 36% of the Metro Area's renter-occupied housing units have one bedroom, 7.6% have no bedroom and 36% have two bedrooms. Minnesota has a higher proportion of units with no bedroom and a smaller proportion of units with three or more bedrooms than Washington County.



RENTAL MARKET ANALYSIS

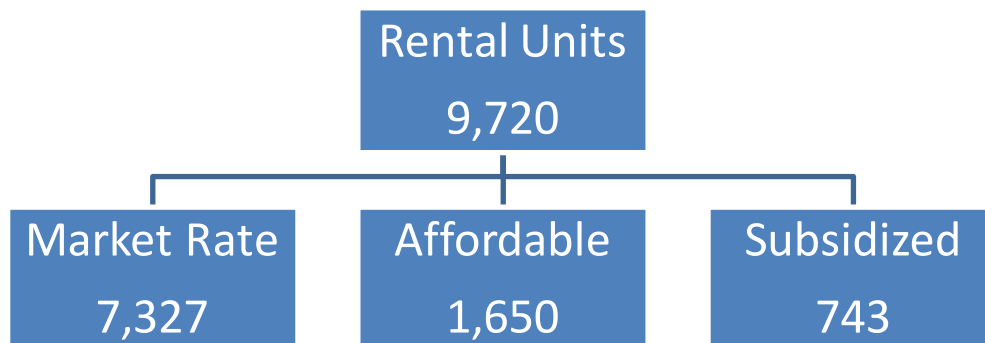
- An estimated 41.4% of renter-occupied units in Washington County have two bedrooms compared to 36% in the Metro Area.

TABLE R-2 BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS WASHINGTON COUNTY 2022						
	Washington County		Twin Cities Metro		Minnesota	
	#	% of Total	#	% of Total	#	% of Total
Total:	19,162	100%	395,527	100%	642,872	100%
Median Gross Rent	\$1,399		\$1,255		\$1,063	
No Bedroom	762	4.0%	30,191	7.6%	43,103	6.7%
Less than \$300	34	0.2%	2,545	0.6%	3,815	0.6%
\$300 to \$499	23	0.1%	1,731	0.4%	4,668	0.7%
\$500 to \$749	64	0.3%	5,031	1.3%	9,540	1.5%
\$750 to \$999	267	1.4%	9,887	2.5%	12,092	1.9%
\$1,000 to \$1,499	271	1.4%	7,510	1.9%	8,164	1.3%
\$1,500 or more	103	0.5%	3,215	0.8%	4,053	0.6%
No cash rent	0	0.0%	271	0.1%	771	0.1%
1 Bedroom	5,360	28.0%	143,735	36.3%	210,513	32.7%
Less than \$300	290	1.5%	10,390	2.6%	20,477	3.2%
\$300 to \$499	342	1.8%	8,796	2.2%	22,018	3.4%
\$500 to \$749	247	1.3%	10,026	2.5%	32,015	5.0%
\$750 to \$999	1,492	7.8%	46,363	11.7%	57,789	9.0%
\$1,000 to \$1,499	1,715	9.0%	47,246	11.9%	52,647	8.2%
\$1,500 or more	1,221	6.4%	19,749	5.0%	23,090	3.6%
No cash rent	52	0.3%	1,166	0.3%	2,477	0.4%
2 Bedrooms	7,931	41.4%	143,178	36.2%	236,789	36.8%
Less than \$300	135	0.7%	2,768	0.7%	5,934	0.9%
\$300 to \$499	216	1.1%	3,517	0.9%	9,567	1.5%
\$500 to \$749	201	1.0%	5,826	1.5%	30,585	4.8%
\$750 to \$999	971	5.1%	20,783	5.3%	52,800	8.2%
\$1,000 to \$1,499	3,871	20.2%	70,342	17.8%	89,091	13.9%
\$1,500 or more	2,415	12.6%	37,186	9.4%	40,997	6.4%
No cash rent	122	0.6%	2,756	0.7%	7,816	1.2%
3 or More Bedrooms	5,109	26.7%	78,423	19.8%	152,467	23.7%
Less than \$300	52	0.3%	1,115	0.3%	2,559	0.4%
\$300 to \$499	70	0.4%	1,896	0.5%	6,539	1.0%
\$500 to \$749	109	0.6%	3,428	0.9%	13,092	2.0%
\$750 to \$999	171	0.9%	5,943	1.5%	20,476	3.2%
\$1,000 to \$1,499	1,267	6.6%	19,712	5.0%	42,712	6.6%
\$1,500 or more	2,801	14.6%	41,311	10.4%	51,915	8.1%
No cash rent	639	3.3%	5,018	1.3%	15,174	2.4%
Sources: American Community Survey '16-'20; Maxfield Research & Consulting, LLC						

- Washington County's median gross rent is higher than the Twin Cities Metro or Minnesota. The estimated median gross rent adjusted for 2022 is \$1,399, compared to \$1,255 for the Metro and \$1,063 for Minnesota.
- In Washington County, 37.2% of renters are paying between \$1,000 and \$1,499 per month; 34.1% are paying \$1,500 or more; 18.4% are paying between \$500 and \$999; 6.0% of renters are paying less than \$500. An estimated 4.3% of renters pay no cash rent.
- By comparison, an estimated 36.6% of renters in the Twin Cities Metro Area pay gross monthly rents of \$1,000 to \$1,500 and 25.6% pay gross monthly rents of \$1,500 or more. An estimated 27.2% pay rents between \$500 and \$999 and 8.4% pay less than \$500 per month.

General-Occupancy Rental Properties

The survey of general occupancy rental properties in Washington County includes a total of 70 market rate or mixed-income properties (most 12 units and larger) and 36 affordable and/or subsidized communities in February 2022. Two properties, Autumn Hills and Seven Pines in Forest Lake from the 2017 analysis converted from income-restricted to market rate between 2017 and 2022. The properties represent a combined total of 9,782 units, including 7,327 market rate units, 1,682 affordable units and 773 subsidized units. Current information was obtained for nearly all properties. Totals exclude properties for which information was not available or those that did not participate in the survey.



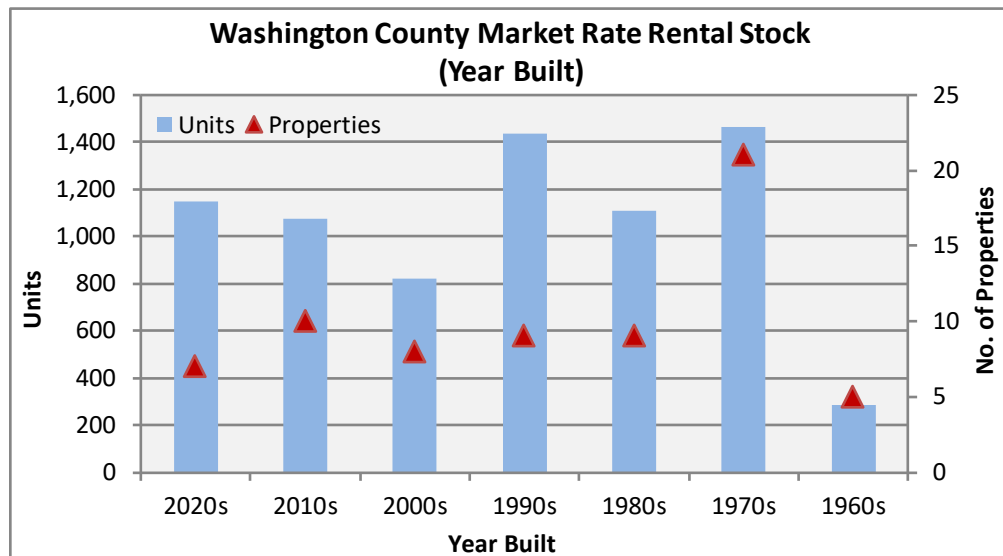
At the time of the survey, 161 market rate and four affordable/subsidized units were vacant, resulting in overall vacancy rates of 2.6% for market rate units (stabilized properties) and 0.2% for affordable/subsidized units. The overall market rate vacancy rate of 2.6% is lower than the market equilibrium rate of 5% for a balanced rental market, which promotes competitive rates, ensures adequate choice and allows for adequate unit turnover. Incorporating vacancies

among all market rate properties (including those in initial lease-up) results in a vacancy rate of 4.2%, still below the 5.0% market equilibrium level. These vacancy rates indicate that pent-up demand still exists for additional rental housing in Washington County although we note Woodbury's vacancy rate for market rate properties including initial lease-up is at 5.1%, while the overall vacancy rate for Stillwater is 1.3%.

Table R-3 compares market rate data from the previous update in 2017 to data gathered in 2022. Table R-4 shows vacancy rate comparison of submarkets in Washington County. Table R-5 summarizes average rents for market rate, affordable and subsidized properties by submarket. Detailed rental information by property is found on Tables R-6 and R-7.

Market Rate

- Grove 80 in Cottage Grove opened in September 2021. Aspire at City Place in Woodbury opened in July 2021 and Springs at Lake Elmo opened in May 2021. Other properties that opened in 2021 include Canvas at Woodbury South and Beyond Woodbury. These properties are concentrated in the central portion of the county near Interstate 94 except for Grove 80. Forest Lake and Hugo have also had new properties open recently. Additional new rental product is under construction in Woodbury and in Stillwater. The median year built for market rate rental properties in Washington County is 1991. An estimated 20% of Washington County's market rate rental units were constructed in the 1970s, down from 28% in 2017 after increased multifamily construction. As of 2022, an estimated 15.6% of market rate rental units in larger properties have opened in 2020 or later.



RENTAL MARKET ANALYSIS

- As of February 2022, there was a 2.6% vacancy rate among stabilized market rate properties compared to 2.3% in the 2017 study and 3.2% in the 2013 study. Essentially, the vacancy rate is slightly higher in 2022, likely a result of the recently increase in multifamily construction. As mentioned, submarkets that have had little or no new construction have submarket vacancy rates much lower than what is shown above.
- Nearly 50% of the market rate units in Washington County are two-bedroom units, a decrease of 4% since 2017, resulting from an increase in the construction of studio and one-bedroom units across the Twin Cities market and in Washington County. The proportional breakout by unit type is summarized below.

○ Studio:	3.0%
○ One-bedroom:	31.1%
○ One-bedroom plus den:	2.5%
○ Two-bedroom:	49.8%
○ Two-bedroom plus den:	0.9%
○ Three-bedroom:	11.6%
○ Four-bedroom:	0.8%
○ Five-bedroom:	0.2%

- The following are the monthly rent ranges and average rent for each unit type:

○ Studio:	\$600 to \$1,576	Avg. \$1,157
○ One-bedroom:	\$775 to \$2,081	Avg. \$1,357
○ One-bedroom+Den:	\$1,239 to \$2,036	Avg. \$1,657
○ Two-bedroom:	\$757 to \$3,124	Avg. \$1,698
○ Two-bedroom+Den:	\$1,195 to \$2,848	Avg. \$1,866
○ Three-bedroom:	\$1,266 to \$4,623	Avg. \$2,116
○ Four-bedroom:	\$3,128	Avg. \$3,128
○ Five-bedroom:	\$4,115	Avg. \$4,115

- The average monthly rent per square foot among the surveyed properties was \$1.61, a 24% increase over 2017 or an average annual increase of 4.4%. Rent per square foot varied by unit type as illustrated below:

○ Studio:	\$2.24
○ One-bedroom:	\$1.80
○ One-bedroom plus den:	\$1.78
○ Two-bedroom:	\$1.54
○ Two-bedroom plus den:	\$1.51
○ Three-bedroom:	\$1.49
○ Four-bedroom:	\$1.45
○ Five-bedroom:	\$1.43

RENTAL MARKET ANALYSIS

Table R-3 shows a summary comparison of average rents at market rate properties in Washington County in 2013, 2017 and 2022. The Table shows that rents increased more between 2017 and 2022 than between 2013 and 2017. The substantial increase in rents between 2017 and 2022 reflects increased multifamily construction along with a tight rental market, enabling landlords to increase rents while maintaining high occupancy rates.

TABLE R-3 RENT COMPARISON SUMMARY WASHINGTON COUNTY- MARKET RATE RENTAL PROPERTIES April 2022												
Submarket	2013				2017				2022			
	Total Units	Average Rent			Total Units	Average Rent			Total Units	Average Rent		
		1BR	2BR	3BR		1BR	2BR	3BR		1BR	2BR	3BR
Cottage Grove	589	\$745	\$867	\$1,151	632	\$817	\$933	\$1,234	718	\$1,165	\$1,372	\$1,913
Forest Lake	631	\$733	\$853	\$915	836	\$815	\$954	\$1,115	1,212	\$1,108	\$1,380	\$1,774
Hugo	--	--	--	--	--	--	--	--	40	\$1,325	\$1,578	\$2,063
Mahtomedi	12	--	--	\$1,000	12	--	--	\$1,000	60	\$1,389	\$1,571	\$1,904
Oakdale	514	\$832	\$1,103	\$1,253	868	\$848	\$1,066	\$1,316	497	\$1,155	\$1,603	\$1,658
East Central	322	\$701	\$822	-	323	\$816	\$974	\$1,363	306	\$990	\$1,178	\$1,165
Lake Elmo	--	--	--	--	--	--	--	--	300	\$1,909	\$2,090	\$2,629
Woodbury	3,128	\$983	\$1,250	\$1,650	3,146	\$1,886	\$1,564	\$1,895	4,194	\$1,510	\$1,757	\$2,127
Total	5,196	\$868	\$1,071	\$1,482	5,817	\$1,064	\$1,339	\$1,582	7,327	\$1,357	\$1,678	\$1,991
Note: One-bedroom plus den units included in two-bedroom column and two-bedroom plus den units included in three-bedroom column. Studio, four- and five-bedroom units excluded from table.												
Sources: Maxfield Research & Consulting, LLC; Washington County CDA												

RENTAL MARKET ANALYSIS

TABLE R-4
SUMMARY OF GENERAL OCCUPANCY RENTAL PROPERTIES BY SUBMARKET
FEBRUARY 2022

Submarket	Market Rate		Affordable		Subsidized		Total	
	Units	Vacancy Rate	Units	Vacancy Rate	Units	Vacancy Rate	Units	Vacancy Rate**
East Submarket								
Northeast	-	-	-	-	-	-	-	-
East Central	306	1.6%	284	0.0%	175	0.0%	765	1.6%
Southeast	-	-	-	-	-	-	-	-
West Submarket								
Forest Lake	1,212	1.3%	206	0.0%	74	0.0%	1,492	1.3%
Hugo	40	0.0%	-	-	-	-	40	0.0%
Mahtomedi	60	0.0%	30	0.0%	78	0.0%	168	0.0%
Oakdale	497	3.2%	592	0.0%	366	0.5%	1,455	3.2%
Lake Elmo	300	11.0%	-	-	-	-	300	11.0%*
Woodbury	4,194	5.5%	202	0.0%	-	-	4,396	5.5%
Cottage Grove	718	1.9%	336	0.0%	50	0.0%	1,104	1.9%
Total	7,327	2.9%	1,650	0.0%	743	0.0%	9,720	2.4%
East	306	1.6%	284	0.0%	175	0.0%	765	0.6%
West - Total	7,021	4.4%	1,366	0.0%	568	0.0%	8,955	2.6%*
West - Stabilized	6,211	2.9%	1,366	0.0%	536	0.0%	8,113	1.6%

*Includes properties in initial lease-up.

** Overall vacancy rate

Note: Updated survey counts reflect conversions of some affordable properties to market rate

Source: Maxfield Research and Consulting LLC

RENTAL MARKET ANALYSIS

TABLE R-5
RENT SUMMARY
WASHINGTON COUNTY - SURVEYED RENTAL DEVELOPMENTS
February 2022

City	Market Rate									Affordable						
	Total	--- Avg. Rent ---								Total	--- Avg. Rent ---					
	Units	Studio	1BR	1BR+Den	2BR	2BR+Den	3BR	4BR	5BR	Units	Studio	1BR	1BR+Den	2BR	3BR	4BR
Cottage Grove	718	\$1,242	\$1,165	---	\$1,372	---	\$1,913	---	---	336	---	\$868	---	\$994	\$1,069	---
Forest Lake	1,212	\$850	\$1,108	---	\$1,380	---	\$1,774	---	---	206	---	---	---	\$859	\$1,257	---
Hugo	40	---	\$1,325	---	\$1,578	---	\$2,063	---	---	---	---	---	---	---	---	---
Oakdale	497	\$963	\$1,155	\$1,500	\$1,706	---	\$1,658	---	---	592	\$750	\$856	---	\$1,040	\$1,272	\$1,364
Mahtomedi	60	---	\$1,389	---	\$1,571	\$2,345	\$1,463	---	---	30	---	---	---	---	\$1,181	---
East Central	306	---	\$990	---	\$1,178	---	\$1,165	---	---	284	\$669	\$1,027	---	\$1,184	\$1,481	\$1,580
Lake Elmo	300	\$1,515	\$1,909	---	\$2,090	---	\$2,629	---	---	---	---	---	---	---	---	---
Woodbury	4,194	\$1,359	\$1,531	\$1,686	\$1,870	\$1,838	\$2,435	\$3,128	\$4,115	202	\$1,168	\$1,235	\$1,235	\$1,331	\$1,512	\$1,678
Total	7,327	\$1,161	\$1,368	\$1,662	\$1,721	\$1,870	\$2,123	\$3,128	\$4,115	1,650	\$730	\$907	\$1,235	\$1,063	\$1,276	\$1,650

Sources: Maxfield Research and Consulting, LLC; Washington County CDA

RENTAL MARKET ANALYSIS

TABLE R-6 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022								
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot	Accept Vouchers	Amenities/Comments
COTTAGE GROVE AREA								
Grove 80 7550 80th St S Cottage Grove	2021 Sept	120 0 0.0%	31 - Studio 50 - 1BR 35 - 2BR 4 - 3BR	570 - 627 685 - 1,007 915 - 1,185 1,397 - 1,397	\$1,300 - \$1,359 \$1,489 - \$1,835 \$1,789 - \$1,959 \$2,522 - \$2,522	\$2.17 - \$2.28 \$1.82 - \$2.17 \$1.65 - \$1.96 \$1.81 - \$1.81	No	Twenty-four 2-story buildings; heat included in rent; 1 att garage incl; storage; in-unit laundry in select units; common laundry; dishwasher; disposal; microwave; balcony/patio; vaulted ceilings-select units; indoor pool/spa, party room; fitness ctr, dog park, billiards, playground.
Hinton Heights 7750 Hinton Ave. Cottage Grove	1993 Renov	249 11 4.4%	49 - 1BR 84 - 2BR 116 - 3BR	910 - 910 991 - 1,020 1,176 - 1,305	\$1,329 - \$1,359 \$1,672 - \$1,829 \$2,009 - \$2,159	\$1.46 - \$1.49 \$1.69 - \$1.79 \$1.65 - \$1.71	No	Twenty-four 2-story buildings; heat included in rent; 1 att garage incl; storage; in-unit laundry in select units; common laundry; dishwasher; disposal; microwave; balcony/patio; vaulted ceilings-select units; indoor pool/spa, party room; fitness ctr, dog park, billiards, playground.
Glen Woods 1575 11th Ave. Newport	1985	44 0 0.0%	44 - 3BR	1,200 - 1,500	\$1,395 - \$1,595	\$1.16 - \$1.06	No	3-story complex; tenant pays electric & heat; 1 attached garage stall w/unit; A/C; patio; dishwasher; picnic/play area; basketball court. Water, sewer and trash included
Mark Court Apartments 1932 10th Ave. Newport	1974	96 2 2.1%	3 - Studio 45 - 1BR 48 - 2BR	500 614 - 641 686 - 777	\$600 \$800 - \$825 \$975 - \$995	\$1.20 \$1.30 - \$1.34 \$1.42 - \$1.45	Yes	Four 3-story bldgs (24 units/each); water, sewer and trash incl; detached and attached parking; wall-unit A/C; laundry; some balconies; pool; picnic area ; storage.
Grove Ridge 8130 S East Point Douglas Rd. Cottage Grove	1973	84 0 0.0%	6 - 1BR 70 - 2BR 8 - 3BR	735 850 - 950 1,046 - 1,135	\$1,145 - \$1,165 \$1,310 - \$1,345 \$1,395 - \$1,460	\$1.56 - \$1.59 \$1.42 - \$1.54 \$1.29 - \$1.33	No	Formerly known as East Grove Estates. A/C; coin-op laundry; dishwasher; disposal; balcony; storage ; playground/picnic area; pool. Garage-\$35-\$55/mo extra.
Newport Ponds 1624 10th Ave. Newport	1971	53 1 1.9%	2 - Studio 15 - 1BR 36 - 2BR	650 740 810	\$840 \$1,040 \$1,182	\$1.29 \$1.41 \$1.46	No	Three 3-story bldgs; heat/water/sewer and trash incl; detached garages; picnic areas; wall-unit A/C; coin-op laundry; walk-in closets.
1340 8th Ave Newport	1970	12 0 0.0%	12 - 1BR	580	\$775	\$1.34	Yes	Two and a half-story walkup; wall-unit air; common laundry; off-street parking only
Park Place I & II 300 Pullman Avenue St. Paul Park	1977	36 0 0.0%	18 - 1BR 18 - 2BR	466 660	\$694 \$757	\$1.49 \$1.15	Yes	Two and a half story walk-up; seven buildings; wall-unit air; no elevators; common laundry; ceiling fans
Belz Apartments 749 4th St. St. Paul Park	1969	12 n/a	n/a	n/a	n/a	n/a	n/a	n/a
Emer Properties 480 Pullman Ave St. Paul Park	1977	12 0 0.0%	4 - 1BR 8 - 2BR	466 660	\$750 \$782	\$1.61 \$1.18	n/a	Two and a half story walk-up;
1104 & 1108 5th St St. Paul Park	1968	12 0 0.0%	2 - 1BR 10 - 2BR	468 665	\$698 \$864	\$1.49 \$1.30	Yes	Two and a half-story walk-up; wall unit air; off-street parking
Cottage Grove Market Area Totals		718	14	1.9%				
*Vacancy Rate excludes properties for which information was not available.								
CONTINUED								

RENTAL MARKET ANALYSIS

TABLE R-5 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022 (continued)								
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot	Accept Vouchers	Amenities/Comments
FOREST LAKE								
Encore Apts 1081 4th Street SW Forest Lake	2021	91 3 3.3%	12 - Studio 44 - 1BR 31 - 2BR 4 - 3BR	459 - 459 639 - 759 924 - 1,085 1,239 - 1,239	\$1,255 - \$1,276 \$1,513 - \$1,585 \$1,786 - \$1,939 \$2,254 - \$2,254	\$2.73 - \$2.78 \$2.37 - \$2.09 \$1.93 - \$1.79 \$1.82 - \$1.82	No	Four-story building w/UG pkg - \$95/mo.; SS appl; granite ctrs; in-unit w/dryer; vinyl plank flrg; window blinds; outdoor pool; fitness ctr; movie theater; play area; outdoor grills; firepit
Timber Ridge 1700 8th Street NE Forest Lake	2019	73 0 0.0%	39 - 1BR 34 - 2BR	634 - 660 910 - 923	\$1,076 - \$1,096 \$1,260 - \$1,405	\$1.70 - \$1.66 \$1.38 - \$1.52	No	Three-story building; detached garage = \$55/mo.; SS appl; granite ctrs; vinyl plank flrg; wall unit air; fitness ctr; community rm
Arbor Ridge 1700 8th Street NE Forest Lake	2017	73 0 0.0%	31 - 1BR 42 - 2BR	480 - 660 910 - 1,109	\$955 - \$1,135 \$1,381 - \$1,621	\$1.99 - \$1.72 \$1.52 - \$1.46	No	Three-story building; detached garage = \$55/mo.; SS appl; granite ctrs; vinyl plank flrg; wall unit air; fitness ctr; community rm
Gateway Green 22258 Lilac Court Forest Lake	2019	84 4 4.8%	36 - 1BR 36 - 2BR 12 - 3BR	669 - 669 1,029 - 1,035 1,194 - 1,194	\$1,323 - \$1,420 \$1,792 - \$1,857 \$2,173 - \$2,188	\$1.98 - \$2.12 \$1.74 - \$1.79 \$1.82 - \$1.83	No	Two story building, underground parking, hot tub, tanning room, storage units, recreation room, and workout room.
Gateway Green THS 22258 Lilac Court Forest Lake	2015	8 0 0.0%	8 - 3BR	1,375 - 1,500	\$2,436 - \$2,491	\$1.77 - \$1.66	No	Two story building, underground parking, hot tub, tanning room, storage units, recreation room, and workout room.
Lighthouse Lofts 220 Lake Street North Forest Lake	2018	103 0 0.0%	62 - 1BR 33 - 2BR 8 - 3BR	754 - 873 890 - 1,251 1,307 - 1,307	\$1,370 - \$1,548 \$1,630 - \$2,139 \$2,497 - \$2,497	\$1.82 - \$1.77 \$1.83 - \$1.71 \$1.91 - \$1.91	No	Two story building, underground parking, hot tub, tanning room, storage units, recreation room, and workout room.
Mill Pond I and II 525 SW 4th St. Forest Lake	2011 2012	120 1 0.8%	76 - 2BR 44 - 3BR	890 - 1,050 1,050 - 1,140	\$1,535 - \$1,614 \$1,691 - \$1,785	\$1.72 - \$1.54 \$1.61 - \$1.57	No	Three-story building; SS appliances, vinyl plank flrg, recreation room, and workout room.
Legacy Pointe 290 9th Ave SW Forest Lake	2003	30 0 0.0%	18 - 2BR 12 - 3BR	995 - 1,050 1,050 - 1,138	\$1,810 - \$1,856 \$1,883 - \$1,908	\$1.82 - \$1.77 \$1.79 - \$1.68	No	Three-story building; UG pkg at Mill Pond Forest; dog park, pet spa, fitness ctr, movie Theater, vinyl plank flooring, in-unit w/dryer select units
Seven Pines Apts 1243 11th Ave SW Forest Lake	1990 Renov.	72 0 0.0%	24 - 1BR 47 - 2BR 1 - 3BR	571 - 571 752 - 763 950 - 950	\$985 - \$985 \$1,125 - \$1,125 \$1,260 - \$1,260	\$1.73 - \$1.73 \$1.50 - \$1.47 \$1.33 - \$1.33	No	3-story bldg. Det. Garage - \$50/mo; wall unit air balcony/patio; granite ctrs; SS appliances; new light fixtures;
Autumn Hills 706 12th Street SW Forest Lake	1992	48 0 0.0%	2 - 1BR 34 - 2BR 12 - 3BR	760 - 760 952 - 952 1,350 - 1,350	\$870 - \$870 \$985 - \$995 \$1,100 - \$1,100	\$1.14 - \$1.14 \$1.03 - \$1.05 \$0.81 - \$0.81	Yes	Spacious living room, laundry services on-site, detached garage, and mini-storage.
Alpine South Apartments 219 3rd Ave Sw Forest Lake	1968	17 0 0.0%	10 1BR 7 2BR	759 769	\$873 - \$873 \$1,123 - \$1,123	\$1.15 - \$1.15 \$1.46 - \$1.46	Yes	Three-story Bdg; detached garage, extra strge, laundry on-site, walk-in closets. Water, heat, and garbage included in the rent.
Alpine North 231 4th Ave NW Forest Lake	1972	23 0 0.0%	8 - 1BR 15 - 2BR	759 769	\$968 - \$968 \$1,045 - \$1,045	\$1.28 - \$1.28 \$1.36 - \$1.36	Yes	Detached garage, extra storage, laundry on-site, walk-in closets. Water, heat, and garbage included in the rent.
North Shore Apartments 1167-79 North Shore Dr. Forest Lake	1975	60 0 0.0%	35 - 1BR 25 - 2BR	800 950	\$1,015 \$1,140 - \$1,163	\$1.27 \$1.20 - \$1.22	Yes	Two 3-story buildings; heat included in rent; tenant pays electric; detached garages; wall-unit A/C; coin-op laundry; dishwasher; balconies; storage; dock access to lake.
Village Apartments 407 11th Ave. SW Forest Lake	1975	252 8 3.2%	40 - Studio 120 - 1BR 80 - 2BR 12 - 2BRD	355 - 465 630 - 715 875 - 950 1,090 - 1,170	\$680 - \$770 \$840 - \$900 \$970 - \$1,290 \$1,195 - \$1,295	\$1.92 - \$1.66 \$1.33 - \$1.43 \$1.11 - \$1.47 \$1.10 - \$1.19	No	Seven 3-story buildings; rent includes heat; tenant pays electric & phone; detached garages; wall-unit A/C; ; storage on each floor; social room in each bldg (kitchen, couch, chairs, billiard table; grills.
Forest Park II Apts. 1001 7th Ave. SW Forest Lake	1974	60 0 0.0%	24 - 1BR 30 - 2BR 6 - 3BR	650 850 - 870 1,045	\$958 \$1,113 \$1,266	\$1.47 \$1.31 \$1.21	Yes	Heat included in rent; tenant pays electric; detached garages; wall-unit A/C; coin-op laundry; dishwasher; disposal; balconies.
956 Place 956 12th St. SW Forest Lake	1984	48 0 0.0%	20 - 1BR 28 - 2BR	700 - 700 900 - 960	\$925 - \$975 \$1,125 - \$1,133	\$1.32 - \$1.39 \$1.25 - \$1.26	Yes	One 3-story bldg.; rent includes heat; tenant pays electric & phone; detached garages; wall-unit A/C; coin-op laundry; balconies & patios; storage on each floor.

CONTINUED

RENTAL MARKET ANALYSIS

TABLE R-6 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022 (continued)								
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot	Accept Vouchers	Amenities/Comments
FOREST LAKE (continued)								
Forest Park II Apts. 1001 7th Ave. SW Forest Lake	1974	60 0 0.0%	24 - 1BR 30 - 2BR 6 - 3BR	650 850 - 870 1,045	\$958 \$1,113 \$1,266	\$1.47 \$1.31 \$1.21	Yes	Heat included in rent; tenant pays electric; detached garages; wall-unit A/C; coin-op laundry; dishwasher; disposal; balconies.
956 Place 956 12th St. SW Forest Lake	1984	48 0 0.0%	20 - 1BR 28 - 2BR	700 - 700 900 - 960	\$925 - \$975 \$1,125 - \$1,133	\$1.32 - \$1.39 \$1.25 - \$1.26	Yes	One 3-story bldg.; rent includes heat; tenant pays electric & phone; detached garages; wall-unit A/C; coin-op laundry; balconies & patios; storage on each floor.
Forest Park I Apts. 1143 7th Ave. SW Forest Lake	1971	20 0 0.0%	12 - 1BR 8 - 2BR	708 888	\$899 \$1,042	\$1.27 \$1.17	Yes	Heat included in rent; tenant pays electric; detached garages; wall-unit A/C; coin-op laundry; dishwasher; disposal; balconies.
Heritage Heights 390 9th Ave SW Forest Lake	2001	12 0 0.0%	4 - 2BR 8 - 3BR	984 - 1,020 1,035 - 1,035	\$1,697 - \$1,746 \$1,739 - \$1,783	\$1.72 - \$1.77	No	Three-story building; detached garage - \$60/mo; balcony/patio;
Springwood Apts 912 4th Street SW Forest Lake	1999	18 0 0.0%	18 - 3BR	1,023 - 1,023	\$1,785 - \$1,785	\$1.74 - \$1.74	No	Three-story building; detached garage - \$60/mo; SS Appliances; vinyl plank flooring; granite counters wall unit air; common laundry; play area
Forest Lake Market Area Totals		1,212	16	1.3%				
HUGO								
Jack Pine Place 14672 Finale Place Hugo	2021	40 0 0.00%	12 - 1BR 21 - 2BR 7 - 3BR	650 - 805 850 - 1,193 1,543 - 1,543	\$1,150 - \$1,500 \$1,380 - \$1,775 \$1,900 - \$2,225	\$1.77 - \$2.31 \$1.49 - \$1.62 \$1.23 - \$1.44	No	New apartments; SS appl; vinyl plank flg; central air; in-unit w/dryer; small bldgs w/attached garage; granite counters; walk-in closets; pvt patio/balcony garage stall incl in rent; pvt entry
OAKDALE								
Cedric's Landing West 5680 Hadley Avenue Oakdale	2002	166 8 4.8%	6 - Studio 53 - 1 BR 24 - 1 BRD 65 - 2 BR 18 - 2 BRD	361 - 606 645 - 913 821 - 1,005 1,090 - 1,217 1,414	\$850 - \$1,108 \$1,167 - \$1,385 \$1,400 - \$1,599 \$1,550 - \$1,707 \$1,779 - \$2,000	\$2.35 - \$3.07 \$1.52 - \$1.81 \$1.59 - \$1.71 \$1.40 - \$1.42 \$1.26 - \$1.41	No	Rent includes basic cable, heat, & water; tenant pays electric; full size washer & dryer in each unit; heated underground parking; outdoor pool & hottub.
Gentry Apartments 1343 North Gentry Oakdale	1980	42 2 0%	6 - Studio 18 - 1BR 18 - 2BR	550 750 950	\$865 \$1,043 \$1,224	\$1.57 \$1.39 \$1.29	Yes	Rent includes heat; tenant pays electric & phone; detached garages; A/C; laundry; dishwasher; disposal; patios; storage. No longer Section 8.
East Gate Apartments 6048 51st Ave. N Oakdale	1973	64 1 0%	1 - Eff. 30 - 1BR 21 - 2BR 12 - 2BRD	410 720 935 1,050	\$925 \$1,125 - \$1,125 \$1,205 - \$1,205 \$1,295 - \$1,295	\$2.26 \$1.56 - \$1.56 \$1.29 - \$1.29 \$1.23 - \$1.23	No	Rent includes heat; tenant pays electric; detached garages; laundry; outdoor pool; sauna; storage lockers; A/C; balcony/patio; dishwasher; disposal; walk-in closet.
Ridge Crest 969 Greenway Oakdale	1973	50 0 0.0%	25 - 1BR 25 - 2BR	671 889	\$967 - \$988 \$1,193	\$1.44 - \$1.47 \$1.34	No	Rent includes heat; tenant pays electric & phone; detached garages; A/C; coin-op laundry; dishwasher; disposal; patios; outdoor pool; storage on each floor. Currently have a wait list.
Minnehaha Manor 6904 10th St. N Oakdale	1969	175 5 2.9%	31 - Studio 84 - 1BR 59 - 2BR 1 - 3BR	400 - 425 525 925 1,150	\$980 - \$980 \$1,165 - \$1,165 \$1,400 - \$1,400 \$1,845	\$2.31 - \$2.45 \$2.22 - \$2.22 \$1.51 - \$1.51 \$1.60	No	Rent includes heat; tenant pays electric & phone; detached garages; wall-unit A/C; coin-op laundry; dishwasher; new cabinetry; storage available; picnic area/outdoor pool.
Oakdale Market Area Totals		497	16	3.2%				
CONTINUED								

RENTAL MARKET ANALYSIS

TABLE R-5 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY April 2022 (continued)								
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot	Accept Vouchers	Amenities/Comments
MAHTOMEDI/GRANT AREA								
Mallard Shores 220-240 Hallam Ave S Mahtomedi	n/a	12 0 0.0%	12 - 3BR	1050 - 1100	\$975 - \$1,025	\$0.93 - \$0.93	No	Tuck-under garage; adjacent pond; townhome-style
Market Area Totals		12	0	0.0%				
EAST CENTRAL AREA								
Curve Crest Villas 2225 W. Orleans St. Stillwater	2003	58 n/a	n/a - 1BR n/a - 2BR n/a - 3BR	728 1074 1245	\$975 \$1,100 \$1,300	\$1.34 \$1.02 \$1.04	n/a	Garages, storage lockers, Underground Parking, Water, Sewer, Garbage Included in the rent. Curve Crest has 32 additional affordable units.
Cottages of Stillwater 2210 Cottage Dr. Stillwater	1991	20 0 0.0%	5 - 1BR 15 - 2BR	713 868	\$725 \$855	n/a n/a	No	Single-level units with private entrance; attached garages & detached; Cottages of Stillwater has 36 additional affordable units.
Orleans Homes 1401 Cottage Dr. Stillwater	1986	31 1 3.2%	18 - 1BR 13 - 2BR	713 813 - 868	\$725 \$855	\$1.02 \$0.99 - \$1.05	No	Single-level units with private entrance; attached garages & detached; tenants pay electricity, cable & phone; wall-unit A/C sleeves; W/D hook-ups; disposals. Orleans Homes has 93 additional affordable units.
605 Stillwater Rd 605 Stillwater Rd Willernie	1975	12 0 0%	1 - 1BR 11 - 2BR	550 900	\$650 \$750	n/a n/a	No	Heat included in rent; tenant pays electric & phone; off-street parking; wall-unit A/C; coin-op laundry; disposal; dishwasher.
Colonial Apartments 463-5 3rd St. S Bayport	1975	8 0 0.0%	8 - 2BR	800 - 850	\$775	\$0.91 - \$0.97	No	Two split-level 4-plexes; rent includes heat; tenant pays electric; off-street parking; wall unit A/C; coin-op laundry; storage.
Oak Park Heights Apts. 6120 Oxboro Ave N. Oak Park Heights	1973	72 2 2.8%	43 - 1BR 29 - 2BR	733 897 - 939	\$725 - \$750 \$825 - \$850	\$0.99 - \$1.02 \$0.91 - \$0.92	No	Rent includes one detached garage; tenant pays electric, cable & phone; A/C; coin-op laundry; dishwasher; disposal; storage; playground; outdoor pool.
Summit Park Apartments 14759 62nd Street N Stillwater	1970	13 0 0%	13 - 1BR	500	\$575 - \$600	\$1.15 - \$1.20	No	2-story building, open kitchen area, two closets in each unit, on-site laundry, and off-street parking. Residents are responsible for all utilities except trash.
Greenbriar Apartments 14843-7 60th St. N Stillwater	1969	45 4 8.9%	22 - 1BR 23 - 2BR	680 800 - 900	\$650 - \$700 \$750 - \$800	\$0.96 - \$1.03 \$0.89 - \$0.94	No	Three buildings; rent includes heat; tenant pays electric and phone; detached garages; wall-unit A/C; coin-op laundry; storage bins.
Stonebridge Apartments 1203 North Owens Street Stillwater	n/a	36 0 0.0%	36 - 2BR	800	\$800 - \$900	\$1.00 - \$1.13	n/a	Secured building, screened balconies, hardwood floors, playground, and extra storage if needed.
Lily Lake Terrace Apts 1410 Greeley Street South Stillwater	n/a	27 n/a	n/a - 1BR	n/a	\$755	n/a	n/a	Updates in each apartment, off-street parking, laundry services, swimming pool. Rent includes heat, water, and garbage.
Stillwater Market Area Totals		322	7	3.0%*				
*Vacancy Rate excludes Curve Crest Villas and Lily Lake Terrace Apts due to lack of participation								
CONTINUED								

RENTAL MARKET ANALYSIS

TABLE R-6 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022 (continued)								
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot	Accept Vouchers	Amenities/Comments
LAKE ELMO								
Springs at Lake Elmo	2021	300	30 - Studio	662 - 662	\$1,454 - \$1,576	\$2.20 - \$2.38	No	Opened May 2021; Gourmet kitchens; w/dryer; pvt patio/balcony; high ceilings; vinyl plank flooring, granite ctrs, community clubhouse w/business ctr, outdoor grilling area w/lounge furniture; resort style pool and spa; fitness center;
9739 Hudson Blvd		33	120 - 1BR	798 - 938	\$1,736 - \$2,081	\$2.18 - \$2.22		
Lake Elmo		11.0%	120 - 2BR	1,088 - 1,209	\$1,946 - \$2,233	\$1.79 - \$1.85		
In Initial lease-up			30 - 3BR	1,334 - 1,436	\$2,366 - \$2,891	\$1.77 - \$2.01		
Lake Elmo Market Area Totals		300	33	11.0%				
WOODBURY AREA								
Aspire at CityPlace	2021	253	18 - Studio	557	\$1,483 - \$1,483	\$2.66 - \$2.66	No	
9000 City Place Blvd	July	16	102 - 1BR	662 - 978	\$1,358 - \$1,865	\$2.05 - \$2.82		
Woodbury		6.3%	6 - 1BR+D	892 - 897	\$1,935 - \$2,037	\$2.17 - \$2.28		
Initial Lease-up			96 - 2BR	1,041 - 1,264	\$2,155 - \$2,749	\$2.07 - \$2.64		
			9 - 2BR+D	1,288 - 1,383	\$2,529 - \$2,848	\$1.96 - \$2.21		
			11 - 3BR	1,387 - 2,525	\$2,784 - \$4,623	\$2.01 - \$3.33		
			9 - 2BR TH	1,400 - 1,812	\$2,956 - \$3,615	\$2.11 - \$2.58		
			2 - 3BR TH	2,254 - 2,525	\$4,589 - \$4,761	\$2.04 - \$2.11		
Canvas at Woodbury-North	2022	89	15 - 2BR	1,200 - 1,200	\$2,846 - \$2,846	\$2.37 - \$2.37	No	Rental Single-Family Homes; Under Construction Outdoor fireplace; gas grills; outdoor lounge; fitness center; reservable club room; multi-use lawn
11307 Brookview Road	June		49 - 3BR	1,513 - 1,888	\$3,124 - \$3,504	\$2.06 - \$2.32		
Woodbury			15 - 4BR	1,981 - 2,603	\$3,684 - \$4,028	\$1.86 - \$2.03		
Initial Lease-Up			10 - 5BR	2,764 - 2,966	\$4,128 - \$4,159	\$1.49 - \$1.50		
Canvas at Woodbury - South	2021	89	8 - 2BR	1,513 - 1,513	\$3,124 - \$3,124	\$2.06 - \$2.06	No	Rental Single-Family Homes; New Construction Outdoor fireplace; gas grills; outdoor lounge; fitness center; reservable club room; multi-use lawn
11483 Crestbury Drive		35	36 - 3BR	1,513 - 2,348	\$3,124 - \$3,530	\$2.06 - \$2.33		
Woodbury		39.3%	34 - 4BR	1,981 - 2,603	\$3,350 - \$3,823	\$1.69 - \$1.93		
Initial Lease-up			11 - 5BR	2,799 - 2,966	\$4,100 - \$4,129	\$1.46 - \$1.48		
Beyond Woodbury	2021	255	4 - Std	482 - 482	\$1,025 - \$1,025	\$2.13 - \$2.13	No	New Construction Apartments
455 Karen Lane		22	184 - 1BR	524 - 786	\$1,196 - \$1,536	\$2.28 - \$2.93		
Woodbury		8.6%	65 - 2BR	994 - 1,201	\$1,900 - \$2,225	\$1.91 - \$2.24		
Initial Lease-up			2 - 3BR	1,472 - 1,472	\$2,650 - \$2,650	\$1.80 - \$1.80		
Sundance Woodbury	2020	218	81 - 1BR TH	780 - 980	\$1,700 - \$1,976	\$2.18 - \$2.53	No	New Construction; Townhome-style units; pvt entry
355 Karen Lane		28	113 - 2BR TH	1,204 - 1,307	\$2,160 - \$2,270	\$1.79 - \$1.89		
Woodbury		12.8%	24 - 3BR TH	1,588 - 1,691	\$3,030 - \$3,160	\$1.91 - \$1.99		
Initial Lease-Up								
Ascend at Woodbury	2018/ 2019	233	27 - Studio	527 - 598	\$1,326 - \$1,446	\$2.52 - \$2.74	No	New Construction Apartments
4151 Benjamin Dr		23	56 - 1BR	691 - 798	\$1,564 - \$1,700	\$2.26 - \$2.46		
Woodbury		9.9%	23 - 1BR+D	957 - 1,009	\$1,715 - \$1,782	\$1.79 - \$1.86		
			87 - 2BR	1,055 - 1,220	\$1,779 - \$2,110	\$1.69 - \$2.00		
			40 - 3BR	1,409 - 1,549	\$2,625 - \$2,930	\$1.86 - \$2.08		
Crown Villa Apartments	2010	126	66 - 1BR	755	\$1,399 - \$1,434	\$1.85 - \$1.90	No	Granite counter-tops, stainless steel washer and dryer; vaulted ceilings; fitness center; storage units; covered parking; secured entry.
7260 Guider Drive		6	12 - 1BR/D	894	\$1,464 - \$1,494	\$1.64 - \$1.67		
Woodbury		4.8%	24 - 2BR	1,115	\$1,634 - \$1,664	\$1.47 - \$1.49		
			24 - 2BR/D	1,265	\$1,684 - \$1,709	\$1.33 - \$1.35		
Parkwood Estates	2009	39	39 - 2BR	1050	\$1,445 - \$1,505	\$1.38 - \$1.43	No	Tenant pays electricity, gas, and heat. Natural woodwork and cabinets, walk-in closets; large balconies, library, elevator, fitness center, and yoga room.
1580 Parkwood Drive		0						
Woodbury		0%						
CONTINUED								

RENTAL MARKET ANALYSIS

TABLE R-6 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022 (continued)								
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot	Accept Vouchers	Amenities/Comments
WOODBURY AREA (continued)								
Regency Hill Apts	2008	38	3 - 1BR	1,069	\$1,129	\$1.06	No	One level condo style apartments; central air; full size washer and dryer; underground garage; balcony; fireplace; 9 foot ceilings.
10751 Retreat Lane		0	31 - 2BR	1,138 - 1,231	\$1,490 - \$1,551	\$1.26 - \$1.31		
Woodbury		0.0%	4 - 2BR/D	1,596	\$1,645	\$1.03		
City Walk/ Flats Apts	2005	453	158 - 1BR	771 - 1,217	\$1,220 - \$1,750	\$1.44 - \$1.58	No	Central air; breakfast bar in some units; video library; indoor virtual golf; swimming pool; sauna; billiards, and built-in entertainment centers.
10215 CityWalk Drive	2011	31	273 - 2BR	1,079 - 1,561	\$1,489 - \$1,840	\$1.18 - \$1.38		
Woodbury	2016	6.8%	22 - 3BR	1,561 - 1,967	\$2,050 - \$2,500	\$1.27 - \$1.31		
Westview Estates	2000	60	60 - 2BR TH	1,240 - 1,240	\$1,525 - \$1,550	\$1.23 - \$1.25	No	Tenant pays utilities; Trash Removal included in rent central air; double-car attached garage; in-unit W/D; microwave oven; mini-blinds; oak woodwork;
2549 Cornelia Trail		0						
Woodbury		0%						
Grand Reserve @ Eagle Valley	1999	394	50 - 1BR	765 - 905	\$1,377 - \$1,753	\$1.80 - \$1.94	No	Tenant pays heat and electricity; attached single-and double-car garage included in rent; clubhouse with outdoor pool, sauna, business center, concierge services, exercise room, tanning bed; 9' ceilings; roman tubs.
	Renov	8	50 - 1BRD	1,070 - 1,070	\$1,756 - \$2,083	\$1.64 - \$1.95		
10285 Grand Forest Lane	2019	2.0%	100 - 2BR	1,070 - 1,365	\$1,756 - \$2,532	\$1.64 - \$1.85		
Woodbury			48 - 2BR TH	1,440 - 1,440	\$1,885 - \$2,302	\$1.31 - \$1.60		
			122 - 3BR TH	1,530 - 1,825	\$2,310 - \$2,414	\$1.32 - \$1.51		
			24 - 4BR TH	1,960 - 1,960	\$2,478 - \$2,478	\$1.26 - \$1.26		
The Barrington	1999	282	133 - 1BR	755 - 755	\$1,427 - \$1,559	\$1.89 - \$2.06	No	Formerly known as Classic@ The Preserve. Central air; one underground parking; in-unit washer and dryer; large clubhouse w/outdoor pool, sauna, community room, business/conference ctr.; exercise rooms.
7255 Guider Drive	Renov	6	38 - 1BRD	894 - 927	\$1,609 - \$1,709	\$1.80 - \$1.84		
Woodbury			84 - 2BR	1,115 - 1,127	\$1,628 - \$1,818	\$1.46 - \$1.61		
	2015	2.1%	27 - 2BRD	1,265 - 1,265	\$1,794 - \$1,829	\$1.42 - \$1.45		
Woodbury Park @ City Centre	1997	224	44 - 1BR TH	851 - 933	\$1,549 - \$1,650	\$1.77 - \$1.82	No	Tenant pays heat and electricity; central air; attached garage; in-unit laundry, microwave, walk-in closets; in-unit storage; outdoor pool; exercise area; community room.
2150 Vinings Drive		2	144 - 2BR TH	1,150 - 1,361	\$1,875 - \$2,173	\$1.60 - \$1.63		
Woodbury		0.9%	36 - 3BR TH	1,812 - 1,823	\$2,125 - \$2,365	\$1.17 - \$1.30		
Carver Lake Townhomes	1996	124	72 - 2BR TH	1,450 - 2,150	\$1,896 - \$2,205	\$1.03 - \$1.31	No	Rent includes heat; tenant pays electric & phone; detached garages; A/C; laundry; dishwashers (2BR only); storage ; playground.
6201 Tahoe Rd	Renov	0	52 - 3BR TH	1,400 - 2,100	\$1,905 - \$2,237	\$1.07 - \$1.36		
Woodbury		0.0%						
Courtly Park	1989	76	68 - 2BR TH	1,007 - 1,212	\$1,050 - \$1,150	\$0.95 - \$1.04	Yes	Tenant pays heat and electricity; attached single-car garage included in rent; pets allowed with extra deposit and weight restrictions; washer/dryer in each unit; walk-in closets; vaulted ceilings; fireplaces in some units; built-in microwave; central air; playground area for children.
2303 Cypress Drive	Renov	0	8 - 3BR TH	1,487 - 1,487	\$1,350	\$0.91 - \$0.91		
Woodbury		0.0%						
Valley Creek**	1988	402	125 - 1BR	767 - 820	\$1,543 - \$1,725	\$2.01 - \$2.10	No	Rent includes heat; tenant pays electric; one underground parking stall included; bay windows; pets allowed with weight restrictions and extra pet deposit; party room; outdoor pool, whirlpool; exercise room in each building; vaulted ceilings in 4th floor units.
1707 Century Avenue	Renov	21	271 - 2BR	1,003 - 1,245	\$1,659 - \$1,931	\$1.55 - \$1.65		
Woodbury	2012	5.2%	6 - 3BR	1,311 - 1,468	\$2,050 - \$2,250	\$1.53 - \$1.56		
Woodlane Place TH**	1988	242	229 - 2BR TH	1,207 - 1,412	\$1,550 - \$1,850	\$1.28 - \$1.53	No	Tenant pays all utilities; single-car garage included in rent; features include in-unit washer/dryers, walk-in closets; vaulted ceilings and fireplaces in some units. Outdoor pool and tennis court available.
2187 Cypress Drive	Renov	0	13 - 3BR TH	1,687	\$1,875 - \$2,350	\$1.11 - \$1.39		
Woodbury		0.0%				-		
CONTINUED								

RENTAL MARKET ANALYSIS

TABLE R-6
MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES
WASHINGTON COUNTY
February 2022
(continued)

Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot	Accept Vouchers	Amenities/Comments
Seasons Villas 8630 Summer Wind Alcove Woodbury	1987 Renov	214 2 0.9%	214 - 2BR TH	960 - 1,160	\$1,740 - \$1,924	\$1.66 - \$1.81	No	Tenant pays all utilities including water, sewer and trash removal; all units include an attached single-car garage; pets are allowed w/some restrictions. Units include both single-level and two-level designs w/ walk-in closets, in-unit washer/dryer central air.
Woodland Pointe 6850 Ashwood Rd. Woodbury	1973 Renov.	288 12 4.2%	96 - 1BR 192 - 2BR	780 - 793 950 - 981	\$1,310 - \$1,445 \$1,555 - \$1,905	\$1.68 - \$1.82 \$1.64 - \$1.94	No	Heat included in rent; detached garages; wall-unit air; concrete floors for sound control; ceramic tile floors in bathroom; common area laundry; indoor and outdoor pools; saunas; exercise room; & whirlpool; spacious party room. Fully renovated; SS appl; vinyl plank flg; granite ctrs
Woodmere 6940 Woodmere Rd. Woodbury	1972 Renov	184 0 0.0%	8 - Studio 49 - 1BR 31 - 1BRD 57 - 2BR 19 - 2BRD 20 - 3BR	435 - 435 658 - 658 742 - 742 934 - 934 1,018 - 1,018 1,038 - 1,038	\$999 - \$1,099 \$1,179 - \$1,279 \$1,239 - \$1,339 \$1,389 - \$1,489 \$1,449 - \$1,549 \$1,599 - \$1,699	\$2.30 - \$2.53 \$1.79 - \$1.94 \$1.67 - \$1.80 \$1.49 - \$1.59 \$1.42 - \$1.52 \$1.54 - \$1.64	No	Heat included in rent; detached garages; wall-unit air; ceramic tile tub surround; large clubhouse area with indoor pool; party room; spa; fitness center; play area for children; saunas; outdoor volleyball; barbeque area; game room. Upgraded amenity spaces.
Woodbury Market Area Totals-Stabilized		3,379	111	3.3%				
Woodbury Market Area Totals		4,194	212	5.1%				
Total of All Market Rate GO-Stabilized		6,212	159	2.6%				
Total of All Market Rate GO-Includes Lease-Up		7,327	305	4.2%				
*Vacancy Rate excludes properties that did participate in rental survey.								
Sources: Washington County; Maxfield Research and Consulting, LLC								

RENTAL MARKET ANALYSIS

TABLE R-7 AFFORDABLE/SUBSIDIZED GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022							
Property Name/Location	Year Built	Units/Vacant	Unit Mix	Unit Size	Contract Rent/ Rent Range	Rent per Square Foot	Amenities/Comments
COTTAGE GROVE AREA							
<i>Affordable</i>							
Red Rock Square 7920 Heathside Ave. S Cottage Grove	2017	42 0 0%	24 - 2BR 18 - 3BR	1,050 - 1,050 1,286 - 1,286	\$1,084 - \$1,096 \$1,225 - \$1,267	\$1.03 \$0.95 - \$0.95	Restricted to households at 60% of AMI. Outdoor play area; in-unit w/dryer; granite ctrs; three-story bldg w/UG parking
Woodland Park 7920 Heathside Ave. S Cottage Grove	1989 Renov 2007	180 0 0%	60 - 1BR 56 - 2BR 48 - 2BR TH 16 - 3BR TH	762 1,017 - 1,070 1,090 1,278	\$888 \$1,032 \$1,078 \$1,307	\$1.17 \$0.96 - \$1.01 \$0.99 \$1.02	Restricted to households at 80% of AMI. This property is owned by the CDA.
The Groves Apartments 7752 Hemingway Ave. Cottage Grove	1986 Renov 2014	72 0 0.0%	2 - 2BR 70 - 3BR	906 976	\$949 \$974	\$1.05 \$1.00	Restricted to households at 60% of AMI. This property is owned by the HRA.
Park Place I and II 300 Pullman Ave St. Paul Park	1963	42 0 0.0%	7 - 1BR 35 - 2BR	466 - 625 660	\$694 \$757	\$1.11 - \$1.49 \$1.15	Restricted to households at 80% of AMI. Property received LIHTC funding; also supports Vouchers and Bridges
Market Area Totals		336	0	0.0%			
<i>Subsidized</i>							
Woodmount Townhomes 8815 90th St S Cottage Grove Section 8	1980	50 0 0.0%	16 - 2BR TH 30 - 3BR TH 4 - 4BR TH	882 1,313 1,625	\$936 \$1,172 \$1,302	\$1.06 \$0.89 \$0.80	Tenants pay 30% of AGI; waiting list of 1 yr Profile: families with children. Wait list is currently closed
Market Area Totals		50	0	0.0%	Contract Rent		
FOREST LAKE							
<i>Affordable</i>							
Forest Oak Apartments I & II 19830 Forest RD N Forest Lake LIHTC	2012 2016	168 2 0.0%	100 - 2BR 68 - 3BR	926 1,195	\$1,027 \$1,172	\$1.11 \$0.98	Controlled access, extra storage, washer and dryer in each unit. Playground and attached garage available.
Forest Ridge Townhomes 1246 4th Street SE Forest Lake LIHTC	2007	38 0 0.0%	14 2BR 24 3BR	1,287 - 1,287 1,392	\$1,299 \$1,497	\$1.01 - \$1.01 \$1.08	Tenant pays everything except water/sewer. Attached two-car garage, large closets, W/D in each unit, central air
Market Area Totals		206	2	1.0%			
<i>Subsidized</i>							
Westridge Townhomes 848 12th St. SW Forest Lake Section 8	1980	42 0 0%	42 - 3BR TH	1,200	\$1,276	\$1.06	Tenants pay 30% of AGI. Detached garages. Wait list is closed.
West View Apartments 680 SW 12th Street Forest Lake Section 8	1977	32 0 0.0%	15 - 1BR 15 - 2BR 2 - 3BR	1,000 1,200	\$736 \$947	\$0.74 \$0.79	Tenants pay 30% of AGI. A portion of the units must meet requirements for Fair Market Rents.
Market Area Totals		74	0	0.0%	Contract Rent		
CONTINUED							

RENTAL MARKET ANALYSIS

TABLE R-7 AFFORDABLE/SUBSIDIZED GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022 (continued)							
Property Name/Location	Year Built	Units/Vacant	Unit Mix	Unit Size	Contract Rent/ Rent Range	Rent per Square Foot	Amenities/Comments
MAHTOMEDI/GRANT AREA							
<i>Affordable</i>							
Woodland Townhomes 947 Woodland Dr. Mahtomedi LIHTC	1996	30 0 0.0%	30 - 3BR TH	1,322 - 1,502	\$1,181 - \$1,363	\$0.89 - \$1.03	Heat paid by tenant; attached garage included; in-unit W/D. Households must have incomes at or less than 60% of AMI
Market Area Totals		30	0	0.0%			
<i>Subsidized</i>							
Lincoln Place Apts 850 Stillwater Rd Mahtomedi Section 8	1979	78 0 0.0%	48 - 2BR 30 - 3BR	827 992	\$1,225 \$1,444 Contract Rent	\$1.48 \$1.46	Formerly known as Diamond Estates. Profile: families with young children. Tenants pay 30% of AGI.
Market Area Totals		78	0	0.0%			
OAKDALE							
<i>Affordable</i>							
Arbors at Red Oak 4980 Hamlet Ave. N Oakdale LIHTC	2008	29 0 0.0%	19 - 2BR 10 - 3BR	975 1,192 - 1,206	\$1,055 \$1,255	\$1.08 \$1.05	Washer/dryer in-unit, community room, extra storage, playground, and underground parking.
Briar Pond 1591 Granada Ave. N Oakdale	1991	196 0 0.0%	90 - 1BR 74 - 2BR 24 - 2BR TH 8 - 3BR TH	726 - 738 986 - 1,008 1,054 1,237	\$956 \$1,071 - \$1,201 \$1,255 \$1,371	\$1.30 - \$1.32 \$1.09 - \$1.22 \$1.19 \$1.11	Restricted to households at 80% of AMI. This property is owned by the HRA.
Geneva Village 6040 40th St. N Oakdale LIHTC	1970 1997	175 0 0.0%	115 - 1BR 60 - 2BR	625 900	\$750 \$850	\$1.20 \$0.94	Heat included in rent; wall-unit A/C; some dishwashers; coin-op laundry; detached garage; playground/picnic area; storage.
Century Oaks 1213 Gentry Ave. N Oakdale LIHTC	1970 1994	175 0 0.0%	30 - Eff. 85 - 1BR 60 - 2BR	390 625 890	\$750 - \$765 \$895 - \$920 \$1,100 - \$1,125	\$1.92 - \$1.96 \$1.43 - \$1.47 \$1.24 - \$1.26	Heat included in rent; detached garage- \$50/mo; coin-op laundry.
Oakdale Terrace Townhomes 1213 Gentry Ave. N Oakdale LIHTC	1997	17 0 0.0%	16 - 3BR 1 - 4BR	1,407 1,729	\$1,234 - \$1,234 \$1,364 - \$1,364	\$0.88 - \$0.88 \$0.79 - \$0.79	Heat included in rent; detached garage- \$50/mo; coin-op laundry.
Market Area Totals		592	0	0.0%			
<i>Subsidized</i>							
Waterford Townhomes 1531 Hallmark Circle Oakdale Section 8	1979	31 0 0%	25 - 2BR TH 6 - 3BR TH	800 950	\$927 \$1,136 Contract Rent	\$1.16 \$1.20	Tenants pay 30% of AGI; Profile: single mothers with children; some couples - most working. Wait list is currently closed.
Granada Lakes TH 3915 Granada Way N Oakdale Section 8	1976	68 0 1.4%	68 - 3BR TH	1,280	\$1,300	\$1.02	Private entrances; 4-level units; tenant pays electric & heat; 1 car attached garage included in rent; central A/C; W/D. Accepts vouchers. 60% of AMI or
Century North Apts. 4131 Geneva Ave. Oakdale Section 8	1972	177 0 0%	70 - 1BR 107 - 2BR	682 937 - 971	\$619 \$727	\$0.91 \$0.75 - \$0.78	Tenants pay 30% of AGI; Profile: sizable number of working couples; some families with children. Wait list is currently open.
Gentry Place Townhomes 1353 Gentry Ave. N Oakdale Section 8	1971	48 0 0%	48 - 3BR	1,060	\$1,130	\$1.07	Tenants pay 30% of AGI; Profile: mostly families with young children.
Gentry Apartments 1343 Gentry Ave N Oakdale Section 8	1980	42 2 0%	12 - Std 10 - 1BR 20 - 2BR	550 700 990	\$865 \$1,043 \$1,224	\$1.57 \$1.49 \$1.24	Tenants pay 30% of AGI; Profile: mostly families with young children. Converted to market rate. Upgraded flooring in kitchen; new appliances, new carpeting.
Market Area Totals		366	2	0.5%			
CONTINUED							

RENTAL MARKET ANALYSIS

TABLE R-6 AFFORDABLE/SUBSIDIZED GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY April 2022 (continued)							
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Contract Rent/ Rent Range	Rent per Square Foot	Amenities/Comments
EAST CENTRAL							
<i>Affordable</i>							
Curve Crest Villas 2225 W. Orleans St. Stillwater LIHTC	2003	32 n/a	1 - 1BR 7 - 2BR 24 - 3BR	728 1074 1245	\$850 \$1,000 \$1,200	\$1.17 \$0.93 \$0.96	Garages, storage lockers, Underground Parking, Water, Sewer, Garbage Included in the rent.
Long Lake Villas Long Lake Drive Stillwater LIHTC	2000	21 n/a	14 - 2BR 7 - 3BR	967 1140	\$1,000 \$1,200	\$1.03 \$1.05	Attached garage, washer and dryer in-unit, storage area, playground, and spacious floor plans.
St. Croix Village 1677 Orlean St. Stillwater LIHTC	1996	20 0 0%	19 - 3BR 1 - 4BR	n/a n/a	\$965 \$1,040	n/a n/a	No current waiting list. Tenant profile: mostly families.
Cottages of Stillwater 2210 Cottage Dr. Stillwater LIHTC	1991	36 0 0%	36 - 2BR	868	\$855	\$0.99	Restricted to households at 60% of AMI.
Orleans Homes 1401 Cottage Dr. Stillwater LIHTC	1986	93 0 0%	53 - 1BR 40 - 2BR	713 813 - 868	\$725 \$855	\$1.02 \$0.99 - \$1.05	Single-level units w/private entrance; attached garages & detached; tenants pay electricity, cable & phone; wA/C sleeves; W/D hook-ups; 26 units are affordable to accommodate qualified residents with HRA/Sec. 8 vouchers.
Brick Pond Apartments 1635 S. Greeley St. Stillwater	1985	40 0 0.0%	10 - Eff. 3 - 1BR 27 - 2BR	440 660 810	\$574 \$685 \$794	\$1.30 \$1.04 \$0.98	Restricted to households at 80% of AMI. This property is owned by the HRA.
Market Area Totals		242	0				
<i>Subsidized</i>							
Charter Oaks TH's 1198 Curve Crest Blvd. Stillwater Section 8	1982	60 0 0%	3 - 1BR 35 - 2BR 20 - 3BR 2 - 4BR	840 1080 1260 1700	\$750 \$945 \$1,030 \$1,144	\$0.89 \$0.88 \$0.82 \$0.67	Tenants pay 30% of AGI; Profile: mostly families, single mothers.
Victoria Villa 1451 S. Greeley St. Stillwater Section 8	1979	40 2 5.0%	13 - 1BR 27 - 2BR	n/a n/a	n/a n/a	n/a n/a	Tenants pay 30% of AGI; Profile: families.
Birchwood TH Apts. 14840 62nd St. N Stillwater Section 8	1974	51 0 0%	11 - 1BR 24 - 2BR 16 - 3BR	n/a n/a n/a	\$766 \$905 \$1,136	n/a n/a n/a	Tenants pay 30% of AGI; Profile: mostly single mothers with children & some families.
Raymie Johnson Estates 14830 58th St N Oak Park Heights Section 8	1971	24 1 0%	14 - 2BR TH 10 - 3BR TH	1500 1680	\$858 \$831	n/a n/a	Tenants pay 30% of AGI; Profile: mostly single-parent families. This property is owned by the HRA.
Market Area Totals		175	3	1.7%			
CONTINUED							

RENTAL MARKET ANALYSIS

TABLE R-7 AFFORDABLE/SUBSIDIZED GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES WASHINGTON COUNTY February 2022 (continued)							
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Contract Rent/ Rent Range	Rent per Square Foot	Amenities/Comments
WOODBURY AREA							
<i>Affordable</i>							
Views at City Walk 375 Lakeview Drive Woodbury LIHTC	2019	45 0 0%	26 - 1BR 5 - 1BR+D 14 - 2BR	700 - 700 841 - 841 1,098 - 1,098	\$1,181 - \$1,181 \$1,235 - \$1,235 \$1,417 - \$1,417	\$1.69 - \$1.69 \$1.47 - \$1.47 \$1.29 - \$1.29	Full kitchen appliances incl microwave/ dishwasher; common laundry each fl; large closets; community rm; outdoor patio; computer lab; one surface pkg stal No availability
Sienna Ridge Townhome 11086 Cresthaven Trail Woodbury LIHTC	2008	41 0 0%	20 - 2BR 21 - 3BR	1,370 1,500 - 1,516	\$1,311 \$1,509	\$0.96 \$1.00 - \$1.01	Resident pays everything except water/sewer. Dbl car att garage, playground, central air, patio; in-unit w/dryer.
Pond View Townhomes 431-G Woodduck Place Woodbury LIHTC	2004	40 0 0%	19 - 2BR TH 16 - 3BR TH 5 - 4BR TH	961 - 1,055 1,191 1,479	\$1,311 - \$1,500 \$1,509 - \$1,900 \$1,678 - \$2,100	\$1.36 - \$1.56 \$1.27 - \$1.60 \$1.13 - \$1.42	Affordable at 50% and 60% of AMI. 5 units are market rate.
Lakeside Townhomes 10381 Hudson Road Woodbury LIHTC	2001	40 0 0%	15 - 2BR TH 15 - 3BR TH 10 - 4BR TH	1,041 - 1,041 1,352 - 1,352 1,932 - 1,932	\$1,311 - \$1,500 \$1,509 - \$1,900 \$1,678 - \$2,100	\$1.26 - \$1.26 \$1.12 - \$1.12 \$0.87 - \$1.09	Tenants pay heat and electric; attached garage incl. in rent; in-unit W/D; four units will be market rate-and four will be Hollman Units.
Ashwood Ponds 6725 Ashwood Rd. Woodbury LIHTC	1996	36 0 0.0%	6 - 1BR 20 - 2BR 10 - 3BR	685 900 1,100	\$1,113 - \$1,123 \$1,325 - \$1,345 \$1,529 - \$1,549	\$1.62 - \$1.64 \$1.47 - \$1.49 \$1.39 - \$1.41	Three story building with tuck-under garages on one side. Laundry room on floor is the only common area. Some residents utilize Section 8 vouchers.
Market Area Totals		202	0	0.0%			
Total of All Sub./ Aff.		2,393	4	0.2%			
**Washington County HRA also manages 56 scattered site units throughout Washington County. Scattered Site units were converted to Tenant Protection Vouchers (Section 8). When a voucher resident vacates, the unit rent must meet Wash Co FMR Payment Standards with max income at or less than 80% AMI.							
Sources: Washington County CDA; Maxfield Research and Consulting, LLC							

- Most newer properties (post-2010) feature stainless appliances, vinyl plank flooring, center kitchen islands and granite or quartz counters and high ceilings (9 ft). Older properties that have upgraded their units have been installing many of these contemporary features to continue to remain competitive in the market, attract tenants and increase their net return on investment, especially when interest rates have been very low.
- Although older properties often do not have in-unit washer/dryers, owners may still upgrade appliances, countertops and flooring. Some new properties have been developed with slightly more affordable rents but with no income restrictions for tenants. These “market rate affordable” properties may have wall-unit air and detached garages and no elevators to reduce costs and keep rents below the top of the market.

Affordable/Subsidized Properties

The survey included a total of 2,393 units in affordable (shallow-subsidy, usually LIHTC or bond-financed) and subsidized (usually Section 8 or 811) properties. Affordable properties have 1,650 units and subsidized properties have 743 units. Some properties were reclassified between 2017 and 2022 due to ending their compliance periods, non-renewal of HUD contracts or new information on affordability thresholds.

RENTAL MARKET ANALYSIS

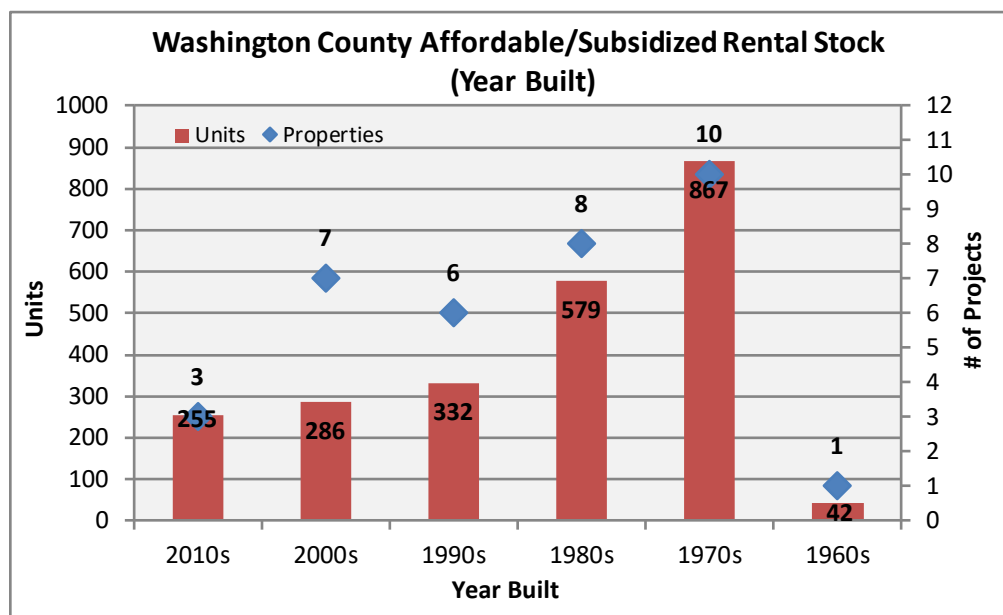
The chart below shows the number of affordable/subsidized properties and the total number of units by decade. Category reflects year originally built and does not incorporate either a partial or full renovation of the property. As with market rate properties, a portion of affordable/subsidized properties have been renovated and/or had units and common areas upgraded. In order to preserve affordability, a portion of HUD properties needing improvements have had those improvements funded through the LIHTC program. The Washington County CDA is the LIHTC allocating agency for the county.

Most deep-subsidy properties (project-based Section 8) were originally built in the late 1970s and early 1980s. By the 1990s, most new affordable rental developments were funded through the Low Income Housing Tax Credit Program. Virtually all LIHTC properties have rent levels that facilitate households' use of Section 8 Vouchers. A past analysis of the proportion of tenants residing in LIHTC properties and utilizing a voucher was an estimated 20%. Although not confirmed, we estimate that this proportion has increased over time.

A total of 36 properties with 2,393 units is included in the analysis. Nearly 37% of units were built in the 1970s and another 25% were built in the 1980s. Only 11% were built in the 2010s. This shows the challenges associated with delivering affordable housing units to the market. The proportion of affordable/subsidized properties decreases in each decade. Despite touting the number of units of affordable housing that have been constructed, this data shows that overall, deliveries have not kept up with the rise in demand for these units.

Of the properties surveyed, we identified only four units vacant, for an overall vacancy rate of 0.2%, far below market equilibrium levels (affordable-5% and subsidized-2%).

Of all renter households assisted by Housing Choice Vouchers, 74% have annual incomes less than \$20,000.



RENTAL MARKET ANALYSIS

- Since the 2017 update, Red Rock Square (2017) and Views at City Walk (2019) and Harvestview Landings (2020) are the only three general occupancy affordable properties to come on-line over the period. These three properties have a combined 132 units, minimal when considering potential demand. In 2013 and 2017, the affordable/subsidized vacancy rate was 0.6%; in 2022, it was 0.2%.
- An estimated 45% of affordable/subsidized units in Washington County have two bedrooms and 28% have one bedroom. Another 23% have three bedrooms with the remaining proportions divided among studio, one-bedroom plus den and four-bedroom units. The proportional breakout by unit type is summarized below. Despite the demand for larger size rental units, the proportion is very low for four-bedroom units.
 - Studio: 2.4%
 - One-bedroom: 28.2%
 - One-bedroom plus den: 0.3%
 - Two-bedroom: 45.0%
 - Three-bedroom: 23.0%
 - Four-bedroom: 1.1%
- The following are the monthly rent ranges and average rent for the units at the affordable properties, which have a quoted rent and not a percentage of the tenant's monthly income:
 - Studio: \$669 to \$750 | Avg. \$730
 - One-bedroom: \$694 to \$1,181 | Avg. \$907
 - One-bedroom plus Den: \$1,235 | Avg. \$1,235
 - Two-bedroom: \$757 to \$1,500 | Avg. \$1,063
 - Three-bedroom: \$974 to \$1,900 | Avg. \$1,276
 - Four-bedroom: \$1,580 to \$2,100 | Avg. \$1,650
- The average monthly rent per square foot among the surveyed properties was \$1.14. Rent per square foot varied by unit type as illustrated below:
 - Studio: \$1.81
 - One-bedroom: \$1.33
 - One-bedroom plus den: \$1.47
 - Two-bedroom: \$1.12
 - Three-bedroom: \$1.04
 - Four-bedroom: \$0.94

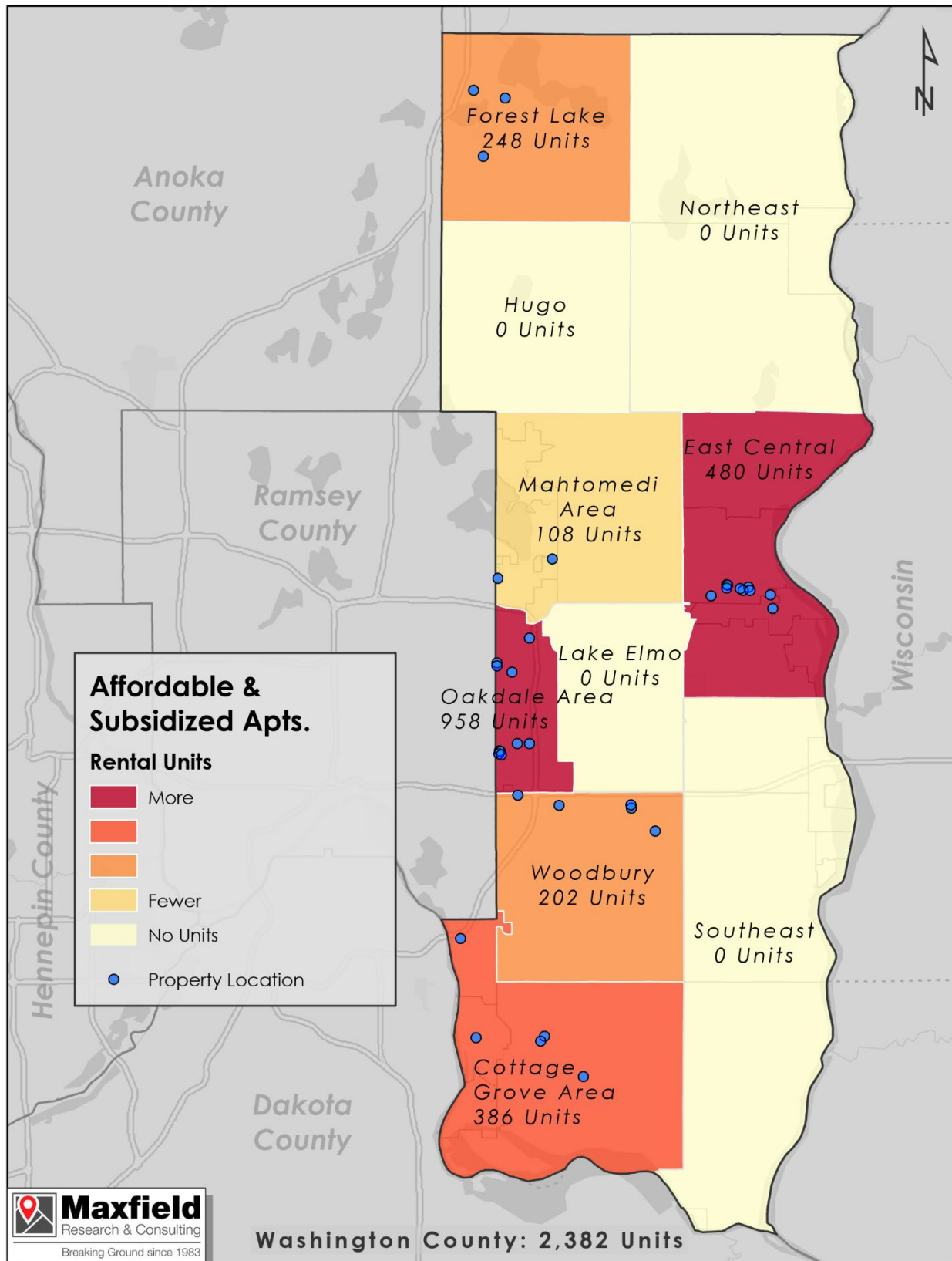
RENTAL MARKET ANALYSIS

The table below shows a comparison of Fair Market Rents by unit type for Washington County against rents for the affordable properties included in the survey as well as market rate properties, those built 2018 and newer.

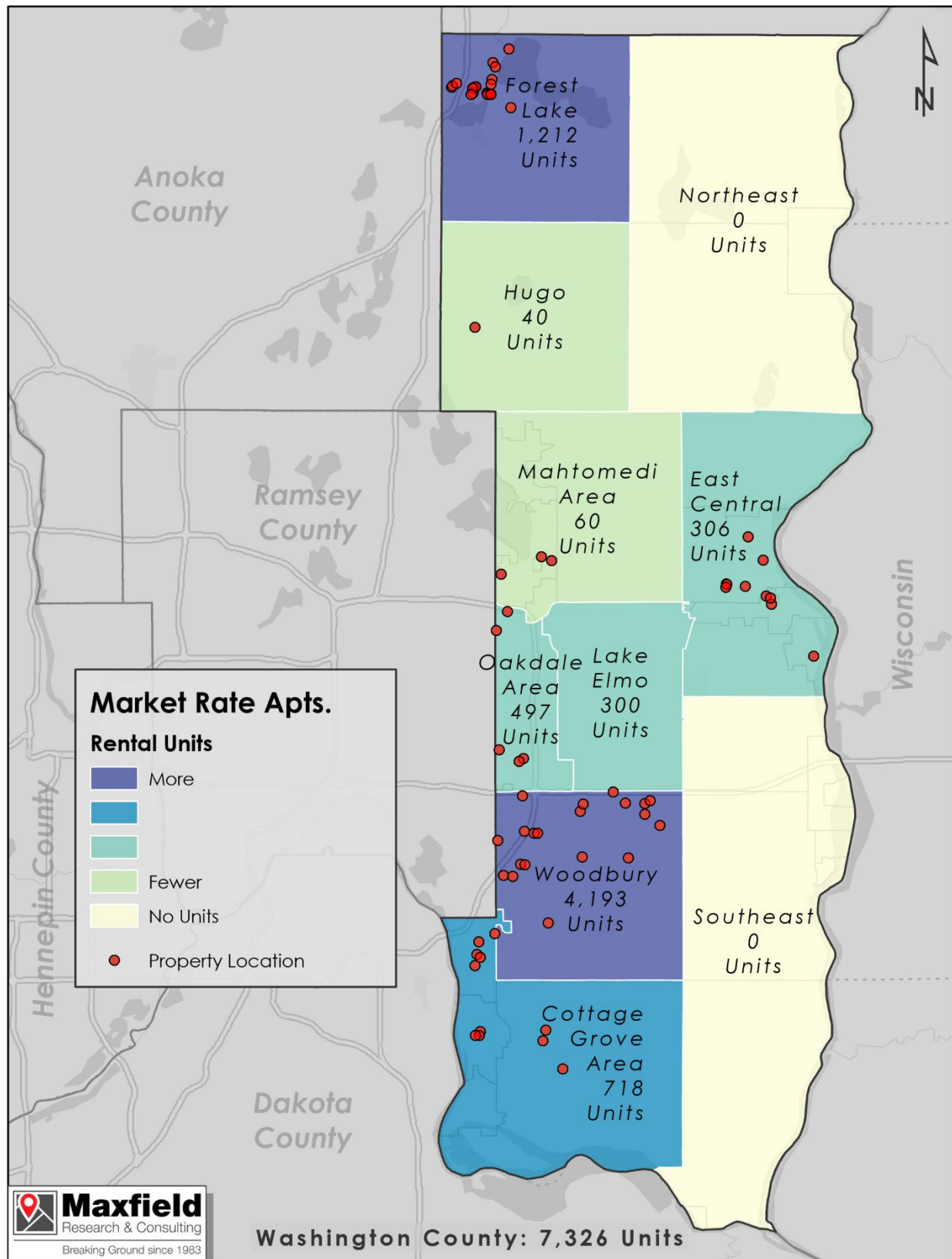
Comparison of Current Rent Levels			
	FMRs	Affordable	Market Rate-New
Studio	\$932	\$730	\$1,401
1BR	\$1,078	\$907	\$1,578
1BR+Den	---	---	\$1,830
2BR	\$1,329	\$1,063	\$1,996
2BR+Den	---	---	\$2,602
3BR	\$1,841	\$1,276	\$2,646
4BR	\$2,145	\$1,650	---
1BR TH	---	---	\$1,827
2BR TH	---	---	\$2,811
3BR TH	---	---	\$3,575
2BR SF	---	---	\$2,943
3BR SF	---	---	\$3,320
4BR SF	---	---	\$3,669
5BR SF	---	---	\$4,128
Sources: HUD; Maxfield Research and Consulting, LLC			

Since 2017, a total of 2,057 market rate rental units have been added in Washington County. Most of these units were added in Woodbury (1,137) with units also added in Cottage Grove (120), Lake Elmo (300), Forest Lake (424), Mahtomedi (36) and Hugo (40). Rents for new construction market rate properties are as follows from our survey:

Affordable/Subsidized Rental Housing Units, 2022



Market Rate Rental Housing Units, 2022



- There are 24 affordable rental properties in Washington County that consist of 1,650 units. As of February 2022, there were two vacancies (0.1% vacancy rate). The affordable properties have income restrictions which range between at or less than 50% to at or less than 80% of Area Median Income (AMI). Affordable rental developments are typically financed through the Low-Income Housing Tax Credit (LIHTC) program, sometimes referred to as the Section 42 program after the section of the IRS Code governing the LIHTC program. Other types of bond funding mechanisms have also been used to obtain affordability. The maximum income limit for residency at LIHTC properties is established by HUD and is based on 60% of the Washington County median income by household size (Washington County is included in the AMI limits for the Twin Cities Metro Area (MSA), which was \$104,900. Current income limits are summarized in Table R-8.
- The 13 subsidized rental properties have 743 units with two vacancies (0.3% vacancy rate). The properties are a mix of Project-Based Section 8 and Section 236 developments. Residents of subsidized units pay a rent equal to 30% of their adjusted gross income (AGI) and must meet a household income restriction of 50% or less of AMI.
- Table R-8 shows the maximum allowable incomes by household size to qualify for affordable and subsidized housing and maximum gross rents that can be charged by bedroom size in Washington County. Table R-8 also shows the Fair Market Rent for Washington County. Fair Market Rents, established by HUD annually, are housing market-wide estimates of rents that provide opportunities to rent standard quality housing throughout the geographic area (i.e. Minneapolis-St. Paul Statistical Area) in which rental housing units are in competition. The level at which Fair Market Rents are set is expressed as a percentage point within the rent distribution of standard quality rental housing units in the area. These figures are used as a basis for determining the payment standards. Payment Standards are established annually by administering agencies of the Housing Choice Voucher Program to reflect a modest average rent in their jurisdiction. The Payment Standard is used in the formula to determine the maximum housing assistance payment.

RENTAL HOUSING MARKET ANALYSIS

TABLE R-8
MHFA/HUD INCOME AND RENT LIMITS
WASHINGTON COUNTY - 2022

	Income Limits by Household Size							
	1 pph	2 phh	3 phh	4 phh	5 phh	6 phh	7 phh	8 phh
30% of median	\$24,660	\$28,170	\$31,680	\$35,190	\$38,010	\$40,830	\$43,650	\$46,470
50% of median	\$41,100	\$46,950	\$52,800	\$58,650	\$63,350	\$68,050	\$72,750	\$77,450
60% of median	\$41,100	\$46,950	\$52,800	\$58,650	\$63,350	\$68,050	\$72,750	\$77,450
80% of median	\$65,760	\$75,120	\$84,480	\$93,840	\$101,360	\$108,880	\$116,400	\$123,920
100% of median	\$82,200	\$93,900	\$105,600	\$117,300	\$126,700	\$136,100	\$145,500	\$154,900
120% of median	\$98,640	\$112,680	\$126,750	\$140,760	\$152,040	\$163,320	\$174,600	\$185,880
	Maximum Gross Rent							
	EFF	1BR	2BR	3BR	4BR	5BR		
30% of median	\$616	\$660	\$792	\$915	\$1,020	\$1,126		
50% of median	\$1,027	\$1,100	\$1,320	\$1,525	\$1,701	\$1,877		
60% of median	\$1,233	\$1,320	\$1,584	\$1,830	\$2,041	\$2,253		
80% of median	\$1,644	\$1,761	\$2,112	\$2,440	\$2,722	\$3,004		
100% of median	\$2,055	\$2,347	\$2,640	\$2,932	\$3,167	\$3,402		
120% of median	\$2,466	\$2,817	\$3,168	\$3,519	\$3,801	\$4,083		
	Final-2022 Fair Market Rents							
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$932	\$1,078	\$1,329	\$1,841	\$2,145			
Note: Washington County figures based on Mpls-St. Paul-Bloomington MSA.								
Sources: MHFA, HUD, Novogradac, Maxfield Research and Consulting LLC								

Subsidized Housing Assistance Program

In addition to project-based housing assistance, which are subsidies that remain with units at a specific property, “tenant-based” subsidies such as Housing Choice Vouchers, can help low income households find housing in the private market. The tenant-based subsidy is funded by the Department of Housing and Urban Development (HUD) and is managed by the Washington County CDA. Under the Housing Choice Voucher program, qualified households are issued a voucher that the household can take to an apartment that has rent levels within the Payment Standards set by the administering agency. The household then pays approximately 30% of their adjusted gross income for rent and utilities and the Federal government pays the remainder of the rent to the landlord. The maximum income limit to be eligible for a Housing Choice Voucher is 50% of AMI based on household size, as shown in Table R-8. Of the market-rate general occupancy, only 11 of the 59 properties indicated that they accept Housing Choice Vouchers, representing 19% of the market rate properties.

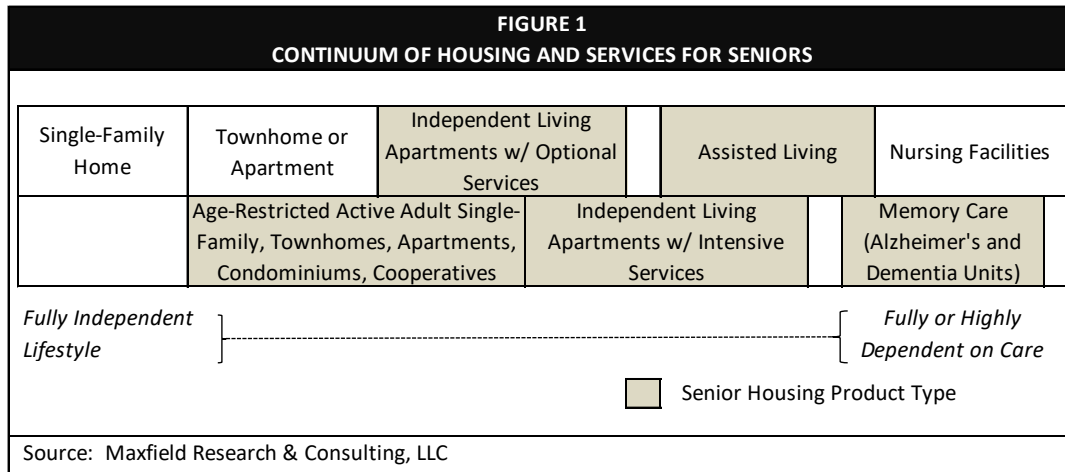
Housing Choice Vouchers

Currently, the CDA services 300 port-in vouchers. A total of 26 CDA vouchers are ported to other agencies. Port-ins and port-outs change slightly each month. The county has 95 vouchers under the HCV program and 51 Tenant Protection Vouchers. The Tenant Protection Vouchers were transitioned to the 51 Scattered Site units under the control of the CDA. These units include two-, three- and four-bedroom townhomes and single-family homes for families. For the 51 Scattered Site units, if a voucher tenant exits one of the scattered site units, a tenant without a voucher is eligible to rent the unit provided their household income is at or less than 80% of AMI. Rents for the scattered site units range from \$1,135 to \$1,900 per month and must meet the CDA's payment standards for Fair Market Rent.

Portability clients are households who hold a Housing Choice Voucher issued from another jurisdiction but have chosen to live in Washington County. The current wait list for the Housing Choice Voucher program is 50 households. These households have been on the wait list for several years and typical turnover per year for Vouchers is two to three households per year. Administering agencies have been experiencing greater difficulties with being able to fully serve all of the Vouchers that they are allocated due to federal budget cuts. This year again, there is uncertainty surrounding the federal budget and amounts that will be allocated to the Housing Choice Voucher program. With recent cuts, fewer households have been able to be served overall in the Housing Choice Voucher program.

Senior Housing Defined

The term “senior housing” refers to housing developments that are restricted to people age 55 or older or age 62 or older, depending on the financing program. Today, senior housing includes a full spectrum of housing alternatives, which occasionally overlap, thus making the differences somewhat ambiguous. The level of support services offered however, best distinguishes them. As Figure 1 illustrates, senior housing embodies a wide variety of product types across the service-delivery spectrum.



For analytical purposes, Maxfield Research and Consulting, LLC classifies senior housing into five categories based on the level and type of services offered as described on the following page.

Active Adult/Few Services
Active Adult properties (or independent living without services available) are similar to a general-occupancy building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Residents are generally age 70 or older if in an apartment-style building. Organized entertainment, activities and occasionally a transportation program represent the extent of services typically available at these properties. Because of the lack of services, active adult properties generally do not command the rent premiums of more service-enriched senior housing. Active adult properties can have a rental or owner-occupied (condominium, townhome or cooperative) format.
Independent Living
Independent Living properties (independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties often dedicate a larger share of the building to common areas to encourage socialization among residents. Although unit sizes had, in the past, been smaller, on average, than for active adult buildings, new independent living properties are incorporating higher proportions of larger size units in their mix as the proportion of couples has increased and many prospects are relocating from larger size homes. Independent living properties usually attract a slightly older target market than active adult housing (i.e. seniors age 75 or older). Rents are also above those of active adult buildings. Sponsorship by a nursing home, hospital or health care organization is common, although an increasing number of private developers have entered the market and are partnering with health care operators to provide services.
Assisted Living
Assisted Living properties come in a variety of forms, but the target market for most is generally the same: frail seniors, typically age 80 or older (but can be much younger, depending on their health situation), who need extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Depending on specific licensing requirements in each state, properties may be required to include three meals per day and other services in the monthly fee. Assisted living properties also have staff on duty 24 hours per day or at least 24-hour emergency response. Licensing by the state is common and is usually required.
Memory Care
Memory Care properties, designed specifically for persons suffering from Alzheimer's disease or other dementias, is a newer component of the senior housing spectrum, but is rapidly becoming mainstream. Older memory care properties typically provide suite-style or studio units. Newer properties may expand on unit offerings including apartment-style, one-bedroom units and/or two-bedroom companion designs. There is a large amount of communal area for meal preparation/dining, activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and the costs of care are also higher. Conventional assisted living usually attracts individuals that are single-person households whereas a higher proportion of people that are afflicted with Alzheimer's disease or other forms of dementia are in two-person households. This often means that the decision to move a spouse or loved one into a memory care facility involves the caregiver's or family's concern of incurring the costs of health care at a special facility while continuing to maintain the current living situation or home of the caregiver/spouse.

Skilled Nursing Care

Skilled Nursing Care, or long-term care, provides a living arrangement that integrates shelter and food with medical, nursing, psychosocial and rehabilitation services for persons who require 24-hour nursing supervision. Residents in skilled nursing homes can be funded under Medicare, Medicaid, Veterans, HMOs, insurance as well as use of private funds.

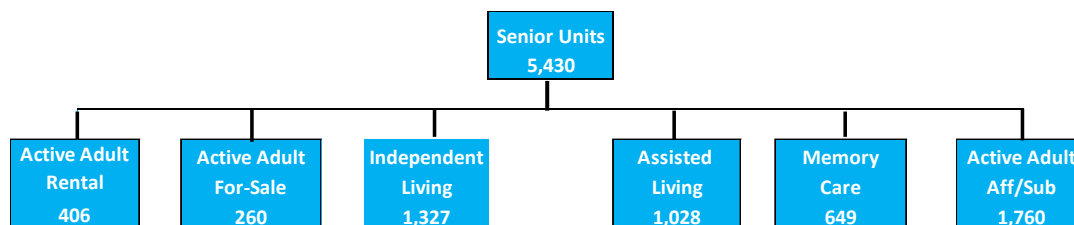
Products range from independent apartments and/or townhomes with virtually no services on one end, to highly specialized, service-intensive assisted living units or housing geared for people with dementia-related illnesses (termed "memory care") on the other end of the spectrum.

In general, independent senior housing attracts people age 65 and over while assisted living typically attracts people age 80 and older who need assistance with activities of daily living (ADLs).

Senior Housing in Washington County

As of February 2022, Maxfield Research identified 37 market rate senior housing properties in Washington County. Of those, 22 have more than one service level and five are mixed-income. Combined, the market rate properties have 3,670 units. There are another 27 properties with a total of 1,760 units that provide affordable or subsidized units (20 properties are affordable and seven properties are subsidized). Affordable developments are those where rent levels are restricted to age-qualified households with incomes from 50% to 80% of the Area Median Income adjusted for family size. Subsidized developments are those where the rent levels are restricted to age-qualified households with incomes at or less than 50% of the Area Median Income. In total, we identified 5,430 age-restricted housing units in Washington County.

The graphic below shows the distribution of senior housing units by product type and service level. Detailed property tables S-1 and S-2 are found in the Appendix. The following are key points from the survey of the senior housing supply.



Adult Rental

- There are 11 properties that provide active adult/few services rental housing. These properties have a combined 520 units. Of these, there were 20 vacant units for an overall vacancy rate of 3.8%. The villa homes at Lakes of Stillwater, which just recently opened, is still in initial lease-up. Excluding the villa homes, the vacancy rate drops to 2.0%. Active adult/few services units have a market equilibrium vacancy rate of 5% indicating a balanced market. As shown, there is some pent-up demand for additional active adult rental units in the market.
- The newest development to open in Washington County is The Lakes at Stillwater, a senior continuum of care campus which provides active adult villas and a separate building, The Lodge, that contains, independent, assisted and memory care living components. There are 30 villa homes and 139 units in the Lodge Building. A third phase of the development (Sandhill Shores) will add 70, one- and two-bedroom active adult apartments.
- Fields at Arbor Glen (2021) is the second newest active adult property to open since the previous update. Located in Lake Elmo, the development features a variety of one- and two-bedroom apartments, some with dens and 18 two- and three-bedroom villa homes. The property offers indoor and outdoor community gathering spaces, gardens, walking paths, a theater room and fitness center, pickle ball, horseshoe and bocce ball courts and other amenities.
- Redwoods Apartments at St. Therese (64 units) opened back in 2017, an addition to the St. Therese of Woodbury senior campus. Unit sizes range from 1,062 square feet for a one-bedroom to 1,857 square feet for a two-bedroom, plus sunroom deluxe unit. The Redwoods was a response to the market's demand for larger size units.
- Rents among the active adult/few services properties range from \$1,133 to \$2,700 for a one-bedroom unit, \$1,250 to \$3,298 for a two-bedroom unit, and \$1,050 to \$4,178 for a two-bedroom plus den/three-bedroom unit.

Active Adult Ownership

- There are four active adult ownership properties in Washington County, all cooperatives. Cardinal Pointe in Oakdale was built in 2007, Applewood Pointe of Woodbury was built in 2005, Zvago Stillwater opened in 2021 and Applewood Pointe of Lake Elmo will open in 2023.
- Sales of new cooperative units have been very strong. All units at Zvago Stillwater were sold prior to occupancy. Many of the Applewood Pointe developments have also experienced full sell-out prior to opening. Lifestyle Communities, the developer of the Zvago brand is now developing under the Artesa brand.

- Cooperative products involve purchasing a unit (or a share) and then paying monthly fees which include all utilities (unit and common areas), building maintenance and a portion of the blanket mortgage on the property.

Independent Living - Optional Services

- There are 13 independent living - optional-services developments in Washington County. Combined, these facilities have 1,117 units and as of February 2022, had 48 vacancies. A vacancy rate of 4.3% indicates limited pent-up demand for additional independent living units to reach a balanced market of 5%.
- Two new developments were built since 2017 with independent living level services. Combined, these facilities delivered 105 new independent living units to the market. Arbor Glen Senior Living (30 units) and The Lodge at Stillwater (75 units) provide independent living. Each property has separate assisted living units.
- Monthly rents among the independent living-optional services properties ranges from \$1,446 to \$3,835 for a one-bedroom unit and from \$1,725 to \$3,000 for a one-bedroom plus den unit. Two bedrooms range from \$1,820 to \$4,305 and two-bedroom plus den units range from \$2,221 to \$4,565 per month.
- Services typically include all utilities, local scheduled transportation to shopping, outings and doctors' appointments, coordinated activities and 24-hour on-site staff. Meals, housekeeping and other services may be included or offered as optional.

Independent Living - Service Intensive

- There are two independent living - service intensive developments in Washington County that have a combined total of 173 units. The Lodge at White Bear Lake and Boulder Ponds Senior Living (Lake Elmo). Together, the two properties had a combined vacancy rate of 5.7%. Most new properties offer a continuum of care and the independent living components
- Monthly rents range from \$2,450 to \$3,550 for one-bedroom units and from \$3,300 to \$4,100 for two-bedroom units. The Lodge at White Bear Lake also offers some efficiency units, which rent for \$1,925 to \$2,529 per month.
- Services include van transportation to shopping and outings, two to three meals daily, weekly/monthly housekeeping, all utilities included and 24-hour on-site staff.

Assisted Living

- Washington County has a total of 25 properties that offer assisted living services. These properties have a combined total of 1,028 units and an overall vacancy rate of 13.4%. Vacancies increased significantly from 2017 due to the Pandemic, which began in April 2020. Some of the vacancies are resulting from a severe shortage of care workers and that situation is anticipated to persist for many months yet.
- Five new properties were added beginning in 2017 through 2021. These five properties added 213 assisted living units. Four of the five properties are continuum of care and one is free standing – assisted living and memory care.
- Rents among the assisted living properties range from a low of \$934 per month (service package required in addition) to \$5,095 for efficiency units, where the care is all inclusive. One-bedroom unit pricing ranges from \$1,665 to \$5,095 for one-bedroom units and \$3,780 to \$6,195 for two-bedroom units. Unit sizes range from 337 to 735 square feet for efficiency units, 442 to 883 square feet for one-bedroom units and 746 to 1,300 square feet for two-bedroom units.
- All the assisted living developments include scheduled activities, weekly housekeeping, laundering of flat linens, 24-hour on-site staff and at least one meal daily; many properties however, offer two to three meals per day. Base monthly fees vary from property to property, depending on the amount of personal care, if any, that is included in the base monthly fee. All assisted living facilities charge fees for personal care, either a-la-carte, in service packages or included in the monthly fee (all inclusive, which is uncommon). A health needs assessment is completed for the resident at move-in and a personal care program is usually recommended.

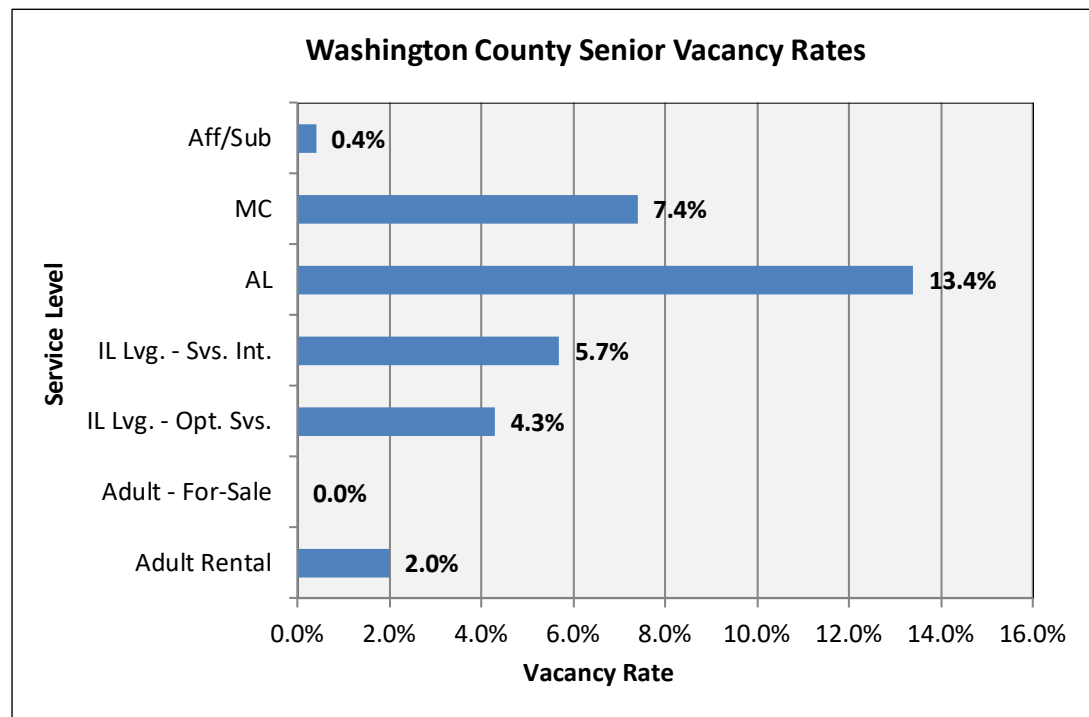
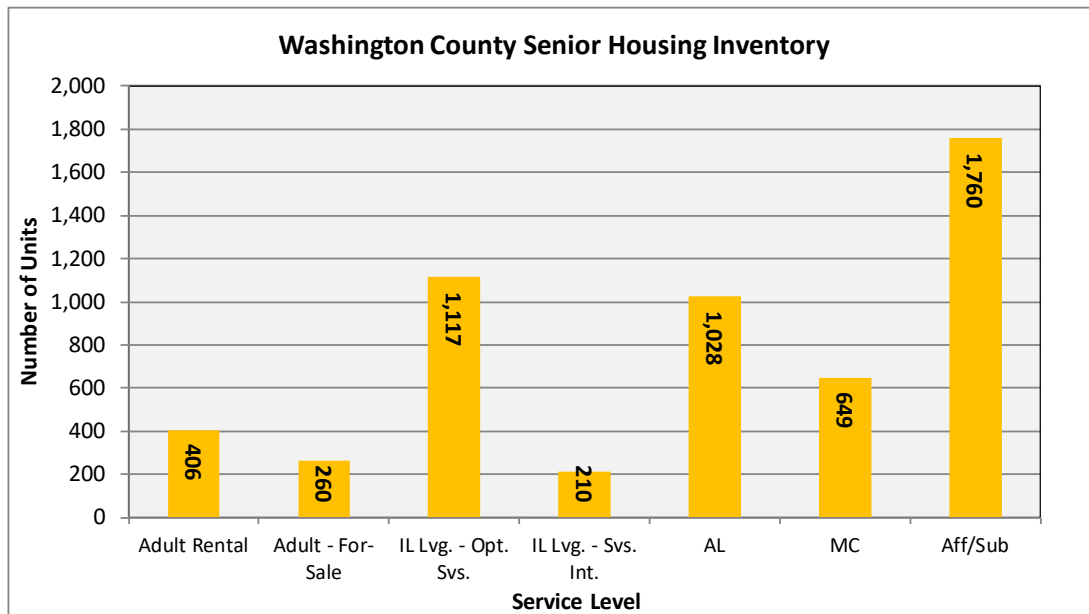
Memory Care

- There are 23 memory care facilities with 649 units in Washington County. There has been a significant increase in the number of memory care units over the past 15 years as market acceptance of these properties has grown. Most new continuum of care properties incorporate some memory care units in their developments. There has also been an increase in the number of dedicated memory care facilities such as Prelude Memory Care and Artis Senior Living, both in Woodbury.
- The memory care vacancy rate was 7.4% as of February 2022. Despite the Pandemic, this vacancy rate is a decrease from the previous study in 2017, when the rate was 10.3%, primarily due to the lease-up of two new properties at that time. Excluding those properties, the vacancy rate in 2017 for memory care was nearly equal to what it is now (7.1% in 2017 vs. 7.4% in 2022). Providers have commented that demand for memory care

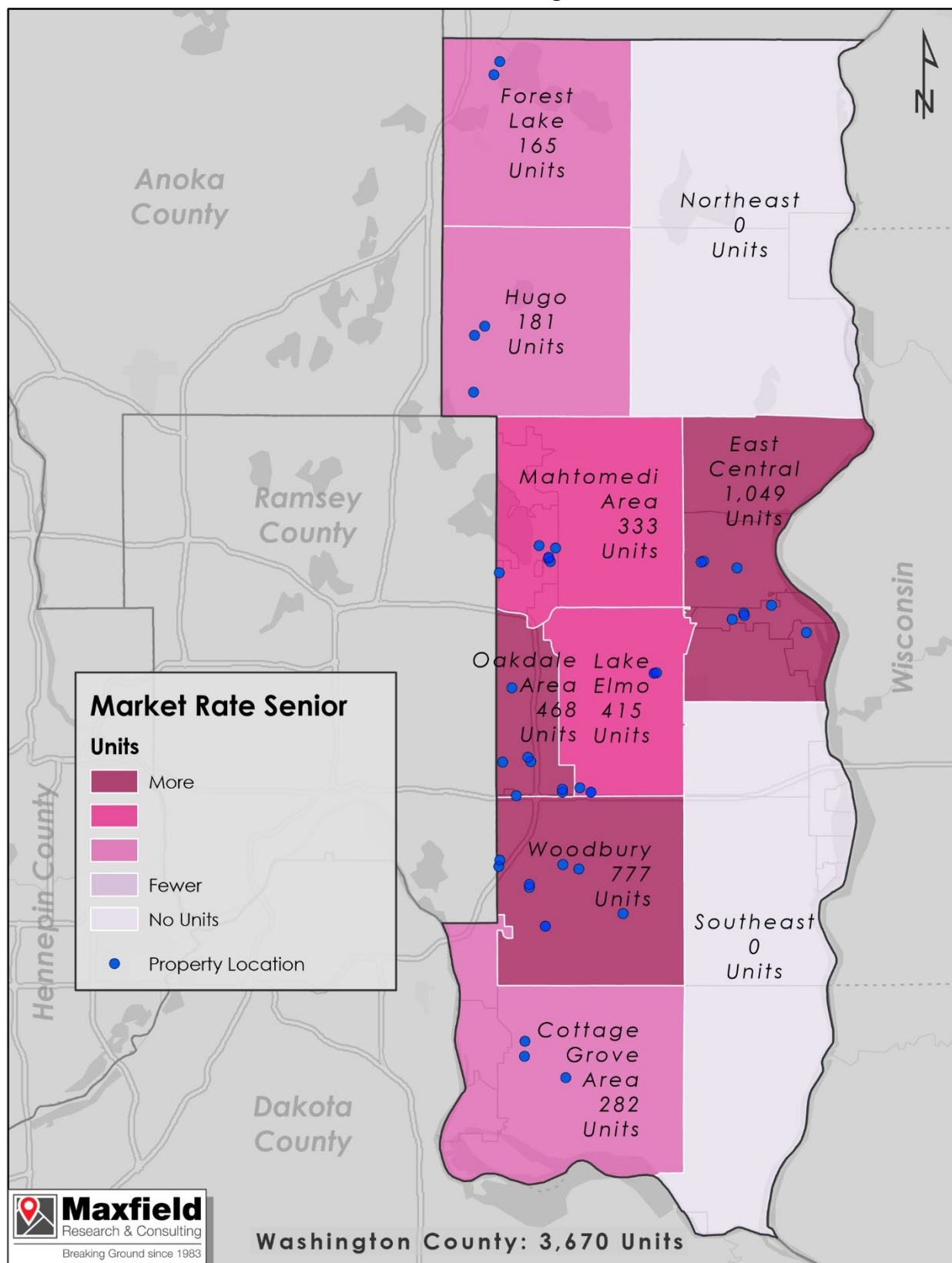
SENIOR HOUSING ANALYSIS

however, is returning more rapidly than assisted living. The significant challenge now is sufficient labor to support care.

- Monthly base fees for memory care facilities range from \$2,430 to \$6,000 for efficiency units, \$3,300 to \$4,475 for one-bedroom units and \$3,985 to \$4,845 for the few two-bedroom units. Rent ranges can have greater variances depending on the care needs of the resident.



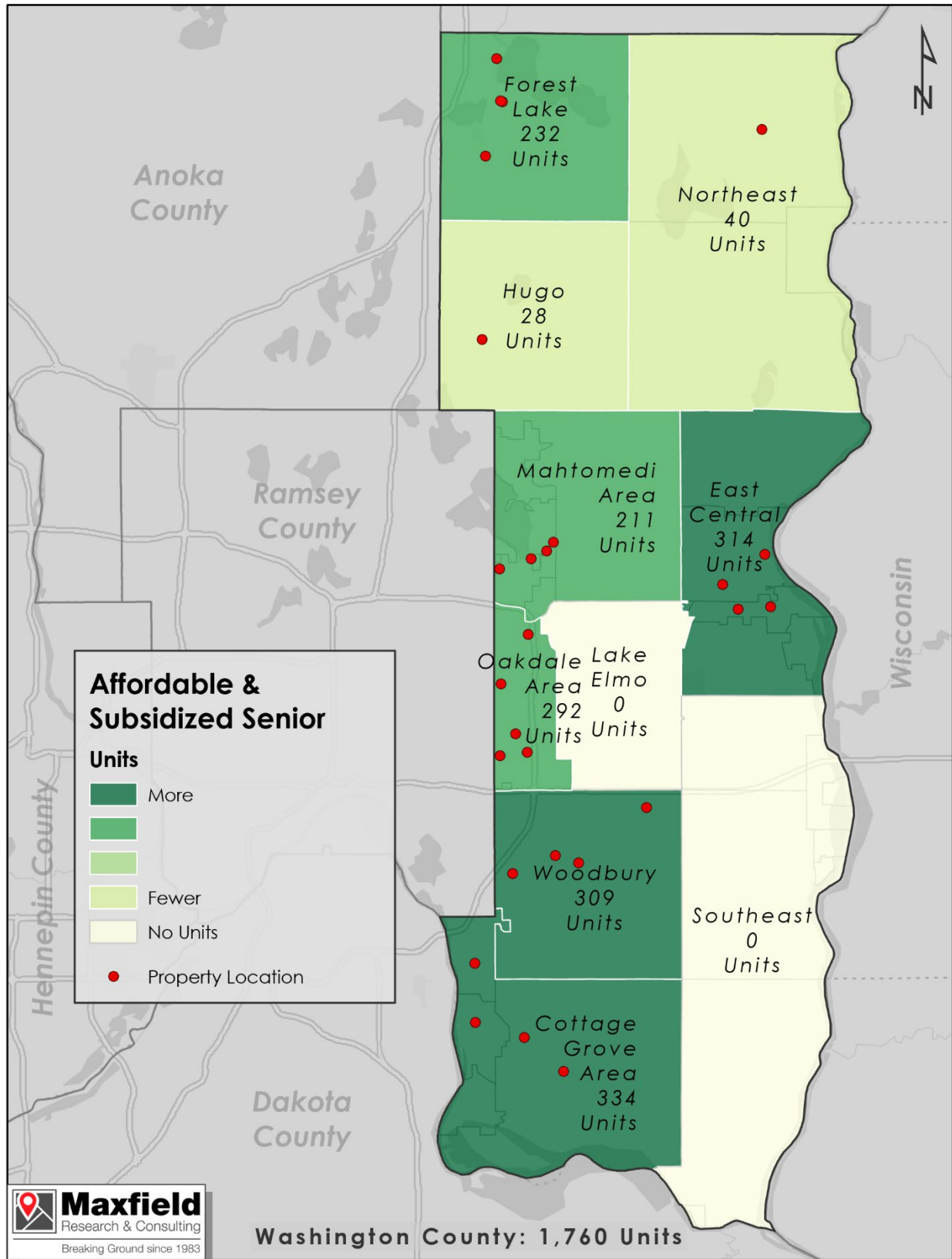
Market Rate Senior Housing Units, 2022



Affordable and Subsidized Senior Properties

- Subsidized senior housing offers rents affordable to qualified lower income seniors and handicapped/disabled persons. Typically, rents are tied to residents' incomes with incomes restricted to 50% or less of AMI and the rent paid is based on 30% of the household's adjusted gross income (AGI). For those households meeting the age and income qualifications, subsidized senior housing is usually the most affordable rental option available. Affordable properties are typically funded under the Low Income Housing Tax Credit Program or Section 42 or other assistance program with rents restricted to households with incomes between 50% and 80% of Washington County's area median income.
- There are 1,760 units in 27, affordable and subsidized senior properties. As of February 2022, there were seven units vacant (0.4% vacancy rate), indicating substantial pent-up demand for these types of units.
- An estimated 65% of the affordable and subsidized units have one-bedroom. The remaining units are two-bedroom (31%), three-bedroom (3%) and one-bedroom plus den (1%).
- The newest affordable age-restricted properties in Washington County are Legends of Woodbury (2019), The Glen at Valley Creek (2019) and Legends of Cottage Grove (2017). Combined, these properties have 442 units and all occupied.
- Typically, affordable senior housing offers limited to very few or no amenities. The newest properties however, offer community room, library, hair salon, computer stations, fitness center, game room, movie theater, in-unit washer/dryer, balconies, extra storage and underground parking (additional charge).

Affordable and Subsidized Senior Properties



SENIOR HOUSING ANALYSIS

TABLE S-3
SENIOR HOUSING SUMMARY BY WASHINGTON COUNTY SUBMARKET
FEBRUARY 2022

Product Type	Northeast	Stillwater	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Total
Affordable/Subsidized											
Units	40	314	-	232	28	211	292	-	309	334	1,760
Vacancy Rate*	0.0%	0.0%	-	0.0%	0.0%	0.9%	1.3%	-	0.0%	0.7%	0.6%
Active Adult Rental											
Units	-	135	-	-	-	69	120	78	-	4	406
Vacancy Rate*	-	5.2%	-	-	-	0.0%	0.8%	2.6%	-	0.0%	4.9%
Active Adult - For-Sale											
Units	-	48	-	-	-	-	55	84	73	-	260
Vacancy Rate*	-	0.0%	-	-	-	-	0.0%	-	0.0%	-	0.0%
Independent Living - Optional Services											
Units	-	518	-	49	29	-	94	30	243	154	1,117
Vacancy Rate*	-	5.0%	-	8.2%	3.4%	-	3.2%	0.0%	1.0%	3.2%	4.3%
Independent Living - Service Intensive											
Units	-	0	-	-	-	115	-	95	-	-	210
Vacancy Rate*	-	0.0%	-	-	-	5.2%	-	6.3%	-	-	3.5%
Assisted Living											
Units	-	262	-	94	78	60	159	76	237	62	1,028
Vacancy Rate*	-	11.7%	-	9.6%	10.6%	11.7%	16.4%	14.5%	8.0%	9.7%	13.4%
Memory Care											
Units	-	86	-	22	74	89	40	52	224	62	649
Vacancy Rate*	-	0.0%	-	4.5%	9.7%	2.2%	0.0%	5.8%	5.8%	1.6%	7.4%
Total											
Units	40	1,363	-	397	209	544	760	415	1,086	616	5,430
Vacancy Rate	0.0%	2.8%	-	3.5%	5.9%	2.4%	9.2%	5.3%	2.6%	4.2%	3.2%

* Vacancy rate excludes properties in initial lease up phase.

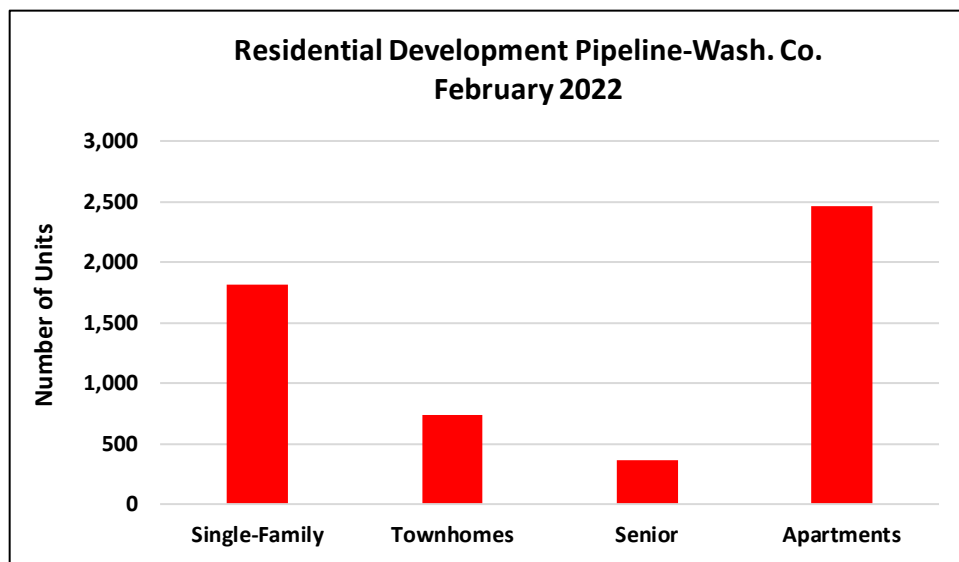
Note: Totals exclude units at The Lakes at Stillwater, which is still in its initial lease-up period.

Source: Maxfield Research & Consulting, LLC

Planned and Proposed Residential Developments

Maxfield Research contacted municipal staff in communities throughout Washington County to identify housing developments under construction, planned, or pending. Table P-1 inventories and summarizes the number of housing units by product type that are under construction, approved, planned or proposed.

- There are an estimated 5,379 housing units in the development pipeline either under construction, planned, or pending. An estimated 27% of the housing units would be in Woodbury and another 19% would be in the Cottage Grove submarket, 15% in Oakdale (primarily high-density) and 13% in Forest Lake.
- An estimated 46% of the housing units planned to move forward in Washington County are rental apartments and townhomes (2,461 housing units). Single-family homes including detached villas account for 35% of the total (1,815 units). Townhomes, rowhomes and townhomes were classified separately, if known.



Since the 2017 report, the number of planned senior housing units has decreased substantially while the number of apartments has risen, along with single-family homes. With the recent spike in mortgage interest rates and high construction costs, the number of rental units may increase over the next five years.

PLANNED & PENDING HOUSING DEVELOPMENTS

TABLE P-1 DEVELOPMENT PIPELINE WASHINGTON COUNTY FEBRUARY 2022									
Subdivision/Project Name	City	Submarket	Address/Intersection	Lots/ Units	Project Type	Market Rate vs. Aff./Subs.	Developer/Builder/Applicant	Project Status	Projected Occupancy
Northeast									
Arcola Tree Farm	May Twp	Northeast	NW Square Lk Trail/Hwy 95	26	Single-Family	Market Rate	Redstone Builders	Proposed	
Martin Subdivision	May Twp	Northeast	Arcola Trail North	2	Single-Family	Market Rate	Blume Properties LLC	Approved	
Staples Subdivision	May Twp	Northeast	13950 Oldfield Road N	2	Single-Family	Market Rate	Nate Sparks	Approved	
Harvieux Subdivision	May Twp	Northeast	13757 Manning Ave N	2	Single-Family	Market Rate	Dave Harvieux	Approved	
Subtotal				32					
East Central									
Central Commons	Stillwater	Stillwater	SE Corner of Manning/Hwy 36	200	GO Rental	Market Rate	Summit Management	Approved	Open 2024
Chestnut Building	Stillwater	Stillwater	200 Chestnut Street	61	GO Rental	Market Rate	Reuter Walton	Under Construction	Open 2023
Hills of Spring Creek	Baytown Twp	Stillwater	Olinda Trail/w of Osgood Ave	102	Single-Family	Market Rate	Derrick Development	Under Construction	Open 2022
Subtotal				363					
Southeast									
John See Estates	West Lakeland	Southeast	Stagecoach Trail	4	Single-Family	Market Rate	John See	Approved	
Oakgreen	West Lakeland	Southeast	Oakgreen Ave/26th Street	8	Single-Family	Market Rate	Justin Conlin	Proposed	
Erin Glen	Denmark Twp	Southeast	6680 St. Croix Trail	11	Single-Family	Market Rate	Robert Anderson	Approved	
Osborn Minor Subdivision	Afton	Southeast	14441 30th Street S	2	Single-Family	Market Rate	Michael Osborn	Approved	
Tschetter Minor Subdivision	Afton	Southeast	13681 15th Street	2	Single-Family	Market Rate	Sotera Tschetter	Approved	
St. Joseph Pines	Afton	Southeast	West of Neal/S of Hudson Rd	6	Single-Family	Market Rate	Tony Sonnen	Approved	
Subtotal				33					
Cottage Grove									
St. Paul Park Apartments	St. Paul Park	Cottage Grove	Pullman Ave W/Main Street	137	GO Rental	Market Rate (Aff)	WME Real Estate Holdings, LLC	Under Concept Review	Open 2024
Pullman Twinhomes	St. Paul Park	Cottage Grove	Pullman Avenue	6	Twinhomes	Affordable	Habitat for Humanity	Approved	
Red Rock II	Newport	Cottage Grove	250 Red Rock Crossing	102	GO Rental	Market Rate (Aff)	MWF Properties	Proposed	
Calarosa 5th Add	Cottage Grove	Cottage Grove	Ravine Parkway	89	SF/THs	Market Rate	Lennar	Approved	
Cottage Grove Apts	Cottage Grove	Cottage Grove	8689 Harwood Ave S.	171	GO Rental	Market Rate	Oppidan	Under Construction	Open 2023
Mississippi Dunes	Cottage Grove	Cottage Grove	10351 Grey Cloud Tr S	130	Sr. Rental	Market Rate	Pulte Development	Proposed	
Mississippi Dunes	Cottage Grove	Cottage Grove	10351 Grey Cloud Tr S	360	SF/THs	Market Rate	Pulte Development	Proposed	
Forest Edge	St. Paul Park	Cottage Grove	13th Ave/1st Street	27	Single-Family	Market Rate	Stone River Homes	Under Construction	Open 2022
Subtotal				1,022					
Forest Lake									
Fitzgerald Flats	Forest Lake	Forest Lake	19951 Headwaters Blvd	53	GO Rental	Affordable	CommonBond	Under Construction	Open Fall 2022
Birchwood Estates	Forest Lake	Forest Lake	202nd Street N/Greystone Ave	74	SF/Villas	Market Rate	Eternity Homes	Approved	
Goodview Preserve	Forest Lake	Forest Lake	Goodview Ave/205th Street N	84	SF/TW	Market Rate	Centra Homes	Concept Review	
Shadow Creek Estates	Forest Lake	Forest Lake	202nd Street N/Keystone Ave	58	SF/Villas	Market Rate	Todd Christianson	Concept Review	
Shadow Creek Estates	Forest Lake	Forest Lake	202nd Street N/Keystone Ave	120	GO Rental	Market Rate	Todd Christianson	Concept Review	
Hidden Creek Estates	Forest Lake	Forest Lake	Headwaters PUD	215	Single-Family	Market Rate	Brueggeman Development	Concept Review	
Timber Ridge II	Forest Lake	Forest Lake	22552 Everton Avenue	75	GO Rental	Market Rate/Aff	TRFL II LLC	Approved	Open 2023
Memory Care	Forest Lake	Forest Lake	Headwaters Blvd North	32	Assisted Living	Market Rate	Dignicare	Proposed	
Subtotal				711					
Hugo									
Shores of Oneka Lake	Hugo	Hugo	Goodview Ave/E of Hwy 61	218	SF/TW	Market Rate	M/I Homes	Proposed	
Meadows at Hugo	Hugo	Hugo	161st St N/Finale Ave N	87	Single-Family	Market Rate	Golden Valley Land Co	Under Construction	Open 2022
Rice Lake Reserve	Hugo	Hugo	Geneva Ave N/Goodview Ave N	93	Single-Family	Market Rate	M/I Homes	In Development	Open 2022
Acres of Bald Eagle	Hugo	Hugo	Ethan Ave N/S of 121st St N	9	Single-Family	Market Rate	Drengson May Enterprises	In Development	Open 2022
Subtotal				407					
(continued)									

PLANNED & PENDING HOUSING DEVELOPMENTS

TABLE P-1 (continued)
DEVELOPMENT PIPELINE
WASHINGTON COUNTY
FEBRUARY 2022

Subdivision/Project Name	City	Submarket	Address/Intersection	Lots/ Units	Project Type	Market Rate vs. Aff./Subs.	Developer/Builder/Applicant	Project Status	Projected Occupancy
Mahtomedi									
Mahtomedi Apts	Mahtomedi	Mahtomedi	830 Wildwood Road	110	GO Rental	Affordable	REE Mahtomedi Apts, LLC	Approved, on hold	
Subtotal				110					
Oakdale									
Willowbrooke-I	Oakdale	Oakdale	7652 38th Street N	114	Villa/TH	Market Rate	Lennar	Under Construction	Open 2022
Springs at Willowbrooke	Oakdale	Oakdale	7700 36th Street N.	280	GO Rental	Market Rate	Continental Properties	Under Construction	Open 2023
Impact Apartments	Oakdale	Oakdale	7601 3rd Street N.	325	GO Rental	Market Rate/Aff	Norhart Properties	Proposed	
Bethesda Cornerstone Village	Oakdale	Oakdale	360 Helmo Ave N.	71	GO Rental	Market Rate/Aff	Bethesda Lutheran/Ablelight	On Hold	
Subtotal				790					
Lake Elmo									
Ridge Apts	Lake Elmo	Lake Elmo	9400 Hudson Blvd	178	GO Rental	Market Rate	Goldridge Group (Eau Claire)	In planning stage	
Schiltgen Farm	Lake Elmo	Lake Elmo	Stillwater Blvd	185	Single-Family	Market Rate	Gonyea Land Company	Approved	
Legends of Lake Elmo	Lake Elmo	Lake Elmo	Lake Elmo Ave/50th Street N	50	Single-Family	Market Rate	Robert Engstrom Companies	Approved	
Sunflower Meadows	Lake Elmo	Lake Elmo	2500 Manning Ave N.	12	Single-Family	Market Rate	Bruggeman Homes	Approved	
Wyndham Village	Lake Elmo	Lake Elmo	11580 30th Street N	10	Single-Family	Market Rate	JB Custom Homes	Pending	
Subtotal				435					
Woodbury									
Edison Apartments	Woodbury	Woodbury	10700 Hudson Road	207	GO Rental	Market Rate	JPL Development	Under Construction	Open 2023
Talamore	Woodbury	Woodbury	Hudson Rd/Karen Drive	200	Senior	Market Rate	Ryan Companies	Under Construction	Open 2023
Air Lake North	Woodbury	Woodbury	Woodbury Dr./Dale Rd	285	SF/TH/Villas	Market Rate	Maplewood Development	Approved	
Aster Landing	Woodbury	Woodbury	Dale Road/Ironhorse Rd	25	Single-Family	Market Rate	TEG Land Holdings LTD	Approved	
Briarcroft of Woodbury	Woodbury	Woodbury	Woodbury Dr/Dale Rd	164	Single-Family	Market Rate	Tradition Development	Approved	
Copper Hills	Woodbury	Woodbury	Dale Road/Radio Drive	182	SF/TH	Market Rate	D. R. Horton	Approved	
Copper Ridge - 9th Add	Woodbury	Woodbury	Pioneer Drive	112	THs/Apts (Rental)	Market Rate	Landform	Proposed	
Hartung Farm	Woodbury	Woodbury	10275 Dale Rd	26	Single-Family	Market Rate	Thone Properties	Approved	
Meadowood Villas	Woodbury	Woodbury	Poplar Dr/Meadowwood Dr	13	Villas	Market Rate	Baton Corporation	Approved	
Nystedt	Woodbury	Woodbury	3605 Wright Street	3	Single-Family	Market Rate	Nystedt	Approved	
Orville Commons	Woodbury	Woodbury	4920 Radio Drive	259	THs/Apts (Rental)	Affordable	Dominium	Approved	
Subtotal				1,476					
Total				5,379					

Sources: Local government staff, Maxfield Research & Consulting, LLC

Introduction

Affordable housing is a term that has various definitions according to different people and is a product of supply and demand. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. HUD also defines various levels of cost-burden. For example, a household that pays 35% or more of their income for housing is considered “moderately” cost-burdened while a household paying 50% or more of their income on housing is considered “severely” cost-burdened.

Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable. However, many individual properties have income restrictions set anywhere from 30% to 80% of AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific restricted income segment. Moderate-income housing, often referred to as “workforce housing,” refers to rental and ownership housing. Therefore, the definition is broadly defined as housing that is income-restricted to households earning between 50% and 120% AMI. Figure 1 below summarizes income ranges by category.

FIGURE 1 AREA MEDIAN INCOME (AMI) DEFINITIONS	
Definition	AMI Range
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income Workforce Housing	80% - 120%
Note: Washington County 4-person AMI = \$85,800 (2016)	

Rent and Income Limits

Table HA-1 shows the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Washington County. These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and published separately by Minnesota Housing (MN Housing uses additional income percentages based on the housing programs that they administer and the date the project was placed into service). Fair market rent is the amount needed to pay the gross monthly rent for rental housing (overall market) in a given area. The table is used as a

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basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families at financially assisted housing.

TABLE HA-1 MHFA/HUD INCOME AND RENT LIMITS WASHINGTON COUNTY - 2022								
	Income Limits by Household Size							
	1 pph	2 phh	3 phh	4 phh	5 phh	6 phh	7 phh	8 phh
30% of median	\$24,660	\$28,170	\$31,680	\$35,190	\$38,010	\$40,830	\$43,650	\$46,470
50% of median	\$41,100	\$46,950	\$52,800	\$58,650	\$63,350	\$68,050	\$72,750	\$77,450
60% of median	\$41,100	\$46,950	\$52,800	\$58,650	\$63,350	\$68,050	\$72,750	\$77,450
80% of median	\$65,760	\$75,120	\$84,480	\$93,840	\$101,360	\$108,880	\$116,400	\$123,920
100% of median	\$82,200	\$93,900	\$105,600	\$117,300	\$126,700	\$136,100	\$145,500	\$154,900
120% of median	\$98,640	\$112,680	\$126,750	\$140,760	\$152,040	\$163,320	\$174,600	\$185,880
	Maximum Gross Rent							
	EFF	1BR	2BR	3BR	4BR	5BR		
30% of median	\$616	\$660	\$792	\$915	\$1,020	\$1,126		
50% of median	\$1,027	\$1,100	\$1,320	\$1,525	\$1,701	\$1,877		
60% of median	\$1,233	\$1,320	\$1,584	\$1,830	\$2,041	\$2,253		
80% of median	\$1,644	\$1,761	\$2,112	\$2,440	\$2,722	\$3,004		
100% of median	\$2,055	\$2,347	\$2,640	\$2,932	\$3,167	\$3,402		
120% of median	\$2,466	\$2,817	\$3,168	\$3,519	\$3,801	\$4,083		
	Final-2022 Fair Market Rents							
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$932	\$1,078	\$1,329	\$1,841	\$2,145			
Note: Washington County figures based on Mpls-St. Paul-Bloomington MSA.								
Sources: MHFA, HUD, Novogradac, Maxfield Research and Consulting LLC								

Table HA-2 shows the maximum rents by household size and AMI based on income limits illustrated in Table HA-1. The rents on Table HA-2 are based on HUD's allocation that monthly rents should not exceed 30% of income. In addition, the table reflects the maximum household size based on HUD guidelines of number of persons per unit. For each additional bedroom, the maximum household size increases by approximately two people. The Fair Market Rents shown on Table HA-2 are the final 2022 Fair Market Rents for Washington County as identified by HUD. Between 2021 and 2022, Fair Market Rents decreased by 0.5% for four-bedroom units and increased for the remaining unit types by between 0.2% and 3.8%. The largest increase was for studio units (3.8%).

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TABLE HA-2
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
WASHINGTON COUNTY - 2022

Unit Type ¹	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$616	- \$616	\$1,027	- \$1,027	\$1,233	- \$1,233	\$1,644	- \$1,644	\$2,055	- \$2,055	\$2,466	- \$2,466
1BR	1	2	\$660	- \$704	\$1,100	- \$1,174	\$1,320	- \$1,174	\$1,761	- \$1,878	\$2,347	- \$2,348	\$2,817	- \$2,817
2BR	2	4	\$792	- \$880	\$1,320	- \$1,466	\$1,584	- \$1,466	\$2,112	- \$2,346	\$2,640	- \$2,933	\$3,168	- \$3,519
3BR	3	6	\$915	- \$1,021	\$1,525	- \$1,701	\$1,830	- \$1,701	\$2,440	- \$2,722	\$2,932	- \$3,403	\$3,519	- \$4,083
4BR	4	8	\$1,020	- \$1,162	\$1,701	- \$1,936	\$2,041	- \$1,936	\$2,722	- \$3,098	\$3,167	- \$3,873	\$3,801	- \$4,647
2022 Fair Market Rents: EFF (\$932); 1BR (\$1,078), 2BR (\$1,329), 3BR (\$1,841), 4BR (\$2,145)														
¹ One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.														
Note: 4-person Washington County AMI is \$118,200 (2022)														
Sources: HUD, Novogradac, Maxfield Research and Consulting, LLC														

Housing Cost Burden

Table HA-3 shows the number and percent of owner and renter households in Minnesota, Washington County, the Twin City MSA and the individual Washington County submarkets that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2020 estimates. The Federal standard for affordability is 30% of income for housing costs. Households are considered cost-burdened if they pay more than 30% of their gross income for housing costs. Moderately cost-burdened is defined as households paying between 30% and 49.9% of their income to housing; while severely cost-burdened is defined as households paying 50% or more of their income for housing.

Higher-income households that are cost-burdened may have the option of moving to lower priced housing, but lower-income households often do not. We further segment lower income owner (owner - \$50,000 or less) and renter households (renter - \$35,000 or less). A higher proportion of owner households with lower incomes are usually seniors.

Key findings from Table HA-3 follow.

- In Washington County, 14.7% of owner households and 44.9% of renter households are considered cost burdened. Washington County has a lower proportion of owner households that are cost burdened than the other six counties in the Twin Cities Metro, the Metro Area as a whole (17.7%) and Minnesota (17.1%). Washington County has a higher proportion of cost-burdened renter households (44.9%) than the Twin Cities Metro (41.4%) and Minnesota (40.5%).
- Among owner households earning less than \$50,000, 57.9% were cost burdened in Washington County. This proportion is lower than the Twin Cities Metro (68.6%), but higher than Minnesota (49.7%).
- An estimated 84.4% of Washington County renter households that earn less than \$35,000 were cost burdened. This is higher than the Twin Cities Metro (79.6%), but slightly lower than Minnesota (84.7%).
- The proportion of cost burdened households in Washington County among all households (20.4%) was lower than the Twin Cities Metro (25.4%) and Minnesota (23.7%).
- The median contract rent in Washington County at \$1,399 is higher than the Twin Cities Metro and Minnesota, at the highest among all the seven Metro Area (\$1,255) and Minnesota (\$1,063).

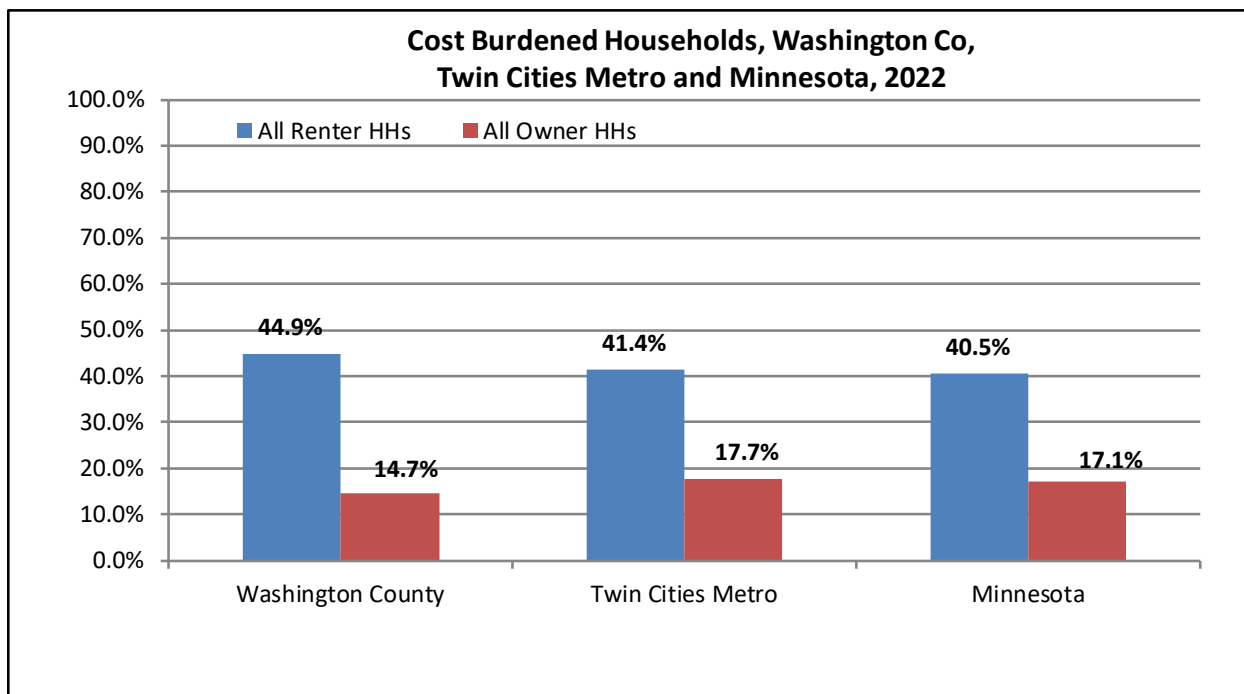
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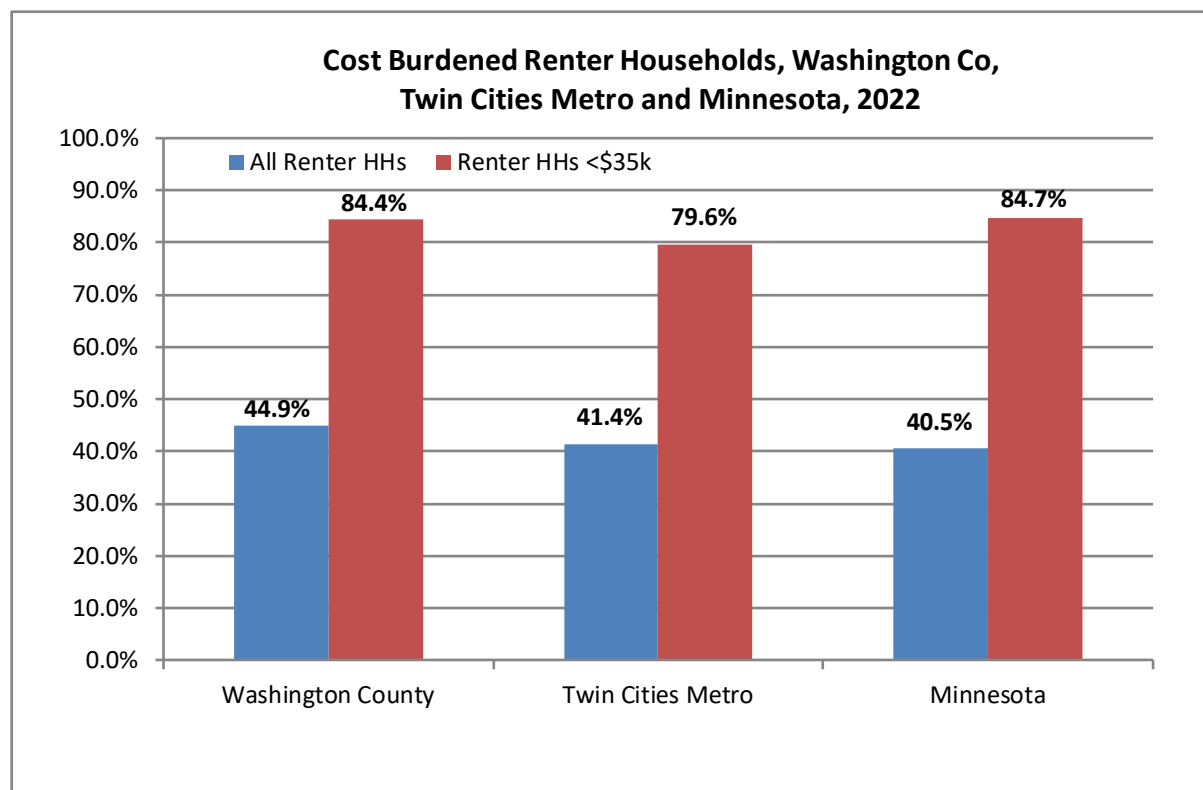
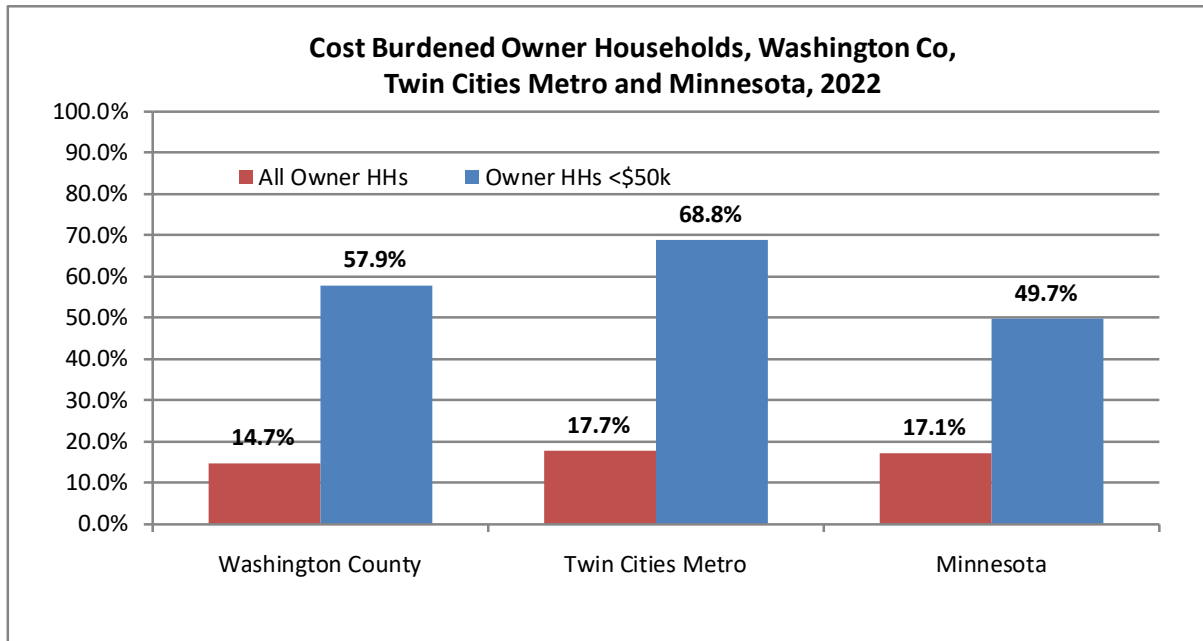
**TABLE HA-3
HOUSING COST BURDEN
WASHINGTON COUNTY, TWIN CITY MSA, MINNESOTA
2022**

	Washington County		Twin Cities Metro		Minnesota	
Community	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households						
All Owner Households	82,682		825,889		1,646,493	
Cost Burden 30% or greater	12,139	14.7%	146,310	17.7%	282,129	17.1%
Owner Households w/ incomes less than \$50,000	12,544		86,849		391,122	
Cost Burden 30% or greater	7,266	57.9%	59,724	68.8%	194,349	49.7%
Renter Households						
All Renter Households	19,162		395,484		643,484	
Cost Burden 30% or greater	8,608	44.9%	163,612	41.4%	260,718	40.5%
Renter Households w/incomes less than \$35,000	6,011		146,898		274,260	
Cost Burden 30% or greater	5,076	84.4%	116,944	79.6%	232,407	84.7%
All Households						
All Households	101,844		1,221,373		2,289,977	
Cost Burden 30% or greater	20,747	20.4%	309,922	25.4%	542,847	23.7%
Median Contract Rent ¹	\$1,399		\$1,255		\$1,063	

¹ Median Contract Rent 2020 adjusted to 2022
Note: Calculations exclude households not computed.

Sources: American Community Survey 2020 estimates; Maxfield Research and Consulting LLC





Owner/Renter Affordability and Cost-Burdened Households

Table HA-4 presents information on the number of owner and renter households in Washington County in various income bands based on income limits as identified by MN Housing and the Department of Housing and Urban Development. Income limits are shown in Table HA-1 for 2022. The data for the income bands is not discrete as there are some overlaps usually at the higher income bands for affordability based on household size. Therefore, the figures presented are estimates. The lower income bands, those at 30% or less and between 31% and 50% of AMI, have limited overlap, while there is a gradual increase in overlap at the higher income bands.

TABLE HA-4 TENURE OF HOUSEHOLDS BY AMI AND PCT. COST-BURDENED WASHINGTON COUNTY 2022				
	Renter Households		Owner Households	
	No. of HHs	Pct. Cost-Burdened	No. of HHs	Pct. Cost-Burdened
30% or less AMI	5,556	34.0%	8,300	63.0%
31% to 50% AMI	3,245	58.0%	7,989	31.0%
51% to 80% AMI	3,670	15.0%	11,379	17.4%
81% to 100% AMI	3,168	4.0%	15,712	12.3%
101% to 120% AMI	2,014	2.0%	21,907	1.0%
More than 120% AMI	1,529	0.0%	17,395	1.0%
Total	19,182	113.0%	82,682	125.7%
Note: Some income categories have modest overlap because of income limits by household size; primarily occurs beginning at 80% AMI and higher.				
Sources: MN Housing; Ribbon Demographics; Maxfield Research and Consulting, LLC				

Housing Choice Vouchers

In addition to properties that provide rental assistance to tenants on-site through a project-based subsidy, “tenant-based” subsidies such as *Housing Choice Vouchers*, can help lower income households afford market-rate rental housing. The tenant-based subsidy is funded by the Department of Housing and Urban Development (HUD) and is managed by the Washington County CDA. Under the Housing Choice Voucher program (in the past, also referred to as Section 8) qualified households are issued a voucher that the household can take to an apartment that has rent levels within the payment standards set by the Department of Housing and Urban Development in concert with the local administrative agency. The household then pays approximately 30% of their adjusted gross income for rent and utilities, and the Federal government pays the remainder of the rent to the landlord. The maximum income limit to be eligible for a Housing Choice Voucher is 50% AMI based on household size, as shown in Table HA-1. The following are key points about the Housing Choice Voucher Program in Washington County.

- The Washington County CDA currently services 300 port-in vouchers from other jurisdictions and 26 Washington County vouchers are ported-out of the county. The Department of Housing and Urban Development (HUD) has allocated only 95 vouchers to the county and the CDA has 51 Tenant Protection vouchers, which are used among the scattered site units in the county. There are 50 households on the wait list and these households have been on the wait list for several years. Turnover of vouchers is approximately two to three per year. There is a potential legislative push to increase funding for housing assistance and the pandemic provided additional funding to states to assist them with funding to renter households. County governments are working to deploy these funds for various programs and to targeted households in need.

Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a households’ adjusted gross income. Table HA-5 on the following page illustrates key housing metrics based on housing costs and household incomes in Washington County for various submarkets. The table estimates the percent of submarket households that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the average for each submarket.

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 5.25% interest rate (recent rise)

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- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income per 2020 ACS, adjusted to 2022 household estimates

Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income per 2020 ACS, adjusted to 2022 household estimates

Because of the down payment requirements and generally strict underwriting criteria for a mortgage, not all households will meet the income qualifications outlined above. The for-sale affordability analysis excludes equity that a homeowner may bring with them when purchasing a new residence.

- The median income for all households in Washington County as of 2022 was an estimated \$85,126. Median incomes however, vary by tenure (owner and renter). According to data compiled from the 2020 American Community Survey and adjusted, the median homeowner income in Washington County is \$110,111 compared to \$51,887 for renters.
- According to the 2022 income distribution for Washington County, only 58% of all households and 78% of owner households could afford to purchase an entry-level home in Washington County (\$325,000). When adjusting for move-up buyers (\$550,000), an estimated 32% of all households and 63% of owner households would income-qualify. This data highlights the increasing affordability gap between the wealth of owner households and that of renter households. With the substantial rise in home prices, many renter households are losing hope of ever being able to afford to buy a home.
- An estimated 52% of existing renter households can afford to rent a one-bedroom unit in Washington County (Avg. 1BR Rent-\$1,066/month). The percentage of renter income-qualified households decreases to 35% that can afford an existing three-bedroom unit (\$1,582/month). After adjusting for new construction rental housing, the percentage of renter households that are income-qualified decreases. An estimated 45% of renters would be able to afford a new market rate one-bedroom unit (\$1,200 per month) while 23% could afford a new two-bedroom unit (\$2,000 per month) and 13.4% could afford a new three-bedroom unit.
- For the county, the median price of a new single-family home as of February 2022 was \$457,000, an increase of 76% over 2016. This is an average annual increase of nearly 10% per year. At the median price of \$457,000, assuming a 10% down payment and good credit and no additional equity from a previous home, the household would require an annual income of \$120,500, nearly double that from 2016. An estimated 43.6% of all county households would qualify based on income.

- At an average overall rent of \$1,639 per month for all market rate rental units in the county, 23.1% of renter households could afford to pay this monthly rent or an estimated 4,320 households. Another 14,400 renter households in the county could not afford this level of rent as of 2022. This suggests that an increased proportion of renter households in the county have become cost-burdened with rising rents.

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TABLE HA-5
WASHINGTON COUNTY HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME

For-Sale (Assumes 10% down payment and good credit) (Excludes prior home equity)							
	Single-Family			Townhome/Twinhome/Condo			Washington Cty.
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive	County-Wide
Price of House	\$325,000	\$550,000	\$800,000	\$300,000	\$400,000	\$650,000	\$457,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$32,500	\$55,000	\$80,000	\$30,000	\$40,000	\$65,000	\$45,700
Estimated Closing Costs (rolled into mortgage)	\$9,750	\$16,500	\$24,000	\$9,000	\$12,000	\$19,500	\$13,710
Cost of Loan	\$302,250	\$511,500	\$744,000	\$279,000	\$372,000	\$604,500	\$425,010
Interest Rate	5.250%	5.250%	5.250%	5.250%	5.250%	5.250%	5.250%
Number of Pmts.	360	360	360	360	360	360	360
Monthly Payment (P & I)	-\$1,669	-\$2,825	-\$4,108	-\$1,541	-\$2,054	-\$3,338	-\$2,347
(plus) Prop. Tax	-\$271	-\$458	-\$667	-\$250	-\$333	-\$542	-\$381
(plus) HO Insurance/Assoc. Fee for TH	-\$108	-\$183	-\$267	-\$100	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$131	-\$222	-\$322	-\$121	-\$161	-\$262	-\$184
Subtotal monthly costs	-\$2,179	-\$3,688	-\$5,364	-\$2,012	-\$2,649	-\$4,242	-\$3,012
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$87,167	\$147,514	\$214,565	\$80,462	\$105,949	\$169,668	\$120,477
Pct. of ALL Washington Co. HHDS who can afford ¹	58.4%	32.4%	17.0%	61.5%	49.6%	25.8%	43.6%
No. of Washington Co. HHDS who can afford ¹	52,100	28,940	15,168	54,907	44,269	23,006	38,913
Pct. of Washington County owner HHDs who can afford ²	77.8%	63.0%	30.8%	67.1%	52.8%	46.1%	45.6%
No. of Washington Co. owner HHDs who can afford ²	64,686	52,390	25,626	55,751	43,897	38,291	37,876
No. of Washington Co. owner HHDS who cannot afford ²	18,418	30,713	57,477	27,352	39,206	44,812	45,227
Rental (Market Rate)							
	Existing Rental			New Rental			Washington Cty.
	1BR	2BR	3BR	1BR	2BR	3BR	Overall Rent
Monthly Rent	\$1,357	\$1,698	\$2,116	\$1,425	\$2,200	\$3,100	\$1,639
Annual Rent	\$16,284	\$20,376	\$25,392	\$17,100	\$26,400	\$37,200	\$19,668
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$54,280	\$67,920	\$84,640	\$57,000	\$88,000	\$124,000	\$65,560
Pct. of ALL Washington Co. HHDS who can afford ¹	76.7%	68.4%	59.6%	75.0%	57.9%	42.2%	69.9%
No. of Washington Co. HHDS who can afford ¹	68,390	61,029	53,179	66,918	51,668	37,620	65,249
Pct. of Washington Co. renter HHDs who can afford ²	42.2%	33.2%	24.3%	41.6%	24.5%	12.1%	23.1%
No. of Washington Co. renter HHDs who can afford ²	7,900	6,220	4,554	7,805	4,596	2,258	4,320
No. of Washington Co. renter HHDS who cannot afford ²	10,841	12,521	14,187	10,936	14,145	16,483	14,421

¹ Based on 2021 household income for ALL households

² Based on 2020 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$110,111 vs. renter incomes = \$51,887)

Source: Maxfield Research & Consulting, LLC

Introduction

This section presents data on households using emergency shelter in Washington County, the number of single adults and families on the Coordinated Entry System for Washington County and all Suburban Twin Cities Counties, an unduplicated count of people unsheltered through community outreach, the number of households using emergency shelters outside of Washington County. Information was provided by Washington County Community Services with data through the HMIS system (Housing Management Information System) which is utilized through the nation to compile and track data on households that are homeless.

Wilder Research conducts a one-night statewide survey of homeless people in Minnesota every three years. The most recent study was conducted in October 2018. Due to the Pandemic, the 2021 survey was pushed back to 2022 and will be conducted in October of this year.

Demographic and Economic Statistics on Homeless Populations

Number of People Using Emergency Shelter in Washington County

Table HM-1 shows the number of people served in emergency shelter in Washington County from 2020 through September 2022.

TABLE HM-1 NO. OF PEOPLE SERVED IN EMERGENCY SHELTER WASHINGTON COUNTY	
2020	115
2021	45
2022	74 *
* through September 2022	
Source: Washington County Community Services	

A total of 115 people were served in emergency shelter in Washington County in 2020. That number decreased in 2021 but rose again in 2022 to 74 through September 2022.

Number of People on CES list – Washington County

The number of people currently listed on the county's Coordinated Entry System list (CES) was 38 as of October 2022. This number fluctuates regularly with some households moving off the list and others being added.

Number of Individuals Encountered through Street Outreach

Table HM-2 shows the number of individuals encountered through street outreach in Washington County from 2019 through September 2022. These are individuals, including single adults, youth, families and children that are unsheltered. As shown on the table, the number of individuals encountered through street outreach rose between 2019 and 2020 (reflecting the pandemic) and then decreased again in 2021 to 240. Through September 2022, a total of 154 individuals were encountered through street outreach.

TABLE HM-2 INDIVIDUALS ENCOUNTERED THROUGH STREET OUTREACH WASHINGTON COUNTY	
	Number of People
2019	347
2020	364
2021	240
2022 *	154
* Data through September. All counts are unduplicated.	
Source: Washington County Community Services	

Number of County Residents Using Other Metro Shelters

Table HM-3 shows the number of county residents using other Metro shelters totaled 44 as of 2019, dropped to seven in 2020, but rose significantly in 2021 to 49. This suggests that there was a significant increase in the number of Washington County residents seeking emergency shelter that could not be accommodated by facilities in Washington County.

TABLE HM-3 NO OF COUNTY RESIDENTS USING OTHER METRO SHELTERS WASHINGTON COUNTY	
2019	44
2020	7
2021	49
Source: Washington County Community Services	

Number of Single Adults and Families on the Coordinated Entry System Priority List

Table HM-4 shows the number of singles and adults on the coordinated entry priority list for all suburban Metro Area (Twin Cities) counties in addition to the number of days the individual or family has been on the priority list. These figures exclude Hennepin and Ramsey counties. The data clearly documents the significant need for housing targeted to serve the homeless.

As shown on the table, the number of single adults remains high as well their number of days on the priority list. As shown, the number of single adults is much higher than the number of families. There is typically a higher priority to assist families as most of them have children.

TABLE HM-4		
SINGLES AND ADULTS ON COORDINATED ENTRY PRIORITY LIST		
ALL SUBURBAN METRO COUNTIES		
	Single Adults	Days on Priority List
2019	1,028	348
2020	526	225
2021	740	276
	Families	Days on Priority List
2019	516	403
2020	174	184
2021	261	194

Source: Washington County Community Services

Number of Units in Washington County Dedicated to Transitional and Permanent Supportive

Table HM-5 shows the number of transitional and permanent supportive units in Washington County dedicated to the homeless. There are virtually no transitional housing units (3 units) and a limited number of permanent supportive units. Many of these types of units are combined into new, LIHTC properties with tax credits awarded by MN Housing. Competition for tax credits is however, very high and the priority criteria established usually focuses the development of these units into the core 7-County Metro Area, placing suburban counties at a disadvantage to secure more of this type of development.

It is clear that Washington County needs to develop more transitional and permanent supportive living units with a target to serve single-adults as a priority.

TABLE HM-5 HOUSING UNITS DEDICATED TO HOMELESS WASHINGTON COUNTY 2022		
	Single Adults	Families
Transitional Housing	2	1
Permanent Supportive	38	16
Total	40	17
Source: Washington County Community Services		

As we understand, the county is working to develop additional emergency shelter beds. There are two emergency shelters, one in Mahtomedi and one in Hugo. There are no emergency shelter beds in Washington County in the southern portion of the county.

Emergency Shelter Facilities

There are two family emergency shelters in Washington County, both of which are operated by the same organization, St. Andrew's Resource Center in Mahtomedi. The new shelter, opened in 2017, is in Hugo.

The Pandemic and very tight housing market and a lack of affordable housing has contributed to the destabilization of the housing market and individuals who may have been at one time able to maintain a permanent living situation, the rapid economic recovery, considerable shortage of affordable housing and continued tight housing market has increased the difficulties and barriers faced by many of those that were at risk in their housing situations.

This is especially true for youth and older adults, whose homeless rates have risen rapidly over the past three years. Many now find themselves without gainful employment, without adequate health care and in destabilized living situations.

Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in Washington County. This section of the report presents our estimates of housing demand in the County from 2022 to 2040.

Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The housing life-cycle stages are:

1. *Entry-level householders*
 - Often prefer to rent basic, less expensive apartments
 - Usually singles or couples in their early to late-20's without children
 - Will often "double-up" with roommates in apartment setting
2. *First-time homebuyers and move-up renters*
 - Often prefer to purchase modestly-priced single-family homes or rent more upscale apartments
 - Usually married or cohabiting couples, in their late 20's to mid-30's, some with children, but most are without children
3. *Move-up homebuyers*
 - Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
 - Typically families with children where householders are in their late 30's to mid-40's
4. *Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)*
 - Prefer owning but will consider renting their housing
 - Some will move to lower-maintenance housing products
 - Generally couples in their 50's or 60's
5. *Younger independent seniors*
 - Prefer owning but will consider renting their housing
 - Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
 - Generally, in their late 60's to late 70's

6. *Older seniors*

- May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance
- Generally older seniors their early 80s or older

Demand for housing can come from several sources including: household growth, changes in housing preferences, and replacement need. Household growth necessitates building new housing unless there is enough desirable vacant housing available to absorb the increase in households. Demand is also affected by shifting demographic factors such as the aging of the population, which dictates the type of housing preferred. New housing to meet replacement need is required, even in the absence of household growth, when existing units no longer meet the needs of the population and when renovation is not feasible because the structure is physically or functionally obsolete.

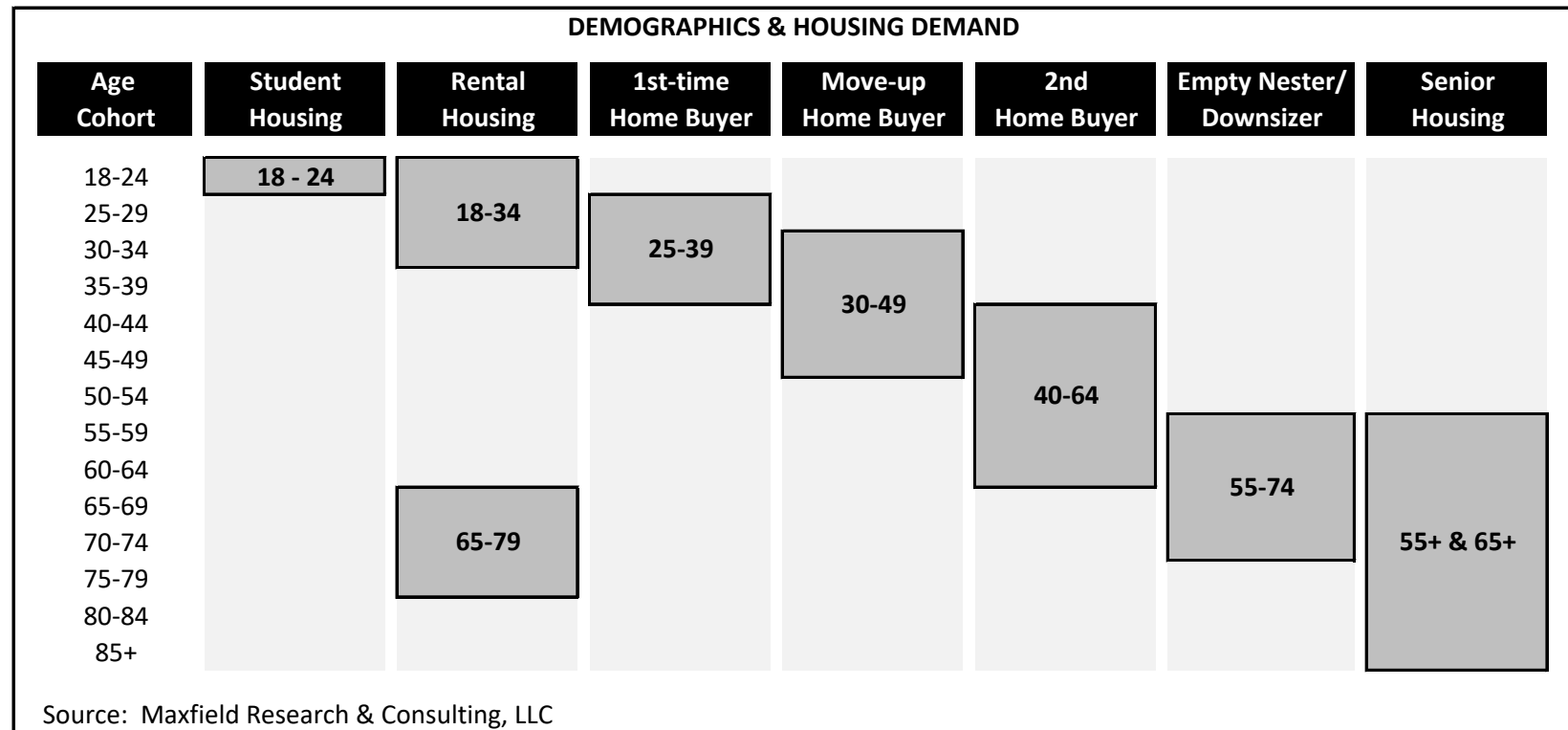
Because of the relatively young age of the county's housing stock and the fact that redevelopment has not taken a significant number of homes out of the market, demand for housing in Washington County will be driven almost exclusively by household growth. Between 2022 and 2030, Washington County is projected to see an increase of 8,746 households. Between 2030 and 2040, another 10,080 households are projected to be added. Since each household equates to an occupied housing unit, the county will need to build an equal number of housing units to support this growth – or an estimated 18,826 housing units by 2040.

The graphic on the following page provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided.

Housing Demand Overview

The previous sections of this assessment focused on demographic and economic factors driving demand for housing in Washington County. In this section, findings are used from the economic and demographic analysis to calculate demand for new general occupancy housing units in the county. Housing demand is also presented for each submarket in the county.

Housing markets are driven by a range of supply and demand factors that vary by location and submarket. The following bullet points outline several key variables driving housing demand.



HOUSING DEMAND ANALYSIS

TYPICAL HOUSING TYPE CHARACTERISTICS				
	Housing Types	Target Market/ Demographic	Unit/Home Characteristics	Lot Sizes/ Units Per Acre ¹
For-Sale Housing	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR 2 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	2,000 sq. ft.+ 3-4 BR 2-3 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Executive single-family	Step-up buyers: Families, couples w/no children	2,500 sq. ft.+ 3-4 BR 2-3 BA	100'+ wide lot 1.5-2.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,700 to 2,500 sq. ft. 3-4 BR 2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-level townhomes	First-time buyers: Singles, couples w/no children	1,200 to 1,600 sq. ft. 2-3 BR 1.5BA+	6.0-12.0 DU/Acre
	Move-up townhomes	First-time & step-up buyers: Singles, couples, some families, empty-nesters	1,400 to 2,000 sq. ft. 2-3 BR 2BA+	6.0-8.0 DU/Acre
	Executive townhomes/twinhomes	Step-up buyers: Empty-nesters, retirees	2,000+ sq. ft. 3 BR+ 2BA+	4.0-6.0 DU/Acre
	Detached Townhome	Step-up buyers: Empty-nesters, retirees, some families	2,000+ sq. ft. 3 BR+ 2BA+	4.0-6.0 DU/Acre
	Condominiums	First-time & step-up buyers: Singles, couples, empty-nesters, retirees	800 to 1,700 sq. ft. 1-2 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
Rental Housing	Apartment-style rental housing	Singles, couples, single-parents, some families, seniors	675 to 1,250 sq. ft. 1-3 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
	Townhome-style rental housing	Single-parents, families w/children, empty nesters	900 to 1,700 sq. ft. 2-4 BR 2BA	8.0-12.0 DU/Acre
	Student rental housing	College students, mostly undergraduates	550 to 1,400 sq. ft. 1-4BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 50.0+ DU/Acre
Both	Senior housing	Retirees, Seniors	550 to 1,500 sq. ft. Suites - 2BR 1-2 BA	Varies considerably based on senior product type

Source: Maxfield Research & Consulting, LLC

Demographics

Demographics is a major influence of housing demand. Household growth and formations are critical (natural growth, immigration, etc.), as well as household types, size, age of householders, incomes, and other components.

Economy & Job Growth

The economy and housing market are intertwined; the health of the housing market affects the broader economy and vice versa. Housing market growth depends on job growth (or the prospect of); jobs generate income growth which results in the formation of more households. Historically low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing household growth, which in-turn

relates to reduced housing demand. Additionally, low income growth results in fewer move-up buyers which results in diminished housing turnover across all income brackets.

Consumer Choice/Preferences

A variety of factors contribute to consumer choice and preferences. Many times a change in family status is the primary factor for a change in housing type (i.e. growing families, empty-nest families, etc.). However, housing demand is also generated from the turnover of existing households who decide to move for a range of reasons. Some households may want to move-up, downsize, change their tenure status (i.e. owner to renter or vice versa), or simply move to a new location.

Supply (Existing Housing Stock)

The stock of existing housing is a crucial component in the demand for new housing. There are a variety of unique household types and styles, not all of which are desirable to today's consumers. The age of the housing stock is an important component for housing demand, as communities with aging housing stocks have higher demand for remodeling services, replacement new construction, and/or new home construction as the current inventory does not provide the supply that consumers seek.

Pent-up demand exists if supplies of certain housing products are unavailable as householders may postpone a move until new housing product becomes available that meets their needs.

Housing Finance

Household income is the fundamental measure that dictates what a householder can afford to pay for housing costs. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

Over the past five years, home mortgage interest rates have been the lowest in more than 30 years causing demand for new housing to increase significantly as owners refinanced existing higher rate mortgages, obtained funds for home improvements and purchased new housing. With the Federal Reserve increasing interest rates to dampen inflation, the housing market is likely to be negatively affected in the short-term. High home prices coupled with reduced demand is likely to result in some price correction in the market, although it may not be significant enough to create more affordability for younger buyers.

Mobility

Demand is somewhat fluid between submarkets and will be impacted by development activity in nearby areas, including other communities outside Washington County. Demand given for each submarket may be lower or higher if proposed and/or planned developments move forward. For example, if there is more senior housing developed in Lake Elmo, Lake Elmo may capture a portion of demand from Woodbury and Oakdale submarkets and vice versa.

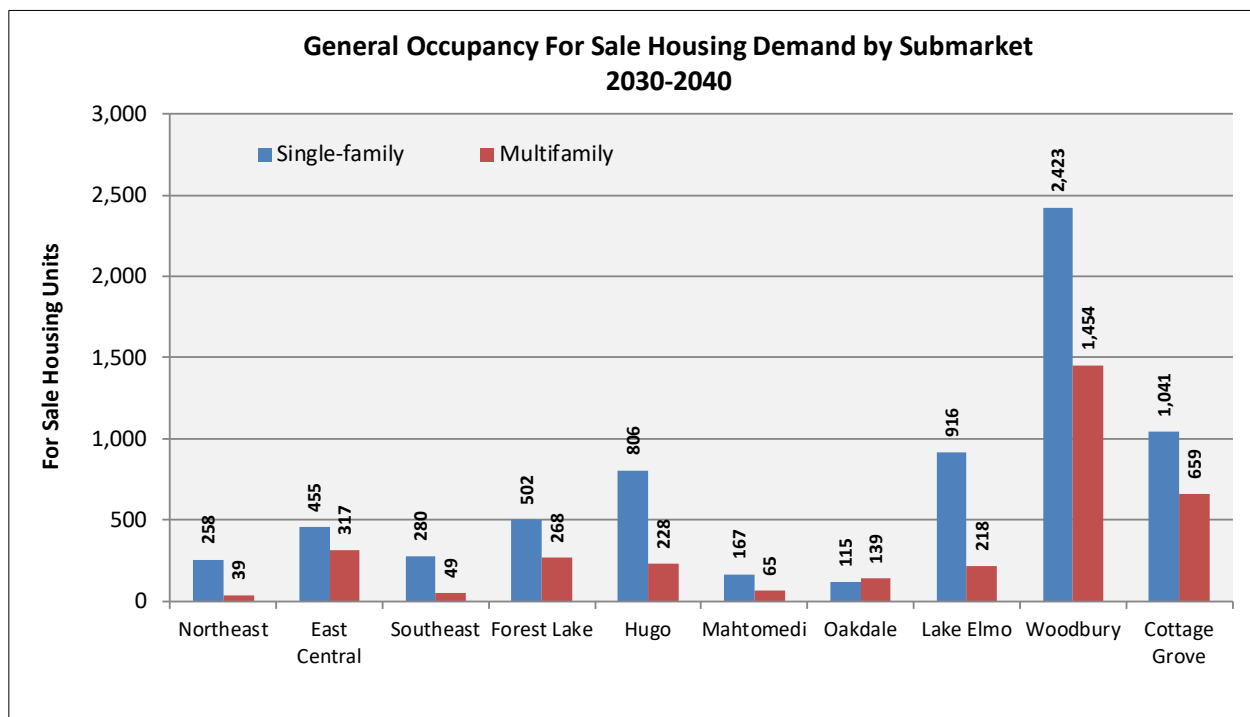
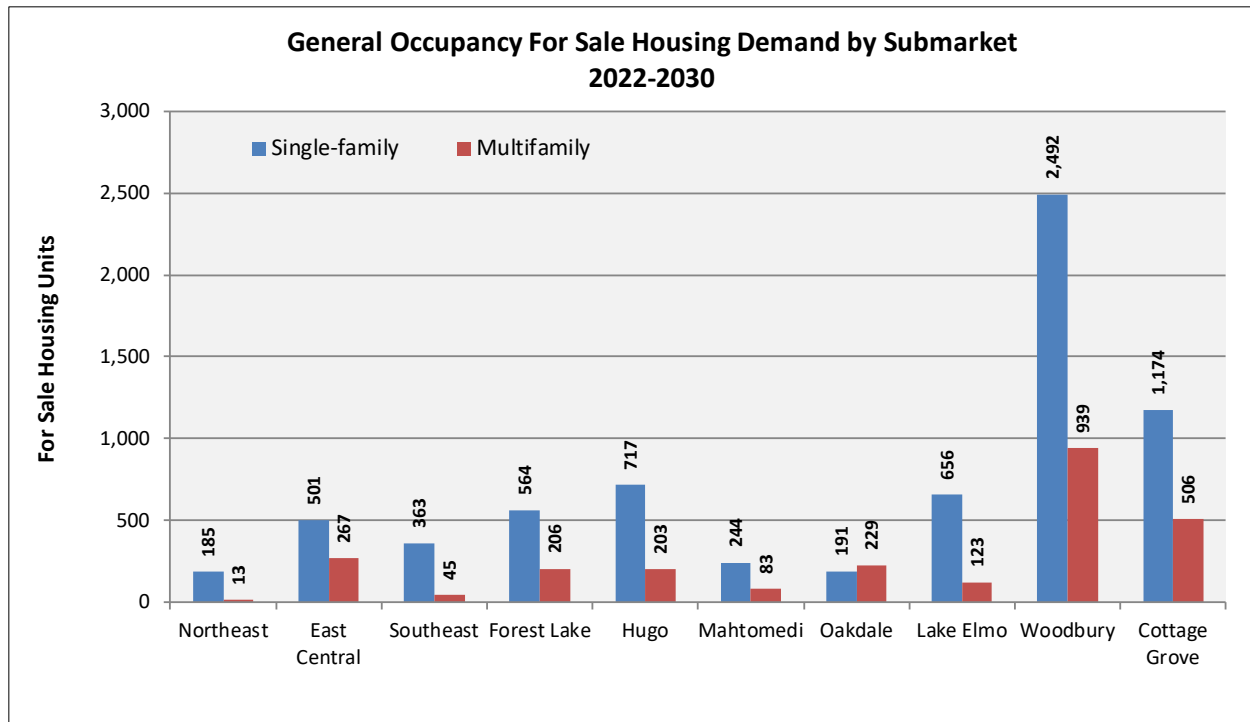
For-Sale Housing Market Demand Analysis

Tables DMD-1 and DMD-2 presents our demand calculations for general occupancy for-sale housing in Washington County between 2022 and 2030 and between 2030 and 2040, respectively. This analysis identifies potential demand for general occupancy for-sale housing that is generated from new households and turnover households. The following points summarize the findings.

- Because the 75 and older cohort is typically not a sizeable market for new general occupancy for-sale housing, we limit demand from household growth to households under age 75. According to projections, the County is expected to grow by 9,356 households under age 75 between 2022 and 2030.
- Demand for ownership housing in Washington County is projected to remain strong, as the fringe of the Twin Cities Metro Area continues to expand to the east across the County including northeast, central and southeast. Most land closer to the core of the Twin Cities is fully developed. Similar to other third-tier Metro Counties, Washington has and will account for a larger share of the Twin Cities overall single-family development.
- Based on household tenure data from the US Census, we expect that between 65% and 85% of the demand will be for owned units, equating to a potential 7,087 owned units from household growth.
- As of 2022, there are an estimated 59,263 owner households under the age of 75 in the county. Based on household turnover data from the 2016-2020 American Community Survey, we estimate that between 11% and 32% of these under-75 owner households will experience turnover between 2022 and 2030 (turnover rate varies by submarket). This estimate results in anticipated turnover of 12,312 existing households by 2030.
- The percent of existing owner households turning over that would prefer to purchase new housing is estimate. Throughout the United States, 8% of all home sales were for new homes over the past three years while slightly over 5% of Midwest sales were for new homes. Considering the age of the county's housing stock, we estimate that an average

17% households turning over will desire new housing. This estimate results in demand from existing households for 3,067 new residential units in the county between 2022 and 2030.

- Total demand from household growth and existing household turnover between 2022 and 2030 equates to 10,554 new for-sale housing units.
- Because of the existing high costs of new construction, most new single-family homes built in Washington County between 2022 and 2030 are projected to be move-up and executive homes. Increased costs for building materials and labor, supply chain delays, rising land and infrastructure prices have made housing construction more expensive. Existing single-family homes and new for-sale townhomes will accommodate much of the demand for modest homes.
- The greatest percentage of new single-family homes built in the Northeast, Southeast, and Lake Elmo submarkets will be executive homes. These three submarkets will satisfy most of the demand in the county for executive homes between 2022 and 2030.
- While there are various target markets for multifamily ownership housing, most demand will be from young to mid-age households who have modest incomes and little savings or equity in an existing home. Therefore, multifamily demand will be for units priced at from \$300,000 to \$450,000, excluding demand for detached villa product. Townhome/twinhome demand is likely to be primarily due to empty-nesters wanting to relocate from their existing single-family homes into a one-level townhome or similar style product.



HOUSING DEMAND ANALYSIS

TABLE DMD-1 DEMAND FOR ADDITIONAL FOR-SALE HOUSING WASHINGTON COUNTY 2022 to 2030																						
	Northeast		East Central		Southeast		Forest Lake		Hugo		Mahtomedi		Oakdale		Lake Elmo		Woodbury		Cottage Grove		Washington County	
DEMAND FROM NEW HOUSEHOLD GROWTH																						
Household growth under age 75, 2022 to 2030	189		809		407		903		863		397		487		794		3,188		1,319		9,356	
(times) % propensity to own ¹	90.0%		70.0%		91.0%		72.0%		84.0%		80.0%		70.0%		85.0%		80.0%		85.0%		80.9%	
(Equals) Demand from new household growth	170		566		370		650		725		318		341		675		2,550		1,121		7,487	
DEMAND FROM EXISTING HOUSEHOLDS																						
Estimated Total owner households under age 75, 2022 to 2030	2,613		8,517		3,823		5,478		4,817		4,682		7,994		3,614		21,402		13,062		76,002	
(times) % of owner turnover 2022-2030 ²	12.0%		21.0%		11.0%		19.0%		32.0%		13.0%		17.0%		16.0%		24.0%		21.0%		16.2%	
(times) % desiring new owned housing	15.0%		15.0%		20.0%		15.0%		15.0%		5.0%		10.0%		25.0%		25.0%		25.0%		6%*	
(Equals) Demand from existing households	47		268		84		156		231		30		136		145		1,284		686		3,067	
TOTAL MARKET DEMAND																						
Total demand from new HH growth and turnover	217		835		454		806		956		348		477		819		3,835		1,807		10,554	
Proportion Single-family vs. Owned Multifamily	85%	15%	60%	40%	80%	20%	70%	30%	75%	25%	70%	30%	40%	60%	80%	20%	65%	35%	65%	35%	67%	33%
No. of Single-family vs. Owned Multifamily Units	185	33	501	334	363	91	564	242	717	239	244	104	191	286	656	164	2,492	1,342	1,174	632	7,087	3,467
Single-Family																						
Percent Modest (<\$400,000)	0%		20%		0%		30%		25%		0%		15%		0%		5%		5%		9%	
Number	0		100		0		169		179		0		29		0		125		59		661	
Percent Move-up (\$400,000 - \$700,000)	30%		65%		35%		55%		65%		35%		65%		35%		55%		70%		55%	
Number	55		325		127		310		466		85		124		229		1,371		822		3,916	
Percent Executive (\$700,000+)	70%		15%		65%		15%		10%		65%		20%		65%		40%		25%		35%	
Number	129		75		236		85		72		158		38		426		997		294		2,510	
Multifamily ³																						
Percent Modest (<\$350,000)	0%		30%		0%		40%		35%		20%		30%		20%		30%		30%		29%	
Number	0		100		0		97		84		21		86		33		403		190		1,012	
Percent Move-up (\$350,000 - \$550,000)	40%		50%		50%		45%		50%		60%		50%		55%		40%		50%		46%	
Number	13		167		45		109		120		63		143		90		537		316		1,603	
Percent Executive (\$550,000+)	60%		20%		50%		15%		15%		20%		20%		25%		30%		20%		34%	
Number	20		67		45		36		36		21		57		41		403		126		852	
¹ Based on percent owner households under age 75 in 2020 (2020 American Community Survey) ² Based on household turnover and mobility data (2019 American Community Survey, Five Year Estimates) ³ Includes detached villas, twinhomes, townhomes, condos, etc. * Average of the submarkets. Note: Some totals do not add due to rounding.																						
Source: Maxfield Research & Consulting, LLC																						

HOUSING DEMAND ANALYSIS

TABLE DMD-2 DEMAND FOR ADDITIONAL FOR-SALE HOUSING WASHINGTON COUNTY 2030 to 2040																						
	Northeast		East Central		Southeast		Forest Lake		Hugo		Mahtomedi		Oakdale		Lake Elmo		Woodbury		Cottage Grove		Washington County	
DEMAND FROM NEW HOUSEHOLD GROWTH																						
Household growth under age 75, 2030 to 2040	301		778		281		918		952		264		226		1,115		3,274		1,205		9,314	
(times) % propensity to own ¹	90.0%		68.0%		90.0%		70.0%		82.0%		78.0%		65.0%		84.0%		75.0%		80.0%		80.9%	
(Equals) Demand from new household growth	271		529		253		643		781		206		147		937		2,456		964		7,185	
DEMAND FROM EXISTING HOUSEHOLDS																						
Estimated Total owner households under age 75, 2030	2,873		9,494		4,386		6,815		6,114		5,122		8,335		5,219		26,373		14,683		89,414	
(times) % of owner turnover 2030-2040 ²	12.0%		21.0%		11.0%		19.0%		32.0%		13.0%		17.0%		16.0%		24.0%		21.0%		16.2%	
(times) % desiring new owner housing	15.0%		15.0%		20.0%		15.0%		15.0%		5.0%		10.0%		25.0%		25.0%		25.0%		6.0%*	
(Equals) Demand from existing households	52		299		96		194		293		33		142		209		1,582		771		3,672	
TOTAL MARKET DEMAND																						
Total demand from new HH growth and turnover	323		828		349		837		1,074		239		289		1,145		4,038		1,735		10,857	
Proportion Single-family vs. Owned Multifamily	80%	15%	55%	45%	80%	20%	60%	40%	75%	25%	70%	30%	40%	60%	80%	20%	60%	40%	60%	40%	64%	36%
No. of Single-family vs. Owned Multifamily Units	258	48	455	373	280	70	502	335	806	269	167	72	115	173	916	229	2,423	1,615	1,041	694	6,964	3,877
Single-Family																						
Percent Modest (<\$450,000)	0%		15%		0%		30%		25%		0%		20%		0%		10%		10%		11%	
Number	0		68		0		151		201		0		23		0		242		104		790	
Percent Move-up (\$450,000 - \$750,000)	30%		50%		30%		50%		60%		40%		65%		35%		60%		70%		54%	
Number	77		228		84		251		483		67		75		321		1,454		729		3,768	
Percent Executive (\$750,000+)	70%		35%		70%		20%		15%		60%		15%		65%		30%		20%		35%	
Number	181		159		196		100		121		100		17		596		727		208		2,405	
Multifamily ³																						
Percent Modest (<\$400,000)	0%		30%		0%		30%		35%		15%		30%		25%		30%		40%		31%	
Number	0		112		0		100		94		11		52		57		485		278		1,188	
Percent Move-up (\$400,000 - \$600,000)	80%		55%		70%		50%		50%		75%		50%		70%		60%		55%		58%	
Number	39		205		49		167		134		54		87		160		969		382		2,246	
Percent Executive (\$600,000+)	20%		15%		30%		20%		15%		10%		20%		25%		10%		5%		20%	
Number	10		56		21		67		40		7		35		57		162		35		489	
¹ Based on percent owner households under age 75 in 2020 (2020 American Community Survey)																						
² Based on household turnover and mobility data (2019 American Community Survey, Five Year Estimates)																						
³ Includes detached villas, twinhomes, townhomes, condos, etc.																						
* Average of all submarkets																						
Note: Some totals do not add due to rounding.																						
Source: Maxfield Research & Consulting, LLC																						

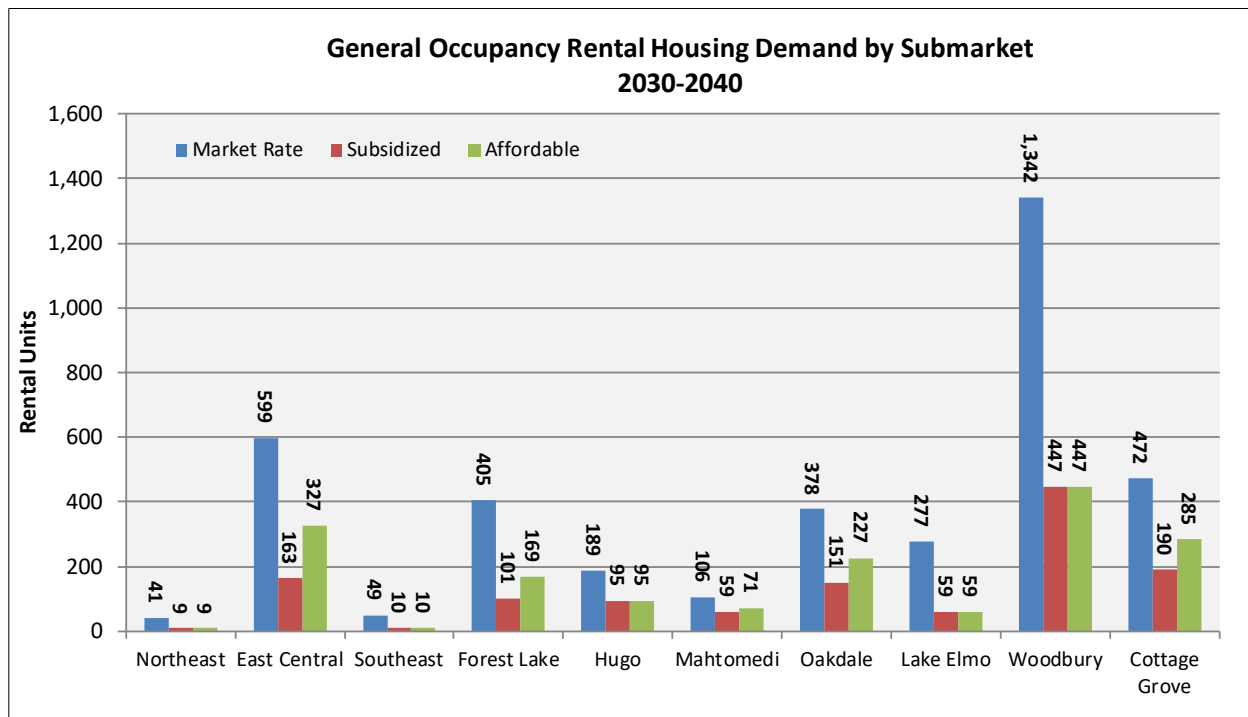
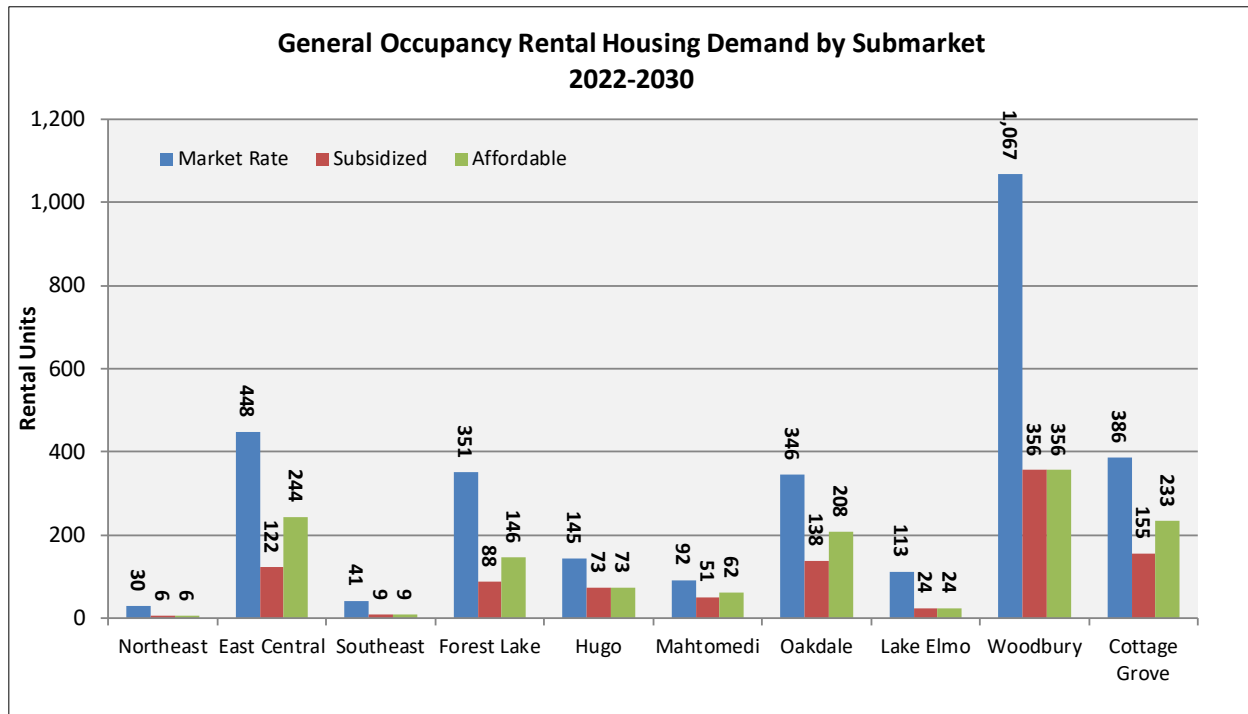
Rental Housing Demand Analysis

Tables DMD-3 and DMD-4 presents our calculation of general-occupancy rental housing demand for Washington County. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households. Market rate housing is defined as having no income restrictions, affordable housing is 80% or less AMI and subsidized is 50% or less AMI.

- According to our projections, Washington County is expected to grow by 9,356 households under age 75 between 2022 and 2030. Because the 75 and older cohort is typically not a target market for new general-occupancy market rate rental housing, demand is limited to households under age 75.
- The proportion of households likely to rent their housing is based on 2020 tenure data, adjusted to 2022 to account for the most recent household estimates. The propensity to rent ranges from 9% to 30% based on the submarket. After adjusting household growth by the estimated proportion of renters, growth to 2030 is reduced to 1,909 new renter households in Washington County.
- Then demand is calculated from existing households under age 75 in the County that could be expected to turnover between 2022 and 2030. As of 2022, there are 17,817 renter households under age 75 in the County. Based on household turnover data from the 2019 American Community Survey, we estimate that between 58% and 78% of these under-75 owner households will turn over (relocate) between 2022 and 2030 (turnover rate varies by submarket). This results in anticipated turnover of 12,472 existing households by 2030.
- The proportion of existing renter households turning over that would prefer to rent in a new rental development is estimated. Considering the age of the County's housing stock, we estimate that 15% to 30% of the households turning over in Washington County will desire new rental housing. This estimate results in demand from existing households for 3,497 new residential rental units between 2022 and 2030.
- Combining demand from household growth plus turnover results in total demand in the County for 5,046 rental units between 2022 and 2030.
- Based on a review of renter household incomes and sizes and monthly rents at existing properties, we estimate that 45% to 70% of the total demand will be for market rate housing. To 2030, demand exists for 3,020 market rate rental units. Demand for market rate rental housing is estimated to be highest in Woodbury followed by Stillwater and Cottage Grove.

HOUSING DEMAND ANALYSIS

- We estimate that 25% of the total demand in Washington County will be for affordable housing and 19% will be for subsidized housing. Most demand will be in the larger submarkets such as Woodbury, Stillwater, Cottage Grove, Forest Lake and Oakdale.



HOUSING DEMAND ANALYSIS

TABLE DMD-3 DEMAND FOR ADDITIONAL RENTAL HOUSING WASHINGTON COUNTY 2022 to 2030											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
DEMAND FROM NEW HOUSEHOLD GROWTH											
Household growth under age 75, 2022 to 2030	189	809	407	903	863	397	487	794	3,188	1,319	9,356
(times) % propensity to rent ¹	10.0%	30.0%	9.0%	28.0%	16.0%	20.0%	30.0%	15.0%	20.0%	18.0%	19.1%
(Equals) Demand from new household growth	19	243	37	253	138	79	146	119	638	237	1,909
DEMAND FROM EXISTING HOUSEHOLDS											
Estimated Total renter households under age 75, 2022	218	3,049	240	2,112	869	867	2,800	216	4,878	2,568	17,817
(times) % of renter turnover 2020-2030 ²	74.0%	75.0%	62.0%	63.0%	70.0%	58.0%	78.0%	65.0%	78.0%	70.0%	70.0%
(times) % desiring new rental housing	15.0%	25.0%	15.0%	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	30.0%	25.0%
(Equals) Demand from existing households	24	572	22	333	152	126	546	42	1,141	539	3,497
TOTAL MARKET DEMAND											
Total demand from new HH growth and turnover	43	814	59	585	290	205	692	161	1,779	777	5,406
Percent Market Rate ³	70%	55%	70%	60%	50%	45%	50%	70%	60%	50%	56%
Number	30	448	41	351	145	92	346	113	1,067	386	3,020
Percent Affordable ³	15%	30%	15%	25%	25%	30%	30%	15%	20%	30%	25%
Number	6	244	9	146	73	62	208	24	356	233	1,361
Percent Subsidized ³	15%	15%	15%	15%	25%	25%	20%	15%	20%	20%	19%
Number	6	122	9	88	73	51	138	24	356	155	1,023
¹ Based on percent renter households under age 75 in 2020 (American Community Survey) ² Based on household turnover and mobility data (2019 American Community Survey, Five Year Estimates) ³ Based on the pricing of current rental product and household incomes of area renters (i.e. excludes owner incomes) * Average of all submarkets. Note: Some totals may not add due to rounding.											
Source: Maxfield Research & Consulting, LLC											

HOUSING DEMAND ANALYSIS

TABLE DMD-4 DEMAND FOR ADDITIONAL RENTAL HOUSING WASHINGTON COUNTY 2030 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
DEMAND FROM NEW HOUSEHOLD GROWTH											
Household growth under age 75, 2030 to 2040	301	778	281	918	952	264	226	1,115	3,274	1,205	9,314
(times) % propensity to rent ¹	9.0%	32.0%	10.0%	30.0%	18.0%	22.0%	32.0%	18.0%	22.0%	20.0%	19.1%
(Equals) Demand from new household growth	27	249	28	275	171	58	72	201	720	241	2,043
DEMAND FROM EXISTING HOUSEHOLDS											
Estimated Total renter households under age 75, 2030	287	3,732	444	2,533	1,182	1,222	3,501	836	6,482	3,374	23,593
(times) % of renter turnover 2030-2040 ²	74.0%	75.0%	62.0%	63.0%	70.0%	58.0%	78.0%	78.0%	78.0%	70.0%	72.0%
(times) % desiring new rental housing	15.0%	30.0%	15.0%	25.0%	25.0%	25.0%	25.0%	30.0%	30.0%	30.0%	25.0%
(Equals) Demand from existing households	32	840	41	399	207	177	683	196	1,517	709	4,799
TOTAL MARKET DEMAND											
Total demand from new HH growth and turnover	59	1,089	69	674	378	235	755	396	2,237	950	6,843
Percent Market Rate ³	70%	55%	70%	60%	50%	45%	50%	70%	60%	50%	56%
Number	41	599	49	405	189	106	378	277	1,342	472	3,857
Percent Affordable ³	15%	30%	15%	25%	25%	30%	30%	15%	20%	30%	25%
Number	9	327	10	169	95	71	227	59	447	285	1,698
Percent Subsidized ³	15%	15%	15%	15%	25%	25%	20%	15%	20%	20%	19%
Number	9	163	10	101	95	59	151	59	447	190	1,285
¹ Based on percent renter households under age 75 in 2020 (American Community Survey) ² Based on household turnover and mobility data (2019 American Community Survey, Five Year Estimates) and adjusted for period ³ Based on the pricing of current rental product and household incomes of area renters (i.e. excludes owner incomes) * Average of all submarkets. Note: Some totals may not add due to rounding.											
Source: Maxfield Research & Consulting, LLC											

Senior Housing Demand

Tables DMD-5 through DMD-9 shows demand calculations for senior housing in Washington County by submarket in 2022, 2030 and 2040. The demand methodology employed by Maxfield Research utilizes capture and penetration rates that blend national senior housing trends with local market characteristics, preferences and patterns. Unlike demand for general occupancy housing, demand for senior housing is need driven and dependent on the capture rate of the point-in-time population versus population growth. The demand calculations consider the following target market segments for each product type:

Market Rate Active Adult Rental and Ownership Housing: Target market base includes age 55+ older adult and senior households with incomes of \$40,000 or more and senior homeowners with incomes between \$30,000 and \$39,999.

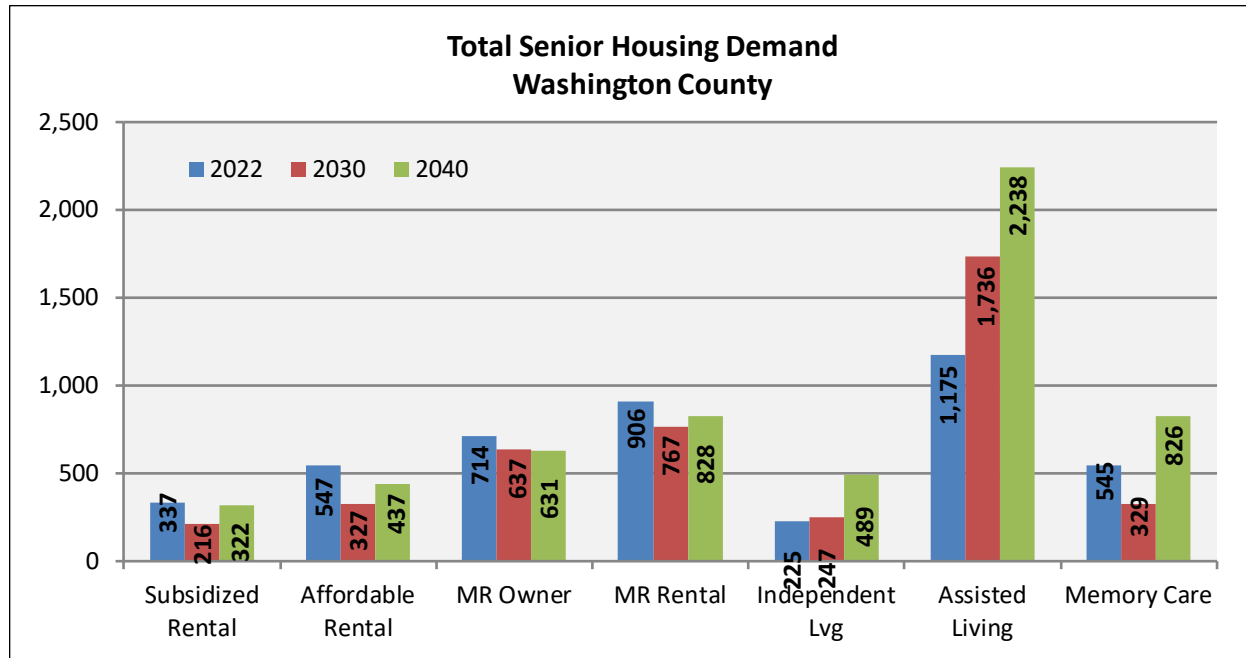
Affordable/Subsidized Independent Housing: Target market base includes age 55+ older adult and senior households with incomes of \$50,000 or less. The higher income qualification reflects senior households that can qualify with up to 80% AMI at Washington County CDA sponsored properties.

Independent Living Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with independent living. Income-ranges considered capable of paying for independent living housing are the same as for active adult housing.

Assisted Living Housing: Target market base includes older seniors (age 75+) who would be financially able to pay for private pay assisted living housing (incomes of \$40,000 or more and some homeowners with incomes below \$40,000). Additional demand for subsidized assisted living is not included in this demand but would result in greater demand for assisted living housing if considered. Subsidized assisted living is usually focused on households that are able to qualify for Elderly Waiver services. Only a small portion of Elderly Waiver residents in a market rate facility (15% or less), are able to receive these services in a market rate property.

Memory Care Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with memory care housing. Income ranges considered capable of paying for memory care housing (\$60,000 or more) are higher than other service levels due to the increased cost of care.

Existing senior housing units are subtracted from overall demand for each product type.



HOUSING DEMAND ANALYSIS

TABLE DMD-5 DEMAND FOR MARKET RATE ACTIVE ADULT RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2022											
Households age 55-64	877	2,740	1,302	1,566	1,095	1,685	2,402	1,089	5,387	3,341	21,484
(times) % income qualified ¹	93.8%	87.4%	93.4%	84.3%	88.1%	91.5%	80.9%	87.2%	90.5%	90.1%	88.1%
(times) HO factor \$35k-\$39k	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
(plus) Homeowners w/incomes \$35k-39k ²	35	110	52	63	44	67	96	44	215	134	762
(times) potential capture rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
(equals) demand potential	4	13	6	7	5	8	10	5	25	16	98
Households age 65-74	642	2,280	1,002	1,324	711	1,086	1,758	753	3,399	2,351	15,306
(times) % income qualified ¹	88.4%	82.9%	90.3%	79.1%	85.7%	84.4%	73.3%	84.5%	86.4%	85.1%	79.4%
(times) HO factor \$35k-\$39k	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
(plus) Homeowners w/incomes \$35k-39k ²	55	194	85	113	60	92	149	64	289	200	864
(times) potential capture rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
(equals) demand potential	40	135	64	75	44	66	93	46	210	143	846
Households age 75+	309	1,880	495	816	424	823	1,236	399	1,952	1,480	9,814
(times) % income qualified ¹	77.7%	61.8%	81.9%	62.4%	79.1%	62.8%	52.6%	74.6%	72.6%	67.7%	55.5%
(times) HO factor \$35k-\$39k	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
(plus) Homeowners w/incomes \$35k-39k ²	36	216	57	94	49	95	142	46	224	170	874
(times) potential capture rate	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
(equals) demand potential	45	227	76	99	63	101	131	57	271	193	1,043
(Equals) Demand potential	90	375	147	182	112	175	234	107	506	352	2,281
Percent Owner-Occupied	45%	40%	45%	45%	35%	35%	45%	40%	40%	40%	38%
Number	41	150	66	82	39	61	105	43	202	141	931
(minus) Existing and Pending Units ³	0	47	0	0	0	0	54	82	72	0	255
(equals) Total Owner-Occupied Demand	41	103	66	82	39	61	51	-39	130	141	675
Percent Renter-Occupied	55%	60%	55%	55%	65%	65%	55%	60%	60%	60%	62%
Number	50	225	81	100	73	113	129	64	304	211	1,350
(minus) Existing and Pending Units ³	0	128	0	61	0	66	107	57	21	4	444
(equals) Total Renter-Occupied Demand	50	97	81	39	73	47	22	7	283	207	906
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-5 CONT. DEMAND FOR MARKET RATE ACTIVE ADULT RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2030											
Households age 55-64	996	2,851	1,359	2,121	1,138	1,495	2,346	922	4,654	3,259	21,141
(times) % income qualified ¹	95.9%	91.0%	93.4%	87.6%	91.5%	94.4%	84.0%	90.4%	93.0%	92.9%	88.1%
(times) HO factor \$35k-\$39k	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
(plus) Homeowners w/incomes \$35k-39k ²	40	114	54	85	46	60	94	37	186	130	846
(times) potential capture rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
(equals) demand potential	5	14	7	10	5	7	10	4	23	16	97
Households age 65-74	600	1,907	746	1,386	719	917	1,478	593	2,109	1,984	12,439
(times) % income qualified ¹	92.1%	86.0%	93.5%	83.1%	89.5%	88.3%	77.6%	86.7%	89.8%	88.8%	79.4%
(times) HO factor \$35k-\$39k	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
(plus) Homeowners w/incomes \$35k-39k ²	51	162	63	118	61	78	126	50	179	169	1,057
(times) potential capture rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
(equals) demand potential	39	117	49	83	46	58	83	37	135	125	711
Households age 75+	284	1,793	306	860	318	692	1,137	268	1,716	1,249	8,623
(times) % income qualified ¹	81.4%	68.7%	85.1%	69.4%	83.6%	70.6%	60.1%	77.3%	77.9%	74.0%	55.5%
(times) HO factor \$35k-\$39k	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
(plus) Homeowners w/incomes \$35k-39k ²	33	206	35	99	37	80	131	31	197	144	992
(times) potential capture rate	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
(equals) demand potential	44	237	49	115	50	94	134	39	253	176	953
(Equals) Demand potential	88	368	105	207	101	159	227	80	410	317	2,063
Percent Owner-Occupied	45%	40%	45%	45%	35%	35%	45%	40%	40%	40%	38%
Number	39	147	47	93	35	56	102	32	164	127	844
(minus) Existing and Pending Units ³	0	47	0	0	0	0	54	82	72	0	255
(equals) Total Owner-Occupied Demand	39	100	47	93	35	56	48	-50	92	127	588
Percent Renter-Occupied	55%	60%	55%	55%	65%	65%	55%	60%	60%	60%	62%
Number	48	221	58	114	66	103	125	48	246	190	1,220
(minus) Existing and Pending Units ³	0	128	0	61	0	66	107	57	21	4	444
(equals) Total Renter-Occupied Demand	48	93	58	53	66	37	0	-9	225	187	758
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-5 CONT. DEMAND FOR MARKET RATE ACTIVE ADULT RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2040											
Households age 55-64	1,059	3,106	1,448	2,074	1,352	1,689	2,442	1,514	6,317	3,712	24,713
(times) % income qualified ¹	91.1%	85.5%	91.0%	85.3%	88.4%	90.6%	83.8%	89.4%	91.6%	87.3%	88.1%
(times) HO factor \$35k-\$39k	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
(plus) Homeowners w/incomes \$35k-39k ²	42	124	58	83	54	68	98	61	253	148	931
(times) potential capture rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
(equals) demand potential	5	14	7	9	6	8	11	7	30	17	107
Households age 65-74	654	2,129	815	1,389	877	1,064	1,577	1,000	3,523	2,317	15,345
(times) % income qualified ¹	86.7%	72.9%	83.5%	77.0%	81.9%	82.6%	71.7%	83.8%	86.3%	76.8%	79.4%
(times) HO factor \$35k-\$39k	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
(plus) Homeowners w/incomes \$35k-39k ²	56	181	69	118	75	90	134	85	299	197	1,358
(times) potential capture rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
(equals) demand potential	40	113	49	77	52	63	82	60	217	128	774
Households age 75+	302	1,958	327	840	380	782	1,183	440	2,260	1,426	9,898
(times) % income qualified ¹	70.0%	47.7%	62.4%	57.6%	65.1%	59.6%	44.9%	67.7%	62.6%	52.9%	55.5%
(times) HO factor \$35k-\$39k	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
(plus) Homeowners w/incomes \$35k-39k ²	35	225	38	97	44	90	136	51	260	164	1,180
(times) potential capture rate	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
(equals) demand potential	41	191	40	96	48	92	110	57	276	152	1,139
(Equals) Demand potential	86	318	95	182	106	163	203	125	524	297	2,098
Percent Owner-Occupied	45%	40%	45%	45%	35%	35%	45%	40%	40%	40%	38%
Number	39	127	43	82	37	57	91	50	209	119	854
(minus) Existing and Pending Units ³	0	47	0	0	0	0	54	82	72	0	255
(equals) Total Owner-Occupied Demand	39	80	43	82	37	57	37	-32	137	119	599
Percent Renter-Occupied	55%	60%	55%	55%	65%	65%	55%	60%	60%	60%	62%
Number	47	191	53	100	69	106	112	75	314	178	1,244
(minus) Existing and Pending Units ³	0	128	0	61	0	66	107	57	21	4	444
(equals) Total Renter-Occupied Demand	47	63	53	39	69	40	0	18	293	174	796
¹ Based on households earning \$35,000+ in 2022, increasing to \$40,000 in 2030 and \$45,000 in 2040											
² Estimated homeowners with incomes between \$35,000 and \$39,000 in 2022											
³ Existing and pending units are deducted at market equilibrium (95% occupancy)											
Source: Maxfield Research & Consulting, LLC											

HOUSING DEMAND ANALYSIS

TABLE DMD-6 DEMAND FOR SUBSIDIZED/AFFORDABLE SENIOR HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2022											
Households age 55-64	877	2,740	1,302	1,566	1,095	1,685	2,402	1,089	5,387	3,341	21,484
(times) % income qualified ¹	18.5%	29.7%	17.6%	28.4%	23.5%	19.2%	31.1%	17.5%	17.3%	25.1%	23.1%
(times) potential capture rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Households age 65-74	642	2,280	1,002	1,324	711	1,086	1,758	753	3,399	2,351	15,306
(times) % income qualified ¹	27.4%	44.4%	29.5%	40.4%	37.0%	31.7%	51.8%	25.9%	29.0%	42.7%	37.7%
(times) potential capture rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Households age 75+	309	1,880	495	816	424	823	1,236	399	1,952	1,480	9,814
(times) % income qualified ¹	57.2%	71.8%	63.2%	67.9%	65.8%	65.3%	78.9%	50.0%	60.0%	72.0%	67.9%
(times) potential capture rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
(Equals) Demand potential	65	455	112	201	101	175	350	73	410	384	2,326
Percent Subsidized	41%	41%	53%	47%	31%	43%	36%	40%	22%	25%	40%
Number	27	187	60	94	31	75	126	29	90	96	815
(minus) Existing and Pending Units ²	0	186	0	220	0	59	66	0	0	73	604
(equals) Total Subsidized Demand	27	1	60	0	31	16	60	29	90	23	337
Percent Affordable	59%	59%	47%	53%	69%	57%	64%	60%	78%	75%	60%
Number	38	268	53	106	70	100	224	44	320	288	1,511
(minus) Existing and Pending Units ²	30	109	0	83	27	146	217	29	212	157	1,010
(equals) Total Affordable Demand	8	159	53	23	43	0	7	15	108	131	547
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-6 CONT. DEMAND FOR SUBSIDIZED/AFFORDABLE SENIOR HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2030											
Households age 55-64	996	2,851	1,359	2,121	1,138	1,495	2,346	922	4,654	3,259	21,141
(times) % income qualified ¹	16.3%	26.6%	13.9%	28.8%	19.2%	16.5%	27.3%	15.2%	14.3%	20.8%	19.7%
(times) potential capture rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Households age 65-74	600	1,907	746	1,386	719	917	1,478	593	2,109	1,984	12,439
(times) % income qualified ¹	26.4%	41.6%	25.5%	41.9%	31.8%	28.0%	47.8%	22.8%	24.8%	37.8%	33.5%
(times) potential capture rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Households age 75+	284	1,793	306	860	318	692	1,137	268	1,716	1,249	8,623
(times) % income qualified ¹	59.8%	70.9%	60.8%	69.6%	61.0%	61.5%	76.7%	44.4%	55.4%	68.7%	64.1%
(times) potential capture rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
(Equals) Demand potential	62	412	69	220	76	137	301	46	303	303	1,930
Percent Subsidized ²	41%	41%	53%	47%	31%	43%	36%	40%	22%	25%	40%
Number	25	169	37	103	23	59	109	18	67	76	686
(minus) Existing and Pending Units ²	0	186	0	220	0	59	66	0	0	73	604
(equals) Total Subsidized Demand	25	0	37	0	23	0	43	18	67	3	216
Percent Affordable ²	59%	59%	47%	53%	69%	57%	64%	60%	78%	75%	60%
Number	36	243	33	117	52	78	193	28	237	227	1,244
(minus) Existing and Pending Units ²	30	109	0	83	27	146	217	29	212	157	1,010
(equals) Total Affordable Demand	6	134	33	34	25	0	0	0	25	70	327
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-6 CONT. DEMAND FOR SUBSIDIZED/AFFORDABLE SENIOR HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2040											
Households age 55-64	1,059	3,106	1,448	2,074	1,352	1,689	2,442	1,514	6,317	3,712	24,713
(times) % income qualified ¹	14.7%	26.6%	15.1%	23.8%	19.2%	16.5%	27.3%	15.2%	14.3%	20.8%	19.7%
(times) potential capture rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Households age 65-74	654	2,129	815	1,389	877	1,064	1,577	1,000	3,523	2,317	15,345
(times) % income qualified ¹	21.8%	40.7%	25.8%	35.2%	31.8%	28.0%	47.8%	22.8%	24.8%	37.8%	33.5%
(times) potential capture rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Households age 75+	302	1,958	327	840	380	782	1,183	440	2,260	1,426	9,898
(times) % income qualified ¹	50.9%	68.7%	58.6%	63.5%	61.0%	61.5%	76.7%	44.4%	55.4%	68.7%	64.1%
(times) potential capture rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
(Equals) Demand potential	56	439	73	192	91	156	316	76	418	348	2,165
Percent Subsidized ²	41%	41%	53%	47%	31%	43%	36%	51%	22%	34%	40%
Number	23	180	39	90	28	67	114	39	92	118	790
(minus) Existing and Pending Units ²	0	186	0	220	0	59	66	0	0	73	604
(equals) Total Subsidized Demand	23	0	39	0	28	8	48	39	92	45	322
Percent Affordable ²	59%	59%	47%	53%	69%	57%	64%	49%	78%	66%	60%
Number	33	259	34	102	63	89	202	37	326	230	1,375
(minus) Existing and Pending Units ²	30	109	0	83	27	146	217	29	212	157	1,010
(equals) Total Affordable Demand	3	150	34	19	36	0	0	8	114	73	438
¹ Based on households earning \$50,000 and under in 2022; ² Existing and pending units are deducted at market equilibrium (97% occupancy)											
Source: Maxfield Research & Consulting, LLC											

HOUSING DEMAND ANALYSIS

TABLE DMD-7 DEMAND FOR INDEPENDENT LIVING RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2022											
Households age 65-74	470	1,550	616	2,016	522	783	1,244	416	2,109	1,591	11,317
(times) % income qualified ¹	86.7%	72.9%	83.5%	77.0%	81.9%	82.6%	71.7%	83.8%	86.3%	76.8%	80.3%
(times) HO factor \$35k-\$39k	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
(plus) Homeowners w/incomes \$35k-39k ²	40	132	52	171	44	67	106	35	179	135	962
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
(equals) demand potential	7	19	9	26	7	11	15	6	30	20	149
Households age 75+	247	1,606	279	598	254	664	1,069	207	1,565	1,108	7,597
(times) % income qualified ¹	70.0%	47.7%	62.4%	57.6%	65.1%	59.6%	44.9%	67.7%	62.6%	52.9%	59.1%
(times) HO factor \$35k-\$39k	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
(plus) Homeowners w/incomes \$35k-39k ²	28	185	32	69	29	76	123	24	180	127	874
(times) potential capture rate	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
(equals) demand potential	33	157	34	68	32	78	99	27	191	118	686
(Equals) Demand potential	40	176	43	94	39	89	114	33	221	138	987
(minus) Existing and Pending Units ³	0	497	0	47	28	176	30	63	158	146	1,145
(Equals) Total Independent Living Demand	40	0	43	47	11	0	84	0	0	0	225
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-7 CONT. DEMAND FOR INDEPENDENT LIVING RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2030											
Households age 65-74	600	1,907	746	1,386	719	917	1,478	593	2,109	1,984	12,439
(times) % income qualified ¹	86.7%	72.9%	83.5%	77.0%	81.9%	82.6%	71.7%	83.8%	86.3%	76.8%	80.3%
(times) HO factor \$35k-\$39k	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
(plus) Homeowners w/incomes \$35k-39k ²	51	162	63	118	61	78	126	50	179	169	1,057
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
(equals) demand potential	9	23	10	18	10	13	18	8	30	25	164
Households age 75+	284	1,793	306	860	318	692	1,137	268	1,716	1,249	8,623
(times) % income qualified ¹	70.0%	62.4%	73.5%	61.5%	68.2%	76.5%	63.4%	65.6%	65.2%	68.9%	65.4%
(times) HO factor \$35k-\$39k	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
(plus) Homeowners w/incomes \$35k-39k ²	33	206	35	99	37	80	131	31	197	144	992
(times) potential capture rate	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
(equals) demand potential	38	219	43	104	42	100	141	34	217	166	780
(Equals) Demand potential	47	242	53	121	52	113	158	42	247	191	1,267
(minus) Existing and Pending Units ³	0	497	0	47	28	176	30	63	158	146	1,145
(Equals) Total Independent Living Demand	47	0	53	74	24	0	128	0	89	45	460
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-7 CONT. DEMAND FOR INDEPENDENT LIVING RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2040											
Households age 65-74	649	2,186	931	1,512	1,030	1,086	1,744	954	3,304	2,576	15,972
(times) % income qualified ¹	86.7%	72.9%	83.5%	77.0%	81.9%	82.6%	71.7%	83.8%	86.3%	76.8%	80.3%
(times) HO factor \$35k-\$39k	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
(plus) Homeowners w/incomes \$35k-39k ²	55	186	79	129	88	92	148	81	281	219	1,358
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
(equals) demand potential	9	27	13	19	14	15	21	13	47	33	211
Households age 75+	349	2,200	351	875	598	728	1,271	366	2,064	1,458	10,260
(times) % income qualified ¹	70.0%	47.7%	62.4%	57.6%	65.1%	59.6%	44.9%	67.7%	62.6%	52.9%	59.1%
(times) HO factor \$35k-\$39k	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
(plus) Homeowners w/incomes \$35k-39k ²	40	253	40	101	69	84	146	42	237	168	1,180
(times) potential capture rate	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
(equals) demand potential	44	202	40	94	71	80	111	45	237	146	932
(Equals) Demand potential	53	229	53	113	85	95	132	58	284	178	1,281
(minus) Existing and Pending Units ³	0	497	0	47	28	176	30	63	158	146	1,145
(Equals) Total Independent Demand	53	0	53	66	57	0	102	0	126	32	490
¹ Based on households earning \$40,000+ in 2022, \$45,000 in 2030 and \$50,000 in 2040 ² Estimated homeowners with incomes between \$35,000 and \$39,999 in 2022 ³ Existing and pending units are deducted at market equilibrium (95% occupancy)											
Source: Maxfield Research & Consulting, LLC											

HOUSING DEMAND ANALYSIS

TABLE DMD-8 DEMAND FOR ASSISTED LIVING RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	Stillwater	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2022											
People age 75-79	241	1,135	462	576	344	537	786	321	1,391	1,074	6,867
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%
People age 80-84	149	734	237	340	177	378	522	173	849	664	4,223
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%
People age 85+	115	985	157	312	103	445	514	132	792	536	4,091
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%
(Equals) Number needing assistance	171	1,044	278	422	200	494	641	208	1,049	774	5,281
(times) Percent Income-Qualified ²	73.1%	45.7%	71.8%	57.7%	66.3%	57.0%	47.9%	77.2%	63.3%	57.8%	61.8%
(times) Percent Living Alone	31.8%	56.8%	31.5%	49.5%	36.9%	52.3%	53.3%	29.0%	44.2%	41.1%	42.6%
(plus) Proportion of demand from couples (12%) ³	5	37	9	16	7	20	22	6	40	25	188
(times) Potential penetration rate ⁴	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
(Equals) Demand Potential	62	378	100	153	72	180	232	75	381	280	1,914
(minus) Existing and Pending Units ⁵	0	217	0	24	60	47	127	27	187	49	738
(Equals) Total Assisted Living Demand	62	161	100	129	12	133	105	48	194	231	1,176
CONTINUED											

TABLE DMD-8 CONT. DEMAND FOR ASSISTED LIVING RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2030											
People age 75-79	333	1,535	717	900	443	724	1,123	491	2,029	1,537	9,832
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%
People age 80-84	190	991	377	464	268	490	641	268	1,035	809	5,533
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%
People age 85+	136	1,061	233	378	157	501	558	177	932	635	4,768
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%
(Equals) Number needing assistance	219	1,272	430	580	284	608	790	307	1,346	991	6,827
(times) Percent Income-Qualified ²	73.1%	45.7%	71.8%	57.7%	66.3%	57.0%	47.9%	77.2%	63.3%	57.8%	61.8%
(times) Percent Living Alone	31.8%	56.8%	31.5%	49.5%	36.9%	52.3%	53.3%	29.0%	44.2%	41.1%	42.6%
(plus) Proportion of demand from couples (12%) ³	7	45	13	23	9	25	27	9	51	32	242
(times) Potential penetration rate ⁴	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
(Equals) Demand Potential	79	461	155	211	103	221	286	111	489	358	2,474
(minus) Existing and Pending Units ⁵	0	217	0	24	60	47	127	27	187	49	738
(Equals) Total Assisted Living Demand	79	244	155	187	43	174	159	84	302	309	1,736
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-8 CONT. DEMAND FOR ASSISTED LIVING RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	East Central	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2040											
People age 75-79	375	1,688	932	1,203	602	905	1,338	603	2,468	1,898	12,012
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%
People age 80-84	236	1,124	439	555	421	564	778	344	1,185	1,043	6,689
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%
People age 85+	158	1,148	344	439	222	558	633	206	1,079	826	5,613
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%
(Equals) Number needing assistance	256	1,400	563	720	410	708	929	376	1,584	1,261	8,207
(times) Percent Income-Qualified ²	73.1%	45.7%	71.8%	57.7%	66.3%	57.0%	47.9%	77.2%	63.3%	57.8%	61.8%
(times) Percent Living Alone	31.8%	56.8%	31.5%	49.5%	36.9%	52.3%	53.3%	29.0%	44.2%	41.1%	42.6%
(plus) Proportion of demand from couples (12%) ³	8	50	17	28	14	29	32	11	60	41	291
(times) Potential penetration rate ⁴	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
(Equals) Demand Potential	93	508	203	262	148	258	337	135	576	456	2,974
(minus) Existing and Pending Units ⁵	0	217	0	24	60	47	127	27	187	49	738
(Equals) Total Assisted Living Demand	93	291	203	238	88	211	210	108	389	407	2,236
¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 2018 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics. ² Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). ³ The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples. ⁴ We estimate that 65% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility. ⁵ Existing and pending units at 95% occupancy. We exclude 15% of units to be Elderly Waiver.											
Source: Maxfield Research & Consulting, LLC											

HOUSING DEMAND ANALYSIS

TABLE DMD-9 DEMAND FOR MEMORY CARE RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	Stillwater	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2022											
People age 65-74	1,082	3,594	1,706	2,123	1,218	1,844	2,888	1,260	5,791	4,195	25,701
(times) Dementia incident rate ¹	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
People age 75-84	376	1,865	653	917	540	896	1,314	485	2,296	1,770	11,112
(times) Dementia incident rate ¹	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	19.0%
People age 85+	111	983	147	312	107	436	516	130	812	546	4,100
(times) Dementia incident rate ¹	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	42.0%
(Equals) Total senior population with dementia	148	1,431	328	551	246	658	851	264	1,436	1,013	6,926
(times) Percent Income-Qualified ²	45.0%	46.5%	66.4%	53.2%	58.6%	57.1%	43.8%	70.5%	61.8%	52.3%	55.5%
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
(Equals) Demand Potential	17	166	54	73	36	94	93	47	222	132	935
(minus) Existing and Pending Units ³	0	62	0	41	26	71	28	0	112	49	389
(Equals) Total Memory Care Demand	17	104	54	32	10	23	65	47	110	83	546
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-9 CONT. DEMAND FOR MEMORY CARE RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	Stillwater	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2030											
People age 65-74	1,259	4,098	2,063	2,321	1,539	2,278	3,311	1,617	6,836	4,942	30,264
(times) Dementia incident rate ¹	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
People age 75-84	497	2,514	1,003	1,388	765	1,163	1,767	746	3,191	2,437	15,471
(times) Dementia incident rate ¹	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	19.0%
People age 85+	129	1,056	214	385	169	480	559	174	971	660	4,797
(times) Dementia incident rate ¹	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%
(Equals) Total senior population with dementia	180	1,620	462	700	356	762	979	363	1,774	1,259	8,455
(times) Percent Income-Qualified ²	45.0%	46.5%	66.4%	53.2%	58.6%	57.1%	43.8%	70.5%	61.8%	52.3%	55.5%
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
(Equals) Demand Potential	20	188	77	93	52	109	107	64	274	165	1,149
(minus) Existing and Pending Units ³	0	86	0	41	26	100	28	20	112	49	462
(Equals) Total Memory Care Demand	20	102	77	52	26	9	79	44	162	116	687
CONTINUED											

HOUSING DEMAND ANALYSIS

TABLE DMD-9 CONT. DEMAND FOR MEMORY CARE RENTAL HOUSING WASHINGTON COUNTY 2022 to 2040											
	Northeast	Stillwater	Southeast	Forest Lake	Hugo	Mahtomedi	Oakdale	Lake Elmo	Woodbury	Cottage Grove	Washington County
2040											
People age 65-74	1,164	4,083	1,866	2,387	1,588	2,159	3,472	1,674	6,642	4,812	29,847
(times) Dementia incident rate ¹	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
People age 75-84	556	2,687	1,216	1,398	849	1,220	1,853	850	3,190	2,564	16,383
(times) Dementia incident rate ¹	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	19.0%
People age 85+	210	1,264	353	422	198	516	705	206	1,124	765	5,763
(times) Dementia incident rate ¹	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%
(Equals) Total senior population with dementia	211	1,852	620	742	400	799	1,145	412	1,917	1,374	10,458
(times) Percent Income-Qualified ²	45.0%	46.5%	66.4%	53.2%	58.6%	57.1%	43.8%	70.5%	61.8%	52.3%	55.5%
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
(Equals) Demand Potential	24	215	103	99	59	114	125	73	296	180	1,287
(minus) Existing and Pending Units ³	0	86	0	41	26	100	28	20	112	49	462
(Equals) Total Memory Care Demand	24	129	103	58	33	14	97	53	184	131	825
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2021) ² Includes seniors with HH income at \$60,000 or above plus 25% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing). ³ Existing and pending units at 93% occupancy. We exclude 15% of the units to be Elderly Waiver.											
Source: Maxfield Research & Consulting, LLC											

Washington County Demand Summary

The housing demand calculations in Tables DMD-1 through DMD-9 indicate that between 2022 and 2040, 21,412 for-sale housing units, 12,243 rental units and 5,771 senior units will be needed in Washington County to satisfy the housing demand for current and future residents. Summary demand tables for general occupancy and senior housing are broken down by submarket in Tables DMD-10 and DMD-13 and demand by income level and submarket are provided in Tables DMD-11, DMD-12 and DMD-14.

We recommend maintaining a single-family lot supply of at least three years to provide adequate consumer choice but to not prolong developer carrying costs. With an average of 1,256 new single-family homes built annually from 2017 through 2021, this equates to an estimated lot supply of 3,668 lots (three-year supply) and 6,280 lots (five-year supply). Currently, Washington County has 1,294 vacant developed lots, which would equate to a one-year lot supply at the recent historic construction rate. Another 1,617 lots were identified in existing subdivisions and 1,359 lots in planned future subdivisions, increasing the lot supply available if these lots were to be converted to developed lots. Converting all planned future lots would result in an additional supply of 2,976 lots, which when combined with the existing vacant developed lots would equal a 3.5 year lot supply. We anticipate that absorption will slow in the short-term due to high construction costs and increased mortgage interest rates, which will dampen demand to a degree and increase the lot supply period. With the current moratorium in Lake Elmo however, some of that demand may shift to nearby communities until the water situation can be rectified.

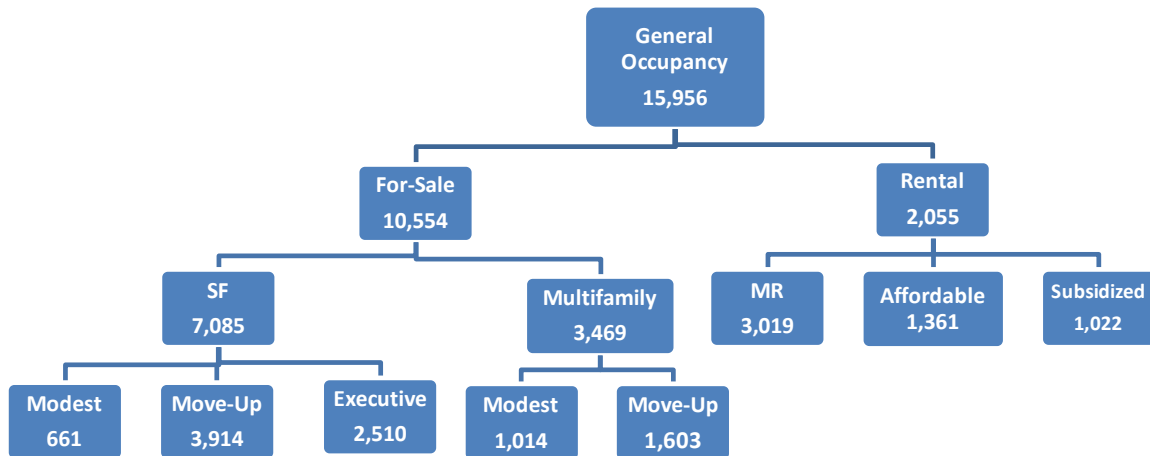
Washington County has a supply of 296 vacant developed and 216 future lots for multifamily owned housing. With an average annual demand for 178 for-sale multifamily units, the current available units would accommodate demand for just under three years. However, the supply of these lots is not distributed evenly across the County. Demand for owned multifamily housing is anticipated to increase as prices for single-family homes rise and as more empty-nesters and seniors consider downsizing or “right-sizing” their residences.

Overall, the rental market has been tight in Washington County over the past five years with vacancies below the stabilized rate of 5%. The entire Metro Area has a low vacancy rate of 3.6% as of 4th Quarter 2021 and the overall Washington County vacancy rate was 2.4% for stabilized properties and 2.8% including stabilized and properties in initial lease-up. With a strong rental market, we find that new units will be needed in the short-term to satisfy potential household growth as well as demand from households that will remain in the rental market longer because they are unable to purchase. The smaller communities can support additional rental units in smaller buildings (e.g. 80 units or less). Most of the demand will be in Woodbury, Oakdale, Forest Lake, and Cottage Grove, or where the majority of jobs, as well as shopping and services, are located. We note that the East Central submarket also needs new market rate rental units.

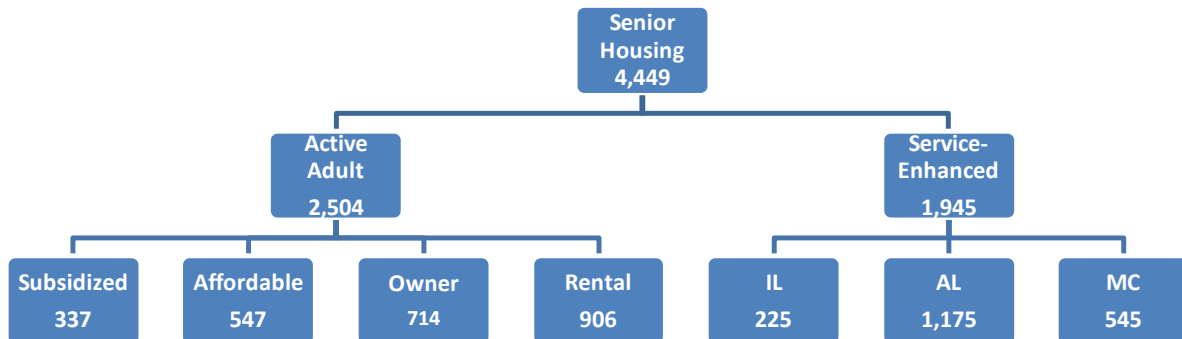
DEMAND SUMMARY AND RECOMMENDATIONS

Existing senior projects built in the past couple of years in Washington County are performing well and additional senior developments will be needed to meet the demand from the growing senior population. There are four senior projects expected to move forward that will meet a portion of this demand in the short-term (see Table P-1).

Washington County Projected General Occupancy Demand, 2022 – 2030



Washington County Projected Senior Demand, 2030



DEMAND SUMMARY AND RECOMMENDATIONS

TABLE DMD-10 GENERAL OCCUPANCY EXCESS DEMAND SUMMARY WASHINGTON COUNTY 2022 to 2040												
2022 to 2030												
Submarket	Single-Family				For-Sale Multifamily				Rental			
	Modest	Move-up	Executive	Total	Modest	Move-up	Executive	Total	Market Rate	Affordable	Subsidized	Total
Northeast	0	55	129	184	0	13	20	33	30	6	6	42
East Central	100	325	75	500	100	167	67	334	448	244	122	814
Southeast	0	127	236	363	0	45	45	90	41	9	9	59
Forest Lake	169	310	85	564	97	109	36	242	351	146	88	585
Hugo	179	466	72	717	84	120	36	240	145	73	73	291
Mahtomedi	0	85	158	243	21	63	21	105	92	62	51	205
Oakdale	29	124	38	191	86	143	57	286	346	208	138	692
Lake Elmo	0	229	426	655	33	90	41	164	113	24	24	161
Woodbury	125	1,371	997	2,493	403	537	403	1,343	1,067	356	356	1,779
Cottage Grove	59	822	294	1,175	190	316	126	632	386	233	155	774
WASHINGTON COUNTY	661	3,914	2,510	7,085	1,014	1,603	852	3,469	3,019	1,361	1,022	5,402
East Total	100	507	440	1,047	100	225	132	457	519	259	137	915
West Total	561	1,500	2,070	2,850	914	1,378	720	3,012	2,500	387	344	1,732
2030 to 2040												
Submarket	Single-Family				For-Sale Multifamily				Rental			
	Modest	Move-up	Executive	Total	Modest	Move-up	Executive	Total	Market Rate	Affordable	Subsidized	Total
Northeast	0	77	181	258	0	39	10	49	41	9	9	59
East Central	68	228	159	455	112	205	56	373	599	327	163	1,089
Southeast	0	84	196	280	0	49	21	70	49	10	10	69
Forest Lake	151	221	100	472	100	167	67	334	405	169	101	675
Hugo	201	483	121	805	94	134	40	268	189	95	95	379
Mahtomedi	0	67	100	167	11	54	7	72	106	71	59	236
Oakdale	23	75	17	115	52	87	35	174	378	227	151	756
Lake Elmo	0	321	596	917	57	160	57	274	277	59	59	395
Woodbury	242	1,454	727	2,423	485	969	162	1,616	1,342	447	447	2,236
Cottage Grove	104	729	208	1,041	278	382	35	695	472	285	190	947
WASHINGTON COUNTY	789	3,739	2,405	6,933	1,189	2,246	490	3,925	3,858	1,699	1,284	6,841
East Total	68	389	536	993	112	293	87	492	689	346	182	1,217
West Total	721	2,574	1,692	4,906	1,077	1,953	403	3,433	3,169	1,353	1,102	5,624
2022 to 2040												
Submarket	Single-Family				For-Sale Multifamily				Rental			
	Modest	Move-up	Executive	Total	Modest	Move-up	Executive	Total	Market Rate	Affordable	Subsidized	Total
Northeast	0	132	310	442	0	52	30	82	71	15	15	101
East Central	168	553	234	955	212	372	123	707	1,047	571	285	1,903
Southeast	0	211	432	643	0	94	66	160	90	19	19	128
Forest Lake	320	531	185	1,036	197	276	103	576	756	315	189	1,260
Hugo	380	949	193	1,522	178	254	76	508	334	168	168	670
Mahtomedi	0	152	258	410	32	117	28	177	198	133	110	441
Oakdale	52	199	55	306	138	230	92	460	724	435	289	1,448
Lake Elmo	0	550	1,022	1,572	90	250	98	438	390	83	83	556
Woodbury	367	2,825	1,724	4,916	888	1,506	565	2,959	2,409	803	803	4,015
Cottage Grove	163	1,551	502	2,216	468	698	161	1,327	858	518	345	1,721
WASHINGTON COUNTY	1,450	4,517	4,915	8,862	2,203	3,849	1,342	7,394	6,877	3,060	2,306	12,243
East Total	168	896	976	2,040	212	518	219	949	1,208	605	319	2,132
West Total	1,282	6,757	3,939	11,978	1,991	3,331	1,123	6,445	5,669	2,455	1,987	10,111
Note: Some totals may not add due to rounding.												
Sources: Maxfield Research & Consulting, LLC												

DEMAND SUMMARY AND RECOMMENDATIONS

TABLE DMD-11 GENERAL OCCUPANCY HOUSING DEMAND SUMMARY BY PRODUCT TYPE AND AMI LEVEL SINGLE-FAMILY AND OWNED MULTIFAMILY WASHINGTON COUNTY 2022-2040												
2022 to 2030												
Submarket	Single-Family						Owned Multifamily					
	50% or Less	51%-80%	80%-100%	100%-120%	Over 120%	Total	50% or Less	51%-80%	81%-100%	101%-120%	Over 120%	Total
Northeast	0	0	62	65	57	184	0	0	0	13	20	33
East Central	20	50	125	230	75	500	9	22	89	109	105	334
Southeast	0	20	56	158	129	363	0	0	22	23	45	90
Forest Lake	42	59	124	254	85	564	18	79	43	66	36	242
Hugo	31	49	218	347	72	717	24	59	62	59	36	240
Mahtomedi	0	27	39	76	101	243	10	16	37	21	21	105
Oakdale	18	38	47	50	38	191	22	49	64	94	57	286
Lake Elmo	0	32	112	209	302	655	11	23	36	53	41	164
Woodbury	38	87	602	769	997	2,493	101	203	432	287	320	1343
Cottage Grove	24	53	421	445	232	1,175	52	94	154	206	126	632
Total-Washington Co	173	415	1,806	2,603	2,088	7,085	247	545	939	931	807	3,469
East Total	20	70	243	453	261	1,047	9	22	111	145	170	457
West Total	153	345	1,563	2,150	1,827	6,038	238	523	828	786	637	3,012
2030 to 2040												
Submarket	Single-Family						Owned Multifamily					
	50% or Less	51%-80%	80%-100%	100%-120%	Over 120%	Total	50% or Less	51%-80%	81%-100%	101%-120%	Over 120%	Total
Northeast	0	9	29	39	181	258	0	0	17	22	10	49
East Central	29	39	94	134	159	455	12	62	115	128	56	373
Southeast	0	11	36	60	173	280	0	0	14	35	21	70
Forest Lake	36	98	119	119	100	472	20	60	128	59	67	334
Hugo	43	84	239	318	121	805	32	39	53	104	40	268
Mahtomedi	0	0	38	69	60	167	6	7	20	32	7	72
Oakdale	0	23	23	52	17	115	21	31	35	52	35	174
Lake Elmo	0	67	161	201	488	917	14	43	62	98	57	274
Woodbury	100	121	684	791	727	2,423	123	248	478	605	162	1,616
Cottage Grove	21	54	361	397	208	1,041	49	151	212	248	35	695
Total-Washington Co	229	506	1,784	2,180	2,234	6,933	277	641	1,134	1,383	490	3,925
East Total	29	59	159	233	513	993	12	62	146	185	87	492
West Total	200	447	1,625	1,947	1,721	5,940	265	579	988	1,198	403	3,433

Sources: Ribbon Demographics; Maxfield Research and Consulting, LLC

DEMAND SUMMARY AND RECOMMENDATIONS

TABLE DMD-12 GENERAL OCCUPANCY HOUSING DEMAND SUMMARY BY PRODUCT TYPE AND AMI LEVEL RENTAL HOUSING WASHINGTON COUNTY 2022-2040											
2022 to 2040											
Submarket	Rental - Market Rate				Rental - Affordable				Rental - Subsidized		
	80%-100%	101%-120%	Over 120%	Total	50% or Less	51%-80%	81%-100%	Total	30% or Less	31%-50%	Total
Northeast	15	15	0	30	6	0	0	6	0	6	6
East Central	180	148	120	448	60	64	120	244	40	82	122
Southeast	10	21	10	41	0	9	0	9	0	9	9
Forest Lake	110	121	120	351	36	52	58	146	28	60	88
Hugo	50	65	30	145	23	28	22	73	25	48	73
Mahtomedi	38	40	14	92	12	30	20	62	17	34	51
Oakdale	130	168	48	346	48	100	60	208	50	88	138
Lake Elmo	40	51	22	113	0	24	0	24	0	24	24
Woodbury	328	549	190	1,067	78	134	144	356	148	208	356
Cottage Grove	120	212	54	386	86	128	19	233	65	90	155
Total-Washington Co	1,021	1,390	608	3,019	86	128	19	1,361	65	90	1,022
East Total	205	184	130	519	66	73	120	259	40	97	137
West Total	816	1,206	478	2,500	283	496	323	1,102	333	552	885
2030 to 2040											
Submarket	Rental - Market Rate				Rental - Affordable				Rental - Subsidized		
	80%-100%	101%-120%	Over 120%	Total	50% or Less	51%-80%	81%-100%	Total	30% or Less	31%-50%	Total
Northeast	9	20	12	41	0	9	0	9	0	9	9
East Central	185	225	189	599	57	160	110	327	42	121	163
Southeast	12	24	13	49	4	6	0	10	4	6	10
Forest Lake	126	199	80	405	49	68	52	169	24	77	101
Hugo	67	86	36	189	16	54	25	95	32	63	95
Mahtomedi	20	62	24	106	22	32	17	71	21	38	59
Oakdale	148	152	78	378	48	117	62	227	31	120	151
Lake Elmo	64	155	58	277	31	28	0	59	21	38	59
Woodbury	444	624	274	1342	81	224	142	447	162	285	447
Cottage Grove	222	202	48	472	32	138	115	285	80	110	190
Total-Washington Co	1,297	1,749	812	3,858	340	836	523	1,699	417	867	1,284
East Total	206	269	214	689	61	175	110	346	46	136	182
West Total	1,091	1,480	598	3,169	279	661	413	1,353	371	731	1,102
Sources: Ribbon Demographics; Maxfield Research and Consulting, LLC											

DEMAND SUMMARY AND RECOMMENDATIONS

TABLE DMD-13 SENIOR HOUSING EXCESS DEMAND SUMMARY WASHINGTON COUNTY 2022 to 2030									
2022									
	ACTIVE ADULT					SERVICE-ENHANCED**			
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	Independent Living	Assisted Living	Memory Care	Total
Northeast	27	8	41	50	126	40	62	17	119
East Central	1	159	103	97	360	0	161	104	265
Southeast	60	53	66	81	260	43	100	54	197
Forest Lake	0	23	82	39	144	47	129	32	208
Hugo	31	43	39	73	186	11	12	10	33
Mahtomedi	16	0	61	47	124	0	133	23	156
Oakdale	60	7	51	22	140	84	105	65	254
Lake Elmo	29	15	0	7	51	0	48	47	95
Woodbury	90	108	130	283	611	0	194	110	304
Cottage Grove	23	131	141	207	502	0	231	83	314
WASHINGTON COUNTY	337	547	714	906	2,504	225	1,175	545	1,945
East Total	88	220	210	228	746	83	323	175	581
West Total	309	380	570	759	2,018	185	952	424	1,561
2030									
	ACTIVE ADULT					SERVICE-ENHANCED**			
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	Independent Living	Assisted Living	Memory Care	Total
Northeast	25	6	39	48	118	47	79	20	146
East Central	0	134	100	93	327	0	244	102	346
Southeast	37	33	47	58	175	53	155	77	285
Forest Lake	0	34	93	53	180	74	187	52	313
Hugo	23	25	35	66	149	24	43	26	93
Mahtomedi	0	0	56	37	93	0	174	9	183
Oakdale	43	0	48	0	91	128	159	79	366
Lake Elmo	18	0	0	0	18	0	84	44	128
Woodbury	67	70	92	225	454	89	302	162	553
Cottage Grove	3	25	127	187	342	45	309	116	470
WASHINGTON COUNTY	216	327	637	767	1,947	460	1,736	687	2,883
East Total	62	173	186	199	620	100	478	199	777
West Total	191	187	498	626	1,502	413	1,413	565	2,391
2040									
	ACTIVE ADULT					SERVICE-ENHANCED**			
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	Independent Living	Assisted Living	Memory Care	Total
Northeast	23	3	39	60	125	53	93	24	170
East Central	0	150	80	38	268	0	291	129	420
Southeast	39	34	43	58	174	53	203	103	359
Forest Lake	0	19	82	99	200	66	238	58	362
Hugo	28	36	37	101	202	57	88	33	178
Mahtomedi	8	0	57	30	95	0	211	14	225
Oakdale	48	0	37	0	85	102	210	97	409
Lake Elmo	39	8	0	61	108	0	108	53	161
Woodbury	92	114	137	270	613	126	389	184	699
Cottage Grove	45	73	119	111	348	32	407	131	570
WASHINGTON COUNTY	322	437	631	828	2,218	489	2,238	826	3,553
East Total	62	187	162	156	567	106	587	256	949
West Total	299	284	512	730	1,825	436	1,854	673	2,963
** Service-enhanced demand is calculated for private pay seniors only; additional demand could be captured if Elderly Waiver and other sources of non-private payment sources are permitted. Note: Some totals may not add due to rounding.									
Sources: Maxfield Research & Consulting, LLC									

DEMAND SUMMARY AND RECOMMENDATIONS

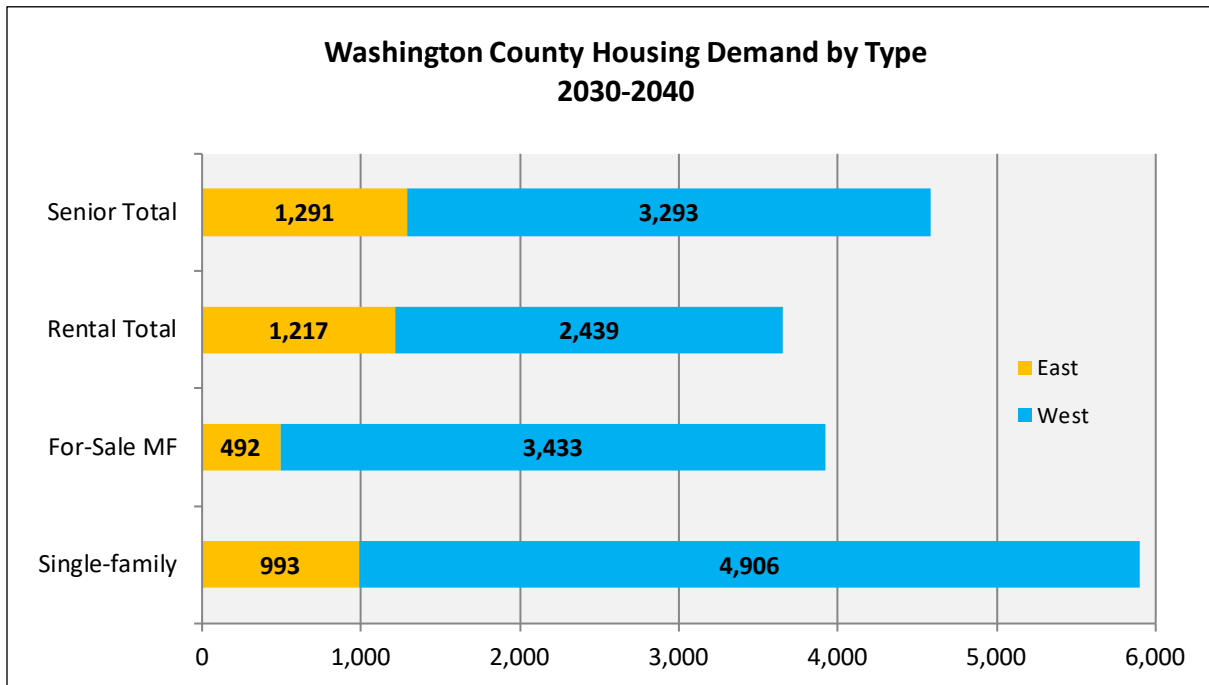
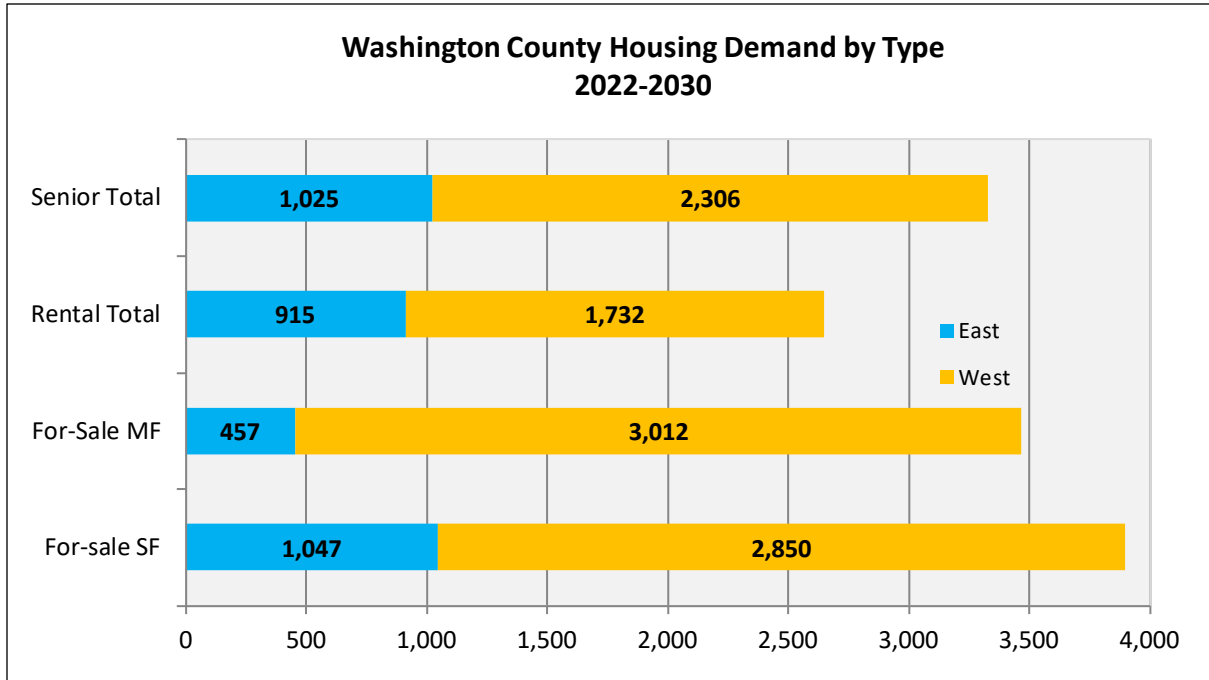
TABLE DMD-14 GENERAL OCCUPANCY HOUSING DEMAND SUMMARY BY PRODUCT TYPE AND AMI LEVEL ACTIVE ADULT SENIOR HOUSING WASHINGTON COUNTY 2022-2040									
2022									
Submarket	Active Adult - Subsidized			Active Adult - Affordable			Active Adult - Market Rate		
	30% or Less	31%-50%	Total	50% or Less	51%-80%	Total	80%-100%	100% or More	Total
Northeast	13	14	27	0	8	8	75	16	91
East Central	0	1	1	64	95	159	175	25	200
Southeast	30	30	60	25	28	53	119	28	147
Forest Lake	0	0	0	13	10	23	35	86	121
Hugo	20	11	31	20	23	43	52	60	112
Mahtomedi	16	0	16	0	0	0	63	45	108
Oakdale	30	30	60	7	0	7	42	31	73
Lake Elmo	20	9	29	0	15	15	0	7	7
Woodbury	45	45	90	48	60	108	277	136	413
Cottage Grove	13	10	23	48	83	131	248	100	348
Total-Washington Co	187	150	337	225	322	547	248	534	1,620
East Total	43	45	88	89	131	220	369	69	438
West Total	144	105	249	136	191	327	717	465	1,182
2030									
Submarket	Active Adult - Subsidized			Active Adult - Affordable			Active Adult - Market Rate		
	30% or Less	31%-50%	Total	50% or Less	51%-80%	Total	80%-100%	100% or More	Total
Northeast	12	13	25	6	0	6	35	52	87
East Central	0	0	0	42	92	134	127	66	193
Southeast	19	18	37	11	22	33	69	36	105
Forest Lake	0	0	0	10	24	34	88	58	146
Hugo	13	10	23	10	15	25	56	45	101
Mahtomedi	0	0	0	0	0	0	32	61	93
Oakdale	20	23	43	0	0	0	0	48	48
Lake Elmo	9	9	18	0	0	0	0	0	0
Woodbury	19	48	67	30	40	70	108	209	317
Cottage Grove	3	0	3	8	17	25	107	207	314
Total-Washington Co	95	121	216	117	210	327	622	782	1,404
East Total	31	31	62	59	114	173	231	154	385
West Total	64	90	154	58	96	154	391	628	1,019
2040									
Submarket	Active Adult - Subsidized			Active Adult - Affordable			Active Adult - Market Rate		
	30% or Less	31%-50%	Total	50% or Less	51%-80%	Total	80%-100%	100% or More	Total
Northeast	13	10	23	0	3	3	34	65	99
East Central	0	0	0	25	125	150	42	76	118
Southeast	18	21	39	14	20	34	34	67	101
Forest Lake	0	0	0	10	9	19	62	119	181
Hugo	14	14	28	18	18	36	47	91	138
Mahtomedi	8	0	8	0	0	0	30	57	87
Oakdale	24	24	48	0	0	0	20	17	37
Lake Elmo	20	19	39	4	4	8	34	27	61
Woodbury	46	46	92	32	82	114	138	269	407
Cottage Grove	23	22	45	27	46	73	92	138	230
Total-Washington Co	166	156	322	130	307	437	533	926	1,459
East Total	31	31	62	39	148	187	110	208	318
West Total	135	125	260	91	159	250	423	718	1,141

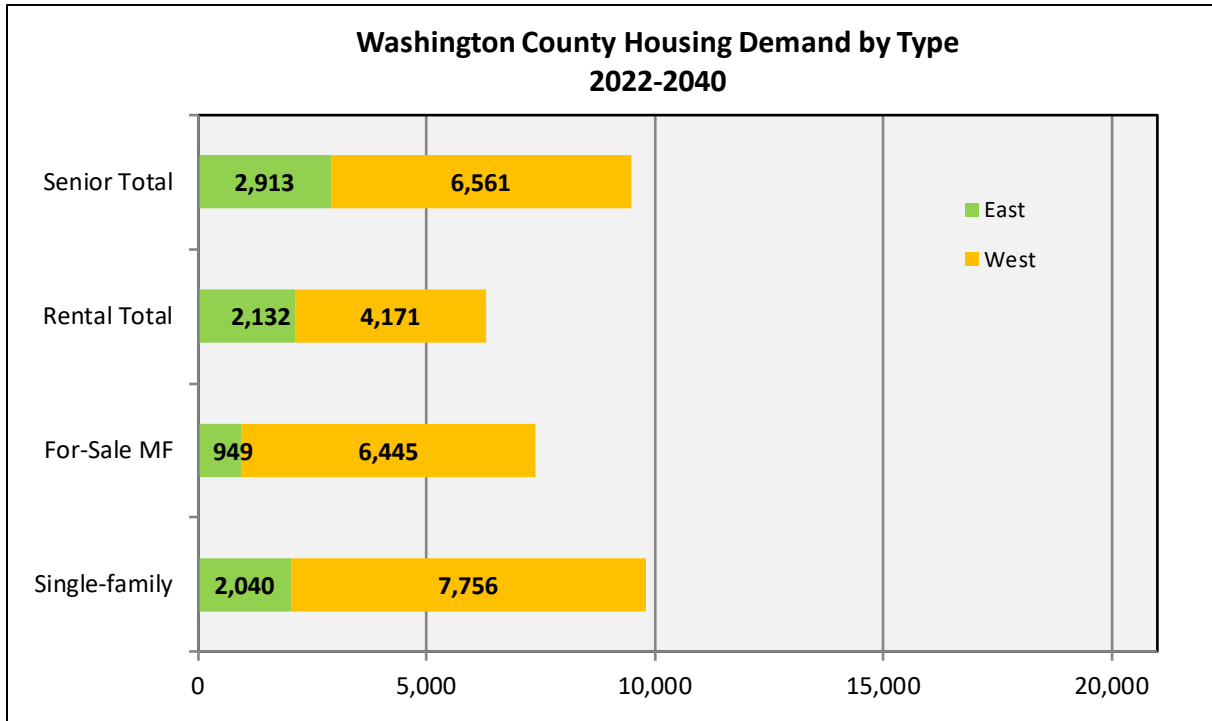
Sources: Ribbon Demographics; Maxfield Research and Consulting, LLC

DEMAND SUMMARY AND RECOMMENDATIONS

TABLE DMD-15 AGE-RESTRICTED HOUSING DEMAND SUMMARY BY PRODUCT TYPE AND AMI LEVEL SERVICE-ENRICHED SENIOR HOUSING WASHINGTON COUNTY 2022-2040									
2022									
Submarket	Independent Living			Assisted Living			Memory Care		
	51%-80%	80%+	Total	50% or Less	51%+	Total	50% or Less	51%+	Total
Northeast	30	10	40	34	28	62	10	7	17
East Central	0	0	0	60	101	161	69	35	104
Southeast	24	19	43	50	50	100	35	19	54
Forest Lake	24	23	47	43	86	129	12	20	32
Hugo	5	6	11	6	6	12	5	5	10
Mahtomedi	0	0	0	54	79	133	18	5	23
Oakdale	44	40	84	49	56	105	30	35	65
Lake Elmo	0	0	0	24	24	48	23	24	47
Woodbury	0	0	0	60	134	194	73	37	110
Cottage Grove	0	0	0	86	145	231	53	30	83
Total-Washington Co	127	98	225	86	145	1,175	53	30	545
East Total	54	29	83	144	179	323	114	61	175
West Total	73	69	142	322	530	852	214	156	370
2030									
Submarket	Independent Living			Assisted Living			Memory Care		
	51%-80%	80%+	Total	50% or Less	51%+	Total	50% or Less	51%+	Total
Northeast	32	15	47	36	43	79	10	10	20
East Central	0	0	0	59	185	244	69	33	102
Southeast	28	25	53	65	90	155	38	39	77
Forest Lake	29	45	74	87	100	187	33	19	52
Hugo	12	12	24	20	23	43	13	13	26
Mahtomedi	0	0	0	75	99	174	5	4	9
Oakdale	78	50	128	60	99	159	47	32	79
Lake Elmo	0	0	0	28	56	84	20	24	44
Woodbury	64	25	89	121	181	302	85	77	162
Cottage Grove	33	12	45	119	190	309	84	32	116
Total-Washington Co	276	184	460	670	1,066	1,736	404	283	687
East Total	60	40	100	160	318	478	117	82	199
West Total	216	144	360	510	748	1,258	287	201	488
2040									
Submarket	Independent Living			Assisted Living			Memory Care		
	51%-80%	80%+	Total	50% or Less	51%+	Total	50% or Less	51%+	Total
Northeast	32	21	53	45	48	93	14	10	24
East Central	0	0	0	99	192	291	86	43	129
Southeast	28	25	53	69	134	203	56	47	103
Forest Lake	43	23	66	81	157	238	32	26	58
Hugo	32	25	57	30	58	88	23	10	33
Mahtomedi	0	0	0	72	139	211	7	7	14
Oakdale	69	33	102	71	139	210	41	56	97
Lake Elmo	0	0	0	37	71	108	21	32	53
Woodbury	63	63	126	132	257	389	100	84	184
Cottage Grove	20	12	32	138	269	407	72	59	131
Total-Washington Co	287	202	489	774	1,464	2,238	452	374	826
East Total	60	46	106	213	374	587	156	100	256
West Total	227	156	383	561	1,090	1,651	296	274	570
Sources: Ribbon Demographics; Maxfield Research and Consulting, LLC									

DEMAND SUMMARY AND RECOMMENDATIONS



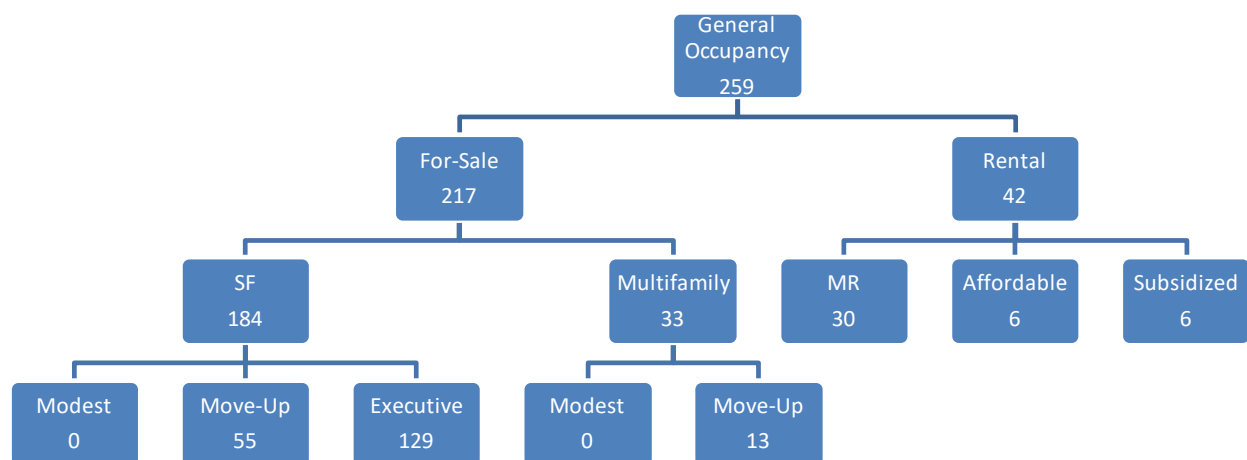


Northeast Recommendations

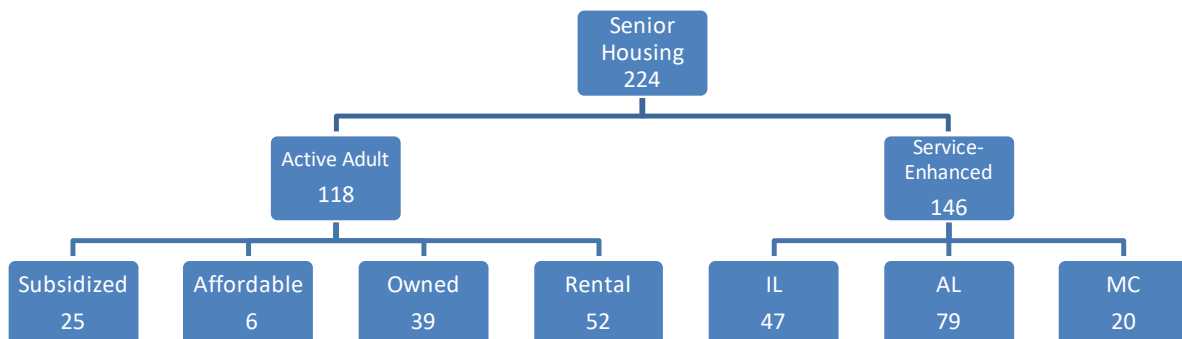
The Northeast submarket is expected to experience modest growth to 2040 and is predominantly low-density with some limited areas that could potentially accommodate medium-density units. An estimated 564 households are projected to be added between 2020 and 2040.

An estimated 71% of the general occupancy housing demand in the Northeast submarket between 2022 and 2040 is projected to be for single-family homes – or 442 of 625 total units. Most new residents are anticipated to have higher incomes and would be in search of single-family homes. There have been discussions however, that association-maintained housing products units are needed for older adult and senior households that want to remain in their local communities and are looking for smaller lots and a lower maintenance living situation. Detached villas and twinhomes may be able to be accommodated in medium-density areas.

Northeast Projected General Occupancy Demand, 2022 – 2030



Northeast Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

For-Sale Housing: To meet the projected single-family home demand in the Northeast Submarket to 2030, an estimated 217 lots would be needed to allow for adequate consumer choice. Like the Southeast Submarket, most of these lots will be created in several smaller, large-lot acreage developments. There are 62 vacant developed lots platted in the Northeast submarket and no future lots available or planned, although there have been some general discussions with developers that may bring proposed subdivisions forward. New lots may be needed to meet potential demand to 2030 if growth occurs as projected.

Rental Housing: There is demand for 42 rental units, but these are likely to be developed as single-family or twinhome/townhome rentals. Assistance with development costs for affordable rentals would be needed if this type of product were to be developed in the area. There is demand for affordable rental housing in the Northeast submarket, although the current level of demand to 2030 is low. We estimate that a development of between 12 and 20 units of affordable rental in a townhome-style can be accommodated in the Northwest submarket to 2030. We recommend a single-level or medium-density development to satisfy the demand from households that want to rent their housing and remain in or near their current neighborhoods/communities,

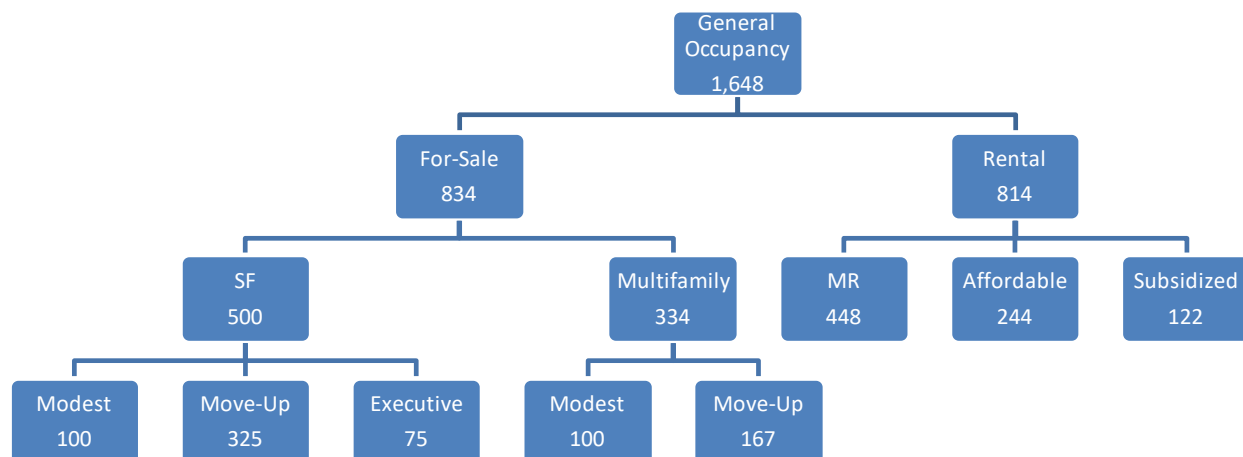
Senior Housing: By 2030, there will be demand for 364 senior units (118 active adult and 246 service-enriched). Most of this demand will occur near to 2030 as senior demand increases. Seniors in the Northeast Submarket will tend to be older than those closer to the Twin Cities core when they make the transition into age-restricted housing. Demand in the Northeast submarket is likely to be weighted more toward active adult housing as households requiring services are more likely to relocate to be near children and other conveniences. Products that offer greater flexibility for older adults to age in place are likely to be most attractive as are association-maintained products where exterior upkeep and maintenance are performed by a third-party.

East Central Recommendations

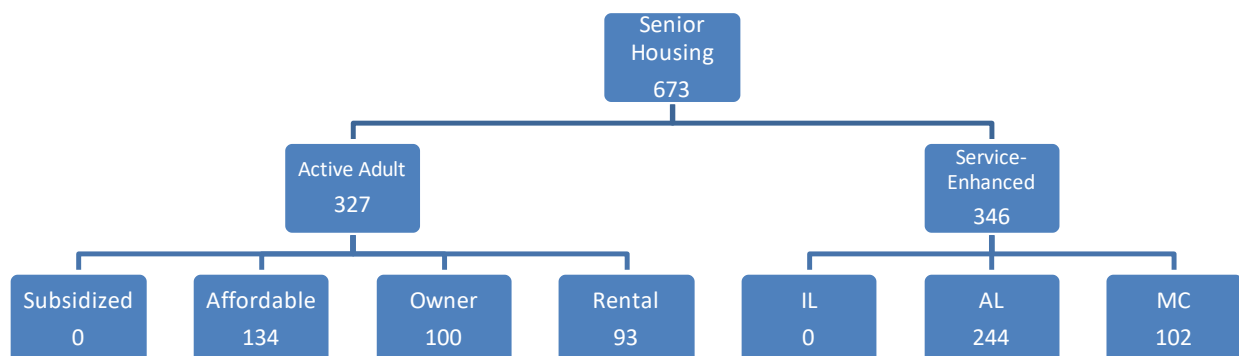
The East Central submarket has a limited supply of land for new development as much of the land in Stillwater and Baytown Townships are guided for low-density and large acreage. Thus, a significant portion of the housing added will be in the municipalities of Stillwater, Oak Park Heights and Bayport or in areas where annexation may occur. Redevelopment sites made available to increase residential density can assist in meeting demand.

The East Central submarket general occupancy housing demand is estimated at 1,648 units between 2022 and 2030 with 30% for single-family homes, 20% for owner-occupied multifamily homes and 49% for rental units.

East Central Projected General Occupancy Demand, 2022 – 2030



East Central Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: To meet the projected single-family home demand in the East Central submarket to 2030, a supply of 210 lots will be needed to allow for adequate consumer choice. Currently, the supply is 85 vacant developed lots with 205 future lots in existing subdivisions. Therefore, some future lots would need to shift to the vacant developed lot inventory in the short-term to keep pace with demand. New detached villa lots are already underway in Stillwater.

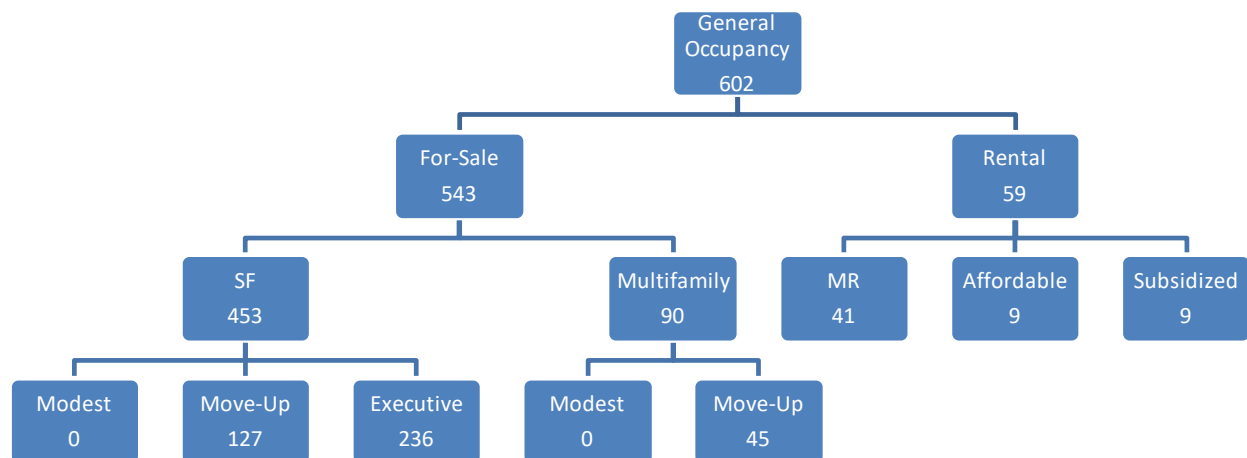
Rental Housing: A new market rate rental development has not been built for more than 15 years, although new market rate rentals are now nearing approvals. There is ample demand for new market rate, affordable and subsidized, general occupancy rental housing and new rental units are needed in this submarket as vacancies in this submarket continue to be exceptionally low.

Senior Housing: The East Central submarket has an abundant supply of senior housing with Villa of Oak Park, Boutwell's Landing, Oak Park Senior Living, and Croixdale, among others. These buildings have been successful by drawing residents from a broad area and some of the facilities have already expanded in this submarket. Demand from local seniors will continue, but limited demand is needed in the short-term as Lakes of Stillwater just opened and is in its initial lease-up period. The greatest need is anticipated to be for market rate (ownership and rental) active adult units. Assisted living and memory care demand was identified as being somewhat high, but surveys of existing properties in the East Central submarket revealed that prospects are primarily seeking independent housing and preferring to add services as they need them.

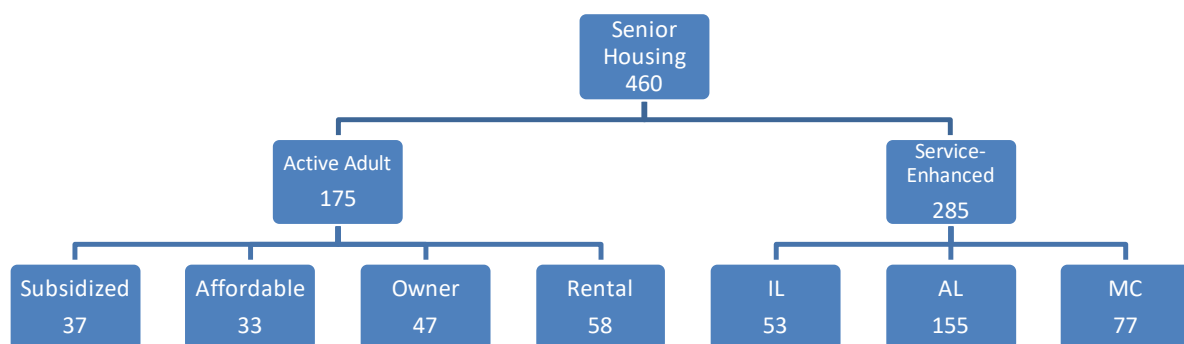
Southeast Recommendations

From 2022 to 2030, there is an estimated demand for another 602 general occupancy housing units. Of this total, 90% is estimated to be for owned housing, primarily single-family homes due to current zoning. The remaining demand, 59 units, would be rental. It is likely that rental units, if developed, would also be low-density or in a cluster-like development. Most new residents are anticipated to be higher-income households in search of single-family homes.

Southeast Projected General Occupancy Demand, 2022 – 2030



Southeast Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: The Southeast submarket currently has 27 vacant developed single-family lots; however, 472 lots would be needed to meet the projected demand for owned general occupancy housing to 2030. Like the Northeast, most of these lots are likely to be created in several smaller, large-lot developments. There are 44 future lots in current or pending/proposed subdivisions. Additional lots will be needed to meet demand to 2030, but based on the current supply and the projected demand, it is likely that some demand may shift over to other submarkets.

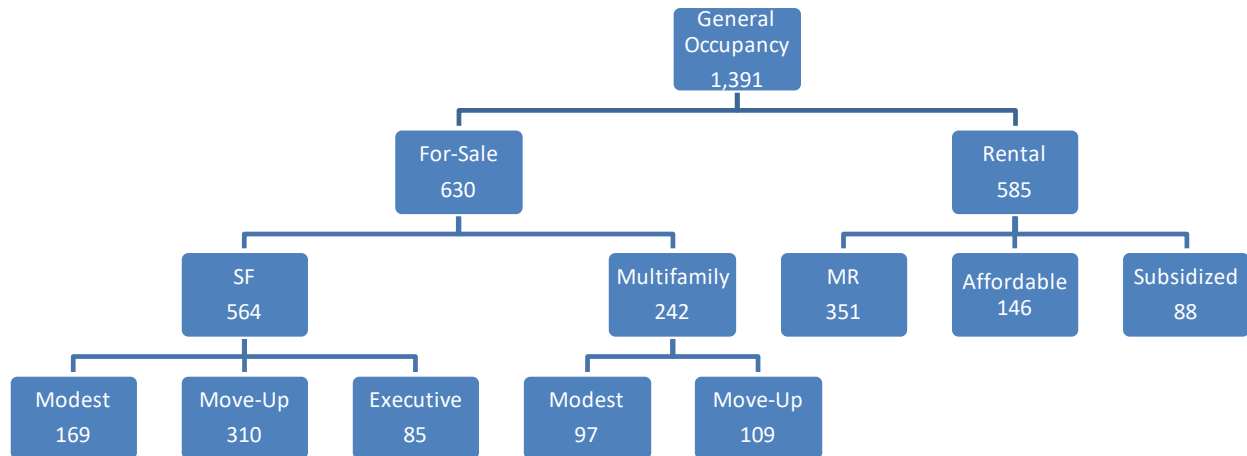
Rental Housing: There is demand 59 rental units but it would be difficult to develop high density buildings in most of the submarket due to zoning restrictions in most of the communities that comprise the Southeast submarket. Much of the submarket communities have low-density zoning and do not have infrastructure that would be needed to support medium and high-density rental housing. Single-family and townhome rentals are an option to meet some the identified demand.

Senior Housing: By 2030, demand is projected for 460 senior units across all service levels. Most of this demand is expected to be generated nearer 2030 when senior demand increases. Currently, there are no senior housing options for those living in the Southeast submarket and those wanting or needing senior housing would have to relocate. The Southeast submarket could support a market rate active adult development and a service-intensive senior housing development by 2030, albeit somewhat smaller in size. Adult family homes may be an alternate product to traditional large-scale senior housing to may satisfy a portion of the demand for seniors that need assisted living and/or memory care services in this submarket.

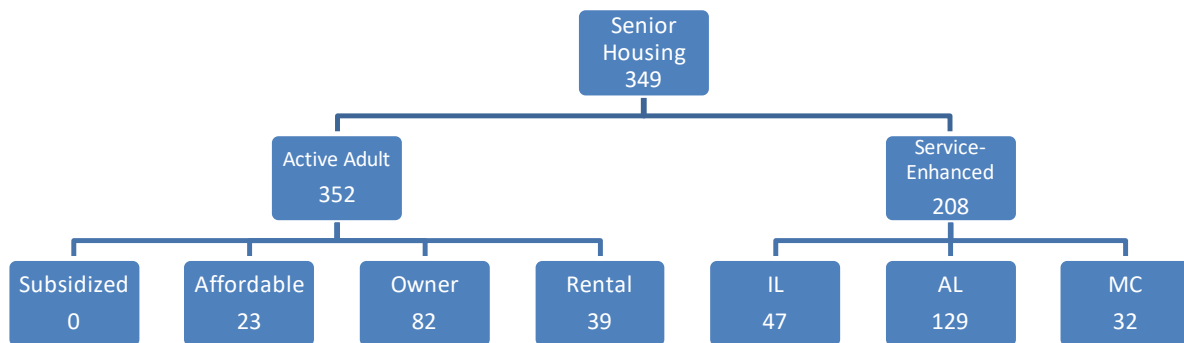
Forest Lake Recommendations

The Forest Lake submarket is poised to continue to grow as the urban fringe moves northward. Forest Lake is projected to add 1,069 households between 2020 and 2030. An estimated 60% of the general occupancy demand is projected to be for ownership housing and 40% for rental housing.

Forest Lake Projected General Occupancy Demand, 2022 – 2030



Forest Lake Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: Demand was calculated for 441 single-family homes between 2022 and 2030. Of the total single-family housing demand, we estimate that 30% will be for modest homes (priced at or less than \$400,000). First-time homebuyers may be attracted to the Forest Lake submarket as the price for a new home has been traditionally somewhat less than for other submarkets in Washington County. Land pricing and construction cost escalation may result in a portion of the demand for modest priced single-family homes shifting to townhome product and some of the upper end of the range for modest product may shift into the move-up segment. Forest Lake currently has a total of 164 vacant developed lots and 168 future lots for a total of 332 lots. At an estimated annual average of demand of 110 single-family homes, then the 332 lots would last for three-years, an adequate supply, with new lots needed as vacant lots are absorbed. Applications for new developments are occurring and we estimate that Forest Lake should be able to maintain an adequate supply of lots to meet future demand.

Rental Housing: Demand was calculated for 585 rental units between 2022 and 2030, of which market rate accounts for 351 units, 146 affordable and 88 subsidized units. New market rate units have been popular in Forest Lake and have absorbed well. Market rate affordable rentals have also been in high demand and additional units are planned to come on-line in the short-term.

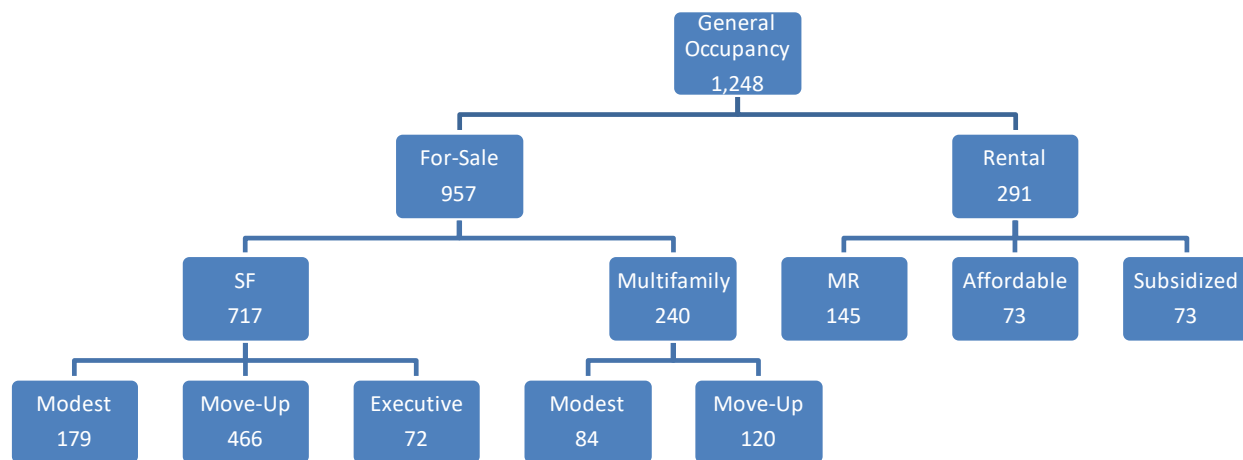
With projected job growth in the area and extremely low vacancies in existing rental buildings, we find that a new affordable rental development could also be supported.

Senior Housing: Demand remains for additional senior housing in Forest Lake, although in the short-term, we anticipate that the highest demand will be for active adult and independent living. Although there is demand for assisted living, much of that demand will not be realized until later in the decade.

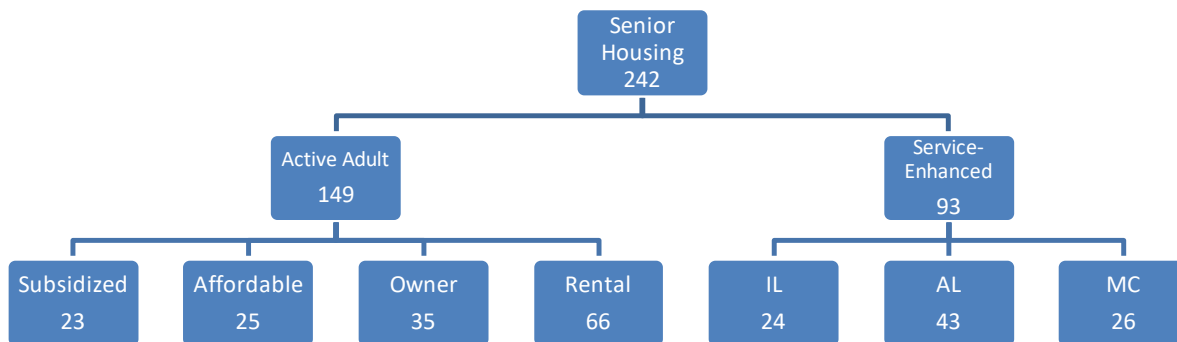
Hugo Recommendations

Hugo had strong growth in the early 2000s during the housing boom. However, new construction drastically slowed during the Great Recession and Hugo has had somewhat slower growth recently than originally projected. Hugo has ample land availability, but pricing for new for-sale housing products continues to rival that of other submarkets. New rental housing was recently developed in Hugo and leased up rapidly. There is additional demand for rental housing that could be developed in the short-term.

Hugo Projected General Occupancy Demand, 2022 – 2030



Hugo Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: Hugo has 153 vacant developed and 693 future single-family lots at existing subdivisions. In addition, there are 144 vacant future townhome lots. Projected demand for owned housing in Hugo to 2020 is estimated to be greater than the average number of permits issued annually over the past five years. Single-family permits issued from 2017 through 2021, signaling that the market was responding to increased demand for housing in the community. We anticipate there is sufficient lot availability now in Hugo to satisfy demand to 2030 with the need for additional multifamily owned lots needed to ensure a sufficient supply to meet the projected demand.

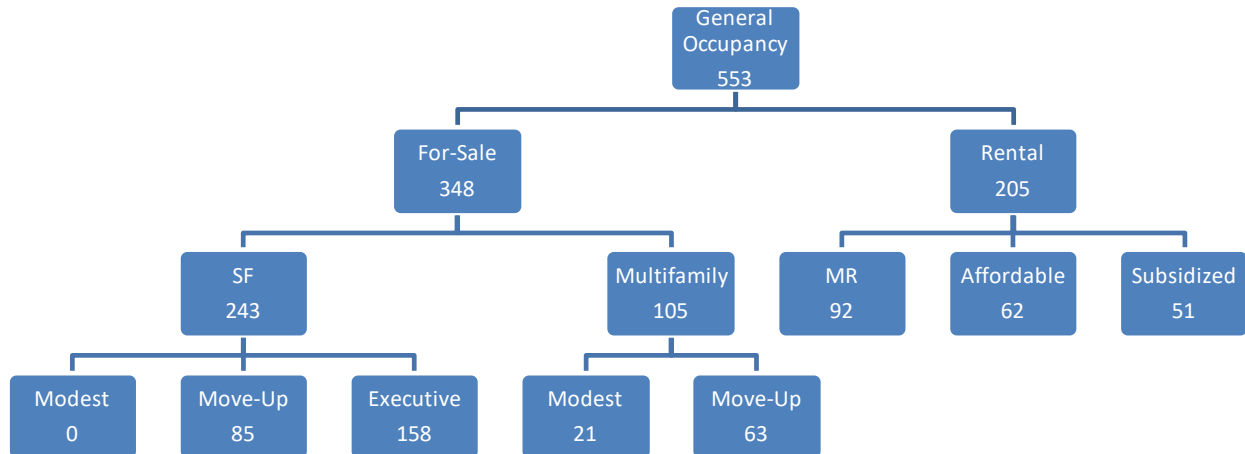
Rental Housing: Hugo has few rental units, although new rental units were recently added in the latter part of the decade including market rate and affordable rentals. Although demand for for-sale product may exceed demand for rentals, rental demand has increased. We find market support for additional market rate and affordable rentals this decade.

Senior Housing: Keystone Place at LaValle Fields opened in 2016 with 100 units, a mix of independent living, assisted living and memory care. There is one other senior property, a 24-unit assisted living/memory care facility and a 28-unit affordable/subsidized senior facility. Demand calculations identified limited additional demand for service-enhanced units in the short-term, but additional demand for active adult product. Demand for active adult and independent living will increase in this decade as the baby boom group ages.

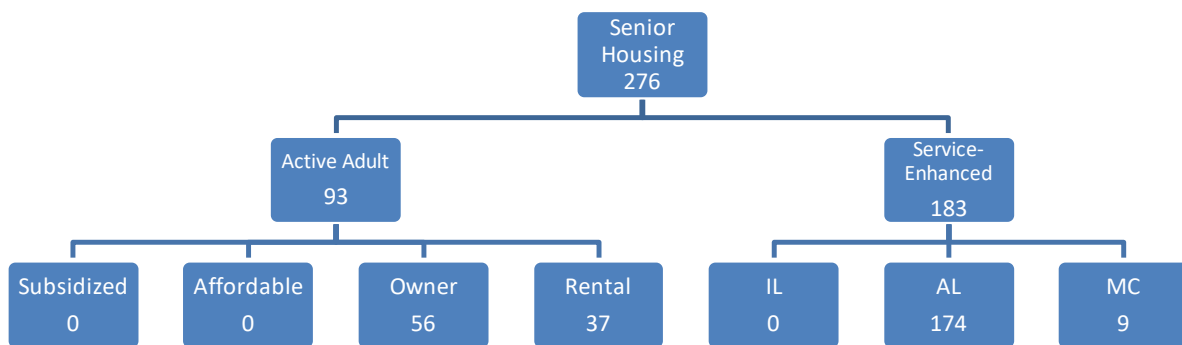
Mahtomedi Recommendations

The Mahtomedi submarket has land available in Grant; however, household growth in the submarket is expected to remain modest as most of the land in Grant is zoned for low-density housing. In-fill and redevelopment in Mahtomedi has increased the number of housing units in the community, primarily targeted to traditional rental and senior housing.

Mahtomedi Projected General Occupancy Demand, 2022 – 2030



Mahtomedi Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: The Mahtomedi submarket is estimated to need a supply of 238 lots to maintain adequate consumer choice based on recent building permit trends. We anticipate that the City of Mahtomedi will likely experience some tear-downs of existing single-family homes or potential lot splits. The City of Grant will likely accommodate most of the new single-family development in this submarket. There are five vacant developed lots in the submarket. If projected demand is realized, a three-year supply of an estimated 90 lots (mix of single-family and owned multifamily) would be needed to meet demand to 2030 projected for the submarket.

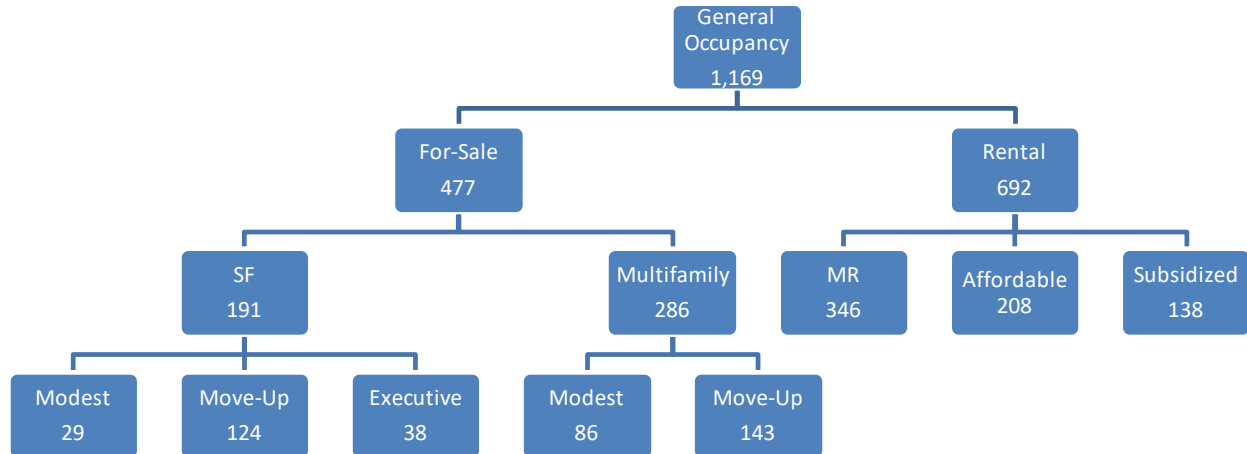
Rental Housing: Demand was calculated for 205 units in the Mahtomedi submarket. Additional rental demand from local households unable to be satisfied in the community could be accommodated by other nearby communities, such as White Bear Lake and Oakdale. If land is made available in Mahtomedi through redevelopment, the community could likely capture demand from other neighboring communities. New rental is currently proposed in Mahtomedi.

Senior Housing: Demand for independent living and memory care in the submarket is being satisfied. Demand remains high for additional assisted living units, although a portion of assisted living demand can be satisfied through independent living that would offer residents services a-la-carte. Demand also exists for market rate active adult for-sale and rental housing.

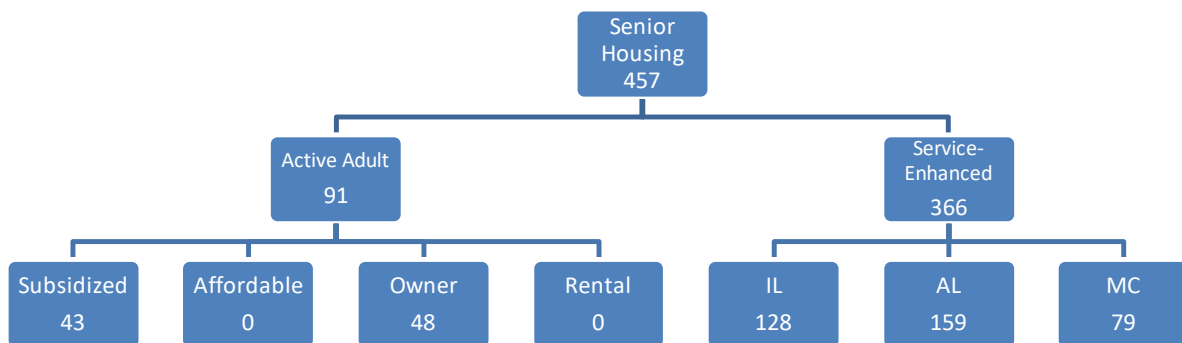
Oakdale Recommendations

Household growth in Oakdale will be driven by employment growth and the City's proximity to the Twin Cities core. Demand continues for single-family and redevelopment of a significant site is bringing this new product to the community in addition to owned multifamily and rental. Additional high-density housing is also planned in the future, rental and senior.

Oakdale Projected General Occupancy Demand, 2022 – 2030



Oakdale Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: Available land in Oakdale for new residential development had been very limited until the redevelopment of an existing site which is bringing new single-family and owned multifamily homes. This will add new product to Oakdale and potentially spur other redevelopment.

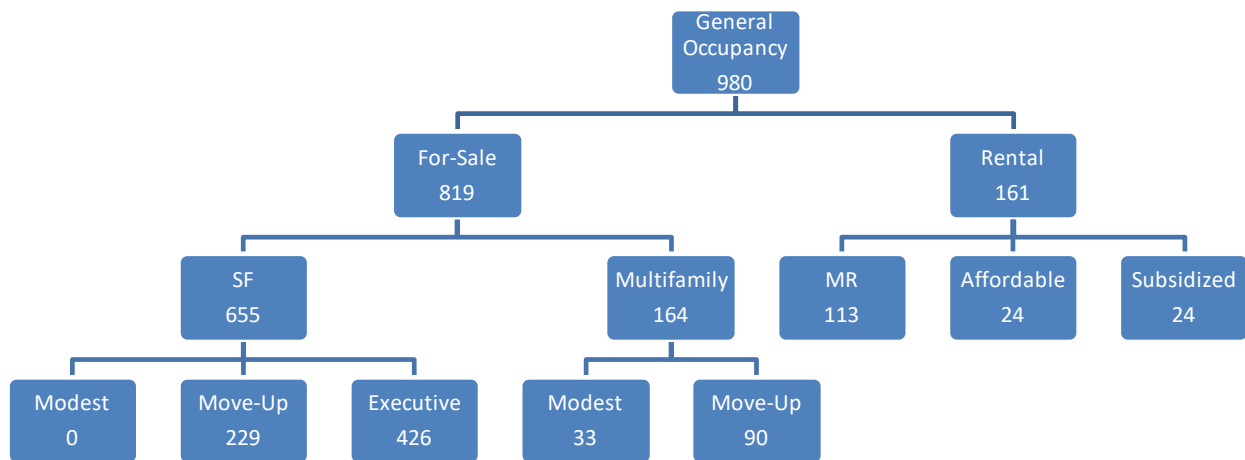
Rental Housing: We calculated demand for 346 market rate, 208 affordable and 138 subsidized rental units in Oakdale from 2022 to 2030. Due to the community's proximity to jobs and the low vacancy rate among existing rental developments, market rate and affordable units could be developed in the next few years to meeting growing rental demand in Oakdale.

Senior Housing: The Waters of Oakdale (opened 2014) satisfied much of the demand for service based senior housing. A portion of the demand for assisted living senior housing is likely to be satisfied through the development of independent living units that would provide services to residents a-la-carte. In addition, there is also demand for active adult housing in Oakdale that would be targeted to seniors that do not need services. Some current demand for senior is currently being captured by new developments in Lake Elmo.

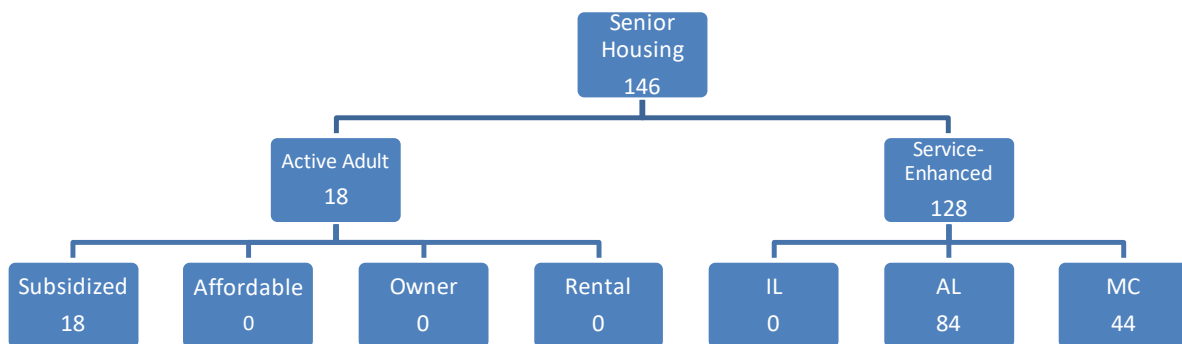
Lake Elmo Recommendations

In 2005, the Metropolitan Council and the City of Lake Elmo signed a memorandum of understanding requiring the Lake Elmo comprehensive plan to be consistent with the Metropolitan Council’s regional system plans. The understanding requires Lake Elmo to accept its share of the region’s projected growth. Lake Elmo is projected to add nearly 1,000 more households between 2022 and 2030, although a moratorium was put in place in 2022 in a section of the City where there are infrastructure issues that must be addressed before development can continue.

Lake Elmo Projected General Occupancy Demand, 2022 – 2030



Lake Elmo Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: Based on an average demand from 2022 to 2030 of 819 owned housing units, Lake Elmo would need a lot supply of 300 to 320 lots (primarily single-family lots) to allow adequate consumer choice, enabling it to meet its projected demand for single-family and owned multifamily homes. Lake Elmo currently has 9 vacant developed lots and 353 future lots in existing and pending subdivisions. Demand for new homes has been increasing in Lake Elmo, but a current moratorium on construction in a portion of the city will no doubt create additional pent-up demand on the buyer side but will delay platting of new lots and construction of new homes.

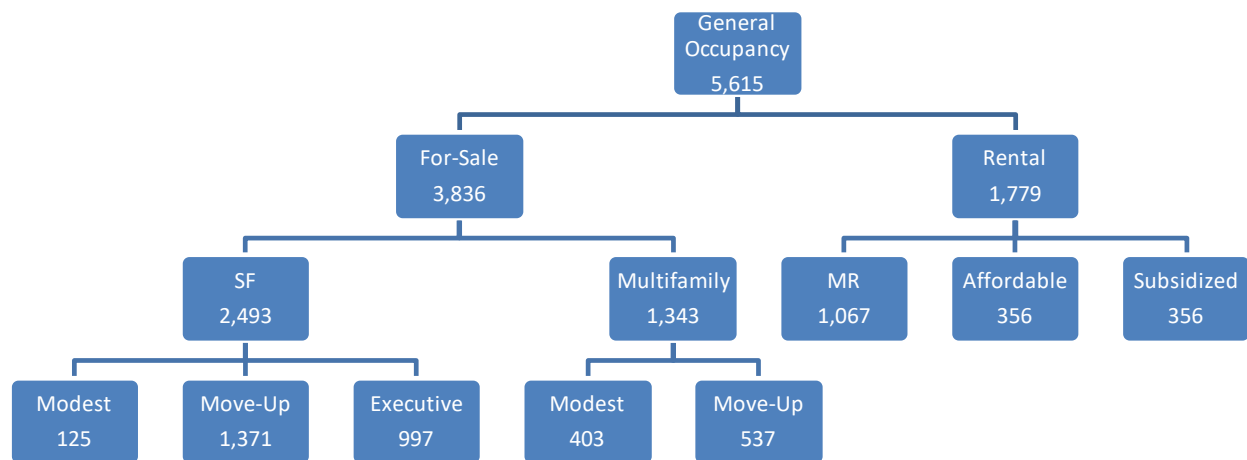
Rental Housing: Lake Elmo has a limited supply of rental housing; however, as the employment base continues to grow, demand for rental housing will increase. New rental housing recently developed in Lake Elmo is capturing pent-up demand in the community and from nearby areas.

Senior Housing: New senior housing has been well-received in Lake Elmo and more is planned primarily active adult ownership. Demand will continue to grow to 2030 when the local senior population increases to higher numbers.

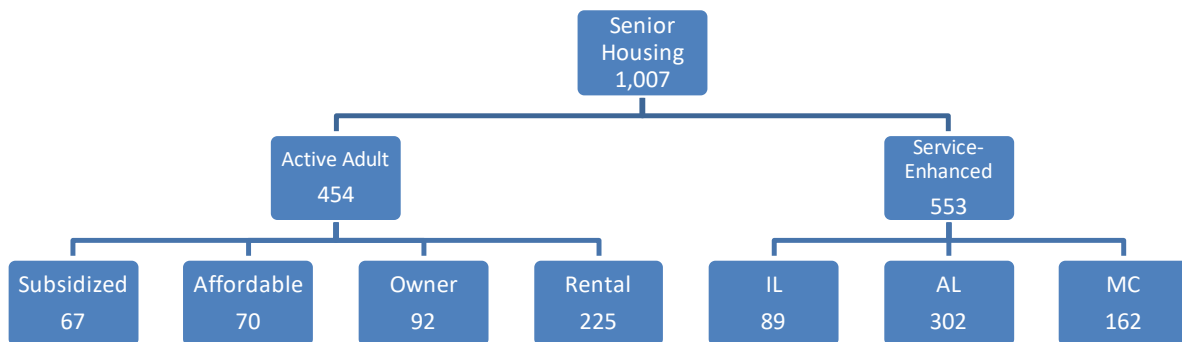
Woodbury Recommendations

Woodbury is the largest submarket in the county and is projected to maintain the largest population and household base to 2030. In addition to housing and population, Woodbury also has the largest employment base in Washington County. Demand will be driven by the expanding local employment base as well as the City's proximity to job centers in the Twin Cities core. Woodbury also has an ample supply of land on its east side available for new housing and the southwest sector of the City is also expanding residentially.

Woodbury Projected General Occupancy Demand, 2022 – 2030



Woodbury Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: To meet the projected single-family home demand, estimated at 300 units annually over the next four years, Woodbury would need an estimated supply of 900 lots to allow adequate consumer choice. Currently, Woodbury has 319 vacant developed lots and 1,038 future lots in existing and pending developments. Additional subdivisions are in the application and staff review process and based on current activity. There is sufficient lot supply to meet demand over the next three years, but if the market accelerates, additional lots will be needed in the short-term to keep pace with demand.

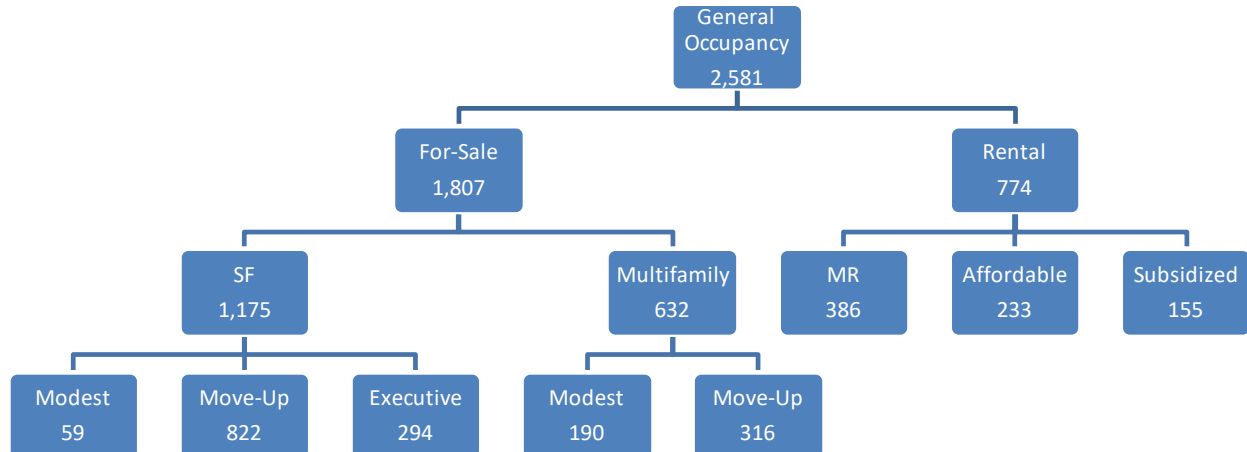
Rental Housing: There is demand for additional rental units in Woodbury, estimated at 1,779 units (market rate, affordable and subsidized) to 2030 and rents in Woodbury are among the highest in Washington County. In addition to high rents, the vacancy rate in Woodbury was near market equilibrium, indicating limited pent-up demand in the short-term for market rate units. Some of the newest rental properties are experiencing a temporary softness in occupancies. Demand remains strong for affordable and subsidized units.

Senior Housing: The majority of the senior housing developments in Woodbury are newer (built after 2000). However, demand for senior housing in Woodbury is projected to continue to grow to 2030. There is sufficient demand to support additional senior housing units in Woodbury. Demand was identified for 454 active adult (subsidized and market rate) units and 553 service-enhanced units by 2030 accounting for the new properties that recently opened and/or are under construction.

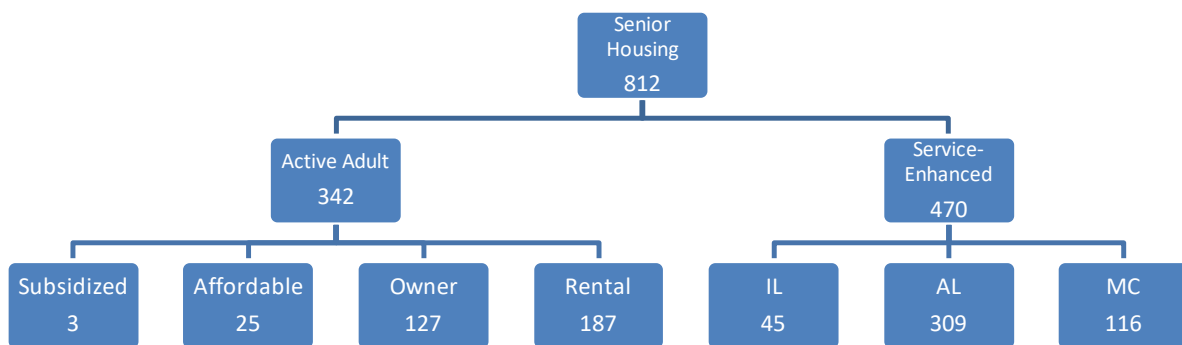
Cottage Grove Recommendations

Cottage Grove's proximity to jobs in Woodbury, combined with access to the remainder of the Twin Cities enhances demand for new housing in Cottage Grove and the surrounding adjacent communities of Newport and St. Paul Park. We project the Cottage Grove submarket will add about 1,481 households from 2020 to 2030.

Cottage Grove Projected General Occupancy Demand, 2022 – 2030



Cottage Grove Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

DEMAND SUMMARY AND RECOMMENDATIONS

For-Sale Housing: Between 2022 and 2030, we project demand for an estimated 1,175 single-family homes and 632 owned multifamily units. The Cottage Grove submarket has a lot supply of 440 vacant developed lots and 848 future lots and 62 vacant developed and future owned multifamily lots. Virtually all of these are in the City of Cottage Grove, but significant land is available in Grey Cloud Island and additional land is available in St. Paul Park. We anticipate some slowdown in demand resulting from current high mortgage interest rates. If demand accelerates in the next couple of years, then additional lots may be needed to accommodate demand to maintain a three-year lot supply.

Rental Housing: There is demand for 774 rental units in the Cottage Grove submarket. New market rate rentals in the submarket have been well-received, but the vacancy rate remains low. There is also significant pent-up demand for rental housing in Newport and St. Paul Park. Existing rental housing is older, primarily constructed in the 1960s and 1970s with rents that are very affordable. It may be difficult to develop new rental housing in these smaller communities without a public-private partnership. Small buildings with eight or fewer units may be able to be developed without assistance, providing contemporary features and amenities to satisfy some of the current demand.

Senior Housing: The newest service-enriched senior property is *Norris Square* which was built in 2010 and has 86 independent, 21 assisted living and 18 memory care units and recently opened additional independent units. Legends at Cottage Grove (age-restricted, affordable) has captured active adult demand and the property filled rapidly. Additional demand exists for active adult rental and ownership units as well as service-enriched senior housing.

APPENDIX

APPENDIX

TABLE S-1 UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON MARKET RATE SENIOR HOUSING DEVELOPMENTS WASHINGTON COUNTY February 2022								
Project Name/Location	Occp. Date	No. of Units	No. Vacant	Pct. Vacant	Unit Mix/Sizes/Pricing			Resident Profile
					No./Type	Size (Sq. Ft.)	Sale Price/ Monthly Rent/Fee	
ACTIVE ADULT RENTAL								
Lakes at Stillwater - Birchwood Stillwater In Initial Lease-up	2021	30	10	33.3%	20 - 2BR 10 - 3BR	1,400 - 1,525 2,400 - 2,400	\$2,700 - \$3,600 \$4,500 - \$4,800	55+ Avg. Age = 78
Fields at Arbor Glen Lake Elmo	2021	78	2	2.6%	20 - 1BR 40 - 2BR 12 - 2BR Villa 6 - 3BR Villa	629 - 797 985 - 1,387 1,182 - 1,398 1,340 - 1,340	\$2,325 - \$2,700 \$2,800 - \$3,300 \$3,290 - \$3,710 \$4,030 - \$4,030	55+ Avg. Age = 79
Villas of Oak Park 13945 Upper 58th St. Oak Park Heights	2013	62	4	6.5%	20 - 1BR 38 - 2BR 4 - 2BR/D	909 - 909 1,236 - 1,588 1,468 - 1,468	\$1,908 - \$1,908 \$2,516 - \$3,146 \$2,983 - \$2,983	
St. Andrew's Terrace 240 East Ave. Mahtomedi	2000	56	0	0.0%	7 - 1BR 28 - 1BR+D 21 - 2BR	758 875 - 957 1,048 - 1,500	\$1,850 \$2,275 - \$2,525 \$2,685 - \$3,310	62+ Avg Age = 85
Echo Ridge 1033 Gerschwin Avenue Oakdale	1998	100	1	1.0%	48 - 1BR 32 - 2BR	731 - 889 1,010 - 1,228	\$1,330 - \$1,545 \$1,685 - \$1,940	55+ Avg Age = 80
Eastwood Village (TH) Upper 35th Street Oakdale	1997	20	0	0.0%	12 - 2BR 8 - 3BR	1,250 1,250	\$1,565 \$1,805	55+ Avg Age = 70
Briarcliff Manor 115 East Avenue Mahtomedi	1996	13	0	0.0%	13 - 3BR	1,160	\$1,585 - \$1,585	55+ Avg Age = 75
Cottages of Cottage Grove 8240 East Douglas Road Cottage Grove	1993	4	0	0.0%	2 - 2BR 2 - 3BR	960 1,000	\$1,354 \$1,577	55+
Oak Ridge Place 6060 Oxboro Ave. N Oak Park Heights	1987	43	3	7.0%	46 - 1BR 10 - 1BR+D 29 - 2BR	637 702 - 770 866 - 889	\$1,695 \$1,725 - \$1,750 \$1,895 - \$1,925	55+ Avg Age = 85
Adult Rental Total		406	20	4.9%				
*Units not designated as AL or IL at Oak Ridge Place - resident designates service level upon occupancy								
Adult Ownership								
Cardinal Pointe of Oakdale 1201 Hadley Ave. Oakdale	2007	55	0	0.0%	1 - 1BR 5 - 1BR+D 37 - 2BR 12 - 2BR+D	803 1,023 1,080 - 1,369 1,583 - 1,941	\$160,000 \$245,000 \$275,000 - \$335,000 \$355,000 - \$385,000	55+
Applewood Pointe of Woodbury Lake Rd and I-494 Woodbury	2005	73	0	0.0%	3 - 1BR/D 59 - 2BR 11 - 2BR/D	1,059 1,171 - 1,431 1,436 - 1,641	\$165,448 - \$166,385 \$269,143 - \$278,431 \$336,421 - \$346,789	55+
Applewood Pointe of Lake Elmo Hudson Blvd/Eagle Point Rd Lake Elmo In Initial Selling	2023	84	52	61.9%	4 - 2BR 80 - 2BR+D	1,178 - 1,186 1,387 - 1,779	\$245,427 - \$263,336 \$293,199 - \$344,434	55+
Zvago Stillwater 114 Brick Street Stillwater	2021	48	0	0.0%	9 - 1BR+D 21 - 2BR 18 - 2BR+D	1,138 - 1,258 1,240 - 1,455 1,513 - 1,943	\$133,524 - \$141,269 \$140,358 - \$169,397 \$178,452 - \$215,198	55+
Adult Ownership Total		260	52	20.0%				
Adult Ownership (Stabilized)		176	0	0.0%				
*Does not include properties that did not participate.								
CONTINUED								

APPENDIX

TABLE S-1 UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON MARKET RATE SENIOR HOUSING DEVELOPMENTS WASHINGTON COUNTY February 2022								
Project Name/Location	Occp. Date	Number of Units	Number Vacant	Vacancy Rate	Unit Mix/Sizes/Pricing			Resident Profile
					No./Type	Size (Sq. Ft.)	Sale Price/ Monthly Rent/Fee	
Independent Living/Optional Services								
Arbor Glen Senior Living Lake Elmo	2018	30	0	0.0%	9 - Std 11 - 1BR 4 - 1BR+D 6 - 2BR	407 - 447 572 - 722 718 - 848 916 - 1,051	\$1,840 - \$2,000 \$2,350 - \$2,760 \$2,840 - \$3,060 \$3,185 - \$3,530	\$75/mo pkg
Lakes at Stillwater Stillwater In Initial Lease-up	2021	75	10	13.3%	6 - Std 22 - 1BR 15 - 1BR+D 24 - 2BR 8 - 2BR+D	350 - 415 532 - 795 825 - 825 844 - 1,247 1,045 - 1,045	\$1,545 - \$1,645 \$1,885 - \$2,545 \$2,730 - \$3,030 \$2,860 - \$3,830 \$3,430 - \$3,430	
Waters of Oakdale Oakdale	2017	32	2	6.3%	6 - Std 12 - 1BR 8 - 1BR+D 6 - 2BR	407 - 408 488 - 682 647 - 848 813 - 1,051	\$1,690 - \$1,690 \$1,930 - \$2,220 \$3,000 - \$3,000 \$3,500 - \$3,500	
St. Therese of Woodbury-Alpines Woodbury	2016	102	4	3.9%	54 - 1BR 24 - 1BR+D 24 - 2BR	516 - 836 780 - 920 1,133 - 1,291	\$1,700 - \$2,135 \$2,035 - \$2,550 \$2,725 - \$3,050	
St. Therese of Woodbury - Redwoods Woodbury	2017	64	1	1.6%	28 - 1BR+D 36 - 2BR	1,068 - 1,101 1,436 - 1,857	\$2,485 - \$2,985 \$3,435 - \$4,365	
Amira Choice (formerly Cherrywood) 231 Broadway Avenue Forest Lake	2015	49	4	8.2%	10 - Std 26 - 1BR 10 - 1BR+D 3 - 2BR	464 - 464 725 - 736 803 - 803 960 - 1,048	\$1,485 - \$1,485 \$1,675 - \$1,960 \$2,180 - \$2,420 \$2,565 - \$2,970	
Keystone Place at LaValle Fields 14602 Finale Ave N. Hugo	2015	29	3	10.3%	13 - 1BR 16 - 2BR	833 - 833 1,189 - 1,340	\$3,895 - \$3,895 \$4,095 - \$4,595	
Oak Ridge Place 6060 Oxboro Ave N Oak Park Heights	2015	42	3	7.1%	23 - 1BR 5 - 1BR+D 14 - 2BR	637 - 637 702 - 770 866 - 889	\$1,695 - \$1,695 \$1,725 - \$1,785 \$1,895 - \$1,925	
Oak Park Senior Living 13936 Lower 59th St. N Oak Park Heights	2011	29	4	13.8%	12 - 1BR 6 - 1BR+D 10 - 2BR 1 - 2BR+D	722 - 722 880 - 880 1,048 - 1,112 1,415 - 1,415	\$1,917 - \$1,917 \$2,148 - \$2,148 \$2,403 - \$2,658 \$2,858 - \$2,858	
Norris Square Terrace-I 8200 Hadley Ave S Cottage Grove	2008	86	3	3.5%	48 - 1BR 12 - 1BR+D 26 - 2BR	712 - 813 985 - 989 1,144 - 1,512	\$1,665 - \$1,835 \$2,300 \$2,685 - \$3,460	
Norris Square Terrace-II 8200 Hadley Ave S Cottage Grove	2019	68	2	2.9%	28 - 1BR 16 - 1BR+D 24 - 2BR	812 - 889 961 - 1,119 1,245 - 1,359	\$2,045 - \$2,145 \$2,395 - \$2,745 \$3,025 - \$3,225	
Brownstone at Boutwell's Landing 5600 Norwich Pkwy Oak Park Hts	2004	78	3	3.8%	11 - 1BR 67 - 2BR	974 1,266 - 1,520	\$1,955 \$2,540 - \$3,050	55+
The Village Homes of Boutwell's Landing 5470-5784 Norwich Pkwy Oak Park Hts	2004	137	3	2.2%	18 - 1BR 59 - 2BR 54 - 2BR+D 6 - 3BR	1,158 1,469 - 1,683 1,603 - 2,475 2,161 - 4,703	\$1,965 \$2,655 - \$3,035 \$3,420 - \$5,475 \$3,230 - \$5,540	55+
The Terrace at Boutwell's Landing 5600 Norwich Pkwy Oak Park Hts	2002	101	3	3.0%	79 - 1BR 22 - 2BR	734 - 929 1,032 - 2,081	\$1,935 - \$2,445 \$2,685 - \$5,355	55+
Stonecrest 8723 Promenade Lane Woodbury	2000	77	0	0.0%	22 - 1BR 20 - 1BR+D 35 - 2BR	660 - 823 870 - 1,035 948 - 1,253	\$1,465 - \$1,850 \$1,895 - \$2,555 \$2,085 - \$2,970	60+ Avg Age = 83
The Ponds at Oak Meadows 8133 4th Street North Oakdale	1998	62	3	4.8%	30 - 1BR 16 - 1BR/D 12 - 2BR 4 - 2BR'D	617 - 721 884 957 1,189	\$1,446 - \$1,533 \$1,872 \$2,088 \$2,501	55+ Avg Age = 85
Croixdale - The Terrace 750 Highway 95 Bayport	2005	56	0	0.0%	30 - 1BR 22 - 2BR 4 - 2BR+D	692 - 762 1,000 - 1,222 1,235 - 1,300	\$1,690 - \$1,840 \$2,315 - \$2,835 \$2,835 - \$2,975	55+
Ind Lvg/ Opt. Svs. Total Units		1,117	48	4.3%				
Independent Living/ Service Intensive								
The Lodge at White Bear Lake 3666 E County Line North White Bear Lake	2001	115	6	5.2%	35 - Studio 68 - 1BR 14 - 2BR	335 - 542 542 - 894 877 - 1,056	\$1,925 - \$2,529 \$2,450 - \$3,225 \$3,300 - \$3,925	55+ Avg. Age=80
Boulder Ponds Sr. Living 192 Jade Trail Lake Elmo	2020	95	6	6.3%	15 - 1BR 6 - 1BR+D 3 - 2BR	790 - 1,043 1,085 - 1,085 1,098 - 1,208	\$3,050 - \$3,550 \$3,350 - \$3,350 \$3,900 - \$4,100	55+ Avg. Age = 82
Ind Lvg/Service Int. Total Units		210	12	5.7%				
CONTINUED								

APPENDIX

TABLE S-1 UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON MARKET RATE SENIOR HOUSING DEVELOPMENTS WASHINGTON COUNTY February 2022								
Project Name/Location	Occp. Date	Number of Units	Vacant Units	Vacancy Rate	Unit Mix/Sizes/Pricing			Resident Profile
					No./Type	Size (Sq. Ft.)	Sale Price/ Monthly Rent/Fee	
ASSISTED LIVING								
Arbor Glen Senior Living 11020 39th Street N Lake Elmo	2018	30	6	20.0%	9 - Std 11 - 1BR 4 - 1BR+D 6 - 2BR	407 - 447 572 - 722 718 - 848 916 - 1,051	\$3,705 - \$3,860 \$4,140 - \$4,550 \$4,605 - \$4,910 \$4,935 - \$5,180	55+
Lakes at Stillwater 105 Bridgewater Way In Initial Lease-Up	2021	32	22	68.8%	16 - Std 12 - 1BR 4 - 2BR	350 - 415 532 - 795 844 - 1,247	\$2,680 - \$2,780 \$3,170 - \$3,975 \$4,070 - \$5,349	
Waters of Oakdale 7088 11th Street N Oakdale	2005	56	8	14.3%	28 - 1BR 18 - 1BR+D 10 - 2BR	692 - 762 1,000 - 1,222 1,235 - 1,300	\$2,490 - \$2,490 \$2,790 - \$3,705 \$3,770 - \$4,395	55+
St. Therese of Woodbury-Alpines 7555 Bailey Rd Woodbury	2005	38	4	10.5%	28 - 1BR 10 - 2BR	530 - 693 863 - 1,030	\$3,190 - \$3,645 \$4,135 - \$4,260	55+
Boulder Ponds 192 Jade Trail No Lake Elmo	2005	46	5	10.9%	23 - 1BR 23 - 2BR	692 - 762 1,000 - 1,222	\$3,850 - \$4,250 \$4,200 - \$4,650	55+
Amira Choice (formerly Cherrywood) 231 W. Broadway Forest Lake	2005	48	5	10.4%	5 - Std 27 - 1BR 12 - 1BR+D 4 - 2BR	464 - 464 725 - 736 803 - 803 960 - 1,048	\$3,495 - \$3,495 \$3,685 - \$3,785 \$4,430 - \$4,430 \$4,575 - \$4,980	55+
The Good Life Suites 5260 127th St N Hugo	2005	18	1	5.6%	18 - Pvt	692 - 762	\$1,690 - \$1,840	55+
Keystone Place at LaValle Fields 14602 Finale Ave N. Hugo	2017	48	6	12.5%	10 - Std 30 - 1BR 8 - 2BR	416 - 416 600 - 600 869 - 869	\$5,095 - \$5,095 \$5,795 - \$5,795 \$6,195 - \$6,195	55+
Peaceful Lodge 6630 Hudson Blvd Oakdale	2017	55	8	14.5%	55 - Std	525 - 525	\$934 - \$934 Service Pkgs Addtl.	55+
Oak Ridge Place 6060 Oxboro Ave N Oak Park Heights	2017	48	4	8.3%	34 - 1BR 10 - 1BR+D 4 - 2BR	637 - 637 702 - 702 866 - 889	\$1,695 - \$1,695 \$1,725 - \$1,750 \$1,895 - \$1,925	55+
Oak Park Senior Living 13936 Lower 59th St. N Oak Park Heights	2011	32	3	9.4%	22 - Eff 8 - 1BR 2 - 2BR	400 - 488 600 - 678 1,048 - 1,048	\$3,532 - \$3,747 \$3,977 - \$4,110 \$4,738 - \$4,852	
Encore Senior Living (formerly Coventry) 720 Mahtomedi Ave Mahtomedi	2011	16	2	12.5%	13 - Eff. 3 - 1BR	332 - 343 442 - 464	\$2,990 - \$3,040 \$3,295 - \$3,350	
New Perspective Woodbury 2195 Century Avenue Woodbury	2011	37	4	10.8%	20 - Eff. 15 - 1BR 2 - 2BR	372 - 385 655 - 883 985 - 1,010	\$4,032 - \$4,032 \$4,284 - \$4,284 \$4,536 - \$4,536	
Norris Square Commons 8200 Hadley Ave S Cottage Grove	2010	21	3	14.3%	19 - 1BR 2 - 2BR	551 - 663 964	\$3,380 - \$3,760 \$4,690	
White Pine Senior Living (AL) 6950 East Point Douglas Rd S Cottage Grove	2008	41	3	7.3%	12 - Eff 29 - 1BR	404 627 - 722	\$3,335 \$3,825 - \$4,025	
Stonecrest (AL)** 8723 Promenade Lane Woodbury	2007	59	3	5.1%	13 - Eff. 41 - 1BR 3 - 1BR+D 2 - 2BR	480 555 - 850 786 - 860 829 - 896	\$3,410 \$3,710 - \$4,150 \$4,150 \$4,555 - \$4,580	N/A
Croisdale - The Commons 750 Highway 95 Bayport	2005	43	5	11.6%	2 - suite 28 - 1BR 13 - 2BR	404 585 - 701 746 - 842	\$2,425 \$3,310 - \$3,630 \$3,780 - \$4,140	55+ Avg Age = 87
Comforts of Home-Hugo 5607 150th St. N. Hugo	2004	12	--	--	12 - Eff.	380	n/a	65+
Birchwood Arbors 604 NE First Street Forest Lake	2003	46	4	8.7%	46 - 1BR	500 - 600	\$3,175 - \$3,175	55+ Avg Age = 87 Remodeling
The Commons at Boutwell's Landing 5600 Norwich Pkwy Oak Park Hts	2001	65	10	15.4%	15 - Eff 33 - 1BR 17 - 2BR	476 - 618 511 - 631 844 - 928	\$3,405 - \$3,805 \$3,715 - \$4,200 \$4,620 - \$5,035	55+
St. Andrew's Commons 240 East Ave. Mahtomedi	2001	44	5	11.4%	13 - Eff. 27 - 1BR 4 - 2BR	451 577 - 772 1,011	\$3,340 \$3,840 \$4,680	62+ Avg Age = 75+
Woodbury Estates 2825 Woodlane Dr Woodbury	1998	28	6	21.4%	20 - Eff. 36 - 1BR	337 - 410 396 - 612	\$3,400 - \$3,450 \$3,650 - \$3,800	55+ Avg Age = 82
The Pines at Oak Meadows 8131 4th Street North Oakdale	1998	48	10	20.8%	20 - Eff 31 - 1BR 11 - 2BR	392 - 476 613 927 - 957	\$2,709 - \$2,957 \$3,302 \$3,717 - \$4,043	55+ Avg Age = 85
Oak Ridge Place 6060 Oxboro Ave. N Oak Park Heights	1987	42	5	11.9%	46 - 1BR 10 - 1BR+D 29 - 2BR	637 702 - 770 866 - 889	\$1,695 \$1,725 \$1,895	55+ Avg Age = 85
Woodbury Villa 7008 Lake Rd Woodbury	1985	75	6	8.0%	7 - Eff. 63 - 1BR 5 - 2BR	574 - 735 575 - 735 754 - 999	\$2,500 \$2,800 - \$3,200 \$2,950 - \$3,500	60+ Avg Age = 80
Total Assisted Living Units		1,028	138	13.4%				
*Units not designated as AL or IL at Oak Ridge Place - resident designates service level upon occupancy								
CONTINUED								

APPENDIX

TABLE S-1 UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON MARKET RATE SENIOR HOUSING DEVELOPMENTS WASHINGTON COUNTY February 2022								
Project Name/Location	Occp. Date	No. of Units	No. Vacant	Pct. Vacant	Unit Mix/Sizes/Pricing			Resident Profile
					No./Type	Size (Sq. Ft.)	Sale Price/ Monthly Rent/Fee	
MEMORY CARE								
Arbor Glen Sr. Living 11020 39th Street N. Lake Elmo	2018	24	1	4.2%	12 - Studio 12 - 1BR	411 - 436 488 - 488	\$3,785 - \$3,895 \$4,325 - \$4,395	55+
The Good Life Suites 5260 127th St N Hugo	2005	14	1	7.1%	14 - Pvt	692 - 762	\$1,690 - \$1,840	55+
Keystone Place at LaValle Fields 14602 Finale Ave N. Hugo	2017	48	5	10.4%	24 - Std 24 - 1BR	336 - 336 643 - 643	\$7,995 - \$7,995 \$8,395 - \$8,395	55+
Boulder Ponds 192 Jade Trail No Lake Elmo	2005	28	2	7.1%	28 - Std	450 - 480	\$5,000 - \$5,300	55+
Amira Choice (formerly Cherrywood) 231 W. Broadway Forest Lake	2005	22	1	4.5%	10 - Std 12 - 1BR	464 - 464 736 - 736	\$3,380 - \$4,375 \$4,590 - \$4,590	55+
Lakes at Stillwater 105 Bridgewater Way Stillwater	2021	32	22	68.8%	32 - Std	345 - 370	\$4,070 - \$4,070	55+
Waters of Oakdale 7088 11th Street N Oakdale	2016	28	0	0.0%	12 - Std 16 - 1BR	467 - 467 688 - 688	\$3,290 - \$3,350 \$3,910 - \$3,990	55+
Artis Sr. Lvg of Woodbury 8155 Afton Rd Woodbury	2018	64	0	0.0%	64 - Pvt	320 - 320	\$6,500 - \$7,400	55+
New Perspective Woodbury 2195 Century Avenue Woodbury	2011	32	3	9.4%	20 - Eff. 15 - 1BR	372 - 385 439 - 654	\$3,738 - \$3,738 \$4,340 - \$4,340	
White Pine Senior Living (MC) 6950 East Point Douglas Rd S Cottage Grove	2011	44	0	0.0%	44 - EFF	404	\$5,650 all inclusive	
St. Therese of Woodbury (Garden) 7555 Bailey Rd. Woodbury	2016	20	0	0.0%	20 - Eff.	416 - 552	\$3,515 - \$3,625	Care Levels \$2,680-\$4,580
Oak Park Senior Living 13936 Lower 59th St. Oak Park Heights	2011	27	0	0.0%	22 - Eff 5 - 1BR	400 - 488 600 - 678	\$3,532 - \$3,747 \$3,977 - \$4,110	
Coventry Senior Living 720 Mahtomedi Ave Mahtomedi	2011	32	2	6.3%	26 - Eff 6 - 1BR	332 - 343 442 - 464	\$3,695 - \$3,895 \$3,950 - \$4,350	
Prelude Memory Care Cottages 10020 Raleigh Road Woodbury	2011	54	7	13.0%	29 - 1BR	237 - 251	\$6,200 - \$7,075 *All inclusive rate*	
Norris Square Arbor 8200 Hadley Ave S Cottage Grove	2010	18	1	5.6%	4 - suite 13 - 1BR 1 - 2BR	337 551 - 663 964	\$3,300 \$3,945 - \$4,270 \$5,205	
Woods at Oak Meadows 8131 4th Street North Oakdale	2009	12	0	0.0%	10 - Eff 2 - 1BR	392 - 528 613	\$2,958 \$3,433 \$3,788	
Stonecrest (MC) 8723 Promenade Lane Woodbury	2007	18	0	0.0%	8 - Eff. 10 - 1BR	477 - 548 480 - 670	\$4,110 \$4,180 - \$4,605	N/A
Croixdale - The Arbor 750 Highway 95 Bayport	2005	10	0	0.0%	1 - Eff 8 - 1BR 1 - 2BR	336 585 - 668 817	\$2,890 \$3,930 - \$4,255 \$4,735	55+
Comforts of Home-Hugo 5607 150th St. N. Hugo	2004	12	---		12 - Eff.	360	n/a	65+
The Arbors at Boutwell's Landing 5600 Norwich Pkwy Oak Park Hts	2004	17	0	0.0%	2 - Eff 13 - 1BR 2 - 2BR	516 505 - 806 869	\$4,420 \$4,420 - \$5,085 \$5,505	55+
St. Andrew's Arbor 22 East Ave. Mahtomedi	2001	25	0	0.0%	20 - Eff. 5 - 1BR	451 577	\$3,960 \$4,430	62+ Avg Age 75+
Woodbury Estates 2825 Woodlane Dr Woodbury	1998	36	3	8.3%	8 - Eff. 26 - 1BR 2 - 2BR	337 - 410 396 - 495 700 - 700	\$3,400 \$3,600 \$3,900	55+ Avg Age = 82
New Perspectives 111-113 East Ave Mahtomedi	1996	32	0	0.0%	32 - Eff.	170 - 300	\$4,200 - \$4,200	55+
Total Memory Care Units		649	48	7.4%				
Total of ALL Senior Market Rate		3,670	318	8.7%				
*Vacancy rate does not include properties that did not participate in survey. Source: Maxfield Research and Consulting, LLC								

APPENDIX

TABLE S-2 UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON AFFORDABLE SENIOR RENTAL DEVELOPMENTS WASHINGTON COUNTY February 2022						
Project Name/Location	Year Built	Units/ Vacant	Unit Mix/	Rents	SF	Comments/Amenities/Features
Legends of Woodbury Woodbury	2019	216 0 0.0%	67 - 1BR 54 - 2BR 52 - 3BR	\$1,112 - \$1,283 \$1,179 - \$1,458 \$1,327 - \$1,695	767 - 898 930 - 1,180 1,284 - 1,414	In-unit washer and dryer, balcony, UG pkg - \$75/mo. storage, community rm; theater rm, fitness ctr, dog run, card/crafts rms, in-unit w/dryer, walk-in closets, patio/balcony; 9 ft. ceilings; breakfast bar or kitchen island;
Legends of Cottage Grove Cottage Grove	2017	184 0 0.0%	70 - 1BR 78 - 2BR 36 - 3BR	\$1,135 - \$1,155 \$1,355 - \$1,385 \$1,553 - \$1,583	811 - 866 989 - 1,292 1,257 - 1,385	In-unit washer and dryer, balcony, UG pkg - \$65/mo. storage, community rm; theater rm, fitness ctr, dog run, card/crafts rms, in-unit w/dryer, walk-in closets, patio/balcony; 9 ft. ceilings; breakfast bar or kitchen island;
The Glen at Valley Creek Woodbury	2019	42 0.0%	20 - 1BR 22 - 2BR	\$475 - \$841 \$557 - \$1,000	682 - 870 1,028 - 1,830	Affordable at 30% to 50% of AMI.
Stonecrest Woodbury	2019	6 0	6 - 1BR	\$1,136 - \$1,136	641 - 693	Affordable at 60% of AMI. Remainder are market rate.
Trailside Senior Living Forest Lake	2011	70 0	36 - 1BR 34 - 2BR	\$457 - \$857 \$602 - \$1,087	780 - 780 950 - 950	Washington County HRA owned. In-unit washer and dryer, balcony, underground parking, storage, and community room. Rent levels range from 30% to 60% of AMI
Cypress Senior at Red Oak Oakdale	2011	39 0 0.0%	18 - 1BR 21 - 2BR	\$970 \$1,070	747 - 747 981 - 981	Section 42 Tax Credit. Community room, washer/dryer in-unit, breakfast bar, and storage space. Also limited LTH units at \$775/mo.
St. Andrew's Terrace Mahtomedi	2000	14 0	14 - 1BR	\$1,140	678 - 678	3-4 story building; 14 of 70 units designated as affordable at 60% of AMI. Resident profile: average age = 85.
East Shore Place Mahtomedi	1983	61	61 - 1BR	\$906 30% of AGI	540 - 540	3-story building; 62+; subsidized; wait list; wait list is currently closed;
Picadilly Square Mahtomedi	2000	79 0	60 - 1BR 19 - 2BR	\$824 - \$911 \$1,058 - \$1,240	680 - 824 939 - 1,020	3-story building 62+; affordable at 50% of AMI; all 2BR apts include a garage; offering special on 1BR units
Echo Ridge Oakdale	1998	20 1	20 - 1BR	\$1,065	731 - 750	50% of AMI. 4-story building with underground parking. Community room, woodshop, game room, and dining room.
Briarcliff Manor Mahtomedi	1996	57 0	17 - 1BR 35 - 2BR 5 - 3BR	\$1,018 \$1,238 - \$1,435 \$1,435	600 900 1,100	Section 42 Tax Credit. 60% of AMI. 3-story elevator building. "V" shaped, with underground parking. Daily coffee and complimentary breakfast. Community, library, and craft rooms. Outdoor patio, laundry, exercise room.
Eastwood Village Oakdale	1995	70 1	18 - 1BR 35 - 2BR 17 - 3BR	\$970 - \$995 \$1,060 - \$1,100 \$1,565 - \$1,565	800 - 800 1,000 - 1,000 1,250 - 1,250	60% of AMI. Community room and laundry room located on the premises.
Oak Terrace Oakdale	1994	49 0	49 - 1BR	30% of AMI	540 - 540	Section 8. Residents pay 30% of AMI. Community room, walk-in showers, tub room. Wait list open until May 31, 2022.
Cottages of Cottage Grove Cottage Grove	1993	54 0	11 - 1BR 29 - 2BR 14 - 3BR	\$1,025 \$1,165 \$1,299	750 - 750 960 - 960 1,000 - 1,000	Section 42 Tax Credit. 5 one-level buildings. Detached garage parking. Community room and library.
Cottages of Aspen Oakdale	1992	114 0	19 - 1BR 95 - 2BR	\$1,133 \$1,134 - \$1,254	728 - 728 878 - 1,023	One-level cottages w/ private entrances. Community, craft, library, and dining rooms. Converted over to market rate.
Cobble Hill Woodbury	1992	45 0	18 - 1BR 27 - 2BR	\$822 \$966	700 - 700 900 - 900	Washington County HRA owned with maximums at 80% AMI. 2-story elevator building with underground parking.
Ann Bodlovick Apartments Stillwater	1991	50 0	32 - 1BR 18 - 2BR	\$785 - \$825 \$944 - \$953	617 - 800 778 - 867	Washington County HRA. 2-story building. Community room, emergency response.
John Jergens Estates Forest Lake	1991	30 0	15 - 1BR 15 - 2BR	\$770 \$908	781 - 781 907 - 907	Washington County HRA owned. Single-level cottages. Average Age is 70. Detached and surface parking available.
Pioneer Apartments St. Paul Park	1990	18 0	17 - 1BR 1 - 2BR	\$690 \$711	678 - 678 850 - 850	Washington County HRA owned. 2 story building. Community room and off-street parking.
Mueller Manor Hugo	1990	28 0	16 - 1BR 12 - 1BR+D	\$698 \$750	625 - 625 700 - 700	Washington County HRA. 1 story building. Community room. Limited amount of garages; off-street parking.
Red Rock Manor Newport	1981	78 1	76 - 1BR 2 - 2BR	30% of AMI		Section 8. Residents pay 30% of AMI. Community rooms, gardens, library, sunroom, cable, & internet. Wait list closed.
Rivertown Commons Stillwater	1980	96 0	90 - 1BR 6 - 2BR	\$824 \$913		Section 8. Residents pay 30% of AMI. Community rooms, patios, and library.
Green Twig Villas I & II Stillwater	2016 2019	72 0	42 - 1BR 30 - 2BR	\$1,164 - \$1,181 \$1,417 - \$1,417		Affordable Rental Housing; 60% of AMI; 20% of units must meet Fair Market Rents
Raymie Johnson Estates Oak Park Heights	1979	96 3	91 - 1BR 5 - 2BR	\$769 \$845		Washington County HRA owned. 5 story building. Community room, emergency pull cords, and off-street parking.
Kilkenny Court Forest Lake	1976	92 1	83 - 1BR 9 - 2BR	\$784 \$919		Section 8. Residents pay 30% of AMI. Two community rooms (2nd & 3rd floors).
Whispering Pines Forest Lake	1971	40 0	40 - 1BR	30% of AMI		Washington County HRA owned. Residents pay 30% of AMI. Community room and activities director. Preference 62+/Disabled; will also allow one parent w/child.
Oakhill Cottages Scandia	1995	40 0	8 - 1BR 32 - 2BR	\$717 \$820	700 - 780 900 - 900	Affordable at 80% of County Median Income, Residents pay 30% of AMI.
County Total		1,760 7	Vacancy Rate 0.4%			
Source: Maxfield Research and Consulting LLC						

Definitions

Absorption Period – The period necessary for newly constructed or renovated properties to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has signed a lease.

Absorption Rate – The average number of units rented each month during the absorption period.

Active adult (or independent living without services available) – Active Adult properties are similar to a general-occupancy apartment building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program are usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing.

Adjusted Gross Income “AGI” – Income from taxable sources (including wages, interest, capital gains, income from retirement accounts, etc.) adjusted to account for specific deductions (i.e. contributions to retirement accounts, unreimbursed business and medical expenses, alimony, etc.).

Affordable housing – The general definition of affordability is for a household to pay no more than 30% of their income for housing. For purposes of this study, we define affordable housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

Amenity – Tangible or intangible benefits offered to a tenant in the form of common area amenities or in-unit amenities. Typical in-unit amenities include dishwashers, washer/dryers, walk-in showers and closets and upgraded kitchen finishes. Typical common area amenities include detached or attached garage parking, community room, fitness center and an outdoor patio or grill/picnic area.

Area Median Income “AMI” – AMI is the midpoint in the income distribution within a specific geographic area. By definition, 50% of households earn less than the median income and 50% earn more. The U.S. Department of Housing and Urban Development (HUD) calculates AMI annually and adjustments are made for family size.

Assisted Living – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

Building Permit – Building permits track housing starts and the number of housing units authorized to be built by the local governing authority. Most jurisdictions require building permits for new construction, major renovations, as well as other building improvements. Building permits ensure that all the work meets applicable building and safety rules and is typically required to be completed by a licensed professional. Once the building is complete and meets the inspector's satisfaction, the jurisdiction will issue a "CO" or "Certificate of Occupancy." Building permits are a key barometer for the health of the housing market and are often a leading indicator in the rest of the economy as it has a major impact on consumer spending.

Capture Rate – The percentage of age, size, and income-qualified renter households in a given area or "Market Area" that the property must capture to fill the units. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income-qualified renter households in the designated area.

Comparable Property – A property that is representative of the rental housing choices of the designated area or "Market Area" that is similar in construction, size, amenities, location and/or age.

Concession – Discount or incentives given to a prospective tenant to induce signature of a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or free amenities, which are normally charged separately, such as parking.

Congregate (or independent living with services available) – Congregate (Independent Living) properties offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors ages 75 or older. Rents are also above those of the active adult buildings, even excluding the services.

Contract Rent – The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

Demand – The total number of households that would potentially move into a proposed new or renovated housing project. These households must be of appropriate age, income, tenure and size for a specific proposed development. Components vary and can include, but are not limited to: turnover, people living in substandard conditions, rent over-burdened households, income-qualified households and age of householder. Demand is project specific.

Density – Number of units in a given area. Density is typically measured in dwelling units (DU) per acre – the larger the number of units permitted per acre the higher the density; the fewer units permitted results in lower density. Density is often presented in a gross and net format:

- **Gross Density** – The number of dwelling units per acre based on the gross site acreage.
Gross Density = Total residential units/total development area
- **Net Density** - The number of dwelling units per acre located on the site, but excludes public right-of-ways (ROW) such as streets, alleys, easements, open spaces, etc.
Net Density = Total residential units/total residential land area (excluding ROWs)

Detached housing – a freestanding dwelling unit, most often single-family homes, situated on its own lot.

Effective Rents – Contract rent less applicable concessions.

Elderly or Senior Housing – Housing where all the units in the property are restricted for occupancy by persons ages 62 years or older, or at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or better and the housing is designed with amenities, facilities and services to meet the needs of senior citizens.

Extremely low-income – person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

Fair Market Rent – Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

Foreclosure – A legal process in which a lender or financial institute attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by using the sale of the house as collateral for the loan.

Gross Rent – The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease, plus the estimated cost of all utilities paid by tenants.

Household – All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Household Trends – Changes in the number of households for any particular areas over a measurable period of time, which is a function of new households formations, changes in average household size, and net migration.

Housing Choice Voucher Program – The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Housing unit – House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Project-Based Section 8 – A federal government program that provides rental housing for very low-income families, the elderly, and the disabled in privately owned and managed rental units. The owner reserves some or all the units in a building in return for a Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

HUD Section 202 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by elder household who have incomes not exceeding 50% of Area Median Income.

HUD Section 811 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy of persons with disabilities who have incomes not exceeding 50% Area Median Income.

HUD Section 236 Program – Federal program that provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% Area Median Income who pay rent equal to the greater of market rate or 30% of their adjusted income.

Income limits – Maximum household income by a designed geographic area, adjusted for household size and expressed as a percentage of the Area Median Income, for the purpose of establishing an upper limit for eligibility for a specific housing program. See Income-qualifications.

Inflow/Outflow – The Inflow/Outflow Analysis generates results showing the count and characteristics of worker flows in to, out of, and within the defined geographic area.

Low-Income – Person or household with gross household incomes below 80% of Area Median Income, adjusted for household size.

Low-Income Housing Tax Credit – A program aimed to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and rents on these units be restricted accordingly.

Market analysis – The study of real estate market conditions for a specific type of property, geographic area or proposed (re)development.

Market rent – The rent that an apartment, without rent or income restrictions or rent subsidies, would command in a given area or “Market Area” considering its location, features and amenities.

Market study – A comprehensive study of a specific proposal including a review of the housing market in a defined market or geography. Project specific market studies are often used by developers, property managers or government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what house needs, if any, existing within a specific geography.

Market rate rental housing – Housing that does not have any income-restrictions. Some properties will have income guidelines, which are minimum annual incomes required in order to reside at the property.

Median Rent/Home Price – The median refers to the price point where half of the rents/homes are priced above the point, and half are priced below it. The median is a more accurate gauge of housing costs as averages tend to skew prices at the high and low end of the market.

Memory Care – Memory Care properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s

concern of incurring the costs of health care at a special facility while continuing to maintain their home.

Migration – The movement of households and/or people into or out of an area.

Mixed-income property – An apartment property contained either both income-restricted and unrestricted units or units restricted at two or more income limits.

Mobility – The ease at which people move from one location to another.

Moderate Income – Person or household with gross household income between 80% and 120% of the Area Median Income, adjusted for household size.

Multifamily – Properties and structures that contain more than two housing units.

Naturally Occurring Affordable Housing – Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

Net Income – Income earned after payroll withholdings such as state and federal income taxes, social security, as well as retirement savings and health insurance.

Net Worth – The difference between assets and liabilities, or the total value of assets after the debt is subtracted.

Pent-up demand – A market in which there is a scarcity of supply and as such, vacancy rates are very low or non-existent.

Population – All people living in a geographic area.

Population Density – The population of an area divided by the number of square miles of land area.

Population Trends – Changes in population levels for a particular geographic area over a specific period – a function of the level of births, deaths, and in/out migration.

Project-Based rent assistance – Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment – The redesign, rehabilitation or expansion of existing properties.

Rent burden – gross rent divided by adjusted monthly household income.

Restricted rent – The rent charged under the restriction of a specific housing program or subsidy.

Saturation – The point at which there is no longer demand to support additional market rate, affordable/subsidized, rental, for-sale, or senior housing units. Saturation usually refers to a particular segment of a specific market.

Senior Housing – The term “senior housing” refers to any housing development that is restricted to people ages 55 or older. Today, senior housing includes an entire spectrum of housing alternatives. Maxfield Research Inc. classifies senior housing into four categories based on the level of support services. The four categories are: Active Adult, Congregate, Assisted Living and Memory Care.

Short Sale – A sale of real estate in which the net proceeds from selling the property do not cover the sellers’ mortgage obligations. The difference is forgiven by the lender, or other arrangements are made with the lender to settle the remainder of the debt.

Single-family home – A dwelling unit, either attached or detached, designed for use by one household and with direct street access. It does not share heating facilities or other essential electrical, mechanical or building facilities with another dwelling.

Stabilized level of occupancy – The underwritten or actual number of occupied units that a property is expected to maintain after the initial lease-up period.

Subsidized housing – Housing that is income-restricted to households earning at or below 30% AMI. Rent is generally based on income, with the household contributing 30% of their adjusted gross income toward rent. Also referred to as extremely low income housing.

Subsidy – Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment’s contract/market rate rent and the amount paid by the tenant toward rent.

Substandard conditions – Housing conditions that are conventionally considered unacceptable and can be defined in terms of lacking plumbing facilities, one or more major mechanical or electrical system malfunctions, or overcrowded conditions.

Target population – The market segment or segments of the given population a development would appeal or cater to.

Tenant – One who rents real property from another individual or rental company.

Tenant-paid utilities – The cost of utilities, excluding cable, telephone, or internet necessary for the habitation of a dwelling unit, which are paid by said tenant.

Tenure – The distinction between owner-occupied and renter-occupied housing units.

Turnover – A measure of movement of residents into and out of a geographic location.

Turnover period – An estimate of the number of housing units in a geographic location as a percentage of the total house units that will likely change occupants in any one year.

Unrestricted units – Units that are not subject to any income or rent restrictions.

Vacancy period – The amount of time an apartment remains vacant and is available on the market for rent.

Workforce housing – Housing that is income-restricted to households earning between 80% and 120% AMI. Also referred to as moderate-income housing.

Zoning – Classification and regulation of land use by local governments according to use categories (zones); often also includes density designations and limitations.

TO: The Honorable Mayor Bailey and City Council
Jennifer Levitt, City Administrator

FROM: Gretchen Larson, Economic Development Director

DATE: December 28, 2023

RE: 2023 - The Shoppes at Cottage View Updates

Background

The City Council, City Administrator, and senior staff met January 28, 2023 at River Oaks Golf Course and Event Center for the city's annual leadership retreat. One of the four **Big Ideas** that came out of the discussions that was assigned to the economic development team for follow-up was Creating a City Center and specifically the 73-acre property adjacent to Walmart on Hwy 61 known locally as The Shoppes at Cottage View. The Shoppes property has been discussed for many years as an ideal location to build a city center to function as downtown locale since the city actually doesn't have a traditional "downtown" like most cities have. Having an area where you could park and walk throughout the area to stay, shop, dine, and be entertained, is highly desired by citizens, the business community, and the City Council.

Over the past 15 years, the city has completed significant due diligence on the property including feasibility reports for site improvements, existing conditions, utility and street improvements, as well as grading plans, wetland delineation, conceptual development site plan options and a Hunden Partners Arena Implications Study and Hotel Market Study. And, while the Hotel Market Study was for selecting ideal locations throughout the city, it also explored the option at The Shoppes property so is considered a part of this due diligence process. In addition, the staff routinely submits for grants for the infrastructure improvements and has secured \$3M of the needed \$10.2M to date. The Public Works Director will be able to update the Council and answer any infrastructure questions at the strategic planning session. See attachments for additional information on the due diligence process.

In May of 2022, we were contacted by a developer from Michigan, River Caddis, and their Business Development Manager, John McGraw. The team at River Caddis had been researching new opportunities for their business endeavors and saw that the city would be attending the ICSC retailers conference and requested a meeting. The city team consisting of Mayor Bailey, Councilmember Dennis, City Administrator Levitt and Economic Development Director Larson, met with the developer and Rob Hunden of Hunden Partners whose firm conducts economic feasibility studies related to arenas and entertainment venues.

As a part of the proposed development, River Caddis continued to advocate that there had to be a public-private venture such as an arena, community center, or some public asset that the city, county or state would bring to the development. An arena was clearly the preferred asset, hopefully connected to a higher-end hotel which, if possible, would give the development an anchor around which everything else would evolve and grow. The Shoppes property has been under an option contract with River Caddis since January of this year. Once we knew the property was under contract, the city team, city attorney and our financial consultants met several times to discuss the financing capabilities of the city, as it related to the building an arena or any public asset at the development. After careful consideration our financial advisors stated that they would not recommend that the city consider agreeing to owning an arena given that these types of venues rarely made enough money to cover operating costs, let alone repayment on the debt. The current price range for a 2,500 to 5,000 seat arena is approximately \$50M to \$100M.

The Shoppes at Cottage View Updates

Over the past 11 months, the Mayor, City Administrator and staff have had numerous meetings with the developer. We've also visited with community partners (Washington Co. and ISD) on projects that they might bring to the site, brokers representing retail clients, other developers interested in partnering or purchasing a portion of the property and marketed the development at both ICSC and MNCAR. All these efforts on our part were designed to not only help secure tenants for the site, but also to specifically encourage the developer to create a usable site plan so retailers and others would know how they would fit into the development.

In an effort to continue to support the development where it made sense, the EDA agreed at their July 7 meeting to fund an Arena Market Implications Study by Hunden Partners to determine if there was in fact a need for an arena in the city. Cost for the study was \$20,000. The study began in mid-August and was completed in October and the findings were presented to the EDA in December. The findings indicated that a USHL Tier 1 team would work successfully in our market with a 2,400-seat arena, unfortunately there is no entertainment market for a venue of that size to fill a schedule to support the arena. This would mean that the venue could not be supported financially to cover operational expenses.

If publicly owned municipal venues such as an arena, community center, institution of higher learning, etc. are not a part of the mixed-use center, the financing needed for such a project is likely going to be much more challenging to secure. Plus, given the current trends in the marketplace with high interest rates and construction costs, retailers are hesitant to expand unless they can clearly see how they fit into a development and even then there are still many challenges. As of this report, no marketable site plan has been created complicating the city efforts to assist the developer with securing tenants. The Mayor, City Administrator and staff will be meeting on January 9th with the developer and the seller of the property Zach Herringer, to discuss any new project updates and next steps.

As a part of the original report in May, we included links to several resources for review that discuss the challenges and the opportunities in designing a mixed-use city center and have included them again as a part of this update.

Attachments:

Due Diligence Maps of the Shoppes Property

HVS Hotel Market Study – 12-2022

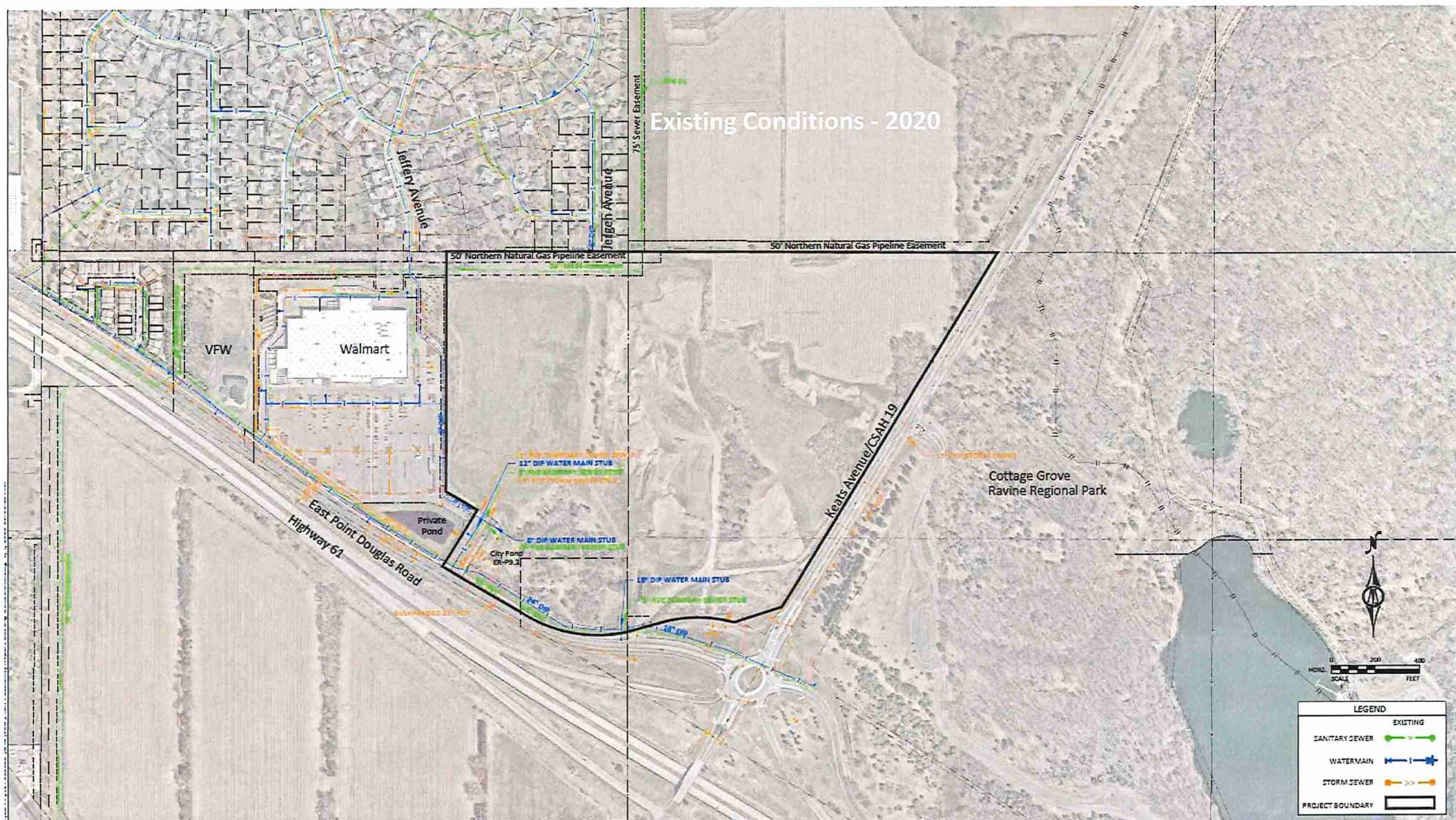
Hunden Partners – Arena Implications Study 12-2023

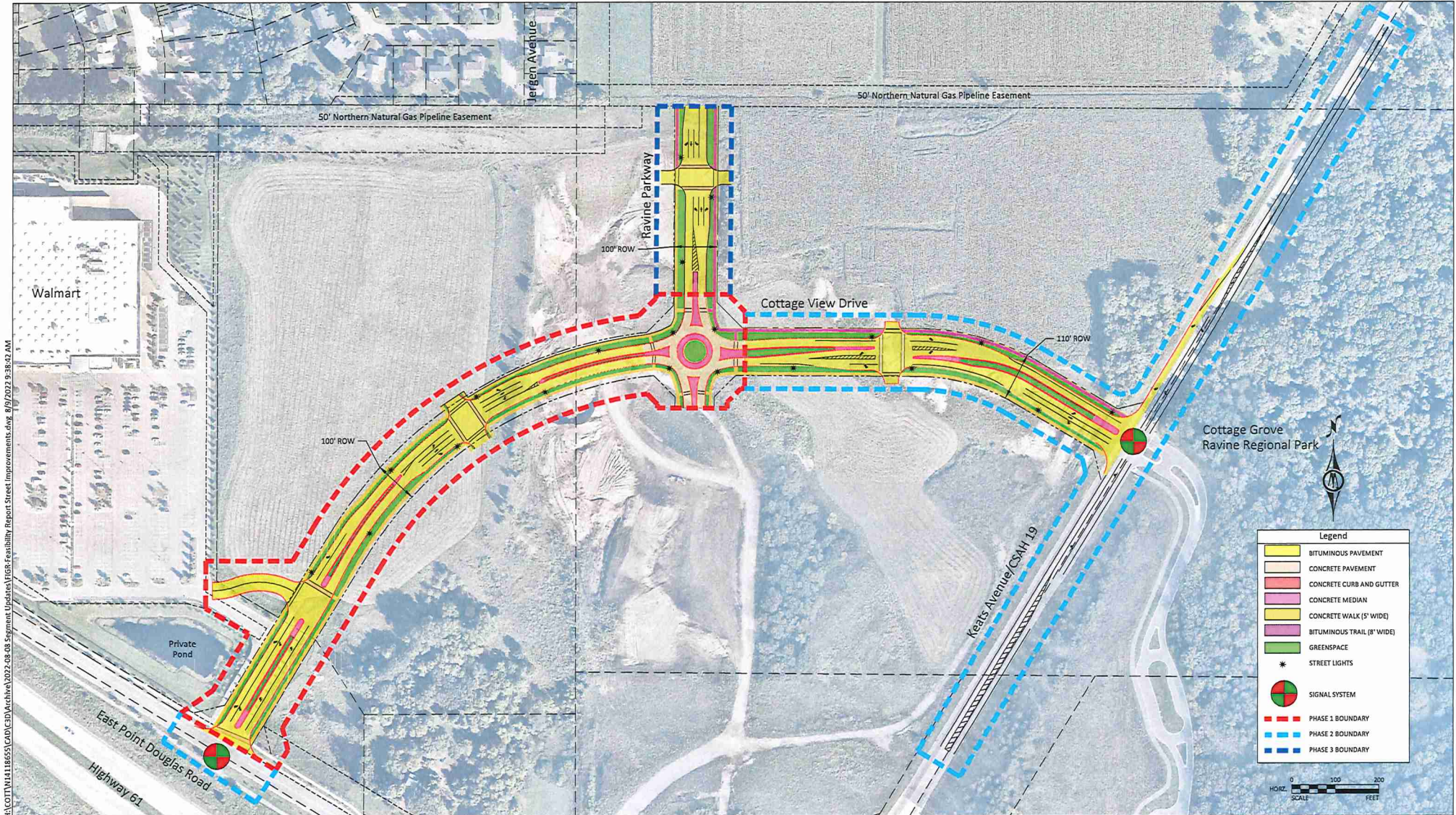
Interim Memo to the City Council – May 12, 2023

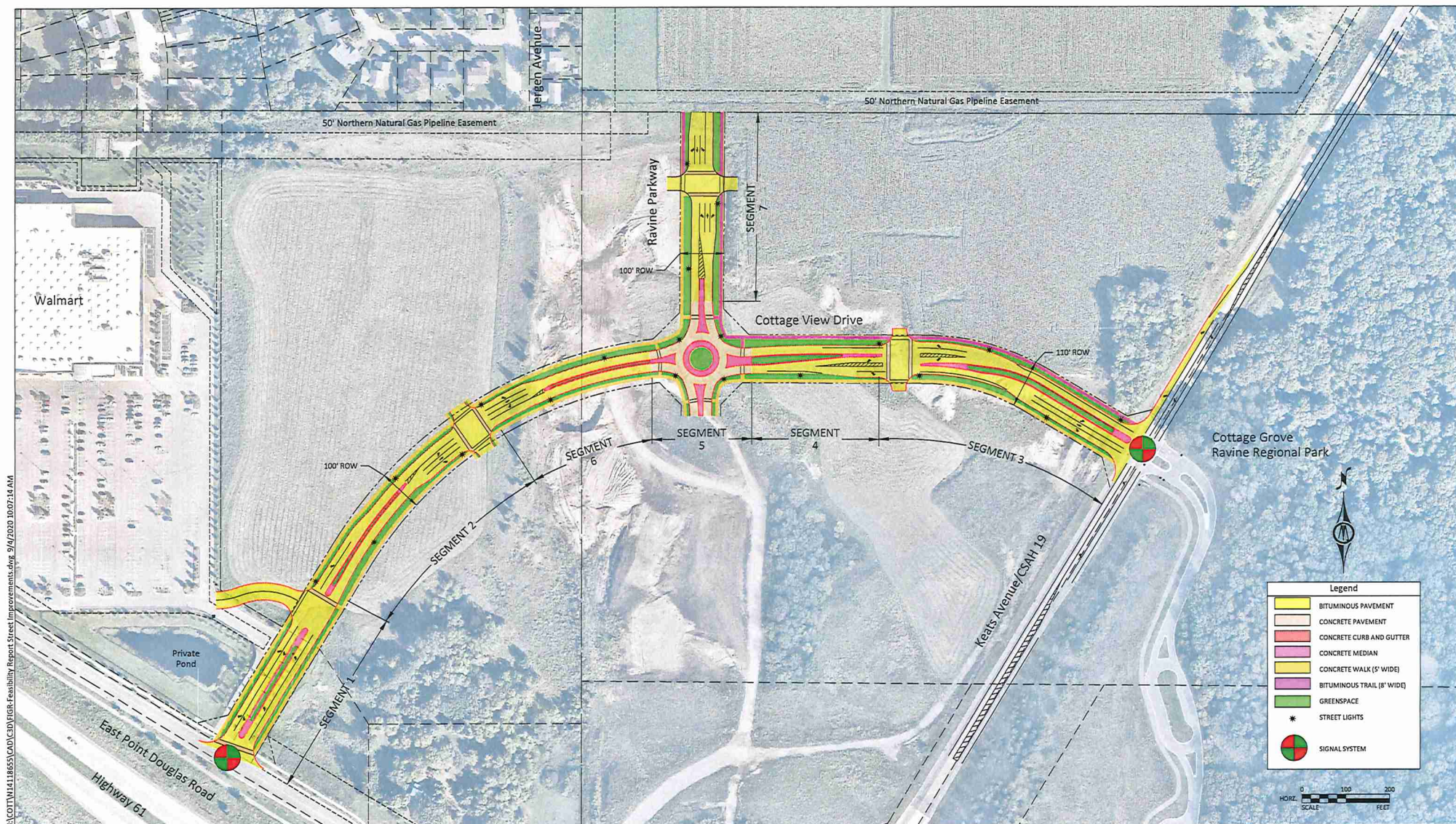
Creating a Great City Center

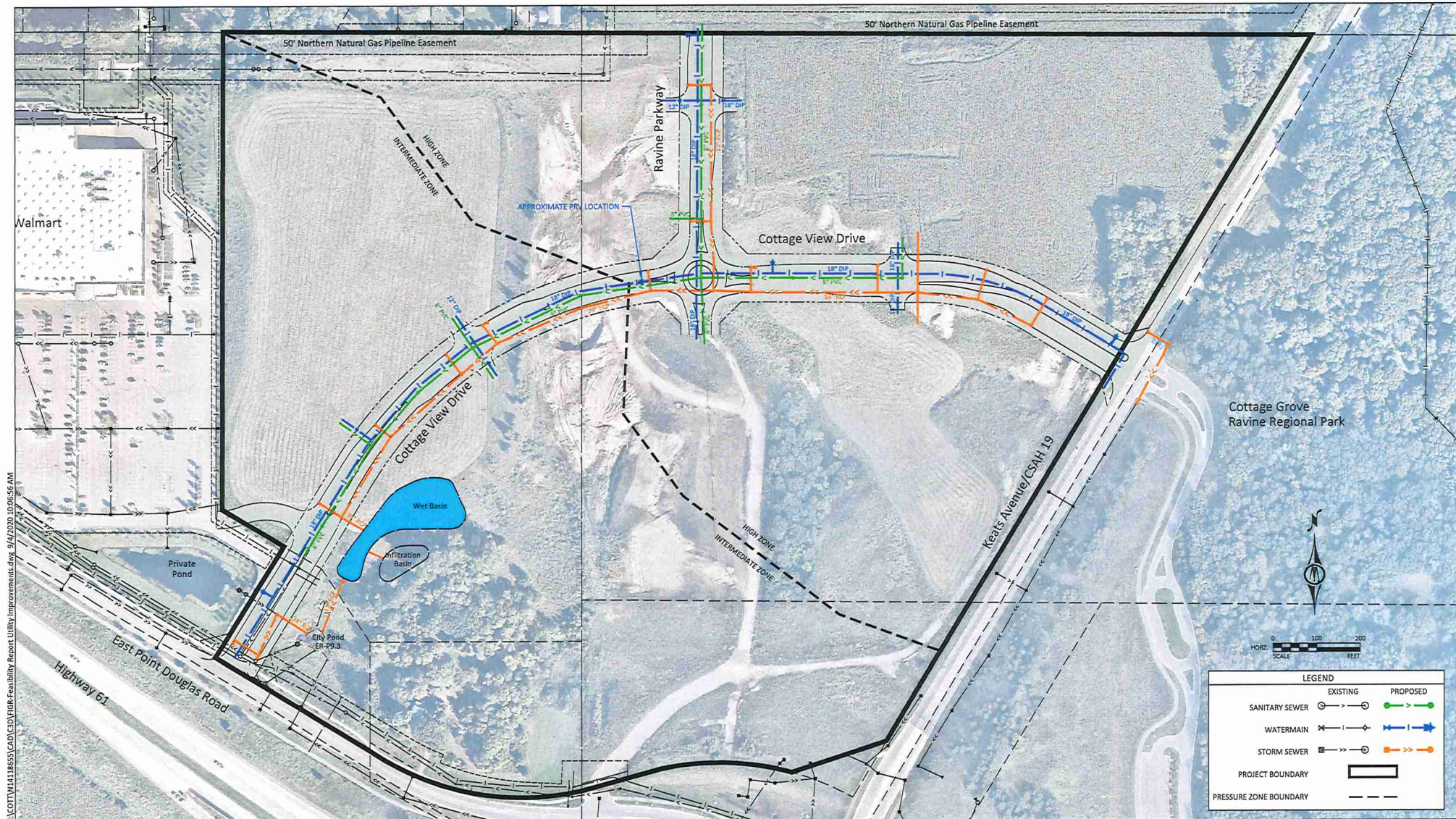
Mixed-Use Developments and Financial Feasibility

Designing and building mixed-use centers in the suburbs













Shoppes at Cottage View

Birdseye view from the North • May 17, 2019





MARKET STUDY

Proposed Cottage Grove Hotel

US-10/US-61 CORRIDOR
COTTAGE GROVE, MINNESOTA

SUBMITTED TO:

Ms. Gretchen Larson
City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, Minnesota 55016

+1 (651) 458-2830

PREPARED BY:

HVS Consulting & Valuation
Division of TS Worldwide, LLC
33972 North Oak Drive
Pequot Lakes, Minnesota 56472

+1 (303) 588-6558

November 30, 2022

Ms. Gretchen Larson
City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, Minnesota 55016

Re: Proposed Cottage Grove Hotel
Cottage Grove, Minnesota
HVS Reference: 2022021420

Dear Ms. Larson:

HVS
33972 North Oak Drive
Pequot Lakes, Minnesota 56472
+1 (303) 588-6558
+1 (516) 742-3059 FAX
www.hvs.com

Pursuant to your request, we herewith submit our market study pertaining to the above-captioned property. We have inspected potential site locations and analyzed the hotel market conditions in the Cottage Grove, Minnesota area, and the results of our fieldwork and analysis are presented in this report. We have also made recommendations for the best-suited hotel product for the market area.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,
TS Worldwide, LLC

A handwritten signature in black ink, which appears to read 'Tanya J. Pierson', is positioned above the printed name and title.

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1. Executive Summary

Objective of the Market Study

The objective of the market study is to examine the current and potential demand for lodging accommodations, as well as the existing and proposed supply in Cottage Grove and surrounding suburbs.

Intended Use and Audience of the Appraisal

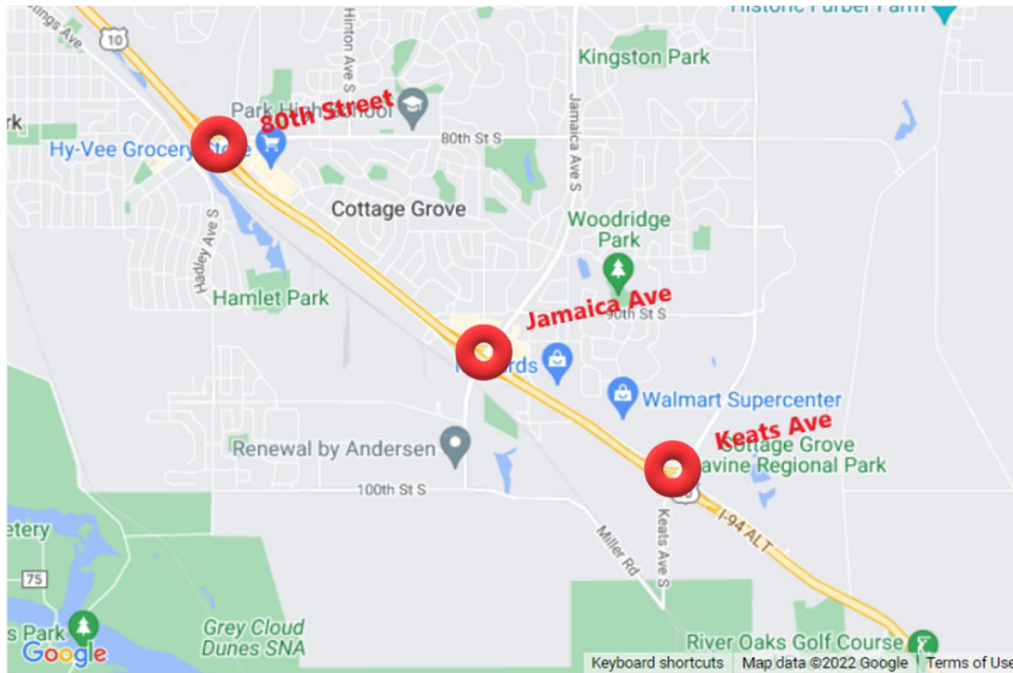
This market study report is being prepared for the City of Cottage Grove. The findings of this market study are anticipated to be used to determine if the City of Cottage Grove hotel market has sufficient depth and need to support a new hotel.

Subject of the Market Study

The City of Cottage Grove is looking into the development of a hotel and multiple site locations are available for such development; however, a specific site had not been chosen at the time of our report. We have analyzed the locations of the sites in regard to their proximity to demand generators, retail establishments, and entertainment venues. Based on interviews conducted with demand generators and our evaluation of the market performance, it is our recommendation that the proposed subject hotel operate as a midscale or upper-midscale limited-service property, such as a Fairfield by Marriott, Hampton by Hilton, Holiday Inn Express, or comparable brand. Given the existence of extended-stay demand in the market, there is the potential for a dual branding of the subject hotel to include some extended-stay rooms in the available inventory. Possible dual-branded hotel combinations include Fairfield/TownePlace Suites by Marriott, Tru/Home2 Suites by Hilton, and Avid/Candlewood Suites.

For the purpose of this analysis, we have assumed that the property would open on May 1, 2025 and feature 90 rooms, a breakfast dining area, meeting space for at least 50 people, an indoor pool and whirlpool, a fitness room, a lobby workstation, a market pantry, and a guest laundry room. The hotel would also feature all necessary back-of-the-house space.

SITE LOCATIONS CONSIDERED



Location	Strengths	Weaknesses
80th Street Exit (Gateway North)	Near several retail and restaurant outlets; close to I-494	Older retail in area requiring redevelopment
Jamaica Avenue Exit	Proximate to business park, with numerous fast food and shopping venues	Lack of full-service restaurants; limited sites close to the highway
Keats Avenue Exit (Cottage View)	Proximity to business park, Ravine Regional Park, event centers	Lack of support businesses nearby (retail, restaurants) as it is undeveloped

Pertinent Dates

The effective date of the report is November 30, 2022. The subject sites were inspected by Tanya J. Pierson, MAI on September 12, 2022. In addition to the inspection, Tanya J. Pierson, MAI participated in the research for this assignment and assisted in the report's preparation.

Global Considerations

The hospitality industry has been, and continues to be, affected by a variety of external factors that influence both the lodging and the investment markets. The following paragraphs outline the global factors that are the most impactful to the lodging industry as of the effective date of this report.

The COVID-19 pandemic began in early 2020 and had a significant impact throughout the world and on the respective economies. The onset of the pandemic resulted in decreased business activity, causing widespread economic hardships, including increases in unemployment. The hospitality industry was severely affected, as travel declined sharply and as restrictions on group sizes resulted in the cancellations of meetings, conventions, and events. The depth and duration of this impact was influenced by the course of the pandemic and the nature and extent of restrictions on business and travel activity; the period of greatest impact was 2020. With the availability of vaccines and lifting of restrictions, conditions generally improved in 2021, although the Omicron variant slowed the recovery in the latter part of the year. Currently, the prevailing market outlook is that the peak impact of the pandemic on the travel industry is behind us. While group meetings and events have resumed, business travel remains below pre-pandemic levels given that office occupancy and work-related travel have been affected by more widespread remote work options. Travel patterns have shifted to include more leisure demand, anticipated to comprise a greater proportion of lodging demand in the future. While ADR and RevPAR have passed 2019 levels in most markets, our research reflects a general expectation that lagging occupancy levels will recover by 2024; the timing and pace of recovery for individual markets will vary based on market-specific characteristics and conditions.

Exacerbated by rising oil and gas prices in the wake of the Russia-Ukraine conflict, the inflationary trends that first emerged during the pandemic have continued. Driven by supply-chain disruptions and pent-up consumer demand during the pandemic, prices for most goods and services increased substantially. The Federal Reserve is combating inflation through successive interest rate hikes (five thus far this year), with some initial success, as the pace of inflation and job growth have decelerated. However, further increases are possible and expected through the first part of 2023. The risk of a recession has emerged as a concern, as well, affecting the stock market, debt availability, and consumer confidence. The ongoing international conflicts have also contributed to economic uncertainty, continued supply disruptions, and increased energy costs. As a result, the near-term outlook is unclear, and investors are taking an increasingly cautious approach, which, when combined with the recent increases in interest rates, has put downward pressure on real estate values. As of the fourth quarter of 2022, inflation levels are anticipated to remain elevated in the near term, albeit below peak levels. Over the longer term, inflation is expected to moderate back to more normalized levels as the economy moves through the current cycle.

By its nature, the hospitality industry is a major employer and thus heavily reliant on the cost and availability of labor. Following the onset of the pandemic, roughly 33.0% of jobs were lost across the hotel industry between February 2020 and January 2021, according to Tourism Economics. While many of these jobs have returned, the workforce has not kept pace with the increased employment opportunities, and many hotels continue to report labor shortages. The industry has responded to this issue through wage increases, additional benefits, flexible schedules, and the implementation of cross-training and job sharing, as well as increased use of technology. In response to the pandemic, many hotels revised, downsized, or eliminated some services, particularly in the food and beverage (F&B) and housekeeping departments. Given the ongoing labor shortages, operators are retaining some aspects of these solutions, which should somewhat offset rising labor costs. Nevertheless, notable increases in labor costs are anticipated to continue in the near term.

In preparing this report, we have considered the impact of these factors on the lodging and investment markets to the best of our ability, inclusive of the subject of this report. However, our analysis only considers what is known at the time of the effective date of the report, and there is a high degree of uncertainty currently influencing the market and the economy.

Management and Franchise Assumptions

Details pertaining to management terms were not yet determined at the time of this report; however, we assume that the proposed hotel will be managed by a professional hotel-operating company, with fees deducted at rates consistent with current market standards. Our projections reflect a total management fee of 3.0% of total revenues.

We recommend that the proposed subject property operate as a midscale or upper-midscale limited-service hotel. For the purpose of this report, we have assumed that the property would be affiliated with a nationally recognized hotel brand, such as a Fairfield by Marriott, Hampton by Hilton, Holiday Inn Express, or another comparable limited-service brand. However, a specific franchise affiliation was not finalized at the time of this study. We have reviewed the royalty and marketing assessments of the referenced brands, and utilized an average level for the purpose of this analysis as shown in the following table.

FIGURE 1-1 FRANCHISE FEES

Brand	Royalty Fee	Marketing Fee	Total Fee
Fairfield	5.5%	2.5%	8.0%
Hampton Inn & Suites	6.0%	4.0%	10.0%
Holiday Inn Express	6.0%	3.0%	9.0%
TownePlace Suites	5.5%	2.0%	7.5%
Home2 Suites	5.0%	3.5%	8.5%
Tru by Hilton	5.0%	4.0%	9.0%
Candlewood Suites	5.0%	2.5%	7.5%
Avid	5.0%	3.0%	8.0%
Average	5.4%	3.1%	8.4%
Median	5.3%	3.0%	8.3%
Minimum	5.0%	2.0%	7.5%
Maximum	6.0%	4.0%	10.0%
Fees Selected	5.5%	3.0%	8.5%

Summary of Hotel Market Trends

During the illustrated historical period, both occupancy and ADR generally followed a strengthening trend through 2016. This improvement in market conditions was driven largely by growth in the local economy and retail and commercial development in Woodbury. Occupancy and ADR began to soften in 2017 as new hotels were absorbed by the market. Supply increased by 88.0% between 2015 and 2018 with the opening of the Residence Inn by Marriott and La Quinta Inn & Suites Woodbury in late 2016, the Hampton Inn & Suites Oakdale in late 2017, and the Courtyard by Marriott in Woodbury in January 2018. While occupancy declined to the high 60s in 2018, average rate remained fairly stable due to Super Bowl LII, which was held in Minneapolis. Following the loss of this one-time demand source, RevPAR fell by 10.0% in 2019. In March 2020, the COVID-19 pandemic began to affect the local market, similar to the rest of the nation, resulting in stay-at-home orders, group cancellations, and decreased business travel; thus, the 2020 data illustrate a significant decline in occupancy and a roughly \$21 loss in ADR. By year-end 2021, occupancy and ADR had recovered a substantial portion of their 2020 losses, gaining traction in the latter half of the year after the wide distribution of vaccines. The year-to-date data through August 2022 reflect continued recovery, with both occupancy and ADR nearing the levels achieved in 2019. Given the return of both commercial and leisure travel as well as the ongoing development in both Woodbury and Cottage Grove, the outlook for the market is optimistic.

The following table provides a historical perspective on the supply and demand trends for a selected set of hotels, as provided by STR.

FIGURE 1-2 HISTORICAL SUPPLY AND DEMAND TRENDS

	Average Daily	Available		Occupied			Average			
Year	Room Count	Room Nights	Change	Room Nights	Change	Occupancy	Rate	Change	RevPAR	Change
2009	507	185,055	—	95,505	—	51.6 %	\$96.36	—	\$49.73	—
2010	507	185,055	0.0 %	116,297	21.8 %	62.8	96.51	0.2 %	60.65	22.0 %
2011	507	185,055	0.0	124,310	6.9	67.2	101.15	4.8	67.95	12.0
2012	507	185,055	0.0	124,112	(0.2)	67.1	106.10	4.9	71.16	4.7
2013	506	184,721	(0.2)	129,720	4.5	70.2	112.46	6.0	78.98	11.0
2014	505	184,506	(0.1)	131,739	1.6	71.4	118.09	5.0	84.32	6.8
2015	505	184,325	(0.1)	136,575	3.7	74.1	120.29	1.9	89.13	5.7
2016	562	205,065	11.3	148,497	8.7	72.4	125.62	4.4	90.97	2.1
2017	746	272,185	32.7	196,385	32.2	72.2	121.18	(3.5)	87.43	(3.9)
2018	949	346,385	27.3	237,588	21.0	68.6	123.02	1.5	84.38	(3.5)
2019	949	346,385	0.0	230,585	(2.9)	66.6	113.89	(7.4)	75.82	(10.1)
2020	949	346,385	0.0	126,181	(45.3)	36.4	92.74	(18.6)	33.78	(55.4)
2021	949	346,385	0.0	190,974	51.3	55.1	101.33	9.3	55.87	65.4
Year-to-Date Through August										
2019	949	230,607	—	159,344	—	69.1 %	\$114.48	—	\$79.10	—
2020	949	230,607	0.0 %	85,816	(46.1) %	37.2	94.38	(17.6) %	35.12	(55.6) %
2021	918	223,047	(3.3)	126,768	47.7	56.8	98.67	4.5	56.08	59.7
2022	949	230,607	3.4	157,954	24.6	68.5	112.05	13.6	76.75	36.9
Average Annual Compounded Change:										
2009 – 2019			6.5 %	9.2 %			1.7 %			4.3 %
2009 – 2020			5.9	2.6			(0.3)			(3.5)
Hotels Included in Sample				Class	Competitive Status	Number of Rooms	Year Affiliated	Year Opened		
Hampton by Hilton Inn Minneapolis/St Paul-Woodbury				Upper Midscale Class	Secondary	63	May 2021	Jan 1996		
Holiday Inn Express & Suites St Paul Woodbury				Upper Midscale Class	Secondary	100	Aug 1997	Aug 1997		
Country Inn & Suites Cottage Grove				Upper Midscale Class	Primary	76	Jul 2002	Jul 2002		
Hilton Garden Inn St Paul Oakdale				Upscale Class	Secondary	116	Feb 2005	Feb 2005		
Sheraton Hotel St Paul Woodbury				Upper Upscale Class	Secondary	150	Jul 2008	Jul 2008		
Residence Inn St Paul Woodbury				Upscale Class	Secondary	116	Sep 2016	Sep 2016		
La Quinta Inns & Suites St Paul - Woodbury				Upper Midscale Class	Secondary	108	Nov 2016	Nov 2016		
Hampton by Hilton Inn & Suites St Paul Oakdale/Woodbury				Upper Midscale Class	Secondary	100	Nov 2017	Nov 2017		
Courtyard St Paul Woodbury				Upscale Class	Secondary	120	Jan 2018	Jan 2018		
Total							949			

Source: STR

The following tables reflect our estimates of operating data for hotels on an individual basis. These trends are presented in detail in the Supply and Demand Analysis chapter of this report.

FIGURE 1-3 PRIMARY COMPETITORS – OPERATING PERFORMANCE

Property	Est. Segmentation				Estimated 2019				Estimated 2021					
	Number of Rooms	Commercial	Group	Leisure	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Country Inn & Suites By Carlson Cottage Grove	76	40 %	10 %	50 %	76	60 - 65 %	\$95 - \$100	\$55 - \$60	76	65 - 70 %	\$95 - \$100	\$60 - \$65	110 - 120 %	110 - 120 %
Wakota Inn & Suites	31	10	0	90	31	45 - 50	75 - 80	35 - 40	31	45 - 50	70 - 75	35 - 40	85 - 90	60 - 65
Sub-Totals/Averages	107	33 %	8 %	60 %	107	59.2 %	\$90.11	\$53.37	107	61.4 %	\$91.39	\$56	111 %	101.7 %
Secondary Competitors	873	63 %	18 %	19 %	655	66.9 %	\$115.55	\$77.31	655	54.1 %	\$101.67	\$55	98 %	99.7 %
Totals/Averages	980	59 %	17 %	24 %	762	65.8 %	\$112.33	\$73.95	762	55.1 %	\$100.06	\$55	100 %	100.0 %

** Specific occupancy and average rate data were utilized in our analysis, but are presented in ranges in the above table for the purposes of confidentiality.*

FIGURE 1-4 SECONDARY COMPETITORS – OPERATING PERFORMANCE

Property	Est. Segmentation					Estimated 2019				Estimated 2021			
	Number of Rooms	Commercial	Group	Leisure	Total Competitive Level	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
Sheraton Saint Paul Woodbury	150	55 %	30 %	15 %	75 %	113	65 - 70 %	\$115 - \$120	\$75 - \$80	113	50 - 55 %	\$95 - \$100	\$50 - \$55
Courtyard by Marriott Saint Paul Woodbury	120	65	20	15	75	90	60 - 65	120 - 125	75 - 80	90	55 - 60	110 - 115	60 - 65
Residence Inn by Marriott Saint Paul Woodbury	116	75	10	15	75	87	75 - 80	130 - 140	100 - 105	87	75 - 80	120 - 125	95 - 100
Hampton by Hilton Minneapolis Saint Paul Woodbury	63	70	10	20	75	47	65 - 70	110 - 115	75 - 80	47	25 - 30	95 - 100	25 - 30
Hilton Garden Inn Saint Paul Oakdale	116	60	30	10	75	87	65 - 70	115 - 120	75 - 80	87	30 - 35	95 - 100	30 - 35
Hampton by Hilton Saint Paul Oakdale Woodbury	100	60	10	30	75	75	60 - 65	105 - 110	65 - 70	75	50 - 55	95 - 100	50 - 55
La Quinta Inn & Suites Saint Paul Woodbury	108	60	10	30	75	81	65 - 70	95 - 100	65 - 70	81	55 - 60	85 - 90	50 - 55
Holiday Inn Express & Suites Saint Paul Woodbury	100	65	15	20	75	75	60 - 65	105 - 110	65 - 70	75	55 - 60	90 - 95	50 - 55
Totals/Averages	873	63 %	18 %	19 %	75 %	655	66.9 %	\$115.55	\$77.31	655	54.1 %	\$101.67	\$55.00
* Specific occupancy and average rate data was utilized in our analysis, but is presented in ranges in the above table for the purposes of confidentiality.													

Summary of Forecast Occupancy and Average Rate

Based on our analysis presented in the Projection of Occupancy and Average Rate chapter, we have chosen to use a stabilized occupancy level of 70% and a base-year rate position of for the proposed subject hotel. The following table reflects a summary of our proposed subject hotel occupancy and average rate (ADR) projections.

FIGURE 1-5 FORECAST OF OCCUPANCY AND AVERAGE RATE

Year	Occupancy	Average Rate		Average Rate
		Before Discount	Discount	After Discount
2025/26	66 %	\$129.93	5.0 %	\$123.43
2026/27	69	133.83	0.0	133.83
2027/28	70	137.84	0.0	137.84

Summary of Forecast Income and Expense Statement

Our positioning of each revenue and expense level is supported by comparable operations or trends specific to this market. Our forecast of income and expense is presented in the following table.

FIGURE 1-6 DETAILED FORECAST OF INCOME AND EXPENSE

	2025/26 Begins May				2026/27				Stabilized				2028/29				2029/30			
Number of Rooms:	90				90				90				90				90			
Occupancy:	66%				69%				70%				70%				70%			
Average Rate:	\$123.43				\$133.83				\$137.84				\$141.98				\$146.24			
RevPAR:	\$81.47				\$92.34				\$96.49				\$99.38				\$102.37			
Days Open:	365				365				365				365				365			
Occupied Rooms:	21,681	%Gross	PAR	POR	22,667	%Gross	PAR	POR	22,995	%Gross	PAR	POR	22,995	%Gross	PAR	POR	22,995	%Gross	PAR	POR
OPERATING REVENUE																				
Rooms	\$2,676	98.2 %	\$29,733	\$123.43	\$3,033	98.3 %	\$33,700	\$133.81	\$3,170	98.3 %	\$35,222	\$137.86	\$3,265	98.3 %	\$36,278	\$141.99	\$3,363	98.3 %	\$37,367	\$146.25
Other Operated Departments	38	1.4	423	1.75	42	1.4	464	1.84	43	1.3	480	1.88	45	1.3	495	1.94	46	1.3	509	1.99
Miscellaneous Income	11	0.4	119	0.49	11	0.4	124	0.49	12	0.4	128	0.50	12	0.4	132	0.52	12	0.4	136	0.53
Total Operating Revenues	2,725	100.0	30,275	125.67	3,086	100.0	34,288	136.14	3,225	100.0	35,831	140.24	3,321	100.0	36,904	144.44	3,421	100.0	38,012	148.77
DEPARTMENTAL EXPENSES *																				
Rooms	715	26.7	7,947	32.99	750	24.7	8,329	33.07	777	24.5	8,629	33.77	800	24.5	8,887	34.78	824	24.5	9,154	35.83
Other Operated Departments	20	52.5	222	0.92	21	50.2	233	0.92	22	50.0	240	0.94	22	50.0	247	0.97	23	50.0	255	1.00
Total Expenses	735	27.0	8,169	33.91	771	25.0	8,562	34.00	798	24.8	8,869	34.71	822	24.8	9,135	35.75	847	24.8	9,409	36.83
DEPARTMENTAL INCOME	1,989	73.0	22,105	91.76	2,315	75.0	25,726	102.15	2,427	75.2	26,962	105.53	2,499	75.2	27,770	108.69	2,574	75.2	28,603	111.95
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	259	9.5	2,876	11.94	273	8.8	3,031	12.03	282	8.7	3,133	12.26	290	8.7	3,227	12.63	299	8.7	3,323	13.01
Info & Telecom Systems	41	1.5	460	1.91	44	1.4	485	1.93	45	1.4	501	1.96	46	1.4	516	2.02	48	1.4	532	2.08
Marketing	142	5.2	1,582	6.57	136	4.4	1,515	6.02	141	4.4	1,566	6.13	145	4.4	1,613	6.31	150	4.4	1,662	6.50
Franchise Fee	227	8.3	2,527	10.49	258	8.4	2,865	11.37	269	8.4	2,994	11.72	278	8.4	3,084	12.07	286	8.4	3,176	12.43
Prop. Operations & Maint.	128	4.7	1,421	5.90	142	4.6	1,576	6.26	147	4.5	1,629	6.38	151	4.5	1,678	6.57	156	4.5	1,728	6.76
Utilities	129	4.8	1,438	5.97	136	4.4	1,515	6.02	141	4.4	1,566	6.13	145	4.4	1,613	6.31	150	4.4	1,662	6.50
Total Expenses	927	34.0	10,305	42.78	989	32.0	10,986	43.62	1,025	31.8	11,390	44.58	1,056	31.8	11,731	45.91	1,087	31.8	12,083	47.29
GROSS OPERATING PROFIT	1,062	39.0	11,800	48.98	1,327	43.0	14,739	58.52	1,402	43.4	15,572	60.95	1,443	43.4	16,039	62.77	1,487	43.4	16,520	64.66
Management Fee	82	3.0	908	3.77	93	3.0	1,029	4.08	97	3.0	1,075	4.21	100	3.0	1,107	4.33	103	3.0	1,140	4.46
INCOME BEFORE NON-OPR. INC. & EXP.	980	36.0	10,892	45.21	1,234	40.0	13,711	54.44	1,305	40.4	14,497	56.74	1,344	40.4	14,931	58.44	1,384	40.4	15,380	60.19
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	121	4.4	1,344	5.58	249	8.1	2,769	10.99	257	8.0	2,852	11.16	264	8.0	2,937	11.50	272	8.0	3,025	11.84
Insurance	43	1.6	472	1.96	44	1.4	487	1.93	45	1.4	501	1.96	46	1.4	516	2.02	48	1.4	532	2.08
Total Expenses	163	6.0	1,816	7.54	293	9.5	3,255	12.93	302	9.4	3,353	13.12	311	9.4	3,453	13.52	320	9.4	3,557	13.92
EBITDA	817	30.0	9,076	37.67	941	30.5	10,456	41.52	1,003	31.0	11,145	43.62	1,033	31.0	11,478	44.92	1,064	31.0	11,823	46.27
Reserve for Replacement	54	2.0	605	2.51	93	3.0	1,029	4.08	129	4.0	1,433	5.61	133	4.0	1,476	5.78	137	4.0	1,520	5.95
EBITDA LESS RESERVE	\$762	28.0 %	\$8,470	\$35.16	\$848	27.5 %	\$9,427	\$37.43	\$874	27.0 %	\$9,711	\$38.01	\$900	27.0 %	\$10,002	\$39.15	\$927	27.0 %	\$10,302	\$40.32

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 1-7 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32		2032/33		2033/34		2034/35	
Number of Rooms:	90		90		90		90		90		90		90		90		90		90	
Occupied Rooms:	21,681		22,667		22,995		22,995		22,995		22,995		22,995		22,995		22,995		22,995	
Occupancy:	66%		69%		70%		70%		70%		70%		70%		70%		70%		70%	
Average Rate:	\$123.43	% of	\$133.83	% of	\$137.84	% of	\$141.98	% of	\$146.24	% of	\$150.62	% of	\$155.14	% of	\$159.80	% of	\$164.59	% of	\$169.53	% of
RevPAR:	\$81.47	Gross	\$92.34	Gross	\$96.49	Gross	\$99.38	Gross	\$102.37	Gross	\$105.44	Gross	\$108.60	Gross	\$111.86	Gross	\$115.21	Gross	\$118.67	Gross
OPERATING REVENUE																				
Rooms	\$2,676	98.2 %	\$3,033	98.3 %	\$3,170	98.3 %	\$3,265	98.3 %	\$3,363	98.3 %	\$3,464	98.3 %	\$3,568	98.3 %	\$3,675	98.3 %	\$3,785	98.3 %	\$3,898	98.3 %
Other Operated Departments	38	1.4	42	1.4	43	1.3	45	1.3	46	1.3	47	1.3	49	1.3	50	1.3	52	1.3	53	1.3
Miscellaneous Income	11	0.4	11	0.4	12	0.4	12	0.4	12	0.4	13	0.4	13	0.4	13	0.4	14	0.4	14	0.4
Total Operating Revenues	2,725	100.0	3,086	100.0	3,225	100.0	3,321	100.0	3,421	100.0	3,524	100.0	3,630	100.0	3,738	100.0	3,850	100.0	3,965	100.0
DEPARTMENTAL EXPENSES *																				
Rooms	715	26.7	750	24.7	777	24.5	800	24.5	824	24.5	849	24.5	874	24.5	900	24.5	927	24.5	955	24.5
Other Operated Departments	20	52.5	21	50.2	22	50.0	22	50.0	23	50.0	24	50.0	24	50.0	25	50.0	26	50.0	27	50.0
Total Expenses	735	27.0	771	25.0	798	24.8	822	24.8	847	24.8	872	24.8	898	24.8	925	24.8	953	24.8	982	24.8
DEPARTMENTAL INCOME	1,989	73.0	2,315	75.0	2,427	75.2	2,499	75.2	2,574	75.2	2,652	75.2	2,731	75.2	2,813	75.2	2,897	75.2	2,984	75.2
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	259	9.5	273	8.8	282	8.7	290	8.7	299	8.7	308	8.7	317	8.7	327	8.7	337	8.7	347	8.7
Info & Telecom Systems	41	1.5	44	1.4	45	1.4	46	1.4	48	1.4	49	1.4	51	1.4	52	1.4	54	1.4	55	1.4
Marketing	142	5.2	136	4.4	141	4.4	145	4.4	150	4.4	154	4.4	159	4.4	163	4.4	168	4.4	173	4.4
Franchise Fee	227	8.3	258	8.4	269	8.4	278	8.4	286	8.4	294	8.4	303	8.4	312	8.4	322	8.4	331	8.4
Prop. Operations & Maint.	128	4.7	142	4.6	147	4.5	151	4.5	156	4.5	160	4.5	165	4.5	170	4.5	175	4.5	180	4.5
Utilities	129	4.8	136	4.4	141	4.4	145	4.4	150	4.4	154	4.4	159	4.4	163	4.4	168	4.4	173	4.4
Total Expenses	927	34.0	989	32.0	1,025	31.8	1,056	31.8	1,087	31.8	1,120	31.8	1,154	31.8	1,188	31.8	1,224	31.8	1,261	31.8
GROSS OPERATING PROFIT	1,062	39.0	1,327	43.0	1,402	43.4	1,443	43.4	1,487	43.4	1,532	43.4	1,578	43.4	1,625	43.4	1,673	43.4	1,723	43.4
Management Fee	82	3.0	93	3.0	97	3.0	100	3.0	103	3.0	106	3.0	109	3.0	112	3.0	116	3.0	119	3.0
INCOME BEFORE NON-OPR. INC. & EXP.	980	36.0	1,234	40.0	1,305	40.4	1,344	40.4	1,384	40.4	1,426	40.4	1,469	40.4	1,513	40.4	1,558	40.4	1,604	40.4
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	121	4.4	249	8.1	257	8.0	264	8.0	272	8.0	280	8.0	289	8.0	298	8.0	306	8.0	316	8.0
Insurance	43	1.6	44	1.4	45	1.4	46	1.4	48	1.4	49	1.4	51	1.4	52	1.4	54	1.4	55	1.4
Total Expenses	163	6.0	293	9.5	302	9.4	311	9.4	320	9.4	330	9.4	340	9.4	350	9.4	360	9.4	371	9.4
EBITDA	817	30.0	941	30.5	1,003	31.0	1,033	31.0	1,064	31.0	1,096	31.0	1,129	31.0	1,163	31.0	1,198	31.0	1,233	31.0
Reserve for Replacement	54	2.0	93	3.0	129	4.0	133	4.0	137	4.0	141	4.0	145	4.0	150	4.0	154	4.0	159	4.0
EBITDA LESS RESERVE	\$762	28.0 %	\$848	27.5 %	\$874	27.0 %	\$900	27.0 %	\$927	27.0 %	\$955	27.0 %	\$984	27.0 %	\$1,013	27.0 %	\$1,044	27.0 %	\$1,074	27.0 %

As illustrated, the hotel is expected to stabilize at a profitable level. Please refer to the Forecast of Income and Expense chapter of our report for a detailed explanation of the methodology used in deriving this forecast.

Scope of Work

The methodology used to develop this study is based on the market research and valuation techniques set forth in the textbooks authored by Hospitality Valuation Services for the American Institute of Real Estate Appraisers and the Appraisal Institute, entitled *The Valuation of Hotels and Motels*,¹ *Hotels, Motels and Restaurants: Valuations and Market Studies*,² *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*,³ *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*,⁴ and *Hotels and Motels – Valuations and Market Studies*.⁵

1. All information was collected and analyzed by the staff of TS Worldwide, LLC. Information was supplied by the client and/or the property's development team.
2. The subject sites have been evaluated from the viewpoint of physical utility for the future operation of a hotel, as well as access, visibility, and other relevant factors.
3. The surrounding economic environment, on both an area and neighborhood level, has been reviewed to identify specific hospitality-related economic and demographic trends that may have an impact on future demand for hotels.
4. Dividing the market for hotel accommodations into individual segments defines specific market characteristics for the types of travelers expected to utilize the area's hotels. The factors investigated include purpose of visit, average length of stay, facilities and amenities required, seasonality, daily demand fluctuations, and price sensitivity.
5. An analysis of existing and proposed competition provides an indication of the current accommodated demand, along with market penetration and the

¹ Stephen Rushmore, *The Valuation of Hotels and Motels*. (Chicago: American Institute of Real Estate Appraisers, 1978).

² Stephen Rushmore, *Hotels, Motels and Restaurants: Valuations and Market Studies*. (Chicago: American Institute of Real Estate Appraisers, 1983).

³ Stephen Rushmore, *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*. (Chicago: American Institute of Real Estate Appraisers, 1990).

⁴ Stephen Rushmore, *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations* (Chicago: Appraisal Institute, 1992).

⁵ Stephen Rushmore and Erich Baum, *Hotels and Motels – Valuations and Market Studies*. (Chicago: Appraisal Institute, 2001).

degree of competitiveness. Unless noted otherwise, we have inspected the competitive lodging facilities summarized in this report.

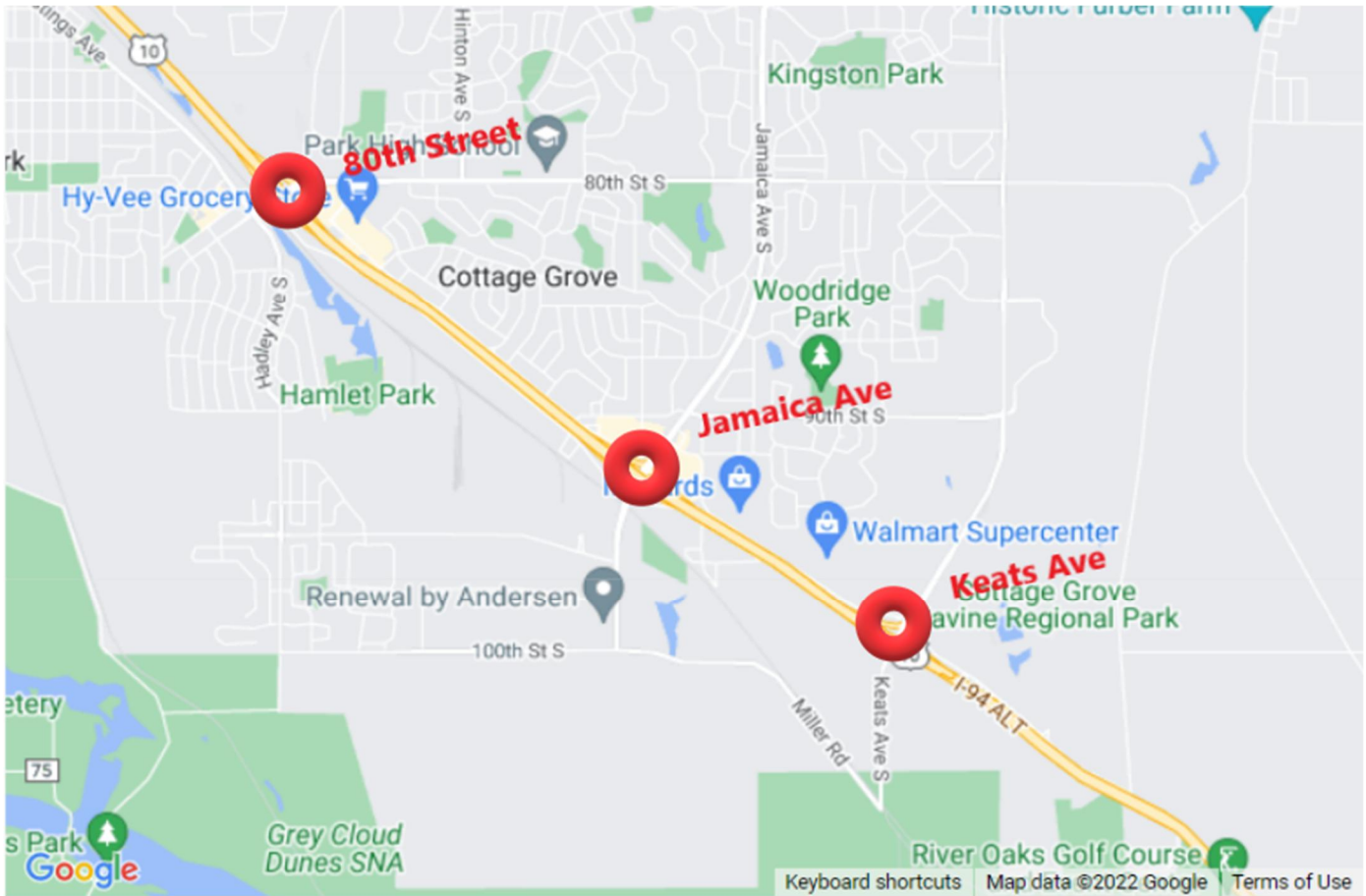
6. Documentation for an occupancy and ADR projection is derived utilizing the build-up approach based on an analysis of lodging activity.
7. A detailed projection of income and expense made in accordance with the Uniform System of Accounts for the Lodging Industry (USALI) sets forth the anticipated economic benefits of the proposed subject property.

2. Description of the Sites and Neighborhood

The suitability of the land for the operation of a lodging facility is an important consideration affecting the economic viability of a property and its ultimate marketability. Factors such as size, topography, access, visibility, and the availability of utilities have a direct impact on the desirability of a particular site.

No specific site has been chosen for the proposed subject hotel; therefore, we have considered three general areas within Cottage Grove for the location of the proposed hotel. The first location is near the 80th Street interchange of U.S. Highway 10/61, which is proximate to Hy-Vee Grocery and the Wakota Inn & Suites. The second location is near the Jamaica Avenue interchange of U.S. Highway 10/61, near Cub Foods and Target. The third location is in the northeast quadrant of the interchange of Keats Avenue and U.S. Highway 10/61. While other potential sites exist within Cottage Grove city limits, the access, visibility, and proximity to complimentary businesses of these three areas are beneficial for a limited-service lodging facility.

LOCATION MAP



Based on current developments at each site, we would recommend a site at the 80th Street Exit given the prevalence of full-service and fast-food restaurants that many of the demand generators requested. While the Jamaica Exit area enjoys strong visibility and accessibility, it lacks full-service dine-in restaurants that families and business travelers alike prefer. The location at Keats Avenue is currently undeveloped and does not offer any ancillary options for hotel guests. If this area were to be developed with restaurants and retail in conjunction with or prior to the hotel development, this location would be favorable given its proximity to the event venues, the industrial park, and Ravine Regional Park.

Topography and Site Utility

While a specific site has not been determined, we assume the shape and topography will permit efficient use of the site for the building and other improvements, as well as ingress and egress. It is expected that the future site will be developed fully with

building and site improvements, thus contributing to the overall profitability of the hotel.

AERIAL PHOTOGRAPH – 80TH STREET EXIT (GATEWAY NORTH)



AERIAL PHOTOGRAPH – JAMAICA AVENUE EXIT



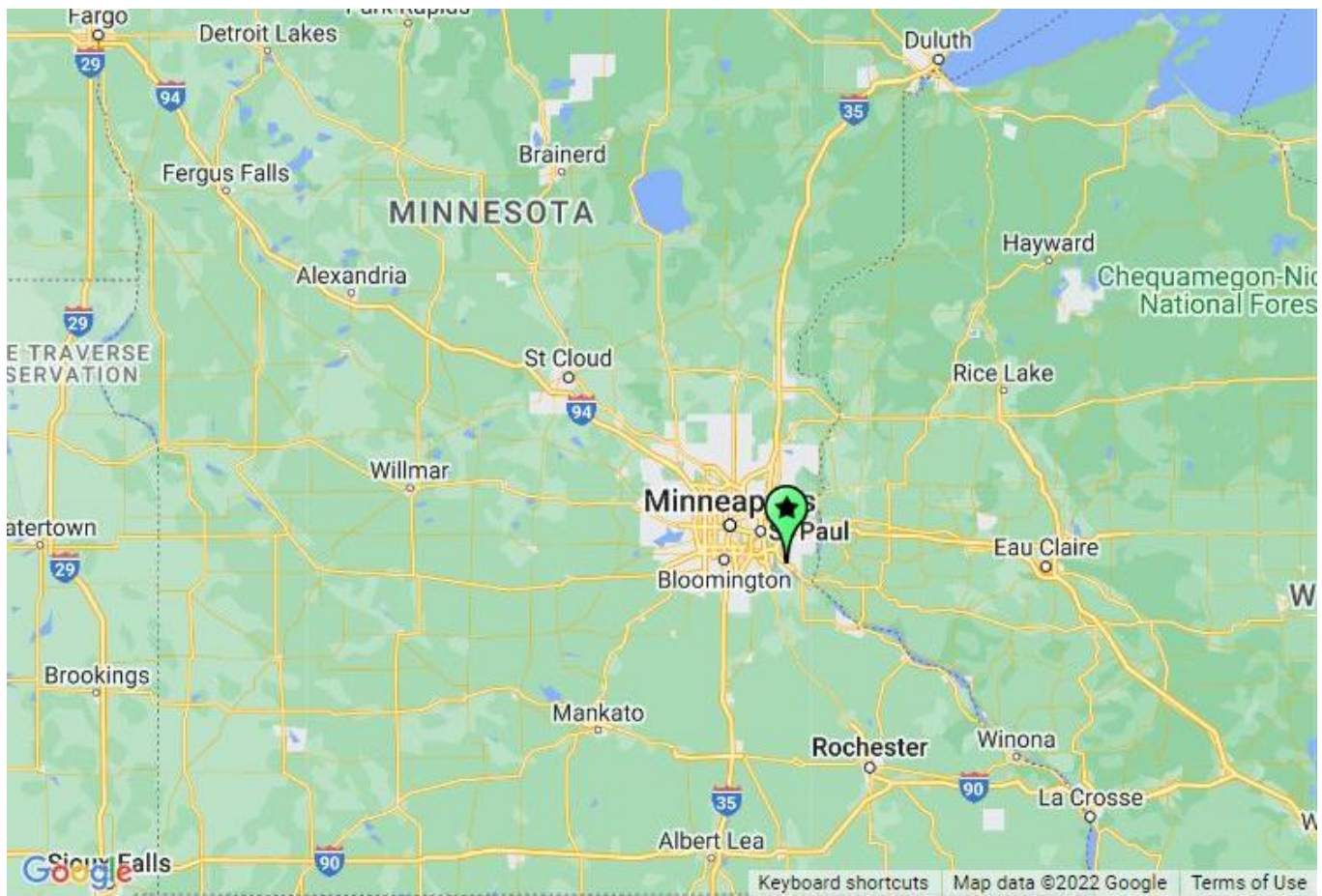
AERIAL PHOTOGRAPH – KEATS AVENUE EXIT (COTTAGE VIEW)



Access and Visibility

It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. The subject site is readily accessible to a variety of local and county roads, as well as state and interstate highways.

MAP OF ACCESS ROUTES



Primary regional access through the area is provided by north/south Interstate 35, which extends to such cities as Des Moines, Iowa, to the south and Duluth to the north. Interstate 35 divides into two thoroughfares (I-35 West and I-35 East) that segment the flow of traffic to Minneapolis and St. Paul, respectively. East/west Interstate 94 is another major highway, which provides access to Fargo, North Dakota, to the west and Eau Claire, Wisconsin, to the east. Local and regional routes include branches of Interstate 94, such as Interstates 394, 494, and 694.

Airport Access

The proposed subject hotel will be located in Cottage Grove and will be served by the Minneapolis-St. Paul International Airport, which is located approximately twelve miles to the northwest of Cottage Grove.

City of Cottage Grove

The neighborhood surrounding a lodging facility often has an impact on a hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section of the report investigates the subject neighborhood and evaluates any pertinent location factors that could affect its future occupancy, average rate, and overall profitability.

Cottage Grove is a southeastern suburban edge community within the Minneapolis-St. Paul metropolitan area, located along the U.S. Highway 10/61 corridor, just south of Interstate 494 and northwest of the confluence of the Mississippi and St. Croix rivers.

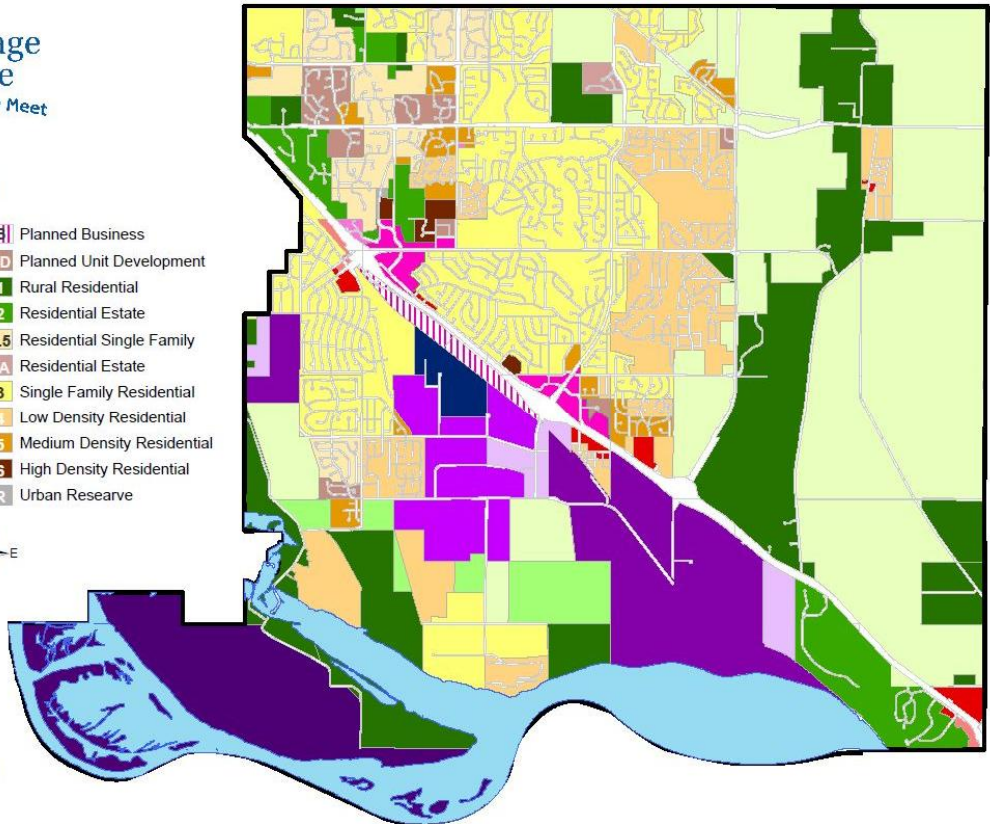
Because a specific site has not been finalized, the zoning could not be confirmed. However, the general area along two of the main exits in Cottage Grove is zoned Mixed Use. Our projections assume that the specific site would be approved for hotel use. We assume that all necessary permits and approvals will be secured (including the appropriate liquor license if applicable) and that the subject property will be constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations.

ZONING MAP



Zoning Map

MU Mixed Use	PH Planned Business
AG1 Agricultural Preservation	PUD Planned Unit Development
AG2 Agricultural	R1 Rural Residential
B1 Limited Business	R2 Residential Estate
B2 Retail Business	R2.5 Residential Single Family
B3 General Business	R2A Residential Estate
I1 Limited Industrial	R3 Single Family Residential
I2 General Industry	R4 Low Density Residential
I3 Heavy Industry	R5 Medium Density Residential
I4 Commercial Excavation	R6 High Density Residential
I5 Railroad Access	UR Urban Reserve



Disclaimer: This map is intended for reference purposes only and is not a legally recorded map or survey. The City of Cottage Grove shall not be liable for any damages or claims that arise due to accuracy, availability, use or misuse of the information herein pursuant to MN Statute 466.03 Subd 21.

*Some of the rezoning shown are contingent on Comprehensive Plan amendment approval.

Updated May 2022

Utilities

The subject site will reportedly be served by all necessary utilities.

Soil and Subsoil Conditions

Geological and soil reports were not provided to us or made available for our review during the preparation of this report. We are not qualified to evaluate soil conditions other than by a visual inspection of the surface; no extraordinary conditions were apparent at any of the locations.

Nuisances and Hazards

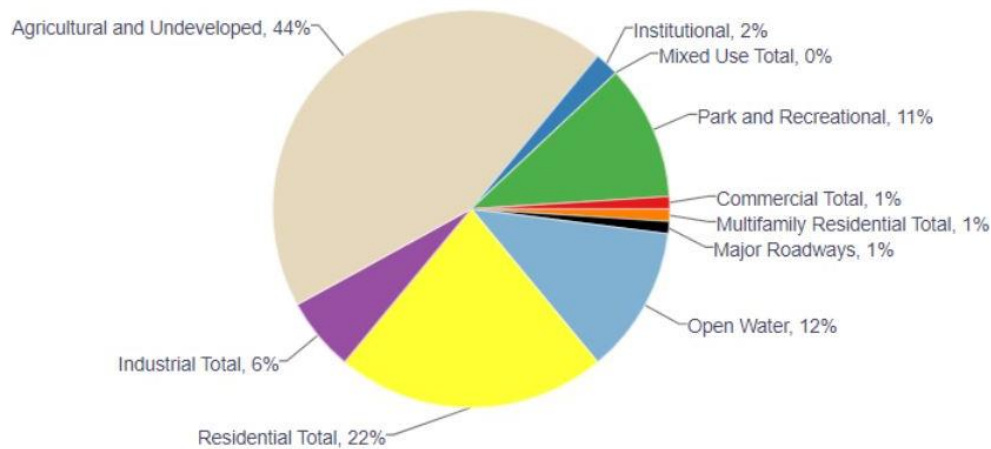
We were not informed of any site-specific nuisances or hazards in the three locations, and there were no visible signs of toxic ground contaminants at the time of our inspection. Because we are not experts in this field, we do not warrant the absence of hazardous waste and urge the reader to obtain an independent analysis of these factors.

Land Use – Current and Future Expectations

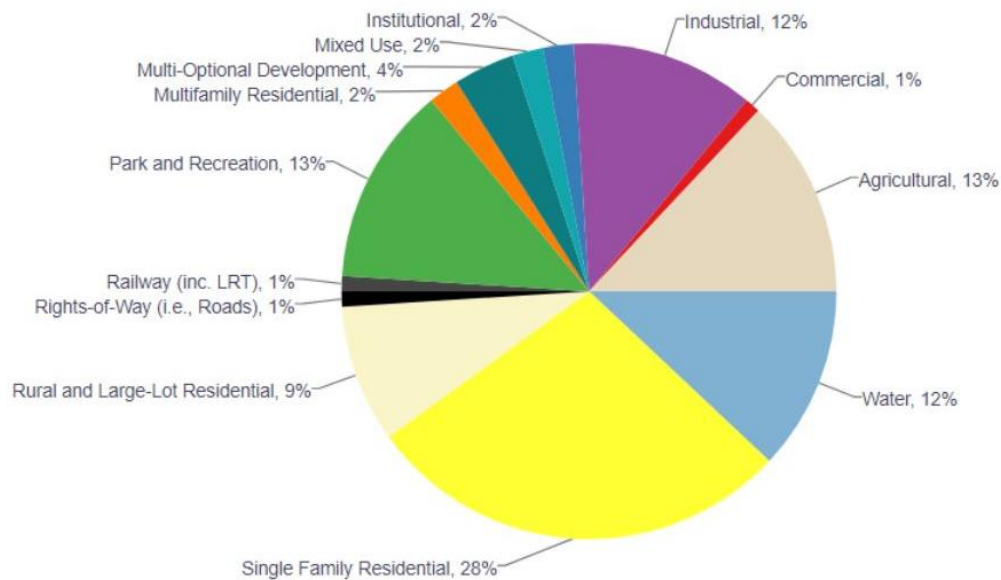
The City of Cottage Grove, as a primary focus within their 2040 Comprehensive Plan, has been very proactive in attracting industrial development, with ongoing residential projects to support employment growth in the market. The following charts illustrate the existing land use allocations in 2020 and what is planned for 2040.

LAND USE – 2020

Generalized Land Use in Cottage Grove, 2020



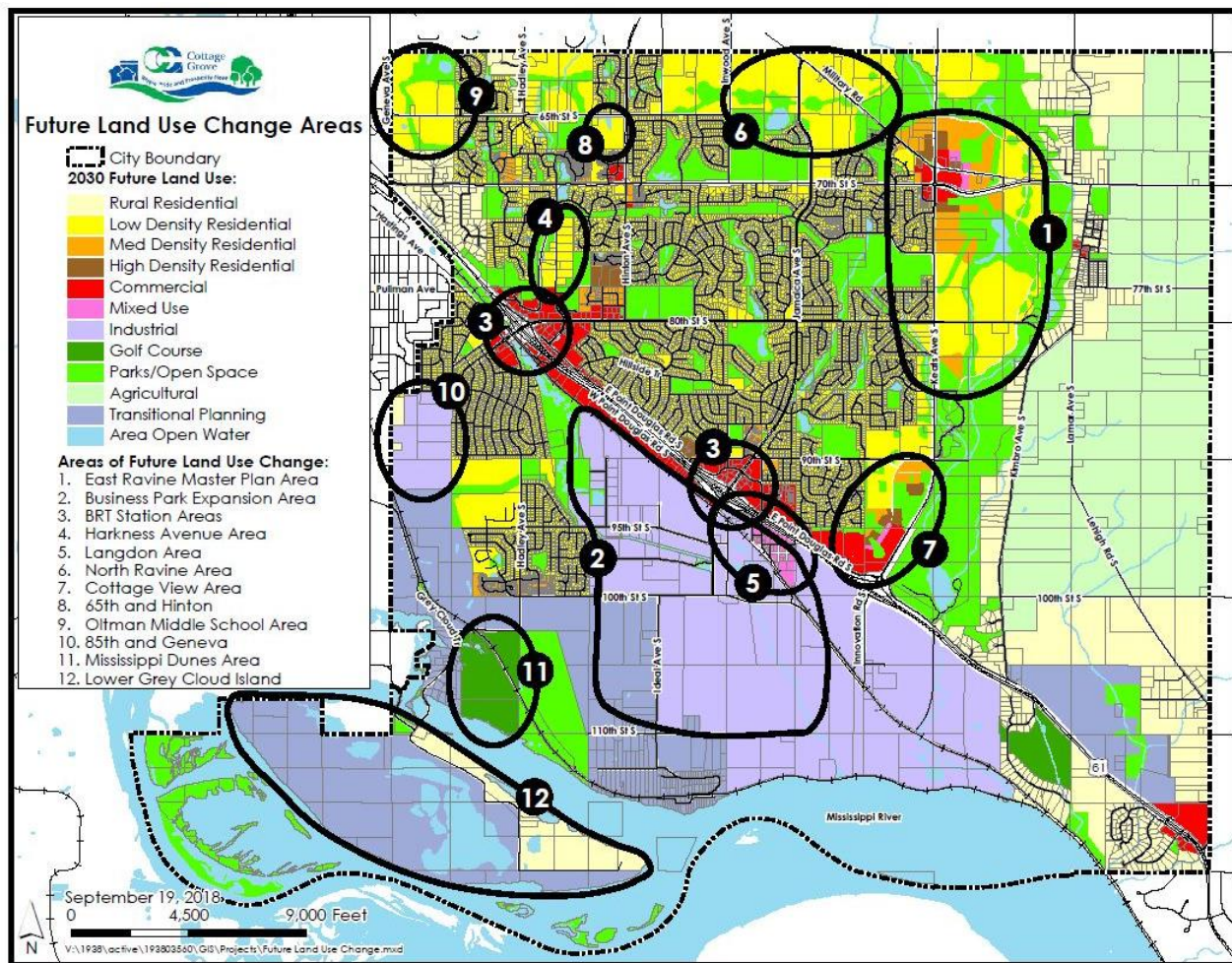
Source: Metropolitan Council Generalized Land Use Historical Data Set

LAND USE – 2040**Regional Planned Land Use in Cottage Grove for 2040**

Source: Metropolitan Council Regional Planned Land Use Data Set

A significant portion of the existing agriculture land is expected to be developed into residential and industrial uses. The following graphic illustrates the primary areas within Cottage Grove that are the focus of development.

LAND USE CHANGE AREAS



, and

Conclusion

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities. The subject site should be well suited for future hotel use, with acceptable access, visibility, and topography for an effective operation.

3. Market Area Analysis

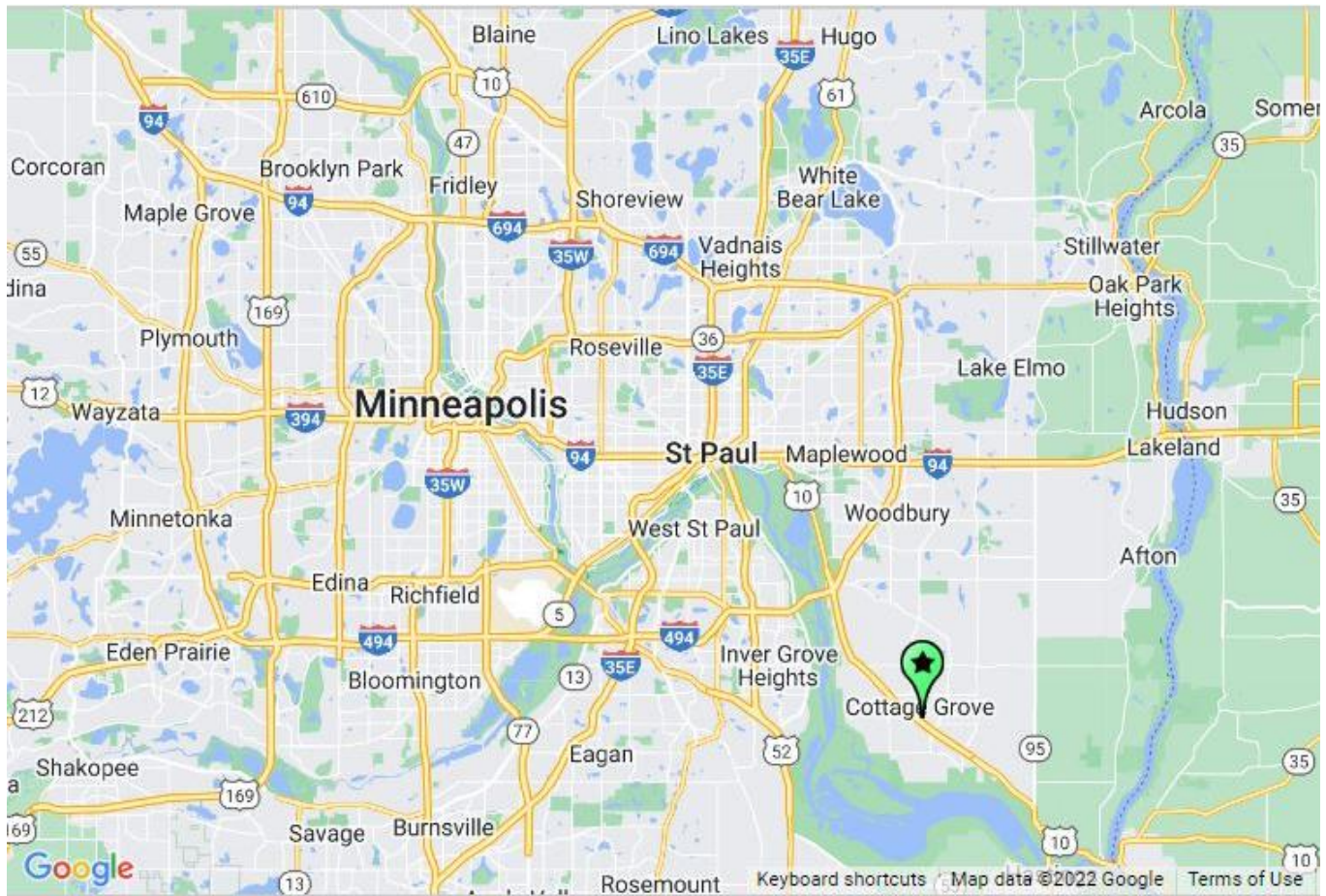
The economic vitality of the market area and neighborhood surrounding the subject site is an important consideration in forecasting lodging demand and future income potential. Economic and demographic trends that reflect the amount of visitation provide a basis from which to project lodging demand. The purpose of the market area analysis is to review available economic and demographic data to determine whether the local market will undergo economic growth, stabilize, or decline. In addition to predicting the direction of the economy, the rate of change must be quantified. These trends are then correlated based on their propensity to reflect variations in lodging demand, with the objective of forecasting the amount of growth or decline in visitation by individual market segment (e.g., commercial, meeting and group, and leisure).

Market Area Definition

The market area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. The subject site is located in the city of Cottage Grove, the county of Washington, and the state of Minnesota. The Minneapolis–St. Paul metropolitan area is considered a regional capital, linking the upper Midwestern United States to other national and international centers, and is well known for its robust economy, a highly educated workforce, and an outstanding quality of life. Over 15 Fortune 500 industrial and service companies are headquartered here, including Ecolab, Target Corporation, 3M, Honeywell, General Mills, and Land O’Lakes. In addition, Minneapolis–St. Paul maintains one of the largest concentrations of high-technology businesses in the nation. The city of Cottage Grove is a southeastern suburb of the Minneapolis–St. Paul metro area.

The subject property’s market area can be defined by its Combined Statistical Area (CSA): Minneapolis-St. Paul, MN-WI. The CSA represents adjacent metropolitan and micropolitan statistical areas that have a moderate degree of employment interchange. Micropolitan statistical areas represent urban areas in the United States based around a core city or town with a population of 10,000 to 49,999; the MSA requires the presence of a core city of at least 50,000 people and a total population of at least 100,000 (75,000 in New England). The following exhibit illustrates the market area.

MAP OF MARKET AREA



Economic and Demographic Review

A primary source of economic and demographic statistics used in this analysis is the *Complete Economic and Demographic Data Source* published by Woods & Poole Economics, Inc.—a well-regarded forecasting service based in Washington, D.C. Using a database containing more than 900 variables for each county in the nation, Woods & Poole employs a sophisticated regional model to forecast economic and demographic trends. Historical statistics are based on census data and information published by the Bureau of Economic Analysis. Projections are formulated by Woods & Poole, and all dollar amounts have been adjusted for inflation, thus reflecting real change.

These data are summarized in the following table.

FIGURE 3-1 ECONOMIC AND DEMOGRAPHIC DATA SUMMARY

					Average Annual		
					Compounded Change		
	2010	2019	2021	2026	2010-19	2019-21	2021-26
Resident Population (Thousands)							
Washington County	238.9	262.4	267.6	282.1	1.0 %	1.0 %	1.1 %
Minneapolis-St. Paul-Bloomington, MN-WI MSA	3,340.0	3,640.0	3,691.2	3,838.9	1.0	0.7	0.8
Minneapolis-St. Paul, MN-WI CSA	3,712.8	4,027.9	4,082.8	4,241.5	0.9	0.7	0.8
State of Minnesota	5,310.8	5,639.6	5,698.6	5,871.1	0.7	0.5	0.6
United States	309,321.6	328,241.4	332,219.5	343,776.8	0.7	0.6	0.7
Per-Capita Personal Income*							
Washington County	\$49,783	\$62,380	\$64,999	\$69,890	2.5	2.1	1.5
Minneapolis-St. Paul-Bloomington, MN-WI MSA	48,288	58,493	60,456	64,850	2.2	1.7	1.4
Minneapolis-St. Paul, MN-WI CSA	47,141	57,104	58,967	63,251	2.2	1.6	1.4
State of Minnesota	44,518	53,558	55,248	59,464	2.1	1.6	1.5
United States	42,366	51,424	53,262	57,739	2.2	1.8	1.6
W&P Wealth Index							
Washington County	119.4	121.8	122.4	121.5	0.2	0.2	(0.1)
Minneapolis-St. Paul-Bloomington, MN-WI MSA	113.9	113.7	113.5	112.5	(0.0)	(0.1)	(0.2)
Minneapolis-St. Paul, MN-WI CSA	111.3	111.0	110.7	109.7	(0.0)	(0.1)	(0.2)
State of Minnesota	104.6	103.6	103.3	102.6	(0.1)	(0.2)	(0.1)
United States	100.0	100.0	100.0	100.0	(0.0)	0.0	0.0
Food and Beverage Sales (Millions)*							
Washington County	\$300	\$479	\$509	\$596	5.3	3.1	3.2
Minneapolis-St. Paul-Bloomington, MN-WI MSA	5,599	7,591	7,944	8,863	3.4	2.3	2.2
Minneapolis-St. Paul, MN-WI CSA	6,073	8,186	8,569	9,575	3.4	2.3	2.2
State of Minnesota	7,876	10,381	10,865	12,166	3.1	2.3	2.3
United States	475,553	683,513	718,507	814,042	4.1	2.5	2.5
Total Retail Sales (Millions)*							
Washington County	\$3,040	\$3,995	\$4,248	\$4,761	3.1	3.1	2.3
Minneapolis-St. Paul-Bloomington, MN-WI MSA	52,756	70,111	74,064	81,671	3.2	2.8	2.0
Minneapolis-St. Paul, MN-WI CSA	58,612	77,053	81,377	89,670	3.1	2.8	2.0
State of Minnesota	80,256	101,028	106,472	116,662	2.6	2.7	1.8
United States	4,387,108	5,538,706	5,846,867	6,434,974	2.6	2.7	1.9

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

Workforce Characteristics

The U.S. population grew at an average annual compounded rate of 0.7% from 2010 through 2019. The county's population has increased at a quicker pace than the nation's population; the average annual growth rate of 1.0% between 2010 and 2019 reflects a gradually expanding area. Following this population trend, per-capita personal income increased, at 2.5% on average annually for the county between 2010 and 2019. Local wealth indexes have remained stable in recent years, registering a high 121.8 level for the county in 2019.

Food and beverage sales totaled \$479 million in the county in 2019, versus \$300 million in 2010. This reflects a 5.3% average annual change. The pace of growth is anticipated to be 3.2% through 2026. The retail sales sector demonstrated an annual increase of 3.1% in the decade spanning from 2010 to 2019. An increase of 2.3% average annual change is expected in county retail sales through 2026.

The characteristics of an area's workforce provide an indication of the type and amount of transient visitation likely to be generated by local businesses. Sectors such as finance, insurance, and real estate (FIRE); wholesale trade; and services produce a considerable number of visitors who are not particularly rate sensitive. The government sector often generates transient room nights, but per-diem reimbursement allowances often limit the accommodations selection to budget and mid-priced lodging facilities. Contributions from manufacturing, construction, transportation, communications, and public utilities (TCPU) employers can also be important, depending on the company type.

The following table sets forth the county workforce distribution by business sector in 2019, 2020, and 2019, as well as a forecast for 2026.

FIGURE 3-2 HISTORICAL AND PROJECTED EMPLOYMENT (000S)

Industry	2019	Percent of Total	2020	Percent of Total	2021	Percent of Total	2026	Percent of Total	Average Annual Compounded Change		
									2019-2020	2020-2021	2021-2026
Farm	0.6	0.5 %	0.6	0.5 %	0.6	0.5 %	0.6	0.4 %	(1.1) %	(0.9) %	(1.0) %
Forestry, Fishing, Related Activities And Other	0.4	0.3	0.4	0.3	0.4	0.3	0.5	0.3	(2.9)	7.8	2.2
Mining	0.3	0.3	0.3	0.2	0.3	0.3	0.4	0.3	(13.8)	19.1	1.3
Utilities	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	3.1	2.4	2.6
Construction	6.2	4.9	6.0	5.0	6.2	4.7	6.2	4.4	(1.6)	1.7	(0.0)
Manufacturing	10.7	8.5	10.4	8.5	10.7	8.2	10.6	7.5	(3.2)	3.7	(0.3)
Total Trade	21.2	16.8	20.8	17.1	21.8	16.7	23.3	16.5	(2.0)	4.9	1.3
Wholesale Trade	3.8	3.0	3.8	3.2	4.0	3.1	4.6	3.3	0.3	5.3	2.7
Retail Trade	17.4	13.8	16.9	14.0	17.7	13.6	18.6	13.3	(2.5)	4.8	1.0
Transportation And Warehousing	3.9	3.1	4.0	3.3	4.2	3.2	4.7	3.4	0.8	4.9	2.7
Information	1.6	1.3	1.5	1.3	1.6	1.2	1.6	1.2	(4.2)	4.9	0.2
Finance And Insurance	7.4	5.9	7.6	6.3	7.8	6.0	8.6	6.1	2.8	2.6	2.0
Real Estate And Rental And Lease	6.7	5.3	6.6	5.4	7.0	5.3	7.8	5.5	(2.4)	6.1	2.3
Total Services	54.6	43.3	50.7	41.9	57.1	43.8	63.4	45.1	(7.1)	12.5	2.1
Professional And Technical Services	8.3	6.6	8.4	6.9	8.8	6.7	10.0	7.1	1.2	4.5	2.6
Management Of Companies And Enterprises	2.0	1.6	2.0	1.7	2.1	1.6	2.3	1.6	(1.2)	4.8	1.7
Administrative And Waste Services	4.5	3.6	4.2	3.4	4.7	3.6	5.0	3.6	(7.3)	11.5	1.5
Educational Services	2.3	1.8	2.2	1.8	2.4	1.8	2.7	1.9	(6.2)	11.5	1.9
Health Care And Social Assistance	14.4	11.4	14.3	11.8	15.2	11.7	17.5	12.5	(0.5)	6.3	2.9
Arts, Entertainment, And Recreation	4.5	3.6	3.4	2.8	4.7	3.6	5.3	3.8	(25.2)	40.4	2.2
Accommodation And Food Services	10.2	8.1	8.5	7.0	10.5	8.1	11.4	8.1	(17.1)	24.7	1.5
Other Services, Except Public Administration	8.3	6.6	7.8	6.4	8.6	6.6	9.3	6.6	(6.3)	10.2	1.5
Total Government	12.2	9.6	11.9	9.9	12.3	9.4	12.5	8.9	(1.7)	2.7	0.4
Federal Civilian Government	0.4	0.3	0.4	0.3	0.4	0.3	0.4	0.3	5.7	(4.9)	0.2
Federal Military	0.9	0.7	0.9	0.7	0.9	0.7	0.9	0.6	0.0	0.1	0.0
State And Local Government	10.9	8.6	10.6	8.8	11.0	8.4	11.3	8.0	(2.1)	3.3	0.5
TOTAL	126.1	100.0 %	121.2	100.0 %	130.3	100.0 %	140.6	100.0 %	(4.0) %	7.5 %	1.5 %
MSA	2,565.6	—	2,477.9	—	2,632.1	—	2,790.9	—	(3.4) %	6.2 %	1.2 %
U.S.	203,809.5	—	191,619.5	—	209,319.1	—	222,948.2	—	(6.0)	9.2	1.3

Source: Woods & Poole Economics, Inc.

Forecasts developed by Woods & Poole Economics, Inc. anticipate that total employment in the county will change by 1.5% on average annually through 2026. The trend is above the forecast rate of change for the U.S. as a whole during the same period.

The following table illustrates historical and projected employment, households, population, and average household income data, as provided by REIS for the overall Minneapolis market.

FIGURE 3-3 HISTORICAL & PROJECTED EMPLOYMENT, HOUSEHOLDS, POPULATION, AND HOUSEHOLD INCOME STATISTICS

Year	Total Employment	% Chg	Office Employment	% Chg	Industrial Employment	% Chg	Households	% Chg	Population	% Chg	Household Avg. Income	% Chg
2009	1,739,630	—	559,689	—	286,592	—	1,302,290	—	3,342,510	—	\$115,087	—
2010	1,762,200	1.3 %	571,584	2.1 %	290,051	1.2 %	1,308,190	0.5 %	3,371,240	0.9 %	122,791	6.7 %
2011	1,806,000	2.5	584,375	2.2	297,204	2.5	1,325,250	1.3	3,404,940	1.0	127,177	3.6
2012	1,834,330	1.6	594,806	1.8	300,638	1.2	1,340,140	1.1	3,437,940	1.0	135,768	6.8
2013	1,874,670	2.2	605,752	1.8	302,528	0.6	1,358,560	1.4	3,474,260	1.1	133,936	(1.3)
2014	1,906,070	1.7	613,276	1.2	309,268	2.2	1,372,580	1.0	3,504,970	0.9	142,269	6.2
2015	1,942,170	1.9	623,602	1.7	313,394	1.3	1,384,130	0.8	3,535,000	0.9	146,405	2.9
2016	1,974,800	1.7	634,168	1.7	313,722	0.1	1,395,770	0.8	3,572,110	1.0	150,305	2.7
2017	2,003,600	1.5	641,640	1.2	314,231	0.2	1,402,540	0.5	3,608,320	1.0	156,416	4.1
2018	2,027,130	1.2	650,150	1.3	317,030	0.9	1,414,660	0.9	3,640,640	0.9	163,071	4.3
2019	2,041,670	0.7	653,578	0.5	319,328	0.7	1,427,590	0.9	3,669,840	0.8	166,203	1.9
2020	1,892,470	(7.3)	618,700	(5.3)	303,119	(5.1)	1,434,670	0.5	3,694,800	0.7	171,027	2.9
2021	1,950,530	3.1	629,616	1.8	312,358	3.0	1,455,600	1.5	3,722,940	0.8	178,884	4.6
Forecasts												
2022	2,013,250	3.2 %	648,333	3.0 %	324,377	3.8 %	1,474,460	1.3 %	3,753,520	0.8 %	186,145	4.1 %
2023	2,039,070	1.3	654,386	0.9	326,019	0.5	1,491,730	1.2	3,782,410	0.8	193,646	4.0
2024	2,058,460	1.0	660,825	1.0	327,076	0.3	1,507,860	1.1	3,809,410	0.7	201,312	4.0
2025	2,068,110	0.5	664,805	0.6	326,613	(0.1)	1,523,320	1.0	3,835,430	0.7	208,563	3.6
2026	2,076,990	0.4	669,612	0.7	325,458	(0.4)	1,537,640	0.9	3,861,130	0.7	215,964	3.5
Average Annual Compound Change												
2009 - 2021		1.0 %		1.0 %		0.7 %		0.9 %		0.9 %		3.7 %
Forecast 2022 - 2026		0.8 %		0.8 %		0.1 %		1.1 %		0.7 %		3.8 %

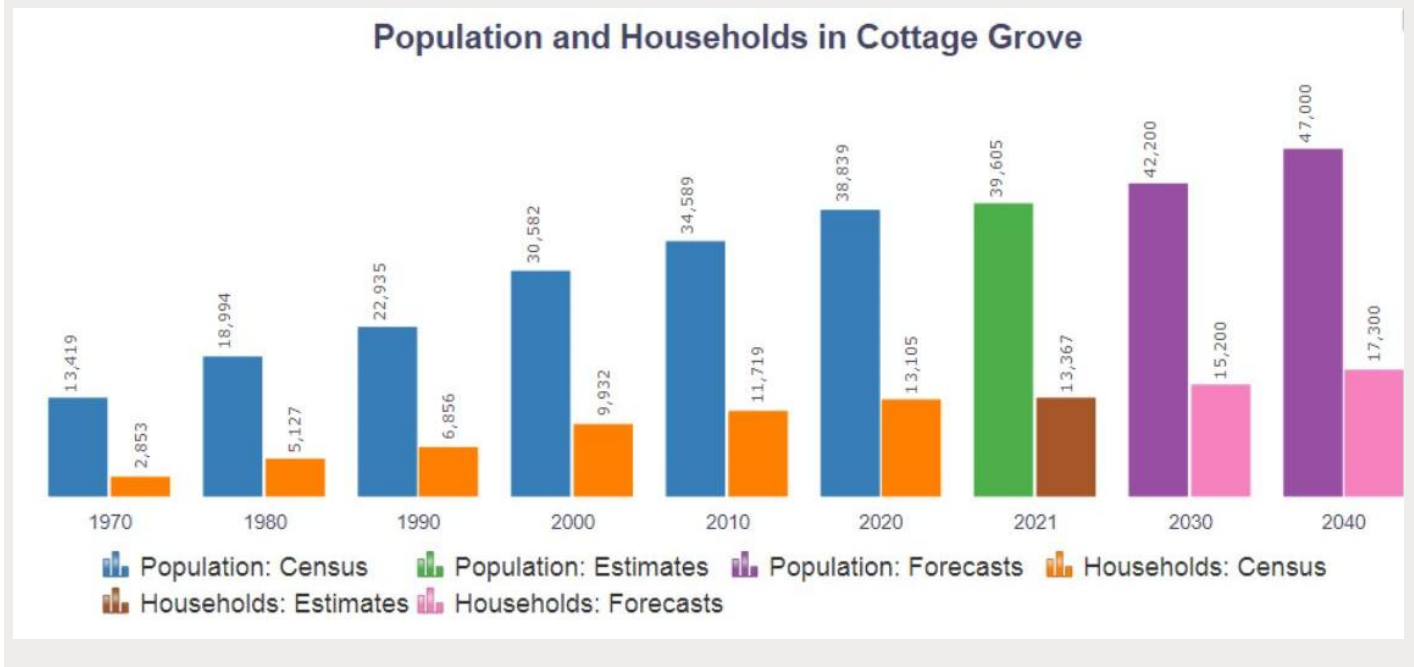
Source: REIS Report, 2nd Quarter, 2022

For the Minneapolis market, of the roughly 2,000,000 persons employed, 32% are categorized as office employees, while 16% are categorized as industrial employees. Total employment is expected to expand by 3.2% in 2022, while office employment is forecast to expand by 3.0% in 2022.

The number of households is forecast to expand by 1.1% on average annually between 2022 and 2026. Population is forecast to expand during this same period, at an average annual compounded rate of 0.7%. Household average income is forecast to grow by 3.8% on average annually from 2022 through 2026.

The following table illustrates historical and projected levels of population and number of households for the City of Cottage Grove, according to Minnesota Department of Employment and Economic Development and the Metropolitan Council.

FIGURE 3-4 COTTAGE GROVE POPULATION AND HOUSEHOLDS



As illustrated in the chart above, the population of Cottage Grove has increased significantly in the last thirty years, and is expected to continue to realize strong growth in the coming decades. Cottage Grove's population exceeded projections for 2020, according to the Metropolitan Council.

Radial Demographic Snapshot

The following table reflects radial demographic trends for our market area measured by three points of distance.

FIGURE 3-5 DEMOGRAPHICS BY RADIUS (JAMAICA AVENUE EXIT USED)

	0.00 - 1.00 miles	0.00 - 3.00 miles	0.00 - 5.00 miles
Population			
2027 Projection	7,753	41,051	59,539
2022 Estimate	7,545	39,267	56,892
2010 Census	7,242	35,405	49,717
2000 Census	7,098	31,880	44,778
Percent Change: 2022 to 2027	2.8%	4.5%	4.7%
Percent Change: 2010 to 2022	4.2%	10.9%	14.4%
Percent Change: 2000 to 2010	2.0%	11.1%	11.0%
Households			
2027 Projection	2,746	14,404	21,211
2022 Estimate	2,650	13,712	20,159
2010 Census	2,460	12,091	17,269
2000 Census	2,316	10,442	15,030
Percent Change: 2022 to 2027	3.6%	5.1%	5.2%
Percent Change: 2010 to 2022	7.7%	13.4%	16.7%
Percent Change: 2000 to 2010	6.2%	15.8%	14.9%
Income			
2022 Est. Average Household Income	\$118,688	\$133,035	\$135,850
2022 Est. Median Household Income	105,852	111,569	111,405
2022 Est. Civ. Employed Pop 16+ by Occupation			
Architecture/Engineering	49	401	614
Arts/Design/Entertainment/Sports/Media	51	261	402
Building/Grounds Cleaning/Maintenance	116	715	1,038
Business/Financial Operations	262	1,314	1,864
Community/Social Services	97	486	638
Computer/Mathematical	94	733	1,125
Construction/Extraction	300	1,020	1,408
Education/Training/Library	356	1,393	1,938
Farming/Fishing/Forestry	4	62	88
Food Preparation/Serving Related	226	1,094	1,545
Healthcare Practitioner/Technician	293	1,494	2,137
Healthcare Support	161	797	1,111
Installation/Maintenance/Repair	247	978	1,199
Legal	51	229	294
Life/Physical/Social Science	25	182	284
Management	438	2,278	3,487
Office/Administrative Support	564	2,773	3,780
Production	298	1,554	2,049
Protective Services	69	401	588
Sales/Related	374	2,057	2,985
Personal Care/Service	159	683	959
Transportation/Material Moving	221	1,546	2,156

Source: Environics Analytics

Unemployment Statistics

This source reports a population of 56,892 and 20,159 households within a five-mile radius of the Jamaica Avenue Exit. The average household income within this radius is reported at \$135,850, while the median is \$111,405.

The following table presents historical unemployment rates for the proposed subject hotel's market area.

FIGURE 3-6 UNEMPLOYMENT STATISTICS

Year	City	MSA	State	U.S.
2012	5.3 %	5.5 %	5.6 %	8.1 %
2013	4.6	4.8	5.0	7.4
2014	3.7	4.0	4.2	6.2
2015	3.2	3.4	3.7	5.3
2016	3.4	3.5	3.9	4.9
2017	3.1	3.1	3.4	4.4
2018	2.5	2.7	2.9	3.9
2019	2.7	3.0	3.2	3.7
2020	5.8	6.5	6.3	8.1
2021	3.0	3.4	3.4	5.4
<i>Recent Month - July</i>				
2021	2.8 %	3.2 %	3.2 %	5.4 %
2022	1.8	2.0	2.1	3.5

Source: U.S. Bureau of Labor Statistics

Prior to the pandemic, U.S. unemployment levels were firmly below the 4.6% level recorded in 2006 and 2007, the peak years of the economic cycle prior to the Great Recession. The unemployment rate for February 2020 was 3.5%. The unemployment rate had remained in the 3.5% to 3.7% range since April 2019, reflecting a trend of stability and strength of the U.S. economy. However, in April 2020, unemployment rose to 14.7%, and employment dropped by 20.7 million because of the COVID-19 pandemic. Steady declines in unemployment have been registered since April 2020; most recently, the national unemployment rate was 3.7% in October 2022. A 292,000-, 315,000-, and 261,000-person rise in employment was registered in August, September, and October 2022, respectively. In October, the most significant gains were reported in the health care, professional and technical services, and manufacturing sectors.

Major Business and Industry

Locally, the unemployment rate was 3.0% in 2021; for this same area in 2022, the most recent month's unemployment rate was registered at 1.8%, versus 2.8% for the same month in 2021. Unemployment fell from 2013 through 2015 and remained somewhat flat in 2016. In 2017 and 2018, unemployment continued to decline given the strong economy and increased development in the Twin Cities region. In 2019, the region illustrated a minimal increase in unemployment due to a loss in employment opportunities created by such major events as the Super Bowl, which was hosted in Minneapolis in February 2018. However, unemployment data for 2020 illustrate a sharp increase given the effects of the COVID-19 pandemic and related global economic crisis, which included massive furloughs/layoffs. Unemployment declined in 2021 as the economy began to rebound, and the most recent comparative period shows where the local market stands in 2022 relative to the same month of 2021, reflecting improvement given the strengthening economic conditions. Market participants are optimistic for a long-term market recovery given the depth of local employers and construction in the industrial sector.

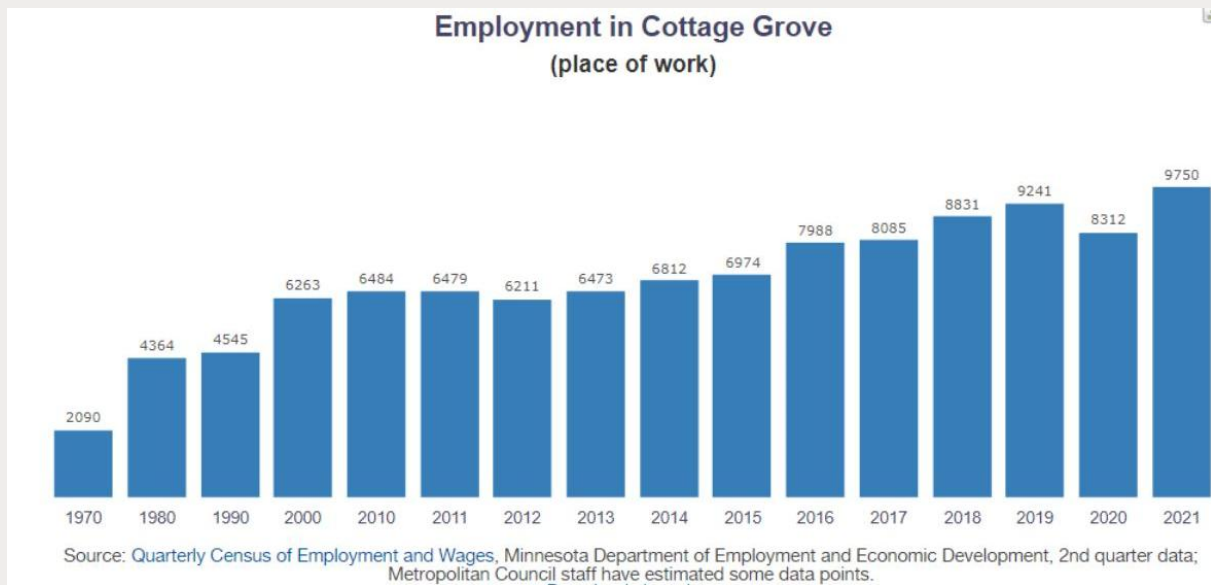
Providing additional context for understanding the nature of the regional economy, the following table presents a list of the major employers (as available) in the Cottage Grove Business Park.

FIGURE 3-7 MAJOR EMPLOYERS REPORTED IN BUSINESS PARK

Rank	Firm*	Number of Employees
1	Renewal by Andersen	1,600
2	3M	751
3	Up North Plastics	500
4	Van Meter	189
5	ADMC	163
6	North Star Sheets	85
7	GTI/Leafline	52
8	Airgas	20
9	Aveka	17

** Data on some companies not available*

Source: City of Cottage Grove, 2022

FIGURE 3-8 COTTAGE GROVE EMPLOYMENT TRENDS

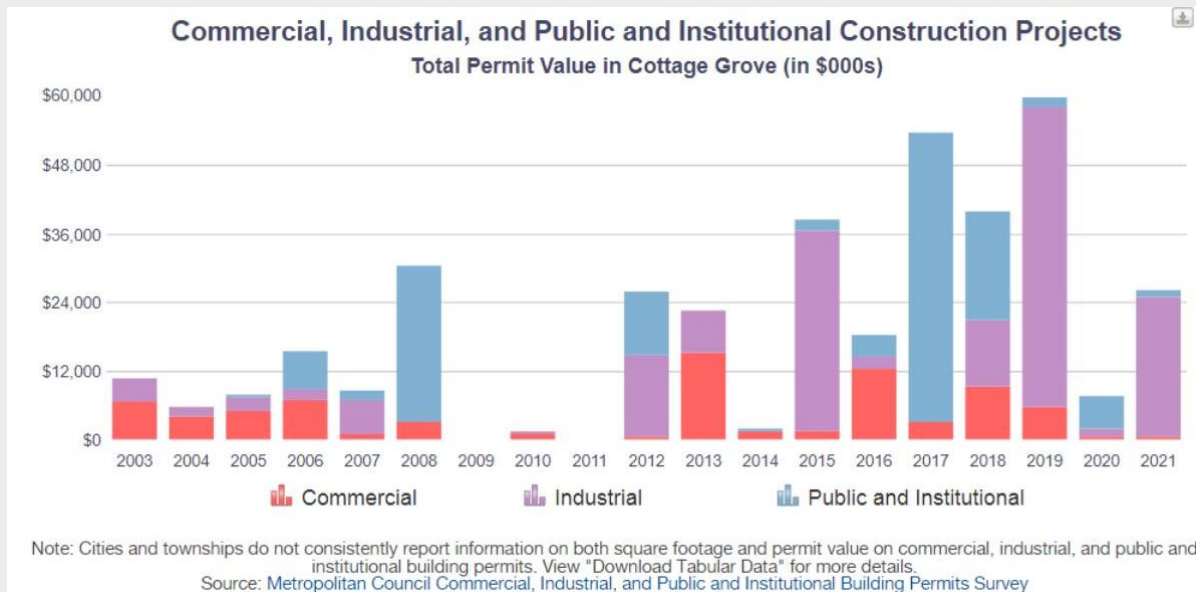
The population of Cottage Grove more than doubled between 1970 and 2000 and increased by another 25.0% between 2000 and 2020. While initially a bedroom community of the Twin Cities, Cottage Grove has grown into a popular business center for warehouse and industrial development. One of the larger employers is 3M, whose manufacturing facility has been in operation since 1947. Recent upgrades at 3M include over \$165 million in a state-of-the-art water-treatment processing system. Expansions within the business park include the recent 37,000-square-foot expansion of North Star Sheets, as well as the ongoing 42,000-square-foot expansion of GTI/Leafline and 50,000-square-foot expansion of Van Meter. In addition, the largest employer, Renewal by Andersen, is currently undergoing a 332,000-square-foot expansion, and Syndica Companies is constructing new two buildings within the park. Furthermore, NorthPoint Development broke ground on Phase I of the Cottage Grove Logistical Center, which is a \$310-million project that will total 3.4 million square feet of industrial space when fully developed. Ryan Companies has also announced plans for future industrial development off of Keats Avenue on the east site of the park. To accommodate the growing workforce, residential development remains strong, as Cottage Grove reportedly ranked third in the metro area for housing starts in 2021. In addition to attractive residential neighborhoods and affordable housing options, the city also comprises nearly 1,300 acres of park land and 45 miles of trails.

BUSINESS PARK



While industrial developments represent a significant volume of construction, prior the COVID-19 pandemic there was substantial investment in commercial and public and institutional projects.

FIGURE 3-9 CONSTRUCTION PROJECTS IN COTTAGE GROVE



Although many employers in the market temporarily reduced staffing and/or suspended operations following the onset of the COVID-19 pandemic in March 2020, an economic recovery began in June 2020 when regulations began to be lifted; moreover, tourism in the metro area rebounded rapidly during the summer of 2021. The return of business travel and growth in industrial space should bolster the economic recovery going forward.

Office Space Statistics

The City of Cottage Grove does not offer a significant inventory of office space, and the greater Washington County area has one of the lowest inventories of office space in the metro area, as shown in the following table.

FIGURE 3-10 OFFICE SPACE STATISTICS – MARKET OVERVIEW

Submarket	Inventory		Occupied Office Space	Vacancy Rate	Average Asking Lease Rate
	Buildings	Square Feet			
1 Dakota County	126	4,161,000	3,288,000	21.0 %	\$21.24
2 Midway/Greater St. Paul	64	4,046,000	3,097,000	23.5	22.22
3 Minneapolis CBD	165	30,081,000	23,513,000	21.8	28.32
4 Northeast	92	3,032,000	2,149,000	29.1	19.42
5 Southwest/Northeast Scott County	239	22,207,000	18,301,000	17.6	26.66
6 St. Paul CBD	28	4,767,000	3,613,000	24.2	20.42
7 West/Northwest	182	12,103,000	9,969,000	17.6	27.06
8 Anoka County	34	611,000	439,000	28.2	18.74
9 Washington County	54	1,540,000	1,064,000	30.9	\$19.72
Totals and Averages	984	82,548,000	65,433,000	20.7 %	\$26.02

Source: REIS Report, 2nd Quarter, 2022

The greater Minneapolis market comprises a total of 82.5 million square feet of office space. For the 2nd Quarter of 2022, the market reported a vacancy rate of 20.7% and an average asking rent of \$26.02. The subject property is located in the Washington County submarket, which houses 1,540,000 square feet of office space. The submarket's vacancy rate of 30.9% is significantly above the overall market average. The average asking lease rate of \$19.72 is below the average for the broader market.

The following table illustrates a trend of office space statistics for the overall Minneapolis market and the Washington County submarket.

FIGURE 3-11 HISTORICAL AND PROJECTED OFFICE SPACE STATISTICS – GREATER MARKET VS. SUBMARKET

Year	Minneapolis Market							Washington County Submarket						
	Available Office Space	% Chg	Occupied Office Space	% Chg	Vacancy Rate	Asking Lease Rate	% Chg	Available Office Space	% Chg	Occupied Office Space	% Chg	Vacancy Rate	Asking Lease Rate	% Chg
2009	78,297,000	—	63,006,000	—	19.5 %	\$21.81	—	1,512,000	—	1,181,000	—	21.9 %	\$17.85	—
2010	78,324,000	0.0 %	62,819,000	(0.3) %	19.8	21.61	(0.9) %	1,512,000	0.0 %	1,089,000	(7.8) %	28.0	17.50	(2.0) %
2011	77,762,000	(0.7)	63,057,000	0.4	18.9	21.80	0.9	1,512,000	0.0	1,126,000	3.4	25.5	17.22	(1.6)
2012	77,863,000	0.1	63,658,000	1.0	18.2	22.12	1.5	1,512,000	0.0	1,143,000	1.5	24.4	17.87	3.8
2013	78,743,000	1.1	64,903,000	2.0	17.6	22.38	1.2	1,512,000	0.0	1,129,000	(1.2)	25.3	18.24	2.1
2014	78,631,000	(0.1)	65,130,000	0.3	17.2	22.63	1.1	1,522,000	0.7	1,085,000	(3.9)	28.7	18.21	(0.2)
2015	78,980,000	0.4	65,664,000	0.8	16.9	22.52	(0.5)	1,522,000	0.0	1,068,000	(1.6)	29.8	17.97	(1.3)
2016	79,486,000	0.6	66,588,000	1.4	16.2	23.07	2.4	1,540,000	1.2	1,096,000	2.6	28.8	18.20	1.3
2017	79,101,000	(0.5)	65,563,000	(1.5)	17.1	23.23	0.7	1,540,000	0.0	1,146,000	4.6	25.6	18.23	0.2
2018	79,958,000	1.1	65,547,000	(0.0)	18.0	23.78	2.4	1,540,000	0.0	1,160,000	1.2	24.7	18.53	1.6
2019	80,634,000	0.8	66,077,000	0.8	18.1	24.69	3.8	1,540,000	0.0	1,212,000	4.5	21.3	18.90	2.0
2020	81,847,000	1.5	66,339,000	0.4	18.9	25.54	3.4	1,540,000	0.0	1,209,000	(0.2)	21.5	19.39	2.6
2021	82,548,000	0.9	66,086,000	(0.4)	19.9	25.81	1.1	1,540,000	0.0	1,054,000	(12.8)	31.6	19.24	(0.8)
Forecasts														
2022	83,487,000	1.1 %	66,091,000	0.0 %	20.8 %	26.05	0.9 %	1,540,000	0.0 %	1,085,000	2.9 %	29.5 %	19.58	1.8 %
2023	84,048,000	0.7	66,340,000	0.4	21.1	26.44	1.5	1,540,000	0.0	1,106,000	1.9	28.2	19.84	1.3
2024	84,349,000	0.4	66,520,000	0.3	21.1	26.87	1.6	1,540,000	0.0	1,132,000	2.4	26.5	20.00	0.8
2025	84,697,000	0.4	66,802,000	0.4	21.1	27.36	1.8	1,540,000	0.0	1,147,000	1.3	25.5	20.20	1.0
2026	85,309,000	0.7	67,267,000	0.7	21.2	27.91	2.0	1,540,000	0.0	1,167,000	1.7	24.2	20.43	1.1
Average Annual Compound Change														
2009 - 2021		0.4 %		0.4 %			1.4 %		0.2 %		(0.9) %			0.6 %
Forecast 2022 - 2026		0.5 %		0.4 %			1.7 %		0.0 %		1.8 %			1.1 %

Source: REIS Report, 2nd Quarter, 2022

Meeting and Event Facilities

Meeting and event facilities are important generators of demand for hotel rooms in the Cottage Grove area, and the city is home to three venues that are popular for weddings, social events, and corporate meetings. The Historic Furber Farm is located in on the eastern edge of Cottage Grove and features a restored 8,000-square-foot dairy barn that can accommodate up to 500 guests. Hope Glen Farm is a seasonal operation located near Ravine Regional Park and offers two venues for events, including an historic barn and a pavilion. In addition, River Oaks Golf Course can accommodate groups of up to 225 people inside and up to 240 outside and is popular venue for weddings, golf tournaments, banquets, and corporate events.

Airport Traffic

Airport passenger counts are important indicators of lodging demand. Depending on the type of service provided by a particular airfield, a sizable percentage of arriving passengers may require hotel accommodations. Trends showing changes in passenger counts also reflect local business activity and the overall economic health of the area.

The Minneapolis-St. Paul International Airport (MSP) is located seven miles southeast of Downtown Minneapolis and about seven miles southwest of Downtown St. Paul. The airport is serviced by major commercial airlines, as well as numerous charter and cargo carriers. The airport has undergone expansions since the mid-2010s to support continued passenger growth. Changes include the February 2016 opening of the ten-lane North Security Checkpoint and the July 2018 opening of the 291-room InterContinental Hotel (connected to Lindbergh Terminal). Approximately \$27.5 million was spent in late 2016 on the addition of four new gates at Terminal 2 to accommodate a projected increase in flights. The newly expanded gate area also includes a nursing mothers' room; a service-animal relief area; new restrooms, restaurants, and retail shops; and a new "green" roof. Furthermore, nine new restaurants and stores opened in Terminal 1 in early 2017. Beginning in August 2020, the new 5,000-space parking ramp opened in phases, providing access to all rental-car facilities and off-airport parking shuttles.

The following table illustrates recent operating statistics for the Minneapolis St. Paul International Airport, which is the primary airport facility serving the proposed subject hotel's submarket.

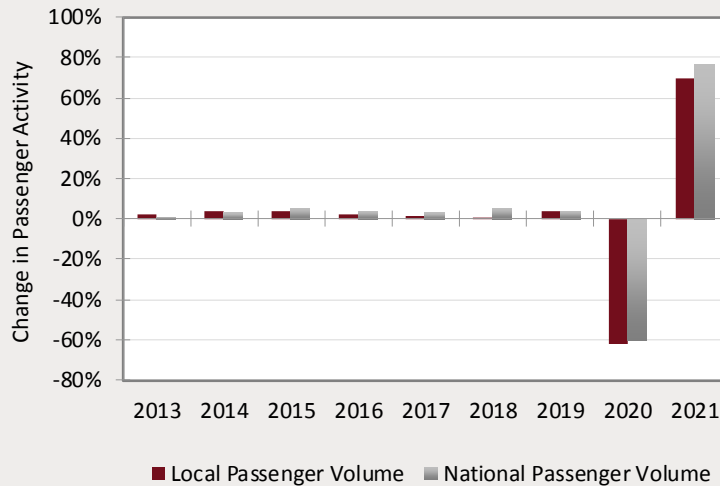
FIGURE 3-12 AIRPORT STATISTICS - MINNEAPOLIS ST. PAUL INTERNATIONAL AIRPORT

Year	Passenger Traffic	Percent Change*	Percent Change**
2012	33,170,960	—	—
2013	33,897,335	2.2 %	2.2 %
2014	35,147,083	3.7	2.9
2015	36,582,851	4.1	3.3
2016	37,505,521	2.5	3.1
2017	38,034,341	1.4	2.8
2018	38,037,381	0.0	2.3
2019	39,555,035	4.0	2.5
2020	14,851,289	(62.5)	(9.6)
2021	25,202,120	69.7	(3.0)
Year-to-date, Aug			
2021	15,688,149	—	—
2022	20,935,996	33.5 %	—

*Annual average compounded percentage change from the previous year

**Annual average compounded percentage change from first year of data

Source: Minneapolis St. Paul International Airport

FIGURE 3-13 LOCAL PASSENGER TRAFFIC VS. NATIONAL TREND

Source: HVS, Local Airport Authority

This facility recorded 25,202,120 passengers in 2021. The change in passenger traffic between 2020 and 2021 was 69.7%. The average annual change during the period shown was -3.0%. Following years of record growth in passenger traffic, 2020 data illustrate a significant decline given the impact of the COVID-19 pandemic and the travel restrictions that were implemented; however, the 2021 data show a rebound in passenger traffic, a trend that has continued thus far in 2022, per the latest statistics. Airlines added eleven new domestic and international routes to MSP for late spring and summer of 2022, including new service to Montreal and the return of daily service to London Heathrow.

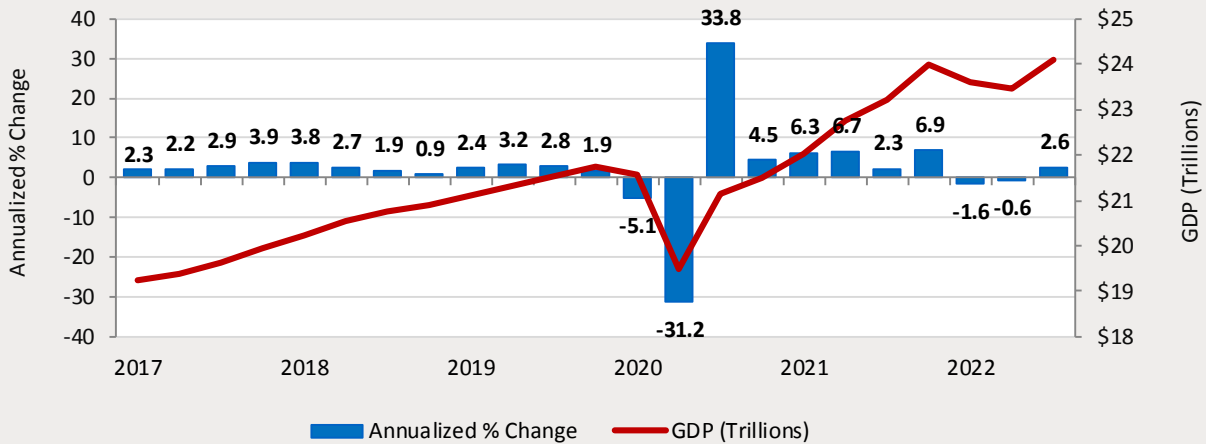
Tourist Attractions

The subject market benefits from a variety of tourism and leisure attractions in the area. The Twin Cities are well known for extensive theater and live performance-art offerings, excellent shopping options, and eclectic dining venues. Leisure demand generators include the Mall of America, the Guthrie Theater, Orpheum Theater, Minneapolis Institute of Arts, Science Museum of Minnesota, as well as the various sports venues including US Bank Stadium, Target Field, Target Center, and Xcel Energy Center. We note that many of the tourist attractions and entertainment venues temporarily closed or enacted visitor restrictions because of the COVID-19 pandemic, although most reopened in 2021 once the governmental restrictions were lifted.

Conclusion

This section discussed a wide variety of economic indicators for the pertinent market area. The Cottage Grove market is relatively healthy, despite the effects of the COVID-19 pandemic. The metropolitan area was adversely affected by the downturn, but a recovery is evidently underway. The concentration of corporate headquarters has served the Minneapolis MSA well, insulating the metro area from the adverse effects of one industry's decline. The continued improvement of the unemployment rate and ongoing expansions in the area should continue to fuel gains in housing and consumer-driven industries. Furthermore, a highly educated workforce should continue to attract and retain business investment in the future. In relation to national conditions, the Minneapolis MSA and the city of Cottage Grove rank well, featuring comparatively lower unemployment rates and greater stability among key employment sectors. Thus, the near-term market outlook is overall positive.

Our analysis of the outlook for this specific market also considers the broader context of the national economy. The U.S. economy expanded at an overall rate of 2.3% in 2019, a decline from the 2.9% level achieved in 2018. For the seven quarters leading up to 2020, GDP quarterly growth ranged between 1.3% and 2.9%, reflecting moderate economic expansion. The slowdown and impact of COVID-19 became more evident in the first quarter of 2020, when GDP declined by 5.0%. As shutdowns halted major components of the U.S. economy from mid-March through May, and partial, halting re-openings continued to dampen business activity, the U.S. economy contracted by an annualized rate of 31.2% in the second quarter, the largest such decline in U.S. history. The decline affected virtually every corner of the economy, with major decreases in personal consumption, exports, private inventory investment, residential and nonresidential fixed investment, and state and local government spending.

FIGURE 3-14 UNITED STATES GDP GROWTH RATE

Sources: tradingeconomics.com, Bureau of Economic Analysis

While shocking, the GDP decline during the second quarter of 2020 was offset by a significant rebound in economic activity in the third quarter of 2020, greatly moderating the overall impact for the year. The U.S. economy grew by 33.8% on an annualized basis in the third quarter, followed by more modest gains in the five quarters that followed through the end of 2021 (GDP surpassed the pre-pandemic peak by the first quarter of 2021). In the first two quarters of 2022, GDP contracted 1.6% and 0.6%, respectively, on an annualized basis, driven in part by the trade deficit and a decline in inventory investment and government spending. Third-quarter GDP then increased by 2.6%, as employment continued to expand and as consumer spending, although slowing, remained strong. However, high inflation persists, and the recent and expected increases in the federal funds rate are slowing sectors of the economy. Hotel investors remain optimistic about the long-term outlook for the industry, based primarily upon the strong results achieved in the first three quarters of the year, citing factors such as the rebound in travel, rising hotel performance levels, and opportunities to generate significant returns.

4. Supply and Demand Analysis

In the lodging industry, price varies directly, but not proportionately, with demand and inversely, but not proportionately, with supply. Supply is measured by the number of guestrooms available, and demand is measured by the number of rooms occupied; the net effect of supply and demand toward equilibrium results in a prevailing price, or average daily rate (ADR). The purpose of this section is to investigate current supply and demand trends, as indicated by the current competitive market, and to set forth a basis for the projection of future supply and demand growth.

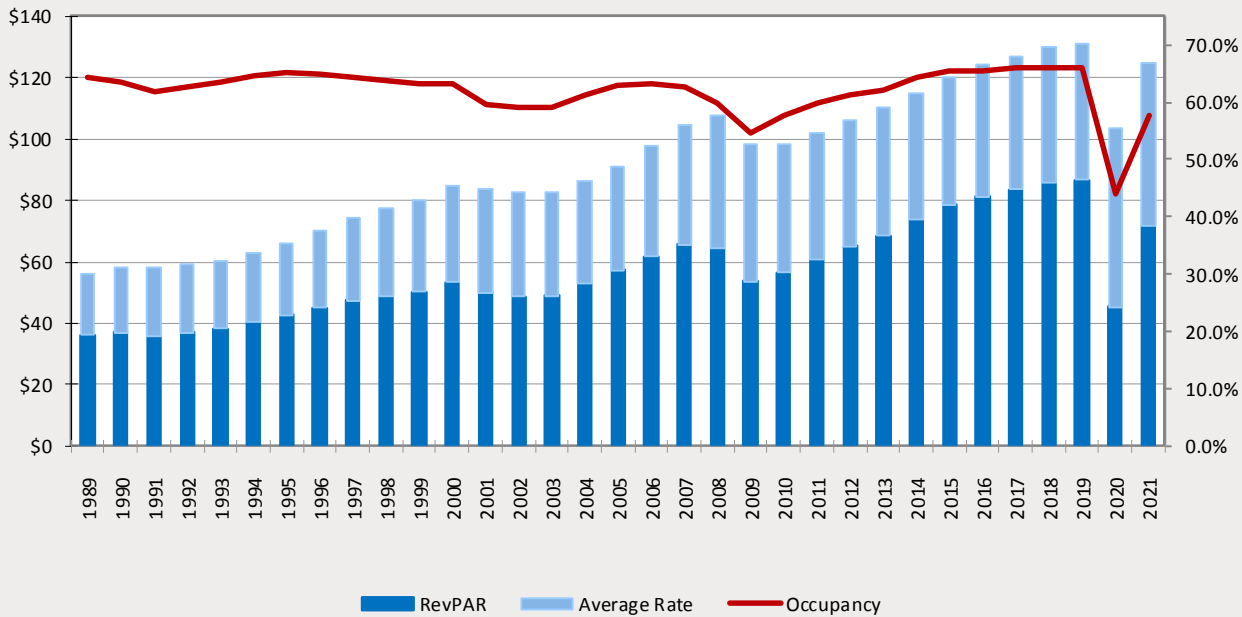
Definition of Subject Hotel Market

Within a 15-mile radius of the city of Cottage Grove, nearly 100 lodging facilities totaling more than 11,000 guestrooms are in operation. Within this greater market, the direct submarket that is expected to include the proposed subject hotel comprises the cities of Woodbury and Cottage Grove. The proposed subject hotel is expected to compete with two hotels within Cottage Grove, and an additional seven hotels in Woodbury have been considered as future secondary competitors given their product offering, price point, and location.

National Trends Overview

A hotel's local lodging market is most directly affected by the supply and demand trends within the immediate area. However, individual markets are also influenced by conditions in the national lodging market. We have reviewed national lodging trends to provide a context for the forecast of the supply and demand for the proposed subject hotel's competitive set.

STR is an independent research firm that compiles data on the lodging industry, and this information is routinely used by typical hotel buyers. The following STR diagram presents annual hotel occupancy, ADR, and rooms revenue per available room (RevPAR) data since 1989. RevPAR is calculated by multiplying occupancy by ADR and provides an indication of how well rooms revenue is being maximized.

FIGURE 4-1 NATIONAL OCCUPANCY, ADR, AND REVPAR TRENDS

Source: STR

The preceding chart illustrates the impact of the recessions of the early 1990s, 2000s, the financial crisis of 2008/09, and the recent pandemic on the U.S. lodging industry. In each case, the downturn caused lodging demand to drop, resulting in an occupancy decline. The aggregate ADR also fell, as hoteliers used price as a marketing tool to attract demand and support occupancy levels. As occupancy recovered, ADR growth resumed, although the ADR recovery lagged somewhat behind occupancy levels, as price discounts contributed to the initial recovery of demand. Following the financial crisis of the Great Recession, occupancy fell by over eight points, and ADR declined by 5.9%, resulting in an 18.3% decrease in RevPAR. The market recovered steadily thereafter, with occupancy surpassing the 65.0% mark in 2015, and ADR also consistently growing, albeit at a decelerating pace.

FIGURE 4-2 NATIONAL OCCUPANCY AND ADR TRENDS: 2019, 2020, 2021

	Occupancy					Average Rate					RevPAR					Percent Change	
	2019	2020	% Change	2021	% Change	2019	2020	% Change	2021	% Change	2019	2020	% Change	2021	% Change	Rms. Avail.	Rms. Sold
United States	66.0 %	44.0 %	(33.3) %	57.7 %	31.1 %	\$131.23	\$103.25	(21.3) %	\$124.68	20.7 %	\$86.64	\$45.48	(47.5) %	\$71.88	58.2 %	5.2 %	37.8 %
Region																	
New England	64.7 %	38.8 %	(40.1) %	55.7 %	44.4 %	\$161.08	\$123.17	(23.5) %	\$156.04	25.8 %	\$104.25	\$47.77	(54.2) %	\$86.93	81.6 %	5.6 %	52.5 %
Middle Atlantic	69.0	41.3	(40.1)	55.4	34.1	166.27	115.26	(30.7)	143.60	24.1	114.81	47.65	(58.5)	79.52	66.4	4.8	40.6
South Atlantic	67.5	45.7	(32.2)	59.9	31.2	128.41	107.99	(15.9)	130.29	20.7	86.68	49.40	(43.0)	78.08	58.3	6.2	39.3
E. North Central	61.1	39.1	(36.0)	52.4	34.2	112.64	86.72	(23.0)	105.15	20.6	68.82	33.93	(50.7)	55.11	61.9	4.5	40.2
E. South Central	62.4	45.7	(26.8)	59.5	30.6	103.58	85.74	(17.2)	104.49	21.8	64.61	39.18	(39.4)	62.21	59.0	3.1	34.6
W. North Central	58.3	39.1	(32.9)	51.1	31.1	99.28	83.65	(15.7)	97.01	15.7	57.88	32.72	(43.5)	49.58	51.7	2.4	34.3
W. South Central	62.6	44.9	(28.2)	58.2	29.7	101.84	82.88	(18.6)	95.84	15.8	63.77	37.25	(41.6)	55.73	50.1	3.4	34.0
Mountain	66.9	46.7	(30.1)	59.6	28.2	121.89	105.70	(13.3)	124.82	18.5	81.54	49.39	(39.4)	74.44	51.9	6.3	36.3
Pacific	73.6	47.1	(36.0)	60.3	27.6	171.40	129.57	(24.4)	157.57	22.1	126.16	61.01	(51.6)	94.97	55.8	7.2	36.8
Class																	
Luxury	70.9 %	36.8 %	(48.1) %	52.3 %	42.0 %	\$304.11	\$285.78	(6.0) %	\$342.63	19.7 %	\$215.73	\$105.29	(51.2) %	\$179.24	70.0 %	18.3 %	68.0 %
Upper-Upscale	72.6	34.8	(52.1)	49.8	43.4	188.24	159.14	(15.5)	179.35	12.6	136.67	55.30	(59.5)	89.39	61.5	13.3	62.5
Upscale	71.5	42.8	(40.1)	59.3	38.8	143.60	117.80	(18.0)	133.72	13.4	102.68	50.45	(50.9)	79.35	57.4	7.1	48.6
Upper-Midscale	67.5	45.3	(32.9)	61.1	35.1	115.91	98.80	(14.8)	114.82	16.1	78.20	44.72	(42.8)	70.20	56.8	4.2	40.7
Midscale	59.5	44.4	(25.4)	57.0	28.8	95.82	84.47	(11.8)	99.25	17.9	57.03	37.52	(34.2)	56.59	51.8	2.5	32.0
Economy	59.4	49.2	(17.1)	58.8	20.0	75.50	65.45	(13.3)	77.94	18.1	44.83	32.30	(28.2)	45.83	41.8	0.0	20.0
Location																	
Urban	73.2 %	37.9 %	(48.2) %	51.8 %	35.9 %	\$183.20	\$127.80	(30.2) %	\$153.22	20.2 %	\$134.12	\$48.47	(63.9) %	\$79.30	63.3 %	9.9 %	49.4 %
Suburban	66.7	46.4	(30.4)	60.0	29.3	111.26	88.81	(20.2)	104.76	17.9	74.24	41.24	(44.4)	62.88	52.5	3.5	33.9
Airport	73.7	44.5	(39.6)	60.5	35.8	119.22	93.71	(21.4)	104.53	11.4	87.85	41.72	(52.5)	63.20	51.3	2.8	39.5
Interstate	57.9	44.8	(22.7)	57.8	29.5	87.86	79.05	(10.0)	92.05	16.6	50.85	35.39	(30.4)	53.22	50.9	2.0	32.1
Resort	70.0	42.9	(38.6)	57.9	35.4	182.74	170.36	(6.8)	208.73	22.4	127.85	73.13	(42.8)	120.93	65.7	14.3	54.7
Small Town	57.8	44.4	(23.1)	57.0	28.9	107.26	96.95	(9.6)	116.63	20.0	61.98	43.07	(30.5)	66.43	54.8	2.0	31.6
Chain Scale																	
Luxury	73.8 %	32.0 %	(56.7) %	47.8 %	49.7 %	\$343.02	\$329.54	(3.9) %	\$383.64	16.1 %	\$253.17	\$105.40	(58.4) %	\$183.44	73.8 %	23.2 %	84.3 %
Upper-Upscale	73.9	33.4	(54.8)	48.7	45.6	189.25	158.86	(16.1)	175.87	10.8	139.80	53.10	(62.0)	85.69	61.3	14.7	67.0
Upscale	72.6	43.0	(40.7)	59.7	38.9	142.38	115.11	(19.2)	128.58	11.7	103.32	49.52	(52.1)	76.75	55.1	6.8	48.4
Upper-Midscale	67.5	45.4	(32.7)	61.6	35.9	112.80	96.04	(14.9)	111.18	15.8	76.14	43.61	(42.7)	68.53	57.3	4.2	41.6
Midscale	58.1	44.2	(23.8)	56.6	28.1	86.61	77.29	(10.8)	89.42	15.7	50.30	34.19	(32.0)	50.61	48.2	1.5	30.1
Economy	58.7	50.9	(13.2)	59.7	17.6	63.70	58.21	(8.6)	66.80	14.8	37.36	29.64	(20.7)	39.89	35.0	(1.3)	16.0
Independents	63.5	44.8	(29.5)	57.2	28.2	133.08	110.74	(16.8)	137.78	24.8	84.44	49.56	(41.3)	78.87	60.0	4.6	34.1

Source: STR - December 2020 and December 2021 Lodging Reviews

The onset of the COVID-19 pandemic in March 2020 had a severe impact on the lodging industry, causing occupancy, ADR, and RevPAR to decline by unprecedented levels. The impact on the national lodging industry peaked mid-April; for the week ending April 11, 2020, STR reported that national RevPAR was 83.6% lower than the level recorded for the same week in 2019. By the conclusion of 2020, occupancy had declined 22 points, with ADR decreasing by roughly \$28.00, resulting in a RevPAR loss of 48.0% (rounded). The sharp downturn in travel caused by COVID-19 continued into early 2021, as the months of January and February 2020 had not been notably affected by the pandemic.

Hotels that traditionally derive a significant component of their demand from the larger group and convention subsegment were the hardest hit by the pandemic, followed by properties in markets with a high proportion of business and international travel. For this reason, the major metropolitan areas reported deep RevPAR declines through the first half of 2021. Hotels in locations that depend primarily on automobile traffic have fared better (including drive-to leisure destinations), and the extended-stay category has also outperformed the national average, fueling the illustrated 2021 recovery. Gaining traction in the summer of 2021, group demand began to show signs of recovery, albeit at a slower pace. Accordingly, by the end of 2021, nationwide occupancy had rebounded to nearly 58.0%, with ADR reaching roughly \$125, representing a RevPAR gain of 58.0% (rounded).

Many corporations and institutions have begun to return to offices, at least in some capacity. Group travel is recovering at an accelerating pace, as participants feel increasingly comfortable gathering in larger numbers. Leisure demand, which led the recovery in many markets, remains strong, with ADR levels in most destinations surpassing historical levels. With a significant portion of the recovery now behind us, and further interest rate increases likely on the horizon, hotel owners, operators, and investors generally expect less-significant gains in 2023 than those achieved in 2021 and 2022. Job growth and employment levels remain strong, and the return of group travel in the summer and fall of 2022 has boded well for the industry. However, the inflation rate remains elevated, and the related increases in the federal funds rate may impact the degree of continued growth through 2023.

FIGURE 4-3 RECENT NATIONAL OCCUPANCY AND ADR TRENDS

	Occupancy - YTD September			Average Rate - YTD September			RevPAR - YTD September			Percent Change	
	2021	2022	% Change	2021	2022	% Change	2021	2022	% Change	Rms. Avail.	Rms. Sold
United States	51.1 %	59.9 %	17.1 %	\$106.75	\$142.82	33.8 %	\$54.56	\$85.50	56.7 %	3.4 %	21.1 %
Region											
New England	54.6 %	65.0 %	18.9 %	\$154.86	\$189.67	22.5 %	\$84.63	\$123.29	45.7 %	2.1 %	21.4 %
Middle Atlantic	54.2	63.0	16.3	135.99	176.27	29.6	73.69	111.05	50.7	6.5	23.8
South Atlantic	59.9	65.7	9.6	129.18	152.14	17.8	77.38	99.89	29.1	2.7	12.5
E. North Central	52.4	58.9	12.2	103.72	124.17	19.7	54.40	73.07	34.3	2.1	14.5
E. South Central	59.8	62.6	4.8	102.30	119.43	16.7	61.13	74.77	22.3	1.5	6.4
W. North Central	51.4	57.0	10.9	96.79	110.03	13.7	49.73	62.69	26.0	0.3	11.2
W. South Central	58.1	61.2	5.4	92.87	111.46	20.0	53.93	68.20	26.5	1.1	6.6
Mountain	59.3	65.1	9.9	122.90	146.83	19.5	72.87	95.65	31.3	0.9	10.9
Pacific	59.8	68.6	14.7	154.15	193.58	25.6	92.22	132.82	44.0	3.3	18.5
Class											
Luxury	50.6 %	63.3 %	25.1 %	\$318.17	\$362.83	14.0 %	\$160.97	\$229.66	42.7 %	6.2 %	32.8 %
Upper-Upscale	48.2	63.6	31.9	170.62	207.34	21.5	82.22	131.79	60.3	6.7	40.8
Upscale	58.7	67.5	14.9	129.79	157.07	21.0	76.22	105.96	39.0	3.7	19.1
Upper-Midscale	61.3	66.4	8.2	113.02	130.61	15.6	69.33	86.73	25.1	2.5	10.9
Midscale	57.5	60.0	4.4	98.74	111.44	12.9	56.73	66.84	17.8	0.0	4.4
Economy	59.6	59.7	0.2	75.86	84.96	12.0	45.22	50.74	12.2	(1.0)	(0.8)
Location											
Urban	50.0 %	63.4 %	26.8 %	\$144.12	\$194.54	35.0 %	\$72.11	\$123.42	71.2 %	7.8 %	36.7 %
Suburban	59.9	64.9	8.3	102.67	123.63	20.4	61.53	80.27	30.4	1.2	9.6
Airport	59.5	69.0	16.1	102.19	127.62	24.9	60.77	88.09	45.0	1.4	17.7
Interstate	58.3	60.0	2.9	91.61	102.00	11.3	53.45	61.21	14.5	0.5	3.4
Resort	57.2	66.5	16.3	207.54	236.89	14.1	118.71	157.65	32.8	4.0	21.0
Small Town	57.8	59.6	3.1	117.91	130.78	10.9	68.12	77.89	14.3	0.4	3.5
Chain Scale											
Luxury	44.7 %	63.1 %	40.9 %	\$370.80	\$421.47	13.7 %	\$165.90	\$265.78	60.2 %	7.1 %	51.0 %
Upper-Upscale	46.5	63.8	37.1	170.83	210.06	23.0	79.43	133.94	68.6	7.5	47.4
Upscale	59.0	68.1	15.4	125.81	153.58	22.1	74.19	104.55	40.9	4.2	20.2
Upper-Midscale	61.7	66.8	8.2	109.96	126.99	15.5	67.90	84.82	24.9	3.1	11.5
Midscale	57.3	59.0	3.0	89.18	99.79	11.9	51.12	58.92	15.3	(0.2)	2.8
Economy	60.6	60.1	(0.7)	66.57	73.16	9.9	40.34	44.00	9.1	(2.4)	(3.1)
Independents	57.2	61.5	7.4	136.40	160.44	17.6	78.09	98.68	36.4	1.4	8.9

Source: STR - September 2022 Lodging Review

To further understand the nature, timing, and degree of the impact of the pandemic and subsequent recovery, we have reviewed the following weekly data for the U.S. lodging industry, as published by STR.

FIGURE 4-4 NATIONAL OCCUPANCY TRENDS – WEEKLY DATA

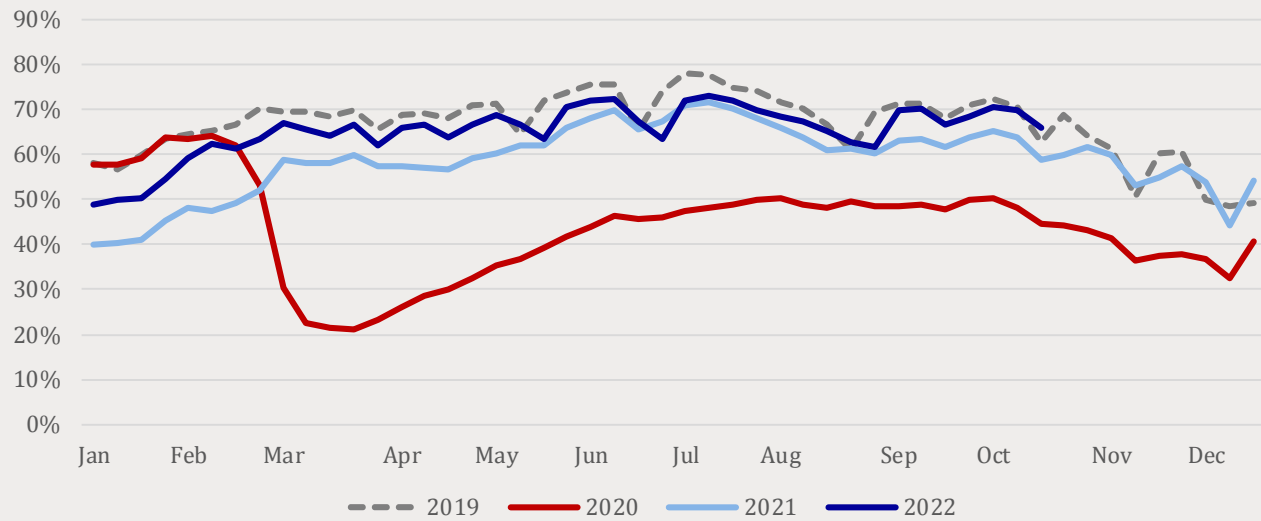


FIGURE 4-5 NATIONAL ADR TRENDS – WEEKLY DATA

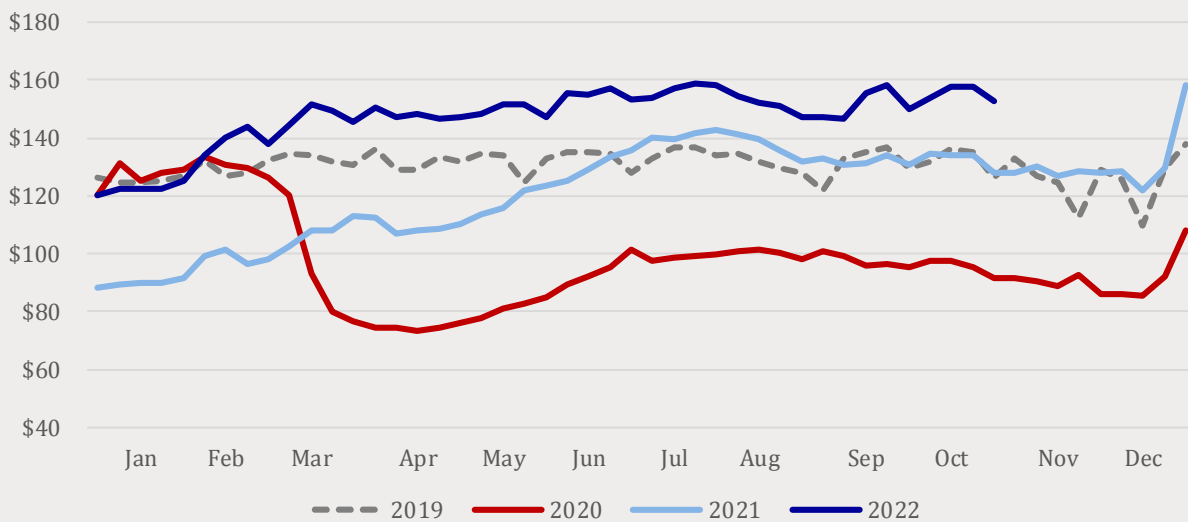
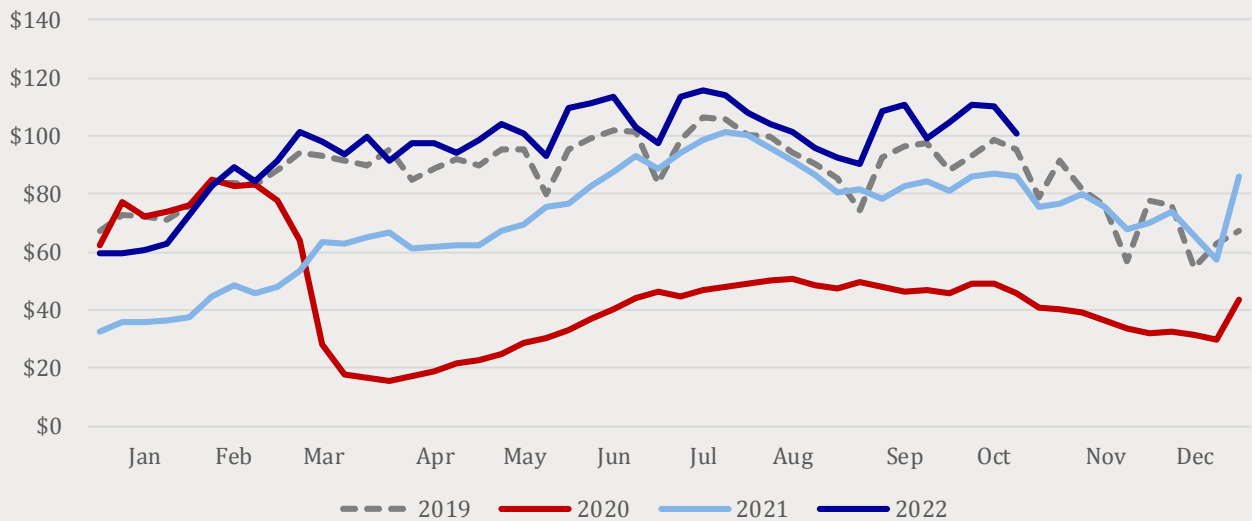


FIGURE 4-6 NATIONAL REVPAR TRENDS – WEEKLY DATA

**Minneapolis-St. Paul,
MN Lodging Market**

The subject property is located in the greater Minneapolis-St. Paul market. The following table presents the historical occupancy, average rate, and RevPAR data for this metropolitan area for 2001 through September 2022. The data reflect the historical performance of the market, including the impact of and recovery from the 2001 and 2008/09 downturns.

FIGURE 4-7 MINNEAPOLIS-ST. PAUL LODGING MARKET DATA – 2001 TO YTD SEPTEMBER 2022

Year	Occupancy	Percent Change	Average Rate	Percent Change	RevPAR	Percent Change
2001	62.6 %	—	\$85.65	—	\$53.62	—
2002	60.5	(3.4) %	83.26	(2.8) %	50.37	(6.1) %
2003	60.5	0.0	81.07	(2.6)	49.05	(2.6)
2004	63.7	5.3	81.92	1.0	52.18	6.4
2005	66.7	4.7	86.83	6.0	57.92	11.0
2006	65.6	(1.6)	93.87	8.1	61.58	6.3
2007	65.9	0.5	98.40	4.8	64.85	5.3
2008	61.9	(6.1)	102.39	4.1	63.38	(2.3)
2009	56.1	(9.4)	91.47	(10.7)	51.31	(19.0)
2010	61.0	8.7	90.88	(0.6)	55.44	8.0
2011	63.9	4.8	95.40	5.0	60.96	10.0
2012	64.1	0.3	98.29	3.0	63.00	3.4
2013	66.8	4.2	101.21	3.0	67.61	7.3
2014	67.4	0.9	107.56	6.3	72.50	7.2
2015	68.4	1.5	112.17	4.3	76.72	5.8
2016	68.0	(0.6)	118.35	5.5	80.48	4.9
2017	67.0	(1.5)	115.89	(2.1)	77.65	(3.5)
2018	67.5	0.7	122.74	5.9	82.85	6.7
2019	66.6	(1.3)	121.46	(1.0)	80.89	(2.4)
2020	33.5	(49.7)	86.40	(28.9)	28.94	(64.2)
2021	44.5	32.8	100.52	16.3	44.73	54.5
<i>Year to date through September</i>						
2021	44.1 %		\$97.70		\$43.09	
2022	56.8	28.8 %	123.70	26.6 %	70.26	63.1 %
Average Annual Compound Growth						
2001 to 2021		(1.7) %		0.8 %		(0.9) %

Source: STR Global, STR Monthly Hotel Review

Local employers, including Fortune 500 companies, as well the Minneapolis Convention Center and the Mall of America, represent the primary sources of demand for the greater Minneapolis/St. Paul market. Hotels in this market enjoyed stable occupancy levels in the mid-60s prior to 2020. Because of this stability, ADR increased significantly following the Great Recession, largely due to corporate demand from Target, Medtronic, US Bank, Cargill, 3M, Wells Fargo, and Best Buy. Although the Minneapolis-St. Paul market was affected by the Great Recession, the impact was relatively short-lived, with occupancy declining in 2008 and 2009 and

ADR falling in 2009 and 2010. Overall, RevPAR declined by nearly \$14 from 2007 through 2009. Occupancy registered a historical peak in 2015 driven by the strong levels of demand associated with the Ryder Cup. Record ADR levels caused a surge in new hotel development, particularly in Minneapolis, St. Paul, and Bloomington. Absorption of new supply and induced demand from the Super Bowl in early 2018 led to a reversal of these trends and a record RevPAR level of nearly \$83 by year-end 2018. Despite demand from the NCAA Final Four in 2019, occupancy and ADR levels declined because of the correction from the Super Bowl spike and the absorption of new supply, resulting in a \$2 decline in RevPAR.

To assess the impact of COVID-19 on this market, we have reviewed the following data, as published by STR, which track market performance on a weekly basis. The weekly data illustrate the timing and degree of impact that the market is experiencing.

FIGURE 4-8 MINNEAPOLIS-ST. PAUL OCCUPANCY TRENDS – WEEKLY DATA

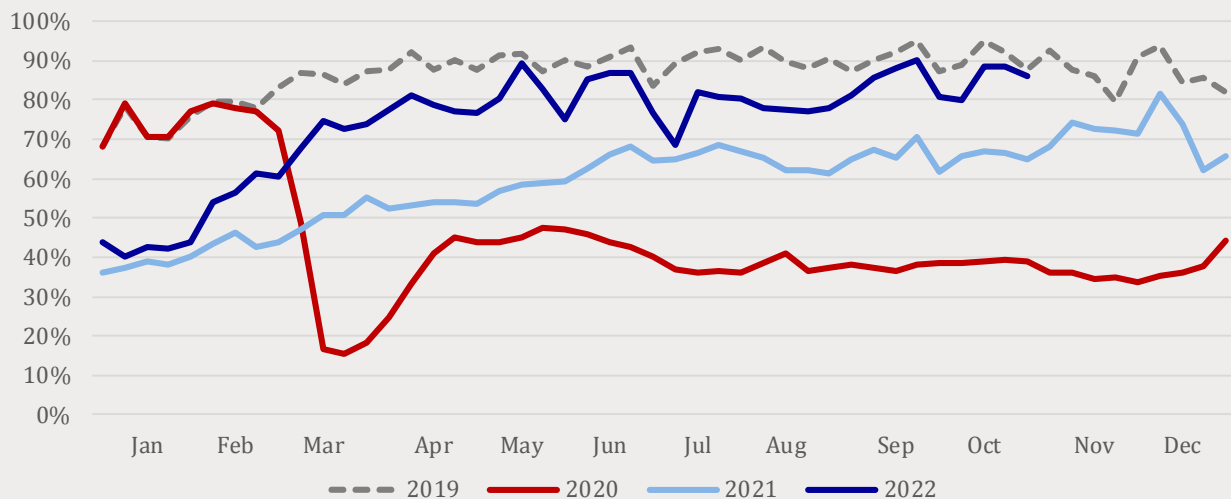
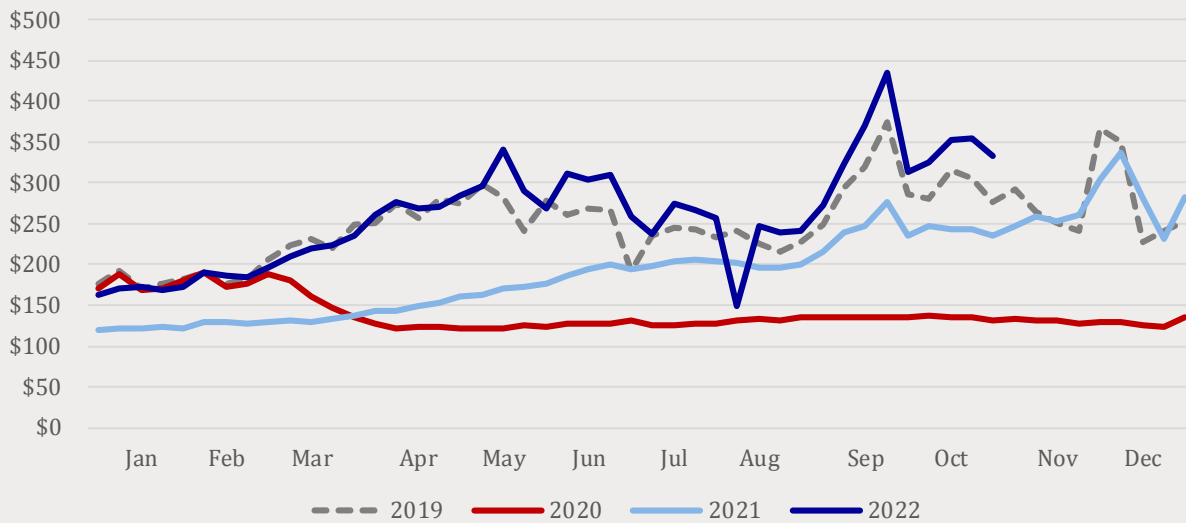
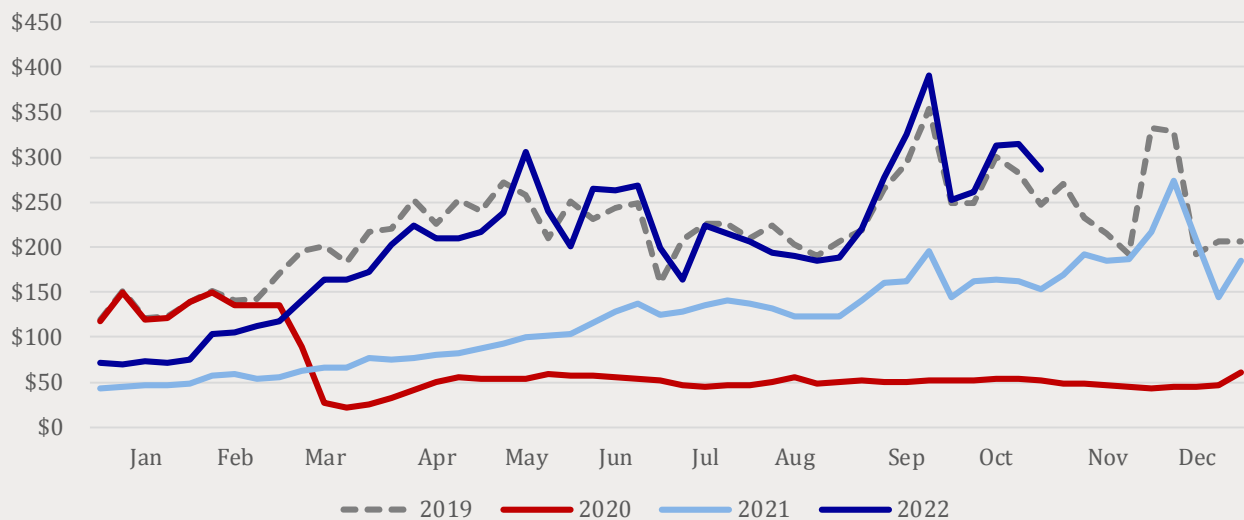


FIGURE 4-9 MINNEAPOLIS-ST. PAUL ADR TRENDS – WEEKLY DATA**FIGURE 4-10 MINNEAPOLIS-ST. PAUL REVPAR TRENDS – WEEKLY DATA**

The effects of COVID-19 on the Minneapolis lodging market have been severe. The pandemic particularly affected Downtown Minneapolis because of its reliance on

the meeting/group segment, and with international travel substantially reduced, hotels near the Minneapolis-St. Paul International Airport and the Mall of America have been notably affected. Just as the Minnesota government's stay-at-home orders began to ease, Minneapolis drew national attention for the death of George Floyd during an arrest in May 2020; his death led to violence throughout the metro area and sparked social injustice protests worldwide. As a result, Minneapolis-St. Paul hotel market faced a slower recovery from the \$52 loss in RevPAR recorded in 2020, with only a \$16 gain in 2021. Many major employers delayed returning to offices, and Target vacated nearly one million square feet of office space. While many citywide events are planned for 2022, the full market recovery will require the earnest return of corporate travel. Minneapolis-St. Paul has been noted as one of the lowest-performing U.S. major markets this year, but the June opening of the Four Seasons in Downtown Minneapolis is expected to contribute to strong ADR growth. While the pandemic and negative publicity are anticipated to continue to affect business in the near term, the long-term outlook is optimistic given the return of international tourism, commercial demand, and citywide events.

Historical Supply and Demand Data

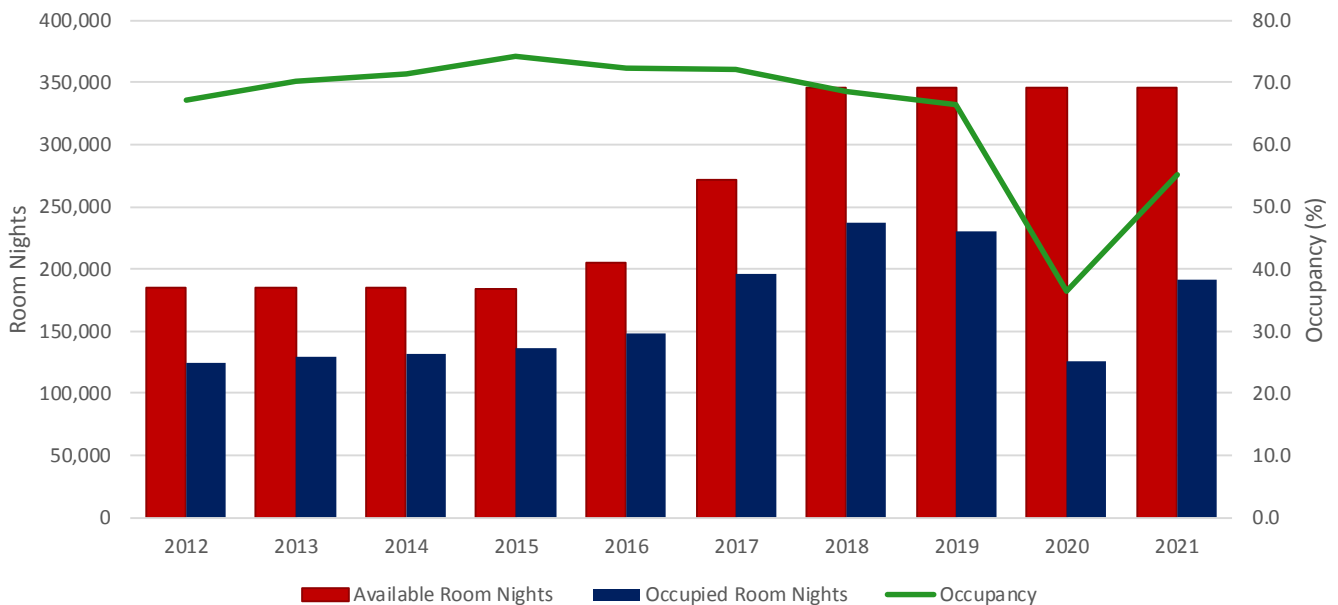
STR is an independent research firm that compiles and publishes data on the lodging industry, routinely used by typical hotel buyers. HVS has ordered and analyzed an STR Trend Report of historical supply and demand data for a group of hotels considered applicable to this analysis for the proposed subject hotel. This information is presented in the following table, along with the market-wide occupancy, ADR, and RevPAR.

In response to the travel restrictions and the decline in demand associated with the COVID-19 pandemic, numerous hotels in markets across the nation temporarily suspended operations. During these suspensions, hotels were typically closed to the public, with the majority of staff furloughed; however, key management and maintenance staff were retained to preserve the property and prepare for reopening. The Hampton Inn & Suites by Hilton Woodbury suspended operations between September 2020 and May 2021 because of the COVID-19 pandemic. Our analysis considers the full supply of competitive rooms, including any hotels that may have temporarily suspended operations. It is important to note that we have adjusted STR data to reflect the total available rooms in the market and true occupancy, regardless of suspended operations at competitive hotels.

FIGURE 4-11 HISTORICAL SUPPLY AND DEMAND TRENDS

	Average Daily	Available		Occupied			Average			
Year	Room Count	Room Nights	Change	Room Nights	Change	Occupancy	Rate	Change	RevPAR	Change
2009	507	185,055	—	95,505	—	51.6 %	\$96.36	—	\$49.73	—
2010	507	185,055	0.0 %	116,297	21.8 %	62.8	96.51	0.2 %	60.65	22.0 %
2011	507	185,055	0.0	124,310	6.9	67.2	101.15	4.8	67.95	12.0
2012	507	185,055	0.0	124,112	(0.2)	67.1	106.10	4.9	71.16	4.7
2013	506	184,721	(0.2)	129,720	4.5	70.2	112.46	6.0	78.98	11.0
2014	505	184,506	(0.1)	131,739	1.6	71.4	118.09	5.0	84.32	6.8
2015	505	184,325	(0.1)	136,575	3.7	74.1	120.29	1.9	89.13	5.7
2016	562	205,065	11.3	148,497	8.7	72.4	125.62	4.4	90.97	2.1
2017	746	272,185	32.7	196,385	32.2	72.2	121.18	(3.5)	87.43	(3.9)
2018	949	346,385	27.3	237,588	21.0	68.6	123.02	1.5	84.38	(3.5)
2019	949	346,385	0.0	230,585	(2.9)	66.6	113.89	(7.4)	75.82	(10.1)
2020	949	346,385	0.0	126,181	(45.3)	36.4	92.74	(18.6)	33.78	(55.4)
2021	949	346,385	0.0	190,974	51.3	55.1	101.33	9.3	55.87	65.4
Year-to-Date Through August										
2019	949	230,607	—	159,344	—	69.1 %	\$114.48	—	\$79.10	—
2020	949	230,607	0.0 %	85,816	(46.1) %	37.2	94.38	(17.6) %	35.12	(55.6) %
2021	918	223,047	(3.3)	126,768	47.7	56.8	98.67	4.5	56.08	59.7
2022	949	230,607	3.4	157,954	24.6	68.5	112.05	13.6	76.75	36.9
Average Annual Compounded Change:										
2009 – 2019			6.5 %	9.2 %			1.7 %			4.3 %
2009 – 2020			5.9	2.6			(0.3)			(3.5)
Hotels Included in Sample				Class	Competitive Status	Number of Rooms	Year Affiliated	Year Opened		
Hampton by Hilton Inn Minneapolis/St Paul-Woodbury				Upper Midscale Class	Secondary	63	May 2021	Jan 1996		
Holiday Inn Express & Suites St Paul Woodbury				Upper Midscale Class	Secondary	100	Aug 1997	Aug 1997		
Country Inn & Suites Cottage Grove				Upper Midscale Class	Primary	76	Jul 2002	Jul 2002		
Hilton Garden Inn St Paul Oakdale				Upscale Class	Secondary	116	Feb 2005	Feb 2005		
Sheraton Hotel St Paul Woodbury				Upper Upscale Class	Secondary	150	Jul 2008	Jul 2008		
Residence Inn St Paul Woodbury				Upscale Class	Secondary	116	Sep 2016	Sep 2016		
La Quinta Inns & Suites St Paul - Woodbury				Upper Midscale Class	Secondary	108	Nov 2016	Nov 2016		
Hampton by Hilton Inn & Suites St Paul Oakdale/Woodbury				Upper Midscale Class	Secondary	100	Nov 2017	Nov 2017		
Courtyard St Paul Woodbury				Upscale Class	Secondary	120	Jan 2018	Jan 2018		
Total						949				

Source: STR

FIGURE 4-12 HISTORICAL SUPPLY AND DEMAND TRENDS (STR)

It is important to note some limitations of the STR data. Hotels are occasionally added to or removed from the sample; furthermore, not every property reports data in a consistent and timely manner. These factors can influence the overall quality of the information by skewing the results, and these inconsistencies may also cause the STR data to differ from the results of our competitive survey. Nonetheless, STR data provide the best indication of aggregate growth or decline in existing supply and demand; thus, these trends have been considered in our analysis. Opening dates, as available, are presented for each reporting hotel in the previous table.

The STR data for the competitive set reflect a market-wide occupancy level of 2021 in 55.1%, which compares to 36.4% for 2020. The STR data for the competitive set reflect a market-wide ADR level of \$101.33 in 2021, which compares to \$92.74 for 2020. These occupancy and ADR trends resulted in a RevPAR level of \$55.87 in 2021.

During the illustrated historical period, both occupancy and ADR generally followed a strengthening trend through 2016. This improvement in market conditions was driven largely by growth in the local economy and retail and commercial development in Woodbury. Occupancy and ADR began to soften in 2017 as new hotels were absorbed by the market. Supply increased by 88.0% between 2015 and 2018 with the opening of the Residence Inn by Marriott and La Quinta Inn & Suites

Woodbury in late 2016, the Hampton Inn & Suites Oakdale in late 2017, and the Courtyard by Marriott in Woodbury in January 2018. While occupancy declined to the high 60s in 2018, average rate remained fairly stable due to Super Bowl LII, which was held in Minneapolis. Following the loss of this one-time demand source, RevPAR fell by 10.0% in 2019. In March 2020, the COVID-19 pandemic began to affect the local market, similar to the rest of the nation, resulting in stay-at-home orders, group cancellations, and decreased business travel; thus, the 2020 data illustrate a significant decline in occupancy and a roughly \$21 loss in ADR. By year-end 2021, occupancy and ADR had recovered a substantial portion of their 2020 losses, gaining traction in the latter half of the year after the wide distribution of vaccines. The year-to-date data through August 2022 reflect continued recovery, with both occupancy and ADR nearing the levels achieved in 2019. Given the return of both commercial and leisure travel as well as the ongoing development in both Woodbury and Cottage Grove, the outlook for the market is optimistic.

Seasonality

Seasonality trends are presented in the following tables.

FIGURE 4-13 SEASONALITY

	2015	2016	2017	2018	2019	2020	2021	2022
High Season - June, July, August, September, October								
Occupancy	83.4 %	81.4 %	84.4 %	81.0 %	78.7 %	42.1 %	66.6 %	—
Average Rate	\$125.31	\$130.89	\$125.57	\$123.42	\$118.58	\$91.05	\$110.39	—
RevPAR	104.52	106.51	105.95	99.99	93.27	38.36	73.56	—
Shoulder Season - February, March, April, May								
Occupancy	72.3 %	74.6 %	72.2 %	66.4 %	63.6 %	30.6 %	50.4 %	62.9 %
Average Rate	\$117.96	\$124.24	\$119.53	\$128.90	\$110.92	\$94.37	\$88.91	\$104.32
RevPAR	85.23	92.65	86.25	85.55	70.53	28.88	44.85	65.63
Low Season - January, November, December								
Occupancy	61.0 %	57.7 %	53.5 %	50.8 %	50.4 %	34.5 %	42.1 %	—
Average Rate	\$112.46	\$116.99	\$113.30	\$111.93	\$106.60	\$94.29	\$96.90	—
RevPAR	68.61	67.46	60.63	56.89	53.70	32.58	40.82	—
Source: STR								

The illustrated occupancy and ADR patterns reflect important seasonal characteristics. We have reviewed these trends in developing our forthcoming forecast of market-wide demand and average rate. The competitive market has historically been characterized by a moderate degree of seasonality. COVID-19 prompted some abnormalities to this regular trend in 2020 and early 2021; however, the regular seasonality patterns returned to the market soon thereafter. The strongest occupancy levels are often recorded in the summer months when

demand from leisure travelers typically supplements the commercial segment that is the principal source of demand in this submarket. ADR levels have historically reflected a similar pattern.

Patterns of Demand

A review of the trends in occupancy and ADR by day of the week provides some insight into the impact that the current economic conditions have had on the competitive lodging market. The data, as provided by STR, are illustrated in the following tables.

FIGURE 4-14 OCCUPANCY BY DAY OF WEEK (TRAILING 12 MONTHS)

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Sep - 21	51.0 %	57.2 %	59.9 %	60.0 %	61.4 %	81.5 %	87.3 %	65.1 %
Oct - 21	41.3	55.7	59.2	58.8	58.2	74.6	80.7	61.6
Nov - 21	34.5	46.6	49.8	50.5	49.1	53.5	55.8	48.5
Dec - 21	36.6	45.5	47.2	46.1	42.2	53.3	55.2	46.6
January 22	34.1	42.4	46.5	44.2	41.0	48.3	55.1	44.4
Feb - 22	36.6	49.2	52.9	49.2	45.2	54.8	66.5	50.6
Mar - 22	42.9	53.9	60.2	59.0	56.2	64.8	67.6	57.9
Apr - 22	47.8	63.5	70.6	67.4	62.8	68.5	74.6	65.5
May - 22	59.6	71.3	80.6	81.8	73.4	85.4	88.5	76.6
Jun - 22	66.5	81.8	87.0	84.0	82.4	93.0	94.4	84.1
Jul - 22	71.0	77.7	86.6	87.8	87.0	88.1	91.0	84.1
Aug - 22	66.1	81.5	87.7	85.3	82.6	89.1	91.1	83.5
Average	49.2 %	60.5 %	66.0 %	64.7 %	61.7 %	71.2 %	75.6 %	64.1 %

Source: STR

FIGURE 4-15 ADR BY DAY OF WEEK (TRAILING 12 MONTHS)

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Sep - 21	\$108.27	\$105.83	\$108.25	\$109.05	\$108.00	\$116.46	\$121.84	\$111.85
Oct - 21	102.35	105.45	107.08	106.49	105.57	113.93	116.24	109.39
Nov - 21	99.76	101.95	102.76	104.91	103.74	104.42	106.07	103.53
Dec - 21	94.66	98.71	98.79	99.21	99.13	99.82	99.87	98.84
January 22	93.85	96.68	100.00	97.35	94.96	96.36	100.57	97.39
Feb - 22	93.43	97.32	98.24	98.74	94.69	98.75	103.05	98.21
Mar - 22	95.54	100.44	101.08	100.82	98.08	107.28	110.61	102.29
Apr - 22	94.28	99.01	104.47	104.70	99.01	106.51	109.40	103.40
May - 22	103.67	104.34	106.38	106.14	105.48	120.25	124.33	110.26
Jun - 22	110.22	115.66	119.86	115.99	116.16	132.66	136.27	121.40
Jul - 22	112.78	118.26	119.68	121.22	118.86	130.36	132.45	122.70
Aug - 22	110.51	116.58	119.54	119.47	117.23	134.61	138.48	122.59
Average	\$103.37	\$106.51	\$108.80	\$108.84	\$106.94	\$116.03	\$118.80	\$110.47

Source: STR

FIGURE 4-16 OCCUPANCY AND ADR BY DAY OF WEEK (TRAILING 12 MONTHS)

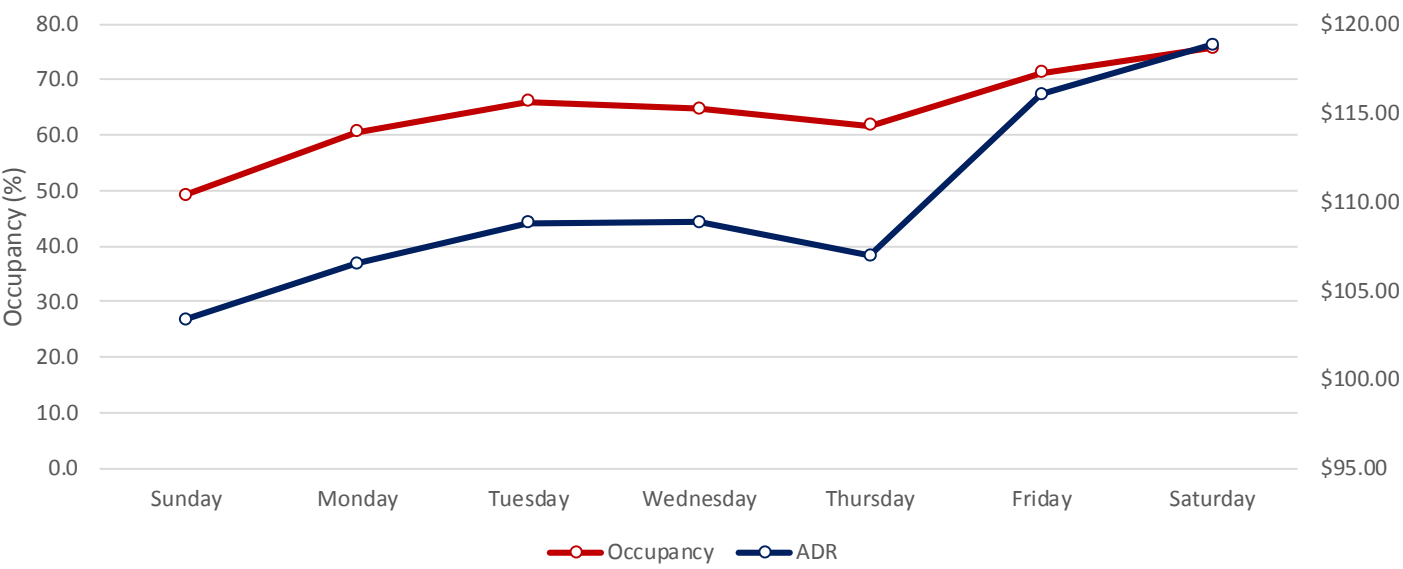


FIGURE 4-17 OCCUPANCY, ADR, AND REVPAR BY DAY OF WEEK (MULTIPLE YEARS)

Occupancy (%)	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Year
Sep 19 - Aug 20	33.7 %	45.7 %	51.6 %	48.7 %	41.3 %	46.2 %	50.4 %	45.3 %
Sep 20 - Aug 21	40.0	46.8	49.6	49.4	48.8	57.2	61.5	50.5
Sep 21 - Aug 22	49.2	60.5	66.0	64.7	61.7	71.2	75.6	64.1
<u>Change (Occupancy Points)</u>								
FY 19 - FY 20	6.3	1.1	(2.1)	0.7	7.6	11.0	11.1	5.1
FY 20 - FY 21	9.1	13.7	16.4	15.3	12.9	14.0	14.1	13.7
ADR (\$)	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Year
Sep 19 - Aug 20	\$98.73	\$105.43	\$108.11	\$106.70	\$100.88	\$97.54	\$99.32	\$102.64
Sep 20 - Aug 21	92.19	93.47	94.52	94.57	95.38	100.06	101.79	96.40
Sep 21 - Aug 22	103.37	106.51	108.80	108.84	106.94	116.03	118.80	110.47
<u>Change (Dollars)</u>								
FY 19 - FY 20	(\$6.53)	(\$11.96)	(\$13.59)	(\$12.12)	(\$5.51)	\$2.52	\$2.46	(\$6.24)
FY 20 - FY 21	11.18	13.05	14.28	14.27	11.56	15.98	17.01	14.07
<u>Change (Percent)</u>								
FY 19 - FY 20	(6.6) %	(11.3) %	(12.6) %	(11.4) %	(5.5) %	2.6 %	2.5 %	(6.1) %
FY 20 - FY 21	12.1	14.0	15.1	15.1	12.1	16.0	16.7	14.6
RevPAR (\$)	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Year
Sep 19 - Aug 20	\$33.26	\$48.20	\$55.83	\$51.94	\$41.62	\$45.08	\$50.06	\$46.54
Sep 20 - Aug 21	36.91	43.72	46.86	46.74	46.55	57.26	62.58	48.65
Sep 21 - Aug 22	50.84	64.46	71.79	70.43	65.97	82.65	89.85	70.85
<u>Change (Dollars)</u>								
FY 19 - FY 20	\$3.64	(\$4.48)	(\$8.97)	(\$5.21)	\$4.93	\$12.18	\$12.52	\$2.12
FY 20 - FY 21	13.93	20.74	24.93	23.70	19.41	25.39	27.27	22.20
<u>Change (Percent)</u>								
FY 19 - FY 20	11.0 %	(9.3) %	(16.1) %	(10.0) %	11.8 %	27.0 %	25.0 %	4.5 %
FY 20 - FY 21	37.8	47.4	53.2	50.7	41.7	44.3	43.6	45.6

Source: STR

In most markets, business travel, including individual commercial travelers and corporate groups, is the predominant source of demand on Monday through Thursday nights. Leisure travelers and non-business-related groups generate a majority of demand on Friday and Saturday nights. Occupancy levels are typically weak on Sunday nights when all segments of demand are at their lowest. As business

travel intensifies, Tuesday and Wednesday reflect strong nights of occupancy. Leisure travel strengthens on Friday and Saturday nights and often surpasses the levels experienced midweek.

SUPPLY

Based on an evaluation of the occupancy, rate structure, market orientation, chain affiliation, location, facilities, amenities, reputation, and quality of each area hotel, as well as the comments of management representatives, we have identified several properties that are expected to be primarily competitive with the Proposed Cottage Grove Hotel. If applicable, additional lodging facilities may be judged only secondarily competitive; although the facilities, rate structures, or market orientations of these hotels prevent their inclusion among the primary competitive supply, they are expected to compete with the proposed subject hotel to some extent.

Primary Competition

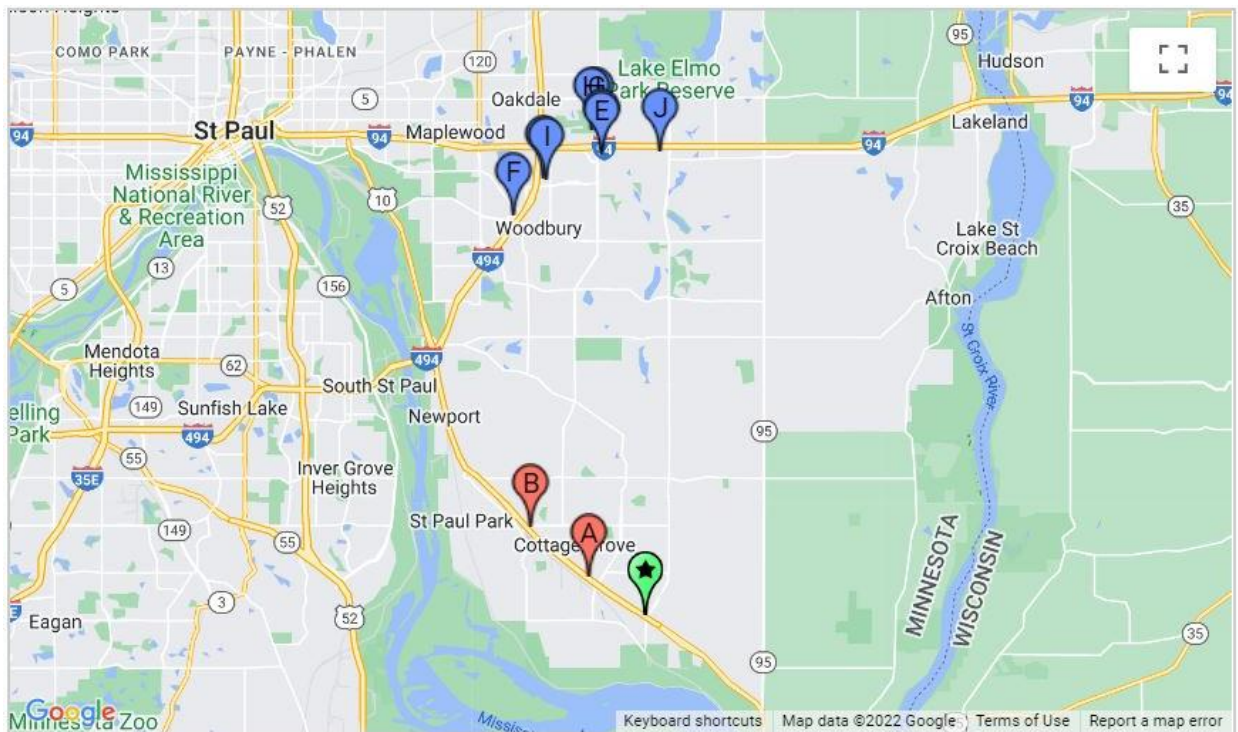
The following table summarizes the important operating characteristics of the future primary competitors and the aggregate secondary competitors (as applicable). This information was compiled from personal interviews, inspections, online resources, and our in-house database of operating and hotel facility data. In cases where exact operating data for an individual property (or properties) were not available, we have used these resources, as well as the STR data, to estimate positioning within the market.

FIGURE 4-18 PRIMARY COMPETITORS – OPERATING PERFORMANCE

Property	Est. Segmentation				Estimated 2019				Estimated 2021					
	Number of Rooms	Commercial	Group	Leisure	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Country Inn & Suites By Carlson Cottage Grove	76	40 %	10 %	50 %	76	60 - 65 %	\$95 - \$100	\$55 - \$60	76	65 - 70 %	\$95 - \$100	\$60 - \$65	110 - 120 %	110 - 120 %
Wakota Inn & Suites	31	10	0	90	31	45 - 50	75 - 80	35 - 40	31	45 - 50	70 - 75	35 - 40	85 - 90	60 - 65
Sub-Totals/Averages	107	33 %	8 %	60 %	107	59.2 %	\$90.11	\$53.37	107	61.4 %	\$91.39	\$56	111 %	101.7 %
Secondary Competitors	873	63 %	18 %	19 %	655	66.9 %	\$115.55	\$77.31	655	54.1 %	\$101.67	\$55	98 %	99.7 %
Totals/Averages	980	59 %	17 %	24 %	762	65.8 %	\$112.33	\$73.95	762	55.1 %	\$100.06	\$55	100 %	100.0 %
* Specific occupancy and average rate data were utilized in our analysis, but are presented in ranges in the above table for the purposes of confidentiality.														

The following map illustrates the three possible locations of the proposed subject property and its future competitors.

MAP OF COMPETITION



- | | | | |
|---|---|---|---|
|  | Keats Avenue |  | Hampton by Hilton Minneapolis Saint Paul Woodbury |
|  | Country Inn & Suites / Jamaica Avenue |  | Hilton Garden Inn Saint Paul Oakdale |
|  | Wakota Inn & Suites / 80th Street |  | Hampton by Hilton Saint Paul Oakdale Woodbury |
|  | Sheraton Saint Paul Woodbury |  | La Quinta Inn & Suites Saint Paul Woodbury |
|  | Courtyard by Marriott Saint Paul Woodbury |  | Holiday Inn Express & Suites Saint Paul Woodbury |
|  | Residence Inn by Marriott Saint Paul Woodbury | | |

Our survey of the primarily competitive hotels in the local market shows a range of lodging types and facilities. Each primary competitor was inspected and evaluated. Descriptions of our findings are presented below.

PRIMARY COMPETITOR #1 - COUNTRY INN & SUITES BY CARLSON COTTAGE GROVE



**Country Inn & Suites By
Carlson Cottage Grove
8350 East Point
Douglas Road
Cottage Grove, MN**

FIGURE 4-19 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	76	60 - 65 %	\$95 - \$100	\$55 - \$60	90 - 95 %	75 - 80 %
Est. 2021	76	65 - 70	95 - 100	60 - 65	110 - 120	110 - 120

This upper-midscale hotel benefits from its national brand affiliation, good condition, complimentary breakfast offering, and visible location along U.S. Highway 10/61. Overall, the property appeared to be in good condition.

PRIMARY COMPETITOR #2 - WAKOTA INN & SUITES



Wakota Inn & Suites
7125 South 80th Street
Cottage Grove, MN

FIGURE 4-20 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	31	45 - 50 %	\$75 - \$80	\$35 - \$40	70 - 75 %	45 - 50 %
Est. 2021	31	45 - 50	70 - 75	35 - 40	85 - 90	60 - 65

This economy, limited-service hotel is proximate to many restaurants at the 80th Avenue Exit of U.S. Highway 10/61, but is disadvantaged by its dated condition and lack of amenities. Overall, the property appeared to be in fair condition.

**Secondary
Competitors**

We have also reviewed other area lodging facilities to determine whether any may compete with the proposed subject hotel on a secondary basis. The room count of each anticipated secondary competitor has been weighted based on its assumed degree of competitiveness in the future with the proposed subject hotel. By assigning degrees of competitiveness, we can assess how the proposed subject hotel and its future competitors may react to various changes in the market, including new supply, changes to demand generators, and renovations or franchise changes of existing supply. The following table sets forth the pertinent operating characteristics of the secondary competitors.

FIGURE 4-21 SECONDARY COMPETITORS – OPERATING PERFORMANCE

Property	Est. Segmentation					Estimated 2019				Estimated 2021			
	Number of Rooms	Commercial	Group	Leisure	Total Competitive Level	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
Sheraton Saint Paul Woodbury	150	55 %	30 %	15 %	75 %	113	65 - 70 %	\$115 - \$120	\$75 - \$80	113	50 - 55 %	\$95 - \$100	\$50 - \$55
Courtyard by Marriott Saint Paul Woodbury	120	65	20	15	75	90	60 - 65	120 - 125	75 - 80	90	55 - 60	110 - 115	60 - 65
Residence Inn by Marriott Saint Paul Woodbury	116	75	10	15	75	87	75 - 80	130 - 140	100 - 105	87	75 - 80	120 - 125	95 - 100
Hampton by Hilton Minneapolis Saint Paul Woodbury	63	70	10	20	75	47	65 - 70	110 - 115	75 - 80	47	25 - 30	95 - 100	25 - 30
Hilton Garden Inn Saint Paul Oakdale	116	60	30	10	75	87	65 - 70	115 - 120	75 - 80	87	30 - 35	95 - 100	30 - 35
Hampton by Hilton Saint Paul Oakdale Woodbury	100	60	10	30	75	75	60 - 65	105 - 110	65 - 70	75	50 - 55	95 - 100	50 - 55
La Quinta Inn & Suites Saint Paul Woodbury	108	60	10	30	75	81	65 - 70	95 - 100	65 - 70	81	55 - 60	85 - 90	50 - 55
Holiday Inn Express & Suites Saint Paul Woodbury	100	65	15	20	75	75	60 - 65	105 - 110	65 - 70	75	55 - 60	90 - 95	50 - 55
Totals/Averages	873	63 %	18 %	19 %	75 %	655	66.9 %	\$115.55	\$77.31	655	54.1 %	\$101.67	\$55.00
* Specific occupancy and average rate data was utilized in our analysis, but is presented in ranges in the above table for the purposes of confidentiality.													

Many of the area demand generators indicated that their guests stay at hotels in the neighboring city of Woodbury due to the lack of preferred hotel accommodations in Cottage Grove, preference for brand affiliation, lack of availability, and proximity to more restaurant/retail options. Therefore, we have identified eight hotels in the city of Woodbury that are expected to compete with the proposed subject hotel on a secondary level.

Supply Changes

It is important to consider any new hotels that may have an impact on the proposed subject hotel's operating performance. We have identified the following new supply that is expected to have some degree of competitive interaction with the proposed subject hotel based on location, anticipated market orientation and price point, and/or operating profile.

FIGURE 4-22 NEW SUPPLY

Proposed Property	Number of	Total Competitive Level	Weighted Room Count	Estimated Opening Date	Development Stage
Proposed Subject Property	90	100 %	90	May 1, 2025	Early Development
Confluence Hotel	77	75	58	May 1, 2023	Under Construction
Totals/Averages	167		148		

The 77-room, full-service Confluence Hotel and Event Center is expected to open in the second quarter of 2023 in Hastings, which is approximately ten miles southeast of Cottage Grove. Given its expected location and product offering, this hotel has been considered a future secondary competitor in our analysis. Based on conversations with area planning officials, no additional hotels are under construction or planned for development in the competitive market.

In response to the travel restrictions and the decline in demand associated with the COVID-19 pandemic, numerous hotels in markets across the nation temporarily suspended operations. During these suspensions, hotels were typically closed to the public, with the majority of staff furloughed; however, key management and maintenance staff were retained to preserve the property and prepare for reopening. The Hampton Inn & Suites by Hilton Woodbury suspended operations between September 2020 and May 2021 because of the COVID-19 pandemic. Our analysis considers the full supply of competitive rooms, including any hotels that may have temporarily suspended operations. It is important to note that we have adjusted STR data to reflect the total available rooms in the market and true occupancy, regardless of suspended operations at competitive hotels.

While we have taken reasonable steps to investigate proposed hotel projects and their status, due to the nature of real estate development, it is impossible to determine with certainty every hotel that will be opened in the future or what their marketing strategies and effect on the market will be. Depending on the outcome of current and future projects, the future operating potential of the proposed subject hotel may be affected. Future improvement in market conditions will raise the risk of increased competition. Our forthcoming forecast of stabilized occupancy and ADR is intended to reflect such risk.

Supply Conclusion

We have identified various properties that are expected to be competitive to some degree with the proposed subject hotel. We have also investigated potential increases in competitive supply in this Cottage Grove submarket. The Proposed Cottage Grove Hotel should enter a dynamic market of varying product types and price points. Next, we will present our forecast for demand change, using the historical supply data presented as a starting point.

DEMAND

The following table presents the most recent trends for the subject hotel market as tracked by HVS. These data pertain to the competitors discussed previously in this section; performance results are estimated, rounded for the competition, and weighted if there are secondary competitors present. In this respect, the information in the table differs from the previously presented STR data and is consistent with the supply-and-demand analysis developed for this report.

FIGURE 4-23 HISTORICAL MARKET TRENDS

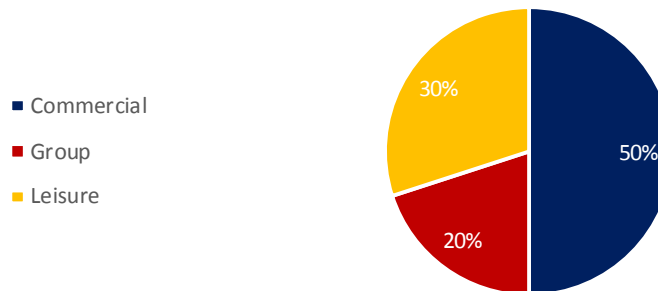
Year	Accommodated Room Nights	% Change	Room Nights Available	% Change	Market Occupancy	Market ADR	% Change	Market RevPAR	% Change
Est. 2019	183,028	—	278,039	—	65.8 %	\$112.33	—	\$73.95	—
Est. 2020	104,688	(42.8) %	278,039	0.0 %	37.7	90.80	(19.2) %	34.19	(53.8) %
Est. 2021	153,253	46.4	278,039	0.0	55.1	100.06	10.2	55.15	61.3
Avg. Annual Compounded Chg., Est. 2019-Est. 2021:		(8.5) %		(0.0) %			(5.6) %		(13.6) %

Demand Analysis Using Market Segmentation

For the purpose of demand analysis, the overall market is divided into individual segments based on the nature of travel. Based on our fieldwork, area analysis, and knowledge of the local lodging market, we estimate the 2019 distribution of accommodated-room-night demand as follows.

FIGURE 4-24 BASE-YEAR ACCOMMODATED-ROOM-NIGHT DEMAND

Market Segment	2019 Marketwide		2021 Marketwide	
	Accommodated Demand	Percentage of Total	Accommodated Demand	Percentage of Total
Commercial	108,875	59 %	76,626	50 %
Group	30,382	17	30,651	20
Leisure	43,771	24	45,976	30
Total	183,028	100 %	153,253	100 %

FIGURE 4-25 MARKET-WIDE ACCOMMODATED-ROOM-NIGHT DEMAND

In 2021, the market's demand mix comprised commercial demand, with this segment representing roughly 50% of the accommodated room nights in this Cottage Grove submarket. The group segment comprised 20% of the total, with the final portion leisure in nature, reflecting 30%.

Using the distribution of accommodated hotel demand as a starting point, we will analyze the characteristics of each market segment in an effort to determine future trends in room-night demand.

Commercial Segment

Commercial demand consists mainly of individual businesspeople passing through the subject market or visiting area businesses, in addition to high-volume corporate accounts generated by local firms. Brand loyalty (particularly frequent-traveler programs), as well as location and convenience with respect to businesses and amenities, influence lodging choices in this segment. Companies typically designate hotels as "preferred" accommodations in return for more favorable rates, which are

discounted in proportion to the number of room nights produced by a commercial client. Commercial demand is strongest Monday through Thursday nights, declines significantly on Friday and Saturday, and increases somewhat on Sunday night. It is relatively constant throughout the year, with marginal declines in late December and during other holiday periods.

Primary commercial demand generators for this market typically include major corporate offices in the area, such as 3M, Renewal by Andersen, Van Meter, Marathon Petroleum, and Smead Manufacturing. Commercially driven demand declined notably in 2020 and early 2021 given the COVID-19 pandemic. As employees continue to return to offices and development continues in the market, we expect commercial demand to surpass 2019 levels.

Group Segment

In the limited-service sector, group demand is most commonly generated by groups that require ten or more room nights, but which need little to no meeting space within the hotel. Examples of these groups include family reunions, sports teams, and bus tours. In some markets, limited-service hotels may also accommodate demand from groups or individuals attending events at the local convention center or at one of the larger convention hotels in the area.

Social groups and coordinated bookings for youth sports teams have historically generated group demand for local hotels; furthermore, corporate groups have represented additional sources of demand. However, this type of demand was limited in 2020 and early 2021 due to the COVID-19 pandemic. According to area recreational officials, sports groups returned to the market in 2021 and 2022, while wedding business has increased significantly in 2022. Due to the lack of hotel rooms in the market, many groups reportedly stay in nearby Woodbury. Demand within this segment is forecast to continue to grow with the expansion of group facilities and sports venues in the area.

Leisure Segment

Leisure demand consists of individuals and families spending time in an area or passing through en route to other destinations. Travel purposes include sightseeing, recreation, or visiting friends and relatives. Leisure demand also includes room nights booked through Internet sites such as Expedia, Hotels.com, and Priceline; however, leisure may not be the purpose of the stay. This demand may also include business travelers and group and convention attendees who use these channels to take advantage of any discounts that may be available on these sites. Leisure demand is strongest on Friday and Saturday nights and all week during holiday periods and the summer months. These peak periods represent the inverse of commercial visitation trends, underscoring the stabilizing effect of capturing weekend and summer tourist travel. Future leisure demand is related to the overall economic health of the region and the nation. Trends showing changes in state and

regional unemployment and disposable personal income correlate strongly with leisure travel levels.

Leisure demand for this highway-adjacent market is typically generated by motorists on U.S. Highway 61/10 seeking a convenient stopover en route to other destinations, as well as by those visiting friends and family in the area. We have considered the impact of the COVID-19 pandemic on leisure demand in our forecasts. Leisure demand is a strong source of demand in this market and has been recovering since the spring of 2021, noticeably more quickly than the other segments.

Base Demand Growth Rates

The purpose of segmenting the lodging market is to define each major type of demand, identify customer characteristics, and estimate future growth trends. Starting with an analysis of the local area, three segments were defined as representing the proposed subject hotel's lodging market. Various types of economic and demographic data were then evaluated to determine their propensity to reflect changes in hotel demand. Based on this procedure, we forecast the following average annual compounded market-segment growth rates.

FIGURE 4-26 AVERAGE ANNUAL COMPOUNDED MARKET-SEGMENT GROWTH RATES

Market Segment	Annual Growth Rate						
	2022	2023	2024	2025	2026	2027	2028
Commercial	25.0 %	5.0 %	3.0 %	5.0 %	3.0 %	0.0 %	0.0 %
Group	15.0	7.0	10.0	7.0	5.0	0.0	0.0
Leisure	10.0	5.0	3.0	4.0	2.0	0.0	0.0
Base Demand Growth	18.5 %	5.4 %	4.4 %	5.1 %	3.2 %	0.0 %	0.0 %

Latent Demand

A table presented earlier in this section illustrated the accommodated-room-night demand in the proposed subject hotel's competitive market. Because this estimate is based on historical occupancy levels, it includes only those hotel rooms that were used by guests. Latent demand reflects potential room-night demand that has not been realized by the existing competitive supply, further classified as either unaccommodated demand or induced demand.

Unaccommodated Demand

Unaccommodated demand refers to individuals who are unable to secure accommodations in the market because all the local hotels are filled. These travelers must defer their trips, settle for less desirable accommodations, or stay in properties located outside the market area. Because this demand did not yield occupied room nights, it is not included in the estimate of historical accommodated-

room-night demand. If additional lodging facilities are expected to enter the market, it is reasonable to assume that these guests will be able to secure hotel rooms in the future, and it is therefore necessary to quantify this demand.

Unaccommodated demand is further indicated if the market is at all seasonal, with distinct high and low seasons; such seasonality indicates that although year-end occupancy may not average in excess of 70.0%, the market may sell out certain nights during the year. To evaluate the incidence of unaccommodated demand in the market, we have reviewed the average occupancy by the night of the week for the past twelve months for the competitive set, as reflected in the STR data. This is set forth in the following table.

FIGURE 4-27 OCCUPANCY BY NIGHT OF THE WEEK

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Sep - 21	51.0 %	57.2 %	59.9 %	60.0 %	61.4 %	81.5 %	87.3 %	65.1 %
Oct - 21	41.3	55.7	59.2	58.8	58.2	74.6	80.7	61.6
Nov - 21	34.5	46.6	49.8	50.5	49.1	53.5	55.8	48.5
Dec - 21	36.6	45.5	47.2	46.1	42.2	53.3	55.2	46.6
January 22	34.1	42.4	46.5	44.2	41.0	48.3	55.1	44.4
Feb - 22	36.6	49.2	52.9	49.2	45.2	54.8	66.5	50.6
Mar - 22	42.9	53.9	60.2	59.0	56.2	64.8	67.6	57.9
Apr - 22	47.8	63.5	70.6	67.4	62.8	68.5	74.6	65.5
May - 22	59.6	71.3	80.6	81.8	73.4	85.4	88.5	76.6
Jun - 22	66.5	81.8	87.0	84.0	82.4	93.0	94.4	84.1
Jul - 22	71.0	77.7	86.6	87.8	87.0	88.1	91.0	84.1
Aug - 22	66.1	81.5	87.7	85.3	82.6	89.1	91.1	83.5
Average	49.2 %	60.5 %	66.0 %	64.7 %	61.7 %	71.2 %	75.6 %	64.1 %

Source: STR

The following table presents our estimate of unaccommodated demand in the subject market.

FIGURE 4-28 UNACCOMMODATED DEMAND ESTIMATE

Market Segment	Accommodated Room Night Demand	Unaccommodated Demand	Unaccommodated Room Night Demand
Commercial	108,875	0.0 %	0
Group	30,382	4.6	1,391
Leisure	43,771	3.1	1,336
Total	183,028	1.5 %	2,728

Accordingly, we have forecast unaccommodated demand equivalent to 1.5% of the base-year demand, resulting from our analysis of monthly and weekly peak demand and sell-out trends.

Induced Demand

Induced demand represents the additional room nights that are expected to be attracted to the market following the introduction of a new demand generator. Situations that can result in induced demand include the opening of a new manufacturing plant, the expansion of a convention center, or the addition of a new hotel with a distinct chain affiliation or unique facilities. Although increases in demand are expected in the local market, we have accounted for this growth in the determination of market-segment growth rates rather than induced demand.

Accommodated Demand and Market-wide Occupancy

Based upon a review of the market dynamics in the proposed subject hotel's competitive environment, we have forecast growth rates for each market segment. Using the calculated potential demand for the market, we have determined market-wide accommodated demand based on the inherent limitations of demand fluctuations and other factors in the market area.

The following table details our projection of lodging demand growth for the subject market, including the total number of occupied room nights and any residual unaccommodated demand in the market.

FIGURE 4-29 FORECAST OF MARKET OCCUPANCY

	2019	2021	2022	2023	2024	2025	2026	2027	2028
Commercial									
Total Demand	108,875	76,626	95,783	100,572	103,589	108,769	112,032	112,032	112,032
Growth Rate		(29.6) %	25.0 %	5.0 %	3.0 %	5.0 %	3.0 %	0.0 %	0.0 %
Group									
Base Demand	30,382	30,651	35,248	37,715	41,487	44,391	46,611	46,611	46,611
Unaccommodated Demand		1,404	1,614	1,727	1,900	2,033	2,135	2,135	2,135
Total Demand	30,382	32,054	36,862	39,443	43,387	46,424	48,745	48,745	48,745
Growth Rate		5.5 %	15.0 %	7.0 %	10.0 %	7.0 %	5.0 %	0.0 %	0.0 %
Leisure									
Base Demand	43,771	45,976	50,573	53,102	54,695	56,883	58,021	58,021	58,021
Unaccommodated Demand		1,404	1,544	1,621	1,670	1,737	1,771	1,771	1,771
Total Demand	43,771	47,379	52,117	54,723	56,365	58,619	59,792	59,792	59,792
Growth Rate		8.2 %	10.0 %	5.0 %	3.0 %	4.0 %	2.0 %	0.0 %	0.0 %
Totals									
Base Demand	183,028	153,253	181,604	191,389	199,771	210,043	216,663	216,663	216,663
Unaccommodated Demand		2,807	3,158	3,348	3,570	3,769	3,906	3,906	3,906
Total Demand	183,028	156,060	184,762	194,738	203,341	213,812	220,569	220,569	220,569
less: Residual Demand		2,807	3,158	2,470	2,646	755	542	542	542
Total Accommodated Demand	183,028	153,253	181,604	192,268	200,695	213,057	220,027	220,027	220,027
Overall Demand Growth	—	46.4 %	18.5 %	5.9 %	4.4 %	6.2 %	3.3 %	0.0 %	0.0 %
Market Mix									
Commercial	59.5 %	50.0 %	51.8 %	51.6 %	50.9 %	50.9 %	50.8 %	50.8 %	50.8 %
Group	16.6	20.0	20.0	20.3	21.3	21.7	22.1	22.1	22.1
Leisure	23.9	30.0	28.2	28.1	27.7	27.4	27.1	27.1	27.1
Existing Hotel Supply	762	762	762	762	762	762	762	762	762
Proposed Hotels									
Proposed Subject Property ¹						60	90	90	90
Confluence Hotel ²				39	58	58	58	58	58
Available Room Nights per Year	278,039	278,039	278,039	292,188	299,118	321,168	331,968	331,968	331,968
Nights per Year	365	365	365	365	365	365	365	365	365
Total Supply	762	762	762	801	820	880	910	910	910
Rooms Supply Growth	0.0 %	0.0 %	0.0 %	5.1 %	2.4 %	7.4 %	3.4 %	0.0 %	0.0 %
Marketwide Occupancy	65.8 %	55.1 %	65.3 %	65.8 %	67.1 %	66.3 %	66.3 %	66.3 %	66.3 %

¹ Opening in May 2025 of the 100% competitive, 90-room Proposed Subject Property

² Opening in May 2023 of the 75% competitive, 77-room Confluence Hotel

The defined competitive market of hotels experienced a sharp occupancy decline in 2020 and early 2021 because of the severe downturn in travel associated with the COVID-19 pandemic. The recent recovery is expected to continue given the ongoing return of many employees to offices, stronger levels of industrial development in both Cottage Grove and Woodbury, and the return of larger group gatherings.

5. Description of the Proposed Improvements

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

Project Overview

The City of Cottage Grove is looking into the development of a hotel and multiple site locations are available for such development; however, a specific site had not been chosen at the time of our report. We have analyzed the locations of the sites in regard to their proximity to demand generators, retail establishments, and entertainment venues. Based on interviews conducted with demand generators and our evaluation of the market performance, it is our recommendation that the proposed subject hotel operate as a midscale or upper-midscale limited-service property, such as a Fairfield by Marriott, Hampton by Hilton, Holiday Inn Express, or comparable brand. Given the existence of extended-stay demand in the market, there is the potential for a dual branding of the subject hotel to include some extended-stay rooms in the available inventory. Possible dual-branded hotel combinations include Fairfield/TownePlace Suites by Marriott, Tru/Home2 Suites by Hilton, and Avid/Candlewood Suites.

It is important to note that select-service and full-service hotels may be preferred by some traveling corporate executives in the area, however, these type of hotels would need to garner significantly higher average rates than what is currently being achieved in order to justify the higher construction cost. Based on our demand generator surveys conducted in the area, there was not a substantial number of consumers willing to pay higher rates.

Summary of the Recommended Facilities

Based on our review the existing supply and demand in the Cottage Grove and Woodbury markets, as well as considering the seasonality of the area, we would recommend a room count of between 80 and 100 rooms. For the purpose of our projections, we have positioned the proposed subject property as a 90-unit nationally-affiliated, upper midscale limited-service hotel. The following table summarizes the facilities that we recommend be available at the proposed subject hotel.

FIGURE 5-1 PROPOSED FACILITIES RECOMMENDATION

Guestroom Configuration		Number of Units
Queen/Queen		50%
King		50%
Total		80 to 100
Food & Beverage Facilities		
Complimentary Breakfast Area		
Indoor Meeting & Banquet Facilities		Capacity
Meeting Room		50
Amenities & Services		
Indoor Swimming Pool		Lobby Workstation
Indoor Whirlpool		Market Pantry
Fitness Room		Guest Laundry Area

Site Improvements and Hotel Structure

Once guests enter the site, ample parking should be available on a surface lot or subterranean parking lot underneath the hotel, depending on the constraints of the site. Site improvements are expected to include freestanding signage at the main entrance to the development, which should direct motorists to the hotel's main entrance (additional signage is also anticipated to be placed on the exterior of the building). We assume that all signage will adequately identify the property and meet brand standards. Landscaping should allow for a positive guest impression and competitive exterior appearance. Sidewalks should be present along the front entrance and around the perimeter of the hotel. The hotel structure will likely comprise one single building. The building components are expected to be normal for a hotel of this type and should meet the standards for this market and selected brand. We assume that all structural components will meet local building codes and that no significant defaults will occur during construction that would impact the future operating potential of the hotel or delay its assumed opening date.

Facilities

The hotel's complimentary breakfast dining area is anticipated to be located off the lobby. Its size and layout should be appropriate for the hotel. The furnishings of the space are expected to be of a similar style and finish as lobby and guestroom furnishings. Based on market demand, and in consideration of brand standards, it is our recommendation that the proposed hotel offer at least one meeting room with a capacity for 50 people. This amount of meeting space should be appropriate for a hotel of this type and would be assumed to meet brand standards. The hotel should offer an indoor pool and whirlpool and a fitness room as recreational facilities. Other

amenities are likely to include a lobby workstation or small business center, a market pantry, and a guest laundry area. Overall, the supporting facilities should be appropriate for a hotel of this type, and we assume that they will meet brand standards.

Guestrooms

A midscale and upper midscale hotel should feature standard and suite-style room configurations, with guestrooms present on all levels of the property's proposed single building. The standard guestrooms should offer typical amenities for this product type, while the suites would be expected to feature a larger living area. If the hotel is dual-branded, the extended-stay suites would offer fully equipped kitchens and separated living and sleeping areas. The guestroom bathrooms would be of a standard size, with a shower-in-tub or shower stall, commode, and single sink with vanity area. Overall, the guestrooms should offer a competitive product for this Cottage Grove neighborhood.

Back-of-the-House, ADA, and Environmental

The hotel is expected to be served by the necessary back-of-the-house space, including an in-house laundry facility, administrative offices, and a prep kitchen to service the needs of the breakfast dining area. These spaces should be adequate for a hotel of this type and should allow for the efficient operation of the property under competent management.

We assume that the property will be built according to all pertinent codes and brand standards. Moreover, we assume its construction will not create any environmental hazards (such as mold) and that the property will fully comply with the Americans with Disabilities Act.

Capital Expenditures

Our analysis assumes that the hotel will require ongoing upgrades and periodic renovations after its opening in order to maintain its competitive level in this market and to remain compliant with brand standards. These costs should be adequately funded by the forecasted reserve for replacement, as long as hotel staff employs a successful, ongoing preventive-maintenance program.

Conclusion

Overall, the proposed subject property should offer a well-designed, functional layout of support areas and guestrooms. All typical and market-appropriate features and amenities are expected to be included in the hotel's design. We assume that the building will be fully open and operational on the stipulated opening date and will meet all local building codes and brand standards. Furthermore, we assume that the hotel staff will be adequately trained to allow for a successful opening and that pre-marketing efforts will have introduced the product to major local accounts at least six months in advance of the opening date.

6. Projection of Occupancy and Average Rate

Along with average rate results, the occupancy levels achieved by a hotel are the foundation of the property's financial performance. Most of a lodging facility's other revenue sources (such as food and beverage, other operated departments, and miscellaneous income) are driven by the number of guests, and many expense levels vary with occupancy. To a certain degree, occupancy attainment can be manipulated by management. For example, hotel operators may choose to lower rates in an effort to maximize occupancy. Our forecasts reflect an operating strategy that we believe would be implemented by a typical, professional hotel management team to achieve an optimal mix of occupancy and average rate.

Penetration Rate Analysis

The proposed subject hotel's forecasted market share and occupancy levels are based upon its anticipated competitive position within the market, as quantified by its penetration rate. The penetration rate is the ratio of a hotel's market share to its fair share.

Base-Year Penetration Rates by Market Segment

In the following table, the penetration rates attained by the primary competitors and the aggregate secondary competitors are set forth for each segment for the base year. As discussed previously in the Supply and Demand Analysis chapter of this report, we are utilizing the market's performance prior to the onset of the COVID-19 pandemic as a benchmark for projecting a return to normalized performance.

FIGURE 6-1 HISTORICAL PENETRATION RATES

Property	Commercial	Group	Leisure	Overall
Country Inn & Suites By Carlson Cottage Grove	119 %	116 %	300 %	170 %
Wakota Inn & Suites	22	0	405	127
Secondary Competition	101	103	62	91

The Country Inn & Suites By Carlson Cottage Grove achieved the highest penetration rate within the commercial and group segments, while the Wakota Inn & Suites led the market with the highest leisure penetration rate.

**Forecast of Subject
Property's Occupancy**

Because the supply and demand balance for the competitive market is dynamic, there is a circular relationship between the penetration factors of each hotel in the market. The performance of individual new hotels has a direct effect upon the aggregate performance of the market and, consequently, upon the calculated penetration factor for each hotel in each market segment. The same is true when the performance of existing hotels changes, either positively (following a refurbishment, for example) or negatively (when a poorly maintained or marketed hotel loses market share).

A hotel's penetration factor is calculated as its achieved market share of demand divided by its fair share of demand. Thus, if one hotel's penetration performance increases, thereby increasing its achieved market share, this leaves less demand available in the market for the other hotels to capture, and the penetration performance of one or more of those other hotels consequently declines (other things remaining equal). This type of market share adjustment takes place every time there is a change in supply or a change in the relative penetration performance of one or more hotels in the competitive market. Our projections of penetration, demand capture, and occupancy performance for the proposed subject hotel account for these types of adjustments to market share within the defined competitive market.

The proposed subject hotel's occupancy forecast is set forth as follows, with the adjusted projected penetration rates used as a basis for calculating the amount of captured market demand.

FIGURE 6-2 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY

Market Segment	2025	2026	2027	2028
Commercial				
Demand	108,769	111,766	111,766	111,766
Market Share	7.2 %	11.2 %	11.2 %	11.2 %
Capture	7,840	12,572	12,572	12,572
Penetration	105 %	114 %	114 %	114 %
Group				
Demand	46,017	48,620	48,620	48,620
Market Share	4.9 %	8.0 %	8.6 %	8.6 %
Capture	2,243	3,901	4,169	4,169
Penetration	71 %	81 %	87 %	87 %
Leisure				
Demand	58,272	59,642	59,642	59,642
Market Share	7.2 %	10.4 %	10.4 %	10.4 %
Capture	4,200	6,186	6,186	6,186
Penetration	105 %	105 %	105 %	105 %
Total Room Nights Captured	14,283	22,659	22,927	22,927
Available Room Nights	22,050	32,850	32,850	32,850
Subject Occupancy	65 %	69 %	70 %	70 %
Market-wide Available Room Nights	321,168	331,968	331,968	331,968
Fair Share	7 %	10 %	10 %	10 %
Market-wide Occupied Room Nights	213,057	220,027	220,027	220,027
Market Share	7 %	10 %	10 %	10 %
Market-wide Occupancy	66 %	66 %	66 %	66 %
Total Penetration	98 %	104 %	105 %	105 %

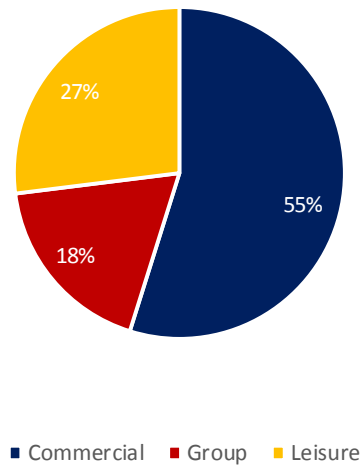
Within the commercial segment, the proposed subject hotel's occupancy penetration is positioned above the market-average level supported by the assumed national franchise affiliation, age of the property, and proximity to the industrial park. The proposed subject hotel's occupancy penetration in the meeting and group segment is positioned appropriately within the range of existing competitors given the proposed hotel's limited amount of anticipated meeting space. Within the leisure segment, the proposed subject hotel's occupancy penetration is positioned above the market-average level, largely attributed to the national affiliation, proposed complimentary amenities, and proximity to U.S. Highway 10/61.

These positioned segment penetration rates result in the following market segmentation forecast.

FIGURE 6-3 MARKET SEGMENTATION FORECAST – SUBJECT PROPERTY

	2025	2026	2027	2028
Commercial	55 %	55 %	55 %	55 %
Group	16	17	18	18
Leisure	29	27	27	27
Total	100 %	100 %	100 %	100 %

FIGURE 6-4 STABILIZED MARKET SEGMENTATION – SUBJECT PROPERTY



Based on our analysis of the proposed subject hotel and market area, we have selected a stabilized occupancy level of 70%. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the proposed subject hotel may operate at occupancies above this stabilized level, we believe it equally possible for new

competition and temporary economic downturns to force the occupancy below this selected point of stability.

Average Rate Analysis

One of the most important considerations in estimating the feasibility of a lodging facility is a supportable forecast of its attainable average rate (ADR), which is more formally defined as the average rate per occupied room; ADR can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The projected ADR and the anticipated occupancy percentage are used to forecast rooms revenue, which in turn provides the basis for estimating most other income and expense categories.

Competitive Position

Although the ADR analysis presented here follows the occupancy projection, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding ADR. This relationship is best illustrated by revenue per available room (RevPAR), which reflects a property's ability to maximize rooms revenue. The following table summarizes the historical ADR and RevPAR levels of the proposed subject hotel's future primary competitors.

FIGURE 6-5 BASE-YEAR ADR AND REVPAR OF THE COMPETITORS

Property	Estimated 2021 Average Room Rate	Average Room Rate Penetration	Occupancy	Occupancy Penetration	Rooms Revenue Per Available Room (RevPAR)	RevPAR Penetration
Country Inn & Suites By Carlson Cottage Grove	\$95 - \$100	97.9 %	65 - 70 %	110 - 120 %	\$60 - \$65	110 - 120 %
Wakota Inn & Suites	70 - 75	70.0	45 - 50	85 - 90	35 - 40	60 - 65
Average - Primary Competitors	\$91.39	91.3 %	61.4 %	111.3 %	\$56.08	101.7 %
Average - Secondary Competitors	101.67	101.6	54.1	98.1	55.00	99.7
Overall Average	\$100.06	100.0 %	55.1 %	100.0 %	\$55.15	100.0 %
Subject As If Stabilized (In 2021 Dollars)	\$105.00	104.9 %	58.0 %	105.3 %	\$60.94	110.5 %

We have selected the rate position of \$105.00, in base-year dollars (2021), for the proposed subject hotel. We have positioned the proposed subject hotel's stabilized ADR in the 2021 base year in consideration of its new facility, strong brand affiliation, and proximity to area demand generators. Average rates for this competitive market are anticipated to continue the strengthening trend that began in 2021, with a strong growth rate forecast for 2022 given the swift recovery from

the particularly low ADRs in the first half of 2021, as indicated by the month-over-month comparisons in the first half of 2022. ADR growth is then anticipated to moderate downward in the following years. The projected recovery related to the market's ADR growth in our forecast is based upon Cottage Grove's popularity as a industrial business and sports team destination.

The following table presents the ADR forecast for the market and the proposed subject hotel on a calendar-year basis, as well as the resulting ADR penetration level. The proposed subject hotel's projected ADR (as if stabilized) is then fiscalized to correspond with the hotel's anticipated date of opening for each forecast year.

FIGURE 6-6 ADR FORECAST – MARKET AND PROPOSED SUBJECT PROPERTY

Calendar Year	Historical		2022	2023	2024	2025	2026	2027	2028	2029
	2019	2021								
Market ADR	\$112.33	\$100.06	\$110.07	\$115.57	\$119.04	\$122.61	\$126.28	\$130.07	\$133.98	\$137.99
Projected Market ADR Growth Rate	—		10.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Property ADR (As-If Stabilized)		\$105.00	\$115.50	\$121.28	\$124.91	\$128.66	\$132.52	\$136.50	\$140.59	\$144.81
ADR Growth Rate			10.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Stabilized ADR Penetration		105%	105%	105%	105%	105%	105%	105%	105%	105%
Fiscal Year						2025/26	2026/27	2027/28	2028/29	2029/30
Proposed Subject Property Average Rate						\$129.93	\$133.83	\$137.84	\$141.98	\$146.24
Opening Discount						5.0%	0.0%	0.0%	0.0%	0.0%
Average Rate After Discount						\$123.43	\$133.83	\$137.84	\$141.98	\$146.24
Real Average Rate Growth						—	8.4%	3.0%	3.0%	3.0%
Market ADR						\$123.82	\$127.53	\$131.36	\$135.30	\$139.36
Proposed Subject ADR Penetration (After Discount)						100%	105%	105%	105%	105%
ADR Expressed in Base-Year Dollars Deflated @ Inflation Rate						\$104.50	\$110.00	\$110.00	\$110.00	\$110.00

The proposed subject hotel's ADR penetration level is forecast to reach 105% by the stabilized period, consistent with our stabilized ADR positioning. Based on our review of the proposed improvements and the anticipated profile of the hotel product and its operation, it is our opinion that the ADR penetration level should be achievable with appropriate management and marketing. The proposed hotel's positioned stabilized ADR is projected to increase at the same rate as the overall market's ADR, prior to consideration of any ADR discounting during the hotel's ramp-up period. A discount of 5% has been applied to the stabilized room rate projected for the first year of operation, as would be expected for a new property of this type as it builds its reputation and becomes established in the market.

Note that our forecast of income and expense, which follows later in this report, assumes the following underlying inflation rates.

FIGURE 6-7 INFLATION ASSUMPTIONS

Timeframe			Rate of Inflation Assumed
2021	to	2022	6.0 %
2022	to	2023	4.0
2023	to	2024	3.0
2024	to	2025	3.0
2025	to	2026	3.0

The following table sets forth our concluding forecast of the proposed subject hotel's occupancy, ADR, and RevPAR, with corresponding penetration levels, for the first projection year through the stabilized year of operation. The competitive market's historical and projected occupancy, ADR, and RevPAR levels are presented for comparison, with the projections fiscalized to correspond with the proposed subject hotel's forecast, as appropriate.

FIGURE 6-8 COMPARISON OF HISTORICAL AND PROJECTED OCCUPANCY, ADR, AND REVPAR – PROPOSED SUBJECT PROPERTY AND MARKET

				Projected					
	2019	2020	2021	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Proposed Cottage Grove Hotel									
Occupancy				—	—	—	66.2 %	69.2 %	69.8 %
Change in Points				—	—	—	—	3.1	0.5
Occupancy Penetration				—	—	—	99.8 %	104.5 %	105.3 %
Average Rate			\$105.00	\$117.40	\$122.47	\$126.15	\$123.43	\$133.83	\$137.84
Change				—	4.3 %	3.0 %	(2.2) %	8.4 %	3.0 %
Average Rate Penetration				104.9 %	104.9 %	104.9 %	99.7 %	104.9 %	104.9 %
RevPAR				—	—	—	\$81.66	\$92.67	\$96.20
Change				—	—	—	—	13.5 %	3.8 %
RevPAR Penetration				—	—	—	99.4 %	109.6 %	110.5 %
	Historical			Projected					
	2019	2020	2021	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Cottage Grove Submarket									
Occupancy	65.8 %	37.7 %	55.1 %	65.5 %	66.2 %	66.8 %	66.3 %	66.3 %	66.3 %
Change in Points	—	(28.2)	17.5	10.4	0.8	0.6	(0.5)	(0.0)	0.0
Average Rate	\$112.33	\$90.80	\$100.06	\$111.87	\$116.71	\$120.21	\$123.82	\$127.53	\$131.36
Change	—	(19.2) %	10.2 %	11.8 %	4.3 %	3.0 %	3.0 %	3.0 %	3.0 %
RevPAR	\$73.95	\$34.19	\$55.15	\$73.25	\$77.29	\$80.36	\$82.11	\$84.53	\$87.06
Change	—	(53.8) %	61.3 %	32.8 %	5.5 %	4.0 %	2.2 %	2.9 %	3.0 %

The following occupancies and average rates will be used to project the proposed subject hotel's rooms revenue; this forecast reflects years beginning on May 1, 2025, which correspond with our financial projections.

FIGURE 6-9 FORECASTS OF OCCUPANCY AND AVERAGE RATE

Year	Occupancy	Average Rate		Average Rate After Discount
		Before Discount	Discount	
2025/26	66 %	\$129.93	5.0 %	\$123.43
2026/27	69	133.83	0.0	133.83
2027/28	70	137.84	0.0	137.84

7. Projection of Income and Expense

In this chapter of our report, we have compiled a forecast of income and expense for the proposed subject hotel. This forecast is based on the facilities program set forth previously, as well as the occupancy and ADR forecast discussed previously.

The forecast of income and expense is expressed in current dollars for each year. The stabilized year is intended to reflect the anticipated operating results of the property over its remaining economic life given any or all applicable stages of build-up, plateau, and decline in the life cycle of the hotel. Thus, income and expense estimates from the stabilized year forward exclude from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusual revenues or expenses. The ten-year period reflects the typical holding period of large real estate assets such as hotels. In addition, the ten-year period provides for the stabilization of income streams and comparison of yields with alternate types of real estate. The forecasted income streams reflect the future benefits of owning specific rights in income-producing real estate.

Comparable Operating Statements

In order to project future income and expense for the proposed subject hotel, we have included a sample of individual comparable operating statements from our database of hotel statistics. All financial data are presented according to the three most common measures of industry performance: ratio to sales (RTS), amounts per available room (PAR), and amounts per occupied room night (POR). These historical income and expense statements will be used as benchmarks in our forthcoming forecast of income and expense. The proposed subject hotel's stabilized statement of income and expense, deflated to 2021 dollars, is also presented.

FIGURE 7-1 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject Def. Stab \$
Number of Rooms:	60 to 80	80 to 110	80 to 110	70 to 100	80 to 110	90
Days Open:	365	365	365	365	365	365
Occupancy:	67%	72%	70%	69%	72%	70%
Average Rate:	\$112	\$112	\$106	\$108	\$113	\$110
RevPAR:	\$75	\$81	\$74	\$74	\$81	\$77
REVENUE						
Rooms	98.0 %	98.6 %	95.6 %	98.8 %	97.3 %	98.3 %
Other Operated Departments	1.6	1.4	1.3	0.7	2.3	1.3
Miscellaneous Income	0.4	0.0	3.0	0.4	0.3	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES*						
Rooms	25.1	22.1	23.8	29.5	25.1	24.5
Other Operated Departments	21.9	40.3	52.6	58.3	23.5	50.0
Total	25.0	22.3	23.5	29.5	25.0	24.8
DEPARTMENTAL INCOME	75.0	77.7	76.5	70.5	75.0	75.2
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	8.2	7.3	10.2	5.6	9.3	8.7
Info. and Telecom. Systems	0.8	1.3	2.5	1.0	2.0	1.4
Marketing	5.4	6.0	7.4	1.3	2.5	4.4
Franchise Fee	10.3	8.9	4.9	8.4	9.2	8.4
Property Operations & Maintenance	3.3	3.4	5.1	7.2	6.7	4.5
Utilities	3.5	4.1	4.1	4.4	3.1	4.4
Total	31.4	31.1	34.2	28.0	32.8	31.8
GROSS OPERATING PROFIT	43.6	46.6	42.3	42.5	42.2	43.5
Management Fee	4.5	4.0	3.0	0.0	5.0	3.0
INCOME BEFORE NON-OPER. INC. & EXP.	39.1	42.6	39.3	42.5	37.3	40.5

* Departmental expense ratios are expressed as a percentage of departmental revenues

FIGURE 7-2 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Def. Stab \$
Number of Rooms:	60 to 80	80 to 110	80 to 110	70 to 100	80 to 110	90
Days Open:	365	365	365	365	365	365
Occupancy:	67%	72%	70%	69%	72%	70%
Average Rate:	\$112	\$112	\$106	\$108	\$113	\$110
RevPAR:	\$75	\$81	\$74	\$74	\$81	\$77
REVENUE						
Rooms	\$27,484	\$29,481	\$27,031	\$27,112	\$29,409	\$28,106
Other Operated Departments	449	408	378	200	709	383
Miscellaneous Income	99	3	860	120	100	102
Total	28,032	29,893	28,269	27,433	30,218	28,592
DEPARTMENTAL EXPENSES						
Rooms	6,907	6,512	6,437	7,989	7,378	6,886
Other Operated Departments	98	164	199	116	166	192
Total	7,006	6,676	6,636	8,105	7,545	7,078
DEPARTMENTAL INCOME	21,026	23,217	21,632	19,328	22,673	21,514
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	2,294	2,185	2,897	1,549	2,815	2,500
Info. and Telecom. Systems	211	398	711	285	590	400
Marketing	1,511	1,800	2,100	360	770	1,250
Franchise Fee	2,886	2,657	1,383	2,293	2,768	2,389
Property Operations & Maintenance	914	1,008	1,428	1,985	2,019	1,300
Utilities	991	1,235	1,157	1,204	943	1,250
Total	8,807	9,284	9,676	7,675	9,904	9,089
GROSS OPERATING PROFIT	12,219	13,933	11,956	11,653	12,769	12,425
Management Fee	1,262	1,195	848	0	1,511	858
INCOME BEFORE NON-OPER. INC. & EXI	10,957	12,738	11,108	11,653	11,259	11,567

FIGURE 7-3 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Def. Stab \$
Number of Rooms:	60 to 80	80 to 110	80 to 110	70 to 100	80 to 110	90
Days Open:	365	365	365	365	365	365
Occupancy:	67%	72%	70%	69%	72%	70%
Average Rate:	\$112	\$112	\$106	\$108	\$113	\$110
RevPAR:	\$75	\$81	\$74	\$74	\$81	\$77
REVENUE						
Rooms	\$111.89	\$111.66	\$106.19	\$108.37	\$112.50	\$110.01
Other Operated Departments	1.83	1.55	1.49	0.80	2.71	1.50
Miscellaneous Income	0.40	0.01	3.38	0.48	0.38	0.40
Total	114.12	113.22	111.05	109.65	115.60	111.91
DEPARTMENTAL EXPENSES						
Rooms	28.12	24.66	25.29	31.93	28.23	26.95
Other Operated Departments	0.40	0.62	0.78	0.46	0.64	0.75
Total	28.52	25.29	26.07	32.39	28.86	27.70
DEPARTMENTAL INCOME	85.60	87.93	84.98	77.25	86.74	84.20
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	9.34	8.27	11.38	6.19	10.77	9.78
Info. and Telecom. Systems	0.86	1.51	2.79	1.14	2.26	1.57
Marketing	6.15	6.82	8.25	1.44	2.95	4.89
Franchise Fee	11.75	10.06	5.43	9.16	10.59	9.35
Property Operations & Maintenance	3.72	3.82	5.61	7.93	7.72	5.09
Utilities	4.04	4.68	4.54	4.81	3.61	4.89
Total	35.85	35.16	38.01	30.68	37.89	35.58
GROSS OPERATING PROFIT	49.74	52.77	46.97	46.57	48.85	48.63
Management Fee	5.14	4.53	3.33	0.00	5.78	3.36
INCOME BEFORE NON-OPER. INC. & EXI	44.61	48.25	43.64	46.57	43.07	45.27

The departmental income of the comparable properties ranged from 70.5% to 77.7% of total revenue. The comparable properties achieved a gross operating profit ranging from 42.2% to 46.6% of total revenue. We will refer to the comparable operating data in our discussion of each line item, which follows later in this section of the report.

Fixed and Variable Component Analysis

HVS uses a fixed and variable component model to project a lodging facility's revenue and expense levels. This model is based on the premise that hotel revenues and expenses have one component that is fixed and another that varies directly with occupancy and facility usage. A projection can be made by taking a known level of revenue or expense and calculating its fixed and variable components. The fixed

component is then increased in tandem with the underlying rate of inflation, while the variable component is adjusted for a specific measure of volume such as total revenue.

The actual forecast is derived by adjusting each year's revenue and expense by the amount fixed (the fixed expense multiplied by the inflated base-year amount) plus the variable amount (the variable expense multiplied by the inflated base-year amount) multiplied by the ratio of the projection year's occupancy to the base-year occupancy (in the case of departmental revenue and expense) or the ratio of the projection year's revenue to the base year's revenue (in the case of undistributed operating expenses). Fixed expenses remain fixed, increasing only with inflation. Our discussion of the revenue and expense forecast in this report is based upon the output derived from the fixed and variable model. This forecast of revenue and expense is accomplished through a systematic approach, following the format of the Uniform System of Accounts for the Lodging Industry (USALI). Each category of revenue and expense is estimated separately and combined at the end in the final statement of income and expense.

Inflation and Appreciation Assumptions

In consideration of the trends in the Consumer Price Index (CPI), inflation factors that directly influence lodging properties, projections set forth by economists surveyed, and the Federal Reserve's target inflation rate, we have applied the underlying inflation rates as reflected in the following table.

FIGURE 7-4 INFLATION ASSUMPTIONS

Timeframe			Rate of Inflation Assumed
2021	to	2022	6.0 %
2022	to	2023	4.0
2023	to	2024	3.0
2024	to	2025	3.0
2025	to	2026	3.0

Beyond the illustrated year, we have applied a 3.0% annual rate of growth to income and expenses to reflect the longer-term expectation of asset appreciation by typical investors. This position is based on interviews with numerous market participants indicating a distinction in the expectations of near-term cost inflation (i.e., related to labor and supplies) versus long-term income growth that drives appreciation. Any exceptions to the application of the assumed underlying inflation and EBITDA Less Replacement Reserve growth rates are discussed in our write-up of individual income and expense items.

Forecast of Revenue and Expense

Based on an analysis that will be detailed throughout this section, we have formulated a forecast of income and expense. The following table presents a detailed forecast through the fifth projection year, including amounts per available room and per occupied room. The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on May 1, 2025, expressed in inflated dollars for each year.

FIGURE 7-5 DETAILED FORECAST OF INCOME AND EXPENSE

	2025/26 Begins May				2026/27				Stabilized				2028/29				2029/30			
Number of Rooms:	90				90				90				90				90			
Occupancy:	66%				69%				70%				70%				70%			
Average Rate:	\$123.43				\$133.83				\$137.84				\$141.98				\$146.24			
RevPAR:	\$81.47				\$92.34				\$96.49				\$99.38				\$102.37			
Days Open:	365				365				365				365				365			
Occupied Rooms:	21,681	%Gross	PAR	POR	22,667	%Gross	PAR	POR	22,995	%Gross	PAR	POR	22,995	%Gross	PAR	POR	22,995	%Gross	PAR	POR
OPERATING REVENUE																				
Rooms	\$2,676	98.2 %	\$29,733	\$123.43	\$3,033	98.3 %	\$33,700	\$133.81	\$3,170	98.3 %	\$35,222	\$137.86	\$3,265	98.3 %	\$36,278	\$141.99	\$3,363	98.3 %	\$37,367	\$146.25
Other Operated Departments	38	1.4	423	1.75	42	1.4	464	1.84	43	1.3	480	1.88	45	1.3	495	1.94	46	1.3	509	1.99
Miscellaneous Income	11	0.4	119	0.49	11	0.4	124	0.49	12	0.4	128	0.50	12	0.4	132	0.52	12	0.4	136	0.53
Total Operating Revenues	2,725	100.0	30,275	125.67	3,086	100.0	34,288	136.14	3,225	100.0	35,831	140.24	3,321	100.0	36,904	144.44	3,421	100.0	38,012	148.77
DEPARTMENTAL EXPENSES *																				
Rooms	715	26.7	7,947	32.99	750	24.7	8,329	33.07	777	24.5	8,629	33.77	800	24.5	8,887	34.78	824	24.5	9,154	35.83
Other Operated Departments	20	52.5	222	0.92	21	50.2	233	0.92	22	50.0	240	0.94	22	50.0	247	0.97	23	50.0	255	1.00
Total Expenses	735	27.0	8,169	33.91	771	25.0	8,562	34.00	798	24.8	8,869	34.71	822	24.8	9,135	35.75	847	24.8	9,409	36.83
DEPARTMENTAL INCOME	1,989	73.0	22,105	91.76	2,315	75.0	25,726	102.15	2,427	75.2	26,962	105.53	2,499	75.2	27,770	108.69	2,574	75.2	28,603	111.95
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	259	9.5	2,876	11.94	273	8.8	3,031	12.03	282	8.7	3,133	12.26	290	8.7	3,227	12.63	299	8.7	3,323	13.01
Info & Telecom Systems	41	1.5	460	1.91	44	1.4	485	1.93	45	1.4	501	1.96	46	1.4	516	2.02	48	1.4	532	2.08
Marketing	142	5.2	1,582	6.57	136	4.4	1,515	6.02	141	4.4	1,566	6.13	145	4.4	1,613	6.31	150	4.4	1,662	6.50
Franchise Fee	227	8.3	2,527	10.49	258	8.4	2,865	11.37	269	8.4	2,994	11.72	278	8.4	3,084	12.07	286	8.4	3,176	12.43
Prop. Operations & Maint.	128	4.7	1,421	5.90	142	4.6	1,576	6.26	147	4.5	1,629	6.38	151	4.5	1,678	6.57	156	4.5	1,728	6.76
Utilities	129	4.8	1,438	5.97	136	4.4	1,515	6.02	141	4.4	1,566	6.13	145	4.4	1,613	6.31	150	4.4	1,662	6.50
Total Expenses	927	34.0	10,305	42.78	989	32.0	10,986	43.62	1,025	31.8	11,390	44.58	1,056	31.8	11,731	45.91	1,087	31.8	12,083	47.29
GROSS OPERATING PROFIT	1,062	39.0	11,800	48.98	1,327	43.0	14,739	58.52	1,402	43.4	15,572	60.95	1,443	43.4	16,039	62.77	1,487	43.4	16,520	64.66
Management Fee	82	3.0	908	3.77	93	3.0	1,029	4.08	97	3.0	1,075	4.21	100	3.0	1,107	4.33	103	3.0	1,140	4.46
INCOME BEFORE NON-OPR. INC. & EXP.	980	36.0	10,892	45.21	1,234	40.0	13,711	54.44	1,305	40.4	14,497	56.74	1,344	40.4	14,931	58.44	1,384	40.4	15,380	60.19
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	121	4.4	1,344	5.58	249	8.1	2,769	10.99	257	8.0	2,852	11.16	264	8.0	2,937	11.50	272	8.0	3,025	11.84
Insurance	43	1.6	472	1.96	44	1.4	487	1.93	45	1.4	501	1.96	46	1.4	516	2.02	48	1.4	532	2.08
Total Expenses	163	6.0	1,816	7.54	293	9.5	3,255	12.93	302	9.4	3,353	13.12	311	9.4	3,453	13.52	320	9.4	3,557	13.92
EBITDA	817	30.0	9,076	37.67	941	30.5	10,456	41.52	1,003	31.0	11,145	43.62	1,033	31.0	11,478	44.92	1,064	31.0	11,823	46.27
Reserve for Replacement	54	2.0	605	2.51	93	3.0	1,029	4.08	129	4.0	1,433	5.61	133	4.0	1,476	5.78	137	4.0	1,520	5.95
EBITDA LESS RESERVE	\$762	28.0 %	\$8,470	\$35.16	\$848	27.5 %	\$9,427	\$37.43	\$874	27.0 %	\$9,711	\$38.01	\$900	27.0 %	\$10,002	\$39.15	\$927	27.0 %	\$10,302	\$40.32

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 7-6 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32		2032/33		2033/34		2034/35	
Number of Rooms:	90		90		90		90		90		90		90		90		90		90	
Occupied Rooms:	21,681		22,667		22,995		22,995		22,995		22,995		22,995		22,995		22,995		22,995	
Occupancy:	66%		69%		70%		70%		70%		70%		70%		70%		70%		70%	
Average Rate:	\$123.43	% of	\$133.83	% of	\$137.84	% of	\$141.98	% of	\$146.24	% of	\$150.62	% of	\$155.14	% of	\$159.80	% of	\$164.59	% of	\$169.53	% of
RevPAR:	\$81.47	Gross	\$92.34	Gross	\$96.49	Gross	\$99.38	Gross	\$102.37	Gross	\$105.44	Gross	\$108.60	Gross	\$111.86	Gross	\$115.21	Gross	\$118.67	Gross
OPERATING REVENUE																				
Rooms	\$2,676	98.2 %	\$3,033	98.3 %	\$3,170	98.3 %	\$3,265	98.3 %	\$3,363	98.3 %	\$3,464	98.3 %	\$3,568	98.3 %	\$3,675	98.3 %	\$3,785	98.3 %	\$3,898	98.3 %
Other Operated Departments	38	1.4	42	1.4	43	1.3	45	1.3	46	1.3	47	1.3	49	1.3	50	1.3	52	1.3	53	1.3
Miscellaneous Income	11	0.4	11	0.4	12	0.4	12	0.4	12	0.4	13	0.4	13	0.4	13	0.4	14	0.4	14	0.4
Total Operating Revenues	2,725	100.0	3,086	100.0	3,225	100.0	3,321	100.0	3,421	100.0	3,524	100.0	3,630	100.0	3,738	100.0	3,850	100.0	3,965	100.0
DEPARTMENTAL EXPENSES *																				
Rooms	715	26.7	750	24.7	777	24.5	800	24.5	824	24.5	849	24.5	874	24.5	900	24.5	927	24.5	955	24.5
Other Operated Departments	20	52.5	21	50.2	22	50.0	22	50.0	23	50.0	24	50.0	24	50.0	25	50.0	26	50.0	27	50.0
Total Expenses	735	27.0	771	25.0	798	24.8	822	24.8	847	24.8	872	24.8	898	24.8	925	24.8	953	24.8	982	24.8
DEPARTMENTAL INCOME	1,989	73.0	2,315	75.0	2,427	75.2	2,499	75.2	2,574	75.2	2,652	75.2	2,731	75.2	2,813	75.2	2,897	75.2	2,984	75.2
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	259	9.5	273	8.8	282	8.7	290	8.7	299	8.7	308	8.7	317	8.7	327	8.7	337	8.7	347	8.7
Info & Telecom Systems	41	1.5	44	1.4	45	1.4	46	1.4	48	1.4	49	1.4	51	1.4	52	1.4	54	1.4	55	1.4
Marketing	142	5.2	136	4.4	141	4.4	145	4.4	150	4.4	154	4.4	159	4.4	163	4.4	168	4.4	173	4.4
Franchise Fee	227	8.3	258	8.4	269	8.4	278	8.4	286	8.4	294	8.4	303	8.4	312	8.4	322	8.4	331	8.4
Prop. Operations & Maint.	128	4.7	142	4.6	147	4.5	151	4.5	156	4.5	160	4.5	165	4.5	170	4.5	175	4.5	180	4.5
Utilities	129	4.8	136	4.4	141	4.4	145	4.4	150	4.4	154	4.4	159	4.4	163	4.4	168	4.4	173	4.4
Total Expenses	927	34.0	989	32.0	1,025	31.8	1,056	31.8	1,087	31.8	1,120	31.8	1,154	31.8	1,188	31.8	1,224	31.8	1,261	31.8
GROSS OPERATING PROFIT	1,062	39.0	1,327	43.0	1,402	43.4	1,443	43.4	1,487	43.4	1,532	43.4	1,578	43.4	1,625	43.4	1,673	43.4	1,723	43.4
Management Fee	82	3.0	93	3.0	97	3.0	100	3.0	103	3.0	106	3.0	109	3.0	112	3.0	116	3.0	119	3.0
INCOME BEFORE NON-OPR. INC. & EXP.	980	36.0	1,234	40.0	1,305	40.4	1,344	40.4	1,384	40.4	1,426	40.4	1,469	40.4	1,513	40.4	1,558	40.4	1,604	40.4
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	121	4.4	249	8.1	257	8.0	264	8.0	272	8.0	280	8.0	289	8.0	298	8.0	306	8.0	316	8.0
Insurance	43	1.6	44	1.4	45	1.4	46	1.4	48	1.4	49	1.4	51	1.4	52	1.4	54	1.4	55	1.4
Total Expenses	163	6.0	293	9.5	302	9.4	311	9.4	320	9.4	330	9.4	340	9.4	350	9.4	360	9.4	371	9.4
EBITDA	817	30.0	941	30.5	1,003	31.0	1,033	31.0	1,064	31.0	1,096	31.0	1,129	31.0	1,163	31.0	1,198	31.0	1,233	31.0
Reserve for Replacement	54	2.0	93	3.0	129	4.0	133	4.0	137	4.0	141	4.0	145	4.0	150	4.0	154	4.0	159	4.0
EBITDA LESS RESERVE	\$762	28.0 %	\$848	27.5 %	\$874	27.0 %	\$900	27.0 %	\$927	27.0 %	\$955	27.0 %	\$984	27.0 %	\$1,013	27.0 %	\$1,044	27.0 %	\$1,074	27.0 %

The following description sets forth the basis for the forecast of income and expense. We anticipate that it will take three years for the proposed subject hotel to reach a stabilized level of operation. Each revenue and expense item has been forecast based upon our review of the proposed subject hotel's operating budget and comparable income and expense statements. The forecast is based upon fiscal years beginning May 1, 2025, expressed in inflated dollars for each year.

Revenues associated with the proposed subject hotel's other operated department and miscellaneous income category have been forecast to reflect the hotel's planned facilities and amenities, including the market pantry and guest laundry room. Expense levels fall within a range of reasonableness given the provided comparable operating statements; furthermore, management fees are set forth in accordance with our assumptions provided earlier in our report. In addition, we have reviewed the franchise fees associated with a variety of midscale and upper-midscale brands and have utilized average royalty and marketing assessment fees for the purpose of our projections.

Rooms Revenue

Rooms revenue is determined by two variables: occupancy and average rate (ADR). We projected occupancy and ADR in a previous section of this report. The proposed subject hotel is expected to stabilize at an occupancy level of 70% with an ADR of \$137.84 in 2027/28. Following the stabilized year, the proposed subject hotel's ADR is projected to increase along with the underlying rate of growth assigned to EBITDA Less Replacement Reserve.

Other Operated Departments Revenue

According to the USALI, other operated departments include any major or minor operated department other than rooms, including market pantry sales, phone charges, and meeting room rental.

FIGURE 7-7 OTHER OPERATED DEPARTMENTS REVENUE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	1.6 %	1.4 %	1.3 %	0.7 %	2.3 %	1.4 %	1.3 %
Per Available Room	\$449	\$408	\$378	\$200	\$709	\$423	\$383
Per Occupied Room	\$1.83	\$1.55	\$1.49	\$0.80	\$2.71	\$1.75	\$1.50

Miscellaneous Income

The miscellaneous income sources comprise those other than guestrooms, F&B, and the other operated departments. Changes in this revenue item through the projection period result from the application of the underlying inflation rate and projected changes in occupancy.

FIGURE 7-8 MISCELLANEOUS INCOME

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	0.4 %	0.0 %	3.0 %	0.4 %	0.3 %	0.4 %	0.4 %
Per Available Room	\$99	\$3	\$860	\$120	\$100	\$119	\$102
Per Occupied Room	\$0.40	\$0.01	\$3.38	\$0.48	\$0.38	\$0.49	\$0.40

Rooms Expense

Rooms expense consists of items related to the sale and upkeep of guestrooms and public space. Salaries, wages, and employee benefits account for a substantial portion of this category. Although payroll varies somewhat with occupancy, and managers can generally scale the level of service staff on hand to meet an expected occupancy level, much of a hotel's payroll is fixed. A base level of front desk personnel, housekeepers, and supervisors must be maintained at all times. As a result, salaries, wages, and employee benefits are only moderately sensitive to changes in occupancy.

Commissions and reservations are usually based on room sales and, thus, are highly sensitive to changes in occupancy and ADR. While guest supplies vary 100% with occupancy, linens and other operating expenses are only slightly affected by volume.

FIGURE 7-9 ROOMS EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	25.1 %	22.1 %	23.8 %	29.5 %	25.1 %	26.7 %	24.5 %
Per Available Room	\$6,907	\$6,512	\$6,437	\$7,989	\$7,378	\$7,947	\$6,886
Per Occupied Room	\$28.12	\$24.66	\$25.29	\$31.93	\$28.23	\$32.99	\$26.95

**Other Operated
Departments Expense**

Other operated departments expense includes all expenses reflected in the summary statements for the divisions associated in these categories, as discussed previously in this chapter.

FIGURE 7-10 OTHER OPERATED DEPARTMENTS EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	21.9 %	40.3 %	52.6 %	58.3 %	23.5 %	52.5 %	50.0 %
Per Available Room	\$98	\$164	\$199	\$116	\$166	\$222	\$192
Per Occupied Room	\$0.40	\$0.62	\$0.78	\$0.46	\$0.64	\$0.92	\$0.75

Administrative and General Expense

Administrative and general expense includes the salaries and wages of all administrative personnel who are not directly associated with a particular department. Expense items related to the management and operation of the property are also allocated to this category.

Most administrative and general expenses are relatively fixed. The exceptions are cash overages and shortages; commissions on credit card charges; provision for doubtful accounts, which are moderately affected by the number of transactions or total revenue; and salaries, wages, and benefits, which are very slightly influenced by volume.

FIGURE 7-11 ADMINISTRATIVE AND GENERAL EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	8.2 %	7.3 %	10.2 %	5.6 %	9.3 %	9.5 %	8.7 %
Per Available Room	\$2,294	\$2,185	\$2,897	\$1,549	\$2,815	\$2,876	\$2,500
Per Occupied Room	\$9.34	\$8.27	\$11.38	\$6.19	\$10.77	\$11.94	\$9.78

Information and Telecommunications Systems Expense

Information and telecommunications systems expense consists of all costs associated with a hotel's technology infrastructure. This includes the costs of cell phones, administrative call and Internet services, and complimentary call and Internet services. Expenses in this category are typically organized by type of technology or the area benefiting from the technology solution.

Marketing Expense

Marketing expense consists of all costs associated with advertising, sales, and promotion; these activities are intended to attract and retain customers. Marketing can be used to create an image, develop customer awareness, and stimulate patronage of a property's various facilities.

The marketing category is unique in that all expense items, with the exception of fees and commissions, are totally controlled by management. Most hotel operators

establish an annual marketing budget that sets forth all planned expenditures. If the budget is followed, total marketing expenses can be projected accurately.

Marketing expenditures are unusual because, although there is a lag period before results are realized, the benefits are often extended over a long period. Depending on the type and scope of the advertising and promotion program implemented, the lag time can be as short as a few weeks or as long as several years. However, the favorable results of an effective marketing campaign tend to linger, and a property often enjoys the benefits of concentrated sales efforts for many months.

FIGURE 7-12 MARKETING EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	5.4 %	6.0 %	7.4 %	1.3 %	2.5 %	5.2 %	4.4 %
Per Available Room	\$1,511	\$1,800	\$2,100	\$360	\$770	\$1,582	\$1,250
Per Occupied Room	\$6.15	\$6.82	\$8.25	\$1.44	\$2.95	\$6.57	\$4.89

Franchise Fee

We recommend that the proposed subject property operate as a midscale or upper-midscale limited-service hotel. For the purpose of this report, we have assumed that the property would be affiliated with a nationally recognized hotel brand, such as a Fairfield by Marriott, Hampton by Hilton, Holiday Inn Express, or another comparable limited-service brand. However, a specific franchise affiliation was not finalized at the time of this study. While a specific franchise has not been selected, we have reviewed the royalty and marketing assessments of the referenced brands and utilized an average level for the purpose of this analysis.

Marketing expense and franchise fees are often analyzed in total because hotels may account for some components of franchise expense in the marketing expense category. The subject property's total marketing and franchise expense has been forecast at 12.8% of total revenue on a stabilized basis; the comparable operating statements show a range from 9.7% to 15.7% of total revenue.

Property Operations and Maintenance

Property operations and maintenance expense is another expense category that is largely controlled by management. Except for repairs that are necessary to keep the facility open and prevent damage (e.g., plumbing, heating, and electrical items), most maintenance can be deferred for varying lengths of time.

Maintenance is an accumulating expense. If management elects to postpone performing a required repair, the expenditure has not been eliminated, only deferred until a later date. A lodging facility that operates with a lower-than-normal

maintenance budget is likely to accumulate a considerable amount of deferred maintenance.

The age of a lodging facility has a strong influence on the required level of maintenance. A new or thoroughly renovated property is protected for several years by modern equipment and manufacturers' warranties. However, as a hostelry grows older, maintenance expenses escalate. A well-organized preventive maintenance system often helps delay deterioration, but most facilities face higher property operations and maintenance costs each year, regardless of the occupancy trend. The quality of initial construction can also have a direct impact on future maintenance requirements. The use of high-quality building materials and construction methods generally reduces the need for maintenance expenditures over the long term.

Changes in this expense item through the projection period result from the application of the underlying inflation rate and projected changes in occupancy.

FIGURE 7-13 PROPERTY OPERATIONS AND MAINTENANCE EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	3.3 %	3.4 %	5.1 %	7.2 %	6.7 %	4.7 %	4.5 %
Per Available Room	\$914	\$1,008	\$1,428	\$1,985	\$2,019	\$1,421	\$1,300
Per Occupied Room	\$3.72	\$3.82	\$5.61	\$7.93	\$7.72	\$5.90	\$5.09

Utilities Expense

The utilities consumption of a lodging facility takes several forms, including water and space heating, air conditioning, lighting, cooking fuel, and other miscellaneous power requirements. The most common sources of hotel utilities are electricity, natural gas, fuel oil, and steam. This category also includes the cost of water service.

Total energy cost depends on the source and quantity of fuel used. Electricity tends to be the most expensive source, followed by oil and gas. Although all hotels consume a sizable amount of electricity, many properties supplement their utility requirements with less expensive sources, such as gas and oil, for heating and cooking. The changes in this utilities line item through the projection period are a result of the application of the underlying inflation rate and projected changes in occupancy.

FIGURE 7-14 UTILITIES EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	3.5 %	4.1 %	4.1 %	4.4 %	3.1 %	4.8 %	4.4 %
Per Available Room	\$991	\$1,235	\$1,157	\$1,204	\$943	\$1,438	\$1,250
Per Occupied Room	\$4.04	\$4.68	\$4.54	\$4.81	\$3.61	\$5.97	\$4.89

Management Fee

Management expense consists of the fees paid to the managing agent contracted to operate the property. Some companies provide management services and a brand-name affiliation (first-tier management company), while others provide management services alone (second-tier management company). Some management contracts specify only a base fee (usually a percentage of total revenue), while others call for both a base fee and an incentive fee (usually a percentage of defined profit). Basic hotel management fees are often based on a percentage of total revenue, which means they have no fixed component. While base fees typically range from 2.0% to 4.0% of total revenue, incentive fees are deal specific and often are calculated as a percentage of income available after debt service and, in some cases, after a preferred return on equity. Total management fees for the proposed subject hotel have been forecast at 3.0% of total revenue.

Property Taxes

Property (or ad valorem) tax is one of the primary revenue sources of municipalities. Based on the concept that the tax burden should be distributed in proportion to the value of all properties within a taxing jurisdiction, a system of assessments is established. Theoretically, the assessed value placed on each parcel bears a definite relationship to market value, so properties with equal market values will have similar assessments and properties with higher and lower values will have proportionately larger and smaller assessments.

Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality.

FIGURE 7-15 COUNTY-ASSESSED VALUE OF COMPARABLE HOTELS

Hotel	Year Open	Land	Improvements	Total
Country Inn & Suites By Carlson Cottage Grove	2002	\$1,054,800	\$1,948,700	\$3,003,500
Wakota Inn & Suites	1990	376,300	424,700	801,000
Sheraton Saint Paul Woodbury	2008	2,102,100	11,097,900	13,200,000
Courtyard by Marriott Saint Paul Woodbury	2018	2,798,100	8,289,900	11,088,000
Hampton by Hilton Minneapolis Saint Paul Woodbury	1996	462,000	3,469,800	3,931,800
Hilton Garden Inn Saint Paul Oakdale	2005	1,624,200	6,820,500	8,444,700
Hampton by Hilton Saint Paul Oakdale Woodbury	2017	1,268,900	6,381,200	7,650,100
Holiday Inn Express & Suites Saint Paul Woodbury	1997	977,100	6,165,700	7,142,800
<i>Assessments per Room</i>	<i># of Rms</i>			
Country Inn & Suites By Carlson Cottage Grove	76	\$13,879	\$25,641	\$39,520
Wakota Inn & Suites	31	12,139	13,700	25,839
Sheraton Saint Paul Woodbury	150	14,014	73,986	88,000
Courtyard by Marriott Saint Paul Woodbury	120	23,318	69,083	92,400
Hampton by Hilton Minneapolis Saint Paul Woodbury	63	7,333	55,076	62,410
Hilton Garden Inn Saint Paul Oakdale	116	14,002	58,797	72,799
Hampton by Hilton Saint Paul Oakdale Woodbury	100	12,689	63,812	76,501
Holiday Inn Express & Suites Saint Paul Woodbury	100	9,771	61,657	71,428
Positioned Subject - Per Room	90	\$14,000	\$64,000	\$78,000
Positioned Subject - Total		\$1,260,000	\$5,760,000	\$7,020,000

Source: Washington County Assessor

We have positioned the future assessment levels of the subject site and proposed improvements based upon the illustrated comparable data. We have positioned the land assessment closest to the Country Inn & Suites and the improvements assessment closest to the Hampton by Hilton properties, the Courtyard by Marriott, and the Holiday Inn Express in Woodbury because of the similarities in quality level and amenities; overall, the positioned assessments are well supported by the market data.

Tax rates are based on the city and county budgets, which change annually. The most recent tax rate in this jurisdiction was reported at 33.13530. The following table shows changes in the tax rate during the last several years.

FIGURE 7-16 COUNTY TAX RATES (BASED ON COUNTRY INN & SUITES)

Year	Real Property Millage Rate
2021	33.35505
2022	33.13530
Source: Washington County	

Based on comparable assessments and the tax rate information, the following table illustrates the proposed subject property's projected property tax expense levels.

FIGURE 7-17 PROJECTED PROPERTY TAX BURDEN (BASE YEAR)

	Real Property		
	Land	Improvements	Total
Positioned (Assessed Value)	\$1,260,000	\$5,760,000	\$7,020,000
Equalization Rate			1.00000
Millage Rate			33.13530
Tax Burden as of Current Assessment Year			\$232,610

FIGURE 7-18 PROJECTED PROPERTY TAX EXPENSE – REAL PROPERTY

Year	Real Property			
	Real Tax Burden (Positioned Prior to	Base Rate of Tax Burden Increase	% of Positioned Tax Burden	Taxes Payable
Positioned	\$232,610	—		\$232,610
2025/26	\$232,610	4.0 %	50 %	\$120,957
2026/27	241,914	3.0	100	\$249,172
2027/28	249,172	3.0	100	\$256,647
2028/29	256,647	3.0	100	\$264,346
2029/30	264,346	3.0	100	\$272,277
2030/31	272,277	3.0	100	\$280,445
2031/32	280,445	3.0	100	\$288,858

Insurance Expense

The insurance expense category consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage.

Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy.

FIGURE 7-19 INSURANCE EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	1.3 %	1.2 %	1.0 %	1.9 %	1.0 %	1.6 %	1.4 %
Per Available Room	\$375	\$359	\$269	\$519	\$315	\$472	\$400
Per Occupied Room	\$1.53	\$1.36	\$1.06	\$2.07	\$1.20	\$1.96	\$1.57

Reserve for Replacement

Furniture, fixtures, and equipment (FF&E) are essential to the operation of a lodging facility, and their quality often influences a property's class. This category includes all non-real estate items that are capitalized, rather than expensed. The FF&E of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use.

Periodic replacement of FF&E is essential to maintain the quality, image, and income-producing potential of a lodging facility. Because capitalized expenditures are not included in the operating statement but affect an owner's cash flow, a forecast of income and expense should reflect these expenses in the form of an appropriate reserve for replacement.

The International Society of Hospitality Consultants (ISHC) oversees a major industry-sponsored study of the capital expenditure requirements for full-service/luxury, select-service, and extended-stay hotels. The most recent study was published in 2014.⁶ Historical capital expenditures of well-maintained hotels were investigated through the compilation of data provided by most of the major hotel companies in the United States. A prospective analysis of future capital expenditure

⁶ The International Society of Hotel Consultants, *CapEx 2014, A Study of Capital Expenditure in the U.S. Hotel Industry*.

requirements was also performed based upon the cost to replace short- and long-lived building components over a hotel's economic life. The study showed that the capital expenditure requirements for hotels vary significantly from year to year and depend upon both the actual and effective ages of a property. The results of this study showed that hotel lenders and investors are requiring reserves for replacement ranging from 4.0% to 5.0% of total revenue.

Based upon the results of our analysis, our review of the proposed subject asset, and current industry norms, a reserve for replacement equal to 4.0% of total revenues has been factored into our forecast of revenue and expense for funding the periodic replacement of the proposed subject property's FF&E. This amount has been ramped up during the initial projection period.

Forecast of Revenue and Expense Conclusion

Projected total revenue, gross operating profit, and EBITDA Less Replacement Reserve are set forth in the following table.

FIGURE 7-20 FORECAST OF REVENUE AND EXPENSE CONCLUSION

	Year	Total Revenue		Gross Operating Profit		House Profit Ratio	EBITDA Less Replacement Reserve		
		Total	% Change	Total	% Change		Total	% Change	As a % of Ttl Rev
Projected	2025/26	\$2,725,000	—	\$1,062,000	—	39.0 %	\$762,000	—	28.0 %
	2026/27	3,086,000	13.2 %	1,327,000	25.0 %	43.0	848,000	11.3 %	27.5
	2027/28	3,225,000	4.5	1,402,000	5.7	43.4	874,000	3.1	27.0
	2028/29	3,321,000	3.0	1,443,000	2.9	43.4	900,000	3.0	27.0
	2029/30	3,421,000	3.0	1,487,000	3.0	43.4	927,000	3.0	27.0

In conclusion, our analysis reflects a profitable operation, with EBITDA less replacement reserve expected to total 31.0% of total revenue by the stabilized year. The stabilized total revenue comprises primarily rooms, with a secondary portion derived from other income sources. On the cost side, departmental expenses total 24.8% of revenue by the stabilized year, while undistributed operating expenses total 31.8% of total revenues; this assumes that the property will be operated competently by a well-known hotel operator. After a 3.0% of total revenues management fee, 9.4% of total revenues in fixed expenses, and a 4.0% reserve for replacement, an EBITDA less replacement reserves (net income) ratio of 27.0% is forecast by the stabilized year.

The return on investment (ROI) can be defined as the future benefits of an income-producing property relative to its acquisition or construction cost. The first step in performing an ROI analysis would be to determine the amount to be initially

invested, and for a proposed property, this amount is most likely to be the development cost of the hotel. Based on the total development cost, the investor would utilize an ROI analysis to determine if the future cash flow from a current cash outlay meets their own investment criteria and at what level above or below this amount such an outlay exceeds or fails to meet these criteria.

8. Statement of Assumptions and Limiting Conditions

1. This report is set forth as a market study of the proposed subject hotel; this is not an appraisal report.
2. This report is to be used in whole and not in part.
3. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed marketable and free of any deed restrictions and easements. The property is evaluated as though free and clear unless otherwise stated.
4. We assume that there are no hidden or unapparent conditions of the sub-soil or structures, such as underground storage tanks, that would affect the property's development potential. No responsibility is assumed for these conditions or for any engineering that may be required to discover them.
5. We have not considered the presence of potentially hazardous materials or any form of toxic waste on the project site. We are not qualified to detect hazardous substances and urge the client to retain an expert in this field if desired.
6. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have assumed the proposed hotel would be designed and constructed to be in full compliance with the ADA.
7. We have made no survey of the site, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the described real estate will be within the boundaries of the property described, and that no encroachment will exist.
8. All information, financial operating statements, estimates, and opinions obtained from parties not employed by TS Worldwide, LLC are assumed true and correct. We can assume no liability resulting from misinformation.
9. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject site.
10. The property is assumed to be in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations (including the appropriate liquor license if applicable), and that all licenses, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser.

11. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
12. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.
13. We are not required to give testimony or attendance in court because of this analysis without previous arrangements and shall do so only when our standard per-diem fees and travel costs have been paid prior to the appearance.
14. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
15. We take no responsibility for any events or circumstances that take place subsequent to the date of our field inspection.
16. The quality of a lodging facility's onsite management has a direct effect on a property's economic viability. The financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
17. The financial analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease because of market volatility and economic forces outside the control of the hotel's management. We assume that the price of hotel rooms, food, beverages, and other sources of revenue to the hotel will be adjusted to offset any increases or decreases in related costs. We do not warrant that our estimates will be attained, but they have been developed based upon information obtained during the course of our market research and are intended to reflect the expectations of a typical hotel investor as of the stated date of the report.
18. This analysis assumes continuation of all Internal Revenue Service tax code provisions as stated or interpreted on either the date of this analysis or the date of our field inspection, whichever occurs first.
19. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded to the nearest tenth of a percent. Thus, these figures may be subject to small rounding errors.

20. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client; the use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
21. Evaluating and comprising financial forecasts for hotels is both a science and an art. Although this analysis employs various mathematical calculations to provide projections, the final forecasts are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
22. This study was prepared by TS Worldwide, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of TS Worldwide, LLC as employees, rather than as individuals.

Tanya Pierson, MAI

EMPLOYMENT

1994 to present	HVS CONSULTING AND VALUATION SERVICES Minneapolis, Minnesota
1993 - 1994	TABLE MOUNTAIN INN Golden, Colorado
1993	RICHFIELD HOTEL MANAGEMENT Denver, Colorado
1992 - 1993	HOTEL BOULDERADO Boulder, Colorado
1991	CAESARS TAHOE Stateline, Nevada
1990	LA QUINTA MOTOR INN Denver, Colorado

EDUCATION AND OTHER TRAINING

BSBA – Hotel, Restaurant and Tourism Management, University of Denver
Certified General Appraiser Classes Completed:
NCRE: 200 - Basic Appraisal Principles and Procedures
NCRE: 201 - Basic Appraisal Applications
NCRE: 208 - Standards and Ethics
NCRE: 203 - Small Residential Income Properties
NCRE: 211 - Certified Residential: Reporting,
Reviewing, and Analyzing Appraisals
NCRE: 215 - Appraisal Principles and Advanced
Applications
NCRE: 216 - Income Capitalization
NCRE: 219 - Commercial Case Studies

EDUCATION AND OTHER TRAINING (CONTINUED)

Continuing Education Courses:

Real Estate Finance
 Course 400: National USPAP Update
 Appraisal Loss Prevention Seminar
 Market Valuation & Financial Considerations
 Developing & Growing an Appraisal Practice
 Capitalization Rate Models
 Feasibility, Market Value & Investment Timing
 Using Your HP12C
 Small Hotel/Motel Valuation
 Internet Search Strategies for Appraisers
 Valuation of Detrimental Conditions in Real Estate
 Analyzing Operating Expenses
 What Commercial Clients Would Like Appraisers to Know
 Course 550: Advanced Applications
 Course 530: Advanced Sales Comparison and Cost Approach
 Course 510: Advanced Income Capitalization
 General Appraiser Market Analysis and HBU
 Advanced Applications
 Business Practices and Ethics
 Report Writing
 Risky Business: Ways to Minimize Your Liability
 Mortgage Fraud – Protect Yourself
 Perspectives from Commercial Review Appraisers
 Ad Valorem Tax Consultation
 Introduction to Legal Description
 Fundamentals of Separating Real, Personal Property, and Intangible Business Assets
 CA Law Class
 Appraisal Applications of Regression Analysis
 Land and Site Valuation
 Appraisal of Assisted Living Facilities
 Advanced Hotel Appraising - Full Service Hotels
 Avoiding Mortgage Fraud for Appraisers
 Expert Witness for Commercial Appraisers
 Litigation Appraising - Specialized Topics
 Appraisal of Land Subject to Ground Lease
 Discounted Cash Flow
 Forecasting Revenue
 Small Hotel/Motel Valuation
 Cool Tools
 Sexual Harassment
 Commercial Land Valuation
 Intro to Expert Witness
 Biennial USPAP Updates
 Appraisal Institute Comprehensive Exam – Passed

STATE CERTIFICATIONS

Arizona, Colorado, Illinois, Minnesota, North Dakota, Ohio, Texas, Wisconsin

ARTICLES AND MENTIONS

<i>HVS Journal</i>	"HVS Market Pulse - Minneapolis-St. Paul," February 2021
<i>HVS Journal</i>	"The Impact of COVID-19 on Hotel Values," April 2020
<i>HVS Journal</i>	"HVS Market Pulse: Minneapolis-St. Paul Lodging Market Perceptions," February 2020
<i>HVS Journal</i>	"HVS Market Pulse: Minneapolis – After the Super Bowl," co-authored with Justin Westad, February 2019
<i>HVS Journal</i>	"Market Pulse: Minneapolis - St. Paul, MN," co-authored with Justin Westad and Justin Kaminski, April 2017
<i>HVS Journal</i>	"HVS Perspectives: Center Stage at ALIS," co-authored with Kasia Russell and Jessica White, February 2017
<i>Twin Cities Business</i>	"Twin Cities Hotel Boom," November 2016 – <i>Mentioned</i>
<i>Twin Cities Business</i>	"Downtown Minneapolis' Hotel Boom," September 2016 – <i>Mentioned</i>
<i>HVS Journal</i>	"In Focus: Minneapolis, MN," July 2016
<i>HVS Journal</i>	"Seven Key Takeaways – ALIS Conference," February 2016
<i>Minneapolis/St. Paul Business Journal</i>	"Hospitality in 2016: After a record year, will occupancy dip?" January 2016 – <i>Mentioned</i>
<i>Minneapolis/St. Paul Business Journal</i>	"Twin Cities Operators Are Bullish on 2016," January 2016 – <i>Mentioned</i>
<i>HVS Journal</i>	"In Focus: Minneapolis/St. Paul," December 2015
<i>HVS Journal</i>	"Five Key Takeaways – ALIS Conference The Americas Lodging Investment Summit," co-authored with Susan Furbay and Brett Russell, February 2015
<i>HVS Journal</i>	"Market Intelligence Report 2013: Minneapolis," August 2013
<i>HVS Journal</i>	"HVS Market Intelligence Report: Minneapolis, Minnesota," co-authored with Tess Federer, June 2012
<i>Minneapolis-St. Paul Business Journal</i>	"Grand Hotel for Sale as Wirth Tests the Waters," October 2, 2009

<i>Denver Business Journal</i>	"Seven Hotels Retain U.S. 36 Plans," October 3, 2008
<i>Missoulian</i>	"Foreclosure won't shutter Holiday Inn Parkside," March 25, 2005
<i>The Hotel Valuation Journal</i>	"Major U.S. Transactions-Mid-Year 2004," August 2004
<i>The Hotel Valuation Journal</i>	"Telecommunication Evolution and its Impact on the Hotel Industry," January 2003
<i>Colorado Real Estate Journal</i>	"US 36 Hotel Market Diversifies," April 18, 2001
<i>e-hospitality.com</i>	"Too Many Rooms: Lessons to Learn from Salt Lake City," August 8, 2000 – <i>Feature Article</i>
<i>The Hotel Valuation Journal</i>	"Why Hotel Markets Crash – Salt Lake City as a Blueprint," September 2000
<i>The Hotel Valuation Journal</i>	"From Lodging to Senior Housing – A Natural Trend?" September 1998
<i>The Hotel Valuation Journal</i>	"The South Pacific - Paradise Lost or Found?" June 1997

CONFERENCE ENGAGEMENTS

Speaker at Minnesota Association of Assessing Officers Summer Conference – May 2019

Speaker at Minnesota Association of Assessing Officers Fall Conference – September 2016

Panelist at WoodSpring Hotels Annual Conference – April 2016

Panelist at Hunter Hotel Investment Conference – March 2013

Panelist at the Lodging Conference – September 2010

HVS Valuation Summit, Minneapolis – June 2012, May 2013

Minnesota Real Estate Journal, Hotel & Hospitality Conference – September 2012

EDITING AND LECTURE ASSIGNMENTS

Guest Speaker, HRTM 3500: Lodging III - University of Denver – October 1999, February 2000, November 2000

Guest Speaker, TOM 3400: Hotel Management and Opportunities- University of Colorado – January 2004, September 2004

Guest Speaker, HRTM 4440: Hotel Asset Management – University of Denver – May 2004

Guest Speaker, Lodging Valuation – University of Denver – May 2007, May 2008, May 2009, May 2010

Contributing Editor, *Hotel Investments Handbook*, 1997

**PROFESSIONAL
AFFILIATIONS**

Appraisal Institute – Designated Member (MAI)
Boulder, Colorado CVB – Advisory Board, 2008 – 2011
Eastern Carolina University – Hospitality Management Advisory Board, 2008 – 2011
University of Denver MBA Curriculum Review Committee, 2000
University of Denver Visiting Committee, 1997/98
University of Denver HRTM Society
Eta Sigma Delta

EXAMPLES OF PROPERTIES APPRAISED OR EVALUATED

PORTFOLIO ANALYSIS

Portfolio of 650 Extended StayAmerica Hotels, Various Locations
 Portfolio of 365 La Quinta-Owned Hotels, Various Locations
 Portfolio of 11 Boykin-Owned Hotels, Various Locations
 Portfolio of 48 Hotels, Various Locations (Due Diligence)
 Portfolio of 57 RFS-Owned Hotels, Various Locations
 Portfolio of 34 Athletic Clubs Facilities, Various Locations
 Portfolio of 13 Suburban Lodges, Various Locations
 Portfolio of 21 Equity Inns Properties, Various Locations
 Portfolio of 10 Marriott Properties, Various Locations
 Portfolio of 6 Summerfield Suites, Various Locations
 Portfolio of 5 Heart of America Properties, Various Locations
 Multiple Portfolios of Summit-Owned Properties, Various Locations
 Portfolio of 8 La Quinta Properties, Various Locations
 Portfolio of 11 Real Estate Capital Partners-Owned Properties, California
 Portfolio of 26 Summit-Owned Properties, Various Locations
 Portfolio of 11 Tharaldson-Managed Properties, Various Locations
 Portfolio of 5 LNR-Owned Properties, Various Locations
 Multiple Portfolios of Highland-Owned Properties, Various Locations
 Portfolio of 8 Hyatt Place Properties, Various Locations
 Portfolio of 5 DoubleTree Hotels, Tennessee
 Portfolio of 160 Tharaldson-Managed Properties, Various Locations

Portfolio of 28 Hotels for Citibank, Various Locations
 Portfolio of 9 Suburban and Candlewood Hotels, Virginia and North Carolina
 Portfolio of 99 Marriott and Hilton Hotels, Various Locations
 Portfolio of 27 Hotels for Citibank, Various Locations
 Portfolio of 56 Value Place Hotels, Various Locations
 Portfolio of 5 Hampton Inn and Residence Inn Properties, Various Locations
 Portfolio of 10 Limited- and Select-Service Hotels for Voya Investment Management, Various Locations
 Portfolio of 6 Hotels for Summit, Various Locations
 Portfolio of 15 Marriott and Hilton Hotels, Various Locations
 Portfolio of 8 Hotels for Credit Suisse, Various Locations
 Portfolio of 7 Hotels for Bank of America, Various Locations
 Portfolio of 38 Hyatt Place & Hyatt House Hotels, Various Locations
 Portfolio of 87 Marriott- and Hilton-Branded Hotels, Various Locations
 Portfolio of 28 Marriott- and Hilton-Branded Hotels, Various Locations
 Portfolio of 93 Limited- and Select-Service Hotels, Various Locations
 Portfolio of 3 Hotels, El Reno, Oklahoma
 Portfolio of 2 Hotels, Wichita, Kansas
 Portfolio of 4 Hotels, Western U.S.
 Portfolio of 8 TownePlace Suites Hotels, Various Locations
 Portfolio of 22 Limited-Service or Extended-Stay Hotels, Various Locations
 Portfolio of 89 Hotels for Tharaldson, Various Locations
 Portfolio of 106 Motel 6 Hotels, Various Locations

Portfolio of 4 Hotels for Guggenheim Partners, Eastern U.S.
 Portfolio of 7 Marriott- and Hilton-Branded Hotels, Northeastern U.S.

ALABAMA

Proposed Hotel, Auburn
 Hilton, Birmingham
 Hilton Garden Inn Lakeshore, Birmingham
 Hilton Garden Inn Liberty Park, Birmingham
 Holiday Inn, Birmingham
 Hyatt Place Birmingham Inverness, Birmingham
 Marriott, Birmingham
 Hampton Inn, Dothan
 Holiday Inn, Dothan
 Holiday Inn Express, Gadsden
 Embassy Suites, Huntsville
 Proposed 4-Star Hotel, Huntsville
 Value Place, Huntsville
 Value Place, Madison
 Clarion Hotel, Mobile
 Proposed USA Hotel, Mobile
 Proposed Hotel, Montgomery
 Proposed Hotel, Prattville
 Holiday Inn, Sheffield

ALASKA

Hampton Inn, Anchorage
 Holiday Inn, Anchorage
 Marriott, Anchorage
 Proposed Embassy Suites, Anchorage
 Proposed Staybridge Suites, Anchorage
 Hampton Inn & Suites, Fairbanks
 Proposed Candlewood Suites, Fairbanks
 Proposed Hampton Inn, Fairbanks
 Westmark Baranoff Hotel, Juneau

ARIZONA

Carefree Resort, Carefree
 Proposed Hampton Inn, Carefree
 Courtyard by Marriott, Chandler
 Hampton Inn, Chandler

Homewood Suites, Chandler
 Proposed Home2 Suites, Chandler
 Proposed Hotel Site, Chandler
 AmeriSuites, Flagstaff
 Courtyard by Marriott, Flagstaff
 Embassy Suites, Flagstaff
 Howard Johnson, Flagstaff
 SpringHill Suites, Flagstaff
 CopperWynd Resort and Club,
 Fountain Hills
 Proposed Home2 Suites, Glendale
 Proposed Hotel, Glendale
 Renaissance, Glendale
 Holiday Inn Express, Goodyear
 Hampton Inn & Suites, Goodyear
 Proposed Hotel Site, Goodyear
 Residence Inn by Marriott, Mesa
 Proposed Hotel, Oro Valley
 Proposed Hampton Inn & Suites, Page
 Arizona Biltmore Resort & Spa,
 Phoenix
 Crowne Plaza, Phoenix
 Embassy Suites, Phoenix
 Fairfield Inn by Marriott, Phoenix
 Hampton Inn, Phoenix
 Holiday Inn West, Phoenix
 Homewood Suites, Phoenix
 Hyatt Place Phoenix North, Phoenix
 Proposed Hampton Inn, Phoenix
 Proposed Hotel Palomar, Phoenix
 Proposed Hotel Site, Phoenix
 Radisson, Phoenix
 Market Area Section, Phoenix/Tempe
 Holiday Inn Express, Prescott
 DoubleTree Resort, Scottsdale
 Hilton Resort, Scottsdale
 Proposed Fairfield Suites by Marriott,
 Scottsdale
 Proposed Staybridge Suites, Scottsdale
 Sanctuary on Camelback Mountain,
 Scottsdale
 Scottsdale Market Area Overview,
 Scottsdale
 TownePlace Suites by Marriott,
 Scottsdale
 L'Auberge de Sedona, Sedona
 Hampton Inn, Sedona

Four Points Tempe (Conversion to
 Moxy), Tempe
 Proposed Residence Inn, Tempe
 Wyndham Buttes Resort, Tempe
 Embassy Suites Airport, Tucson
 JW Marriott Starr Pass Resort, Tucson
 Sheraton El Conquistador, Tucson
 Proposed Comfort Suites, Tucson
 Ramada Palo Verde, Tucson
 Residence Inn by Marriott, Tucson

ARKANSAS

Four Points by Sheraton, Bakersfield
 Courtyard by Marriott, Bentonville
 Courtyard by Marriott, Fort Smith
 Embassy Suites, Hot Springs
 Fairfield Inn, Little Rock
 Holiday Inn Presidential Conference
 Center, Little Rock
 Residence Inn by Marriott, Little Rock
 Embassy Suites, Rogers
 Proposed Marriott, West Little Rock

CALIFORNIA

Sheraton Disneyland, Anaheim
 Embassy Suites, Arcadia
 Proposed Hilton Garden, Arcadia
 Proposed SpringHill Suites by
 Marriott, Arcadia
 W Aspen, Aspen
 Claremont Resort & Spa, Berkeley
 Radisson Hotel, Brisbane
 Hampton Inn & Suites, Camarillo
 Proposed Residence Inn by Marriott,
 Carlsbad
 Proposed Courtyard by Marriott,
 Carlsbad
 Courtyard by Marriott, Century City
 DoubleTree Hotel, Commerce
 Hardage Hotel, Emeryville
 Staybridge Suites Sacramento Folsom,
 Folsom
 Courtyard by Marriott, Fresno
 Piccadilly Airport Hotel, Fresno
 Hampton Inn, Goleta
 Holiday Inn Express, Hesperia
 Clarion Roosevelt, Hollywood

La Quinta Resort & Club, La Quinta
 Courtyard by Marriott, Livermore
 Hotel D'Orsay, Long Beach
 Four Points LAX, Los Angeles
 Marriott LAX, Los Angeles
 Proposed AC by Marriott Hotel, Los
 Angeles
 The Standard Hotel, Los Angeles
 Beverly Heritage Hotel, Milpitas
 Sheraton Hotel, Milpitas
 DoubleTree Hotel, Mission Valley
 Courtyard, Modesto
 Silverado Resort, Napa
 Courtyard by Marriott, Oyster Point
 Residence Inn by Marriott, Oyster
 Point
 Holiday Inn Express, Palm Desert
 Homewood Suites, Palm Desert
 Renaissance Hotel, Palm Springs
 Four Points by Sheraton, Pleasanton
 Sierra Suites, Pleasanton
 Summerfield Suites by Wyndham,
 Pleasanton
 Wyndham Garden, Pleasanton
 Hampton Inn & Suites, Poway
 Hyatt Place Sacramento Rancho
 Cordova, Rancho Cordova
 Homewood Suites, Rancho Cucamonga
 Holiday Inn, Riverside
 DoubleTree, Sacramento
 Residence Inn by Marriott, Sacramento
 Proposed Hotel, San Bernardino
 DoubleTree, San Diego
 Hardage Hotel, San Diego
 Hilton Harbor Island, San Diego
 Holiday Inn Mission Valley Stadium,
 San Diego
 Towne & Country Resort & Conference
 Center, San Diego
 Westin, San Diego
 Wyndham Emerald Plaza, San Diego
 Hilton Fisherman's Wharf, San
 Francisco
 Proposed Le Meridien San Jose, San
 Jose
 Holiday Inn Express Fisherman's
 Wharf, San Francisco

Hotel Rex, San Francisco
 Courtyard by Marriott, San Luis Obispo
 Courtyard, Santa Rosa
 Radisson Valley Center Hotel, Sherman Oaks
 Sonoma Valley Inn, Sonoma
 Four Points SFO, South San Francisco
 Maple Tree Inn, Sunnyvale
 Sheraton, Sunnyvale
 Holiday Inn Express, Temecula
 Courtyard by Marriott, Thousand Oaks
 TownePlace Suites by Marriott, Thousand Oaks
 Residence Inn by Marriott, Torrance
 Courtyard, Vacaville
 Holiday Inn, Ventura
 Ventura Beach Marriott, Ventura
 Wyndham Bel Age, West Hollywood
 Marriott Warner Center, Woodland Hills

COLORADO

Denver Marriott, Aurora
 DoubleTree Denver Southeast, Aurora
 Fairfield Inn & Suites by Marriott
 Denver Aurora Southlands, Aurora
 Hilton Garden Inn DIA, Aurora
 Proposed Courtyard by Marriott, Aurora
 Proposed Residence Inn Gateway Park, Aurora
 Proposed Woolley Classic Suites, Aurora
 Sleep Inn, Aurora
 Suburban Lodge, Aurora
 Hyatt Regency Beaver Creek, Avon
 Proposed Hotel, Avon
 Proposed Timeshare, Avon
 Ritz-Carlton Bachelor Gulch, Avon
 Proposed TBD Hotel, Basalt
 Alps Boulder Canyon Inn, Boulder
 Clarion Harvest House, Boulder
 Proposed Hotel
 Renovation/Expansion, Boulder
 Proposed Marriott, Boulder
 Proposed St. Julien Hotel, Boulder

Aloft Arista, Broomfield
 Interlocken Club & Spa, Broomfield
 Omni Interlocken Resort, Broomfield
 Proposed Interlocken Resort, Broomfield
 Proposed NYLO, Broomfield
 Proposed Summerfield Suites, Broomfield
 Proposed Aloft, Broomfield
 Proposed Holiday Inn, Clifton
 Academy Hotel, Colorado Springs
 Best Western Academy, Colorado Springs
 DoubleTree, Colorado Springs
 DoubleTree by Hilton World Arena, Colorado Springs
 Embassy Suites, Colorado Springs
 Hampton Inn, Colorado Springs
 Holiday Inn Colorado Springs Airport, Colorado Springs
 Holiday Inn Express, Colorado Springs
 Homewood Suites, Colorado Springs
 Proposed Brighton Gardens, Colorado Springs
 Proposed Homewood Suites by Hilton, Colorado Springs
 Proposed Hotel, Colorado Springs
 Proposed Mining Exchange Hotel, Colorado Springs
 Radisson, Colorado Springs
 WoodSpring Suites, Colorado Springs
 Holiday Inn, Craig
 Grande Butte Hotel, Crested Butte
 Irwin Mountain Lodge, Crested Butte
 MountainLair Hotel, Crested Butte
 Sheraton Hotel, Crested Butte
 Imperial Hotel & Casino, Cripple Creek
 Colorado Athletic Club Downtown, Denver
 Colorado Athletic Club Leetsdale, Denver
 Courtyard by Marriott, Denver
 DoubleTree DTC, Denver
 Embassy Suites, Denver
 Four Points by Sheraton, Denver
 Hampton Inn, Denver
 Hampton Inn DIA, Denver

Hampton Inn & Suites, Denver
 Hilton DTC, Denver
 Hilton Garden Inn Downtown, Denver
 Holiday Inn Central, Denver
 Holiday Inn Express, Denver
 International Airport
 JW Marriott, Denver
 Proposed Best Western Plus Gateway Park, Denver
 Proposed Boutique Hotel – Sloan Lake, Denver
 Proposed Cherry Creek Hotel, Denver
 Proposed Denver Athletic Club Hotel, Denver
 Proposed Executive Tower Hotel, Denver
 Proposed Full-Service Hotel, Denver
 Proposed Hilton Garden Inn, Denver
 Proposed Hotel at DU, Denver
 Proposed JW Marriott Hotel, Denver
 Proposed Limited-Service DTC Hotel, Denver
 Proposed Metro State Hotel, Denver
 Proposed Residence Inn by Marriott, Denver
 Proposed Union Station Hotel, Denver
 Ritz-Carlton Downtown, Denver
 Wyndham DTC, Denver
 Days Inn, Denver International Airport
 Ramada Limited, Denver International Airport
 Proposed Sheraton, Denver International Airport
 Proposed Jackson Creek Ranch, Douglas County
 Holiday Inn & Suites, Durango
 Proposed Holiday Inn, Durango
 AmericInn, Eagle
 24 Hour Fitness, Englewood
 Colorado Athletic Club Inverness, Englewood
 Courtyard by Marriott, Englewood
 Proposed Courtyard by Marriott, Englewood
 Proposed Residence Inn by Marriott, Englewood
 Residence Inn by Marriott, Englewood

Sheraton Denver Tech Center,
 Englewood
 Summerfield Suites by Wyndham,
 Englewood
 The Stanley Hotel, Estes Park
 Comfort Suites Golden West on
 Evergreen Parkway, Evergreen
 Courtyard by Marriott, Fort Collins
 Homewood Suites, Fort Collins
 Marriott, Fort Collins,
 Residence Inn by Marriott, Fort Collins
 Holiday Inn, Frisco
 Hampton Inn & Suites, Glendale
 Staybridge Suites, Glendale
 Courtyard by Marriott, Glenwood
 Springs
 Residence Inn by Marriott, Glenwood
 Springs
 Fairfield Inn/AmericInn, Golden
 Golden Hotel, Golden
 Hampton Inn, Golden
 Proposed Holiday Inn Express, Golden
 Ramada Inn Denver West, Golden
 Proposed Residence Inn by Marriott,
 Golden
 Proposed Courtyard by Marriott,
 Golden
 Table Mountain Inn, Golden
 Adams Mark, Grand Junction
 Comfort Inn, Grand Junction
 Hilton Hotel, Grand Junction
 Proposed Candlewood Suites, Grand
 Junction
 Proposed Courtyard by Marriott,
 Grand Junction
 Proposed Hampton Inn, Grand
 Junction
 Proposed Holiday Inn, Grand Junction
 Proposed Residence Inn by Marriott,
 Grand Junction
 Proposed Hotel, Grand Junction
 Colorado Athletic Club DTC,
 Greenwood Village
 Greenwood Athletic Club, Greenwood
 Village
 Proposed Westin Hotel, Greenwood
 Village

AmericInn, Lakewood
 Hampton Inn, Lakewood
 Proposed Brighton Gardens,
 Lakewood
 Sheraton Denver West, Lakewood
 Holiday Inn Express, Littleton
 Proposed Residence Inn, Littleton
 Proposed Staybridge Suites, Littleton
 Element Hotel, Lone Tree
 Proposed Hotel, Longmont
 Raintree Plaza, Longmont
 Comfort Inn, Louisville
 Courtyard by Marriott, Louisville
 Proposed Residence Inn by Marriott,
 Louisville
 Hampton Inn, Louisville
 Embassy Suites, Loveland
 Fairfield Inn by Marriott, Loveland
 Rock 'N River Property, Lyons
 Holiday Inn Express, Montrose
 Ramada Limited, Northglenn
 Hampton Inn, Parker
 Marriott Convention Center, Pueblo
 Proposed Holiday Inn Express, Sterling
 Proposed Hilton Garden Inn, Superior
 Proposed Hotel, Superior
 Proposed Westin, Telluride
 Peaks at Telluride, Telluride
 The Owners Club, Telluride
 Rosewood Resort, Telluride
 Radisson Graystone Castle, Thornton
 Chateau Vail, Vail
 Lodge at Vail, Vail
 Vail Village Inn, Vail
 Proposed Vail Plaza, Vail
 Proposed Four Seasons, Vail
 Vail Cascade Hotel & Club, Vail
 Courtyard by Marriott Denver North
 Westminster, Westminster
 Proposed Bradford Homesuites,
 Westminster
 Proposed Comfort Suites, Westminster
 Proposed Hyatt Place, Westminster
 Proposed SpringHill Suites by
 Marriott, Westminster
 Proposed Westin, Westminster
 Westin Hotel, Westminster

Proposed Limited-Service Hotel,
 Woodland Park
 Proposed Select-Service Hotel,
 Woodland Park

CONNECTICUT

Radisson, Enfield
 Holiday Inn, East Hartford
 Courtyard by Marriott, Orange
 DoubleTree Hotel, Windsor Locks
 Marriott Airport, Windsor

DELAWARE

Residence Inn by Marriott, Wilmington

DISTRICT OF COLUMBIA

Kimpton Banneker Hotel
 Proposed Embassy Suites
 Proposed Residence Inn - Navy Yards

FLORIDA

TownePlace Suites by Marriott
 Orlando Altamonte
 Springs/Maitland, Altamonte
 Springs
 Proposed WoodSpring Suites, Belle
 Isle
 Boca Athletic Club, Boca Raton
 Fairfield Inn by Marriott, Brandon
 Courtyard by Marriott, Brandon
 Mayfair House, Coconut Grove
 Holiday Inn, Coral Gables
 Hyatt, Coral Gables
 DoubleTree Hotel, Fort Lauderdale
 DoubleTree Guest Suites, Fort
 Lauderdale
 Hampton Inn, Fort Lauderdale
 Marriott Sanibel Harbour Resort, Fort
 Myers
 Sanibel Harbour Resort & Spa, Ft.
 Myers
 Holiday Inn, Fort Pierce
 Aloft, Jacksonville
 Hampton Inn, Jacksonville
 Holiday Inn Sunspree, Jacksonville
 Beach
 Proposed Aloft, Jacksonville

Residence Inn by Marriott, Jacksonville
 Westin, Key Largo
 Courtyard by Marriott, Key West
 Holiday Inn, Key West
 Super 8, Lantana
 Hilton Walt Disney World, Lake Buena Vista
 Sheraton, Maitland
 Holiday Inn, Melbourne
 Doral Golf Resort & Spa, Miami
 DoubleTree Club Hotel, Miami
 Hilton Garden Inn Miami Airport, Miami
 Hilton Miami Downtown, Miami
 Homewood Suites Miami Airport, Miami
 Proposed Aloft South Beach, Miami
 TownePlace Suites by Marriott, Miami
 Summerfield Suites by Wyndham, Miami
 Grand Beach Hotel, Miami Beach
 TownePlace Suites by Marriott, Miami Lakes
 Proposed Hilton, Naples
 Proposed Residence Inn by Marriott, Naples
 DoubleTree Orlando at SeaWorld, Orlando
 Hyatt Place Convention Center, Orlando
 Hyatt Place Universal, Orlando
 Residence Inn by Marriott, Orlando
 Radisson Parkway Resort, Orlando
 Holiday Inn Express, Pensacola
 Holiday Inn University Mall, Pensacola
 Hampton Inn, Pensacola
 Sheraton Suites, Plantation
 Hyatt Regency, Sarasota
 SpringHill Suites by Marriott, Sarasota
 Proposed Radisson Hotel, Tallahassee
 Hampton Inn Ybor City, Tampa
 Harbour Island Athletic Club, Tampa
 Holiday Inn Express Hotel & Suites, Tampa
 Crowne Plaza, West Palm Beach
 Residence Inn by Marriott, West Palm Beach

Sheraton, West Palm Beach
 Holiday Inn, Winter Haven

GEORGIA

Hampton Inn, Alpharetta
 Marriott, Alpharetta
 Residence Inn by Marriott, Alpharetta
 Courtyard by Marriott, Atlanta
 Courtyard Vinings, Atlanta
 Crowne Plaza Ravinia, Atlanta
 Days Inn, Atlanta
 DoubleTree Guest Suites, Atlanta
 Georgian Terrace, Atlanta
 Hilton Suites Perimeter, Atlanta
 Hyatt Place Airport, Atlanta
 Marriott Hotel, Atlanta
 Northeast Athletic Club, Atlanta
 Residence Inn by Marriott, Atlanta
 Ritz-Carlton Downtown, Atlanta
 Sheraton Colony Square, Atlanta
 Sheraton Downtown, Atlanta
 Westin Perimeter North, Atlanta
 Wyndham Vining Inn, Atlanta
 Days Inn Downtown, Augusta
 Fairfield Inn by Marriott, Augusta
 Holiday Inn Gordon Hwy, Augusta
 Holiday Inn West, Augusta
 Holiday Inn, Brunswick
 Courtyard by Marriott, Buckhead
 Residence Inn by Marriott, Buckhead
 Sierra Suites, Buckhead
 Hampton Inn, Buford
 SpringHill Suites, Buford
 Hilton Garden Inn, Duluth
 Holiday Inn Gwinnett Center, Duluth
 Proposed Holiday Inn Express, Duluth
 Proposed Hotel, Duluth
 Residence Inn by Marriott, Duluth
 Hyatt Place Atlanta Airport, East Point
 Best Western Plus Fairburn Atlanta
 Southwest, Fairburn
 Residence Inn by Marriott, Gwinnett
 Holiday Inn, Jekyll Island
 Fairfield Inn, Kennesaw
 SpringHill Suites, Kennesaw
 Emerald Pointe Resort, Lake Lanier Islands

SpringHill Suites, Lithia Springs
 Comfort Inn, Marietta
 Holiday Inn & Suites, Marietta
 Hyatt Regency, Marietta
 Wyndham Peachtree Center, Peachtree City
 Courtyard by Marriott, Savannah
 Hyatt Regency, Savannah
 Radisson Hotel, Savannah
 Westin, Savannah
 Holiday Inn, Valdosta
 Fairfield Inn by Marriott, Valdosta
 Ramada Inn, Warner Robins

HAWAII

Fairmont Orchid, Big Island
 Ritz-Carlton Kapalua, Maui
 Royal Hawaiian, Oahu
 Sheraton Moana Surfrider, Oahu
 Sheraton Princess, Oahu

IDAHO

DoubleTree Hotel, Boise
 Holiday Inn, Boise
 Red Lion Downtowner, Boise
 Proposed Cambria Suites, Boise
 Red Lion Riverside, Boise
 Shilo Inn, Boise
 SpringHill Suites, Boise
 The Grove Hotel, Boise
 Holiday Inn Express, Coeur d'Alene
 Shilo Inn, Idaho Falls
 Proposed Resort, McCall
 Proposed Home2 Suites by Hilton, Pocatello
 AmericInn, Twin Falls

ILLINOIS

Holiday Inn, Arlington Heights
 Sheraton Chicago Northwest, Arlington Heights
 Courtyard by Marriott, Bedford Park
 Fairfield Inn by Marriott, Bedford Park
 Holiday Inn Express, Bedford Park
 Proposed Holiday Inn Select, Bedford Park
 Hampton Inn, Bloomington

Proposed Hyatt Place, Bloomington
 Proposed JW Marriott, Bloomington
 SpringHill Suites, Burr Ridge
 Crowne Plaza Avenue Hotel & Office Building, Chicago
 Hilton Suites, Chicago
 Hyatt Printers Row, Chicago
 Proposed Hampton Inn Loyola, Chicago
 Proposed Holiday Inn Express, Chicago
 Ritz Carlton, Chicago
 Sheraton Hotel & Towers, Chicago
 Wyndham NW, Chicago
 Holiday Inn, Crystal Lake
 DoubleTree Club Hotel, Des Plaines
 Holiday Inn, Downers Grove
 Embassy Suites, East Peoria
 Proposed Staybridge Suites by Holiday Inn, Elgin
 SpringHill Suites, Elmhurst
 Fairfield Inn by Marriott, Forsyth
 Holiday Inn, Glen Ellyn
 DoubleTree Hotel, Glenview
 Fairfield Inn by Marriott, Glenview
 Proposed Hotel, Gurnee
 Hyatt Place, Hoffman Estates
 Marriott Northwest, Hoffman Estates
 Holiday Inn, Itasca
 Wyndham NW Chicago, Itasca
 SpringHill Suites by Marriott Chicago
 Lincolnshire, Lincolnshire
 Wyndham, Lisle
 Wyndham Garden, Naperville
 Marriott, Normal
 Proposed Radisson, Normal
 Proposed Hotel, Peoria
 Holiday Inn, Rolling Meadows
 Proposed Radisson Hotel, Schaumburg
 Wyndham Garden, Schaumburg
 DoubleTree Hotel, Skokie
 Proposed Residence Inn, Wilmette
 Wyndham Garden, Wood Dale

INDIANA

Holiday Inn, Bloomington
 Hyatt Place, Bloomington

Proposed Residence Inn by Marriott, Bloomington
 Proposed Staybridge Suites, Carmel
 Renaissance, Carmel
 Residence Inn by Marriott, Fishers
 Courtyard by Marriott Downtown, Fort Wayne
 Hilton, Fort Wayne
 Holiday Inn, Fort Wayne
 Proposed Courtyard, Fort Wayne
 Proposed Hotel, Fort Wayne
 Staybridge Suites by Holiday Inn, Fort Wayne
 French Lick Resort, French Lick
 AmeriSuites, Indianapolis
 Fairfield Inn by Marriott, Indianapolis
 Hampton Inn, Indianapolis
 Hyatt Regency, Indianapolis
 Proposed Boutique Hotel, Indianapolis
 Proposed Canopy Hotel, Indianapolis
 Proposed Convention Hotel, Indianapolis
 Proposed Independent Hotel, Indianapolis
 Proposed InterContinental Indianapolis Downtown, Indianapolis
 Residence Inn by Marriott, Indianapolis
 Proposed Hampton Inn, Lawrenceburg
 Residence Inn by Marriott, Merrillville
 Proposed Home2 Suites, Mishawaka
 Proposed SpringHill Suites by Marriott, Munster
 Proposed Potato Creek Inn, North Liberty
 Proposed Casino, Paxton
 Knights Inn, Seymour
 Proposed Fairfield Inn, South Bend
 Proposed Valparaiso Hotel, Valparaiso
 Hilton Garden Inn Wabash Landing, West Lafayette
 Proposed Prophetstown Inn, West Lafayette

IDAHO

Hampton Inn & Suites, Pocatello

IOWA

Crowne Plaza, Cedar Rapids
 Hampton Inn, Cedar Rapids
 Wildwood Lodge, Clive
 Best Western Metro, Council Bluffs
 Proposed Candlewood Suites, Davenport
 Comfort Suites, Des Moines
 Country Inn & Suites, Des Moines
 Proposed 2525 Grand, Des Moines
 Proposed Boutique Hotel, Des Moines
 Proposed Courtyard by Marriott, Des Moines
 Proposed Holiday Inn Express, Des Moines
 Proposed Hotel, Des Moines
 Savery Hotel, Des Moines
 Sleep Inn, Des Moines
 Surety Hotel Des Moines, Des Moines
 Four Points, West Des Moines
 Sheraton, Iowa City
 Proposed SpringHill Suites, Ottumwa

KANSAS

Holiday Inn Express, Hays
 Courtyard by Marriott, Junction City
 Holiday Inn, Lawrence
 Proposed Hotel, Lawrence
 Proposed MainStay Suites, Lawrence
 Proposed Candlewood Suites, Lenexa
 Proposed Holiday Inn Express, Lenexa
 Holiday Inn, Manhattan
 Comfort Suites, Olathe
 AmeriSuites, Overland Park
 Hampton Inn, Overland Park
 Homewood Suites, Overland Park
 Proposed Hampton Inn, Overland Park
 Proposed Staybridge Suites, Overland Park
 AmericInn, Salina
 Holiday Inn, Wichita
 Proposed Hotel – Bowllagio, Wichita
 Proposed Downtown Hotel, Wichita
 Proposed Hotel – Greenwich, Wichita
 Proposed Hotel – Southfork, Wichita

KENTUCKY

Holiday Inn Riverfront, Covington
 Courtyard by Marriott, Florence
 Marriott Airport, Hebron
 Embassy Suites, Lexington
 Aloft Louisville Downtown, Louisville
 Hilton Garden Inn Northeast,
 Louisville
 Holiday Inn, Louisville
 Homewood Suites by Hilton Louisville
 Downtown, Louisville
 Proposed Aloft Hotel, Louisville
 Proposed Homewood Suites by Hilton,
 Louisville
 Proposed WoodSpring Suites,
 Louisville
 Radisson, Louisville
 Courtyard by Marriott, Paducah
 Super 8, Prestonburg

LOUISIANA

Comfort Inn, Baton Rouge
 Fairfield Inn by Marriott, Baton Rouge
 SpringHill Suites by Marriott, Baton
 Rouge
 TownePlace Suites by Marriott, Baton
 Rouge
 Residence Inn by Marriott Shreveport-
 Bossier City/Downtown, Bossier
 City
 TownePlace Suites by Marriott
 Shreveport-Bossier City, Bossier City
 Courtyard by Marriott, Lafayette
 Holiday Inn, Lafayette
 Courtyard by Marriott, Metairie
 Quality Inn, Metairie
 Residence Inn by Marriott, Metairie
 Astor Crowne Plaza, New Orleans
 Bourbon Orleans, New Orleans
 Courtyard Convention Center, New
 Orleans
 Crowne Plaza, New Orleans
 Hyatt Regency, New Orleans
 Maison DuPuy, New Orleans
 Radisson, New Orleans
 SpringHill Suites Convention Center,
 New Orleans

SpringHill Suites by Marriott New
 Orleans Downtown, New Orleans
 Wingate Inn, Sulphur

MARYLAND

Marriott, Annapolis
 DoubleTree by Hilton, Annapolis
 Radisson, Annapolis
 Brookshire Suites, Baltimore
 Homewood Suites/Hilton Garden Inn
 Inner Harbor, Baltimore
 Proposed Extended-Stay Hotel,
 Baltimore
 Proposed Staybridge Suites, Baltimore
 Wyndham Inner Harbor Hotel,
 Baltimore
 Bel Air Athletic Club, Bel Air
 Holiday Inn, Belmont
 Residence Inn by Marriott, Bethesda
 Hilton, Columbia
 Holiday Inn, Cromwell Bridge
 Holiday Inn, Frederick
 Summerfield Suites by Wyndham,
 Gaithersburg
 Holiday Inn Airport, Linthicum Heights
 DoubleTree, Rockville
 Days Inn, Silver Spring
 Holiday Inn, Silver Spring

MASSACHUSETTS

Wyndham, Billerica
 Atlantic Avenue Athletic Club, Boston
 Charles Square Athletic Club, Boston
 Commonwealth Athletic Club, Boston
 Courtyard by Marriott, Boston
 Proposed Intercontinental Hotel,
 Boston
 Westin Copley Place, Boston
 Wyndham Hotel, Boston
 Summerfield Suites by Wyndham,
 Burlington
 TownePlace Suites by Marriott,
 Danvers
 Residence Inn by Marriott, Dedham
 Proposed Courtyard by Marriott,
 Natick
 Newton Athletic Club, Newton

Summerfield Suites by Wyndham,
 Waltham
 Proposed Courtyard by Marriott,
 Woburn
 Crowne Plaza, Worcester

MICHIGAN

Proposed TownePlace Suites, Ann
 Arbor
 Residence Inn by Marriott, Ann Arbor
 Fairfield Inn by Marriott, Auburn Hills
 Hilton Suites, Auburn Hills
 Proposed TownePlace Suites, Auburn
 Hills
 Fairfield Inn by Marriott, Canton
 Lifetime Fitness Center, Canton
 Courtyard by Marriott, Dearborn
 Hyatt Regency, Dearborn
 TownePlace Suites by Marriott,
 Dearborn
 DoubleTree Hotel Airport, Detroit
 Courtyard by Marriott, Flint
 Holiday Inn, Flint
 Delta Hotels by Marriott Grand Rapids
 Airport, Grand Rapids
 Proposed TownePlace Suites by
 Marriott, Grand Rapids
 Holiday Inn West, Lansing
 Embassy Suites Detroit Livonia,
 Livonia
 Proposed TownePlace Suites by
 Marriott, Livonia
 TownePlace Suites by Marriott,
 Livonia
 Fairfield Inn by Marriott, Madison
 Heights
 Delta Hotels Muskegon Downtown,
 Muskegon
 Holiday Inn Muskegon Harbor,
 Muskegon
 Hampton Inn, Northville
 Wyndham Garden, Novi
 Quality Inn, Plymouth
 Proposed Marriott, Pontiac
 Lifetime Fitness Center, Rochester
 Hills

Proposed WoodSpring Suites,
Rochester Hills
Fairfield Inn by Marriott, Romulus
Proposed Hilton Garden Inn, Romulus
Courtyard by Marriott, Southfield
Holiday Inn, Southfield
Proposed Holiday Inn Express, Sterling
Proposed TownePlace Suites, Sterling
Heights
Comfort Inn, Traverse City
Courtyard by Marriott, Troy
Drury Inn, Troy
Hilton Inn Northfield, Troy
Courtyard by Marriott, Warren
Fairfield Inn by Marriott, Warren

MINNESOTA

Holiday Inn, Alexandria
Proposed Holiday Inn Express,
Alexandria
Holiday Inn, Arden Hills
Proposed Cobblestone Hotel & Suites,
Austin
Proposed SpringHill Suites Vadnais
Heights, Arden Hills
Proposed Country Inn, Bemidji
Cambria Suites, Bloomington
Crowne Plaza, Bloomington
GuestHouse Inn, Bloomington
Hampton Inn & Suites, Bloomington
Hilton Garden Inn Minneapolis Airport
Mall of America, Bloomington
Holiday Inn, Bloomington
Holiday Inn Express, Bloomington
Le Bourget Aero Suites (conversion to
Holiday Inn Express), Bloomington
Marriott Airport, Bloomington
Northwest Athletic Club 98th Street,
Bloomington
Northwest Athletic Club Normandale,
Bloomington
Proposed Courtyard by Marriott,
Bloomington
Proposed Full-Service Hotel,
Bloomington
Proposed Hampton Inn & Suites,
Bloomington

Proposed Home2 Suites, Bloomington
Proposed Hyatt, Bloomington
Proposed JW Marriott, Bloomington
Proposed MOA Hotel, Bloomington
Proposed Radisson Blu, Bloomington
Proposed Residence Inn by Marriott,
Bloomington
Radisson Blu Mall of America,
Bloomington
Ramada Mall of America, Bloomington
Renaissance Hotel, Bloomington
Staybridge Suites Minneapolis
Bloomington, Bloomington
Wyndham Garden, Bloomington
Motel 6 Minneapolis Brooklyn Center,
Brooklyn Center
Northwest Athletic Club Highway 100,
Brooklyn Center
Cragun's Resort, Brainerd
Northland Inn, Brooklyn Park
Proposed Fairfield Inn by Marriott,
Brooklyn Park
Northwest Athletic Club Burnsville,
Burnsville
Proposed Hotel, Chaska
Proposed Cohasset Hotel, Cohasset
Days Inn Duluth Lakewalk, Duluth
Edgewater Hotel and Waterpark,
Duluth
Holiday Inn, Duluth
Motel 6, Duluth
Proposed Cambria Suites, Duluth
Proposed Clyde Ironworks Hotel,
Duluth
Proposed GrandStay Hotel & Suites,
Duluth
Proposed Holiday Inn Express, Duluth
Proposed Mixed-Use Development,
Duluth
Proposed Fairfield Inn & Suites, Eagan
Proposed Home2 Suites, Eagan
Proposed Hotel, Eagan
Residence Inn by Marriott, Eagan
Westin Edina Galleria, Edina
Hilton Garden Inn, Eden Prairie
Northwest Athletic Club Crosstown,
Eden Prairie

Flagship Athletic Club, Eden Prairie
Proposed TownePlace Suites by
Marriott, Eden Prairie
Hawthorn Suites, Edina
Northwest Athletic Club Midwest,
Edina
Northwest Athletic Club St. Louis Park,
Edina
Proposed Homewood Suites by Hilton,
Edina
Proposed Hotel Market Study, Edina
Westin, Edina
Proposed Boutique Hotel on Lake
Minnetonka, Excelsior
Northwest Athletic Club Moore Lake,
Fridley
Proposed Best Western Plus, Grand
Rapids
Sawmill Inn, Grand Rapids
Wendigo Lodge, Grand Rapids
Proposed Hastings Hotel, Hastings
Proposed Microtel, Hastings
Hibbing Park Hotel, Hibbing
Grand Casino Hinckley's RV Resort,
Hinckley
Proposed AmericInn by Wyndham,
International Falls
Proposed Best Western Plus
International Falls, International
Falls
Proposed Microtel International Falls,
International Falls
Motel 6 Lakeville/Minneapolis,
Lakeville
Lutsen Resort, Lutsen
Proposed Hampton Inn, Mankato
Northwest Athletic Club Maple Grove,
Maple Grove
Proposed Hilton Garden Inn, Maple
Grove
Proposed Staybridge Suites by
Marriott, Maple Grove
Proposed Hotel, Maplewood
Courtyard by Marriott, Mendota
Heights
AC Hotel by Marriott Minneapolis
Downtown, Minneapolis

Airport Market Area Overview, Minneapolis	Proposed Hyatt Place (conversion), Minneapolis	Proposed Dual Brand IHG Rochester, Rochester
Comfort Suites, Minneapolis	Proposed Limited-Service Hotel, Minneapolis	Proposed Embassy Suites, Rochester
Courtyard by Marriott Minneapolis Downtown, Minneapolis	Proposed Minneapolis Stadium Hotel, Minneapolis	Proposed Hilton Hotel, Rochester
Crowne Plaza Minneapolis Northstar Downtown, Minneapolis	Proposed Moxy, Minneapolis	Proposed Hotel, Rochester
Days Inn University of MN, Minneapolis	Proposed SALT Hotel, Minneapolis	Proposed Hyatt House Rochester, Rochester
Element Minneapolis Downtown, Minneapolis	Proposed Terminal Hotel, Minneapolis	Staybridge Suites, Rochester
Elliot Park Hotel Autograph Collection Minneapolis, Minneapolis	Proposed TownePlace Suites, Minneapolis	Comfort Inn, Roseville
Emery Autograph Collection by Marriott, Minneapolis	Proposed Westin, Minneapolis	Motel 6 Roseville/Minneapolis, Roseville
Grand Hotel Minneapolis, Minneapolis	Radisson Metrodome, Minneapolis	Proposed Roseville Avid Hotel, Roseville
Homewood Suites Mall of America, Minneapolis	Sheraton Midtown Minneapolis, Minneapolis	Proposed Residence Inn by Marriott, Roseville
Hampton Inn & Suites Minneapolis University Area, Minneapolis	The Grand Hotel, Minneapolis	Holiday Inn West, St. Louis Park
Hewing Hotel, Minneapolis	The Marquette Hotel, Minneapolis	Proposed Extended-Stay Hotel, St. Louis Park
Hilton, Minneapolis	W Minneapolis The Foshay, Minneapolis	Proposed Hilton Garden Inn, St. Louis Park
Hotel Ivy, Minneapolis	Hampton Inn, Minnetonka	Proposed Hotel, St. Louis Park
Hotel Minneapolis, Minneapolis	Holiday Inn Express, Minnetonka	DoubleTree by Hilton Saint Paul East, Saint Paul
Hyatt Place, Minneapolis	Northwest Athletic Club Oakdale, Minnetonka	Holiday Inn, St. Paul
Le Meridien Chambers Hotel, Minneapolis	Sheraton Minneapolis West, Minnetonka	Proposed Element Hotel, St. Paul
Northwest Athletic Club Arena, Minneapolis	Proposed Holiday Inn Express, Mounds View	Proposed Hotel, St. Paul
Proposed AC Hotel, Minneapolis	Proposed New Brighton Hotel, New Brighton	Proposed Hyatt Place, St. Paul
Proposed Autograph Hotel, Minneapolis	Proposed Hilton Garden, Oakdale	Saint Paul Hotel, St. Paul
Proposed Canopy Hotel, Minneapolis	Proposed Home2 Suites by Hilton, Oakdale	Proposed Hotel, Stillwater
Proposed Conrad Hotel, Minneapolis	Proposed Holiday Inn Express, Oak Park Heights	Proposed Hotel, Wabasha
Proposed Courtyard by Marriott, Minneapolis	Owatonna Proposed Hotel, Owatonna	Proposed Holiday Inn, Waite Park
Proposed Dual-Branded Hotel, Minneapolis	Proposed Courtyard by Marriott, Owatonna	Proposed Staybridge Suites, Waite Park
Proposed Element, Minneapolis	Proposed Hotel, Plymouth	Proposed Limited-Service Hotel, Willmar
Proposed Extended-Stay Hotel, Minneapolis	Motel 6 Minneapolis Airport Mall Of America, Richfield	La Quinta Inn & Suites Saint Paul Woodbury, Woodbury
Proposed Full-Service Hotel, Minneapolis	Extended Stay America North, Rochester	Sheraton, Woodbury
Proposed Gateway Hotel, Minneapolis	Extended Stay America South, Rochester	
Proposed Hampton Inn, Minneapolis	Holiday Inn Rochester Downtown, Rochester	MISSISSIPPI
Proposed Hotel at MSP, Minneapolis	Proposed Cambria Suites, Rochester	Hampton Inn, Harrisburg
Proposed Hyatt Centric, Minneapolis		Comfort Inn, Hattiesburg
		Courtyard by Marriott, Jackson
		Holiday Inn Express, Jackson
		Proposed Conference Resort, Jackson
		Ramada, McComb

Holiday Inn Express, Milford
Homewood Suites, Ridgeland
Staybridge Suites, Ridgeland

MISSOURI

Branson Landing Hilton, Branson
Chateau on the Lake, Branson
Hilton Branson Convention Center,
Branson
Sheraton, Clayton
Proposed Home 2 Suites by Hilton,
Independence
Residence Inn by Marriott, Joplin
Hampton Inn, Kansas City
Proposed Boutique Hotel, Kansas City
Proposed Hotel, Kansas City
Proposed Residence Inn by Marriott,
Kansas City
Residence Inn by Marriott, Kansas City
Country Club Hotel & Spa, Lake Ozark
Big Cedar Lodge, Ridgedale
Embassy Suites, St. Charles
Comfort Inn, St. Louis
Holiday Inn North, St. Louis
Radisson Hotel, St. Louis
Courtyard by Marriott, Springfield
Holiday Inn Express, Springfield
Residence Inn by Marriott, Springfield
University Plaza, Springfield

MONTANA

Crowne Plaza, Billings
Proposed TownePlace Suites by
Marriott, Billings
Best Western Butte Plaza Inn, Butte
Hampton Inn, Butte
Proposed Holiday Inn Express,
Glendive
Proposed Holiday Inn Express, Great
Falls
Holiday Inn Express, Helena
Proposed Holiday Inn Express, Helena
Wingate Inn, Helena
Holiday Inn Express, Kalispell
Proposed Homewood Suites, Kalispell
Proposed Hotel, Missoula
Proposed TownePlace Suites, Missoula

TownePlace Suites by Marriott,
Missoula
Proposed Best Western, Shelby
Best Western Golden Prairie Inn &
Suites, Sidney
Proposed Best Western, Sidney
Richland Motor Inn, Sidney
Proposed Hotel, Whitefish

NEBRASKA

Proposed Hotel, Ashland
Proposed Hotel, Beatrice
Proposed Hotel, Grand Island
Proposed Hotel, Hastings
Embassy Suites, La Vista
Embassy Suites, Lincoln
Hampton Inn, Lincoln
Proposed Fallbrook Hotel, Lincoln
Proposed Hotel, Lincoln
Courtyard by Marriott, La Vista
Proposed Hotel, Lincoln
Best Western Central, Omaha
DoubleTree, Omaha
Hampton Inn, Omaha
Marriott Hotel, Omaha
Proposed Blackstone Hotel, Omaha
Proposed Hotel, Omaha
Proposed Marriott, Omaha
Ramada Inn, Omaha
Sheraton Inn, Omaha
Proposed Hotel, Waverly

NEVADA

Candlewood Suites, Henderson
Hampton Inn & Holiday Inn Express,
Henderson
Proposed Holiday Inn Express,
Henderson
Proposed Timeshare Resort, Lake
Tahoe
Alexis Park Suites, Las Vegas
Courtyard by Marriott, Las Vegas
Embassy Suites, Las Vegas
Marriott Suites, Las Vegas
Proposed Hotel, Las Vegas
SpringHill Suites, Las Vegas
Homewood Suites, Reno

Hyatt Place, Reno

NEW HAMPSHIRE

Fairfield Inn by Marriott, Merrimack

NEW JERSEY

Trump Marina Hotel & Casino, Atlantic
City
Summerfield Suites by Wyndham,
Bridgewater
Courtyard by Marriott, Edison
Leisure Park Retirement Community,
Lakewood
Summerfield Suites by Wyndham,
Morristown
Hilton Gateway Plaza, Newark
Hilton, Parsippany
Residence Inn by Marriott, Princeton
Courtyard by Marriott, Secaucus
DoubleTree, Somerset
Residence Inn by Marriott, Tinton Falls
Summerfield Suites by Wyndham,
Whippany

NEW MEXICO

Andaluz, Albuquerque
Del Norte Athletic Club, Albuquerque
DoubleTree by Hilton, Albuquerque
Downtown Athletic Club, Albuquerque
Embassy Suites, Albuquerque
Hilton Garden Inn Uptown,
Albuquerque
Highpoint Athletic Club, Albuquerque
Holiday Inn Express, Albuquerque
Hotel Albuquerque, Albuquerque
La Posada, Albuquerque
Midtown Athletic Club, Albuquerque
Proposed Hilton Garden Inn,
Albuquerque
Proposed Hotel Indigo, Albuquerque
Proposed Residence Inn, Albuquerque
Proposed SpringHill Suites,
Albuquerque
Riverpoint Athletic Club, Albuquerque
Suburban Lodge, Albuquerque
Holiday Inn Express, Farmington
Hilton Garden Inn, Las Cruces

Proposed Resort, Pojoaque
 Hilton Garden Inn, Rio Rancho
 Bishop's Lodge, Santa Fe
 Courtyard by Marriott, Santa Fe
 Eldorado Hotel, Santa Fe
 Encantado Resort, Santa Fe
 Hilton, Santa Fe
 Holiday Inn, Santa Fe
 Hotel Chimayo, Santa Fe
 Proposed Hotel, Santa Fe

NEW YORK

Crowne Plaza, Albany
 Omni Hotel, Albany
 Proposed Hilton Garden Inn, Buffalo
 Holiday Inn Express, Cooperstown
 Residence Inn by Marriott, Fishkill
 Hyatt Place, Garden City
 Holiday Inn, Grand Island
 Holiday Inn, Jamestown
 Sofitel, New York
 Four Points, Niagara Falls
 Holiday Inn Select, Niagara Falls
 Proposed Hotel, Niagara Falls
 Embassy Suites, Syracuse
 Fairfield Inn by Marriott, Syracuse
 Holiday Inn, Syracuse
 Wyndham Hotel, Syracuse

NORTH CAROLINA

Sleep Inn & Suites, Albemarle
 Hampton Inn, Asheboro
 DoubleTree Biltmore, Asheville
 Hotel Indigo, Asheville
 Renaissance, Asheville
 Cape Pines Motel, Buxton
 Embassy Suites Ayrley, Charlotte
 Hilton Garden Inn Ayrley, Charlotte
 Homewood Suites, Charlotte
 Residence Inn by Marriott, Charlotte
 Westin Hotel, Charlotte
 Proposed Select-Service Hotel,
 Charlotte
 Holiday Inn Express, Clemmons
 Embassy Suites, Concord
 Hilton Garden Inn, Concord
 21c Museum Hotel, Durham

Candlewood Suites Durham Research
 Triangle Park, Durham
 Proposed 21c Hotel, Durham
 Proposed Hotel, Durham
 Holiday Inn, Fayetteville
 Radisson Inn, Greensboro
 Holiday Inn Express, Henderson
 Days Inn RPT, Raleigh
 Holiday Inn, Raleigh
 Proposed Hotel, Raleigh
 Renaissance Hotel, Raleigh
 Fairfield Inn by Marriott, Rocky Mount

NORTH DAKOTA

Hampton by Hilton, Bismarck
 Proposed SpringHill Suites by
 Marriott, Bismarck
 Proposed University Hotel, Bismarck
 Staybridge Suites, Bismarck
 Proposed Dakota Suites, Dickinson
 Delta Hotels by Marriott Fargo, Fargo
 Hampton by Hilton Fargo Medical
 Center, Fargo
 Hawthorn Suites by Wyndham Fargo,
 Fargo
 Holiday Inn, Fargo
 Proposed Hawthorn Suites, Fargo
 Proposed Hotel, Fargo
 Proposed Limited-Service Hotel, Fargo
 Proposed Wingate Inn, Fargo
 Radisson, Fargo
 Ramada Plaza Conversion, Fargo
 Ramada Plaza Suites, Fargo
 Canad Inns Destination Center Grand
 Forks, Grand Forks
 Baymont Inn & Suites, Minot
 Hyatt House, Minot
 La Quinta Inn & Suites, Minot
 Noble Inn, Minot
 North Hills Suites Conversion to Hyatt
 House, Minot
 Proposed Extended-Stay Hotel, Minot
 Proposed Limited-Service Hotel, Minot
 Proposed Baymont Inn & Suites, South
 Heart
 Proposed Candlewood Suites, West
 Fargo

Market Overview, Williston
 Proposed Hotel(s), Williston
 Supply Update, Williston

OHIO

Fairfield Inn by Marriott, Akron
 Proposed Hilton, Chippewa Lake
 Hyatt Regency, Cincinnati
 Radisson, Cincinnati
 Courtyard by Marriott, Cleveland
 Holiday Inn Beachwood, Cleveland
 Holiday Inn Westlake, Cleveland
 Marriott East, Cleveland
 Marriott North, Cleveland
 Radisson, Cleveland
 AmeriSuites, Columbus
 Courtyard Easton, Columbus
 DoubleTree Guest Suites, Columbus
 Hilton Easton, Columbus
 Hilton Polaris, Columbus
 Marriott Airport, Columbus
 Westin, Columbus
 DoubleTree Guest Suites, Dayton
 Marriott Columbus Northwest, Dublin
 La Quinta Inn & Suites Fairborn
 Wright Patterson, Fairborn
 AmeriSuites, Forest Park
 Holiday Inn Express Hotel & Suites
 Dayton Huber Heights, Huber
 Heights
 Harley Hotel, Independence
 Comfort Inn, Marietta
 Marriott Cincinnati Northeast, Mason
 Comfort Inn Cleveland Airport,
 Middleburg Heights
 Harley Hotel, Middleburg Heights
 Holiday Inn, Richfield
 Homewood Suites, Sharonville
 Holiday Inn, Strongsville
 Marriott Cincinnati North, West
 Chester
 Ramada Hotel, Willoughby

OKLAHOMA

Holiday Inn Express & Suites, Duncan
 Embassy Suites, Norman

Courtyard by Marriott Downtown,
Oklahoma City
Hampton Inn, Oklahoma City
Hampton Inn & Suites Oklahoma City
Airport, Oklahoma City
Home2 Suites by Hilton Oklahoma City
Airport, Oklahoma City
Park Inn, Oklahoma City
Proposed Boutique Hotel, Oklahoma
City
Proposed NYLO Hotel, Oklahoma City
Residence Inn by Marriott Bricktown,
Oklahoma City
Westin, Oklahoma City
Courtyard by Marriott, Tulsa
Hampton Inn, Tulsa
Renaissance, Tulsa

OREGON

Windmill Inn, Ashland
Best Western Pier Point Inn, Florence
Proposed Staybridge Suites, Hillsboro
Columbia Gorge Hotel & Spa, Hood
River
Residence Inn by Marriott, Lake
Oswego
Proposed Candlewood Suites, Medford
Windmill Inn, Medford
DoubleTree Downtown, Portland
DoubleTree Lloyd Center, Portland
Marriott, Portland
Proposed Hilton Garden Inn, Portland
Proposed Hyatt Convention Hotel,
Portland
Residence Inn by Marriott, Portland
Windmill Inn, Roseburg
DoubleTree, Springfield
Holiday Inn, Wilsonville

PENNSYLVANIA

Courtyard by Marriott, Cranberry
Township
Marriott North, Cranberry Township
Hilton Garden Inn, Fort Washington
Holiday Inn, Greentree
Crowne Plaza, Harrisburg

Proposed Hotel – King of Prussia Mall,
King of Prussia
Four Points by Sheraton, Mars
Holiday Inn, McKnight
Holiday Inn, Monroeville
DoubleTree, Moon Township
DoubleTree Club, Philadelphia
Proposed Ritz-Carlton, Philadelphia
Proposed Sofitel, Philadelphia
Residence Inn by Marriott,
Philadelphia
Sofitel, Philadelphia
Wyndham Franklin Plaza, Philadelphia
Crowne Plaza, Pittsburgh
Holiday Inn, Pittsburgh
Holiday Inn Parkway East, Pittsburgh
Windsor Court Hotel Conversion,
Pittsburgh
Wyndham, Pittsburgh
DoubleTree Guest Suites, Plymouth
Meeting
Nittany Lion, State College
Penn Stater, State College
Holiday Inn Meadowlands,
Washington Park
Holiday Inn, York

RHODE ISLAND

Proposed WoodSpring Suites
Signature, Providence
Residence Inn by Marriott, Warwick
Proposed NYLO Hotel, Warwick

SOUTH CAROLINA

Best Western, Charleston
Clarion, Charleston
Lodge Alley, Charleston
Holiday Inn, Columbia
Hilton Garden Inn, Greenville
Best Western, Hilton Head
Holiday Inn, Hilton Head
Hampton Inn Oceanside, Myrtle Beach
Holiday Inn Sunspree, Myrtle Beach
Shorecrest II, Myrtle Beach
DoubleTree Hotel, North Charleston
Residence Inn, North Charleston
Holiday Inn, Rock Hill

SOUTH DAKOTA

Proposed GrandStay Suites, Aberdeen
Proposed TownePlace Suites,
Aberdeen
TownePlace Suites by Marriott,
Aberdeen
Proposed Hotel, Pierre
Courtyard by Marriott, Sioux Falls
Proposed Full-Service Hotel Sioux
Falls, Sioux Falls
Proposed Limited-Service Sioux Falls
Hotel, Sioux Falls
Sheraton, Sioux Falls
SpringHill Suites, Sioux Falls
Proposed Hotel, Watertown

TENNESSEE

Courtyard by Marriott, Clarksville
Fairfield Inn by Marriott, Chattanooga
Embassy Suites, Franklin
TownePlace Suites Cool Springs,
Franklin
Courtyard by Marriott, Germantown
Fairfield Inn by Marriott, Jackson
Hampton Inn & Suites East, Knoxville
Hotel Market Supply and Demand
Study, Knoxville
Proposed Convention Hotel, Knoxville
Proposed Courtyard by Marriott,
Knoxville
Fairfield Inn & Suites by Marriott
Lebanon, Lebanon
Adams Mark, Memphis
AmeriSuites, Memphis
Courtyard by Marriott, Memphis
French Quarter Hotel, Memphis
Hampton Inn, Memphis
Ramada Inn, Memphis
Country Inn, Murfreesboro
Embassy Suites, Murfreesboro
Aloft Nashville West End, Nashville
Proposed SpringHill/Residence Inn by
Marriott, Nashville
Renaissance Hotel, Nashville
SpringHill Suites by Marriott, Nashville
Hampton Inn, Pigeon Forge

Hampton Inn, Smyrna
Hilton Garden Inn, Smyrna

TEXAS

Courtyard by Marriott, Abilene
Courtyard by Marriott, Allen
Comfort Inn, Amarillo
Crowne Plaza, Amarillo
Days Inn, Amarillo
Holiday Inn Express, Amarillo
Courtyard by Marriott South Arlington, Arlington
Residence Inn South Arlington, Arlington
Courtyard by Marriott, Austin
Fairfield Inn & Suites North, Austin
Hampton Inn & Suites Downtown, Austin
Hawthorn Suites Central, Austin
Hawthorn Suites South, Austin
Hilton Garden Inn, Austin
Holiday Inn, Austin
Holiday Inn NW, Austin
Holiday Inn South, Austin
Proposed Courtyard by Marriott, Austin
Sheraton, Austin
Staybridge Suites Austin South
Interstate Highway 35, Austin
Proposed Spillman Ranch, Bee Cave
Courtyard by Marriott, Corpus Christi
DoubleTree Campbell Center, Dallas
Holiday Inn Market Center, Dallas
Le Meridien, Dallas
Proposed Boutique Hotel, Dallas
Proposed NYLO, Dallas
Proposed WoodSpring Suites, Dallas
Residence Inn by Marriott, Dallas
Holiday Inn Select, D/FW Airport
Hyatt D/FW Airport
Courtyard by Marriott, El Paso
Hilton Garden Inn, Fort Worth
Marriott DFW, Fort Worth
Residence Inn by Marriott, Fort Worth
TownePlace Suites by Marriott, Fort Worth
Embassy Suites, Frisco

Proposed NYLO Hotel, Frisco
Holiday Inn Express and Suites
Gatesville North Fort Hood, Gatesville
Proposed Resort, Horseshoe Bay
Crowne Plaza, Houston
Hampton Inn, Houston
Hawthorn Suites, Houston
Hilton Garden Inn Energy Corridor, Houston
Hilton Garden Inn Galleria, Houston
Hotel Icon, Houston
Kingwood Athletic Club, Houston
Magnolia Hotel, Houston
Ramada Plaza, Houston
Westin Galleria, Houston
Westin Oaks, Houston
Hawthorn Suites, Irving
Holiday Inn Express, Irving
Hyatt Place, Irving
Marriott DFW Airport, Irving
Proposed Convention Hotel, Irving
Hawthorn Suites, Killeen
Residence Inn, Killeen
Hampton Inn, Laredo
Proposed NYLO, Las Colinas
Proposed Campus Hotel, Lubbock
Embassy Suites, McAllen
Proposed Hotel, McKinney
Holiday Inn, New Braunfels
Best Western, Odessa
Proposed NYLO, Plano
Courtyard by Marriott, Richardson
Hampton Inn, Richardson
Renaissance, Richardson
Proposed Hotel, Riviera
Courtyard by Marriott Austin Round Rock, Round Rock
Marriott, Round Rock
DoubleTree, San Antonio
Homewood Suites, San Antonio
JW Marriott Hill Country, San Antonio
Marriott Plaza, San Antonio
Marriott San Antonio Northwest, San Antonio
Proposed Aloft, San Antonio

Residence Inn by Marriott Airport, San Antonio
Embassy Suites, San Marcos
Staybridge Suites, Stafford
Marriott Hotel & Conference Center, Sugar Land
Residence Inn, Temple
Hilton Garden Inn, Tyler
Holiday Inn, Tyler
Homewood Suites by Hilton, Tyler
Residence Inn by Marriott, Tyler
Courtyard by Marriott, Waco

UTAH

Crystal Inn, Brigham City
Residence Inn by Marriott, Cottonwood
Proposed Black Rock Mountain Resort, Heber City
Hampton Inn, Layton
Suburban Lodge, Midvale
Holiday Inn Express, Moab
Brookfield Inn, Park City
Chateaux at Silver Lake, Park City
Olympia Park, Park City
Park City Peaks, Park City
The Lodges at Deer Valley, Park City
Comfort Inn Airport, Salt Lake City
Crystal Inn, Salt Lake City
Embassy Suites, Salt Lake City
Hilton Airport, Salt Lake City
Hilton Downtown, Salt Lake City
Hilton Garden Inn, Salt Lake City
Holiday Inn Express, Salt Lake City
Peery Hotel, Salt Lake City
Proposed Comfort Suites, Salt Lake City
Proposed Courtyard by Marriott, Salt Lake City
Proposed Embassy Suites, Salt Lake City
Proposed Hilton Garden Inn, Salt Lake City
Proposed Residence Inn by Marriott, Salt Lake City
Quality Inn, Salt Lake City
Quality Inn Midvalley, Salt Lake City

Residence Inn by Marriott, Salt Lake City
 Residence Inn City Center, Salt Lake City
 University Park, Salt Lake City
 Holiday Inn Express & Suites, Sandy
 Proposed Embassy Suites, Sandy
 Suburban Lodge, S. Salt Lake City
 Proposed Cambria Suites, S. Jordan
 Bottle Hollow Resort, Uintah

VERMONT

Fairfield Inn by Marriott, Colchester

VIRGINIA

SpringHill Suites by Marriott
 Centreville Chantilly, Centreville
 Residence Inn by Marriott, Chantilly
 Hilton Garden Inn, Chesapeake
 Super 8, Christiansburg
 Holiday Inn, Covington
 Hyatt Fair Lakes, Fairfax
 Hilton Garden, Fredericksburg
 AmeriSuites, Glen Allen
 Embassy Suites, Hampton
 Super 8, Harrisonburg
 Holiday Inn, Lexington
 Super 8, Lexington
 Courtyard by Marriott, McLean
 Proposed Tysons Corner Hotel, McLean
 Staybridge Suites by Holiday Inn, McLean
 Super 8, Norton
 Super 8, Radford
 Embassy Suites, Richmond
 Westin, Richmond
 Proposed MainStay Suites, Roanoke
 Sheraton Airport, Roanoke
 Super 8, Roanoke
 Holiday Inn, Salem
 Country Inn, Stafford
 Crowne Plaza Virginia Beach Town Center, Virginia Beach
 Super 8, Waynesboro
 Embassy Suites, Williamsburg

WASHINGTON

DoubleTree Bellevue Center, Bellevue
 SpringHill Suites by Marriott, Bothell
 Proposed Holiday Inn Express, Lacey
 Proposed Mt. Rainer Resort, Park Junction
 Hyatt at Olive 8, Seattle
 Renaissance Hotel, Seattle
 Summerfield Suites by Wyndham, Seattle
 DoubleTree Spokane Valley, Spokane
 Holiday Inn Express Spokane Downtown, Spokane
 Quality Inn Spokane Valley (conversion to Fairfield), Spokane
 Residence Inn by Marriott, Vancouver
 SpringHill Suites, Wenatchee
 DoubleTree, Yakima

WEST VIRGINIA

Aspen Suites (Holiday Inn Express Conversion), Charleston
 Residence Inn by Marriott, Charleston
 Hampton Inn, Morgantown

WISCONSIN

Proposed Country Inn, Brookfield
 Proposed Hilton Garden Inn, Brookfield
 Sheraton Milwaukee Brookfield, Brookfield
 Wyndham Garden, Brookfield
 Telemark Resort, Cable
 Proposed Hotel, Cottage Grove
 Ramada Hotel and Conference Center, Eau Claire
 Hotel Northland, Green Bay
 Proposed Holiday Inn Express Hotel & Suites, Hudson
 Proposed Hilton Garden, Kimberly
 Charmant Hotel, La Crosse
 Hampton Inn, La Crosse
 Proposed Hampton Inn, La Crosse
 Proposed AC Hotel, Madison
 Proposed Courtyard by Marriott, Madison
 Proposed Hilton Garden Inn, Madison

Proposed Hotel, Milwaukee
 Proposed Kimpton Hotel, Milwaukee
 Proposed Marriott, Milwaukee
 Proposed Residence Inn by Marriott, Milwaukee
 Proposed WoodSpring Suites, Milwaukee
 Comfort Suites, Pewaukee
 Proposed Holiday Inn Express, Platteville
 Proposed Hotel River Falls, River Falls
 Holiday Inn Express, Superior
 Proposed Extended-Stay Hotel, Superior
 Proposed Hampton Inn, Superior
 Proposed Hotel, Superior
 Proposed Hotel, Verona
 Holiday Inn, Wauwatosa
 Proposed Fairfield Inn, Whitewater

WYOMING

Holiday Inn, Casper
 Proposed Autograph Hotel & Residences Jackson Hole, Jackson
 Snake River Lodge, Jackson
 Proposed Resort, Teton Village
 Proposed Americas Best Value Inn, Wheatland

INTERNATIONAL

Canada

Horseshoe Valley Ski Resort, Barrie, Ontario
 Hilton, Windsor, Ontario
 Travelodge, Windsor, Ontario
 Hampton Inn & Suites, Ontario

Caribbean

Aruba Marriott & Casino, Aruba
 Americana Resort, Aruba
 Westin, Aruba
 Holiday Inn Nassau, Bahamas
 Paradise Island Fun Club, Bahamas
 Little Dix Bay, Virgin Gorda, BVI
 Club St. Lucia, Castries, British West Indies

Marriott Resort, Grand Cayman,
British West Indies
Ritz Carlton San Juan, Puerto Rico
Sands Hotel & Casino, Puerto Rico
Wyndham El San Juan, Puerto Rico
Hyatt Regency St. John, USVI
Proposed Limited-Service Hotel, St.
John USVI
Westin Resort, St. John, USVI
Caneel Bay, St. John, USVI
Marriott Frenchman's Reef and
Morningstar Resort, St. Thomas,
USVI

Mexico

Royal Sands, Cancun



Cottage Grove, Minnesota

High-Level Arena Market Analysis

FINAL REPORT

December 12, 2023





Table of Contents

1. **Executive Summary & Project Profile**
2. **Economic, Demographic & Tourism Analysis**
3. **Arena Market Evaluation**
4. **Next Steps**

01

Executive Summary



Project Site & Situation Overview

The City of Cottage Grove (Client) hired Hunden Partners (Hunden) to complete a high-level market demand and financial feasibility analysis to determine the potential for an arena and entertainment district development (Project) in Cottage Grove, Minnesota.

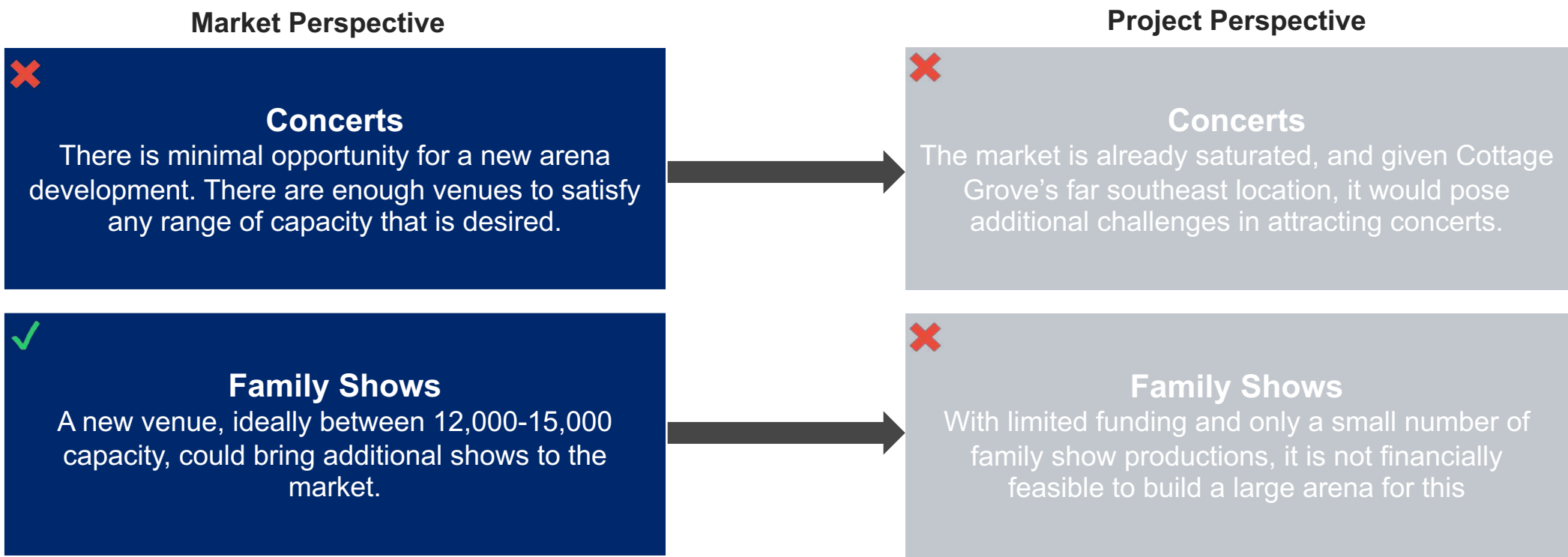
The City has identified a 73-acre site available and under contract for a new arena and mixed-use development district, shown in the figure to the right.

The scope of the study includes an overview of Cottage Grove in relation to the Minneapolis-St. Paul metropolitan market (abbreviated as “Minneapolis” throughout the report) and an analysis of the regional arena and entertainment market.



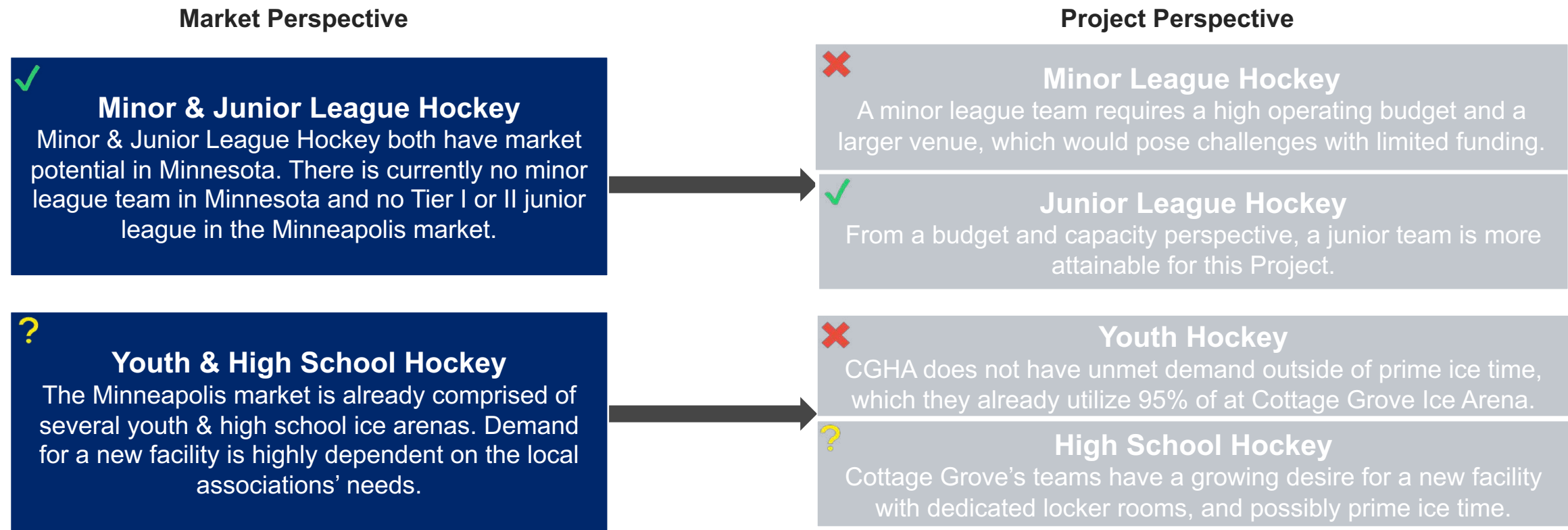
Concerts & Family Shows

Regardless of market opportunity, determining whether it makes sense for the Project to capitalize on that opportunity depends on certain characteristics such as funding and location. Below is a summary of the opportunity for a new arena development to encompass concerts & family shows in the Minneapolis market, from both a market and project perspective.



Sporting Events

Regardless of market opportunity, determining whether it makes sense for the Project to capitalize on that opportunity depends on certain characteristics such as funding and location. Below is a summary of the opportunity for a new arena development to encompass hockey in the Minneapolis market, from both a market and project perspective.



02

Economic, Demographic & Tourism Analysis

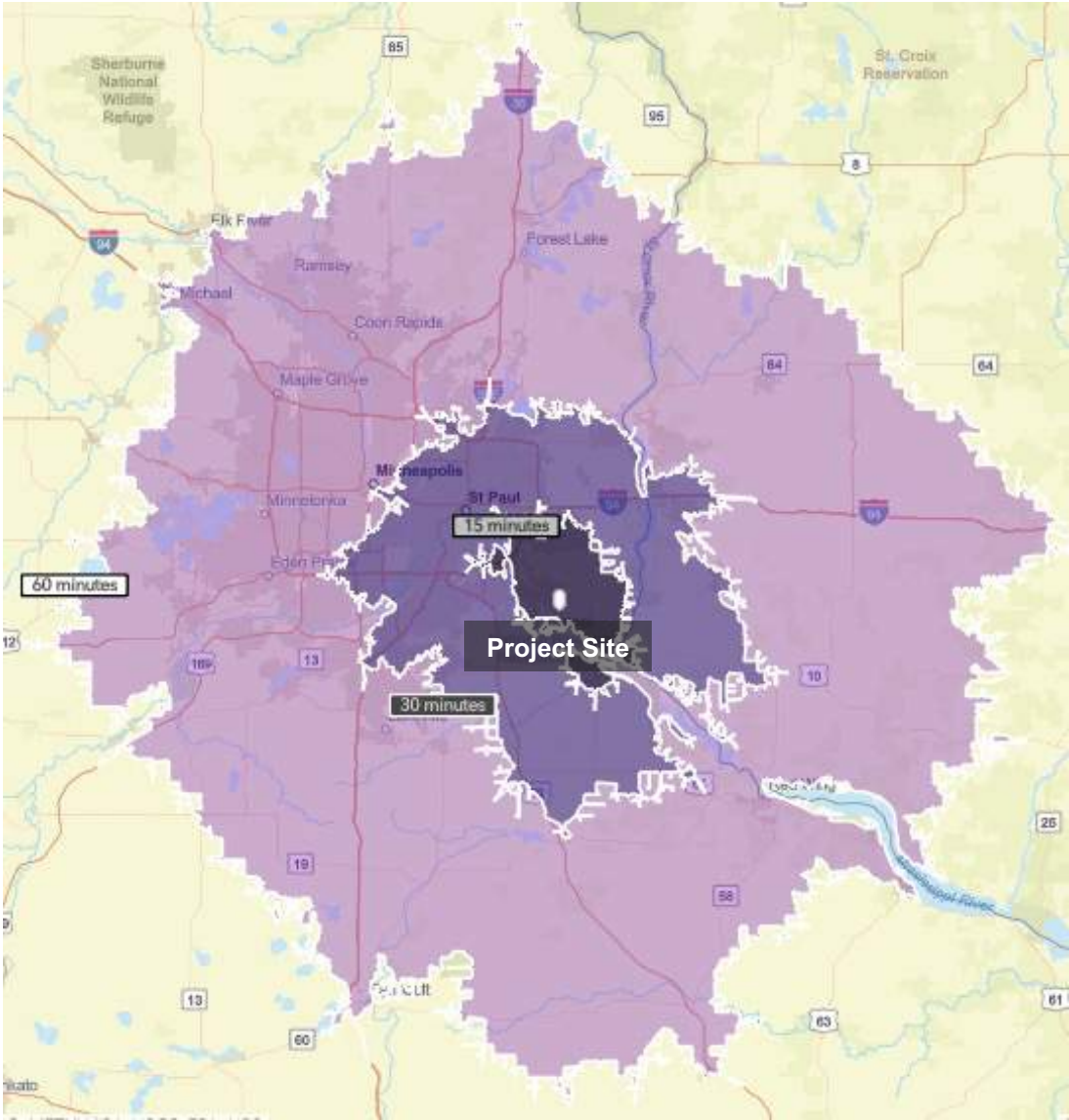


Drive-Time Statistics

An affluent drive-in market that is willing and able to spend money on entertainment increases the potential for an arena to be successful. The Project site benefits from an affluent local population, as the median income for households within a 15-minute drive is over \$100,000.

The average annual income and spend on entertainment is highest within a 15-minute drive. Although income declines when expanded beyond a 15-minute drive, it still outperforms the national average.

Estimated Drive-Time Statistics from Project Site (2023)			
	15 Minutes	30 Minutes	1-Hour
Population	152,587	1,174,452	3,487,380
Households	55,779	464,228	1,367,634
Median Household Income	\$103,046	\$81,942	\$89,331
Median Home Value	\$377,258	\$356,982	\$369,173
Median Age	37.7	37.7	38.4
Average Annual Spend on Entertainment	\$4,733	\$4,030	\$4,363
Source: ESRI			



Population & Income

The tables to the right represent population and income data from a local, regional and national perspective.

Since 2010, Cottage Grove has grown by over 20 percent, significantly outperforming the national average.

Washington County is the most affluent county in the Minneapolis metro, with a median household income of \$109,367.

Population and Growth Rates					
	Population				Percent Change
	2010	2020	2023	2028 Projected	2010 - 2023
United States	308,745,538	331,449,281	337,470,185	342,640,129	9.3%
Minnesota	5,303,925	5,706,494	5,798,827	5,898,938	9.3%
Minneapolis-St. Paul-Bloomington, MN-WI	3,333,633	3,690,261	3,771,316	3,866,869	13.1%
Washington County	238,136	267,568	279,568	290,520	17.4%
Cottage Grove	34,595	38,839	42,671	44,568	23.3%

Source: U.S. Census Bureau

Income & Housing Data (2023)					
Category	United States	Minnesota	Minneapolis-St. Paul MSA	Washington County	Cottage Grove
Homeownership rate	58.5%	66.0%	67.7%	78.8%	85.5%
Median value of owner-occupied housing units	\$308,943	\$325,848	\$365,889	\$426,416	\$363,428
Persons per household	2.53	2.46	2.52	2.64	2.96
Median household income	\$72,603	\$80,483	\$89,972	\$109,367	\$112,209
Persons below poverty level - 2021	11.6%	9.3%	-	5.2%	3.1%

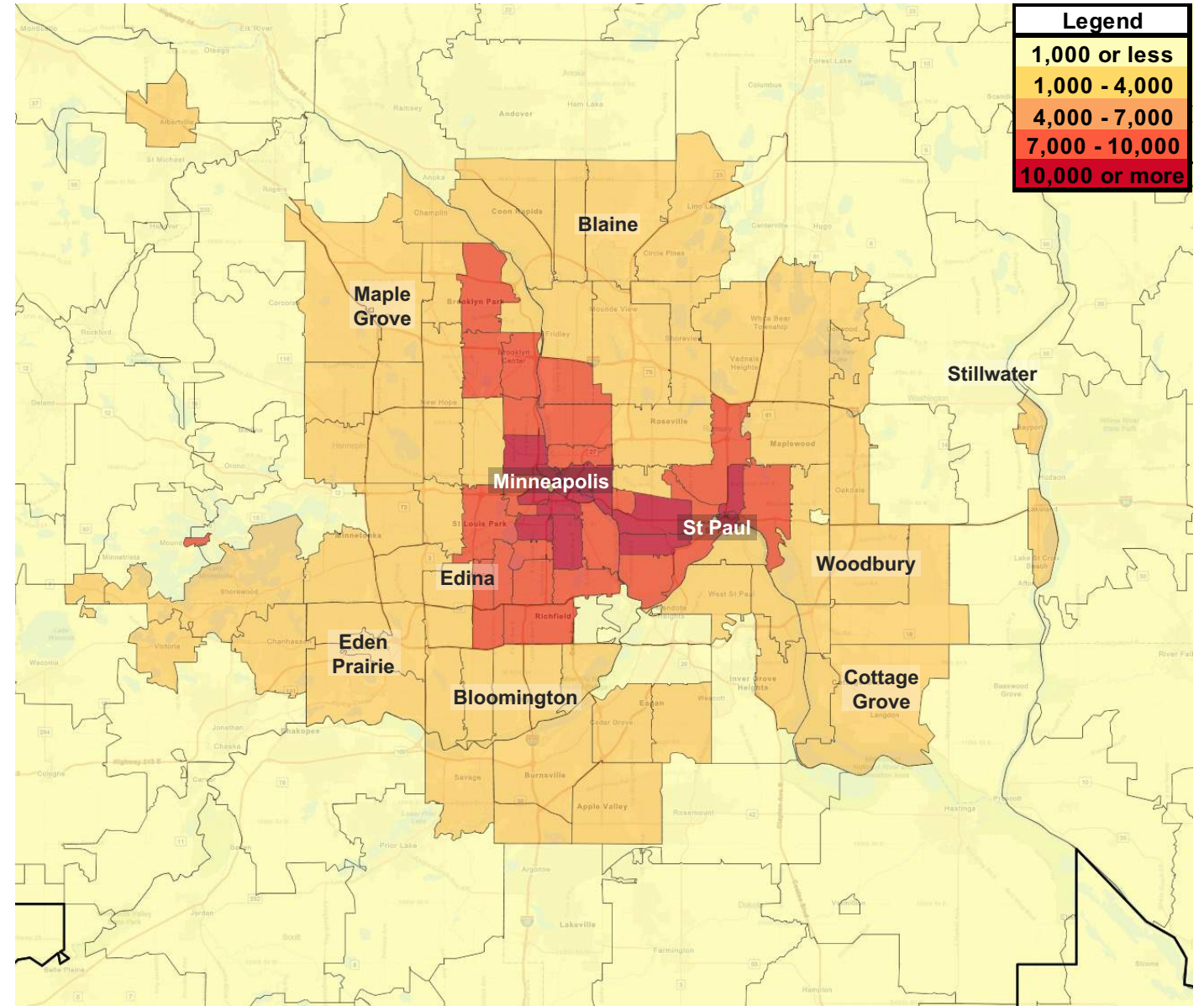
Source: ESRI, U.S. Census Bureau

Population Density

The figure to the right represents population density measured by number of people per square mile, separated by zip code.

The Minneapolis market is most densely concentrated in the central area, which primarily includes downtown Minneapolis and St. Paul. The surrounding cities mainly consist of suburban neighborhoods yet still have significant activity.

Cottage Grove has a similar population density to many other major suburban cities in the metro with 1,454 people per square mile. However, some of its surrounding areas dramatically decrease in density, with Hastings having a population density of only 194.

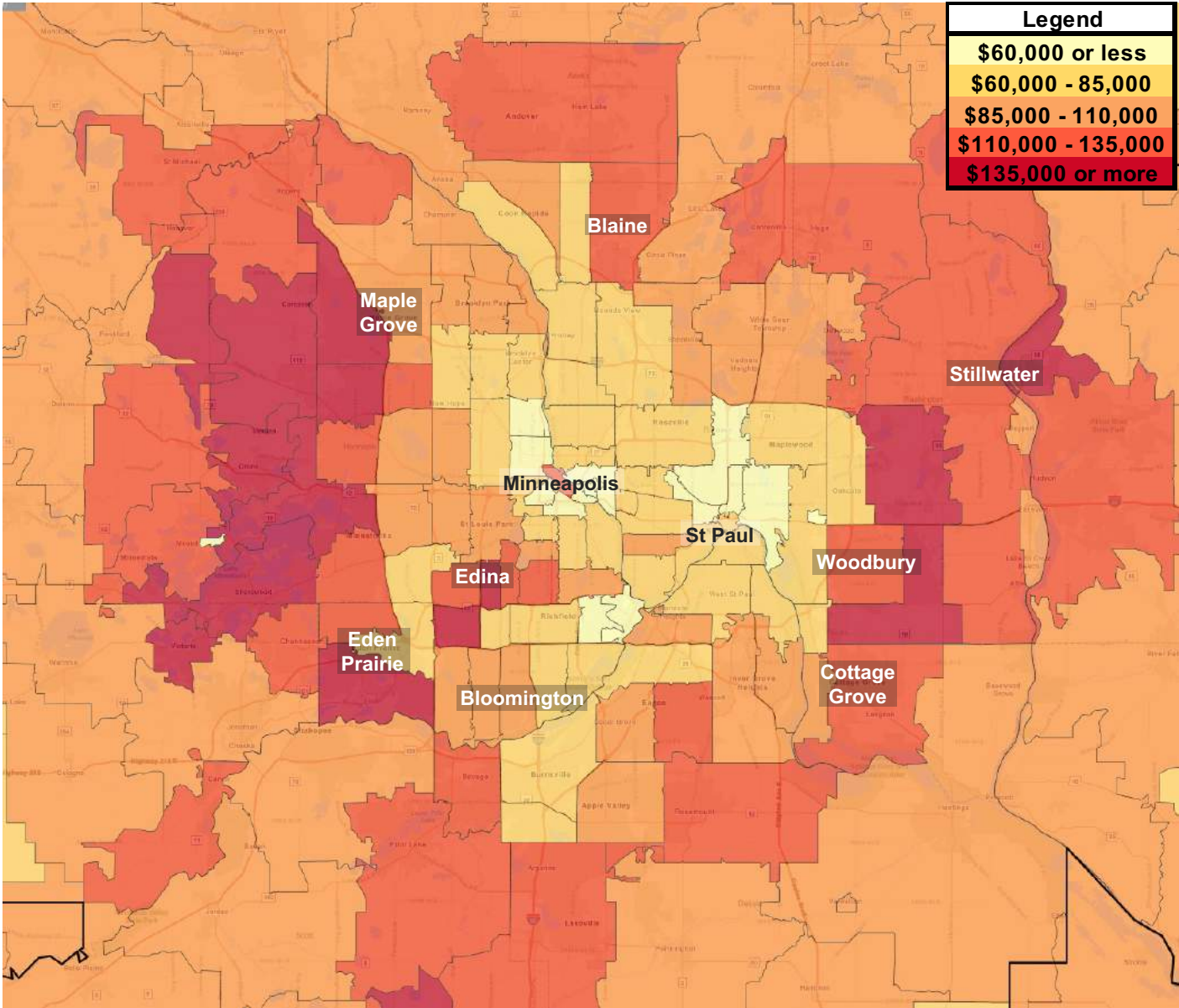


Income

The figure to the right represents median household income, separated by zip code.

The Minneapolis metro contains several cities with considerably high household incomes, primarily concentrated in less densely populated suburban outskirts of the downtown area. Contrary to downtown's strong population density, it has some of the lowest household incomes in the metro.

Arenas located in more affluent regions typically have a greater likelihood of success, primarily because their residents have greater disposable income.



Tapestry Segmentations

HSP performed a tapestry segmentation analysis which classifies neighborhoods using 67 unique segments based not only on demographics but also socioeconomic characteristics.

The top five segments for the Cottage Grove market include Workday Drive, Parks and Rec, Boomburbs, Green Acres, and Home Improvement. The top three segments are profiled in more detail on the following slides.

Understanding the segmentation profile in Cottage Grove helps to determine the potential for attracting these demographic groups to the arena.

Cottage Grove ESRI Tapestry Segmentation				
Rank	Segment	Median Age	Median Household Income	Percentage
1	Workday Drive (4A)	37.0	\$90,500	32.9%
2	Parks and Rec (5C)	40.9	\$60,000	20.3%
3	Boomburbs (1C)	34.0	\$113,400	18.3%
4	Green Acres (6A)	43.9	\$76,800	10.6%
5	Home Improvement (4B)	37.7	\$72,100	7.6%
Average/Total		38.95	\$85,175	89.7%

Source: ESRI

Tapestry Segmentations

The Workday Drive segment is the largest segment making up 33 percent of the Cottage Grove market.

This segment is an affluent, family-oriented market that resides in predominantly single-family homes within newer neighborhoods. Most households are dual-income married couples with children.

The segment carries a higher level of debt, including first and second mortgages and auto loans. These households also place a high value on the importance of saving, as they are well insured and invested in a range of funds from savings accounts or bonds to stocks.



LifeMode Group: Family Landscapes Workday Drive

4A

Households: 3,541,300

Average Household Size: 2.97

Median Age: 37.0

Median Household Income: \$90,500

WHO ARE WE?

Workday Drive is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

OUR NEIGHBORHOOD

- *Workday Drive* residents prefer the suburban periphery of metropolitan areas.
- Predominantly single family, homes are in newer neighborhoods, 34% built in the 1990s (Index 236), 31% built since 2000.
- Owner-occupied homes have high rate of mortgages at 68% (Index 164) and low rate vacancy at 4%.
- Median home value is \$257,400.
- Most households are married couples with children; average household size is 2.97.
- Most households have two or three vehicles; long travel time to work including a disproportionate number commuting from a different county (Index 132).

SOCIOECONOMIC TRAITS

- Education: 40.5% college graduates; more than 72% with some college education.
- High labor force participation rate at 71%; two out of three households include two plus workers (Index 124).
- Connected, with a host of wireless devices—anything that enables convenience, like banking, paying bills, or even shopping online.
- Well insured and invested in a range of funds, from savings accounts or bonds to stocks.
- Carry a higher level of debt, including first (Index 149) and second mortgages (Index 154) and auto loans (Index 149).



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Tapestry Segmentations

The Parks and Rec segment is the second largest segment making up 20 percent of the Cottage Grove market.

This segment is mainly comprised of dual-income married couples approaching retirement age, but they do not plan on retiring or moving homes anytime soon. Most of these households are empty-nesters or close to becoming it.

This is a financially conservative market that is careful to research any big-ticket purchases and search for discounted airline fares and hotels when planning trips. These residents also tend to use their cell phones for calls and texts only.



LifeMode Group: GenXurban

Parks and Rec

5C

Households: 2,449,600

Average Household Size: 2.51

Median Age: 40.9

Median Household Income: \$60,000

WHO ARE WE?

These suburbanites have achieved the dream of home-ownership. They have purchased homes that are within their means. Their homes are older, and townhomes and duplexes are not uncommon. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that supported their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.

OUR NEIGHBORHOOD

- Homes are primarily owner-occupied, single-family residences built prior to 1970; townhomes and duplexes are scattered through the neighborhoods.
- Both median home value and average rent are close to the national level.
- Households by type mirror the US distribution; married couples, more without children, dominate. Average household size is slightly lower at 2.51, but this market is also a bit older.

SOCIOECONOMIC TRAITS

- More than half of the population is college educated.
- Older residents draw Social Security and retirement income.
- The workforce is diverse: professionals in health care, retail trade, and education, or skilled workers in manufacturing and construction.
- This is a financially shrewd market; consumers are careful to research their big-ticket purchases.
- When planning trips, they search for discounted airline fares and hotels and choose to vacation within the US.
- These residents tend to use their cell phones for calls and texting only.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Tapestry Segmentations

The Traditional Living segment is the third largest segment making up 18 percent of the Cottage Grove market.

This is a growing market that is mainly found along suburban outskirts of large metropolitan areas. It is comprised of young families married with children.

This is an affluent segment but with a higher proportion of mortgages. It includes well-educated young professionals that are highly active in the labor force. Households place an emphasis on financial planning yet stay well-connected on the latest devices.



LifeMode Group: Affluent Estates Boomburbs

1C

Households: 2,004,400

Average Household Size: 3.25

Median Age: 34.0

Median Household Income: \$113,400

WHO ARE WE?

This is the new growth market, with a profile similar to the original: young professionals with families that have opted to trade up to the newest housing in the suburbs. The original *Boomburbs* neighborhoods began growing in the 1990s and continued through the peak of the housing boom. Most of those neighborhoods are fully developed now. This is an affluent market but with a higher proportion of mortgages. Rapid growth still distinguishes the *Boomburbs* neighborhoods, although the boom is more subdued now than it was 10 years ago. So is the housing market. Residents are well-educated professionals with a running start on prosperity.

OUR NEIGHBORHOOD

- Growth markets are in the suburban periphery of large metropolitan areas.
- Young families are married with children (Index 220); average household size is 3.25.
- Homeownership is 84% (Index 134), with the highest rate of mortgages, 71.5% (Index 173).
- Primarily single-family homes in new neighborhoods, 66% built since 2000 (Index 441).
- Median home value is \$350,000 (Index 169).
- Lower housing vacancy rate at 3.7%.
- The cost of affordable new housing comes at the expense of one of the longest commutes to work, over 30 minutes average, including a disproportionate number (33.6%) commuting across county lines (Index 141).

SOCIOECONOMIC TRAITS

- Well-educated young professionals, 55% are college graduates (Index 178).
- High labor force participation at 71.3% (Index 114); most households have more than two workers (Index 124).
- Longer commute times from the suburban growth corridors have created more home workers (Index 156).
- Well connected, own the latest devices and understand how to use them efficiently; biggest complaints—too many devices and too many intrusions on personal time.
- Financial planning is well under way for these professionals.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

An aerial photograph of a city skyline at sunset. The sky is a mix of orange, yellow, and blue. In the foreground, a river flows under a large stone bridge with multiple arches. The city skyline is visible in the background, with various skyscrapers and buildings. The left side of the image is partially covered by a dark blue overlay containing text.

03

Arena Market Evaluation

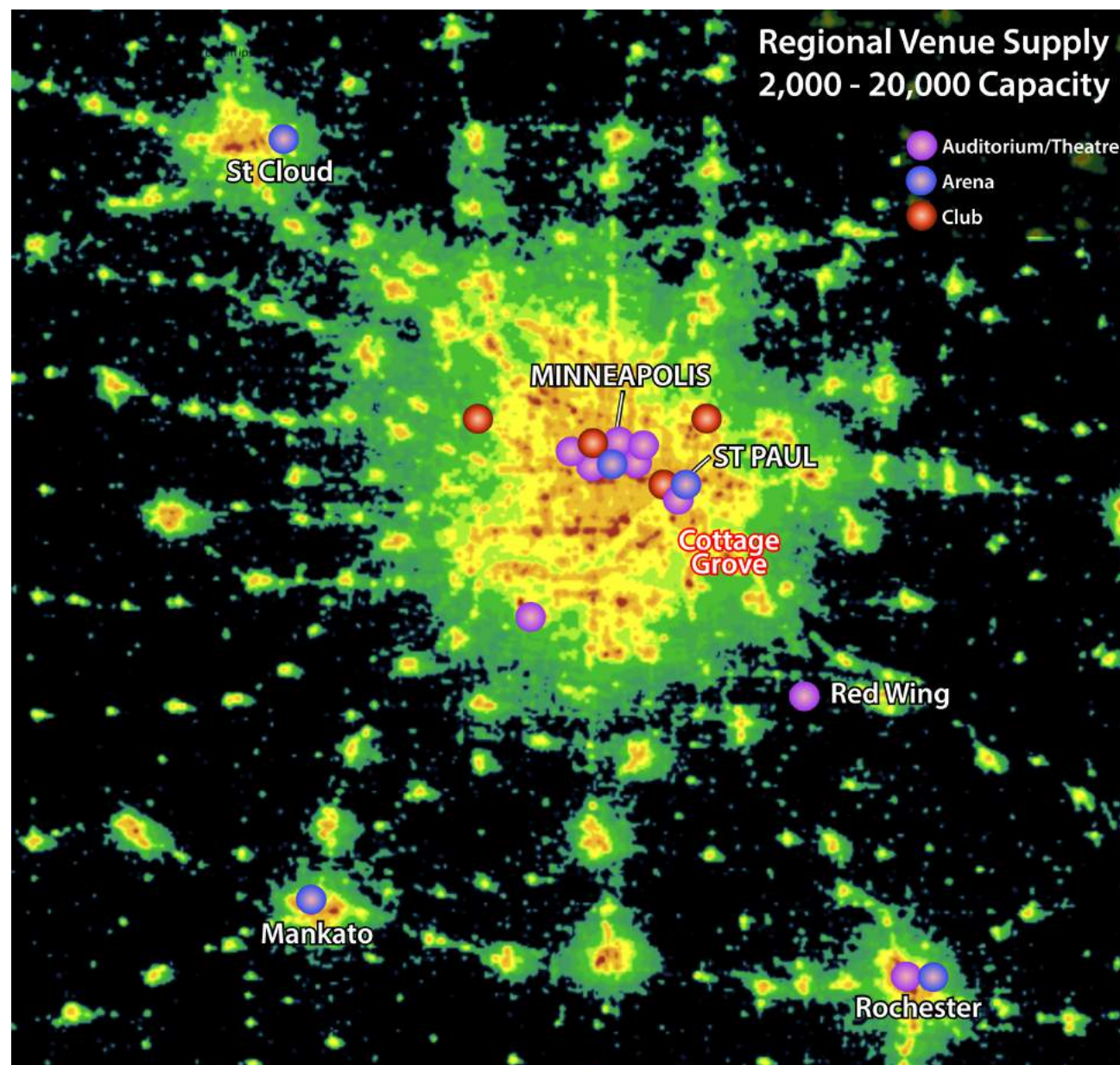
| Overview

Overview

In recent years, downtown Minneapolis has struggled with escalating crime rates and a decline in overall activity. With an increasing preference among people to spend their leisure time in suburban hotspots rather than downtown, the potential for a new suburban arena is on the rise.

A new arena development in the Minneapolis market would serve the entire metro; therefore, the venue would benefit from a location that is convenient and easily accessible for the entire metro population. Cottage Grove's far southeast location could pose challenges in attracting attendees from the opposite side of the metro, depending on the facility's primary use.

The map to the right shows a visual representation of indoor venues that are designated for concerts and special events in the regional area. Nearly every venue is located within the Minneapolis market.



National Arena Market Comparison

The table to the right shows similar-sized metropolitan areas across the United States, comparing their population to arena seats. The list is sorted based on the highest population per arena seat in the market. The arenas that were considered for this analysis have over 2,000 seats and hosted more than five events in 2022 that are relevant to event promoters. These events primarily involve professional sports and concerts/family shows.

The Minneapolis market is considered to be sufficient but not oversupplied in the number of arena seats compared to similar metropolitan areas, with 99 people per arena seat versus the average of 105. Given that the the market supply is at an appropriate level, Cottage Grove's proposed arena may struggle to compete with the other two venues due to its location in the Minneapolis market. However, if the arena can secure a tenant, it will have significantly greater potential for success.

National Arena Market Comparison (2,000+ Seats)				
Market	MSA Population	# of Competitive Arenas in Market	Total Arena Seats in Market	MSA Population per Seat
Detroit	4,391,572	1	20,000	220
Little Ceasars Arena			20,000	
Boston	5,017,305	3	42,080	119
TD Garden			19,580	
Agganis Arena			8,000	
Amica Mutual Pavillion			14,500	
Minneapolis	3,771,316	2	38,000	99
Target Center			19,500	
Xcel Energy Center			18,500	
Denver	3,062,784	3	35,950	85
Ball Arena			18,650	
Denver Coliseum			10,500	
Blue Federal Credit Union Arena			6,800	
St. Louis	2,823,156	3	37,487	75
Chaifetz Arena			10,500	
Enterprise Center			16,987	
Centene Center			3,000	
The Family Arena			10,000	
Seattle	4,152,259	4	57,800	72
Tacoma Dome			22,000	
Climate Pledge Arena			18,000	
accesso ShoWare Center			7,800	
Angel of the Winds Arena			10,000	
Pittsburgh	2,362,201	3	35,172	67
Petersen Events Center			12,500	
PPG Paints Arena			18,672	
UPMC Events Center			4,000	
Average	3,654,370	3	19,851	105

Source: Various

Regional Venue Supply

The table to the right provides an overview of all mid-sized indoor venues located within 100 miles of Cottage Grove, sorted by capacity.

Although it is helpful to understand how the supply in Minneapolis compares to other nearby markets, Minneapolis has a much larger population and often draws people from these nearby markets during major events. Therefore, these other markets pose very little competition to a venue in Minneapolis.

The Minneapolis market is mainly comprised of a number of auditoriums/theatres and clubs, suggesting very minimal opportunity for new entrants.

Legend
Auditorium/Theatre
Arena
Club

Regional Venue Supply (2,000 - 20,000 Capacity, Within 100 Miles)				
Venue	Location	Market	Distance from MSP (Miles)	Capacity
Target Center	Minneapolis	Minneapolis-St. Paul	7	19,500
Xcel Energy Center	Saint Paul	Minneapolis-St. Paul	4	18,500
Armory	Minneapolis	Minneapolis-St. Paul	4	8,504
Mayo Clinic Health Event Center	Mankato	Mankato	88	6,500
Roy Wilkins Auditorium	Saint Paul	Minneapolis-St. Paul	4	5,849
Halenbeck Hall*	St. Cloud	St. Cloud	65	5,700
Mayo Civic Center Arena	Rochester	Rochester	82	5,500
Mayo Civic Center Auditorium	Rochester	Rochester	82	3,400
Myth Live	Maplewood	Minneapolis-St. Paul	14	3,300
Treasure Island Event Center	Welch	Red Wing	41	2,793
Northrop*	Minneapolis	Minneapolis-St. Paul	5	2,687
Orpheum Theatre	Minneapolis	Minneapolis-St. Paul	7	2,621
Palace Theatre	Saint Paul	Minneapolis-St. Paul	4	2,600
State Theatre	Minneapolis	Minneapolis-St. Paul	6	2,181
Mystic Showroom	Prior Lake	Minneapolis-St. Paul	30	2,104
Orchestra Hall	Minneapolis	Minneapolis-St. Paul	7	2,089
Skyway Theatre	Minneapolis	Minneapolis-St. Paul	7	2,000
Medina Entertainment Center	Medina	Minneapolis-St. Paul	24	2,000
*University-affiliated venue				
Source: Pollstar				

Opportunity Types

Main Event Opportunities

Live entertainment such as concerts and sporting events is the most common event type for arenas. These events often provide venues with consistent activity throughout the year and are critical to an arena's success.

Concerts & Live Performances



Concerts and live performances can sometimes be the main tenant, but it is highly dependent on the venue's market. Initial tour planning is often based around priority shows held in major cities, while the remaining route is filled in broad strokes. Choosing the optimal venue is considered one of the hardest parts of booking a tour. It depends on a variety of factors with the main ones being the venue's size, location, and condition.

Sporting Events



A common strategy for arenas includes having a sports team as an anchor tenant to generate consistent and stable activity. Contrary to artists and performers that only fill the calendar for one or two dates, sports teams host several games in a season. This type of tenant can range from youth sports leagues to professional teams. As the sports market continues to expand, anchor tenant opportunities show promising potential.

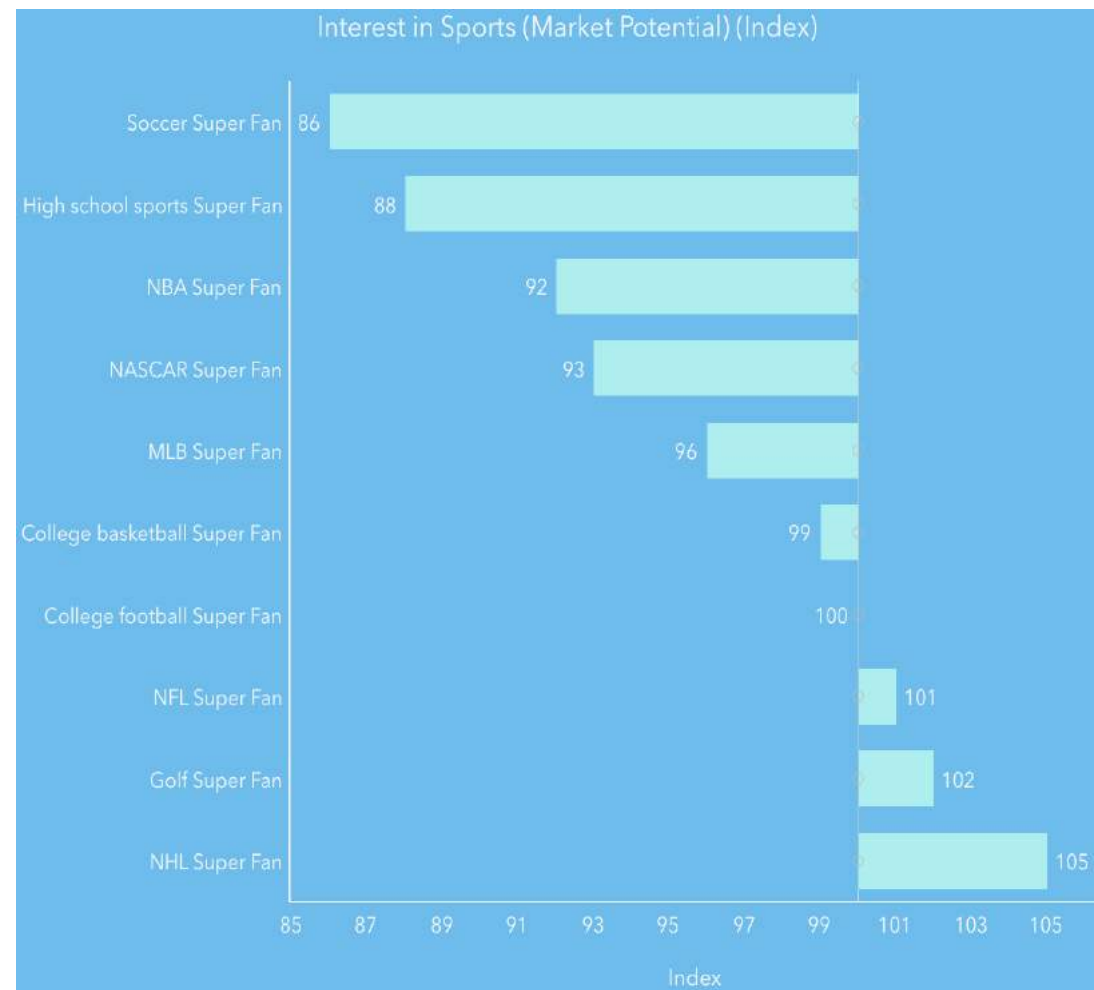
Sports Tenants

Attracting a minor league tenant often improves the viability of developing an arena in the market. The main sports tenants for arenas are basketball and hockey teams.

The figure to the right is from the ESRI database, which shows the Market Potential Index (MPI) for various sports in the Minneapolis market. Those with an MPI over 100 have higher consumer demand in the Minneapolis market compared to the national average, while those with an MPI under 100 do not. Based on the chart, hockey shows strong potential in Minneapolis, whereas basketball does not.

Basketball: The Minnesota Timberwolves have one of the lowest attendance rates in the NBA, which is 88 percent. NBA development leagues are mainly limited to only one league, the G-League. There are 30 NBA teams, 29 of which already have G-League affiliates.

Hockey: The average attendance rate for the Minnesota Wild during the 2022-23 season was 102.8 percent, the second highest rate among all NHL teams. Hockey is significantly popular in Minnesota and has a variety of development leagues that the proposed arena can leverage.



Opportunity Types

The three main opportunity types for an arena development in the Minneapolis market include concerts & family shows, youth & high school hockey, and junior & minor league hockey.

Concerts & Family Shows



Youth & High School Hockey



Minor & Junior League Hockey





Concerts & Live Entertainment

Concerts & Live Entertainment

Concerts & live entertainment are the first opportunity type for the proposed arena. From a concert and live entertainment perspective, there is no market opportunity for a new venue.

The table to the right displays venues that would be most competitive to the proposed arena when attracting promoters and performers to an event in Minneapolis, based on the types of events these venues typically host.

Of these competitive venues, three are located outside the downtown area, all of which have some of the lowest event numbers. This may suggest that event planners and promoters prefer to host events that are downtown.

Throughout conversations with promoters, it has been determined that there is virtually no unmet demand for concert venues in the market.

Competitive Venue Supply (2,000 - 20,000 Capacity)				
Venue	Location	Distance from MSP (Miles)	Capacity	# of 2022 Events
Target Center	Minneapolis	7	19,500	28
Xcel Energy Center	Saint Paul	4	18,500	70
Armory	Minneapolis	4	8,504	67
Roy Wilkins Auditorium	Saint Paul	4	5,849	0
Myth Live	Maplewood	14	3,300	12
Orpheum Theatre	Minneapolis	7	2,621	41
Palace Theatre	Saint Paul	4	2,600	63
State Theatre	Minneapolis	6	2,181	53
Mystic Showroom	Prior Lake	30	2,104	6
Skyway Theatre	Minneapolis	7	2,000	40
Medina Entertainment Center	Medina	24	2,000	6

Source: Pollstar

Xcel Energy & Target Center

The table to the right represents annual event data for the Xcel Energy Center and Target Center from 2014 to September 2023.

Xcel Energy Center's main tenant is the Minnesota Wild, which plays 41 home games during the regular season. Target Center's main tenant is the Minnesota Timberwolves and Lynx, which play a total of 61 home games during the regular season.

Xcel saw record-high activity in 2022, with a total of 70 events. It has not had nearly as many events so far in 2023, but its average attendance and ticket price have both increased significantly.

Target Center has had a notable decline in its annual events over the last decade. Promoters have expressed their preference for Xcel Energy Center, which may be a contributing factor.

Concert & Event Summary								
Year	Xcel Energy Center				Target Center			
	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price
2023	24	14,178	97%	\$117.77	18	10,568	80%	\$77.36
2022	70	13,067	83%	\$73.61	29	10,508	87%	\$78.16
2021	22	12,078	88%	\$93.22	14	8,588	89%	\$65.21
2020	5	8,964	94%	\$76.45	3	6,113	91%	\$54.04
2019	46	13,051	93%	\$85.77	24	10,757	88%	\$77.26
2018	65	13,604	84%	\$78.57	33	12,210	91%	\$60.09
2017	50	14,466	83%	\$73.16	31	10,357	78%	\$50.09
2016	48	14,269	81%	\$69.25	59	8,526	83%	\$58.82
2015	30	13,300	97%	\$83.62	49	9,501	81%	\$52.23
2014	26	12,711	95%	\$67.53	69	9,668	84%	\$54.05
Average	39	12,969	90%	\$81.90	33	9,680	85%	\$62.73

Source: Pollstar

The Armory & Myth Live

The table to the right represents annual event data for the Armory and Myth Live from 2014 to September 2023.

The Armory opened as a flat-floor concert venue in 2018. It offers several suite and table reservations for premium experiences. Through conversations with promoters, it was discovered that the majority of concerts within 3,000 – 8,000 capacity are preferred to be held at the Armory.

Myth Live, on the other hand, has seen a dramatic decline in its annual events since the pandemic. The venue has been criticized in the past for its lack of safety, especially since a shooting occurred in 2019, and was threatened last year by developers looking to replace it with apartments. Myth’s future appears relatively uncertain.

Concert & Event Summary								
Year	The Armory				Myth Live			
	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price
2023	46	5,909	89%	\$52.59	6	–	–	–
2022	67	6,034	96%	\$50.25	13	–	–	–
2021	43	5,777	88%	\$43.72	7	3,017	85%	\$40.26
2020	6	4,400	89%	\$67.36	2	–	–	–
2019	49	6,119	97%	\$49.10	28	2,569	69%	\$35.98
2018	44	4,791	92%	\$56.77	40	2,879	72%	\$32.97
2017	-	-	-	-	50	2,743	73%	\$34.22
2016	-	-	-	-	49	2,676	78%	\$29.61
2015	-	-	-	-	33	3,158	75%	\$31.37
2014	-	-	-	-	42	3,092	67%	\$29.54
Average	43	5,505	92%	\$53.30	27	2,876	74%	\$33.42

Source: Pollstar

Live Family Shows

Family shows are a small sector within the concerts & live entertainment industry. FELD Entertainment is the largest producer of family shows.



Within the Minneapolis market, family shows are often held at Xcel Energy or Target Center, including Disney on Ice. The US Bank Stadium has also hosted FELD-produced shows like Monster Jam.

Due to Xcel Energy and Target Center's limited calendar, FELD has difficulty scheduling shows. There is demand to bring more of their family productions to the Minneapolis market, but FELD has not found another venue that is suitable to host these additional shows.

Although there is market demand, the company prefers venues that can seat 12,000-15,000 people. Furthermore, FELD currently has seven total productions, which would only fill a small amount of calendar days throughout the year.



Interviews: Concerts & Live Performances

Hunden interviewed promoters at Live Nation and FELD Entertainment to understand potential opportunities for concerts and live performances. A summary of the conversation is below:

- Family shows are mainly held at Xcel Energy Center or Target Center, which the company is satisfied with. However, opportunities are limited due to the venue's tenants (Minnesota Wild and Timberwolves) filling several calendar days.
- The ideal seating capacity for FELD events is 12,000-15,000. FELD will usually look for venues with a bare minimum sellable capacity of around 3,500, but that size still makes it very difficult to host events efficiently.
- Having an ice floor at the venue is very beneficial, especially since it helps with Disney on Ice shows. Ceiling height and rigging capabilities are also important characteristics that FELD considers.
- According to FELD, there is a noticeable reluctance for families to travel downtown for shows. However, Live Nation believes that Cottage Grove's location may be too far from downtown and it could be difficult attracting concert attendees.
- From a concert-specific perspective, there is virtually no unsatisfied demand for venues in the Minneapolis market.
- Xcel Energy and Target Center already compete with each other for major events, so there is very little need for another large arena.
- The Armory is the primary landing spot for concerts ranging anywhere from 3,000-8,000, so there is really no need for a new venue of that size.



Youth & High School Hockey

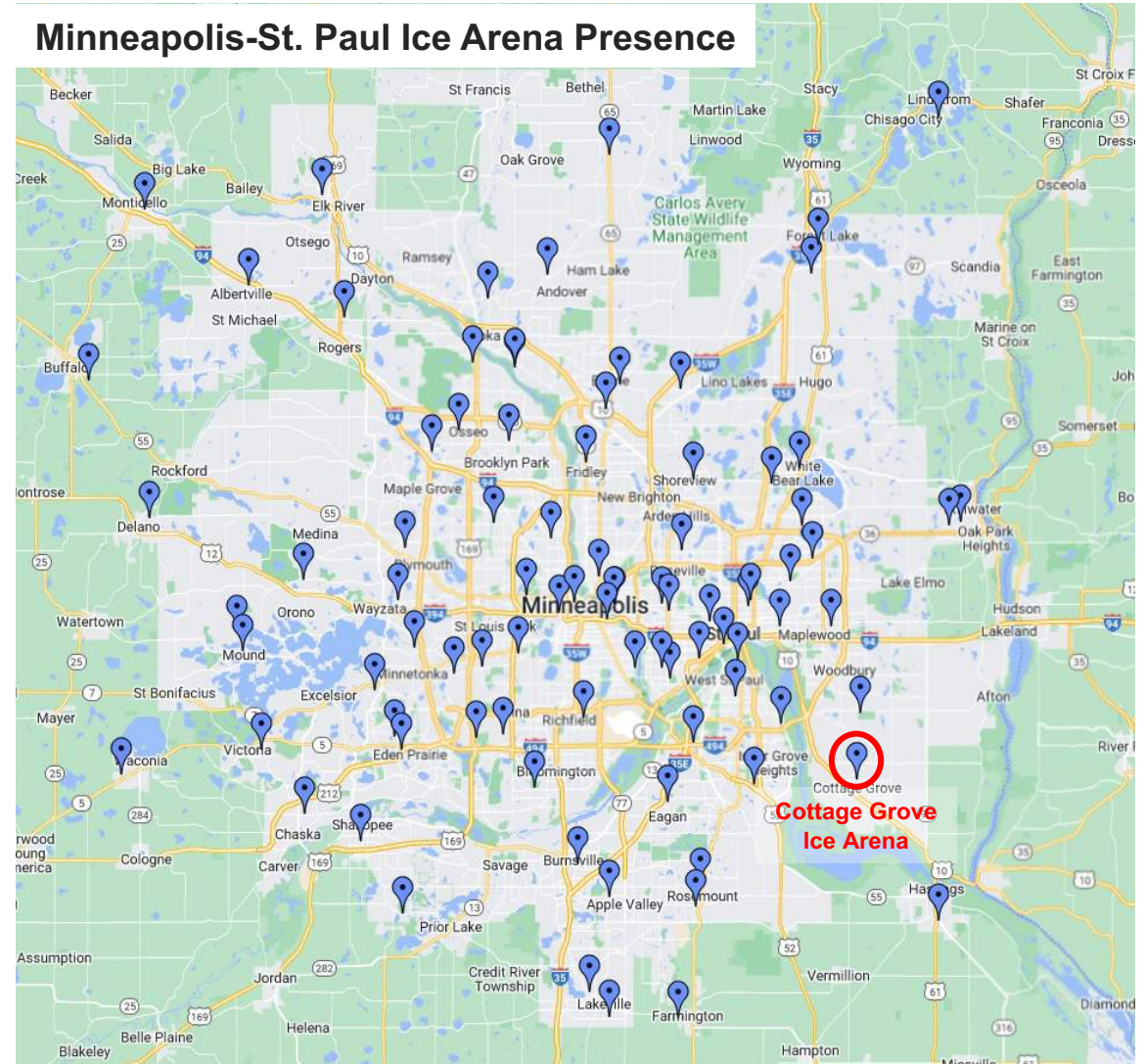
Youth & High School Hockey

Youth and high school hockey is the second opportunity type for the proposed arena. From a youth and high school hockey perspective, the market opportunity for a new venue is highly dependent on the association and/or city.

There are approximately 140 youth hockey associations and 148 high school hockey teams in Minnesota, often organized by city. Most cities have publicly-owned ice arenas that serve as practice venues for both their high school and youth teams. Each association typically hosts one youth tournament per season. Although these arenas are usually publicly-owned, associations and high school teams are still required to rent out the ice sheets for their practice sessions.

There has been a growing demand for a new ice facility with designated locker rooms to house Cottage Grove's high school teams, which are currently served by the Cottage Grove Ice Arena. A new arena development should help fill any demand gaps that the city's current arena cannot satisfy without negatively impacting its overall performance.

Minneapolis-St. Paul Ice Arena Presence



Cottage Grove Ice Arena

Owner: City of Cottage Grove

Year Built: 1974

Number of Ice Sheets: 2.5



The Cottage Grove Ice Arena currently serves five different organizations, including the Cottage Grove Figure Skating Club, Cottage Grove Hockey Association, Cottage Grove Skating School, Park High School boys and girls hockey clubs and East Ridge High School boys hockey club.

The arena has two NHL sized rinks, the North Rink and West Rink. The North Rink, pictured to the right, has a permanent seating capacity of 1,200. The West Rink is converted into a turf field from March through May. The South Rink is a smaller sheet of ice that accommodates smaller ice games and practices.



Cottage Grove Ice Arena

Current Leases

The information below outlines the current lease agreements with Cottage Grove's youth and high school hockey associations at the Cottage Grove Ice Arena. It is important that a new arena development would not interfere with the city's arena but rather help to complement it. Although there may be an opportunity for more ice sheets during prime time, which only account for a small number of hours throughout the whole year, if the new facility also diverts weekend and non-prime demand away from the city's arena, it could significantly impact its performance.

Youth Hockey

Cottage Grove Hockey Association

- Term Expiration: 2029
- Term Commitments: 2,000 hours per year at market rate

The Cottage Grove Hockey Association utilizes 95 percent of Cottage Grove Ice Arena's available prime ice time hours, which last during November through February from 5 PM to 8PM. There will always be demand for more prime ice time, but the need for ice time on weekends and non-prime hours and months is minimal.

High School Hockey

South Washington County Schools

- Term Expiration: 2029 (Park locker room agreement: 2042, non-binding)
- Term Commitments: 450 hours per year at market rate

The school district currently utilizes all 450 hours of ice time at the Cottage Grove Ice Arena but does not appear to need any additional ice time. Given that the CGHA uses the majority of prime ice time, there may be demand for prime ice time from high school teams.



Minor & Junior League Hockey

Minor & Junior League Hockey

Minor and junior league hockey is the third and final opportunity type for the proposed arena. From a minor and junior league hockey perspective, there is market opportunity for a new venue.

The average attendance rate for the Minnesota Wild during the 2022-23 season was 102.8 percent, the second highest rate among all NHL teams. The overwhelming demand that these games generate suggests notable potential for a minor or junior hockey league team.

The table to the right outlines the minor and junior hockey leagues. Due to similar skill levels, minor league hockey often competes with NHL and collegiate teams yet still achieves strong attendance.

United States Minor & Junior League Hockey Overview			
League	# of Teams	Average Attendance	# of Teams in Minnesota
Minor League Hockey Leagues			
AAA: American Hockey League (AHL)	32	5,408	0
AA: East Coast Hockey League (ECHL)	28	4,630	0
A: Southern Professional Hockey League (SPHL)	10	3,445	0
A: Federal Prospects Hockey League (FPHL)	11	2,045	0
<i>Average</i>	<i>20</i>	<i>3,882</i>	<i>0</i>
Junior Hockey Leagues			
Tier I: Ontario Hockey League (OHL)	20	3,922	0
Tier I: Western Hockey League (WHL)	22	3,893	0
Tier I: United States Hockey League (USHL)	16	2,430	0
Tier II: North American Hockey League (NAHL)	32	1,129	3
Tier III: Eastern Hockey League (EHL)	23	102	0
Tier III: North American 3 Hockey League (NA3HL)	34	320	5
<i>Average/Total</i>	<i>25</i>	<i>1,966</i>	<i>8</i>
Source: Various			

Minor vs. Junior League Project Feasibility

Minnesota is rightfully coined as the “State of Hockey” for many reasons. From a high-level perspective, minor league hockey and junior league hockey both have potential in Minneapolis, yet there are considerable differences between these two overarching leagues which may make one more suitable for Cottage Grove than the other. Based on the Project’s limited availability of funding, a junior league hockey team is more appropriate for the proposed arena.

Minor League Hockey ❌

There is currently no minor league hockey team in Minnesota. The AHL and ECHL are the top-ranked leagues, with nearly every single team having an NHL affiliate. A minor league hockey team requires exceptional management, so if it were to be managed by the Minnesota Wild, it would show promising potential. However, it also requires a significantly larger budget and venue, and may have greater competition with professional and collegiate hockey at this level.

Junior League Hockey ✅

Minnesota has several junior league teams but does not currently have a Tier I team. Furthermore, the only junior league presence in the Minneapolis market is in the Tier III USPHL league, which draws significantly less attendance. Tier I teams still achieve larger crowds and require a smaller operating budget compared to minor league teams. Given the limited funding available, a junior league hockey team is more suitable for the proposed arena.

Junior League Presence by Market

The table to the right represents the number of registered USA Hockey members per junior team in each district. Tier III was not considered due to its lower attendance that is mainly driven by players' families.

In contrast to the NHL, most junior league hockey attendees tend to have a strong affiliation with hockey. If a district has a higher member per team ratio, there is likely more opportunity to introduce a junior league hockey team.

With the introduction of a USHL team, Minnesota would have an average of 18,014 members per team, which is still the ninth highest ratio of all twelve districts.

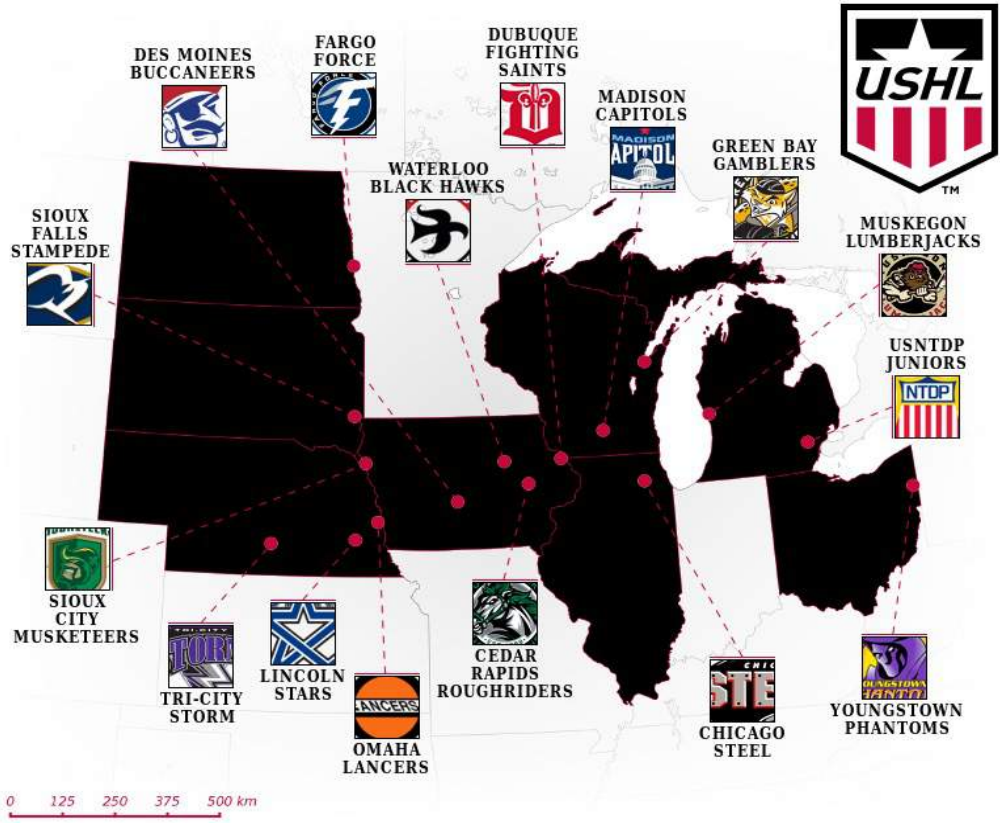
Number of Junior Teams per USA Hockey District						
USA Hockey District	Member Registration	# of OHL Teams	# of WHL Teams	# of USHL Teams	# of NAHL Teams	Members per Team
Northern Plains	22,114	0	0	2	3	4,423
Central	77,854	0	0	11	5	4,866
Pacific	64,919	0	6	0	3	7,213
Rocky Mountains	61,869	0	0	0	8	7,734
Michigan	43,539	2	0	2	0	10,885
New England	37,880	0	0	0	3	12,627
Atlantic	41,453	0	0	0	3	13,818
Mid-American	47,483	1	0	1	1	15,828
Minnesota	72,054	0	0	1*	3	18,014
New York	53,059	0	0	0	1	53,059
Massachusetts	54,006	0	0	0	1	54,006
Southeastern	69,745	0	0	0	1	69,745
Average	56,715	0	1	1	3	22,685

Source: USA Hockey

USHL

The USHL is the country’s top-tier junior league. The league has 16 teams that are primarily located in the Midwest; however, there is currently no USHL presence in Minnesota. As Cottage Grove and its surrounding cities continue to grow, a USHL hockey team continues to show promising potential.

USHL Overview							
Team	Location	Arena	Ice Sheets	Stadium Capacity	2019		2023*
					Average Attendance	Average Occupancy	Average Attendance
Sioux Falls Stampede	Sioux Falls, SD	PREMIER Center	1	12,000	5,692	47%	5,213
Fargo Force	Fargo, ND	Scheels Arena	1	5,000	3,429	69%	4,129
Green Bay Gamblers	Ashwaubenon, WI	Resch Center	1	10,200	3,135	31%	3,241
Omaha Lancers	Ralston, NE	Liberty First Credit Union Arena	1	4,200	2,882	69%	3,129
Waterloo BlackHawks	Waterloo, IA	Young Arena	1	3,000	2,566	86%	–
Lincoln Stars	Lincoln, NE	Ice Box	1	3,500	2,563	73%	2,070
Des Moines Buccaneers	Des Moines, IA	Buccaneer Arena	1	3,461	2,256	65%	1,231
Muskegon Lumberjacks	Muskegon, MI	Trinity Health Arena	1	3,000	2,206	74%	1,817
Sioux City Musketeers	Sioux, IA	Tyson Events Center	1	10,000	2,142	21%	1,409
Tri-City Storm	Keamey, NE	Viaero Center	1	5,000	2,128	43%	1,032
Cedar Rapids RoughRiders	Cedar Rapids, IA	ImON Ice	1	3,850	2,057	53%	1,695
Dubuque Fighting Saints	Dubuque, IA	Dubuque Ice Arena	1	3,200	2,020	63%	2,252
Madison Capitols	Middleton, WI	Capitol Ice Arena	2	2,611	1,879	72%	2,291
Youngstown Phantoms	Youngstown, OH	Covelli Centre	1	5,717	1,533	27%	1,235
USA Hockey NTDP	Plymouth, MI	USA Hockey Arena	2	3,504	1,132	32%	1,049
Chicago Steel	Geneva, IL	Fox Valley Ice Arena	2	3,500	1,130	32%	1,117
Average				5,109	2,422	54%	2,194
*Through three regular season games							
Source: LeagueStat							



Interview: Hockey

Hunden interviewed several people with strong hockey knowledge in the Minneapolis market to understand potential opportunities for minor and junior league and high school hockey. A summary of the conversations is below:

- There is certainly both minor and junior league potential in the Minneapolis area. There is a large market for it and plenty of people would possess an interest.
- The operating budget for an ECHL team is around \$4-5 million, while a USHL team is around \$2 million.
- If the proposed arena brought a minor or junior tenant, it would be ideal if the Minnesota Wild could manage the facility.
- The USHL would likely respond very well to a new team in Minnesota. NAHL could also have some potential in the Minneapolis market.
- The City of Cottage Grove needs another facility for their high school teams, especially a facility with dedicated locker space.
- The main competitors to a minor league hockey team would be NHL and collegiate teams.
- A team that is located in the southeastern suburbs would mainly draw people from the local area such as Woodbury, Cottage Grove, and Eagan.
- The St. Paul Saints, the Twins' minor league affiliate, have done a great job at attracting attendees. Offering other entertaining elements to these games, such as unique food and beverage options, would likely attract more visitors to these games.

Implications

Implications

An arena most often needs to be supported by several event types, such as concerts and sporting events, to be financially feasible. A new arena development with optimal location and funding in the Minneapolis market has moderate opportunity. Given Cottage Grove's far southeast location in the market and its lack of funding, there is no professional arena opportunity.



Concerts and Family Shows

There is no unmet market demand for concert venues. Without the ability to host several concerts and family shows throughout the year, the proposed arena has limited potential to be viable.

Youth & High School Hockey

The only time that the arena can potentially host practices and events without impacting performance at the Cottage Grove Ice Arena is during prime ice time, which is not sufficient enough for the proposed arena to be financially feasible on its own.

Minor & Junior League Hockey

There is market opportunity for both minor and junior league hockey, but junior league hockey would be a more financially viable option for the Project due to its lower operating budget and capacity requirements.



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The firm and its principal have performed more than 1,000 studies over the past 25 years, with more than \$20 billion in built, successful projects or projects underway.

TO: The Honorable Mayor Bailey and City Council
Jennifer Levitt, City Administrator

FROM: Gretchen Larson, Economic Development Director

DATE: May 12, 2023

RE: Interim Report, 2023 City Leadership Retreat - Economic Development “Big Ideas”

Background

The City Council, City Administrator, and senior staff met January 28 at River Oaks Golf Course and Event Center for the city’s annual leadership retreat. The process and goals for the retreat differed from those in recent years, in that the goal for the retreat was to stimulate broad, visionary thinking about the long-range future of the City, and in the process to strengthen relationships and integrate new staff leaders into the leadership team.

The findings of the follow-up report indicated that, to its residents, Cottage Grove has always been special and it is up to today’s leaders to ensure that this legacy continues into the future. Participants all completed posted cards containing big ideas for helping Cottage Grove to thrive. From the cards, the following “big ideas” emerged and were discussed in small groups. Overall, these ideas sought to answer the broad question of what would make Cottage Grove thrive in the future as a unique place that fosters strong communities. This vision stands in contrast to the city being “just another generic suburb.”

Two of the four **Big Ideas** that came out of the discussions that were assigned to the economic development team for follow-up were:

- Creating a City Center and
- Expanding Support for Business

The “big whys” behind the **Creating a City Center** were:

- Bring crowds to the City for events.
- Create a center for residents and businesses.
- Create a recurring destination for visitors.
- Sell the benefits of Cottage Grove to others.

The “big whys” behind **Expanding Support for Business** were:

- Expand and diversify tax base. This is building on current momentum.
- Good jobs are also a key benefit of business that the City should promote.
- Think critically about the kinds of business we want to attract.

Creating a City Center - The Shoppes at Cottage View

As has been discussed many times over the past 10 plus years, the 73-acre property we refer to as The Shoppes at Cottage View is under an options contract by a developer. Their initial concept and plans include:

- A Multi-use sports and entertainment venue (stadium)
- Highly Rated Hotels – Westin, Radisson, Four Seasons
- Class A Office Spaces
- Retail - shopping, dining, a movie complex (IMAX), and others
- Public spaces such as a community center, state and county facilities, an institution of higher learning, training, vocational, and workforce centers, and others
- High Density Housing - market rate, and affordable workforce and senior housing
- Open Greenspaces – amphitheater, park, splashpads, seating areas, and others

This project will require the City Administrator and city staff, with support from the City Council, to advocate for grants and other funding at the Federal, State, and County levels. Legislative changes may also be needed. Also, as with any large development, a Master Plan must be created to guide the development process. The number of phases and the order in which each element will eventually be built is also critical to the success of the project. We must also be realistic about the project and the challenges the project faces which include:

- Market demand - will there be enough attractions to build it and sustain it, with broad enough appeal for the long term.
- Can we connect existing nodes to the city center, for example a pedestrian bridge across Hwy 61 as well as mass transit?
- Big ideas will need business support and the political will to financially support the efforts.
- It will not be easy or cheap; and we would need to innovate.
- Can the development create enough of an entertainment venue to bring in very large crowds which would be required to support the venue and the businesses around it?

At this time, we are still working through the big ideas phase and need to get to a point where we can report to the City Council that there is a definitive path forward for this project. Even after numerous meetings with the developer over the past year, we are still not in agreement as to what the city's financial commitment to the project should be. A preliminary analysis indicates that the city owning a critical part of the proposed project, a stadium, is simply not feasible. This means that a significant part of the plan must be revised since a stadium, and the corresponding events hosted there, bring large numbers of people into an area making it a "destination" feature. This feature in turn drives much of the business to a hotel and to a lesser, though important extent, the dining scene. If publicly owned municipal venues such as a stadium, community center, institution of higher learning, etc. are not a part of the mixed-use center, the financing need for such a project is likely going to be much more challenging to secure.

Given the current trends in the market place with supply chain issues, higher than normal inflation, an unsettled banking community, rising interest rates, retailers downsizing their concepts, and more, we must be prepared to understand that creating a city center is going to take significantly more time than originally anticipated by the developer.

In addition, given all the challenges any city faces in providing funding to multiple projects including ours, we must be clear on what assets we can bring to the project and subsequently what we are not able to offer or support. Once our parameters are set, only then can we provide clear directions to the developer, who in turn must decide if the project makes sound financial sense. Additional meetings will be held with the developer at the upcoming ICSC Tradeshow later this month.

As a part of this report we have also included links to several resources for review that discuss the challenges and the opportunities in designing a mixed-use city center. We've also included information from experts in the urban design and planning fields, to give you a sense of what they consider to be the essential elements in **Creating a Great City Center**.

Expanding Support for Business

The second "Big Idea" was expanding support for business and the "Big Whys" for this idea were:

- Continue to expand and diversify the tax base.
- Good jobs are also a key benefit of business that the City should promote.
- Think critically about the kinds of business we want to attract.

As a part of the discussion a variety of topics were touched on with the primary focus centering around how to attract more businesses that will bring in higher-paying, professional and skilled jobs, which in turn would help us address housing and transportation needs. Other ideas discussed included:

- Creating a chamber of commerce division for industry, connecting with trade associations, and collaboration with developers.
- Bringing together DEED, Greater MSP, Washington County Business Development, Xcel, and others for round table discussions.
- Preparing a master plan for the 500+ acres owned by 3M, exploring different market segments for more opportunities rather than just addressing infrastructure, and
- Developing a plan that does not predict perfectly but helps us to prepare for opportunities.

As of this report, with City Council support, have initiated a utility study of the approximately 540 acres of 3M owned land. This study also includes a wider look at the possible land uses in the area for both commercial and industrial development. We also applied for and secured a grant from the Washington County CDA to help fund a portion of the study. We are also exploring opportunities to increase collaboration with trade associations and we host weekly discussions with the leadership at 3M, DEED, Washington County, Xcel and others to see how we can strengthen our mutual interests in land development and attracting investors.

The final item in this list of "Big Ideas" is the creation of a plan to help us prepare for opportunities. In order to move this idea forward we recommend that we begin the process that would ultimately create an **Economic Development Strategic Plan**. Creation of a plan would allow us to set clear and attainable objectives and assist us in designing policies and programs to achieve our goals. The plan would also be proactive, rather than reactive, and help us achieve measurable, sustainable economic goals. As a part of the plan we would also suggest

that a strategic vision be created for the Convention and Visitors Bureau (CVB) since it has similar goals and objectives to traditional economic development efforts. We have reached out to Washington County CDA to check the availability of grant funding to help us develop a strategic plan. Their Economic Development Director shared that they would most likely have funds available later this year or in early 2024 to possibly assist with a portion of the costs and encouraged us to submit for funding.

Recommendation

Authorize the City Administrator and staff to create and issue a Request for Proposals (RFP) for the development of an economic development plan, including a vision plan for the CVB.

Attachments:

Creating a Great City Center

Mixed-Use Development and Financial Feasibility

Designing and building mixed-use centers in the suburbs

Creating a Great City Center

Far too often according to professional planners, cities without a great city center tend to be boring and grey. They are usually not pedestrian-friendly and are either too chaotic or too orderly. Cities like Barcelona, New York City, the old part of Dubai or Venice are good examples of well-designed city centers that are full of life. Their center gives them identity. Great public spaces are those places where celebrations are held, social and economic exchanges occur, friends run into each other, and cultures mix. They are the “front porches” of our public institutions – libraries, field houses, schools – where we interact with each other and the government. When these spaces work well, they serve as the stage for our public lives.

What makes some places succeed while others fail?

In evaluating thousands of public spaces around the world it was found that to be successful, they generally share the following four qualities: they are **accessible**; people are engaged in **activities** there; the spaces are **comfortable** and have a good image; and finally, they are **sociable** places: one where people meet each other and take people when they come to visit. The Project for Public Spaces (PPS) developed **The Place Diagram** below as a tool to help people in judging any place, good or bad.

What Makes a Great Place?

Project
for Public
Spaces



Access & Linkages

You can judge the accessibility of a place by its connections to its surroundings, both visual and physical. A successful public space is easy to get to and get through; it is visible both from a distance and up close. The edges of a space are important as well: For instance, a row of shops along a street is more interesting and generally safer to walk by than a blank wall or empty lot. Accessible spaces have a high parking turnover and, ideally, are conveniently located near public transit.

Comfort & Image

Whether a space is comfortable and presents itself well - has a good image - is key to its success. Comfort includes perceptions about safety, cleanliness, and the availability of places to sit - the importance of giving people the choice to sit where they want is generally underestimated.

Uses & Activities

Activities are the basic building blocks of great places: They are the reasons why people visit in the first place, and why they continue to return. They are also what makes a place special or unique.



Kungstradgarden, Stockholm, Sweden.

Sociability

This is a difficult quality for a place to achieve, but once attained it becomes an unmistakable feature. When people see friends, meet, and greet their neighbors, and feel comfortable interacting with strangers, they tend to feel a stronger sense of place or

attachment to their community - and to the place that fosters these types of social activities.

According to well-known Urban Planner, Laura Puttmaker, there are 10 features that can make a city center particularly great:

- It is pedestrian friendly.
- It has mixed-use (shops, restaurants, public buildings, public spaces, apartments, and cultural institutions).
- It offers a source of identity.
- It has green and blue spaces.
- It has cafes and restaurants where you can sit to watch life go by.
- It is colorful.
- It is accessible to everyone and has a friendly vibe.
- It is clean.
- It offers art and culture.
- It has side streets that you can explore.

Mixed-Use Development and Financial Feasibility:

Part I - Economic and Financial Factors

BY JOSEPH S. RABIANSKI, PH.D., CRE; KAREN M. GIBLER, PH.D.;
J. SHERWOOD CLEMENTS, III; AND O. ALAN TIDWELL

INTRODUCTION

MIXED-USE DEVELOPMENTS ARE GROWING IN POPULARITY AS they reportedly can create additional value and outperform standard single-use real estate developments. The synergy and appeal of a quality mixed-use development can increase office and retail prices, rents and occupancy rates as well as accelerate absorption rates. Retail tenants may be willing to pay higher rents because of the increased customer traffic generated by the compatible and complementary uses. Residents and hotel guests are attracted by the convenient location of dining, retail and entertainment venues on the site. However, some locations are not well suited for mixed-used developments, and careful consideration must be given to the financial feasibility of each specific project.¹

Financial feasibility of mixed-use development occurs when the return on the investment meets or exceeds the required return of the developer and/or the investor. Evaluating financial return on a mixed-use project is more complex than with a single-use development. While some economies of scale may be achieved, the complexity of multiple uses may raise development and operating costs. On the other hand, the synergy of complementary uses may increase cash flows. Financing development is complex and can be more costly than for single-use developments. Measurement tools for such financial success are expressed in different ways. Discounted cash flow analysis generating an internal rate of return is one important tool. Debt service cover and cash-on-cash are also considered useful tools.²

Some developers believe that a mixed-use project diversifies risk across the multiple uses.³ Other developers

believe that the added financial and physical complexity of a mixed-use development, in addition to longer development timelines, heightens the uncertainty associated with the project and thereby increases the level of risk.

Factors influencing the financial success of a mixed-use development can be grouped in the categories of economic and market, financial, physical and public issues.⁴ This article will focus on economic and financial factors in the professional literature.

ECONOMIC AND MARKET FACTORS

The Local Economy

A general economic precondition for the financial success of a mixed-use project is a strong local economy. Employment, population and consumer disposable income should be growing. This growth benefits both tenants and customers for the uses on the site. A mixed-use project developed in a stagnant or declining local economy can have problems attracting quality tenants, an adequate number of customers and rent levels high enough to ensure financial success. A stagnant or declining local economy can be perplexing for a community that wants a mixed-use development to serve as a catalyst for urban regeneration. However, it may be possible for a certain geographic market area to grow within a larger stagnant local economy. A possible scenario is a high-income geographic market area within a stagnant local economy. The population base of high-income consumers could be underserved (excess demand) for high quality retail goods and convenient personal services such as medical and dental services, accountants, insurance agents and attorneys. In addition, the "empty-nester" portion of the population base desires

Mixed-Use Development and Financial Feasibility: Part I - Economic and Financial Factors

About the Authors



Joseph S. Rabianski, Ph.D., CRE, is a Full Professor in the Real Estate Department in the J. Mack Robinson College of Business of Georgia State University in Atlanta. A member of the college and the department faculty since 1976, Rabianski teaches and researches real estate market analysis, valuation, financial analysis, equity investment

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Karen M. Gibler, Ph.D., is an associate professor of Real Estate at Georgia State University. An active researcher and publisher, Gibler's work has appeared in such journals as *Real Estate Economics*, *Journal of Property Investment and Finance*, *International Real Estate Review*, *Journal of Real Estate Research*, and *Journal of Real Estate Practice and*

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to remain in the area but also wants to downsize to luxury apartments or condo units. This situation could support a mixed-use development of retail, office and residential units. Another possibility is that a strong tourist component could offset some lack of local economic vitality, especially if hotels and entertainment venues were incorporated into the development.

If the geographic market area is depressed or distressed, whether in a stagnant or declining local economy, public sector assistance, incentives and/or participation need to be considered. Because of the positive externalities that such projects are expected to generate and the risk that developers are taking by investing in a depressed area, these projects will rely heavily on public/private partnerships and financial support. Examples include tax abatement for reimbursement of infrastructure costs,⁵ tax increment financing for parking structure construction,⁶ and acquisition of land that is then leased to the developer.⁷

Market Analysis

Market analysis for a mixed-use development is important in determining the demand and supply of each use

on the site. It should be used in the same manner as in analyzing a single-use project. The analysis should demonstrate sufficient net demand from both on-site and off-site consumers for each use that comprises the development. This is because "... many tenants' businesses will depend on demand from the surrounding area."⁸ In addition there are other matters that the mixed-use market analysis should consider.

Market factors are not static; they change with time and other influences."⁹ A market analysis should examine trends and forecasts to capture the influence of changing economic, demographic and psychographic factors of demand. "Two keys to success are to do your homework upfront, and to revisit it regularly at every phase and after build-out. These market analyses need to be fine-grained and tailored enough to your locale for you to identify both shifts in preferences and niches that aren't served. This requires a dual-pronged approach to evaluate the market at that point in time and the other to assess how well you're meeting it. As the market changes, so should your project."¹⁰ Market research should be performed

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early in the developmental process and in some cases, depending on the timing and absorption, updated throughout.¹¹ These statements apply to single-use as well as mixed-use developments, but the complexity of the analysis increases when the number of uses increases.

A word of caution appears in the following statement: "Just because you have high-end retail doesn't mean you have a high-end condo market."¹² Each use needs to be analyzed with regard to its own demand and supply situation and its relationship to the other on-site uses. Each use on the site must attract sufficient market demand to make it financially feasible. The financial success of one use should not be expected to carry a weak market performance by another use. The contributory value of one use should not subsidize the other uses on the property. The denotation in these statements is clear but connotations are also present. First, while the development is planned and evaluated as a whole, the analyst must also consider the risks of all phases of a multi-phased project not being completed as planned, and some anticipated uses not opening. For example, the project could have retail with residential on top planned for phase one, and offices in a separate building planned as phase two. Over time, the office market could weaken and phase two is either scrapped or changed to more retail and residential.

Second, the completed phases and the active uses should be financially viable. In some situations these phases and the active uses may be financially feasible but not attain the return that was anticipated from the mixed-use project that was planned. The problem/solution partially depends on which use is curtailed or lost. The key retail tenants are those that draw strongly from the traditional retail trade areas but also draw customers from outside traditional trade area boundaries; these tenants cannot be lost. The key residential units must match the demand from the market. If the development plan calls for equal numbers of one-, two- and three-bedroom units in each phase of the project while the market demands only one- and two-bedroom units, vacancy in phase one will be high, making that mix of residential units financially unsuccessful. The planned units must change if phase two is to be built.

The geographic extent of the retail trade areas of each of the anchor tenants and the majority of the non-anchor tenants needs to be considered.¹³ Several points to recognize are:

- The retail trade area for each retail tenant is not the same. Some of the shops will attract customers from a greater distance than other shops. Therefore, a three- or five-mile ring could be too much geography for some stores and not enough for other stores.
- The retail trade area for the most prestigious retail store or the major anchor store is not the retail trade area for the project.¹⁴ The anchor store might draw customers from five miles away but the non-anchor tenants may only draw from a two-mile radius because of competition in other retail facilities.
- A properly developed mixed-use property has the potential of attracting customers from outside conventional trade area boundaries. Adding components such as parks, walking trails, playgrounds, ball fields, community centers, and even municipal buildings can create habitual or repetitive traffic flow from outside the traditional boundaries. These elements will give customers more than one reason to come to the development and can ensure that they visit the development on a regular basis. Boutique shops and soft goods retailers, which make mixed-use developments more enjoyable and not just functional, rely on regular visitors from greater distances who are likely to patronize these shops.
- Entertainment venues may draw customers from a geographic market area beyond the market area for the retail uses.

The residential market area for the mixed-use project will more than likely not be the same geographic area as the retail market or trade area, and the office market area may differ from both the retail and the residential areas. The market analysis for a mixed-use development may need to consider a different geography for each specific on-site use.

On-site Synergy

On-site uses need to be compatible, complementary and mutually supportive for synergy to exist. If synergy is achieved, it increases customer patronage, rent levels, sales volumes, and both the investment value and the market value of the project; thus, the mixed-use project has the potential for creating greater total value than if each of the uses were developed in separate locations. Generating synergy in a mixed-use development requires that each on-site use serve as an amenity for the other uses and the

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tenants add to the revenue the uses would otherwise generate from the surrounding neighborhood. Occupants of the office space can generate additional sales for the retail facilities and restaurants beyond what would be expected from area residents. Office tenants are likely to use hotels located in close proximity to service their clients. Office and retail workers may speed lease-up of the residential units. To encourage this synergy, the price mix of residential units should provide options for the categories of workers expected in and near the project.

Some of the financial benefits of mixed-use development emanate from the close proximity of a variety of uses with different peak demand times, increasing the hours that facilities are generating income. The development needs to balance night and day activities so that everything on the site does not shut down at the end of the workday.¹⁵ With a “24/7” vitality as an ideal goal, bringing together users who will use facilities at different times of the day or days of the week increases the potential revenue tenants can generate. While office workers might dominate the weekday luncheon crowd at restaurants, residents and hotel guests could form the majority of the dinner and weekend trade.

A clear relationship exists between the prospect of synergy and the size of the mixed-use project. This is a definite direct or positive relationship but it is not known whether the relationship is a straight line, a curve that increases at a decreasing rate, or a curve that increases at an increasing rate. At the low end of the spectrum there is very little or no synergy in a mixed-use development consisting of a single residential unit, a single small-scale retail store and a small-scale office structure located adjacent to each other on a single site. However, as the number of residential units increases, a synergistic effect can benefit the retail store. Then, if the most desired tenant mix in the retail space is achieved, it can benefit the residential units by generating higher rents.

Relationships with the Surrounding Market

A successful mixed-use project must be compatible with its neighbors and integrated into the community to maximize its economic effect. Strong linkages among on-site and off-site land users are important. Off-site residential growth leads to an increased demand for on-site commercial activity such as retail stores, restaurants

and personal service establishments. The on-site users such as restaurants need to serve potential customers (residential users and office space users) living or working in close proximity to the project.

Competition with existing single-use developments must be considered. For example, building retail space in a mixed-use project near a highly successful super-regional mall surrounded by power centers, community centers and a lifestyle center may lead to high on-site retail space vacancy and a lower rent schedule, while the office and residential components of the project are financially successful. This same reasoning carries over to the on-site housing option. Building more condo units in a saturated local condo market is not a good plan but building apartments could be. Similarly, building a hotel on site could be a problem if the existing market has excess hotel space. Financial success depends on “being able to maximize and mix the uses in a way that responds to market conditions, opportunities and economics...”¹⁶

FINANCIAL FACTORS AND ISSUES¹⁷

A multitude of financial factors can contribute to the success or failure of a mixed-use development. From the planning stage through construction, to lease-up and sale, the developer must maintain focus on the integrated finished living and working environment that the development promises. The complications of multiple ownerships, loans and leases, as well as the possible increased cost of construction and time for development make financial planning and oversight essential.

Financial success depends on minimizing the requirement for initial equity funds. Try to find lenders who are willing to provide high loan-to-value ratios, and try to obtain development incentives from the local jurisdiction.

Lending Issues

Financing construction is a critical element of the deal. Most developers will want to minimize their initial equity in the property, trying to find lenders willing to provide high loan-to-value ratios; however, equity requirements may be higher than for single-use projects. Larger capital requirements limit the number of development firms and financial institutions that have the resources to undertake a mixed-use project. Development incentives are often available from the local jurisdiction if the government is trying to attract development into a blighted area or

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encourage denser development in urban rather than rural areas or at transit hubs.

Even though mixed-use developments have complicating aspects that make them more difficult for which to structure financing, efficiently priced capital is available for well-conceived mixed-use developments. Lenders' willingness to provide funds may be primarily attributable to:

- Financial success of completed mixed-use developments across the nation;
- Increased lender sophistication;
- Profusion of mezzanine capital and other unsecured debt;
- Municipalities providing cash subsidies, property tax abatements or tax increment financing.

Although capital is available for developers, lenders thoroughly analyze the proposed development as well as the developer. The primary lending criteria used are:

- Adequacy of the developer or the financial partner to deal with any cost overruns;¹⁸
- Unleveraged yield on cost;
- Economic environment of the location—adequacy of consumers' and the project's ability to achieve market thresholds;
- Risk profile of the development—preleasing, sales and absorption time;
- Developer's history and track record—ability to complete the job on time and according to budget.

Lenders have difficulty determining how well the land uses work synergistically as a single development and estimating the varied sources of the components of income. They tend to evaluate the overall mixed-use project as a weighted average of the individual property types, as collateral that could be sold off separately.¹⁹ Underwriting each land use separately adds to the complexity and cost of the deal.

How the financing is structured will influence the ownership structure. If a single lender is financing the construction, then that lender would prefer a single borrower entity that owns all of the project's components. However, if the project is structured such that each of the land uses is in separate ownership with one asset per

special purpose entity, the developer has a more flexible exit strategy with the ability to sell pieces at different points in the development cycle and repay each construction loan. Exit strategies are being emphasized more by lenders as the investment cycles are different for different uses.²⁰ Creative solutions include individual financing of multiple land parcels, each with a separate use, or allowing early partial releases of parcels.²¹

When mixed uses are vertical in a single building, staging/phasing and financing issues are more complex.²² Also, because many mixed-use projects take longer to develop, phasing takes place over a longer period of time.

When a single construction loan has separate take-outs for the project components, the construction lender is dependent upon each of the permanent lenders to accomplish full take-out of the loan. A large permanent loan on the entire property may be more attractive to many lenders; however, individual loans on each property type parcel will give the owner greater flexibility in exit strategies.²³

In addition to private financing, a variety of public financing tools may be available for mixed-use developments. Tax abatement may be available for reimbursement of infrastructure costs.²⁴ Parking structure construction may qualify for tax increment financing.²⁵

Costs

Several features of mixed-use projects can lead to higher development costs. Initial planning costs are much larger for mixed-use developments because of the complexity and need to integrate varied uses. In addition, the project may require multiple approvals from local regulators under a variety of zoning, conditional use permits and variance requirements.

Then the builder may be required to comply with different building codes for each use, adding to the complications, costs, and the time required to build the project.²⁶ Residential uses in mixed-use buildings often have to be designed and constructed to meet commercial standards for handicapped accessibility, fire safety and mechanical requirements. In addition, special design and construction features may be required to reduce incompatibilities between uses.²⁷ If the development features a pedestrian-friendly design with automobiles relegated to parking structures, then those structures increase cost beyond that of surface parking lots. Alternatively, integration in horizontal mixed-use developments may provide

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efficiencies in terms of infrastructure, utilities and zoning changes.²⁸

The cost of land that is suitable to serve a range of uses is generally higher than sites suitable for just one land use. Land carrying costs could be higher or lower than for single-use properties. The larger site requirements and longer construction period add to development and construction costs.²⁹ The costs could be less for a mixed-use development than those for a very large single-use project (like an office park or a residential subdivision) because the uses are developed earlier. This can avoid cost increases for subsequent phases in the single-use office park.

Owners hope to reduce operating costs through shared services and facilities, such as common area maintenance, parking, building management and marketing.³⁰ Separate and duplicate technical systems minimize tenants' impact on each other and make operating expense recovery easier for the manager, but add to construction cost.³¹

Another cost consideration for mixed-use developers is the issue of sustainability. By integrating uses and higher density, developments may be able to achieve the same amount of usable space in a smaller footprint. Some sustainable design elements may require additional cost in terms of materials, but they are expected to pay for themselves in increased rents and lower operating expenses. Estimates are that cost premiums that have been at 5–10 percent may have dropped to 2 percent with the steep learning curve that comes with new construction methods. One study showed no significant difference in average costs for green buildings versus non-green buildings.³² Another study found that an upfront investment of about 2 percent can yield a life cycle savings of ten times that investment if savings through productivity and worker retention are considered in addition to costs of energy, maintenance and repair, but such estimates are subject to considerable debate.³³ In markets where green buildings are available, there is evidence of rental and purchase premiums in both the U.S. and Australia. These buildings use 32 percent less electricity and 26 percent less natural gas, according to analysis of CoStar data.³⁴

Risk

Generally, both lenders and investors have attached a risk premium to mixed-use developments because of the complexity of meshing multiple uses, the increased construction costs, and the longer development horizon.³⁵ The skill, experience and investment required to develop

all components of a master planned mixed-use project may be beyond most firms, but a skilled developer can organize a team of investors, designers, builders and operators who are interested in each component of the project, allowing the developer to transfer risk during the development and operational stages. Investment in a variety of land uses should provide diversification, and thereby reduce risk. A mixed-use development reduces reliance on a single market sector and the amount of space of a single type that must be absorbed by the market.³⁶

Decision-Making Process

Lenders, investors and developers have asked if mixed-use project development changes the decision-making process. Mixed-use development is much more complex and complicated than single-use development. The development model has changed from the situation in which one person was the expert on all facets of the single-use development to the need for a committee, group or organization of experts to plan and execute the project. Mixed-use development generally moves the industry away from specialization in a property type to a more sophisticated consortium of planning and development.

CONCLUSION

The professional literature discussing mixed-use development is full of learned opinion about the factors and features that lead to financial success. Much can be learned from these expert opinions. This literature review and its organizational scheme should have revealed some new ideas and perspectives even for the very experienced developer or consultant dealing in mixed-use development. A significant point to realize is that more empirical information is needed. Real estate academics need to determine if there is a statistically significant combination of the factors presented in this article that is strongly associated with financial success of mixed-use developments. ■

Editor's Note: Part II of this article will be published in the next issue of Real Estate Issues.

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Designing and building mixed-use centers in the suburbs

Retail success is tricky in new urban places—so pay attention to fundamental principles because buying and selling are essential activities in a walkable urban center.

ROBERT STEUTEVILLE DEC. 11, 2019

This is one of a [series](#) of ongoing Public Square articles on the market, technological, and cultural transformation of the \$5 trillion retail industry—and how it relates to a continued shift toward walkable, urban living.

Mixed-use centers—often in suburban locations—continue to be built from the ground up in many communities across the US. This commercial component is important because many new urban developments are planned or under construction, and most include retail. Retail is an essential part of a walkable urban center—and has been the case for as long as people have been selling goods in the marketplace.

Living spaces, offices, and restaurants in new urban centers in the suburbs tend to be very successful, but the retail has been less profitable in many instances. Pros and cons of mixed-use centers are on display at the Shops at West End in St. Louis Park, Minnesota—just west of Minneapolis. The Shops at West End is “pretty much” the only walkable urban place outside of downtown that is available for major commercial development, according Sam Newberg, a commercial real estate analyst in the Twin Cities area.

The Shops at West End was hit economically by the Great Recession. Since then, it has struggled along with the shopping center/mall industry, according to *the Minneapolis/St. Paul Business Journal*. “The first phase, a 349,000-square-foot retail center, has lived a rocky life and still has a vacancy rate north of 25 percent. But focusing on the struggles of the retail portion of the project ignores the fact that the area is red-hot with the development of apartments, hotels, and the largest suburban speculative office project since the recession.” Developers have completed 779 apartments around the West End since 2013 and are constructing 262 more. A final

multifamily project will break ground this winter, adding another 207 apartments. All told, developers will surpass \$350 million worth of investment and construct 1,248 apartments in the West End and neighboring parcels between 2012 and 2020. This development would not have happened if not for the urban retail, according to the *Business Journal*.

Mixed-use urban centers can be seen as a glass half full or half empty, but overall, one could say the glass is *more* than half full. The need for walkable urban places continues to grow, and this demand will drive planning and development for decades to come. Conventional retail in suburban malls is struggling, and that makes for a carrot-and-stick incentive that is driving more retailers into urban formats.

The retail in some mixed-use centers has struggled for a variety of reasons. Some of these centers are losing anchors—just like enclosed malls—due to the current crisis of department stores. Also, some were designed with too much retail to begin with—like an outdoor mall with mixed-use added in ways that suggests it was just an after-thought.

Bayshore Town Center in Glendale, Wisconsin, a first-ring suburb of Milwaukee, was designed with too much retail (about 1.2 million square feet). Like a lot of malls, Bayshore has been hit with department store woes. Sears closed, and then Boston Store (formerly owned by Bon-Ton), leaving two anchors empty. Nordstrom's Rack plans to open in 2020, and the complex announced a conversion of much of its vacant space to offices, a hotel, and apartments. The plan is to reduce retail space by 37 percent.

Mixed-use centers need a broad mix of tenants to succeed, explains Lee Sobel, a long-time urbanist with experience in commercial real estate. "The failures don't offer a true mix of uses," he says. "These are the shopping and dining destinations surrounded by parking lots. The good ones will survive due to location, demographics, and tenants."

The need for visibility

Other urban centers hide the stores from passing traffic, ignoring a basic rule of retail success, says Robert Gibbs, author of *Urban Retail*. “There’s been an overconfidence in the importance of aesthetic qualities—the architecture and placemaking over the fundamentals of retail. When they work, the retail, residential, office and hotels produce above market rents,” he says.

The retail in Rockville Town Square in Rockville, Maryland, struggled at first, partly because it was not visible from the main road. But the office, residential, and civic space (a public library), were all successful. A grocery store went out of business—and it has been replaced by local grocer. The storefront commercial space is now mostly leased, largely with local and regional shops and restaurants—and there are a few national chains, such as a CVS pharmacy, Verizon store, and Gold’s Gym.

Unique local stores in a new urban center are refreshing—even if they don’t achieve the sales/square foot of national chains. “When you start seeing mixed-use town centers with the exact same retailers as others, something has gone wrong,” says Kennedy Smith, a main street economics consultant. More high-density residential is being built all around Rockville Town Square, which should strengthen the retail, which already appears to have turned a corner.

Some mixed-use centers were designed without anchors, which is a mistake in all but the smallest scale projects: Anchors draw shoppers and support the smaller stores. “Every mixed-use project should have at least one anchor store,” notes Sharon Woods of LandUseUSA | Urban Strategies. “This may be a department store, grocery, hardware, pharmacy, or furniture store. In some markets, a cluster of destination-type restaurants can also serve as an anchor. These anchors are essential for attracting patrons that can then be converted into impulse and repeat shoppers.”

Town centers sometimes feel artificial or contrived because the main street isn't a through street, Gibbs adds—they start and stop in the middle of nowhere. A real town is located on a main highway that connects part of the region together. If you build a town center on an arterial thoroughfare, you get more authenticity. Woods explains: “main street tenants have the best chance of succeeding when they are aligned along and facing the main traffic arterial. Tenants located along perpendicular, or side streets tend to have less than half of the exposure to passing traffic, and therefore will be significantly disadvantaged.”

Overall, office and residential uses are more of a sure bet, Gibbs says: “Shopping is an elective activity compared to living in a house and working in a job. You can have the worst office park and you have to go to work.” A successful retail project “has to make it easy for people to shop,” he says. Mixed-use centers depend on a combination of destination and impulse buying, Woods explains. “In successful retail projects, the smaller tenants will depend on cross-shopping generated by destinations and anchor stores, plus impulse shopping from drive-by traffic.”

Variety of activities

Mixed-use centers in the suburbs need a real variety of activities, including social and civic spaces. Pike & Rose in Montgomery County, Maryland, is a case in point. It's got anchors like an LL Bean store and clothing retailer H&M. Pike & Rose also includes a 17,000 square foot rooftop farm, a hotel, a bowling alley/restaurant, a live music venue (increasingly common in urban centers), and movie theaters. It's got substantial office space and housing.



A restaurant with the LL Bean store and other uses at Pike & Rose. Source: Federal Realty

The Mosaic District in Fairfax, Virginia, consists of city blocks built from the ground up—it used to be a drive-in movie theater, then a movie theater. It is located near a Metro station. Anchors include a multistory Target and Great Gatherings, a large store that offers game furnishings. There's a Mom's Organic Market and a variety of retailers from Lululemon Athletica to Williams-Sonoma. Food options of all kinds are available, and an eight-screen cinema (a takeoff on location's historic use). The site hosts a farmer's market and a variety of festivals. A range of housing types and price points has been built, including condominiums, apartments, townhouses. The Mosaic is also the home to a custom shirt manufacturer. The center has been a catalyst for redevelopment around it, and new construction is ongoing.

Mixed-use centers are sometimes confused with, and distinct from, so-called "lifestyle centers," which have no residential units and little mixed-use. They were commonly built in the 2000s by conventional retailer developers who wanted to create urban experience without changing the fundamental business model of the mall. A lifestyle center is essentially a mall with no roof and is often surrounded by parking. A lifestyle center can feel overly contrived and even phony as an urban place because it

does not include the various uses of an urban center—and should be avoided by developers and cities alike.

Mixed-use urban centers come in many types to suit whatever kind of walkable place is being created. Sometimes they are built on a very small scale for the purpose of providing destinations and urbanity—rather than meeting significant shopping needs. About 70 businesses are located in Norton Commons, Louisville, Kentucky, even though the development has little or no access to drive-by traffic.

The businesses in Norton Commons comprise a mix of restaurants, which are fairly successful, and personal businesses located out of the owners' properties—some of which may be part-time operations. There are no chain stores—and Norton Commons is not unlike many small main streets in that regard. The businesses offer a sense of place and liveliness to this new town that attracts residents and outsiders alike. Nearby drivable retail meets day-to-day shopping needs. Developer David Tomes attributes the better-than-expected mixed-use to a daytime office population in Norton Commons—plus a YMCA that serves as an anchor, attracting many outsiders from several miles around.



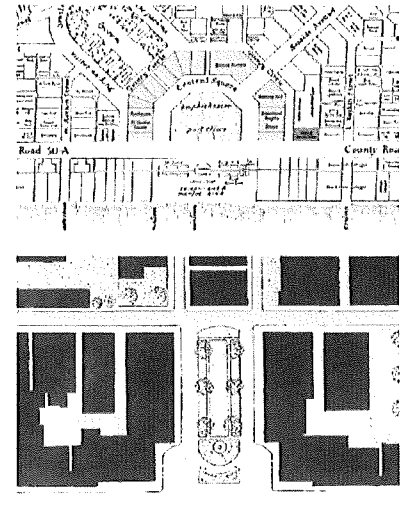
A cafe in Norton Commons. Source: Traditional Town LLC

Drive-by traffic

Mixed use centers of all sizes rely on drive-by traffic, Wood notes. “The smaller the project, the more essential it is to have excellent visibility to impulse shoppers,” she says. “Larger centers are more likely to have anchors and a mix of destination-type stores to help compensate. Small town centers without anchors are the riskiest—and if they don’t have visibility to traffic then they shouldn’t even be considered.”

One solution is to build a pair of **one-way couplets**, a concept created by CNU co-founder Peter Calthorpe San Elijo Hills project in San Diego, California. The thoroughfare carries 40,000 cars per day, plenty to support retail. Each side of the couplet has two one-way lanes and is designed like a street, with parallel parking on each side. “Some people are opposed to one-way couplets because there is a lot of bad history couplets. Some were badly designed and too far apart,” Gibbs says, explaining that with good design “the Calthorpe model does work.”

Another solution is what Gibbs calls the “**retail crescent**,” which was built in a project called The Glen, outside of Chicago. The design brings through-traffic to the main street via a slight crescent-shaped diversion. Still another is what is called “**Lake Forest model**,” where shops are grouped around a new public space on one side of an adjacent highway. The model is named after Lake Forest, Illinois, one of the first planned shopping centers in the US, which opened in 1916. The shops are all visible from the highway. In the 1980s, Seaside, the first neighborhood-scale new urban project, used the Lake Forest model.



The Lake Forest Model: At left is a photo of Southlake Town Square in Southlake, Texas, which opens to a street carrying through traffic. Photo courtesy of Cooper & Stebbins. At right are plans for Seaside's square, and the historic Lake Forest town center.

Mixed-use urban centers in the suburbs continue to be built, driven by demand for urban living. Employers are locating in such centers because that's where their young employees want to be. Municipalities, also, are looking to revitalize first-ring suburbs. As shopping malls die, this will open more opportunities for building these places. Finally, the residential market in walkable communities is strong. Mixed-use centers have long relied on retail to provide the draw, and that is still partly true. But the retail industry is in flux today and so developers and designers need to think about other strategies to generate activity—especially entertainment and food-related uses.

Although urban centers often end up getting similar retail tenants to single-use malls, they are more flexible—which is an advantage in this uncertain retail climate. Urban centers may be more driven by the development of living and working spaces. And, developers need to be aware of basic rules of retail. “The retail in mixed-use urban centers needs to adhere to fundamental shopping center principles,” says Gibbs. “Mostly, they need a green grocery, a street with parking, anchors, living spaces, office, a hotel, and off-street parking.”



Economic Development and Redevelopment Strategic Plan

APPROVED
NOVEMBER 5, 2018



Prepared by Ehlers & Associates





INTRODUCTION

The City of Burnsville and Burnsville Economic Development Commission intend to pursue the continued growth and sustainability of the City's vibrant economy. The City is in a strong position for success with over 2,500 local businesses, excellent freeway access, a skilled and diverse workforce, and history as a destination within the Twin Cities Metropolitan area. Recognizing the need to leverage this past success and prepare to take community to the next level in its evolution, City leaders undertook an in-depth and intentional strategic planning process for economic development.

This Economic Development Strategic Plan sets forth an achievable, strategic economic development and redevelopment agenda for the City over the several years. The Plan identifies specific goals, strategies and actions which build upon the City's unique strengths and distinct character as a regional draw. Each of the goals focuses on one or more priorities of the City which factor into the economic health and enhanced vitality of the City. The Plan's purpose is to articulate a set of measurable strategic actions to facilitate development and redevelopment within the City and to provide guidance to staff on where to spend their time and City resources. The Plan is not meant to be an exhaustive outline of the City's strategic development/redevelopment agenda, but rather is intended to provide guidance and direction. In addition, the plan is meant to be fluid in that it should be reviewed, at a minimum, annually to determine if there is a change in priorities or if resources need to be shifted.

The City is critically aware that it needs to adapt to the changing needs of business, residents, and global market in order to stay relevant and retain its position as a regional metropolitan draw/destination. In addition, the City is aware that their return on investment has different measures than the private sector. A financial return is expected in the form of increased property values from development/redevelopment, but that the tangibles (eliminating blight, increase in jobs, increase in residents, etc.) and the intangibles (transformative development, change in perception of City/area, sustainability of existing businesses/neighborhoods, etc.) are equally if not more important. A key aspect of this Plan is to assure the mechanisms are in place to recognize success, big or small, in redevelopment/development and to continuously realign the resources and policies of the City to the meet the goal of retaining the City's regional position.



PROCESS

The Economic Development Commission (EDC) and Economic Development Authority (EDA) initiated the strategic planning process in June of 2018. The desired outcomes were:

1. Declare a vision for the future of the City
2. Develop a long-term work plan to further this vision
3. Identify goals and strategies for the City in order to achieve its vision; and
4. Identify top housing, economic development/redevelopment priorities, reuse and programs; and
5. Determine the role of the City Council and EDC in economic development/redevelopment (Maintaining the vision and accountability)

Underlying all of this was the desire to provide guidance to staff on the priorities for the City (where to spend their time and efforts) and to determine public resources to utilize to achieve the vision. The strategic planning process began with phone interviews of the EDC members and the City Council to provide “level setting” and to gain an understanding of their perspectives on the City, priorities for any projects/initiatives, the role of the City in economic development/redevelopment, use of public financing tools, and how to define success. This was followed up by a written “homework” assignment that provided more context on their individual vision for the short and long-term for the City. The major themes that came out of the interviews and homework were:

- There is a strong desire for a shared vision that everyone can support with a plan to achieve it
- Need a brand/identity
- City is at “turning point” with tremendous opportunity, but also potential risk
- Burnsville School District #191 has poor reputation
- Desire for high-end, high amenity rental housing (attract millennials/young professionals & be proactive)
- The City lacks vacant land for development
- Young families are leaving or not moving here
- Great parks/trails
- Want high-tech/medical and start-up businesses
- Desire to redevelop existing industrial park areas but realize that maybe difficult

The City hosted two (2) sessions with the group to discuss the findings from the interviews/homework, provide context for the City as it related to some perceptions, reflect on the positive and negative changes in the past ten (10) years, discuss the top redevelopment priorities, and discuss the different roles the City can play in development/redevelopment. From these sessions, the main goals and strategies were derived and are the basis of this Plan.

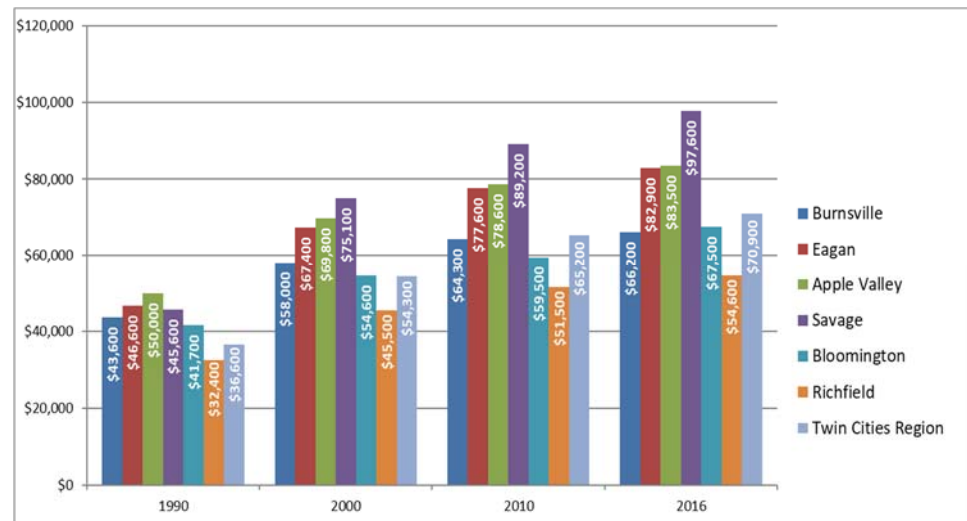


PERCEPTION/CONTEXT

Through interviews and planning sessions, several key perceptions amongst the City Council, EDC and staff were identified around income and property valuation trends within the City, negative perception of School District #191, and the desire to increase market value and home values. The following is information and key “take-aways” provided through the planning process to review these in the context of the metro area, peer cities, and the State.

Income

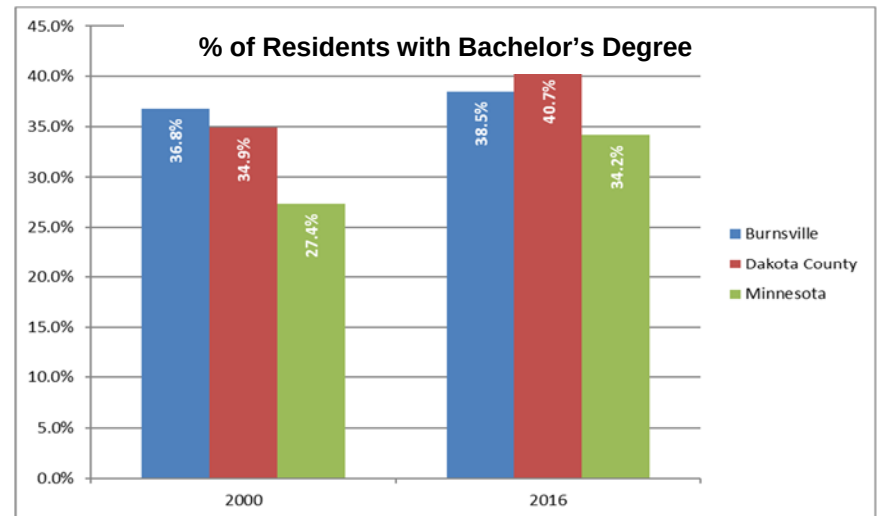
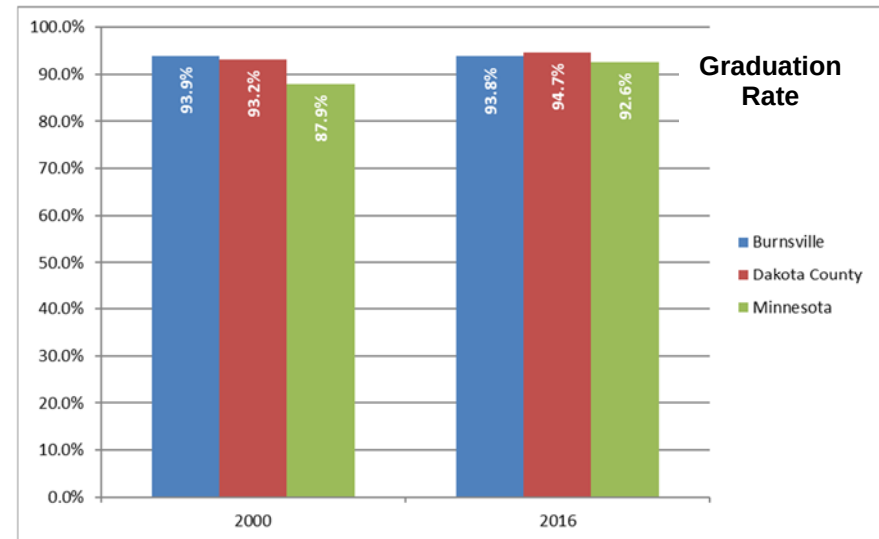
- Burnsville median household Income increased from \$43,600 to \$66,200 between 1990 and 2016 (52%)
- Median household income in the Twin Cities increased from \$36,600 in 2020 to \$70,900 in 2016 (94%)
- Median income is growing but losing ground to the Metro area



Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

Education

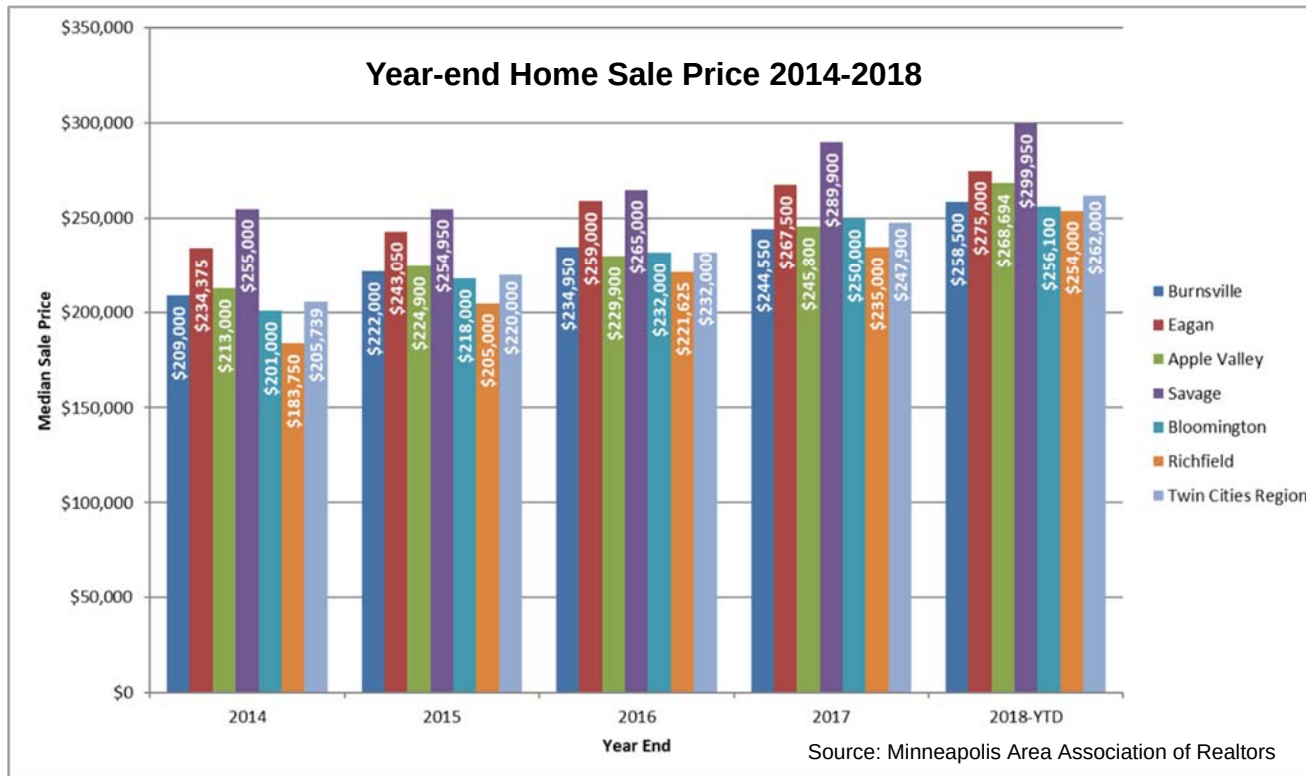
- Burnsville's graduation rate remained high between 2000 and 2016 at almost 94%
- The percentage of those in Burnsville with a bachelor's degree increased from 36.8% in 2000 to 38.5% in 2016
- Graduation rates remain good (opportunity for enhancing image/changing perception)
- City has educated population



Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates



Housing Values



- Burnsville median home sale price was \$209,900 in 2014 and increased to \$258,500 in 2018, which is a 23% increase
- The median home sale price in the Tin Cities region was \$205,739 in 2014 and increased to \$262,000 in 2018, which is a 27% increase
- The median home sale price in in the Twin Cities Region surpassed Burnsville in 2017 and 2018.



Tax Base

Growing the tax base is one of the central goals of any economic development effort. Tracking the growth in Burnsville's tax base will be one important way to measure success. Comparing that growth to the state as whole, as well as other peer communities will help the City understand if the tax base growth is simply inflationary, or if the City's growth is increasing relative to its peers. Burnsville's strong economic development strategy would be one of the most significant factors leading to a rate of growth faster than per communities. The table below compares Burnsville's market value and tax capacity, which are measures of the City's tax base, to the state of Minnesota between 2012 and 2017.

Market Value	Year						Change 2012 - 2017	
	2012	2013	2014	2015	2016	2017	Amount	Pct.
Burnsville	\$5,115,023,140	\$4,839,726,491	\$4,954,927,671	\$5,379,958,596	\$5,509,611,596	\$5,848,916,062	\$733,892,922	14.35%
Minnesota	\$345,067,470,769	\$329,685,131,675	\$333,694,463,908	\$362,108,366,872	\$382,499,552,241	\$404,007,943,488	\$58,940,472,719	17.08%

Tax Capacity								
Burnsville	\$66,449,023	\$63,569,107	\$64,790,290	\$69,631,846	\$70,830,387	\$75,787,442	\$9,338,419	14.05%
Minnesota	\$4,222,912,162	\$4,064,498,217	\$4,110,316,590	\$4,426,903,128	\$4,680,476,114	\$4,997,265,545	\$774,353,383	18.34%

Source: League of Minnesota Cities

- Burnsville's tax base has grown 14% since 2012
- The tax base in the State of Minnesota has grown just over 17% since 2012



In addition to comparing Burnsville's growth to the state as a whole, it is also beneficial to see how the City is doing relative to its peers. The table below compares the growth in market value per capita between 2012 and 2017 amongst Burnsville and select peer communities. This comparison is a helpful way to understand whether the City's market value growth is a reflection of the general inflation within the region, or if there may be other factors contributing, such as an intentional economic development effort.

City	2017 Population	Market Value		Change 2012 - 2017		Market Value Per Capita
		2012	2017	Amount	Pct.	
Burnsville	61,439	\$5,115,023,140	\$5,848,916,062	\$733,892,922	14.35%	\$95,198.75
Apple Valley	52,435	\$4,065,152,427	\$4,628,599,768	\$563,447,341	13.86%	\$88,273.10
Bloomington	85,866	\$9,661,988,593	\$11,813,615,300	\$2,151,626,707	22.27%	\$137,581.99
Eagan	66,627	\$6,562,189,587	\$7,504,313,331	\$942,123,744	14.36%	\$112,631.72
Richfield	36,151	\$2,470,893,664	\$2,919,932,056	\$449,038,392	18.17%	\$80,770.44
Savage	31,352	\$2,479,586,811	\$2,935,660,051	\$456,073,240	18.39%	\$93,635.50
St. Louis Park	49,029	\$5,043,089,793	\$6,109,250,126	\$1,066,160,333	21.14%	\$124,604.83
Minnesota	5,576,606	\$345,067,470,769	\$404,007,943,488	\$58,940,472,719	17.08%	\$72,446.92

Source: League of Minnesota Cities; US Census

- Burnsville's market value per capita is relatively strong at just over \$95,000. Continuing to grow that number, as population increases, is a measure of economic development success.
- Some of the fastest growing tax bases (i.e. St. Louis Park and Bloomington) are in fully developed communities. Intensive redevelopment and economic development efforts in these communities have led to this increase.



Reinvestment and Tax Base Growth

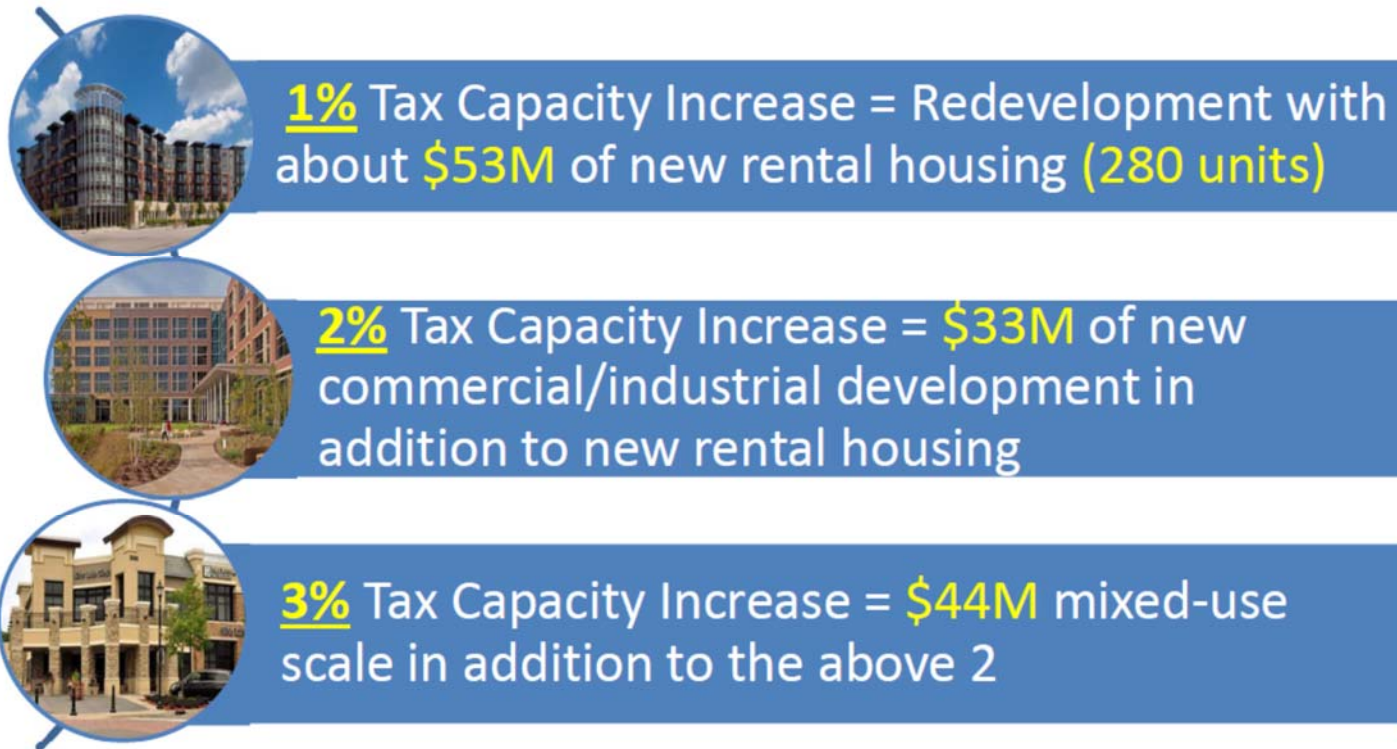
As a mostly developed community, Burnsville's future growth and transformation will rely, to a large extent, on redeveloping portions of the community with more intensive uses. Redevelopment can be an expensive undertaking and often requires a strong public/private partnership for success. This partnership may require the investment of public funds. Often, the public dialogue around the investment of public funds explores only the expenditure side, without fully considering the long-term benefits and purpose for the project. If a proposed public/private partnership has no discernable benefits for the community, then it should not be undertaken. These projects should grow the tax base for the future with the goal of stabilizing and/or reducing taxes in the long term. The table below illustrates how a 1%, 2% and 3% increase in Burnsville's tax base can help lower taxes.

		Increased Tax Capacity		
	Existing Conditions	1% Increase	2% increase	3% Increase
Burnsville				
Total Levy-on Tax Capacity	\$29,110,603	\$29,110,603	\$29,110,603	\$29,110,603
Total Tax Capacity	\$66,841,024	\$67,509,434	\$68,177,844	\$68,846,255
Tax Rate on Tax Capacity	43.552%	43.121%	42.698%	42.283%
Tax Rate % Change	N/A	-0.99%	-1.96%	-2.91%
Average Home Market Value	\$214,800	\$214,800	\$214,800	\$214,800
City Taxes (w/MV exclusion) on avg. home	\$858	\$849	\$841	\$833
Tax Decrease on Average Home	N/A	(\$8.49)	(\$16.81)	(\$24.98)

The table shows that as the tax base increases, the City's tax rate can be reduced while still raising the same amount of funds through its levy to pay for City services. As this tax rate decreases, the total taxes paid by the average homeowner can also be reduced.



Burnsville can realize this tax base growth through some very achievable redevelopment projects. The chart below provides some scale around the kind of reinvestment necessary to achieve varying levels of tax base growth in the community. If the City chooses to participate financially in a public/private reinvestment opportunity, it should only do so to the extent necessary for financial feasibility and only if there will be clear community benefits into the future. These are relatively short-term investments for a longer-term gain.





Vision

A vision statement is the City's declaration of the kind of community it aspires to be now and into the future. A strong community vision helps inform decision making and guides the allocation of limited time and resources. It is also the foundation on which you build your communications efforts and represent yourself as community to the outside world. The vision statement should serve as a continuing guide in evaluating whether the activities in the Strategic Plan are creating the kind of future community members desire.

Based upon the dialogue and feedback from the City Council, EDC Members, and staff throughout the planning process, the following vision statement emerged:

“To be a diverse and vibrant community that is a regional draw for entertainment, outdoor activity and business, that provides a mix of quality housing options for residents, has excellent schools and embraces entrepreneurship”

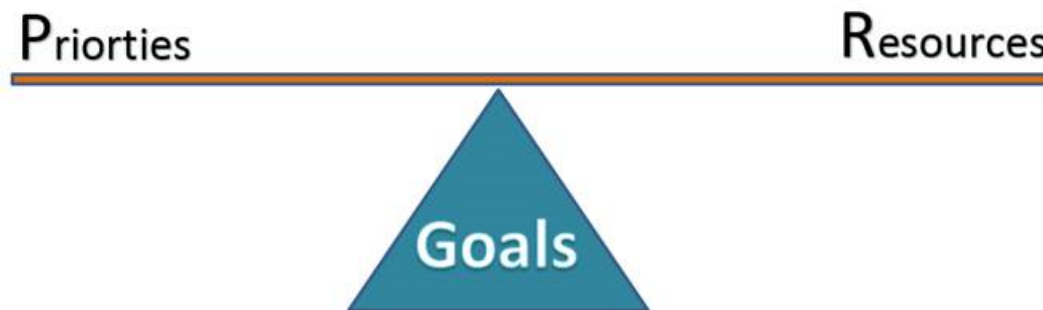


Resources

Successful implementation of Burnsville's Economic Development and Redevelopment Strategic Plan will require attention to the balance between priorities and available resources. The amount of work in this plan the City can take on and the timeframe within which it can be accomplished will be a function of available resources. There will always be more activities on the economic development/redevelopment wish list than available resources to give them all the appropriate attention.

The City's staff and other financial resources are finite, and it is difficult to create a large enough "war chest" in the short-term to address all the City's needs. The City has relied in the past on the use of some public resources and tools that exist to accomplish its goals and will need to in the future as well.

The limiting resource of the City is internal staff capacity necessary to fully execute long-term plans. Done correctly, added investment in staff and their capacity is an investment with a return to the City, not solely an expense. The intent of creating a thoughtful plan is to make sure these limited resources are deployed in a way that meets the City's objectives.



For this reason, prioritizing the City's economic development/redevelopment activities is critical. This exercise in prioritization must be done in the context of the resources available to get the job done. Finding the proper balance will help ensure the City's investment in economic development/redevelopment is achieving the goals most important to the community. If priorities and resources are out of balance, the City will either have trouble accomplishing its goals, or will be investing more than may be necessary. The City will need to continually evaluate its economic development/redevelopment program and funding levels to stay in balance.



Goals

Based upon the phone interviews several goals emerged and several areas of the City were identified as being in need of redevelopment. Following are the eleven (11) goals that were identified:

- | | |
|-----------|---|
| 12 | 1. Ensure sustainability of the Burnsville Shopping Center/CR 42 Corridor |
| 10 | 2. Improve image of School District #191 and City |
| 10 | 3. Continue development within Heart of the City |
| 9 | 4. Enhance and build awareness around the City's existing housing and commercial programs and develop new programs as appropriate |
| 5 | 5. Continue the City's Position as a Regional Destination |
| 3 | 6. Attract a younger population to live and work in the City |
| 3 | 7. Attract new businesses and foster the growth of entrepreneurship |
| 2 | 8. Establish short and long-term development goals for the MRQ |
| 2 | 9. Foster business retention and growth/expansion of existing |
| | 10. Provide housing choices that don't currently exist in the community |
| | 11. Develop plan for location of new industrial users |

Through the “Dotmocracy” process, the above goals were prioritized and some eliminated since they would fall within the purview of other goals. As noted, five (5) goals emerged as the priority of the City and thus will be the main area the City will focus on within the Plan. It should be noted that goals 6-9 will not be forgotten. They will remain on staff’s “radar” and will be worked on as time permits, they just will not be where staff spends the majority of their time.



Goal 1 - Ensure sustainability of Burnsville Shopping Center/CR 42 Corridor

Goal Accomplishment(s)

Short-term - A formal plan is established that guides redevelopment of this corridor over the next decade.

Long-term - Burnsville Shopping Center is repositioned for future sustainability and occupancy along CR 42 is increased.

Performance Metrics

1. Property valuation increase of Mall and surrounding area
2. New business starts/remodels
3. Public reinvestment in infrastructure and/or public/private partnerships
4. Number and type of building permits and valuation

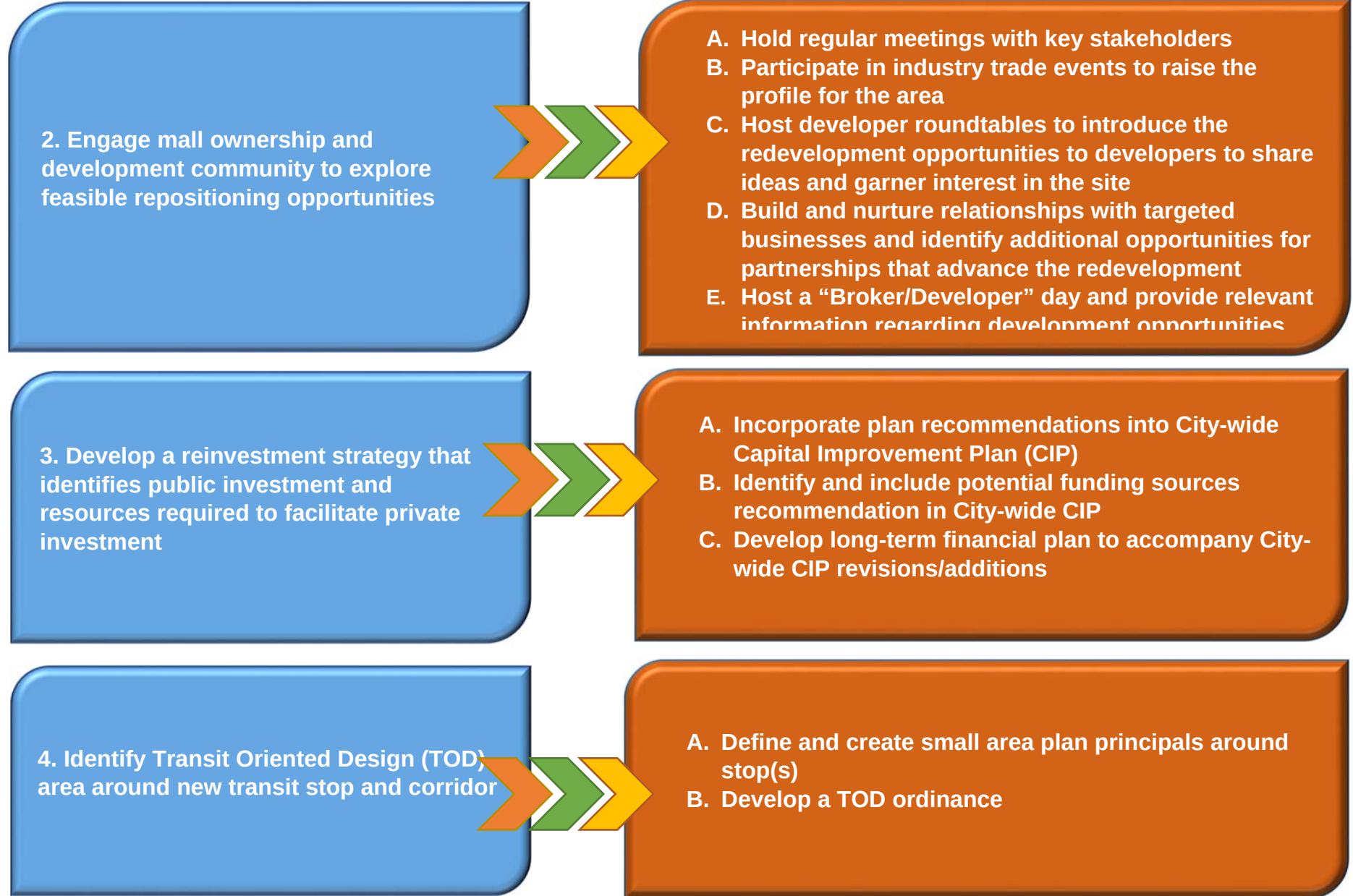
Strategies

1. Complete Burnsville Center/County Road 42 Master Redevelopment Plan



Actions/Tactics

- A. Finalize planning process
- B. Rezone area to be consistent with recommendations in the Master Redevelopment Plan
- C. Identify resources to implement plan recommendations
- D. Prepare staffing plan for implementation of plan recommendations





Strategies

5. Establish a formal system to inform and engage businesses along CR 42 corridor



Actions/Tactics

- A. Identify all existing City-wide communication strategies for applicability
- B. Research and recommend new opportunities to communicate specifically about CR 42
- C. Prepare regular project status updates for the EDC, City Council and businesses

6. Develop wayfinding around traffic congestion on CR 42



- A. Study options available to address traffic congestion issues and develop recommendations for implementation
- B. Identify and include potential funding sources recommendation in City-wide CIP



Goal 2 – Improve image of School District #191 and City

Goal Accomplishment(s)

Short-term - Routine meetings between SD 191 Board and City Staff and minimum of annual meeting between full School Board and City Council.

Long-term - Current and future residents of the City view moving into the City and within the School District 191 as a positive. Realtors promote purchasing homes within the Burnsville and within School District.191

Performance Metrics

1. Number of meetings, attendance at meeting and outcomes met
2. Change in enrollment and increase in school performance measures
3. Survey results measuring perception
4. List of sites ready for development that were promoted within and outside of Burnsville
5. Increase in tax base relative to existing tax base
6. Number of site search or developer inquiries

Strategies

1. Engage School District 191 in meaningful dialogue to discuss issues and how City can assist



Actions/Tactics

- A. Establish peer to peer staff level meetings on a regular basis
- B. Prepare meeting agendas with desired outcomes
- C. Identify and share the City tools and resources that may help achieve mutually beneficial goals



Strategies

2. Embrace and actively engage with school board, City Council and business community to build relationships



3. Identify households and population within the District and engage SD on their information to identify fact-based issues/impacts



4. Identify areas within the community for redevelopment to improve visual image



Actions/Tactics

- A. Following from staff meetings, establish City Council / School board regular meetings (interval TBD)
- B. Assign staff liaisons charged with setting meeting agendas and facilitation to maximize use of time
- C. Participate in Chamber of Commerce-led leadership meetings
- D. Annual joint meeting with full City Council and School Board

- A. Prepare analysis of number of households, number of students, and performance outcomes in SD 191 vs other districts

- A. Monitor potential redevelopment sites within the community using established metrics
- B. Develop program to track property value changes
- C. Identify any changes in land use, City code or processes required to remove barriers to private redevelopment efforts while maintaining community
- D. Prepare information for the market that clearly identifies the types of opportunities possible for those sites
- E. Develop cost estimates for each site/area to purchase land and complete needed public improvements to determine gap, if any
- F. Determine what, if any, role the City may need to play financially to make these opportunities ready for development (Evaluate and communicate the potential public costs and benefits associated with participation in redevelopment)
- G. Determine what City resources may be available to assist the desired development
- H. Develop recognition program for property aesthetics (landscape and holiday lighting)



Strategies

Actions/Tactics

5. Develop a communications plan to more fully promote the City and inform residents and surrounding metropolitan area of the positive attributes and strides made within the community.

- A. Inventory existing communications strategies, evaluate effectiveness, and identify gaps
- B. Leverage potential branding initiative to develop coherent message about the community
- C. Identify new and existing channels, including social media, to disseminate "brand"
- D. Include resources in a long-term staffing plan to ensure sustained effort

6. Enhance existing communication tools (website, social media, etc.) to assist in engagement

- A. Identify the best tools to promote engagement and disseminate the City's message
- B. Include resources to fill gaps through future budgeting requests

7. Develop informational opportunities and programs to provide factual/positive information about the SD #191 and City

- A. Explore feasibility of holding a "Real Estate Forum" to present City and school facts to Realtors
- B. Engage senior citizens in efforts of SD 191 with students (after school programs, etc.)
- C. Identify other engagement opportunities



Strategies

Actions/Tactics

8. Establish a formal system to solicit stakeholder (residential and business property owners, School District, real estate groups, etc.) feedback concerning community opportunities.



- A. Inventory the specific issues for which the City would like to receive feedback, including a potential survey for both residents and people living outside the City
- B. Leverage existing and future channels, identified through communication tools strategy, to enhance contact
- C. Create a broad and formalized community engagement strategy to be prepared as opportunities emerge
- D. Establish individual community engagement plans for each project under consideration

9. Actively celebrate success in the SD #191 and the community through press releases, website, social media outlets and council comments



- A. Assign a staff person to monitor and identify positive happenings in the City and School system
- B. Include these actions as an agenda item to discuss and collaborate with school officials during meetings
- C. Formalize the process by which this information will be disseminated
- D. Include school district at ribbon cuttings and grand opening celebrations

10. Establish neighborhoods to promote pride and internal image enhancement



- A. Research various neighborhood formation models
- B. Prepare report and executive summary for EDC and City Council outlining the pro and cons of each model
- C. Facilitate and discussion with the EDC and City Council to determine if further exploration / implementation is desired



Goal 3 - Continue development within Heart of the City (HOC)

Goal Accomplishment(s)

Short-term - Remaining vacant lots in HOC 1 are developed and development begins on HOC 2

Long-term - Updated plan for HOC 2 with first development commencing

Performance Metrics

1. Market value growth
2. Number of housing units built
3. Square footage of commercial built

Strategies

1. Facilitate development of remaining sites in HOC 1 through discussions with existing property owners and potential developers



Actions/Tactics

- A. Engage property owners to discuss and identify financial gaps that might exist
- B. Continue ongoing discussions about barriers that exist to developing remaining sites
- C. Identify opportunities to remove barriers where possible
- D. Prepare plan and identify funding sources to close financial gaps
- E. Include resources in a long-term staffing plan to ensure sustained effort



Strategies

Actions/Tactics

2. Facilitate development approval changes as necessary to encourage high-amenity apartments



- A. Review and summarize existing multi-family housing code requirements and requested deviations
- B. Engage and discuss actual needs with those developing high amenity housing in the marketplace
- C. Adopt code changes that accommodate development without compromising integrity of City plans

3. Review redevelopment plan for HOC 2 to determine relevance and refine as needed



- A. Hold developer roundtables to obtain feedback about the marketability of proposed plans
- B. Summarize feedback from roundtable meetings for EDC and City Council
- C. Propose plan refinements based on EDC / City Council feedback
- D. Create TOD ordinance / plans related to the Orange line

4. Actively market to potential developers development potential within HOC 2



- A. Identify developers with interest in the site during developer roundtable meetings
- B. Develop process to solicit proposals from interested parties for develop of the area
- C. Prepare community engagement plan to solicit community input and keep all parties informed
- D. Identify willing sellers



Strategies

5. Provide financial assistance, to the extent necessary, to assist in promoting development and redevelopment



Actions/Tactics

- A. Require formal submission of an application for and requested assistance
- B. Review / underwrite developer proposals (ongoing) to evaluate whether assistance is necessary
- C. Make formal recommendations to the EDC and City Council about the amount, structure and source of an assistance
- D. Identify tools and describe them for marketing purposes



Goal 4 - Enhance and build awareness around the City's existing housing and commercial programs and develop new programs as appropriate

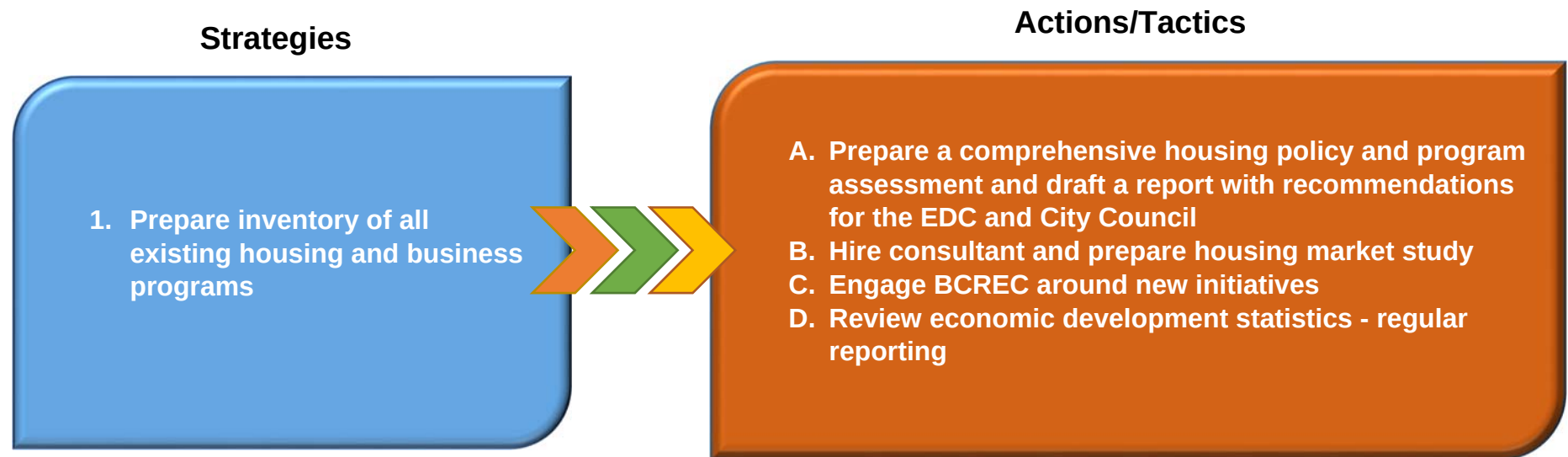
Goal Accomplishment(s)

Short-term - Increased use of housing and commercial programs

Long-term - Improved and stabilized housing and commercial properties

Performance Metrics

1. Utilization of resources and/or programs - number of people using "Open to Business"
2. Housing stock reinvestment - permits and valuation
3. Dollars leveraged by City investment
4. Number of business recognized





Strategies

Actions/Tactics

2. Evaluate effectiveness of current housing and business programs and refine or eliminate as appropriate



A. Same as above

3. Assess current housing and business needs within the community and update program offerings to meet current needs



A. Same as above

4. Work with Dakota County CDA to assist in developing and/or providing funding for programs



- A. Establish regular meetings with appropriate CDA staff to discuss housing programs delivered in Burnsville
- B. Leverage county programs to address ongoing needs identified in the comprehensive housing policy and program assessment
- C. Focus city-driven efforts on addressing the City's housing needs not covered by CDA opportunities



Strategies

Actions/Tactics

5. Develop marketing and communications plan regarding resources for housing and businesses



- A. Inventory final housing and business programs following implementation of this plan
- B. Include these marketing activities in long term staffing and resource plan for larger city initiatives
- C. Inventory outlets for information; identify those with greatest exposure to maximize impact
- D. Recognize businesses for their reinvestment through various means

6. Determine resources necessary to fund programs and staffing to create and implement programs



- A. Prepare long-term staffing plan
- B. Identify additional resources necessary for implementation (i.e. consulting budget, one-time expenditure, etc.)
- C. Evaluate anticipated budgetary impact and include total costs of requests in future budget process
- D. Establish priorities consistent with feedback from the planning process to allocate funding
- E. Discontinue programs and/or initiatives that are not achieving plan goals

7. Identify redevelopment opportunities within the City for residential or business development



- A. Use building permit data to identify candidates
- B. Establish early indicators of property maintenance decline
- C. Continue engagement with land owners to identify willing redevelopment participants
- D. Track vacancy rates for housing and commercial properties



Goal 5 - Continue the City's Position as a Regional Destination

Goal Accomplishment(s)

Short-term - Develop brand for the City

Long-term - City is viewed as a regional destination for outdoor recreation, entertainment and shopping

Performance Metrics

1. Number of visitors with Convention and Visitor's Bureau (CVB) data and attendance at City events
2. Burnsville Shopping Center and CR 42 corridor still a regional driver
3. Increased entertainment venues and other amenities
4. Population growth
5. Market value / tax base growth
6. Number of jobs in the community
7. Decrease in median age
8. Utilization of City facilities and park amenities and Buck Hill

Strategies

1. Develop a brand for the City that builds upon its positive aspects, unique character and leverages natural assets



Actions/Tactics

- A. Research and report to the EDC and Council on branding and / or communications initiatives, costs and outcomes in the communities
- B. Identify internal and external funding to pay for the costs and manage the project
- C. Undertake RFQ process to solicit consulting services for branding strategy and/or communication initiatives
- D. Leverage outcome of branding process to create a comprehensive plan for economic development marketing



Strategies

Actions/Tactics

2. Promote outcome of Burnsville Shopping Center and CR 42 study for a repositioned area that keeps the City viewed as a destination hub (at a minimum)

- A. Prepare branded project highlights content to disseminate through marketing channels and trade shows
- B. Continue regular project status updates for EDC and Council
- C. Regularly evaluate effectiveness and adjust as necessary
- D. Further capitalize on existing drivers such as Ames Center, Buck Hill and the park system

3. Work with the Chamber and Experience Burnsville to explore possibilities to promote the City as more than a tourist or shopping destination

- A. Coordinate meetings with staff
- B. Participate in and/or hosting joint events
- C. Explore and enhance regional drivers

4. Develop a communications plan to more fully promote the City and inform residents and surrounding metropolitan area of the positive attributes within the community

- A. Determine cost to hire consultant and allocate resources
- B. Develop informational opportunities, programs and events to provide factual/positive information about the City
- C. Enhance existing communication tools (website, social media, etc.) to assist in engagement
- D. Work with staff to review existing tools
- E. Enhance existing or create new tools to better align City's message



Strategies

5. Promote connectivity of the City to the Metro Area and its assets



Actions/Tactics

- A. Develop key messages regarding the City's location and its assets
- B. Enhance existing communication tools and/or create new ones to convey messaging in a meaningful way and to reach as many audiences as possible
- C. Work with city businesses and recreational assets to utilize their communications platforms to convey City's key messages



Key Participants

Economic Development Commission

Chris John - Chair
David Cherner
Brady Folkestad
Dan Kuplic
Jeff LaFavre
Eric Newman
Jason DePauw
Sandra Koppen

City Council/EDA

Elizabeth Kautz – Mayor/EDA Commissioner
Dan Gustafson – EDA President
Dan Kealey – Council Member/EDA Commissioner
Cara Shultz - Council Member/EDA Commissioner

Staff and Consultants

Jenni Faulkner –Community Development Director
Skip Nienhaus – Economic Development Coordinator
Stacie Kvilvang – Ehlers
Jason Aarsvold - Ehlers

TO: The Honorable Mayor Bailey and City Council
Jennifer Levitt, City Administrator

FROM: Gretchen Larson, Economic Development Director

DATE: December 28, 2023

RE: 2023 – Expanding Support for Business Updates

Background

The City Council, City Administrator, and senior staff met January 28, 2023 at River Oaks Golf Course and Event Center for the city's annual leadership retreat. One of the four **Big Ideas** that came out of the discussions that were assigned to the economic development team for follow-up was Expanding Support for Business.

The “big whys” behind **Expanding Support for Business** were:

- Expand and diversify tax base. This is building on current momentum.
- Good jobs are also a key benefit of business that the City should promote.
- Think critically about the kinds of business we want to attract.

As a part of the discussion a variety of topics were touched on with the primary focus centering around how to attract more businesses that will bring in higher-paying, professional and skilled jobs, which in turn would help us address housing and transportation needs.

- Bringing good paying jobs and significant capital investment continues to be the number one goal of the economic development team.
 - We continue to market the remaining land in the city business park to investors, brokers and our economic development partners.
 - We are working with the Community Development team to explore expansion of the AUAR to cover remaining 3M property that is not currently covered by the plan.
 - We regularly visit with the teams at DEED, the Greater MSP and Xcel to respond to Request for Information (RFI) related to land availability. These projects typically focus on high capital investment and job creation.
 - The communications teams is working to assist in strengthening our responses to the RFI we receive by creating an overview of the city services related to development, incentives, and why we are an ideal location in the southeast metro.
 - We maintain weekly contact with our broker database and partner with the Minnesota Commercial Real Estate Association (MNCAR) to ensure all available land and buildings for sale or lease are at our website.

- We also market buildings and land availability for both retail and industrial industry clusters at the annual ICSC Retailers Expo which takes place in Las Vegas in May of each year and is one of the largest retail expos in the country.

Other ideas discussed at the retreat included:

- Creating a chamber of commerce division for industry, connecting with trade associations, and collaboration with developers.
 - We regularly follow many trade associations, such as Medical Alley, the Associations of Manufacturers and others, to see what's happening in industry clusters as it pertains to development activities of companies. However, this item as it pertains to a chamber of commerce industry division being created has not been fully addressed in 2023. We will explore further with the Chamber in 2024.
- Bring together DEED, Greater MSP, Washington County Business Development, Xcel, and others for round table discussions.
 - We have regular communications with our economic development partners listed above and meet as needed.
 - Each of them is a critical part of our economic development strategy and are always willing to assist us when needed with information and service capacity as we help market available properties and respond to RFI.
- Preparing a master plan for the 500+ acres owned by 3M, exploring different market segments for more opportunities rather than just addressing infrastructure.
 - Bolton-Menk worked with city staff to undertake a study of the area and explore infrastructure and other opportunities on the 3M property that may be for sale in the foreseeable future, once the 100th Street realignment project is complete and their incinerators is fully decommissioned.
 - Staff note: 3M may also be willing to sell certain areas of their property prior to the above projects being complete, if a project proposed fits into their on-going internal development plans.
 - Staff secured matching funding for the study from the Washington County CDA Prefinance Development fund in the amount of \$40,000.
 - The study has been completed and will be presented by the Public Works Director and staff at the strategic planning workshop on January 6.
- Developing a plan that does not predict perfectly but helps us to prepare for opportunities.
 - In our Interim Report to the City Council in May, we proposed that we issue an RFP to engage the services of a consultant to assist us in creating an Economic Development Strategic Plan. Creation of a plan would allow us to set clear and attainable objectives and assist us in designing policies and programs to achieve our goals. The plan would also be proactive, rather than reactive, and help us achieve measurable, sustainable economic goals.

- As a part of the process, we also suggested that a strategic vision be created for the Convention and Visitors Bureau (CVB) since it has similar goals and objectives to economic development efforts.
- We have confirmed with Washington County (CDA) that matching funds up to \$40,000 are available in their Prefinance Development Fund for this project. However, by the time the funds were available this year, we determined that given how close we were to the strategic planning session, we should wait until we receive feedback from City Council on priorities for 2024 before proceeding.
- If the Council wishes to proceed with a strategic plan for economic development and the convention and visitors bureau. We estimate that the plan range will cost between \$40,000 and \$80,000. As noted above, we will apply to the CDA for matching funds.
- Attached to this report is an economic development and redevelopment strategic plan that was completed for the City of Burnsville in 2018 by Ehlers. It's not a combined plan that addresses the CVB needs, however, it gives you a sense of many of the elements that go into creating a plan.
- In addition, staff is a member of the Economic Development Association of Minnesota (EDAM) and via their chat channels we reached out to solicit quotes from consulting services who assist cities with development of strategic plans.
- There is significant interest from a number of specialized consulting firms and we hope to have comprehensive quotes to discuss next steps in the process and gauge support for development of a plan at the next EDA meeting on January 9.
- Staff note: Since this is intended to be one ED/CVB strategic plan, we will also discuss next steps with the CVB board at their next meeting in February.

Attachments:

City of Burnsville Economic Development and Redevelopment Strategic Plan



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Ryan Burfeind, Public Works Director

Date: December 28, 2023

Re: County Road 19A & 100th Street Realignment – Utility Servicing Study

Background

As part of the County Road 19A & 100th Street Realignment Project, creating a plan to effectively and efficiently service the area with utilities is critical. This project involves constructing the new County arterial roadway, which will directly connect 100th Street from Jamaica Ave to the Innovation Road interchange, opening up 262 new acres of land for industrial and mixed-use development in the process. While the City's comprehensive utility plans for water, sewer, and stormwater provide good high-level guidance for utility servicing, a more detailed utility study was necessary to provide detailed cost estimates and routing options. As this study will be an important catalyst for new development, the City was able to obtain a grant from the Washington County CDA to cover 50% of the study costs.

Discussion

The first step of the study was to complete a preliminary layout and cost estimate for water, sewer, and stormwater infrastructure based on the City's comprehensive utility plans. These plans are updated approximately every 10 years and provide general layouts for trunk utilities to ensure they can meet the demands of growth. There are a few key items that impact the overall cost and complexity of servicing the developable land around the County Road 19A & 100th Street Realignment Project:

- The Metropolitan Council Environmental Services, "MCES" interceptor sanitary sewer extends through this area, however it is too shallow to connect into with a gravity sewer, so a lift station is required. This lift station will serve all land east of the CPKC railroad tracks, including the future Langdon redevelopment area. The smaller developable parcels west of the tracks would be served by a gravity sewer connection to the City's trunk sewer.
- This area of the City is a key connection point between the low and intermediate water pressure zones, which requires an expensive trunk water main crossing of Highway 61. Also, a future water tower will need to be located in this area to serve the intermediate zone.
- Due to the very flat topography, providing an outlet for future stormwater ponds is a challenge. Also, the existing development land along East Point Douglas Road (Walmart and Shoppes at Cottage View), discharges to this area and travels overland through the 3M property. This water will need to be captured by a new trunk storm sewer and routed to the existing wetland along 100th Street, just east of Airgas. This trunk storm sewer will also provide an outlet for the new development land created by the realignment project.

- Soil borings that were completed as part of the utility study show areas of shallow bedrock, which increases project costs to install utilities.

Figures 1 & 2 below depict the sewer and water layouts based on what is proposed in the City's utility comp plans and is referred to as Option A in the report. With this option, the future water tower would be constructed in the SE corner of the Innovation Road & Highway 61 interchange, as shown on Figure 2. Based on water modeling and growth projections for the intermediate water pressure zone, this water tower will not be needed until after this area is fully developed. Figure 1 also highlight the developable land that will be served by these utilities.

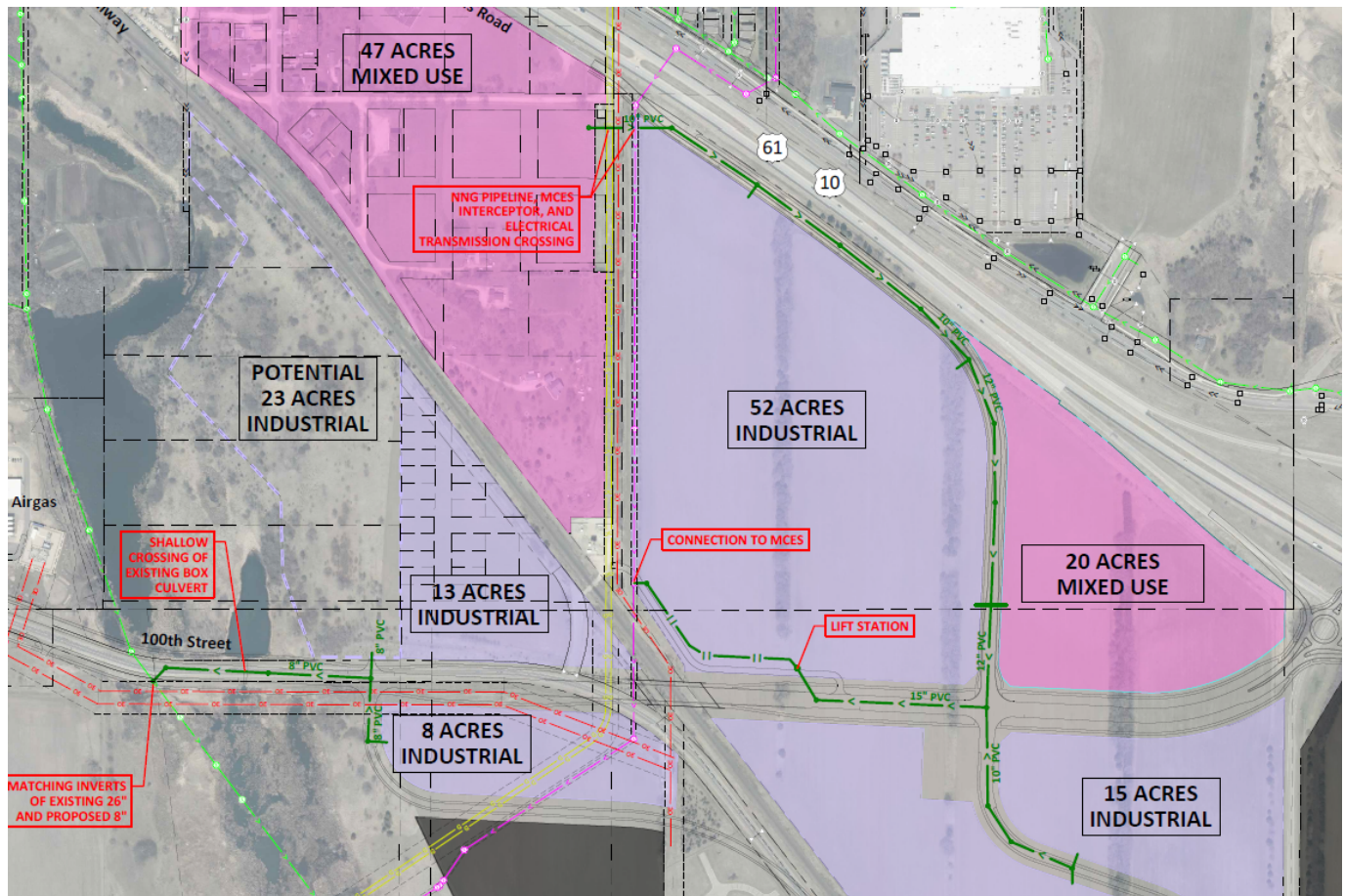


Figure 1 – Option A Sewer Layout

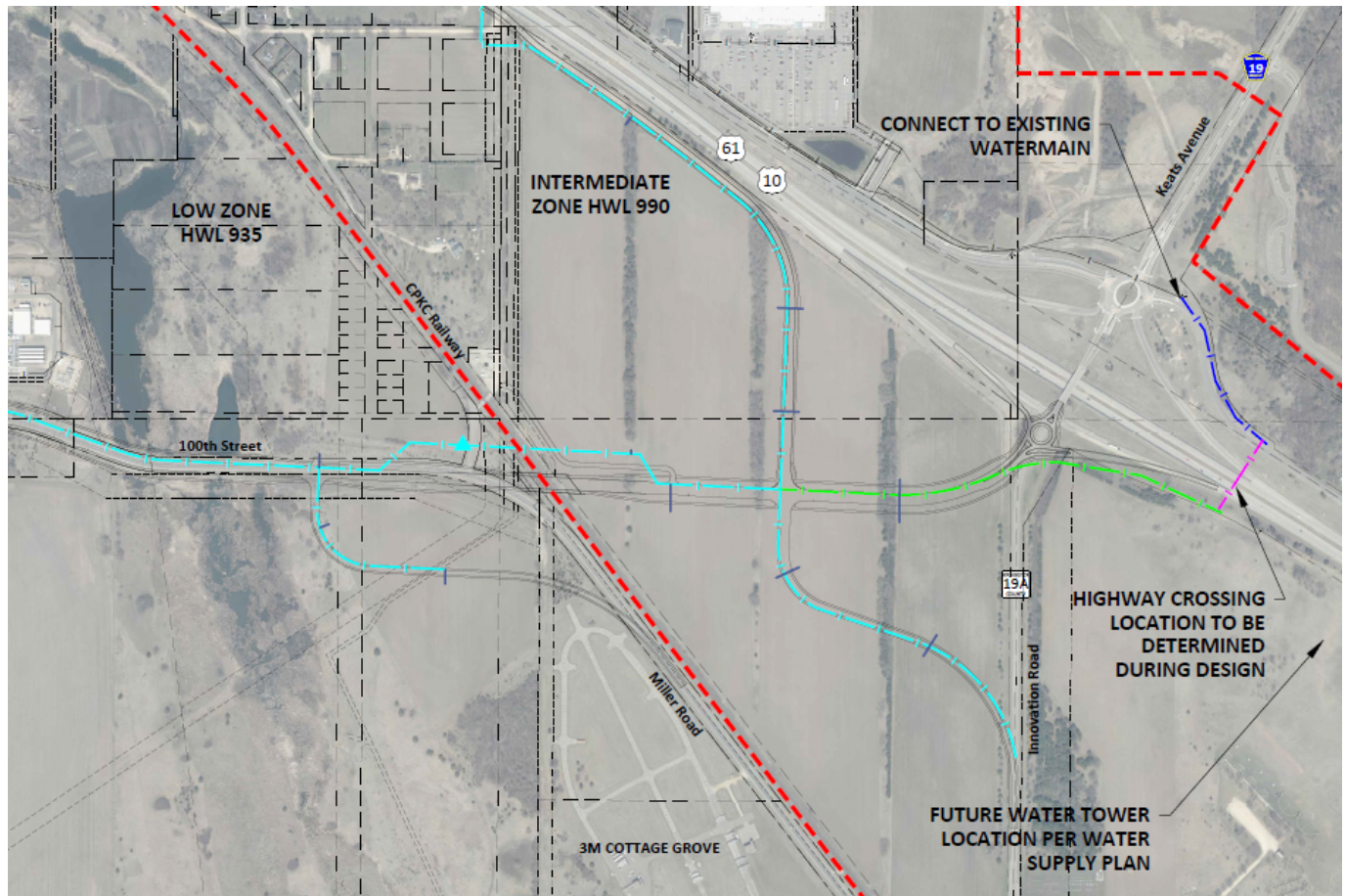


Figure 2 – Option A Water Layout

Option A comes at an estimated total project cost of \$13,280,000, which is paid for by the City's Utility Area Funds. Area charges are included in the City Fee Table to recoup these costs and are paid by developers on a per acre basis. Due to the large trunk water mains required to connect the low and intermediate water pressure zones and the trunk storm sewer that is needed under Highway 61, a portion of the utility costs are spread over a larger area. Due to this, even upon full development of the highlighted acreage, only \$8,100,000 in area funds will be collected.

As part of the study, staff reviewed an alternative utility layout in an effort to reduce the full build-out costs of the utilities, which is referred to as Option B in the study and is shown in Figure 3 below. This option relocates the water tower to the far northern corner of the 20-acre mixed use parcel, as shown in the figure. The total project cost for Option B is estimated at \$12,447,000.

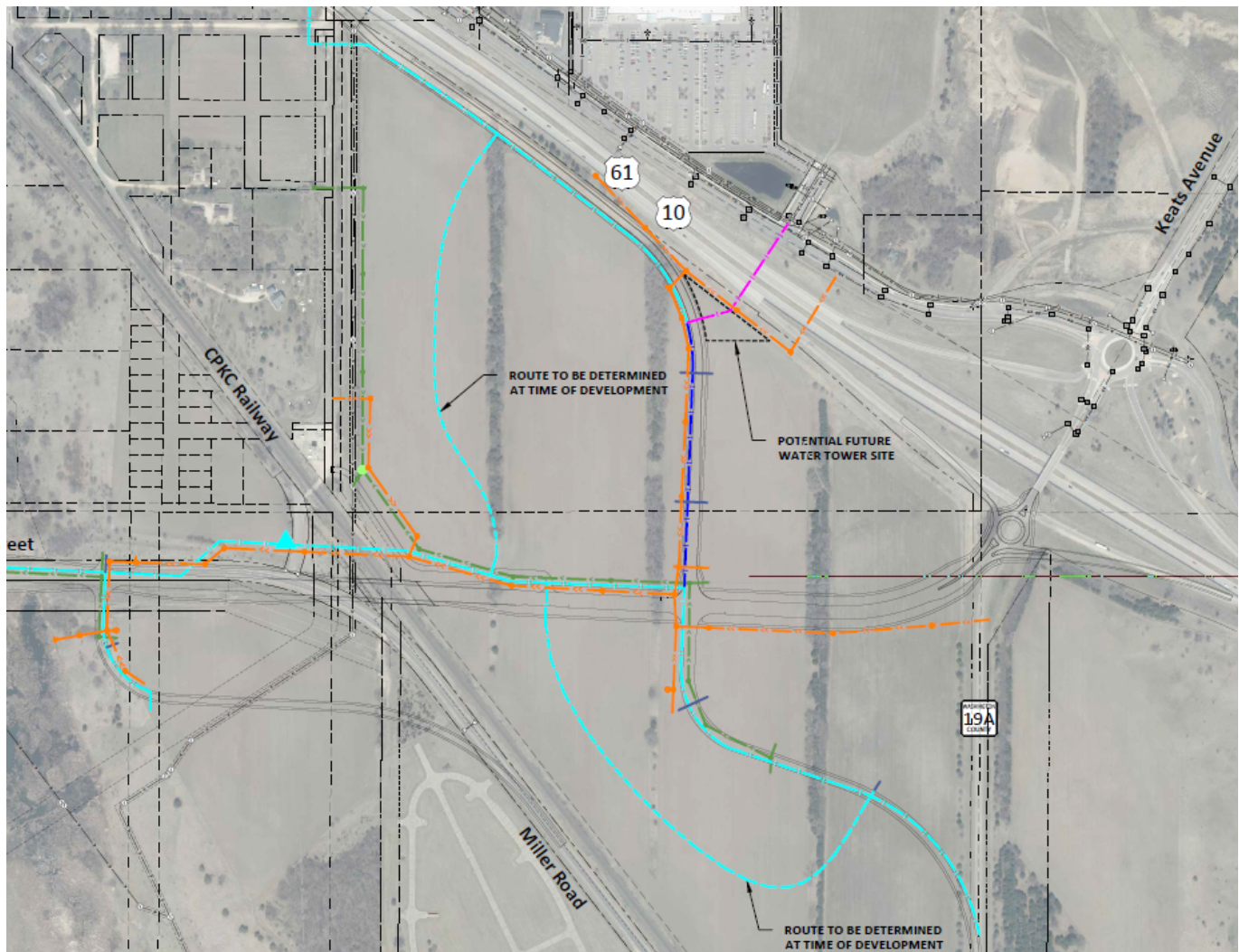


Figure 3 – Option B Utility Layout

While the costs for the two options appear high, it is not uncommon for this amount of money to be expended to provide utility services to an area of the City to provide additional growth and development opportunities. For example, approximately \$17,600,000 has been expended in trunk utility costs to provide service to the “South District”, which is the developable land south of 100th Street and west of the Jamaica Avenue intersection. In that same area, an estimated \$17,500,000 in area charges are anticipated to be collected. Typically, an area such as the South District would be further developed before additional area in the community is opened up for development through providing utility service. This allows the various utility area funds to be replenished, providing the needed funding to install trunk utilities in a new development area.

With the South District still in the beginning phases of development (67 out of 891 acres to date), the utility area funds are not in a position to pay for either Option A or B at this time. That said, if grant funds are obtained to pay for the County 19A & 100th Street Realignment Project, at a minimum, the utilities should be installed within the new road alignment as installation after roadway construction is exponentially more expensive. To make utility installation more financially feasible as part of the road construction, staff developed partial-build scenarios which only involve installing the utilities in the new road segments and deferring a portion of the work. Due to the way utilities are routed and cross under Highway 61 in Option A, partial build

scenarios of this option provide limited cost reduction, so they were not analyzed. Option B does allow for two partial build scenarios, which are referred to as Option B1 and B2.

It is important to note that neither of the partial build scenarios are intended to provide complete utility servicing, rather, they ensure trunk utilities can be installed in a cost-effective manner within the new road alignments, and the remaining utilities would be installed a later date when development occurs. This will allow the area funds to be further replenished, and area funds to be collected from this area before the full costs are realized.

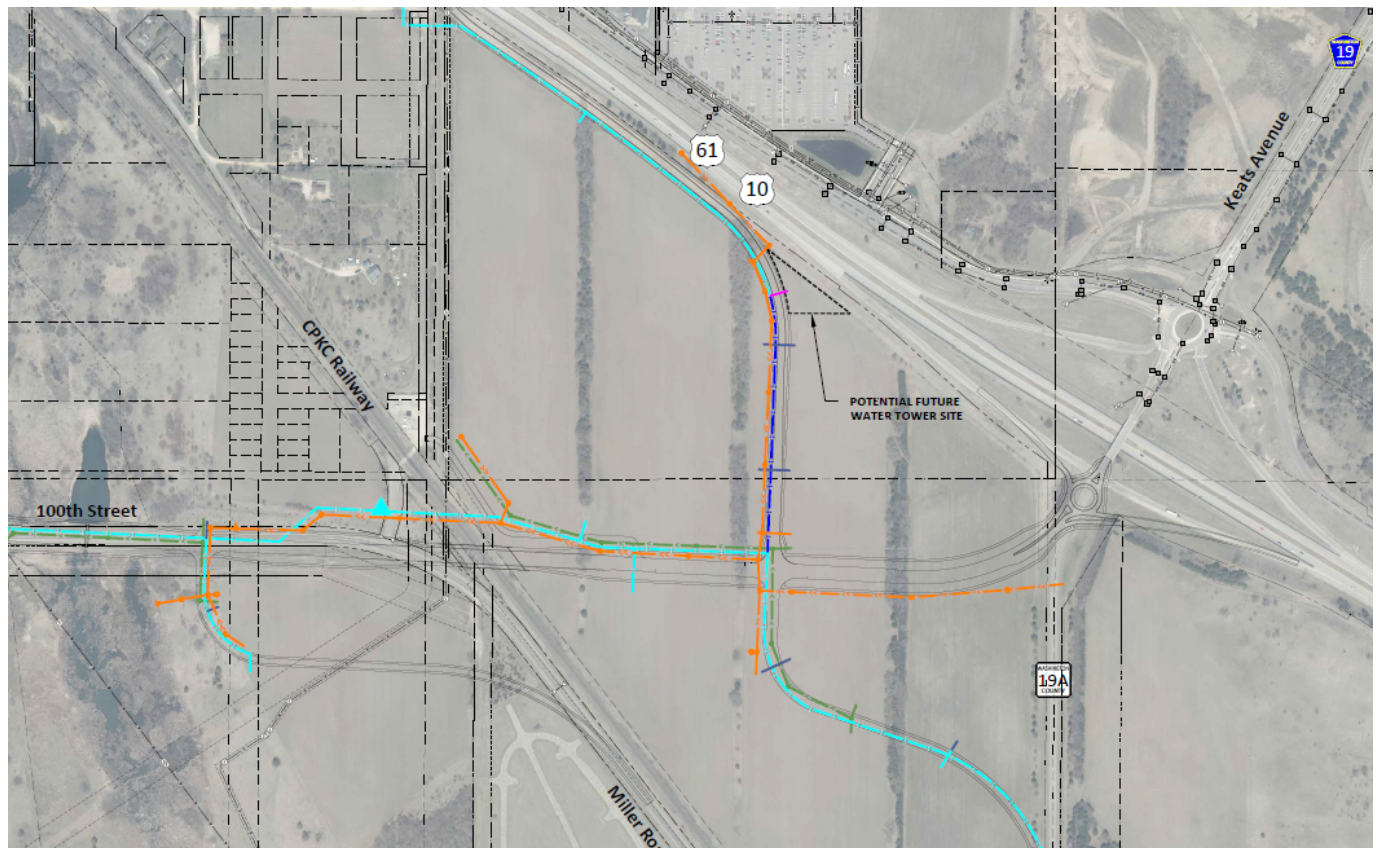


Figure 4 – Option B1 Utility Layout

Option B1, as shown in Figure 4, proposes utilities in the new 100th Street arterial roadway alignment, the realigned Miller and Innovation Roads, and the West Point Douglas Road extension. If the City is able to obtain grant funds to complete the West Point Douglas Road extension with the arterial roadway construction, this option would be utilized. The total estimated project cost for Option B1 is \$8,343,000. The following items are not included in this partial build scenario and would be deferred until time of adjacent development:

- Highway 61 Trunk Water Main Crossing
- Highway 61 Trunk Storm Sewer Crossing
- Sanitary Sewer Lift Station
- Langdon Redevelopment Trunk Sanitary Sewer
- Off-Road Trunk Water Main Looping

Option B2 is very similar to Option B1, the only difference is the trunk utilities are not included for the West Point Douglas Road extension. This option would only be recommended if grant funds are not able to be secured to pay for the frontage road extension, or development is not being proposed along the roadway extension that would assist in the project funding. If this were the case, construction for the frontage road would take place in conjunction with future development. The total estimated project costs for Option B2 are \$6,287,000. The proposed layout of Option B2 is shown in Figure 5 below.

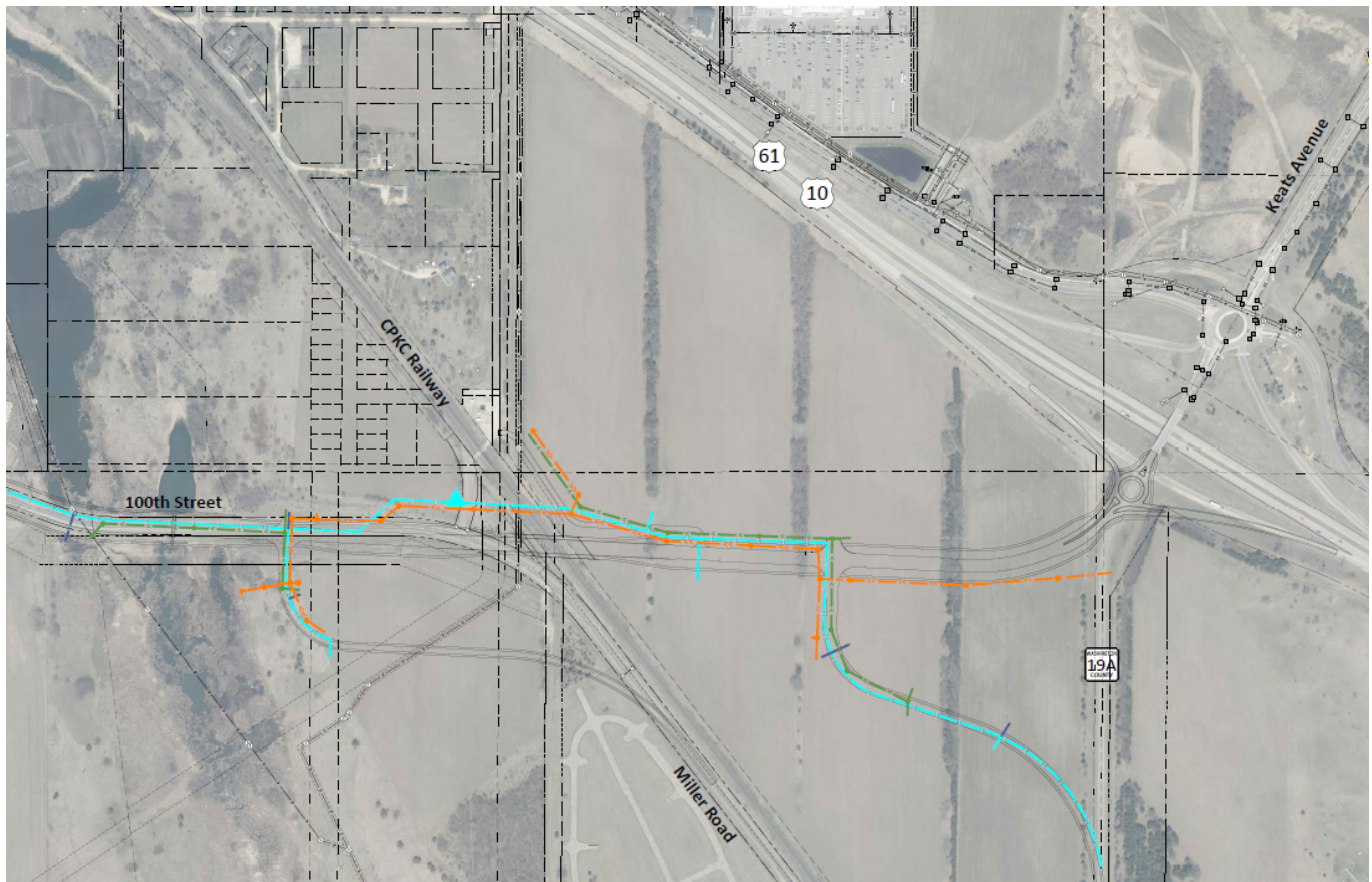


Figure 5 – Option B2 Utility Layout

Even with the partial build scenarios, the utility area funds will likely not be sufficient to pay for the proposed improvements. Two options to cover the costs would be utility revenue bonds or an interfund loan from the utility maintenance funds, both of which would be paid back by the area funds that are collected as development occurs,

Recommendation

Receive information on the 100th Street Utility Servicing Study and provide direction on the following items:

- Moving forward with Option B as the proposed utility layout, given the reduced overall project cost and phasing options.
- Allowing for a partial build scenario for utilities, dependent on the grant funds received and area funds available and understand Council's preference of Option B1 or B2.

100th Street Extension Utility Study Report

City of Cottage Grove, Minnesota
December 2023



DRAFT

Submitted by:
Bolton & Menk, Inc.
3507 High Point Drive North
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Bolton-Menk.com

December 8, 2023

Ryan Burfeind, PE – Director of Public Works
City of Cottage Grove
8635 W Point Douglas Road
Cottage Grove, MN 55016

RE: 100th Street Extension Utility Study Report
BMI Project No. ON1.130222

Mr. Burfeind,

Enclosed for your review is the 100th Street Extension Utility Study Report. The scope of the report includes review of the area to determine utility service needs for the surrounding properties, including sanitary sewer, watermain, and storm sewer options. The limits of the study include the area along future proposed 100th Street from Jamaica Avenue to Highway 61 / Innovation Road.

This report describes the existing and proposed improvements necessary within the project area. High level cost estimates for the proposed improvements are also presented in the report.

We would be happy to discuss this report at your convenience. Please contact me at 651-968-7674 if you have any questions.

Sincerely,

BOLTON & MENK, INC.

Michael Boex, PE

Certification

Utility Study Report

For

100th Street Extension (Jamaica Avenue to Keats Avenue/TH 61)
City of Cottage Grove, Minnesota

BMI Project No. 0N1.130222

PROFESSIONAL ENGINEER

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

Signature: _____

Typed or Printed Name: Michael Boex, PE

Date: 12/8/2023 License Number: 44576

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Appendix

Appendix A: Draft Soil Boring Logs and Map

Appendix B: Preliminary Cost Estimate

Figures

Figure 1: Location Map

Figure 2: Existing Conditions

Figure 3: Proposed Sanitary Sewer Option 1

Figure 4: Proposed Sanitary Sewer Option 2

Figure 5: Proposed Watermain

Figure 6: Stormwater Management Option 1

Figure 7: Stormwater Management Option 2

Figure 8: Stormwater Management Option 3

Figure 9: Stormwater Management Option 4

Figure 10: 10-Year Groundwater Capture Zone

Figure 11: Utility Option B

Figure 12: Phasing Option B1

Figure 13: Phasing Option B2

I. INTRODUCTION

The 100th Street Extension project would reconstruct 100th Street from Jamaica Avenue east to the Highway 61 interchange with Innovation Road as shown in Figure 1. A bridge over the CPKC Railway is proposed to provide a grade separated crossing of the railroad tracks as an alternative to the existing at-grade crossing at the intersection of Miller Road and Innovation Road. The project is in the planning stages and depending on funding, is estimated to be constructed in 2026. Much of the land adjacent to the project is currently owned by 3M, and 3M operates the 3M Cottage Grove plant at the south end of Miller Road and Innovation Road.

The purpose of this study is to review the utility extensions needed to serve development of the 100th Street area between Jamaica Avenue and Innovation Road/Highway 61. The primary goal of the study is to provide a guide for utility extension needs for this area of the city that can be used as projects in the area are brought forward. It examines sanitary sewer service options, trunk watermain sizing, regional storm sewer needs, a review of existing private utilities, and high-level geotechnical evaluation. Preliminary estimated costs of the proposed utility improvements are also included in this report.

II. EXISTING CONDITIONS

SANITARY SEWER

There are two existing sanitary sewer trunk lines within the project area – one owned by the City and the other by Met Council (MCES), as shown in Figure 2. The MCES system in this area is referred to as Interceptor 9701. Both the City and MCES systems flow southerly and connect together approximately 1,400-feet south of 100th Street, and then continue to the Eagles Point Wastewater Treatment Plant near the Mississippi River.

The existing City system is located in the western portion of the project area. A 24-inch diameter reinforced concrete pipe (RCP) located east of Glendenning Road connects with an 18-inch diameter PVC pipe from the west between 95th Street and 97th Street. From the connection point, upstream approximately 1,150-feet, the 24-inch diameter RCP is sliplined with a 22-inch diameter pipe. Downstream of the connection point to the last structure before the connection to Met Council, the pipe is a 30-inch diameter RCP sliplined with a 26-inch diameter pipe. The 26-inch diameter pipe crosses 100th Street just east of the Airgas site and continues southerly to the connection with the MCES interceptor. The city pipe carries wastewater from the city's West Draw, Central, East Draw, and Thompson Grove sewer districts. The City is not aware of any issues with the sewer pipe condition in this area, although televising was not completed as part of this project.

Based on the City's current sanitary sewer model, there are capacity concerns within the City's trunk sanitary sewer pipes in this area in the ultimate condition (full development scenario). The 22-inch diameter sliplined pipe segment is estimated to be at 116% capacity assuming gravity flow. The 26-inch diameter sliplined pipe segment south of 100th Street is estimated to be at 114% capacity assuming gravity flow. The model accounts for future flows from the project area east of the railroad tracks, north of proposed 100th Street, and south of Highway 61 through the 22-inch diameter pipe. Further analysis was completed for the overcapacity pipe segments and the modeling results calculate about 1- to 2-feet of head above the crown of the pipe (surcharging) would be required to meet the ultimate condition anticipated flows. Structure rim elevations in

this area are at least 5.5-feet above the crown of the pipe. Regardless, periodic flow monitoring is recommended as development occurs in the areas upstream of these pipe segments to determine if measured flows are in line with projected flows.

Interceptor 9701 in this area consists of a 54-inch diameter interceptor constructed in the early 2000's which flows across Highway 61 and then along the east side of the Langdon Village area. The pipe crosses the proposed 100th Street alignment immediately west of the proposed bridge over the railroad tracks. No stubs were provided for connection to the MCES system in this area.

WATERMAIN

The existing watermain within the project area is shown on Figure 2. A 12-inch diameter ductile iron pipe (DIP) trunk watermain currently extends along 100th Street from Jamaica Avenue to approximately 650-feet to the east. The main was installed in 2019 and provides service to the Airgas site. The nearest watermain at the east end of the project is on the north side of Highway 61 at East Point Douglas Road and Keats Avenue. In conjunction with the roundabout construction at the intersection of East Point Douglas Road, Keats Avenue, and the Highway 61 on/off ramps in 2017, an 18-inch diameter DIP watermain was stubbed to the east along East Point Douglas Road for future extension. No other watermain exists within the project area.

STORM SEWER/DRAINAGE

Due to the rural section roadways, local drainage along 100th Street, Miller Road, and Innovation Road is currently addressed by roadside ditches and culverts. Much of the surrounding area is currently farmed without any stormwater infrastructure in place.

On a regional scale, the project lies within the Langdon and East Ravine drainage districts as identified in the city's current Surface Water Management Plan (SWMP), adopted in 2019. Within the Langdon district, ponds L-P3 and L-P4 are bisected by 100th Street and connected by a 12-foot-wide by 6-foot-high box culvert. Pond L-P3 is a designated DNR Public Waters Wetland (#82-86W) while L-P4 is considered a DNR Public Waters Watercourse. L-P3 is also mapped as a FEMA Zone A Floodplain. No regional stormwater facilities currently exist within the East Ravine drainage district in the vicinity of the project.

PRIVATE UTILITIES

A preliminary review of the project area indicates there are numerous private utility facilities located throughout the project area as can be seen in Figure 2. The most significant facilities include:

1. Xcel overhead electric transmission lines located on the south side of 100th Street west of the railroad tracks and crossing 100th Street near the Airgas site.
2. Xcel overhead electric transmission lines running in the north-south direction and crossing the railroad tracks in the vicinity of the proposed bridge.
3. Two Northern Natural Gas high-pressure pipelines (24" and 30" diameters) running north-south and crossing 100th Street just west of the railroad tracks in the vicinity of the proposed bridge.
4. Northern Natural Gas pipeline paralleling the railroad tracks.
5. Various communication lines paralleling the railroad tracks.

Washington County is currently proceeding with potholing the high-pressure pipelines in the project area to determine the depth and location. Results from the potholing will be used during

design to determine potential conflicts with the proposed improvements.

GEOTECHNICAL EVALUATION

A high-level geotechnical evaluation of the project area was conducted by American Engineering Testing, Inc. (AET). AET performed 30 soil borings throughout the project area to begin analyzing the anticipated soil conditions and estimated bedrock depth, where present. At the time of this report, the draft soil boring logs were available for review, but the summary report of the findings was not yet available. Bedrock was present at many of the soil boring locations and is anticipated to conflict with the proposed utilities throughout the project area at various locations. The draft soil boring logs and map can be found in Appendix A.

III. PROPOSED IMPROVEMENTS

SANITARY SEWER

Two options were developed to provide sanitary sewer service to the area, a gravity option and a lift station/forcemain option. For the purposes of calculating sanitary sewer flows, land use in the area is proposed to be Industrial (1,500 gal/ac/day) except a 20-acre parcel adjacent to 100th Street and Highway 61 is projected to be 50% Commercial (1,500 gal/ac/day) and 50% High Density Residential (4,800 gal/ac/day), and the Langdon area is projected to be Mixed Use (1,750 gal/ac/day). An analysis of each option is discussed below based on these land uses:

OPTION 1 – GRAVITY SEWER

Option 1 is presented on Figure 3 and serves the area by gravity sewer. A new 18-inch diameter pipe would be connected to the City's existing 26-inch diameter pipe in the location the pipe crosses 100th Street. The 18-inch pipe would be extended to the east and would need to cross under the box culvert between L-P3 and L-P4. Clearance under the box culvert is estimated to be about one foot of separation between the bottom of the box culvert and the top of the sewer pipe. Pipe insulation and/or additional measures may need to be constructed to prevent the pipe from freezing and mitigate the loading from the box culvert.

Trenchless construction methods would be utilized to cross underneath the Northern Natural Gas Pipelines, Met Council Interceptor, and the Railroad. Since a bridge for 100th Street is proposed over the railroad tracks, the sewer will need to be offset laterally from the bridge to avoid the embankment and particularly the bridge foundations. For this sewer option, it appears the most cost-effective location would be to offset the pipe to the north of the 100th Street bridge as the tunneling distance would be the shortest. Sewer depth for the tunneling in the area of the proposed railroad bridge is proposed to be on the order of 40-feet deep. Bedrock is also anticipated at the sewer depth which may require specialized trenchless machinery to bore through the rock. If this option is pursued, more analysis will be needed during design to determine the bedrock properties and available methods of construction. A separate trenchless crossing of the gas pipelines, interceptor, and electric transmission lines would likely be required to serve the Langdon Village area, with the crossing anticipated to be near Highway 61 along the proposed Frontage Road (West Point Douglas Road). Bedrock depth in this area appears to be just underneath the proposed sewer depth. Additional soil borings will be needed after a proposed alignment is determined to verify bedrock depths. Additional discussions will need to occur with Met Council and Northern Natural Gas regarding construction methods and risk mitigation strategies.

In this option, sewer from the Langdon Village area and the 3M property east of the railroad tracks, north of proposed 100th Street, and south of Highway 61 would be routed to 100th Street in lieu of routing to the 22-inch diameter pipe near the compost site. This would alleviate a portion of the capacity issues within the 22-inch diameter pipe segment and the capacity is anticipated to reduce from 116% to 107% capacity, or a reduction of 0.58 MGD. Unplanned flow from 75 acres of 3M land located south of 100th Street is anticipated to be routed along 100th Street as well, and result in increasing the flow in the 26-inch diameter pipe south of 100th Street. The additional flow further exacerbates the potential capacity issues in the City system, as estimated pipe capacity would slightly increase from 114% to 116% capacity with the additional flow.

OPTION 2 – LIFT STATION

Option 2 is presented on Figure 4 and serves the area by a combination of gravity sewer and a lift station/forcemain for the area east of the railroad tracks. One of the primary benefits of this option is the lift station is proposed to pump directly to the Met Council Interceptor, eliminating flow planned for the City system, which is anticipated to be over capacity. Like Option 1, the existing 22-inch diameter pipe segment capacity is anticipated to reduce from 116% to 107% capacity. However, contrary to Option 1, the City's 26-inch diameter pipe south of 100th Street would reduce from 114% to 109% capacity with the rerouting of flow.

The other key benefits include eliminating the need for the City's sewer to cross the railroad; reducing the number of crossing locations of the Northern Natural Gas Pipelines, Met Council Interceptor, and electric transmission lines; minimizing the amount of City sanitary sewer within the County roadway; and reducing the overall depth of the sewer. A trenchless crossing of the gas pipelines, interceptor, and electric transmission lines would still be required in order to serve the Langdon area, the same as Option 1, but a second crossing of the same facilities would be eliminated. Minimizing the amount of sanitary sewer piping in the County right-of-way is important as the City would be responsible for moving or relocating the sewer to address conflicts that may arise due to future expansion of the roadway. Maximum sewer depths with this option are approximately 30-feet deep, about 10-feet shallower than Option 1.

WATERMAIN

It is proposed to extend watermain along 100th Street, Miller Road, Innovation Road, and West Point Douglas Road to serve the adjacent properties as shown in Figure 5. A 12-inch diameter watermain is proposed to be extended east along 100th Street from its current terminus at the Airgas site to the future intersection with Innovation Road / West Point Douglas Road. From there, a 16-inch diameter watermain would be extended east along 100th Street to Highway 61. A 20-inch diameter watermain crossing of Highway 61 would be required to connect to the 18-inch diameter watermain on the north side of Highway 61 near the intersection of East Point Douglas Road and Keats Avenue. These improvements are consistent with the City's Water Supply and Distribution Plan.

The location of the Highway 61 crossing would be determined during design of the project, with consideration given to the crossing distance, exit/entrance ramps locations, anticipated easement needs, and future water tower location. The final crossing location would need to be approved / permitted by MnDOT.

12-inch diameter watermain would be extended along Miller Road, Innovation Road, and West Point Douglas Road for eventual extension with future projects and development. To provide looping within the Intermediate pressure zone, the proposed 12-inch watermain along West Point Douglas Road would be extended northwest to the existing 12-inch watermain located at the

intersection of Islay Avenue and West Point Douglas Road.

Similar to the sanitary sewer crossing of the railroad in Option 1, the watermain railroad crossing will need to be located to avoid the bridge embankment and foundations, with the most cost-effective location likely to the north of the 100th Street bridge as the tunneling distance would be the shortest.

A pressure reducing valve station would be required in the vicinity of the 100th Street railroad crossing, which separates the City's Low and Intermediate pressure zones. From a pressure standpoint, the land west of the railroad tracks, north of 100th Street, and east of L-P3 could be served off either pressure zone, with pressures anticipated to be between 75-80 psi if on the Intermediate Zone versus 50-55 psi if on the Low Zone. From a redundancy standpoint, redundancy would be provided through the PRV if the property was served off the Low Zone. However, a booster pump may be needed to provide fire suppression. Redundancy would be difficult to provide if the property was served off the Intermediate Zone as it would likely require another railroad crossing. Therefore, it is proposed to serve this property off the Low Zone.

Full development of this study area would not trigger the need for another water tower within the Intermediate Zone, assuming the entire study area develops at the standard 1,500 gal/ac/day water usage. If a specific higher user was identified, that could accelerate the need for another tower to ensure there is enough storage to match average-day and maximum-day demands. However, that analysis would need to be completed when a specific development proposal is submitted.

STORM SEWER/DRAINAGE

100th Street, Miller Road, and Innovation Road are proposed to be rural section roadways with ditches and ponding to address roadway drainage. West Point Douglas Road is anticipated to be an urban section roadway with concrete curb and gutter and storm sewer.

On a regional scale, the extension of 100th Street lies within the East Ravine and Langdon drainage districts as identified in the city's current Surface Water Management Plan (SWMP), adopted in 2019. Discussion regarding proposed regional drainage improvements within each district is provided below:

EAST RAVINE DRAINAGE DISTRICT

Per the SWMP, stormwater runoff from the proposed project area within the East Ravine subwatersheds east of the railroad tracks is planned to flow to the south and connect with the East Ravine before discharging downstream into the Mississippi River. The proposed route will require R/W access to land that is currently owned by 3M and not contemplated for development at the time of this study. Several options, outlined below, have been considered to handle the stormwater management based on the phasing of development adjacent to 100th Street.

Option 1 – Construct the proposed SWMP storm sewer outlet

The SWMP regional stormwater conveyance system proposes to route stormwater runoff from subwatersheds ER-P9, ER-P10, ER-P11, and ER-P12 through a 42" RCP trunk storm drain which is intended to daylight in an open channel upstream of ER-P19. The conveyance route would require R/W access through land that is currently owned by 3M and not contemplated for development at this time. An agreed upon route and easements through the 3M property would need to be obtained. The conveyance route of Option 1 is illustrated in Figure 6.

Option 2 – Construct an infiltration basin within the project area

If it's not feasible or desirable to build the trunk storm drain outlet through the 3M property at the time of the 100th Street construction as depicted in Option 1, the stormwater runoff from the proposed project could be managed through the implementation of a large infiltration basin as shown in Figure 7. To manage the 100-yr outflow volumes from the proposed project area, the infiltration basin would be required to collect, manage, and infiltrate 152 acre-feet of stormwater runoff. This volume is equivalent to 5.2 inches of runoff from the 349-acre drainage area. Assuming an average infiltration rate of 4 inches per hour and an interim maximum depth of 10-feet, the approximate footprint of the infiltration basin would be about 5.6 acres.

Option 3 – Construction of an open channel outlet in lieu of a piped outlet

Instead of a piped outlet, the stormwater runoff from the proposed site could be managed through the construction of an open channel from the end of the piped system to the existing open channel upstream of ER-P19 as illustrated in Figure 8. This work would require easements and channel excavation but does not require pipe installation except at roadway (Innovation Road) or driveway crossings. Design flowrates are approximately 50 cfs so an adequate open channel size would not be large. For example, a channel with 6-foot bottom width, 3:1 side slopes and 2-foot depth would suffice. However, the property impacts would be dictated based on whether the interim open channel invert should be installed at the same elevation as the future pipe, or whether the channel invert could be built closer to the existing ground surface. Constructing the open channel invert at the depth of the ultimate storm pipe profile would require about 170,000 cubic yards of excavation and about 12 acres of easements. If the open channel invert was constructed at a higher design profile elevation (about 10 feet above the full build pipe profile), excavation would be about 38,000 cubic yards and require about 5 acres of easements. The shallower channel option would be designed to provide flood protection, but stormwater would remain within the upstream storm sewer pipe network as discharge would only occur when the water level built up high enough to drain out the channel. Sediment within the pipe and at the outlet may occur over time and additional maintenance and cleaning may be needed. Most of the stormwater within the pipe will have been treated in upstream basins so sediment accumulation should be minimized. Additionally, natural infiltration of the native soils may occur at the pipe outlet allowing the pipe to drain out over time.

Option 4 – Reroute East Ravine District flow to the Langdon District

If the planned regional conveyance route as identified in Options 1 thru 3 becomes impractical, the effects of routing flow from the East Ravine District to the Langdon District was reviewed. Based on the analysis, if this option is pursued, flow should be routed to L-P4 instead of L-P3. Flows from ER-P9, ER-P10, ER-P11, and ER-P12 (50 cfs) were routed to L-P4 as depicted in Figure 9. Routing flow to L-P4 would only increase the HWL in L-P4 by 0.05'. The HWL in L-P5 would increase by 0.32' to an elevation of 696.28', which is slightly below the 100-year Mississippi River HWL of 696.30' and below the top of railroad tie (697.52'). In this scenario, the outflow rate from L-P4 would increase from about 542 cfs to 576 cfs (6% increase), and 549 cfs to 576 cfs (5% increase) from L-P5. Some additional erosion and scour protection may be required to mitigate the increase in flow at the outlet. Overall, the modeling results for rerouting East Ravine flows to L-P4 appear practical.

LANGDON DRAINAGE DISTRICT

Stormwater along 100th Street within the Langdon district is planned to flow to ponds L-P3 and L-

P4 located adjacent to 100th Street. In 2008, an agreement between the City and 3M set limits on the discharge of water from L-P3 to L-P4 at 370 cfs and a requirement to not overtop the road (existing road low point elev = 770.96'). The values were derived from a model which was using the US Weather Bureau Technical Paper No. 40 (TP-40) rainfall depths with an SCS Type II distribution, which for the 100-year 24-hour storm in Cottage Grove is 6.0 inches. Since the agreement was made, NOAA released the Atlas-14 rainfall depths in 2013, which included a 100-year 24-hour rainfall depth of 7.40 inches paired with the more intense MSE 3 rainfall distribution, meaning more water is modeled to fall within a shorter period. In the city's 2019 SWMP, L-P3's updated peak outflow based on Atlas-14 is 424 cubic feet per second (cfs) and 100-year high water level (HWL) is 772.0', both of which are higher than the values in the agreement with 3M due to the larger modeled storm event.

Based on the latest model updates since 2019, which includes refinements as development has occurred throughout the City, various software updates, a review of L-P3 potential grading and storage curves, a revised L-P4 outlet condition that limits the embankment height to eliminate a dam classification, and updates to L-P5 contours and outlet, the simulated outflow from L-P3 in a 6.0-inch TP-40 rainfall is 403 cfs—which is slightly higher than the agreed upon 370 cfs discharge rate. During this simulation, the HWL of L-P3 is 770.2' which is below the road low point elevation (770.96').

Due to the increased depth and intensity of the modeled 100-year storm event with Atlas-14, the current modeled outflow from L-P3 for the Atlas-14 rainfall depth is 487 cfs. This is above the 424 cfs in the 2019 SWMP, or about 32% greater than the 370 cfs agreement with 3M. The resultant HWL of 773.00' is 1-foot higher than the 2019 SWMP elevation and about 2-feet higher than the existing road low point. Various modeling efforts and analyses have been completed regarding stormwater management within L-P3 over the last several years. Expansion of L-P3 has been analyzed to maximize flood storage volumes along with revised outlet configurations to lower discharge rates and HWL elevations as much as possible.

L-P3 100-year Storm Modeling Results			
Scenario	Rainfall Depth	HWL (ft)	Peak Outflow (cfs)
3M/City Agreement	6.0", TP-40	No overtopping road (ex road low point = 770.96)	370
2019 SWMP	7.4", Atlas-14	772.0	424
Current	6.0", TP-40	770.2	403
Current	7.4", Atlas-14	773.0	487

The DNR recognized Ordinary High Water Level (OHW) for L-P3 is 762.3 (NGVD 1929). Any work below the OHW of 82-86W or within the downstream channel will likely require a public waters work permit from the MN DNR.

STORM WATER QUANTITY AND QUALITY

The preliminary findings of the stormwater management requirements for this project based on the concept roadway layout are presented below. The requirements will need to be revised as the project scope, footprint, and alignment continue to be refined.

The City of Cottage Grove is the MS4 Permittee and City rules incorporate those of the South Washington Watershed District (SWWD). Pertinent rules and policies are listed below:

- NPDES Construction Stormwater Permit: Due to the size of the roadway corridor area and the potential areas of disturbance and new impervious surfaces, an NPDES Construction Stormwater Permit and associated NPDES permanent stormwater treatment are required.
- South Washington Watershed District Rules Apply to projects that disturb/alter one or more acres.
- City of Cottage Grove MS4 applies to projects where the sum of new impervious surface and the fully reconstructed surface equals one or more acres.

The project area and estimated impervious quantities are summarized in Table 1 below.

Table 1: Preliminary Project Area Summary (Acres)			
	Langdon District	East Ravine District	Total
Project Limits	14.9	16.8	31.7
Total Impervious	8.6	10.4	19.0
Total Impervious (Road)	7.2	8.7	15.9
Total Impervious (Trail)	1.4	1.7	3.1
Total New Impervious	6.1	9.9	16.0
Total Fully Reconstructed Impervious	2.5	0.5	3.0
Deconstructed Impervious	1.5	1.4	2.9

Rate Control

The peak flow rates after development shall not exceed pre-development peak flow rates for the critical 2-year, 10-year, and 100-year recurrence interval precipitation events. Per the SWMP, more restrictive rate control criteria are required in order to protect the integrity of downstream conveyance channels and ponds. Allowable stormwater outflow rates from future/proposed developed areas within the following subwatersheds will need to be at or below the unit outflow rate listed in Table 2.

Table 2: Allowable Unit Outflow Rates	
Subwatershed	Allowable Unit Outflow Rate (cfs/acre)
ER-A12.1, ER-A12.2, ER-A12.3, ER-A12.4, ER-A12.5, ER-A12.6	0.12
L-A3	2.9 cfs/acre to L-P3 (0.05 cfs/acre is L-P3 Unit Outflow Rate)
L-A4	4.9 cfs/acre to L-P4 (0.05 cfs/acre is L-P4 Unit Outflow Rate)

Volume Control

For linear projects, the required uniform volume control treatment is equal to the larger of 1-inch of runoff from new impervious surfaces or 0.5-inch of runoff from the sum of new and fully reconstructed impervious surfaces. Table 3 indicates preliminarily that the 1-inch over new impervious surface causes the larger runoff volume (58,117 cubic feet) that will need to be treated.

Table 3: Preliminary Volume Control Requirement Summary			
	Langdon District	East Ravine District	Total
WQ Volume (New Impervious 1")	22,170 Cu. Ft.	35,947 Cu. Ft.	58,117 Cu. Ft.
WQ Volume (New and Reconstructed 0.5")	15,699 Cu. Ft.	18,955 Cu. Ft.	34,654 Cu. Ft.

The 100th Street Extension project site is located partially within and partially outside of the Cottage Grove 10-year groundwater capture zone for Well 13 (Figure 10). The city prohibits infiltration within the 10-year groundwater capture zone, but infiltration BMPs are allowable outside the zone (unless prohibited by other site characteristics such as depth to groundwater or other potential problem areas outlined by the MN Department of Health, or the MPCA Stormwater Manual). Due to the infiltration restriction, the volume control and water quality treatment requirement are proposed to be met in part by infiltration (within the East Ravine District and the eastern half of the Langdon District) and in part by treatment within the L-P3 and L-P4 wet sediment ponds, and other measures, unless prohibited by other site characteristics.

Where infiltration to fully meet the volume control measure is not desirable or is impossible, an Alternative Sequencing procedure would be applied utilizing filtration and biofiltration practices which are sized to meet the volume control requirement for the site. The city may also consider off-site locations where mitigation has or will be completed and/or may use wet sediment basins sized per the MPCA NPDES Construction Stormwater Permit. If BMPs are not sufficient to meet the water quality total phosphorus loading rates, the purchase of off-site mitigation credits is also an option. The purchase of off-site mitigation credits for industrial site properties is presently \$17,202/lb TP.

Table 4: Preliminary Onsite Volume Control Provided			
	Langdon District	East Ravine District	Total
Area Treated by Infiltration Basin (acres)	6.6	16.8	23.4
Area Treated by Wet Sediment Ponds or Filtration Basins (acres)	8.3	0	8.3
WQ Volume Treated by Infiltration (cubic feet)	15,027	35,947	50,974
WQ Volume Treated by Wet Sediment Ponds or Filtration Basins (cubic feet)	22,170		22,170

Water Quality

The city requires that new development projects include BMPs that at a minimum achieve post-development reductions in TP and TSS by 50% and 80%, respectively. Watershed rules call for TP loading rate of 0.22 lbs/acre/year or existing loading rates, whichever is less, since the project site drains to the Mississippi River. A water quality analysis will need to be completed during design to demonstrate compliance using a method such as the P8 or MIDS models.

Wetlands

The South Washington Watershed District will act as the Local Government Unit (LGU) for administration of the Wetland Conservation Act (WCA). The South Washington Watershed

District rules call for wetland buffers and other requirements based on wetland management classification and size.

The Watershed District identifies three Public Water Wetlands with Management Class: “Protect” along the roadway corridor. These wetlands lie within L-P3 and L-P4 on the northern and southern edges of the roadway corridor. Required wetland buffers are based on management classification and size. Other watershed district wetland management standards are reprinted in Table 5.3 below.

Wetland	Management Classification	Size (acres)	Wetland Buffer Width (feet)
MR-3-1 (L-P3)	Protect	13.95	100
MR-3-2 (L-P3)	Protect	0.67	75
MR-3-A (L-P4)	Protect	28.6	100

Table 5.3: Protection standards for wetland management classes			
Criteria	Protect	Manage 1	Manage 2
Water Quality			
Phosphorus Inflow Load (average annual pounds)	Maintain predevelopment	60% post-development load reduction	60% post-development load reduction
Water Quantity			
Storm bounce 10-year rainfall	Existing	Existing plus 1.0 foot	No limit
Discharge rate (inflow) 2-year & 100-year rainfall	Existing	Existing or less	Existing or less
Inundation period 1-year rainfall	Existing	Existing plus 2 days	Existing plus 7 days
Inundation period 2-year rainfall	Existing	Existing plus 14 days	Existing plus 14 days
Run-out control elevation (free flowing)	No change	0 to 1.0 feet above existing run out	0 to 4.0 feet above existing run out
Run-out control elevation (landlocked)	Based on SWWD Floodplain Map	Based on SWWD Floodplain Map	Based on SWWD Floodplain Map
Buffer Width			
Wetlands < 1 acre	75 feet	50 feet	25 feet
Wetlands > 1 acre	100 feet	75 feet	50 feet
Impact Mitigation			
Area replacement ratio	3:1	2:1	2:1
Volume replacement ratio	2:1	2:1	2:1
1) Proposed developments that may affect a wetland area must maintain the annual average predevelopment infiltration capacity of the site. Predevelopment infiltration capacity will be evaluated over the entire site and expressed as total annual runoff volume resulting from typical climatic conditions. Maximum phosphorus runoff concentrations for predevelopment conditions cannot exceed 0.320 mg/L. 2) Rainfall events are 24-hour duration, following Rule 7.3.1.			

FEMA Floodplain

L-P3 is mapped as a FEMA Zone A Floodplain as shown in the figure below:



The FEMA Floodplain maps should be revised if the project results in changes to what is shown on the FIRM map. The scale of typical FEMA maps is such that a change of more than 25 feet horizontal is needed to require a map update. Typically, if base flood elevations (BFEs) increase by more than ½ foot (especially if increase by 1 foot or more) it will require a letter of map revision (LOMR). If the base flood elevation decreased or (increased ½ foot or less) a FEMA submission would not be needed. To assist with whether a LOMR would be needed with this project, the DNR was contacted to determine what elevation the FIRM map is based off in the project area. The DNR confirmed a BFE of 767.0 NAVD88 was used for basin 82-86W for the FEMA map that became effective 2/3/2010. Since the BFE for L-P3 will increase by more than a foot, a LOMR will be needed.

No Net Loss of Floodplain Storage

The City Floodplain Management Ordinance controls the placement of fill within FEMA Floodplains. A permit from the zoning administrator is required prior to placement of fill in a floodplain.

City Ordinance Section 11-12-6: General Floodplain District states: *“... the applicant shall...furnish such of the following information as is deemed necessary by the zoning administrator for the determination of the regulatory flood protection elevation and whether the proposed use is within the floodway or flood fringe district.”*

The Regulatory Flood Protection Elevation is defined as: *“...an elevation no lower than one foot (1') above the elevation of the regional flood plus any increases in flood elevation caused by encroachments of the floodplain that result from designation of a floodway, whichever is greater.”*

For lake or wetland basins within Zone A floodplains, or Zone AE floodplains with no designated floodways, the DNR typically considers the area below the Ordinary High Water (OHW) as floodway and area above the OHW as flood fringe. That assumes the area is not in an area influenced by an outlet, inlet, or drainage way where velocity is expected during a flood event. This approach is outlined in Section 7.42, B. of the [state model floodplain ordinance](#).

If the design includes proposed fill within the floodplain, floodplain volume will need to be maintained in compliance with the City policy of “no net loss of storage capacity.” The project will need to demonstrate no net loss of storage by documenting cut and fill volumes within the floodplain.

IV. PERMITS AND REQUIRED EASEMENTS

REQUIRED PERMITS

The following permits and approvals are anticipated to be required for this project:

- Minnesota Department of Health (MDH) Watermain Extension Permit – required for the proposed watermain extension
- Minnesota Pollution Control Agency (MPCA) Sanitary Sewer Extension Permit – required for extension of sanitary sewer service/
- MPCA Phase II General Storm Water Permit for Construction Activities and Stormwater Pollution Prevention Plan (SWPPP) – required because the project disturbs more than one acre of land
- Minnesota Department of Transportation (MnDOT) Permit – for Work within Trunk Highway 61 Right-of-Way
- MnDOT State Aid approvals
- Washington County Permit – for work within County R/W
- CPKC Railway Permit – for crossing over and/or under the railroad
- Northern Natural Gas (NNG) Permit – for crossing under the pipelines and work with NNG easements
- Xcel Energy Encroachment – for work within Xcel Energy transmission easements
- Army Corp of Engineers Permit – for work within wetlands
- South Washington Watershed District Permit
- Minnesota Department of Natural Resources (DNR) – for work below the OHW of regulated wetlands
- Metropolitan Council Environmental Services (MCES) Permit – A permit to cross under the MCES interceptor and/or Connection Permit for the lift station sewer option
- Environmental Assessment Worksheet (EAW) – the utilities extensions do not trigger the EAW requirements. The roadway project doesn’t appear to meet the triggers for Highway projects, but may meet the triggers for Public Waters, Public Waters Wetlands, and Wetlands if the entire 180’ wide proposed County right-of-way is filled along the crossing of

L-P3 and L-P4. As defined in MN Rules 4410.4300 Subp. 27, those triggers are:

- For projects that will change or diminish the course, current, or cross-section of one acre or more of any public water or public waters wetland except for those to be drained without a permit according to Minnesota Statutes, chapter 103G, the DNR or local governmental unit is the RGU.
- For projects that will cause an impact, as defined in part 8420.0111, to a total of one acre or more of wetlands, regardless of type, excluding public waters wetlands, if any part of the wetland is within a shoreland area, a delineated floodplain, a state or federally designated wild and scenic rivers district, the Minnesota River Project Riverbend area, or the Mississippi headwaters area, the local governmental unit is the RGU. This item does not apply to projects exempted by part 4410.4600, subpart 14.
 - 8420.0111 Subp. 32. Impact. "Impact" means a loss in the quantity, quality, or biological diversity of a wetland caused by draining or filling of wetlands, wholly or partially, or by excavation in the permanently and semipermanently flooded areas of type 3, 4, or 5 wetlands, as defined in subpart 75, and in all wetland types if the excavation results in filling, draining, or conversion to nonwetland.

The County is currently in the preliminary design phase for the roadway and should evaluate options to reduce fill needs and associated impacts to the wetlands during roadway construction.

REQUIRED EASEMENTS AND RIGHT-OF-WAY (R/W)

Construction of 100th Street and realignment/construction of the adjacent streets will require R/W and easements to be obtained from the neighboring property owners (currently 3M). Depending on the scope of the improvements at the intersection with Highway 61, additional R/W may be needed for the interchange. In addition, several existing easements exist throughout the corridor with Xcel Energy, NNG, MCES, and others. The proposed permanent and temporary easements needed for construction are currently being determined by Washington County as part of the preliminary design phase of the County 19A and 100th Street Realignment project.

V. PHASING

The above discussion and analysis for trunk utility extension needs to serve this study area was prepared with the assumption that 100th Street would be constructed as one project from Jamaica Avenue to Highway 61. This would involve the realignment of Miller Road and Innovation Road and the extension of West Point Douglas Road, and include the associated typical utility installations following the roadway alignments. The extension of West Point Douglas Road would not be critical for the project to move forward; however, West Point Douglas Road serves as the route for the watermain loop needed within the Intermediate Zone to provide redundancy.

Because all of the land within the study area is owned by one owner (3M) with the exception of the Langdon area, utility extensions through developments and outside of the roadway corridors is more feasible as easements would not be needed from other private property owners. Based on this, the anticipated project costs, and to provide some flexibility in project scope, alternative utility routing and phased options were evaluated. The options can be summarized below:

OPTION A

Option A would provide trunk utility extensions to serve this project area as described in this report including the following:

- Sanitary Sewer Option 2 (Lift Station) as shown in Figure 4
- Watermain per the City's Water Supply Plan as shown in Figure 5
- Stormwater Management Option 4 (Reroute East Ravine flows to L-P4) as shown in Figure 9

This option is in line with the more traditional approach to utility extensions which follow the roadway corridors but would be the most expensive option due to the large amount of pipe required based on the roadway layout.

OPTION B

Option B as presented in Figures 11, 12, and 13 provides an alternative routing of trunk utilities to serve the study area differing from Option A as described below:

- Sanitary Sewer – elimination of the sewer along West Point Douglas Road, shifting the lift station location to the northwest, and serving the Langdon area directly from the lift station through the west side of the 52-acre parcel located north of 100th Street and east of the railroad tracks.
- Watermain – elimination of the watermain east of realigned Innovation Road and associated Highway 61 crossing, revising the future Intermediate Zone water tower location from the area east of Innovation Road to the northern corner of the 20-acre parcel at the western quadrant of 100th Street and Highway 61, and providing a crossing of Highway 61 to tie into the watermain along East Point Douglas Road at Cottage View Drive.
- Stormwater Management – same as Option A

Option B could be phased depending on the 100th Street extension scope, financing abilities, and development interest as follows:

- Option B – full build as described above and depicted in Figure 11. This option would provide sewer, water, and storm sewer service to all areas within the study area at the time of the 100th Street extension project.
- Option B1 – Partial build of Option B as described above and depicted in Figure 12 by delaying construction of the sewer service to the Langdon area, the lift station, and storm sewer and watermain crossings of Highway 61. This option would construct the trunk sewer, water, and storm sewer systems located adjacent to the roadway construction but delay the offroad utility extensions that would be required when development is realized.
- Option B2 – Partial build of Option B1 as described above and depicted in Figure 13 by delaying construction of West Point Douglas Road and the associated utility extensions. This option is provided if West Point Douglas Road is not constructed with the extension of 100th Street. The trunk sewer, water, and storm sewer systems located adjacent to the 100th Street roadway construction would be built but the offroad utility extensions and the West Point Douglas Road utilities would be delayed until West Point Douglas Road was constructed, and development is realized.

VI. ESTIMATED COSTS

Preliminary cost estimates for construction of the proposed trunk utilities have been prepared and are included below and in Appendix B. Cost estimates for Option A, B, B1, and B2 as described above have been included. All costs are based on anticipated unit prices for the 2026 construction season based on 5% inflation from estimated unit prices for construction in 2024. All project costs include a twenty-five (25) percent allowance for indirect costs associated with the project (engineering, administrative, financing, and legal) as well as a ten (10) percent contingency. No costs are included for land acquisition or capitalized interest during the construction period. Lateral utilities, such as the storm sewer required for the roadway drainage, as well as roadway construction costs, have not been included.

Following is an overall summary of the estimated costs. A detailed breakdown of the estimated costs is presented in Appendix B.

Table 6.1 - Preliminary Cost Estimate - Trunk Utilities		
	Construction Cost ¹	Total Project Cost ²
Option A		
Sanitary Sewer (Option 2)	\$ 3,608,000	\$ 4,510,000
Watermain	\$ 4,424,000	\$ 5,530,000
Storm Sewer (Option 4)	\$ 2,592,000	\$ 3,240,000
Total Option A	\$ 10,624,000	\$ 13,280,000
Option B		
Sanitary Sewer	\$ 3,240,000	\$ 4,050,000
Watermain	\$ 3,680,000	\$ 4,600,000
Future Trunk Watermain Oversizing ³	\$ 211,000	\$ 264,000
Storm Sewer	\$ 2,826,000	\$ 3,533,000
Total Option B	\$ 9,957,000	\$ 12,447,000
Option B1		
Sanitary Sewer	\$ 1,226,000	\$ 1,533,000
Watermain	\$ 3,164,000	\$ 3,955,000
Storm Sewer	\$ 2,284,000	\$ 2,855,000
Total Option B1	\$ 6,674,000	\$ 8,343,000
Option B2		
Sanitary Sewer	\$ 1,226,000	\$ 1,533,000
Watermain	\$ 1,940,000	\$ 2,425,000
Storm Sewer	\$ 1,863,000	\$ 2,329,000
Total Option B2	\$ 5,029,000	\$ 6,287,000

1. Includes 5% inflation per year from 2024 to 2026 and 10% Contingency

2. Includes 25% Indirect Costs

3. Future watermain upsizing routed through development as shown on Fig 11, once development occurs

The estimated costs to extend sanitary sewer utilities to serve the area west of the railroad tracks and east of L-P3 and L-P4 are included in both Options A and B. For discussion purposes, the total project costs for this work is estimated to be \$447,000.

Appendix A



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-101 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 798.5		LATITUDE: 44.804723			LONGITUDE: -92.935074						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with organic fines, trace roots, dark brown (A-2-4)	FILL	8	M	SS	24					
2											
3			2	M	SS	16					
4											
5	FILL, mostly silty sand, a little gravel, brown (A-1-b)		3	M	SS	17					
6											
7	GRAVELLY SAND WITH SILT, medium to fine grained, light brown to brown, moist, very dense (SP-SM) (A-1-b)	COARSE ALLUVIUM	57	M	SS	15					
8											
9											
10	GRAVELLY SAND, medium to fine grained, brown, moist, medium dense to dense (SP) (A-1-b)		30	M	SS	8					
11											
12											
13											
14			42	M	SS	14					
END OF BORING											

DEPTH: 0-12½' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/29/23	1:00	14.5	12.5	14.5		None	
BORING COMPLETED: 8/29/23									
DR: TA LG: JT Rig: 96									

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-102 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 783.7		LATITUDE: 44.804484			LONGITUDE: -92.933233						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with gravel, dark brown (A-1-b)	FILL	37	M	SS	19					
2	FILL, mostly sand with silt and gravel, brown (A-1-b)		36	M	SS	15					
4											
5	GRAVELLY SAND, fine to medium grained, brown, moist, medium dense (SP) (A-1-b)	COARSE ALLUVIUM	22	M	SS	24					
6											
7	SAND WITH SILT, a little gravel, fine to medium grained, brown, moist, very dense (SP-SM) (A-3)		90/6	M	SS	13					
8	END OF BORING Split spoon and auger obstruction at 8.5'										
DRAFT											
DEPTH: 0-7' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG		
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL			
		8/29/23	1:35	8.5	7.0	8.5		None			
BORING COMPLETED: 8/29/23											
DR: TA LG: JT Rig: 96											

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-103 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 764.2		LATITUDE: 44.804144			LONGITUDE: -92.931094						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly sandy organic clay, trace roots, black (A-8 or A-7-6)	FILL		M	HA		80				
	CLAYEY SAND WITH ORGANIC FINES, a little gravel, trace roots, black (SC) (A-6) (possible fill)	TOPSOIL OR FILL		M/W	HA		19				
	GRAVELLY SILTY SAND, possible cobbles, medium to fine grained, dark brownish gray, wet, (SM) (A-1-b)	COARSE ALLUVIUM		W	HA						
	END OF BORING Hand auger obstruction at 1.4'										
DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG		
0-1.42' HA		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL			
		8/31/23	11:45	1.4	NA	1.2		1.0			
BORING COMPLETED: 8/31/23											
DR: JM LG: JM Rig: HA											

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-104 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 771.0		LATITUDE: 44.803916		LONGITUDE: -92.930216							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with gravel, brown (A-1-b)	FILL	20	M	SS	15					
2	FILL, mostly silty sand, a little gravel, brown (A-2-4)										
3	FILL, mostly silty sand with gravel, pieces of bituminous, dark brown (A-2-4)		46	M	SS	20					
4											
5	SILTY SAND, a little gravel, fine to medium grained, brown, moist, dense to very dense (SM) (A-2-4) (possible fill)	COARSE ALLUVIUM OR FILL	57	M	SS	18					
6											
7											
8			39	M	SS	24					
9											
10	SILTY SAND WITH GRAVEL, medium to fine grained, brown to grayish brown, moist to wet, loose to very dense (SM) (A-1-b)	COARSE ALLUVIUM	96	▼	SS	18					
11											
12											
13			19	W	SS	10					
14											
15			7	W	SS	10					
16											
17											
18											
19											
20			9	W	SS	6					
21											
22											
23											
24			24	W	SS						
END OF BORING											
DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG		
0-22½' 3.25" HSA		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL			
		8/30/23	10:25	14.0	12.0	12.0		10.4			
		8/30/23	10:30	14.0	12.0	12.0		10.4			
BORING COMPLETED: 8/30/23											
DR: TA LG: JT Rig: 43											

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-105 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 768.5		LATITUDE: 44.804079			LONGITUDE: -92.929483						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with organic fines, a little gravel, trace roots, dark brown (A-2-4) FILL, mostly gravel, apparent cobbles, brown and dark brown (A-1-a)	FILL		M	HA						
2											
3											
4											
END OF BORING Hand auger and obstruction at 4.9'											
DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG		
0-4.9' HA		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL			
		8/31/23	12:20	4.9		4.9		None			
BORING COMPLETED: 8/31/23											
DR: JT LG: JT Rig: HA											

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-106 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 765.4		LATITUDE: 44.803821			LONGITUDE: -92.929043						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, a little gravel, trace roots, dark brown (A-2-4)	FILL	19	M	SS	19					
2	WEATHERED DOLOSTONE, light brown	PRAIRIE DU CHEIN GROUP SHAKOPEE FORMATION	99/.9	M	SS	17					
3											
4											
5											
6											
7			50/.4	M	SS	2					
8			50/.1	M	SS	1					
9			50/.2	M	SS	5					
10											
END OF BORING Split spoon and auger obstruction at 10.7'											
DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG		
0-9½' 3.25" HSA		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL			
		8/31/23	9:50	10.7	9.5	10.7		None			
BORING COMPLETED: 8/31/23											
DR: TA LG: JT Rig: 92											

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-107 (p. 1 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 797.8		LATITUDE: 44.803912		LONGITUDE: -92.926046							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly gravelly sand with silt, trace roots, light brown (A-1-b)	FILL	23	M		20					
2	FILL, mostly silty sand, a little gravel, brown (A-2-4)										
3	FILL, mostly sand with silt, a little gravel, brown (A-1-b)										
4											
5			19	M		18					
6											
7	SAND WITH GRAVEL, medium to fine grained, brown, moist, medium dense (SP) (A-1-b) (possible fill)	COARSE ALLUVIUM OR FILL	17	M		14					
8											
9											
10	GRAVELLY SAND WITH SILT, medium to fine grained, brownish gray to brown, moist, medium dense to very dense (SP-SM)	COARSE ALLUVIUM	78	M		5					
11											
12											
13			12	M		7					
14											
15	GRAVEL WITH SAND, brown, moist, medium dense (GP) (A-1-b)		18	M		3					
16											
17											
18											
19											
20			18	M		6					
21											
22											
23											
24											
	WEATHERED DOLOSTONE, light brown	PRAIRIE DU	50/1	W		1					

DEPTH: 0-24½' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/30/23	1:00	26.0	24.5	24.5		24.0	
		8/30/23	1:05	26.0	24.5	24.5		21.1	
BORING COMPLETED: 8/30/23									
DR: TA LG: JT Rig: 43									

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-107 (p. 2 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
LATITUDE: 44.803912		LONGITUDE: -92.926046									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	Weathering: slightly weathered	CHEIN GROUP SHAKOPEE FORMATION			NQ	19					
	Fracturing: slightly weathered										
27	Stratification: thinly bedded										
28	Hardness: hard										
28	DOLOSTONE, vuggy, light brown and gray										
29	(continued)										
END OF BORING											

DRAFT

AET_CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-108 (p. 1 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 803.7		LATITUDE: 44.803687			LONGITUDE: -92.920042						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown and brown (A-2-4)	FILL	4	M	SS	23					
2	SAND WITH SILT, a little gravel, fine to medium grained, brown, moist, loose (SP-SM) (A-3) (possible fill)	COARSE ALLUVIUM OR FILL	9	M	SS	19					
3											
4											
5	SAND, a little gravel, medium to fine grained, brown, moist, loose (SP) (A-1-b)	COARSE ALLUVIUM	6	M	SS	20					
6											
7											
8	SAND, a little gravel, medium to fine grained, brown, moist, loose to medium dense (SP) (A-1-b)		16	M	SS	16					
9											
10											
11			14	M	SS	22					
12											
13											
14			10	M	SS	20					
15											
16											
17	SAND WITH GRAVEL, medium to fine grained, brown, moist, dense (SP) (A-1-b)		40	M	SS	15					
18											
19											
20	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense (SP) (A-3)		22	M	SS	16					
21											
22											
23											
24											
DEPTH: 0-29½' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG		
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL			
		8/11/23	9:43	31.0	29.5	31.0		None			
BORING COMPLETED: 8/11/23											
DR: TA LG: AG Rig: 96											

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: **P-0022659** LOG OF BORING NO. **B-108 (p. 2 of 2)**
 PROJECT: **County Road 19A Improvements; Cottage Grove, Minnesota**
 LATITUDE: **44.803687** LONGITUDE: **-92.920042**

DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense (SP) (A-3) (continued)	COARSE ALLUVIUM (continued)	21	M	SS	16					
27											
28											
29											
30			21	M	SS	17					
31	END OF BORING										

DRAFT



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-109 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 806.4		LATITUDE: 44.803528			LONGITUDE: -92.916865						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown (A-2-4)	FILL	3	M		SS	24				
2											
3											
4											
5	SAND WITH SILT, a little gravel, medium to fine grained, brown, moist, very loose to medium dense (SP-SM) (A-1-b)	COARSE ALLUVIUM	5	M		SS	22				
6											
7											
8											
9			3	M		SS	15				
10											
11											
12											
11	GRAVELLY SAND WITH SILT, medium to fine grained, light brown, moist, medium dense (SP-SM) (A-1-b)	COLLUVIUM	16	M		SS	22				
12											
	WEATHERED DOLOSTONE, light brown	PRATRIE DU CHEIN GROUP SHAKOPEE FORMATION	50/3	M		SS	1				
END OF BORING Split spoon and auger obstruction at 12.3'											

DEPTH: 0-12'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/9/23	1:21	12.3	12.0	12.3		None	
BORING COMPLETED: 8/9/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-110 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 816.0		LATITUDE: 44.803668		LONGITUDE: -92.914812							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown to brown (A-2-4)	FILL	5	M	SS	24					
2											
3											
4											
5											
6											
7	SAND WITH SILT, fine to medium grained, brown, moist, very loose to medium dense (SP-SM) (A-3)	COARSE ALLUVIUM	2	M	SS	24					
8											
9											
10											
11											
12	SAND WITH SILT AND GRAVEL, light brown and brown, moist, very dense (SP-SM) (A-1-b)	COLLUVIUM	11	M	SS	20					
13											
14											
15											
16											
17	WEATHERED DOLOSTONE, light brown	PRAIRIE DU CHEIN GROUP SHAKOPEE FORMATION	52	M	SS	17					
18											
19											
END OF BORING Split spoon and auger obstruction at 19.8'			50/3	M	SS	3					

DEPTH: 0-19½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/9/23	11:19	19.8	19.5	19.8		None	
BORING COMPLETED: 8/9/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-111 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 835.0		LATITUDE: 44.804509		LONGITUDE: -92.913373							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly sand with silt and gravel, trace roots, dark brown (A-1-b)	FILL	14	M	SS	19					
2	FILL, mostly sand with silt, brown (A-3)										
3			9	M	SS	19					
4											
5			16	M	SS	18					
6											
7											
8			24	M	SS	24					
9											
10			42	M	SS	22					
11											
12	FILL, mostly sand with silt, a little clayey sand, brown, a little dark brown (A-2-4)		38	M	SS	24					
13											
14	FILL, mostly sand with silt, brown (A-3)										
15		46	M	SS	24						
16											
17	FILL, mostly silty sand, a little clayey sand, brown (A-2-4)		26	M	SS	26					
18											
19	FILL, mostly silty sand, brown (A-2-4)										
20		23	M	SS	22						
21											
END OF BORING											

DEPTH: 0-19½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/30/23	2:10	21.5	19.5	19.8		None	
BORING COMPLETED: 8/30/23									
DR: SG LG: SB Rig: 1C									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-112 (p. 1 of 2)										
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota												
SURFACE ELEVATION: 800.9		LATITUDE: 44.803533		LONGITUDE: -92.927829								
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS					
							WC	DEN	LL	PL	%-#200	
1	FILL, mostly silty sand, trace roots, dark brown (A-2-4)	FILL	5	M	SS	18						
2	FILL, mostly silty sand, a little gravel, trace roots, brown (A-2-4)		14	M	SS	18						
3												
4	SAND WITH GRAVEL, medium to fine grained, brown, moist, medium dense (SP) (A-1-b)	COARSE ALLUVIUM	17	M	SS	18						
5												
6												
7												
8			17	M	SS	18						
9												
10			17	M	SS	18						
11												
12	GRAVELLY SAND, medium to fine grained, brown, moist, medium dense to very dense (SP) (A-1-b)		29	M	SS	18						
13												
14												
15		26	M	SS	15							
16												
17												
18												
19												
20		18	M	SS	15							
21												
22												
23												
24												
DEPTH: DRILLING METHOD			WATER LEVEL MEASUREMENTS						NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG			
0-43.3' 3.25" HSA			DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL				WATER LEVEL
43.3'-45.65' NQ Core			8/23/23	10:30	40.3	39.0	39.8					39.6
			8/23/23	10:40	40.3	39.0	39.8					39.3
BORING COMPLETED: 8/23/23												
DR: TA LG: DA Rig: 96												

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: **P-0023648** LOG OF BORING NO. **B-112 (p. 2 of 2)**

PROJECT: **County Road 19A Improvements; Cottage Grove, Minnesota**

LATITUDE: **44.803533** LONGITUDE: **-92.927829**

DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	GRAVELLY SAND, medium to fine grained, brown, moist, medium dense to very dense (SP) (A-1-b) (continued)										
27											
28											
29											
30											
31			47	M	SS	3					
32											
33											
34											
35											
36			57	M	SS	12					
37											
38											
39											
40											
41	WEATHERED DOLOSTONE, light brown		75/.8	M	SS	9					
42											
43											
44											
45											
46	DOLOSTONE, vuggy, light brown and light gray Weathering: slightly weathered Fracturing: very moderately fractured Stratification: thinly bedded Hardness: hard			M	NQ	18					
47											
48	END OF BORING										

AET_CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-113 (p. 1 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 809.2		LATITUDE: 44.802608		LONGITUDE: -92.927002							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown to brown (A-2-4)	FILL	6	M	SS	18					
2											
3											
4											
5	SAND WITH SILT, fine to medium grained, brown, moist, loose (SP-SM) (A-3)	COARSE ALLUVIUM	7	M	SS	18					
6											
7	SAND, fine to medium grained, brown, moist, loose (SP) (A-3)		6	M	SS	18					
8											
9	SAND, fine grained, light brown, moist, medium dense to loose (SP) (A-3)		13	M	SS	18					
10											
11											
12											
13			10	M	SS	18					
14											
15											
16											
17			10	M	SS	16					
18											
19											
20											
21	GRAVELLY SAND, medium to fine grained, brown, moist, dense to very dense (SP) (A-1-b)		40	M	SS	12					
22											
23											
24											

DEPTH: 0-29½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/22/23	1:00	31.0	29.5	30.7		None	
BORING COMPLETED: 8/22/23									
DR: TA LG: DA Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-113 (p. 2 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
LATITUDE: 44.802608		LONGITUDE: -92.927002									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	GRAVELLY SAND, medium to fine grained, brown, moist, dense to very dense (SP) (A-1-b) <i>(continued)</i>	COARSE ALLUVIUM <i>(continued)</i>	50	M	SS	14					
27											
28											
29											
30											
31	END OF BORING		62	M	SS	14					

DRAFT

AET_CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-114 (p. 1 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 806.8		LATITUDE: 44.802444			LONGITUDE: -92.924202						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with organic fines, trace roots, dark brown (A-2-4)	FILL	4	M	SS	18					
2	FILL, mostly silty sand, a little gravel, trace roots, brown (A-2-4)										
3											
4											
5	SAND, a little gravel, medium to fine grained, brown, moist, loose (SP) (A-1-b)	COARSE ALLUVIUM	9	M	SS	18					
6											
7											
8	SAND, fine grained, light brown, moist, very loose (SP) (A-3)			4	M	SS	18				
9											
10	SAND WITH GRAVEL, medium to fine grained, brown, moist, medium dense (SP) (A-1-b)		14	M	SS	18					
11											
12	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense (SP) (A-3)		21	M	SS	18					
13											
14											
15	SAND, a little gravel, medium to fine grained, light brown, moist, medium dense (SP) (A-1-b)		23	M	SS	18					
16											
17											
18	SAND, a little gravel, fine to medium grained, light brown, moist, very dense (SP) (A-3)										
19											
20			53	M	SS	12					
21											
22											
23											
24	GRAVELLY SAND, medium to fine grained, light brown, moist, very dense (SP) (A-3)										

DEPTH: 0-34½' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/22/23	11:35	35.7	34.5	35.6		None	
BORING COMPLETED: 8/22/23									
DR: TA LG: DA Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-114 (p. 2 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
LATITUDE: 44.802444		LONGITUDE: -92.924202									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	GRAVELLY SAND, medium to fine grained, light brown, moist, very dense (SP) (A-3) (continued)	COARSE ALLUVIUM (continued)	50	M	SS	12					
27											
28											
29											
30											
31											
32			55	M	SS	12					
33											
34											
35			72/.7	M	SS	8					
END OF BORING											



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-115 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 806.4		LATITUDE: 44.804696			LONGITUDE: -92.923371						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with organic fines, trace roots, black to dark brown (A-2-4)	FILL	4	M	SS	20					
2	FILL, mostly silty sand, a little gravel, brown (A-2-4)		6	M	SS	19					
3											
4											
5	SILTY SAND, a little gravel, medium to fine grained, brown, moist, loose (SM) (A-1-b) (possible fill)	COARSE ALLUVIUM OR FILL	9	M	SS	20					
6											
7	SAND, medium to fine grained, gray, moist, loose (SP) (A-1-b)	COARSE ALLUVIUM	6	M	SS	21					
8											
9											
10	SAND, a little gravel, fine to medium grained, gray, moist, medium dense, lens of sand with silt, lamination of lean clay (SP) (A-3)		18	M	SS	18					
11	END OF BORING										
DRAFT											

DEPTH: 0-9½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/14/23	9:37	11.0	9.5	10.5		None	
BORING COMPLETED: 8/14/23									
DR: GH LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-116 (p. 1 of 1)											
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota													
SURFACE ELEVATION: 802.1		LATITUDE: 44.803892		LONGITUDE: -92.921606									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS						
							WC	DEN	LL	PL	%-#200		
1	FILL, mostly clayey sand with organic fines, trace roots, dark brown to black (A-2-6)	FILL	3	M	SS	14	21						
2	FILL, mostly clayey sand, trace roots, brown, a little dark brown (A-6)		COARSE ALLUVIUM	12	M	SS	20						
3	FILL, mostly sand with silt, a little gravel, brown (A-3)												
4													
5	SILTY SAND, a little gravel, medium to fine grained, dark brown, moist, loose (SM) (A-1-b)			8	M	SS	19						
6													
7	SAND, a little gravel, fine to medium grained, brown, moist, loose (SP) (A-3)		6	M	SS	21							
8													
9													
10	SILTY SAND, a little gravel, medium to fine grained, brown, moist, loose (SM) (A-1-b)		5	M	SS	15							
11													
12	SAND WITH SILT, a little gravel, medium to fine grained, brown, moist, loose to medium dense (SP-SM) (A-1-b)		8	M	SS	17							
13													
14			19	M	SS	11							
15													
16													
17													
18													
19													
20	WEATHERED DOLOSTONE, brown	PRAIRIE DU CHIEN GROUP	110/7	M	SS	15							
21													
22													
	No sample, apparent dolostone, light brown		100/05	M	SS	0							
END OF BORING Refusal to split spoon at 22.55'													
DEPTH: 0-22½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG				
				DATE: 8/14/23	TIME: 1:36	SAMPLED DEPTH: 22.6	CASING DEPTH: 22.5	CAVE-IN DEPTH: 22.5				DRILLING FLUID LEVEL:	WATER LEVEL: None
BORING COMPLETED: 8/14/23													
DR: GH LG: AG Rig: 96													

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-117 (p. 1 of 1)										
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota												
SURFACE ELEVATION: 812.6		LATITUDE: 44.801580		LONGITUDE: -92.914829								
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS					
							WC	DEN	LL	PL	%-#200	
1	FILL, mostly silty sand, trace roots, dark brown (A-2-4)	FILL	4	M		SS	24					
2												
3												
4												
5	SAND WITH SILT, fine grained, brown, moist, loose (SP-SM) (A-3)	COARSE ALLUVIUM	5	M		SS	22					
6												
7	SILTY SAND, a little gravel, fine to medium grained, brown, moist, very loose (SM) (A-3)		7	M		SS	24					
8												
9			4	M		SS	15					
10												
11	SAND WITH SILT AND GRAVEL, medium to fine grained, brown, moist, dense (SP-SM) (A-1-b)	COLLUVIUM	50/.2	M		SS	8					
12												
13	WEATHERED DOLOSTONE, light brown	PRAIRIE DU CHIEN GROUP SHAKOPEE FORMATION	50/.3	M		SS	3					
14												
15			50/.2	M		SS	1					
END OF BORING Split spoon and auger obstruction at 15.2'												
DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG			
0-15.2' 3.25" HSA		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL				
		8/9/23	10:15		15.2	15.2		None				
BORING COMPLETED: 8/9/23												
DR: TA LG: AG Rig: 96												

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-118 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 803.3		LATITUDE: 44.801911		LONGITUDE: -92.916913							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown (A-2-4)	FILL	4	M	SS	22					
2											
3	FILL, mostly sand with silt, brown (A-3)		4	M	SS	20					
4											
5	SAND WITH SILT, a little gravel, fine to medium grained, brown, moist, loose, lenses and laminations of clayey sand (SP-SM) (A-3) (possible fill)	COARSE ALLUVIUM OR FILL	5	M	SS	20					
6		COLLUVIUM									
7	SILTY SAND WITH GRAVEL, brown, a little light brown, very dense, lenses and laminations of clayey sand (SM) (A-1-b)		81/8	M	SS	14					
8											
9	WEATHERED DOLOSTONE, light brown	PRAIRIE DU CHIEN GROUP SHAKOPEE FORMATION	50/1	M	SS	1					
END OF BORING Split spoon and auger obstruction at 9.6'											
DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG		
0-9½' 3.25" HSA		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL			
		8/9/23	12:07	9.6	9.5	9.6		None			
BORING COMPLETED: 8/9/23											
DR: TA LG: AG Rig: 96											

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-119 (p. 1 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 805.1		LATITUDE: 44.804563			LONGITUDE: -92.918351						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown (A-2-4)	FILL	3	M	SS	24					
2											
3											
4											
5	SAND WITH SILT, fine to medium grained, brown, moist, loose (SP-SM) (A-3) (possible fill)	COARSE ALLUVIUM OR FILL	6	M	SS	21					
6											
7	SAND, a little gravel, medium to fine grained, brown, moist, loose (SP) (A-1-b)	COARSE ALLUVIUM	9	M	SS	20					
8											
9	SAND, a little gravel, medium to fine grained, brown, moist, loose to medium dense (SP) (A-3)										
10											
11											
12											
13			20	M	SS	20					
14											
15			23	M	SS	17					
16											
17											
18											
19											
20			16	M	SS	17					
21											
22											
23	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense to dense (SP) (A-3)										
24											

DEPTH: 0-29½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/10/23	10:26	31.0	29.5	31.0		None	
BORING COMPLETED: 8/10/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-119 (p. 2 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
LATITUDE: 44.804563		LONGITUDE: -92.918351									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense to dense (SP) (A-3) (continued)	COARSE ALLUVIUM (continued)	31	M	SS	15					
27											
28											
29											
30											
30			30	M	SS	18					
31	END OF BORING										

DRAFT



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-120 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 809.5		LATITUDE: 44.806365		LONGITUDE: -92.918299							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown (A-2-4)	FILL	5	M	SS	24					
2	FILL, mostly sand with silt, brown (A-3)		3	M	SS	24					
3											
4											
5	SAND, fine to medium grained, brown, moist, very loose to loose (SP) (A-3)	COARSE ALLUVIUM	4	M	SS	23					
6			3	M	SS	20					
7											
8											
9	SAND WITH GRAVEL, medium to fine grained, brown, moist, very dense (SP) (A-1-b)	PRAIRIE DU CHIEN GROUP SHAKOPEE FORMATION	7	M	SS	22					
10			9	M	SS	24					
11											
12											
13	SAND WITH GRAVEL, medium to fine grained, brown, moist, very dense (SP) (A-1-b)	PRAIRIE DU CHIEN GROUP SHAKOPEE FORMATION	9	M	SS	15					
14			98/.8	M	SS	1					
15											
16											
17	WEATHERED DOLOSTONE, light brown	PRAIRIE DU CHIEN GROUP SHAKOPEE FORMATION	50/.1	M	SS	1					
18											
19											
20											
END OF BORING Obstructed to split spoon and auger at 19.6'											

DEPTH: 0-19½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/10/23	11:24	19.6	19.5	19.6		None	
BORING COMPLETED: 8/10/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-121 (p. 1 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 814.6		LATITUDE: 44.807950			LONGITUDE: -92.919764						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, trace roots, dark brown to brown (A-2-4)	FILL	3	M	SS	21					
2											
3			7	M	SS	24					
4											
5	SAND WITH SILT, fine to medium grained, brown, moist, very dense (SP-SM) (A-3) (possible fill)	COARSE ALLUVIUM OR FILL	4	M	SS	24					
6											
7	SAND, fine to medium grained, light brown, moist, very loose (SP) (A-3)	COARSE ALLUVIUM	4	M	SS	22					
8											
9	SAND, a little gravel, fine to medium grained, brown, moist, medium dense (SP) (A-3)										
10			17	M	SS	24					
11											
12											
13	SAND, a little gravel, medium to fine grained, light brown, moist, medium dense (SP) (A-1-b)		14	M	SS	20					
14											
15			26	M	SS	18					
16											
17											
18											
19											
20			29	M	SS	18					
21											
22											
23											
24	GRAVELLY SAND, medium to fine grained, light brown, moist, very dense (SP) (A-1-b)										

DEPTH: 0-34½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/10/23	1:44	36.0	34.5	34.7		33.0	
		8/10/23	1:49	36.0	34.5	34.7		31.5	
BORING COMPLETED: 8/10/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: **P-0023648** LOG OF BORING NO. **B-121 (p. 2 of 2)**

PROJECT: **County Road 19A Improvements; Cottage Grove, Minnesota**

LATITUDE: **44.807950** LONGITUDE: **-92.919764**

DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	GRAVELLY SAND, medium to fine grained, light brown, moist, very dense (SP) (A-1-b) <i>(continued)</i>	COARSE ALLUVIUM <i>(continued)</i>	67	M	SS	18					
27											
28	GRAVELLY SAND WITH SILT, medium to fine grained, brown, moist, dense to very dense (SP-SM) (A-1-b)				SS	14					
29											
30			68/9	M/W							
31											
32											
33											
34											
35	END OF BORING		50	M/W		6					



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-122 (p. 1 of 2)												
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota														
SURFACE ELEVATION: 806.4		LATITUDE: 44.809565			LONGITUDE: -92.922978									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS							
							WC	REC %	RQD IN.	RQD %	%-#200			
1	FILL, mostly silty sand with organic fines, trace roots, dark brown (A-2-4)	FILL	4	M	SS	24								
2	FILL, mostly silty sand, a little gravel, dark brown (A-2-4)	COARSE ALLUVIUM	9	M	SS	15								
3	SAND WITH SILT, a little gravel, fine to medium grained, dark brown (A-3)													
4														
5	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense (SP) (A-3)						13	M	SS	16				
6														
7	SAND, a little gravel, fine to medium grained, brown, moist, loose to medium dense (SP) (A-3)						14	M	SS	20				
8														
9							12	M	SS	15				
10														
11							15	M	SS	15				
12														
13		9	M	SS	17									
14														
15														
16														
17														
18	SAND WITH SILT, a little gravel, fine to medium grained, brown, waterbearing, dense (SP-SM) (A-3)													
19														
20	GRAVELLY SAND WITH SILT, medium to fine grained, dark brown, waterbearing, dense (SP-SM) (A-1-b)	37	W	SS	13									
21														
22														
23	DOLOSTONE, light brown and gray Weathering: Slightly weathered Fracturing: Very to moderately fractured Stratification: Thinly bedded													
24														

DEPTH: 0-23' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
23'-28'	NQ Core	8/16/23	10:26	21.0	19.5	19.5		19.0	
		8/16/23	10:37	21.0	19.5	19.2		19.0	
BORING COMPLETED: 8/16/23									
DR: SD LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0023648		LOG OF BORING NO. B-122 (p. 2 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
LATITUDE: 44.809565		LONGITUDE: -92.922978									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	REC %	RQD IN.	RQD %	%-#200
26	Hardness: Hard DOLOSTONE, light brown and gray (<i>continued</i>)	PRAIRIE DU CHEIN GROUP SHAKOPEE FORMATION (<i>continued</i>)		M	NQ	48		80	17	28	
27											
28											
END OF BORING											

DRAFT

AET_CORP W-LAT-LONG P-0023648.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-123 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 825.7		LATITUDE: 44.805518		LONGITUDE: -92.914894							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly gravel, trace roots, light brown (A-1-a)	FILL	19	M	SS	18					
2	FILL, mostly silty sand with gravel, dark brown (A-1-b)										
3	FILL, mostly silty sand, brown and dark brown (A-2-4)		28	M	SS	20					
4	FILL, mostly silty sand, a little gravel, brown (A-2-4)										
5	FILL, mostly silty sand, a little clayey sand, gray and dark brown (A-2-4)		16	M	SS	18					
6	END OF BORING										

DRAFT

DEPTH: 0-4' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/30/23	1:20	6.0	4.0	4.2		None	
BORING COMPLETED: 8/30/23									
DR: SG LG: SB Rig: 1C									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-124 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 819.8		LATITUDE: 44.804068		LONGITUDE: -92.912449							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with organic fines, trace roots, dark brown (A-2-4)	FILL	4	M	SS	24					
2											
3	FILL, mostly silty sand, dark brown (A-2-4)		3	M	SS	20					
4											
5	FILL, mostly silty sand, a little clayey sand with gravel, trace roots, brown and dark brown (A-2-4)		19	M	SS	22	12				
6	SANDY SILT, a little gravel, brown, moist, medium dense (ML) (A-4)	FINE ALLUVIUM									
7	GRAVELLY SILTY SAND, fine to medium grained, light brown, moist, dense to very dense (SM) (A-1-b)	COLLUVIUM	73	M	SS	24					
8											
9											
10			46	M	SS	24					
11											
12			50/4	M	SS	10					
WEATHERED DOLOSTONE, light brown		PRAIRIE DU CHIEN GROUP SHAKOPEE FORMATION									
END OF BORING Split spoon and auger obstruction at 12.9'											

DEPTH: 0-12½'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/11/23	1:08	12.9	12.5	12.9		None	
BORING COMPLETED: 8/11/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-201 (p. 1 of 3)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 808.4		LATITUDE: 44.803783		LONGITUDE: -92.923415							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	5" Bituminous pavement	FILL									
2	FILL, mostly silty sand, dark brown (A-2-4)		24	M	SS	12					
3	FILL, mostly silty sand, a little gravel, brown (A-2-4)		12	M	SS	20					
4											
5	SAND WITH SILT, a little gravel, fine to medium grained, light brown, moist, loose (SP-SM) (A-3)	COARSE ALLUVIUM	10	M	SS	15					
6											
7	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense (SP) (A-3)		21	M	SS	15					
8											
9											
10			11	M	SS	20					
11											
12											
13			22	M	SS	19					
14											
15	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense (SP) (A-3)		13	M	SS	20					
16											
17	SAND WITH GRAVEL, medium to fine grained, brown, moist, loose to very dense (SP) (A-1-b)		34	M	SS	17					
18											
19											
20											
21			9	M	SS	19					
22											
23			31	M	SS	19					
24											

DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
0-43'	3.25" HSA	DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
43'-56'	NQ Core	8/18/23	1:13	43.0	43.0	43.0		None	
BORING COMPLETED: 8/18/23									
DR: SG LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: **P-0022659** LOG OF BORING NO. **B-201 (p. 2 of 3)**
 PROJECT: **County Road 19A Improvements; Cottage Grove, Minnesota**
 LATITUDE: **44.803783** LONGITUDE: **-92.923415**

DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
26	SAND WITH GRAVEL, medium to fine grained, brown, moist, loose to very dense (SP) (A-1-b) (continued)	COARSE ALLUVIUM (continued)	39	M	SS	10					
27											
28			47	M	SS	13					
29											
30			60	M	SS	16					
31											
32			44	m	SS	17					
33											
34			30	M	SS	18					
35											
36	WEATHERED DOLOSTONE, light brown	PRAIRIE DU CHEIN GROUP SHAKOPEE FORMATION	33	M	SS	19					
37											
38			53	M	SS	23					
39											
40			100/0	M	SS	0					
41											
42											
43											
44											
45											
46	DOLOSTONE, vuggy, light brown and gray Weathering: slightly weathered Fracturing: very to moderately fractured Stratification: thinly bedded Hardness: hard										
47											
48											
49											
50											
51											
52											
53											
54											
55											

AET_CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-201 (p. 3 of 3)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
LATITUDE: 44.803783		LONGITUDE: -92.923415									
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
55	DOLOSTONE, vuggy, light brown and gray (continued)										
56	END OF BORING		SHAKOPEE FORMATION (continued)								

DRAFT



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-202 (p. 1 of 2)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 806.4		LATITUDE: 44.803703			LONGITUDE: -92.922565						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	REC %	RQD IN.	RQD %	%-#200
1	FILL, mostly silty sand with organic fines, slightly organic, trace roots, dark brown (A-2-4)	FILL	4	M	SS	24	15				
2	FILL, mostly clayey sand, trace roots, dark brown (A-2-6)	COARSE ALLUVIUM OR FILL	10	M	SS	20					
3	SAND WITH SILT, a little gravel, fine to medium grained, brown, moist, loose (SP-SM) (A-3) (possible fill)										
4											
5	SAND, fine to medium grained, light brown, moist, loose (SP) (A-3)	COARSE ALLUVIUM	5	M	SS	19					
6											
7	SAND, a little gravel, medium to coarse grained, brown, moist, medium dense (SP) (A-1-b)		13	M	SS	19					
8											
9											
10	SAND, a little gravel, fine to medium grained, light brown, moist, medium dense (SP) (A-3)		21	M	SS	20					
11											
12											
13			24	M	SS	21					
14											
15	SAND WITH GRAVEL, medium to fine grained, brown, moist, medium dense to very dense (SP) (A-1-b)		25	M	SS	15					
16											
17											
18			92	M	SS	14					
19											
20			68	M	SS	14					
21											
22	GRAVELLY SAND, medium to fine grained, brown, moist, very dense (SP) (A-1-b)		100/4	M	SS	8					
23											
24			100/1	M	SS						

DEPTH: DRILLING METHOD		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
0-31.6'	3.25" HSA								
31.6'-32'	RD w/DM	8/14/23	11:51	31.6	31.6	31.6		None	
32'-41'	NQ Core								
BORING COMPLETED: 8/14/23									
DR: GH/SGG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-301 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 780.6		LATITUDE: 44.803968		LONGITUDE: -92.932052							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with organic fines, a little gravel, trace roots, dark brown (A-2-4)	FILL	22	M	SS	5					
2	FILL, mostly silty sand with gravel, possible cobbles, dark brown (A-1-b)		19	M	SS	19					
3											
4	SAND WITH SILT AND GRAVEL, medium to fine grained, brown, moist, medium dense (SP-SM) (A-1-b)	COARSE ALLUVIUM	25	M	SS	17					
5											
6	SAND WITH GRAVEL, medium to fine grained, brown, moist, medium dense (SP) (A-1-b)		17	M	SS	16					
7											
8											
9											
10											
11			12	M	SS	17					
12			18	M	SS	12					
13			23	M	SS	13					
14	SAND, medium to fine grained, brown, moist, medium dense (SP) (A-1-b)		21	M	SS	16					
15											
16	SAND WITH GRAVEL, medium to fine grained, brown, moist, very dense (SP) (A-1-b)		80/0	M	SS	14					
17	END OF BORING Auger and split spoon obstruction at 17.1'										

DEPTH: 0-16'		DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS					NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/29/23	12:20	17.0	16.0	17.1		None	
BORING COMPLETED: 8/29/23									
DR: TA LG: JT Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-302 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 800.8		LATITUDE: 44.802488		LONGITUDE: -92.922439							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mixture of clayey sand and silty sand, a little gravel, trace roots, dark brown and brown (A-2-6)	FILL	5	M	SS	21	12				
2	FILL, mostly silty sand with gravel, trace roots, brown (A-1-b)	COARSE ALLUVIUM									
3	SAND WITH SILT AND GRAVEL, medium to fine grained, brown, moist, loose to medium dense (SP-SM) (A-1-b)		10	M	SS	12					
4											
5			11	M	SS	18					
6											
7			26	M	SS	18					
8											
9	SAND, a little gravel, medium to fine grained, brown, moist, loose (SP) (A-1-b)		10	M	SS	18					
10											
11	SAND WITH GRAVEL, medium to fine grained, brown, moist, medium dense to very dense (SP) (A-1-b)		25	M	SS	18					
12											
13			85	M	SS	12					
	WEATHERED DOLOSTONE, light brown		50/1	M	SS	1					
	END OF BORING Split spoon and auger obstruction at 13.6'	PRAIRIE DU CHEIN GROUP SHAKOPEE FORMATION									

DEPTH: 0-13.6' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/22/23	10:15	13.2	13.1	13.2		None	
BORING COMPLETED: 8/22/23									
DR: TA LG: DA Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-303 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 805.2		LATITUDE: 44.804104			LONGITUDE: -92.918748						
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand, a little gravel, trace roots, dark brown (A-2-4)	FILL	6	M	SS	22					
2	FILL, mostly silty sand, trace roots, brown (A-2-4)		5	M	SS	24					
3	FILL, mostly silty sand, trace roots, brown (A-2-4)		5	M	SS	20					
4											
5	FILL, mostly silty sand, trace roots, brown (A-2-4)		5	M	SS	20					
6											
7			3	M	SS	19					
8											
9	SAND WITH GRAVEL, medium to fine grained, light brown, moist, medium dense (SP) (A-1-b)	COARSE ALLUVIUM	16	M	SS	21					
10			30	M	SS	15					
11											
12	SAND, a little gravel, medium to fine grained, grayish brown, moist, loose to medium dense (SP) (A-1-b)		12	M	SS	24					
13			10	M	SS	18					
14			14	M	SS	21					
15											
16			14	M	SS	21					
17											
18			14	M	SS	21					
19											
20	END OF BORING										

DEPTH: 0-18' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/10/23	9:34	20.0	18.0	20.0		None	
BORING COMPLETED: 8/10/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23



SUBSURFACE BORING LOG

AET JOB NO: P-0022659		LOG OF BORING NO. B-304 (p. 1 of 1)									
PROJECT: County Road 19A Improvements; Cottage Grove, Minnesota											
SURFACE ELEVATION: 814.8		LATITUDE: 44.803677		LONGITUDE: -92.913407							
DEPTH IN FEET	MATERIAL DESCRIPTION	GEOLOGY	N	MC	SAMPLE TYPE	REC IN.	FIELD & LABORATORY TESTS				
							WC	DEN	LL	PL	%-#200
1	FILL, mostly silty sand with organic fines, trace roots, dark brown (A-2-4)	FILL	8	M	SS	18					
2											
3	FILL, mostly silty sand, brown (A-2-4)		6	M	SS	20					
4	SAND WITH SILT, fine to medium grained, brown, moist, firm (SP-SM) (A-3)	COARSE ALLUVIUM	5	M	SS	23					
5											
6	SAND WITH SILT AND GRAVEL, fine to medium grained, brown, moist, medium dense (SP-SM) (A-1-b)		11	M	SS	16					
7											
8	CLAYEY SAND, a little gravel, brown, a little light brown, firm to hard, laminations of silty sand (SC) (A-6)	TILL	8	M	SS	24	10				
9											
10											
11	SAND WITH SILT AND GRAVEL, medium to fine grained, light brown, moist, very dense (SP-SM) (A-1-b)	COLLUVIUM	51	M	SS	24	11				
12											
13	WEATHERED DOLOSTONE, light brown		60	M	SS	24					
14		PRAIRIE DU CHIEN GROUP	50/3	M	SS	2					
	END OF BORING Split spoon and auger refusal at 14.3'										
		SHAKOPEE FORMATION									

DEPTH: 0-14' DRILLING METHOD: 3.25" HSA		WATER LEVEL MEASUREMENTS							NOTE: REFER TO THE ATTACHED SHEETS FOR AN EXPLANATION OF TERMINOLOGY ON THIS LOG
		DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	DRILLING FLUID LEVEL	WATER LEVEL	
		8/11/23	11:22	14.3	14.0	14.3		None	
BORING COMPLETED: 8/11/23									
DR: TA LG: AG Rig: 96									

AET CORP W-LAT-LONG P-0022659.GPJ AET-CPT+WELL.GDT 9/22/23

Appendix B

PRELIMINARY COST ESTIMATE
100TH STREET EXTENSION UTILITY STUDY
PROJECT NO. 0N1.130222
CITY OF COTTAGE GROVE, MINNESOTA

No.	Item	Units	Qty	EE Unit Price	EE Total Price
PART 1 - SANITARY SEWER - OPTION A:					
1	8" PVC SANITARY SEWER, SDR 35	LF	460	\$ 80.00	\$ 36,800.00
2	8" PVC SANITARY SEWER, SDR 26	LF	1,320	\$ 90.00	\$ 118,800.00
3	8" PVC SANITARY SEWER, INSULATED	LF	40	\$ 250.00	\$ 10,000.00
4	10" PVC SANITARY SEWER, SDR 26	LF	2,440	\$ 100.00	\$ 244,000.00
5	10" PVC SANITARY SEWER, SDR 26, IN CASING	LF	200	\$ 150.00	\$ 30,000.00
6	12" PVC SANITARY SEWER, SDR 26	LF	1,375	\$ 120.00	\$ 165,000.00
7	15" PVC SANITARY SEWER, SDR 35	LF	50	\$ 150.00	\$ 7,500.00
8	15" PVC SANITARY SEWER, SDR 26	LF	810	\$ 170.00	\$ 137,700.00
9	TELEWISE SANITARY SEWER PIPE	LF	6,695	\$ 3.00	\$ 20,085.00
10	CONSTRUCT 5' DIA SANITARY SEWER MH OVER EXISTING PIPE, INCL CSTG AND ADJ RINGS	LF	20	\$ 1,500.00	\$ 30,000.00
11	4' DIA SANITARY SEWER MH, INCL CSTG AND ADJ RINGS	LF	572	\$ 800.00	\$ 457,600.00
12	LINE MH	LF	16	\$ 800.00	\$ 12,800.00
13	20" CASING, JACKED	LF	200	\$ 600.00	\$ 120,000.00
14	24" CASING, OPEN CUT, IN BEDROCK	LF	20	\$ 600.00	\$ 12,000.00
15	24" CASING, JACKED, IN BEDROCK	LF	20	\$ 1,200.00	\$ 24,000.00
16	BORING PITS	EA	1	\$ 40,000.00	\$ 40,000.00
17	BOULDER ALLOWANCE	EA	1	\$ 10,000.00	\$ 10,000.00
18	GAS MAIN BRIDGING - TIMBER MATTING	LS	1	\$ 5,000.00	\$ 5,000.00
19	UTILITY AND SURFACE SETTLEMENT MONITORING	LS	1	\$ 5,000.00	\$ 5,000.00
20	LIFT STATION, INCLUDING CONTROLS BUILDING	LS	1	\$ 975,000.00	\$ 975,000.00
21	BACKUP GENERATOR	LS	1	\$ 90,000.00	\$ 90,000.00
22	LIFT STATION SITEWORK	LS	1	\$ 25,000.00	\$ 25,000.00
23	LIFT STATION POWER AND NATURAL GAS SERVICE	LS	1	\$ 20,000.00	\$ 20,000.00
24	FORCEMAIN	LF	800	\$ 100.00	\$ 80,000.00
25	CONNECT TO EXISTING MCES STRUCTURE	EA	1	\$ 25,000.00	\$ 25,000.00
26	ROCK EXCAVATION - SOFT ROCK	CY	690	\$ 50.00	\$ 34,500.00
27	ROCK EXCAVATION - HARD ROCK	CY	3,040	\$ 60.00	\$ 182,400.00
28	SAND CUSHION	LF	3,990	\$ 10.00	\$ 39,900.00
29	IMPROVED PIPE FOUNDATION	LF	690	\$ 10.00	\$ 6,900.00
30	ADJUST MANHOLE CASTING	EA	18	\$ 500.00	\$ 9,000.00
SUBTOTAL CONSTRUCTION COST - PART 1 - SANITARY SEWER - OPTION A:					\$ 2,973,985.00
10% CONTINGENCY					\$ 298,015.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 1 - SANITARY SEWER - OPTION A:					\$ 3,272,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 336,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 1 - SANITARY SEWER - OPTION A:					\$ 3,608,000.00
25% INDIRECT COST					\$ 902,000.00
TOTAL ESTIMATED PROJECT COST - PART 1 - SANITARY SEWER - OPTION A:					\$ 4,510,000.00
PART 2 - SANITARY SEWER - OPTION B:					
1	8" PVC SANITARY SEWER, SDR 35	LF	540	\$ 80.00	\$ 43,200.00
2	8" PVC SANITARY SEWER, SDR 26	LF	950	\$ 90.00	\$ 85,500.00
3	8" PVC SANITARY SEWER, INSULATED	LF	40	\$ 250.00	\$ 10,000.00
4	10" PVC SANITARY SEWER, SDR 26	LF	1,642	\$ 100.00	\$ 164,200.00
5	10" PVC SANITARY SEWER, SDR 26, IN CASING	LF	200	\$ 150.00	\$ 30,000.00
6	12" PVC SANITARY SEWER, SDR 26	LF	1,121	\$ 120.00	\$ 134,520.00
7	15" PVC SANITARY SEWER, SDR 35	LF	50	\$ 150.00	\$ 7,500.00
8	15" PVC SANITARY SEWER, SDR 26	LF	800	\$ 170.00	\$ 136,000.00
9	TELEWISE SANITARY SEWER PIPE	LF	5,343	\$ 3.00	\$ 16,029.00
10	CONSTRUCT 5' DIA SANITARY SEWER MH OVER EXISTING PIPE, INCL CSTG AND ADJ RINGS	LF	20	\$ 1,500.00	\$ 30,000.00
11	4' DIA SANITARY SEWER MH, INCL CSTG AND ADJ RINGS	LF	380	\$ 800.00	\$ 304,000.00
12	8" OUTSIDE DROP	LF	18	\$ 600.00	\$ 10,800.00
13	LINE MH	LF	16	\$ 800.00	\$ 12,800.00
14	20" CASING, JACKED	LF	200	\$ 600.00	\$ 120,000.00
15	24" CASING, OPEN CUT, IN BEDROCK	LF	20	\$ 600.00	\$ 12,000.00
16	24" CASING, JACKED, IN BEDROCK	LF	20	\$ 1,200.00	\$ 24,000.00
17	BORING PITS	EA	1	\$ 40,000.00	\$ 40,000.00
18	BOULDER ALLOWANCE	EA	1	\$ 10,000.00	\$ 10,000.00
19	GAS MAIN BRIDGING - TIMBER MATTING	LS	1	\$ 5,000.00	\$ 5,000.00
20	UTILITY AND SURFACE SETTLEMENT MONITORING	LS	1	\$ 5,000.00	\$ 5,000.00
21	LIFT STATION, INCLUDING CONTROLS BUILDING	LS	1	\$ 975,000.00	\$ 975,000.00
22	BACKUP GENERATOR	LS	1	\$ 90,000.00	\$ 90,000.00
23	LIFT STATION SITEWORK	LS	1	\$ 25,000.00	\$ 25,000.00
24	LIFT STATION POWER AND NATURAL GAS SERVICE	LS	1	\$ 20,000.00	\$ 20,000.00
25	FORCEMAIN	LF	50	\$ 100.00	\$ 5,000.00
26	CONNECT TO EXISTING MCES STRUCTURE	EA	1	\$ 25,000.00	\$ 25,000.00

No.	Item	Units	Qty	EE Unit Price	EE Total Price
27	ROCK EXCAVATION - SOFT ROCK	CY	670	\$ 50.00	\$ 33,500.00
28	ROCK EXCAVATION - HARD ROCK	CY	4,140	\$ 60.00	\$ 248,400.00
29	SAND CUSHION	LF	3,850	\$ 10.00	\$ 38,500.00
30	IMPROVED PIPE FOUNDATION	LF	570	\$ 10.00	\$ 5,700.00
31	ADJUST MANHOLE CASTING	EA	8	\$ 500.00	\$ 4,000.00
SUBTOTAL CONSTRUCTION COST - PART 2 - SANITARY SEWER - OPTION B:					\$ 2,670,649.00
10% CONTINGENCY					\$ 267,351.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 2 - SANITARY SEWER - OPTION B:					\$ 2,938,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 302,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 2 - SANITARY SEWER - OPTION B:					\$ 3,240,000.00
25% INDIRECT COST					\$ 810,000.00
TOTAL ESTIMATED PROJECT COST - PART 2 - SANITARY SEWER - OPTION B:					\$ 4,050,000.00
PART 3 - SANITARY SEWER - OPTION B1 & B2:					
1	8" PVC SANITARY SEWER, SDR 35	LF	540	\$ 80.00	\$ 43,200.00
2	8" PVC SANITARY SEWER, SDR 26	LF	950	\$ 90.00	\$ 85,500.00
3	8" PVC SANITARY SEWER, INSULATED	LF	40	\$ 250.00	\$ 10,000.00
4	10" PVC SANITARY SEWER, SDR 26	LF	891	\$ 100.00	\$ 89,100.00
5	12" PVC SANITARY SEWER, SDR 26	LF	721	\$ 120.00	\$ 86,520.00
6	15" PVC SANITARY SEWER, SDR 26	LF	800	\$ 170.00	\$ 136,000.00
7	TELEWISE SANITARY SEWER PIPE	LF	3,942	\$ 3.00	\$ 11,826.00
8	CONSTRUCT 5' DIA SANITARY SEWER MH OVER EXISTING PIPE, INCL CSTG AND ADJ RINGS	LF	20	\$ 1,500.00	\$ 30,000.00
9	4' DIA SANITARY SEWER MH, INCL CSTG AND ADJ RINGS	LF	280	\$ 800.00	\$ 224,000.00
10	8" OUTSIDE DROP	LF	18	\$ 600.00	\$ 10,800.00
11	24" CASING, OPEN CUT, IN BEDROCK	LF	20	\$ 600.00	\$ 12,000.00
12	24" CASING, JACKED, IN BEDROCK	LF	20	\$ 1,200.00	\$ 24,000.00
13	ROCK EXCAVATION - SOFT ROCK	CY	510	\$ 50.00	\$ 25,500.00
14	ROCK EXCAVATION - HARD ROCK	CY	3,100	\$ 60.00	\$ 186,000.00
15	SAND CUSHION	LF	2,770	\$ 10.00	\$ 27,700.00
16	IMPROVED PIPE FOUNDATION	LF	420	\$ 10.00	\$ 4,200.00
17	ADJUST MANHOLE CASTING	EA	8	\$ 500.00	\$ 4,000.00
SUBTOTAL CONSTRUCTION COST - PART 3 - SANITARY SEWER - OPTION B1 & B2:					\$ 1,010,346.00
10% CONTINGENCY					\$ 101,654.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 3 - SANITARY SEWER - OPTION B1 & B2:					\$ 1,112,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 114,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 3 - SANITARY SEWER - OPTION B1 & B2:					\$ 1,226,000.00
25% INDIRECT COST					\$ 307,000.00
TOTAL ESTIMATED PROJECT COST - PART 3 - SANITARY SEWER - OPTION B1 & B2:					\$ 1,533,000.00
PART 4 - SANITARY SEWER - WEST OF RAILROAD:					
1	8" PVC SANITARY SEWER, SDR 35	LF	460	\$ 80.00	\$ 36,800.00
2	8" PVC SANITARY SEWER, SDR 26	LF	830	\$ 90.00	\$ 74,700.00
3	8" PVC SANITARY SEWER, INSULATED	LF	40	\$ 250.00	\$ 10,000.00
4	TELEWISE SANITARY SEWER PIPE	LF	1,330	\$ 3.00	\$ 3,990.00
5	CONSTRUCT 5' DIA SANITARY SEWER MH OVER EXISTING PIPE, INCL CSTG AND ADJ RINGS	LF	20	\$ 1,500.00	\$ 30,000.00
6	4' DIA SANITARY SEWER MH, INCL CSTG AND ADJ RINGS	LF	96	\$ 800.00	\$ 76,800.00
7	24" CASING, OPEN CUT, IN BEDROCK	LF	20	\$ 600.00	\$ 12,000.00
8	24" CASING, JACKED, IN BEDROCK	LF	20	\$ 1,200.00	\$ 24,000.00
9	ROCK EXCAVATION - SOFT ROCK	CY	230	\$ 50.00	\$ 11,500.00
10	ROCK EXCAVATION - HARD ROCK	CY	90	\$ 60.00	\$ 5,400.00
11	SAND CUSHION	LF	450	\$ 10.00	\$ 4,500.00
12	IMPROVED PIPE FOUNDATION	LF	140	\$ 10.00	\$ 1,400.00
13	ADJUST MANHOLE CASTING	EA	4	\$ 500.00	\$ 2,000.00
SUBTOTAL CONSTRUCTION COST - PART 4 - SANITARY SEWER - WEST OF RAILROAD:					\$ 293,090.00
10% CONTINGENCY					\$ 29,910.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 4 - SANITARY SEWER - WEST OF RAILROAD:					\$ 323,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 34,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 4 - SANITARY SEWER - WEST OF RAILROAD:					\$ 357,000.00
25% INDIRECT COST					\$ 90,000.00
TOTAL ESTIMATED PROJECT COST - PART 4 - SANITARY SEWER - WEST OF RAILROAD:					\$ 447,000.00
PART 5 - WATER MAIN - OPTION A:					
1	REMOVE WATERMAIN PIPE	LF	5	\$ 20.00	\$ 100.00
2	SALVAGE AND REINSTALL HYDRANT AND VALVE	EA	1	\$ 1,500.00	\$ 1,500.00
3	6" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	660	\$ 65.00	\$ 42,900.00
4	8" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	1,325	\$ 80.00	\$ 106,000.00
5	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	11,170	\$ 100.00	\$ 1,117,000.00
6	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP - RETRAINED JOINT	LF	750	\$ 110.00	\$ 82,500.00
7	16" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	2,350	\$ 120.00	\$ 282,000.00
8	18" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	900	\$ 140.00	\$ 126,000.00
9	20" WATER MAIN DUCTILE IRON CL 51, INCL POLY WRAP	LF	130	\$ 160.00	\$ 20,800.00
10	20" WATER MAIN DUCTILE IRON CL 51, INCL POLY WRAP - RETRAINED JOINT	LF	300	\$ 170.00	\$ 51,000.00
11	IMPROVED PIPE FOUNDATION	LF	1,340	\$ 10.00	\$ 13,400.00

No.	Item	Units	Qty	EE Unit Price	EE Total Price
12	20" CASING, JACKED	LF	710	\$ 600.00	\$ 426,000.00
13	20" CASING, JACKED, IN BEDROCK	LF	40	\$ 1,000.00	\$ 40,000.00
14	30" CASING, JACKED	LF	300	\$ 800.00	\$ 240,000.00
15	BORING PITS	EA	4	\$ 40,000.00	\$ 160,000.00
16	BOULDER ALLOWANCE	EA	4	\$ 10,000.00	\$ 40,000.00
17	6" GATE VALVE & BOX	EA	33	\$ 2,500.00	\$ 82,500.00
18	8" GATE VALVE & BOX	EA	14	\$ 3,500.00	\$ 49,000.00
19	12" BUTTERFLY VALVE & BOX	EA	21	\$ 5,000.00	\$ 105,000.00
20	16" BUTTERFLY VALVE & BOX	EA	4	\$ 7,500.00	\$ 30,000.00
21	18" BUTTERFLY VALVE & BOX	EA	1	\$ 11,000.00	\$ 11,000.00
22	20" BUTTERFLY VALVE & BOX	EA	2	\$ 12,000.00	\$ 24,000.00
23	HYDRANT	EA	33	\$ 6,000.00	\$ 198,000.00
24	HYDRANT EXTENSION	LF	18	\$ 1,200.00	\$ 21,600.00
25	DIP FITTINGS	LB	7,710	\$ 16.00	\$ 123,360.00
26	CONNECT TO EXISTING WATERMAIN	EA	2	\$ 3,000.00	\$ 6,000.00
27	12" PRV STATION	EA	1	\$ 140,000.00	\$ 140,000.00
28	6 INCH CONCRETE HYDRANT ACCESS PAD	SF	1,200	\$ 20.00	\$ 24,000.00
29	PATCH BITUMINOUS STREET	SY	260	\$ 40.00	\$ 10,400.00
30	PATCH GRAVEL DRIVEWAY	TN	100	\$ 25.00	\$ 2,500.00
31	RESTORATION	SY	8,000	\$ 5.00	\$ 40,000.00
32	CLEAR AND GRUB	EA	25	\$ 800.00	\$ 20,000.00
33	EROSION CONTROL	LS	1	\$ 10,000.00	\$ 10,000.00
SUBTOTAL CONSTRUCTION COST - PART 5 - WATER MAIN - OPTION A:					\$ 3,646,560.00
10% CONTINGENCY					\$ 365,440.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 5 - WATER MAIN - OPTION A:					\$ 4,012,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 412,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 5 - WATER MAIN - OPTION A:					\$ 4,424,000.00
25% INDIRECT COST					\$ 1,106,000.00
TOTAL ESTIMATED PROJECT COST - PART 5 - WATER MAIN - OPTION A:					\$ 5,530,000.00
PART 6 - WATER MAIN - OPTION B:					
1	REMOVE WATERMAIN PIPE	LF	5	\$ 20.00	\$ 100.00
2	SALVAGE AND REINSTALL HYDRANT AND VALVE	EA	1	\$ 1,500.00	\$ 1,500.00
3	6" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	540	\$ 65.00	\$ 35,100.00
4	8" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	680	\$ 80.00	\$ 54,400.00
5	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	10,350	\$ 100.00	\$ 1,035,000.00
6	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP - RETRAINED JOINT	LF	560	\$ 110.00	\$ 61,600.00
7	16" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	1,090	\$ 120.00	\$ 130,800.00
8	20" WATER MAIN DUCTILE IRON CL 51, INCL POLY WRAP	LF	310	\$ 160.00	\$ 49,600.00
9	20" WATER MAIN DUCTILE IRON CL 51, INCL POLY WRAP - RETRAINED JOINT	LF	300	\$ 170.00	\$ 51,000.00
10	IMPROVED PIPE FOUNDATION	LF	1,320	\$ 10.00	\$ 13,200.00
11	20" CASING, JACKED	LF	520	\$ 600.00	\$ 312,000.00
12	20" CASING, JACKED, IN BEDROCK	LF	40	\$ 1,000.00	\$ 40,000.00
13	30" CASING, JACKED	LF	300	\$ 800.00	\$ 240,000.00
14	BORING PITS	EA	4	\$ 40,000.00	\$ 160,000.00
15	BOULDER ALLOWANCE	EA	4	\$ 10,000.00	\$ 40,000.00
16	6" GATE VALVE & BOX	EA	27	\$ 2,500.00	\$ 67,500.00
17	8" GATE VALVE & BOX	EA	10	\$ 3,500.00	\$ 35,000.00
18	12" BUTTERFLY VALVE & BOX	EA	19	\$ 5,000.00	\$ 95,000.00
19	16" BUTTERFLY VALVE & BOX	EA	3	\$ 7,500.00	\$ 22,500.00
20	20" BUTTERFLY VALVE & BOX	EA	2	\$ 12,000.00	\$ 24,000.00
21	HYDRANT	EA	27	\$ 6,000.00	\$ 162,000.00
22	HYDRANT EXTENSION	LF	15	\$ 1,200.00	\$ 18,000.00
23	DIP FITTINGS	LB	9,520	\$ 16.00	\$ 152,320.00
24	CONNECT TO EXISTING WATERMAIN	EA	3	\$ 3,000.00	\$ 9,000.00
25	12" PRV STATION	EA	1	\$ 140,000.00	\$ 140,000.00
26	6 INCH CONCRETE HYDRANT ACCESS PAD	SF	986	\$ 20.00	\$ 19,720.00
27	PATCH BITUMINOUS STREET	SY	340	\$ 40.00	\$ 13,600.00
28	PATCH GRAVEL DRIVEWAY	TN	100	\$ 25.00	\$ 2,500.00
29	RESTORATION	SY	5,167	\$ 5.00	\$ 25,833.33
30	CLEAR AND GRUB	EA	15	\$ 800.00	\$ 12,000.00
31	EROSION CONTROL	LS	1	\$ 10,000.00	\$ 10,000.00
SUBTOTAL CONSTRUCTION COST - PART 6 - WATER MAIN - OPTION B:					\$ 3,033,273.33
10% CONTINGENCY					\$ 303,726.67
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 6 - WATER MAIN - OPTION B:					\$ 3,337,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 343,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 6 - WATER MAIN - OPTION B:					\$ 3,680,000.00
25% INDIRECT COST					\$ 920,000.00
TOTAL ESTIMATED PROJECT COST - PART 6 - WATER MAIN - OPTION B:					\$ 4,600,000.00

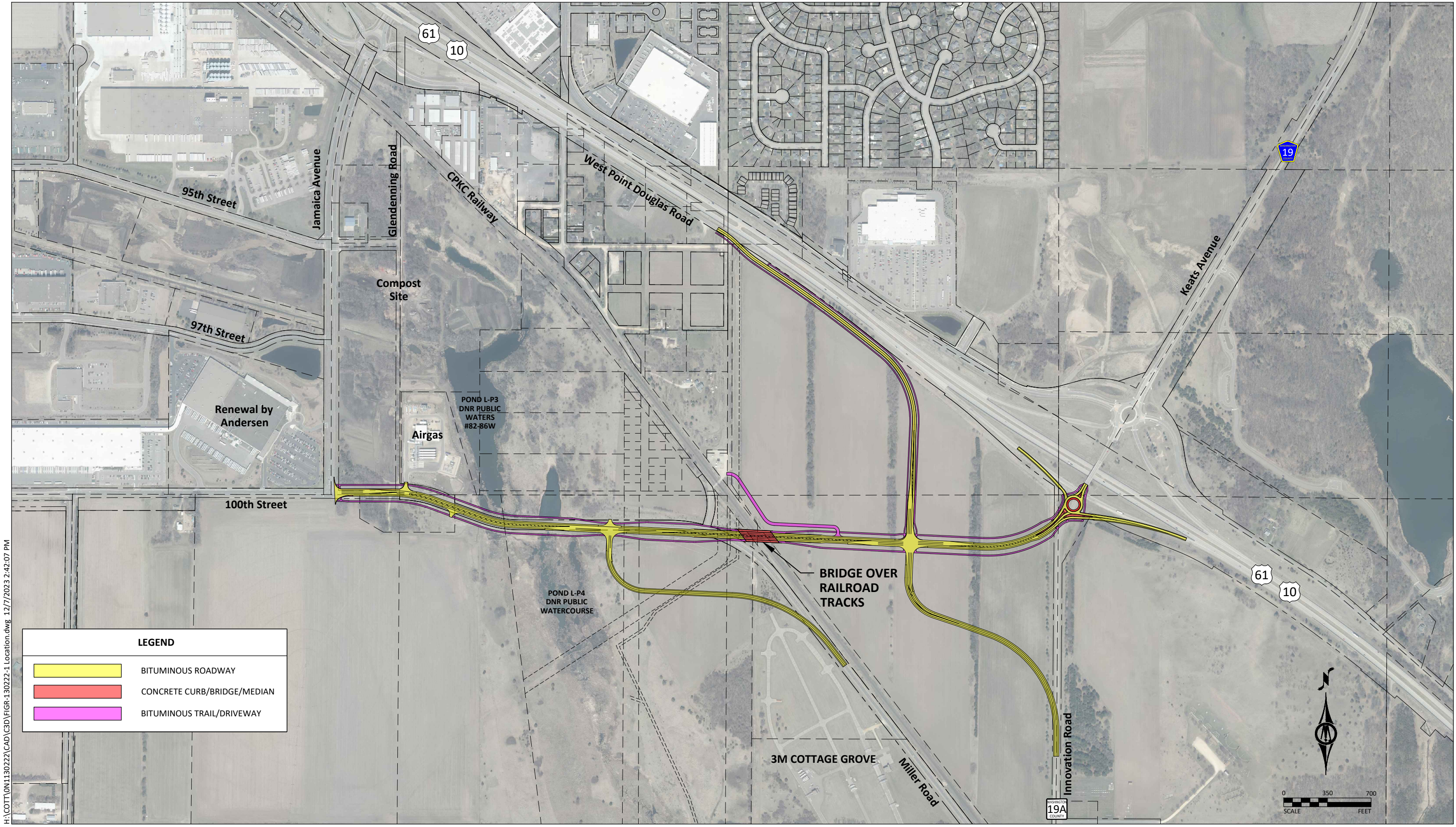
No.	Item	Units	Qty	EE Unit Price	EE Total Price
PART 7 - WATER MAIN - OPTION B1:					
1	REMOVE WATERMAIN PIPE	LF	5	\$ 20.00	\$ 100.00
2	SALVAGE AND REINSTALL HYDRANT AND VALVE	EA	1	\$ 1,500.00	\$ 1,500.00
3	6" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	520	\$ 65.00	\$ 33,800.00
4	8" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	680	\$ 80.00	\$ 54,400.00
5	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	10,350	\$ 100.00	\$ 1,035,000.00
6	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP - RETRAINED JOINT	LF	560	\$ 110.00	\$ 61,600.00
7	16" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	1,090	\$ 120.00	\$ 130,800.00
8	20" WATER MAIN DUCTILE IRON CL 51, INCL POLY WRAP	LF	75	\$ 160.00	\$ 12,000.00
9	IMPROVED PIPE FOUNDATION	LF	1,290	\$ 10.00	\$ 12,900.00
10	20" CASING, JACKED	LF	520	\$ 600.00	\$ 312,000.00
11	20" CASING, JACKED, IN BEDROCK	LF	40	\$ 1,000.00	\$ 40,000.00
12	BORING PITS	EA	3	\$ 40,000.00	\$ 120,000.00
13	BOULDER ALLOWANCE	EA	3	\$ 10,000.00	\$ 30,000.00
14	6" GATE VALVE & BOX	EA	26	\$ 2,500.00	\$ 65,000.00
15	8" GATE VALVE & BOX	EA	10	\$ 3,500.00	\$ 35,000.00
16	12" BUTTERFLY VALVE & BOX	EA	19	\$ 5,000.00	\$ 95,000.00
17	16" BUTTERFLY VALVE & BOX	EA	3	\$ 7,500.00	\$ 22,500.00
18	20" BUTTERFLY VALVE & BOX	EA	1	\$ 12,000.00	\$ 12,000.00
19	HYDRANT	EA	26	\$ 6,000.00	\$ 156,000.00
20	HYDRANT EXTENSION	LF	14	\$ 1,200.00	\$ 16,800.00
21	DIP FITTINGS	LB	8,680	\$ 16.00	\$ 138,880.00
22	CONNECT TO EXISTING WATERMAIN	EA	2	\$ 3,000.00	\$ 6,000.00
23	12" PRV STATION	EA	1	\$ 140,000.00	\$ 140,000.00
24	6 INCH CONCRETE HYDRANT ACCESS PAD	SF	950	\$ 20.00	\$ 19,000.00
25	PATCH BITUMINOUS STREET	SY	200	\$ 40.00	\$ 8,000.00
26	PATCH GRAVEL DRIVEWAY	TN	100	\$ 25.00	\$ 2,500.00
27	RESTORATION	SY	5,000	\$ 5.00	\$ 25,000.00
28	CLEAR AND GRUB	EA	15	\$ 800.00	\$ 12,000.00
29	EROSION CONTROL	LS	1	\$ 10,000.00	\$ 10,000.00
SUBTOTAL CONSTRUCTION COST - PART 7 - WATER MAIN - OPTION B1:					\$ 2,607,780.00
10% CONTINGENCY					\$ 261,220.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 7 - WATER MAIN - OPTION B1:					\$ 2,869,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 295,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 7 - WATER MAIN - OPTION B1:					\$ 3,164,000.00
25% INDIRECT COST					\$ 791,000.00
TOTAL ESTIMATED PROJECT COST - PART 7 - WATER MAIN - OPTION B1:					\$ 3,955,000.00
PART 8 - WATER MAIN - OPTION B2:					
1	REMOVE WATERMAIN PIPE	LF	5	\$ 20.00	\$ 100.00
2	SALVAGE AND REINSTALL HYDRANT AND VALVE	EA	1	\$ 1,500.00	\$ 1,500.00
3	6" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	320	\$ 65.00	\$ 20,800.00
4	8" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	420	\$ 80.00	\$ 33,600.00
5	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP	LF	6,850	\$ 100.00	\$ 685,000.00
6	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP - RETRAINED JOINT	LF	360	\$ 110.00	\$ 39,600.00
7	IMPROVED PIPE FOUNDATION	LF	770	\$ 10.00	\$ 7,700.00
8	20" CASING, JACKED	LF	320	\$ 600.00	\$ 192,000.00
9	20" CASING, JACKED, IN BEDROCK	LF	40	\$ 1,000.00	\$ 40,000.00
10	BORING PITS	EA	2	\$ 40,000.00	\$ 80,000.00
11	BOULDER ALLOWANCE	EA	2	\$ 10,000.00	\$ 20,000.00
12	6" GATE VALVE & BOX	EA	16	\$ 2,500.00	\$ 40,000.00
13	8" GATE VALVE & BOX	EA	6	\$ 3,500.00	\$ 21,000.00
14	12" BUTTERFLY VALVE & BOX	EA	13	\$ 5,000.00	\$ 65,000.00
15	HYDRANT	EA	16	\$ 6,000.00	\$ 96,000.00
16	HYDRANT EXTENSION	LF	9	\$ 1,200.00	\$ 10,800.00
17	DIP FITTINGS	LB	5,670	\$ 16.00	\$ 90,720.00
18	CONNECT TO EXISTING WATERMAIN	EA	1	\$ 3,000.00	\$ 3,000.00
19	12" PRV STATION	EA	1	\$ 140,000.00	\$ 140,000.00
20	6 INCH CONCRETE HYDRANT ACCESS PAD	SF	590	\$ 20.00	\$ 11,800.00
SUBTOTAL CONSTRUCTION COST - PART 8 - WATER MAIN - OPTION B2:					\$ 1,598,620.00
10% CONTINGENCY					\$ 160,380.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 8 - WATER MAIN - OPTION B2:					\$ 1,759,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 181,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 8 - WATER MAIN - OPTION B2:					\$ 1,940,000.00
25% INDIRECT COST					\$ 485,000.00
TOTAL ESTIMATED PROJECT COST - PART 8 - WATER MAIN - OPTION B2:					\$ 2,425,000.00

No.	Item	Units	Qty	EE Unit Price	EE Total Price
PART 9 - WATER MAIN - FUTURE TRUNK OVERSIZING:					
1	12" WATER MAIN DUCTILE IRON CL 52, INCL POLY WRAP IN LIEU OF 8" WATER MAIN	LF	4,300	\$ 35.00	\$ 150,500.00
2	12" BUTTERFLY VALVE & BOX IN LIEU OF 8" GATE VALVE & BOX	EA	7	\$ 1,500.00	\$ 10,500.00
3	DIP FITTINGS	LB	750	\$ 16.00	\$ 12,000.00
SUBTOTAL CONSTRUCTION COST - PART 9 - WATER MAIN - FUTURE TRUNK OVERSIZING:					\$ 173,000.00
10% CONTINGENCY					\$ 18,000.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 9 - WATER MAIN - FUTURE TRUNK OVERSIZING:					\$ 191,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 20,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 9 - WATER MAIN - FUTURE TRUNK OVERSIZING:					\$ 211,000.00
25% INDIRECT COST					\$ 53,000.00
TOTAL ESTIMATED PROJECT COST - PART 9 - WATER MAIN - FUTURE TRUNK OVERSIZING:					\$ 264,000.00
PART 10 - STORM SEWER - OPTION A:					
1	15" RC STORM SEWER PIPE	LF	970	\$ 65.00	\$ 63,050.00
2	18" RC STORM SEWER PIPE	LF	1,030	\$ 70.00	\$ 72,100.00
3	21" RC STORM SEWER PIPE	LF	560	\$ 80.00	\$ 44,800.00
4	21" RC STORM SEWER PIPE, IN CASING	LF	300	\$ 100.00	\$ 30,000.00
5	24" RC STORM SEWER PIPE	LF	960	\$ 90.00	\$ 86,400.00
6	30" RC STORM SEWER PIPE	LF	1,380	\$ 110.00	\$ 151,800.00
7	30" CASING, JACKED	LF	300	\$ 800.00	\$ 240,000.00
8	36" RC STORM SEWER PIPE	LF	2,570	\$ 130.00	\$ 334,100.00
9	36" RC STORM SEWER PIPE, IN CASING	LF	320	\$ 150.00	\$ 48,000.00
10	48" CASING, JACKED	LF	320	\$ 1,200.00	\$ 384,000.00
11	BORING PITS	EA	2	\$ 40,000.00	\$ 80,000.00
12	BOULDER ALLOWANCE	EA	2	\$ 10,000.00	\$ 20,000.00
13	ROCK EXCAVATION - HARD ROCK	CY	180	\$ 60.00	\$ 10,800.00
14	SAND CUSHION	LF	350	\$ 10.00	\$ 3,500.00
15	STORM SEWER STRUCTURE	LF	500	\$ 1,000.00	\$ 500,000.00
16	TELEWISE STORM SEWER	LF	8,090	\$ 3.00	\$ 24,270.00
17	CONNECT TO EXISTING PIPE OR STRUCTURE	EA	2	\$ 2,000.00	\$ 4,000.00
18	36" RCP FLARED END SECTION INCL TRASH GUARD	EA	1	\$ 2,500.00	\$ 2,500.00
19	RIPRAP, CLASS III	CY	25	\$ 1,500.00	\$ 37,500.00
SUBTOTAL CONSTRUCTION COST - PART 10 - STORM SEWER - OPTION A:					\$ 2,136,820.00
10% CONTINGENCY					\$ 214,180.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 10 - STORM SEWER - OPTION A:					\$ 2,351,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 241,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 10 - STORM SEWER - OPTION A:					\$ 2,592,000.00
25% INDIRECT COST					\$ 648,000.00
TOTAL ESTIMATED PROJECT COST - PART 10 - STORM SEWER - OPTION A:					\$ 3,240,000.00
PART 11 - STORM SEWER - OPTION B:					
1	12" RC STORM SEWER PIPE	LF	1,300	\$ 60.00	\$ 78,000.00
2	15" RC STORM SEWER PIPE	LF	515	\$ 65.00	\$ 33,475.00
3	18" RC STORM SEWER PIPE	LF	980	\$ 70.00	\$ 68,600.00
4	21" RC STORM SEWER PIPE	LF	600	\$ 80.00	\$ 48,000.00
5	21" RC STORM SEWER PIPE, IN CASING	LF	300	\$ 100.00	\$ 30,000.00
6	24" RC STORM SEWER PIPE	LF	940	\$ 90.00	\$ 84,600.00
7	30" RC STORM SEWER PIPE	LF	1,370	\$ 110.00	\$ 150,700.00
8	30" CASING, JACKED	LF	300	\$ 800.00	\$ 240,000.00
9	36" RC STORM SEWER PIPE	LF	2,540	\$ 130.00	\$ 330,200.00
10	36" RC STORM SEWER PIPE, IN CASING	LF	320	\$ 150.00	\$ 48,000.00
11	48" CASING, JACKED	LF	320	\$ 1,200.00	\$ 384,000.00
12	BORING PITS	EA	2	\$ 40,000.00	\$ 80,000.00
13	BOULDER ALLOWANCE	EA	2	\$ 10,000.00	\$ 20,000.00
14	ROCK EXCAVATION - HARD ROCK	CY	180	\$ 60.00	\$ 10,800.00
15	SAND CUSHION	LF	350	\$ 10.00	\$ 3,500.00
16	STORM SEWER STRUCTURE	LF	630	\$ 1,000.00	\$ 630,000.00
17	ADJUST MH CASTING	EA	38	\$ 500.00	\$ 19,000.00
18	TELEWISE STORM SEWER	LF	8,865	\$ 3.00	\$ 26,595.00
19	CONNECT TO EXISTING PIPE OR STRUCTURE	EA	2	\$ 2,000.00	\$ 4,000.00
20	36" RCP FLARED END SECTION INCL TRASH GUARD	EA	1	\$ 2,500.00	\$ 2,500.00
21	RIPRAP, CLASS III	CY	25	\$ 1,500.00	\$ 37,500.00
SUBTOTAL CONSTRUCTION COST - PART 11 - STORM SEWER - OPTION B:					\$ 2,329,470.00
10% CONTINGENCY					\$ 233,530.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 11 - STORM SEWER - OPTION B:					\$ 2,563,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 263,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 11 - STORM SEWER - OPTION B:					\$ 2,826,000.00
25% INDIRECT COST					\$ 707,000.00
TOTAL ESTIMATED PROJECT COST - PART 11 - STORM SEWER - OPTION B:					\$ 3,533,000.00

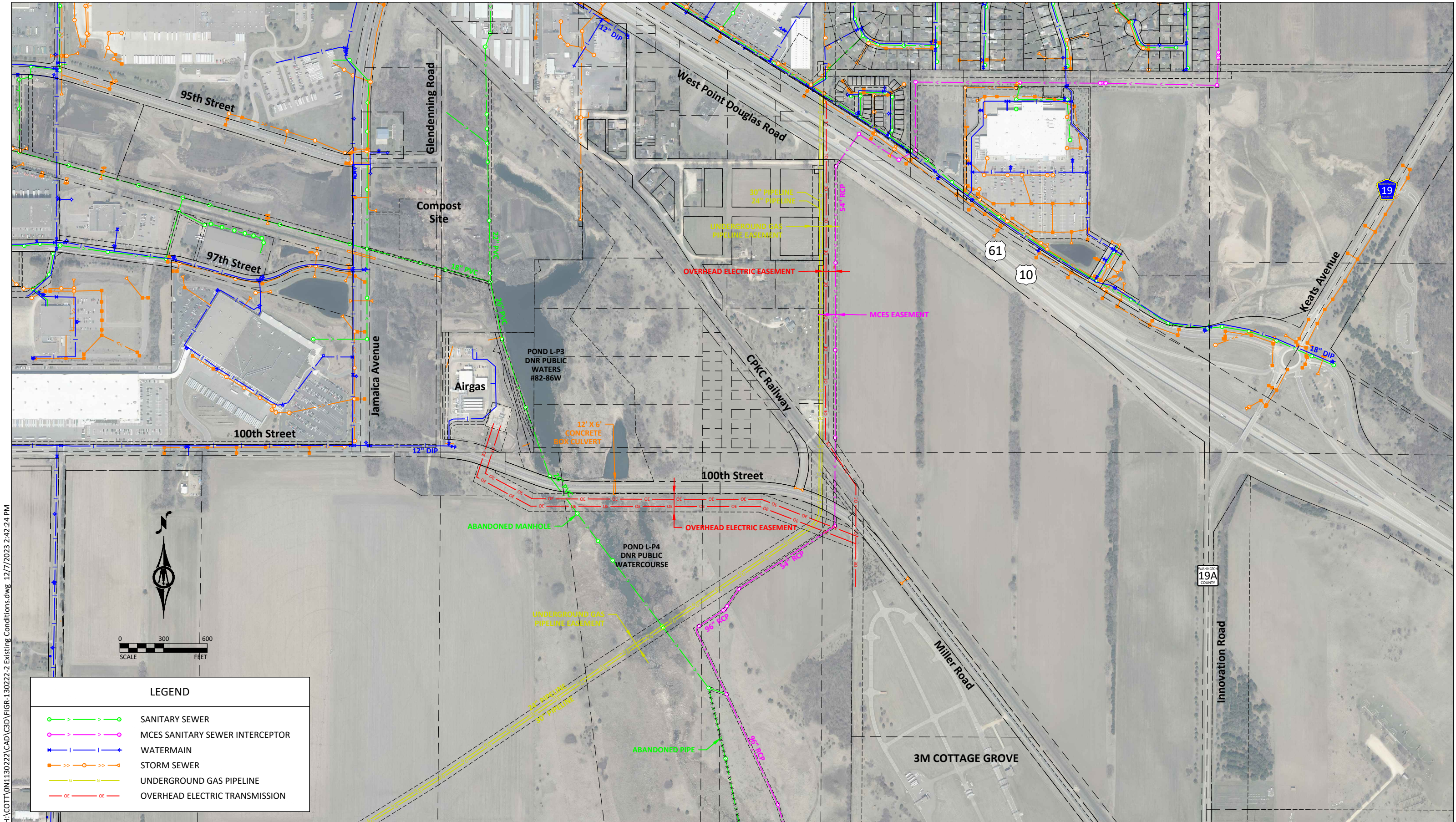
No.	Item	Units	Qty	EE Unit Price	EE Total Price
PART 12 - STORM SEWER - OPTION B1:					
1	12" RC STORM SEWER PIPE	LF	1,300	\$ 60.00	\$ 78,000.00
2	15" RC STORM SEWER PIPE	LF	515	\$ 65.00	\$ 33,475.00
3	18" RC STORM SEWER PIPE	LF	540	\$ 70.00	\$ 37,800.00
4	24" RC STORM SEWER PIPE	LF	940	\$ 90.00	\$ 84,600.00
5	30" RC STORM SEWER PIPE	LF	1,370	\$ 110.00	\$ 150,700.00
6	36" RC STORM SEWER PIPE	LF	2,540	\$ 130.00	\$ 330,200.00
7	36" RC STORM SEWER PIPE, IN CASING	LF	320	\$ 150.00	\$ 48,000.00
8	48" CASING, JACKED	LF	320	\$ 1,200.00	\$ 384,000.00
9	BORING PITS	EA	1	\$ 40,000.00	\$ 40,000.00
10	BOULDER ALLOWANCE	EA	1	\$ 10,000.00	\$ 10,000.00
11	ROCK EXCAVATION - HARD ROCK	CY	180	\$ 60.00	\$ 10,800.00
12	SAND CUSHION	LF	350	\$ 10.00	\$ 3,500.00
13	STORM SEWER STRUCTURE	LF	590	\$ 1,000.00	\$ 590,000.00
14	ADJUST MH CASTING	EA	34	\$ 500.00	\$ 17,000.00
15	TELEWISE STORM SEWER	LF	7,525	\$ 3.00	\$ 22,575.00
16	CONNECT TO EXISTING PIPE OR STRUCTURE	EA	1	\$ 2,000.00	\$ 2,000.00
17	36" RCP FLARED END SECTION INCL TRASH GUARD	EA	1	\$ 2,500.00	\$ 2,500.00
18	RIPRAP, CLASS III	CY	25	\$ 1,500.00	\$ 37,500.00
SUBTOTAL CONSTRUCTION COST - PART 12 - STORM SEWER - OPTION B1:					\$ 1,882,650.00
10% CONTINGENCY					\$ 188,350.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 12 - STORM SEWER - OPTION B1:					\$ 2,071,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 213,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 12 - STORM SEWER - OPTION B1:					\$ 2,284,000.00
25% INDIRECT COST					\$ 571,000.00
TOTAL ESTIMATED PROJECT COST - PART 12 - STORM SEWER - OPTION B1:					\$ 2,855,000.00
PART 13 - STORM SEWER - OPTION B2:					
1	12" RC STORM SEWER PIPE	LF	1,150	\$ 60.00	\$ 69,000.00
2	15" RC STORM SEWER PIPE	LF	495	\$ 65.00	\$ 32,175.00
3	18" RC STORM SEWER PIPE	LF	540	\$ 70.00	\$ 37,800.00
4	24" RC STORM SEWER PIPE	LF	400	\$ 90.00	\$ 36,000.00
5	36" RC STORM SEWER PIPE	LF	2,540	\$ 130.00	\$ 330,200.00
6	36" RC STORM SEWER PIPE, IN CASING	LF	320	\$ 150.00	\$ 48,000.00
7	48" CASING, JACKED	LF	320	\$ 1,200.00	\$ 384,000.00
8	BORING PITS	EA	1	\$ 40,000.00	\$ 40,000.00
9	BOULDER ALLOWANCE	EA	1	\$ 10,000.00	\$ 10,000.00
10	ROCK EXCAVATION - HARD ROCK	CY	180	\$ 60.00	\$ 10,800.00
11	SAND CUSHION	LF	350	\$ 10.00	\$ 3,500.00
12	STORM SEWER STRUCTURE	LF	465	\$ 1,000.00	\$ 465,000.00
13	ADJUST MH CASTING	EA	25	\$ 500.00	\$ 12,500.00
14	TELEWISE STORM SEWER	LF	5,445	\$ 3.00	\$ 16,335.00
15	36" RCP FLARED END SECTION INCL TRASH GUARD	EA	1	\$ 2,500.00	\$ 2,500.00
16	RIPRAP, CLASS III	CY	25	\$ 1,500.00	\$ 37,500.00
SUBTOTAL CONSTRUCTION COST - PART 13 - STORM SEWER - OPTION B2:					\$ 1,535,310.00
10% CONTINGENCY					\$ 153,690.00
SUBTOTAL ESTIMATED CONSTRUCTION COST - PART 13 - STORM SEWER - OPTION B2:					\$ 1,689,000.00
5% INFLATION PER YEAR FROM 2024 TO 2026					\$ 174,000.00
TOTAL ESTIMATED CONSTRUCTION COST - PART 13 - STORM SEWER - OPTION B2:					\$ 1,863,000.00
25% INDIRECT COST					\$ 466,000.00
TOTAL ESTIMATED PROJECT COST - PART 13 - STORM SEWER - OPTION B2:					\$ 2,329,000.00
SUMMARY:					
OPTION A					
TOTAL ESTIMATED PROJECT COST - PART 1 - SANITARY SEWER - OPTION A:					\$ 4,510,000.00
TOTAL ESTIMATED PROJECT COST - PART 5 - WATER MAIN - OPTION A:					\$ 5,530,000.00
TOTAL ESTIMATED PROJECT COST - PART 10 - STORM SEWER - OPTION A:					\$ 3,240,000.00
TOTAL ESTIMATED PROJECT COST - OPTION A (2026 DOLLARS)					\$ 13,280,000.00
OPTION B					
TOTAL ESTIMATED PROJECT COST - PART 2 - SANITARY SEWER - OPTION B:					\$ 4,050,000.00
TOTAL ESTIMATED PROJECT COST - PART 6 - WATER MAIN - OPTION B:					\$ 4,600,000.00
TOTAL ESTIMATED PROJECT COST - PART 9 - WATER MAIN - FUTURE TRUNK OVERSIZING:					\$ 264,000.00
TOTAL ESTIMATED PROJECT COST - PART 11 - STORM SEWER - OPTION B:					\$ 3,533,000.00
TOTAL ESTIMATED PROJECT COST - OPTION B (2026 DOLLARS)					\$ 12,447,000.00
OPTION B1					
TOTAL ESTIMATED PROJECT COST - PART 3 - SANITARY SEWER - OPTION B1 & B2:					\$ 1,533,000.00
TOTAL ESTIMATED PROJECT COST - PART 7 - WATER MAIN - OPTION B1:					\$ 3,955,000.00
TOTAL ESTIMATED PROJECT COST - PART 12 - STORM SEWER - OPTION B1:					\$ 2,855,000.00
TOTAL ESTIMATED PROJECT COST - OPTION B1 (2026 DOLLARS)					\$ 8,343,000.00

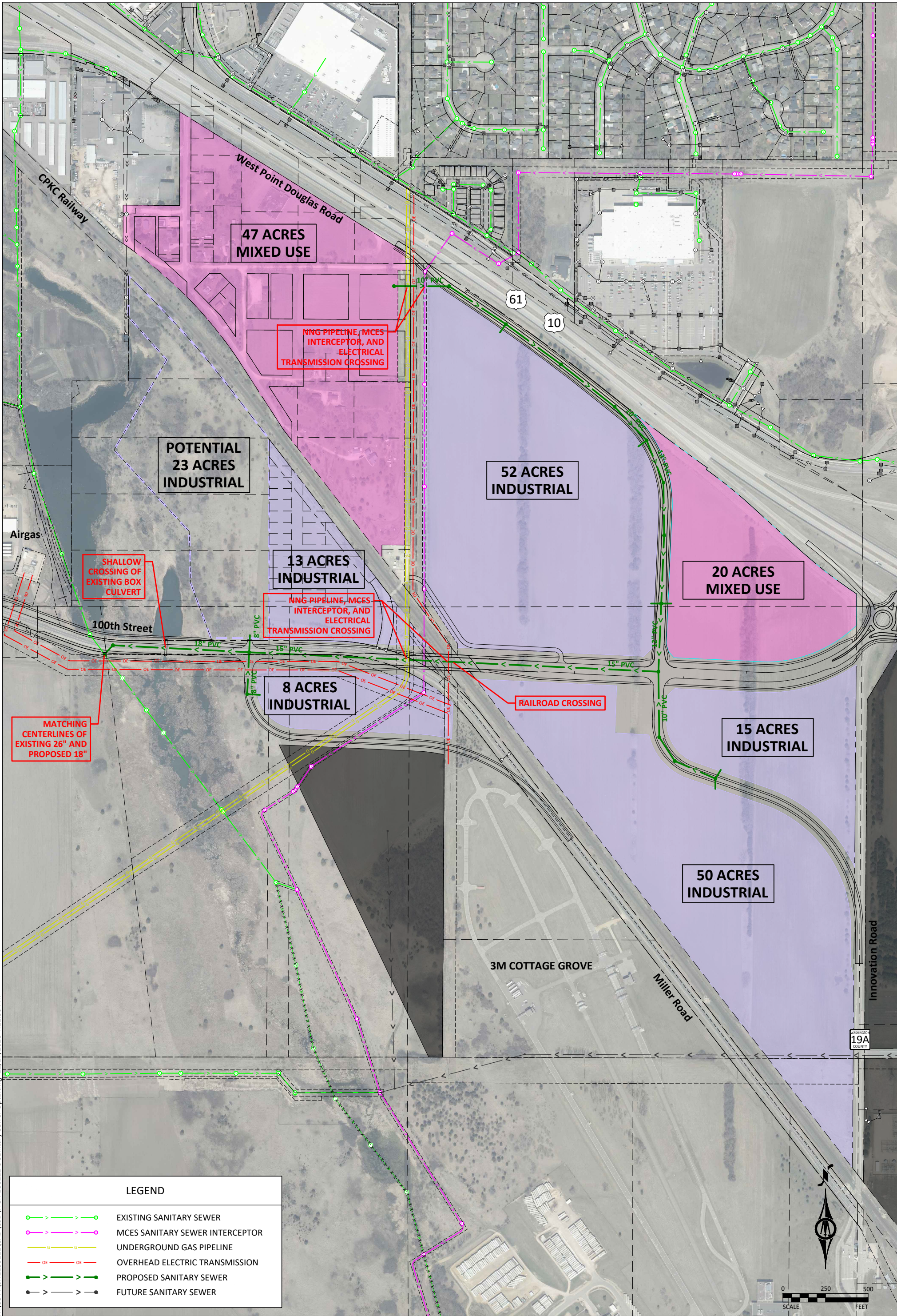
No.	Item	Units	Qty	EE Unit Price	EE Total Price
OPTION B2					
	TOTAL ESTIMATED PROJECT COST - PART 3 - SANITARY SEWER - OPTION B1 & B2:			\$	1,533,000.00
	TOTAL ESTIMATED PROJECT COST - PART 8 - WATER MAIN - OPTION B2:			\$	2,425,000.00
	TOTAL ESTIMATED PROJECT COST - PART 13 - STORM SEWER - OPTION B2:			\$	2,329,000.00
	TOTAL ESTIMATED PROJECT COST - OPTION B2 (2026 DOLLARS)			\$	6,287,000.00
SANITARY SEWER WEST OF RAILROAD					
	TOTAL ESTIMATED PROJECT COST - PART 4 - SANITARY SEWER - WEST OF RAILROAD:			\$	447,000.00
	TOTAL ESTIMATED PROJECT COST - SANITARY SEWER WEST OF RAILROAD (2026 DOLLARS)			\$	447,000.00

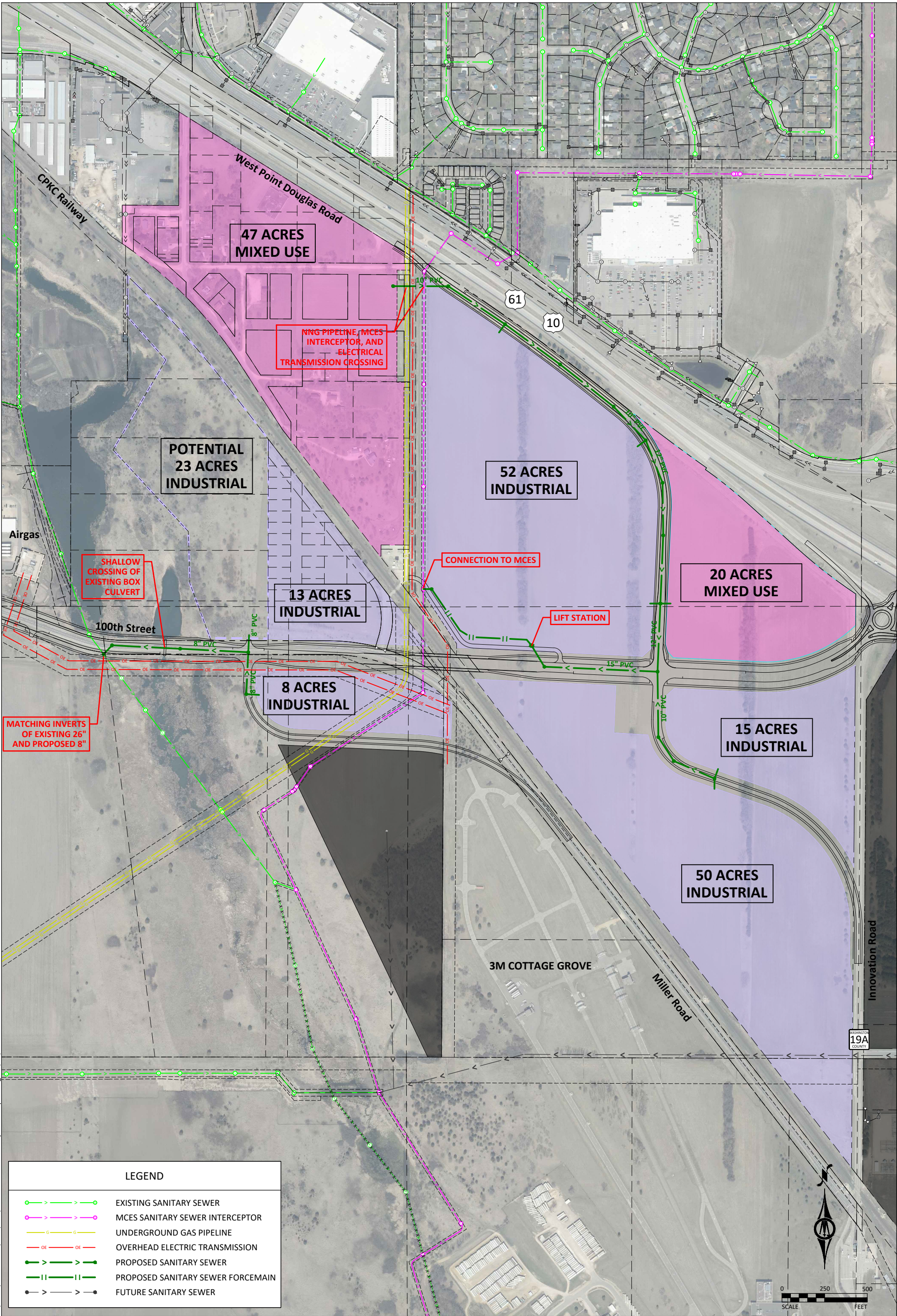
Figures

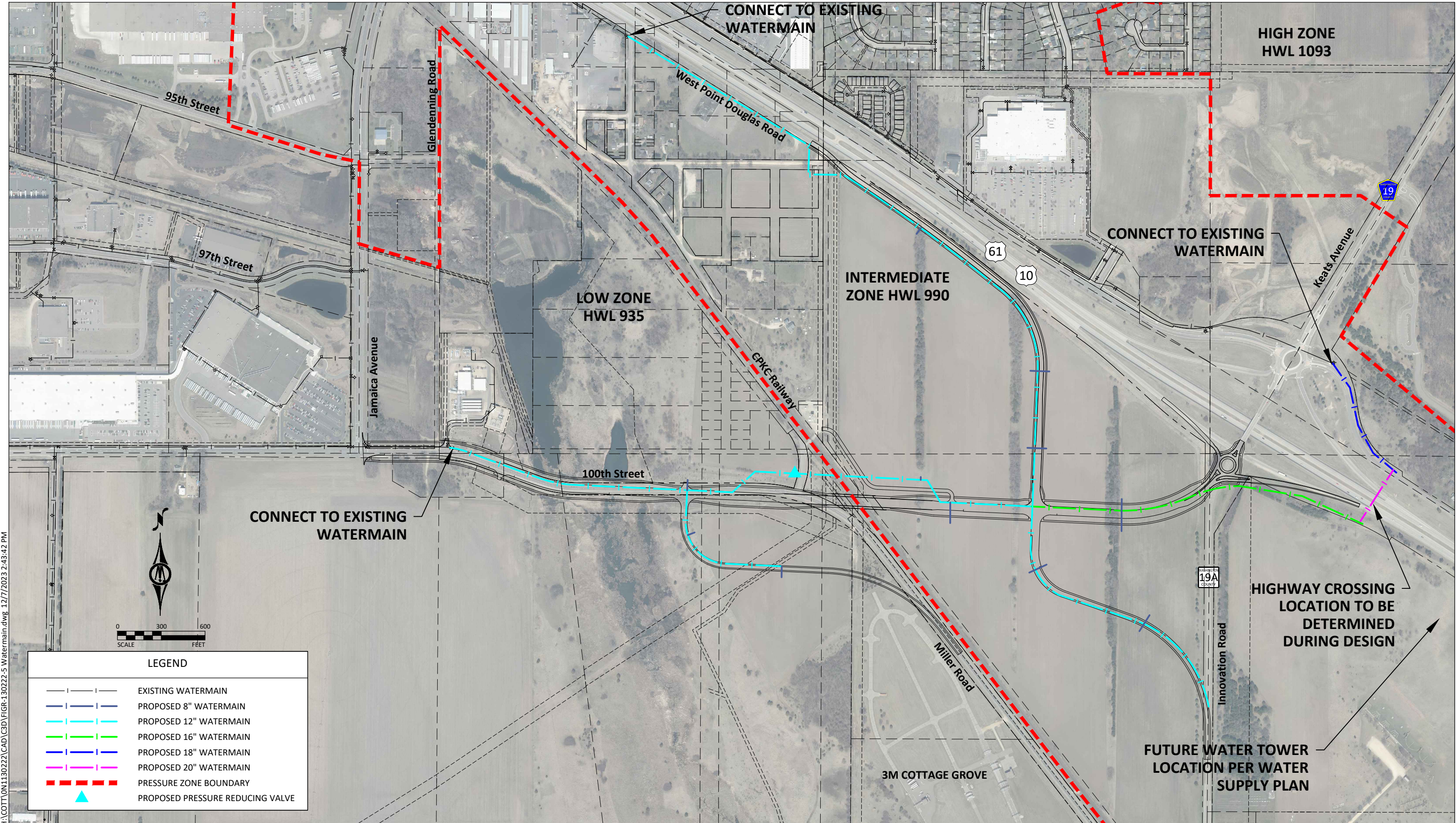


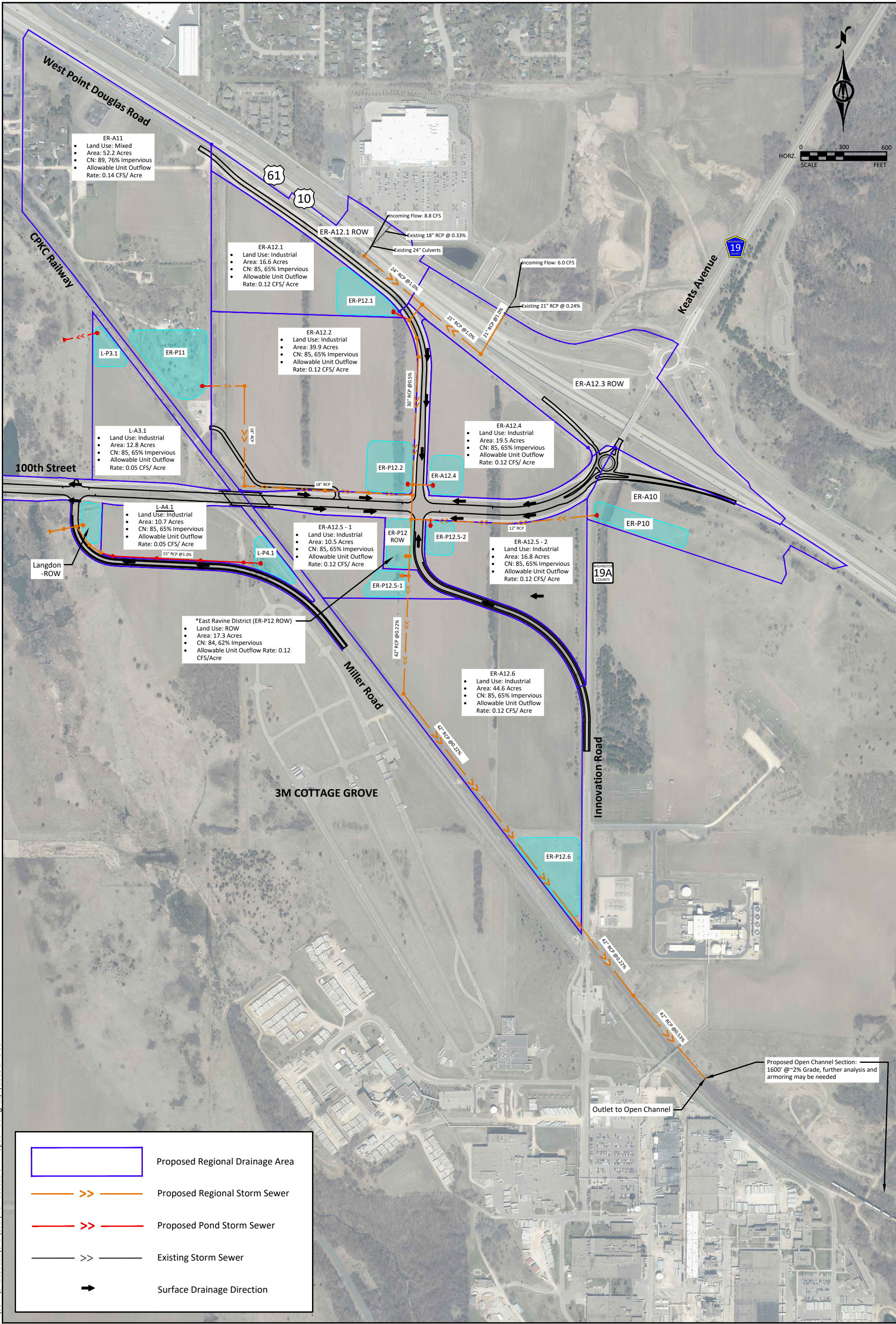
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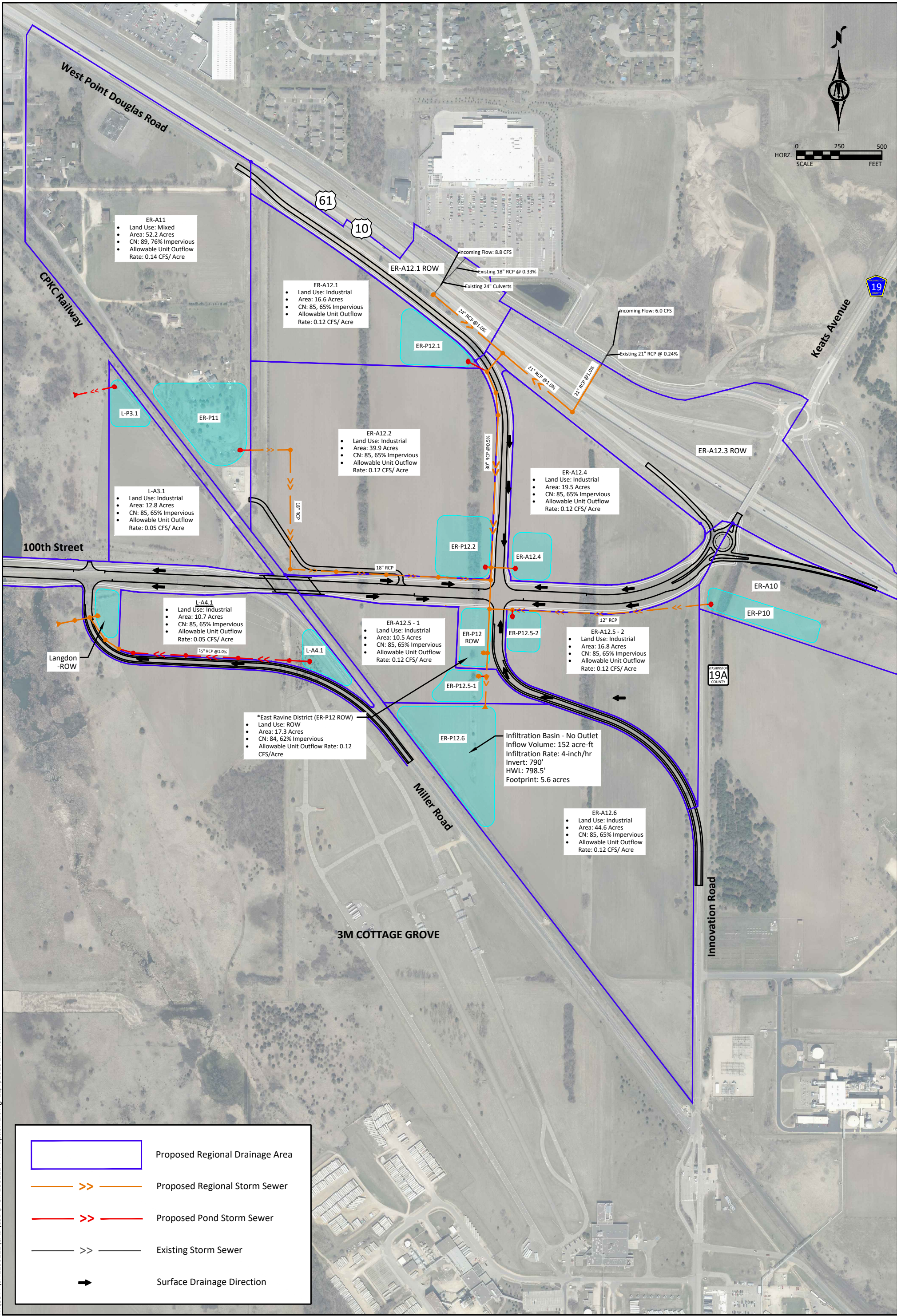


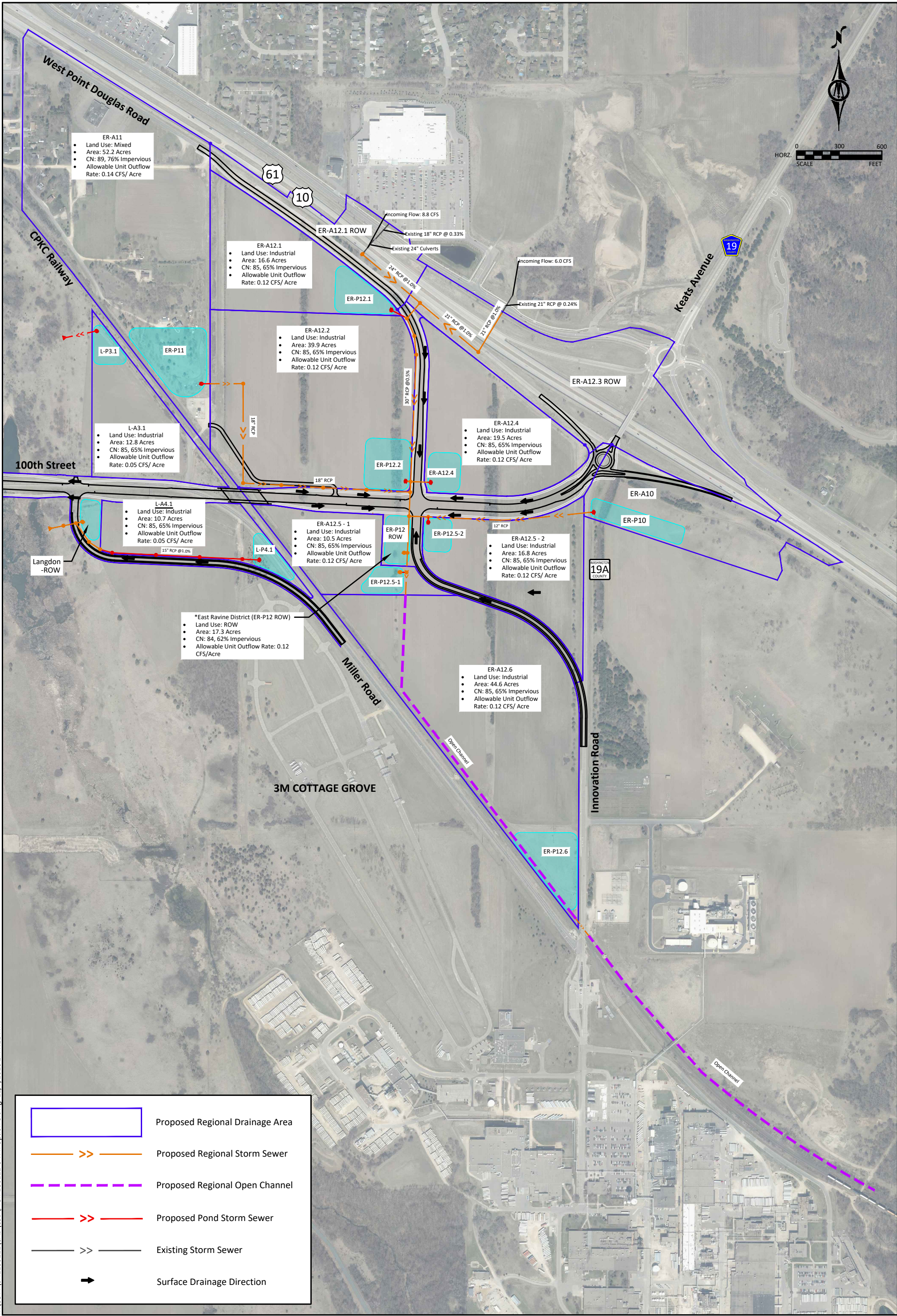


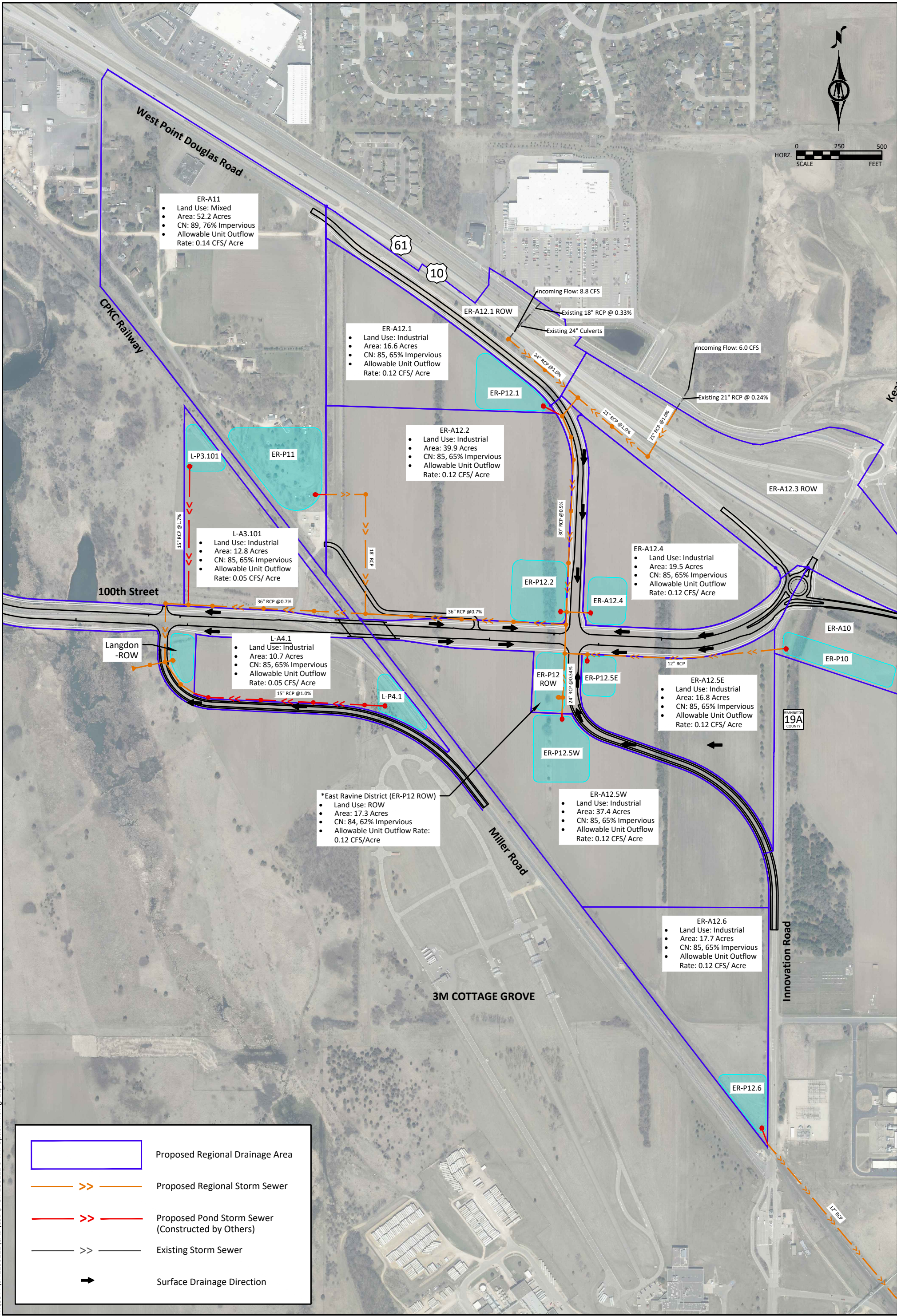


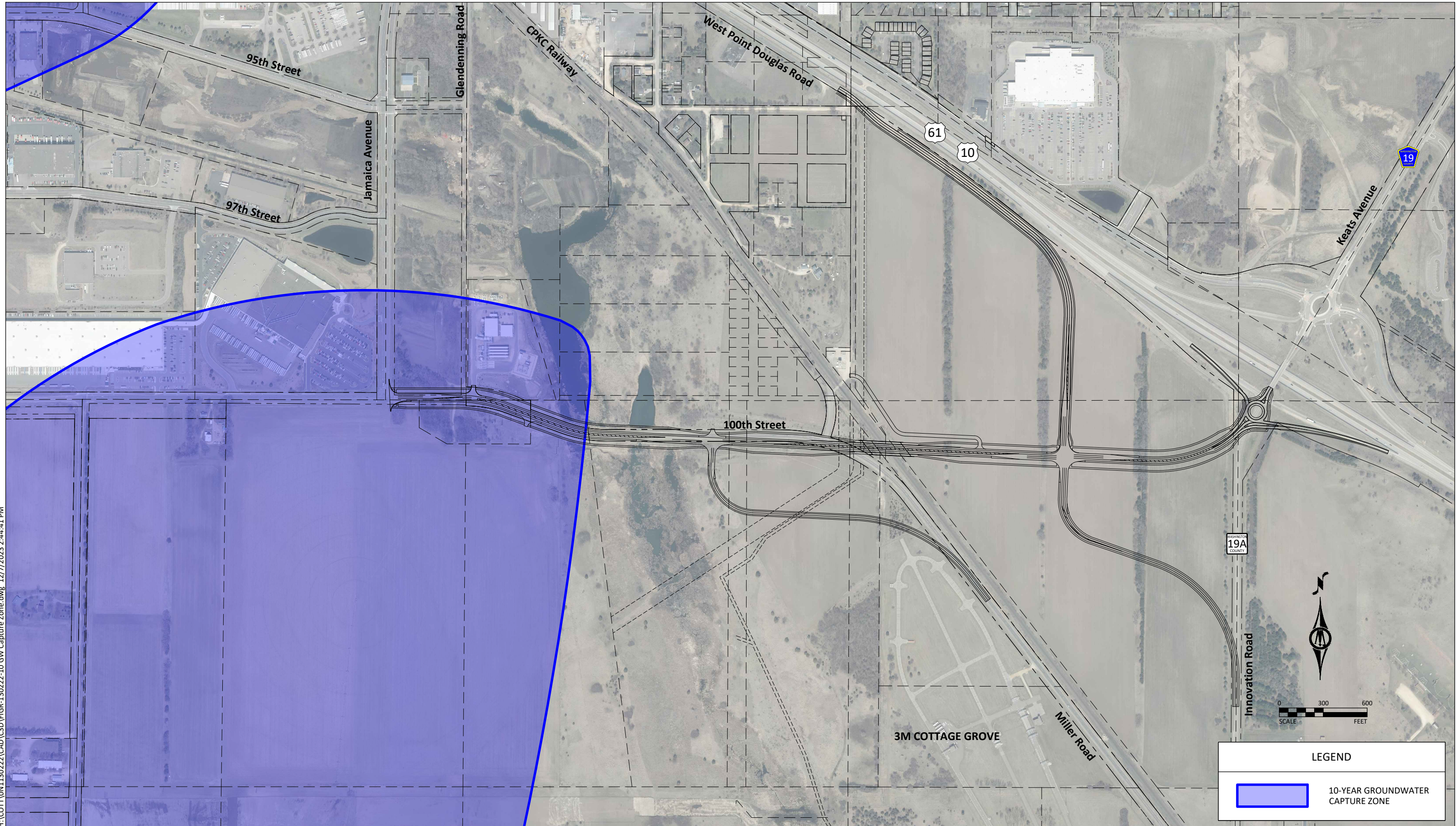


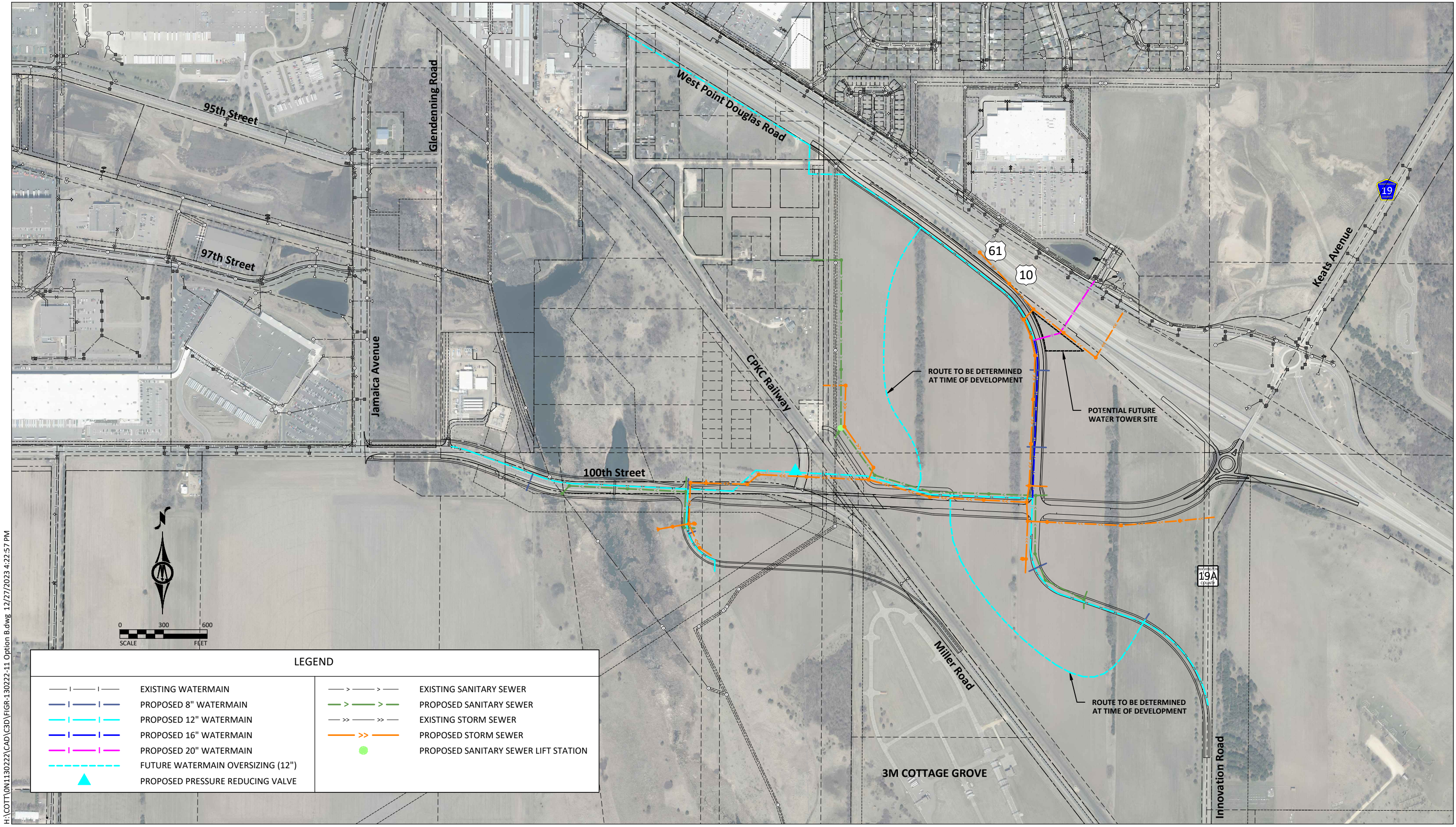


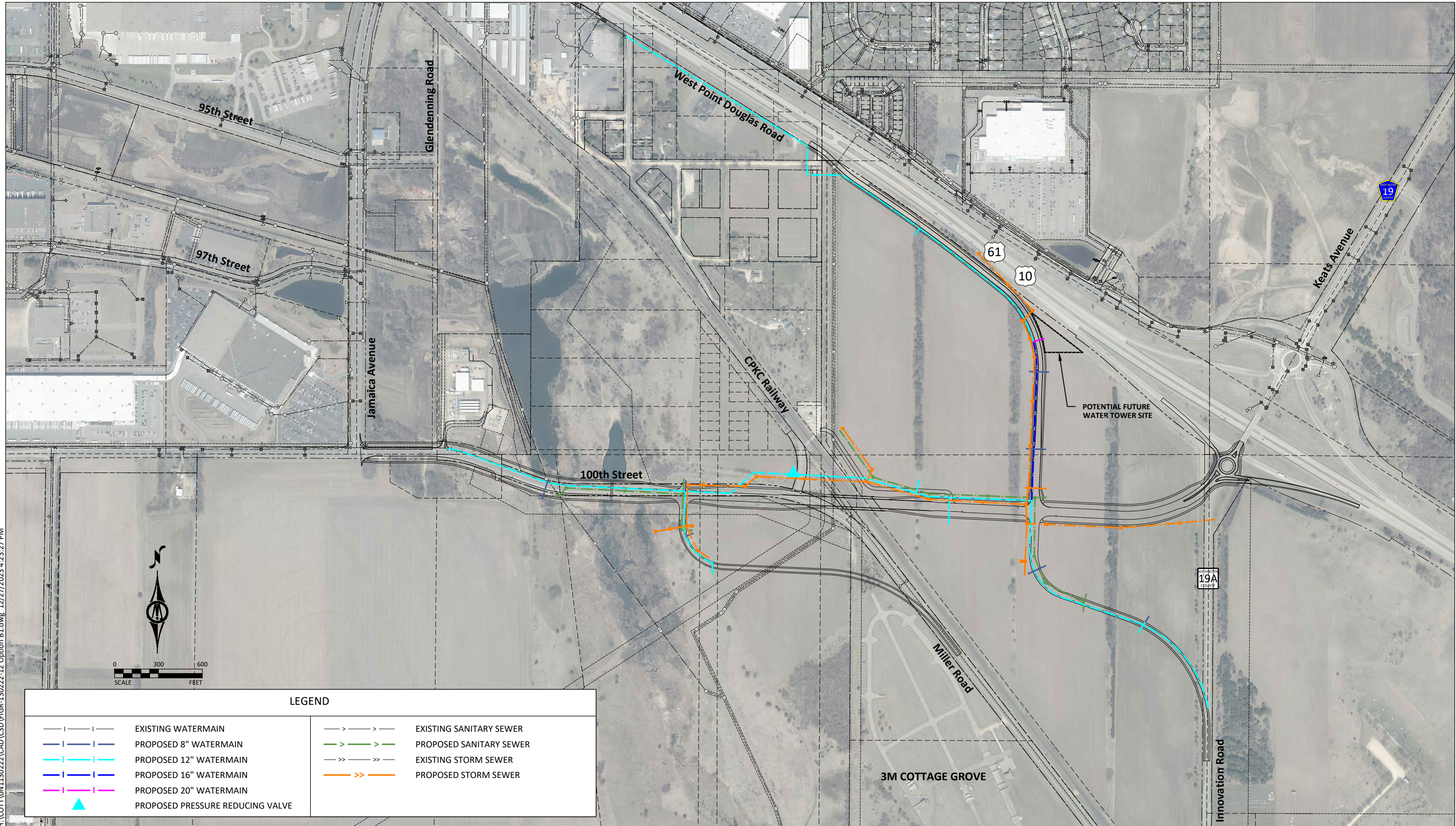


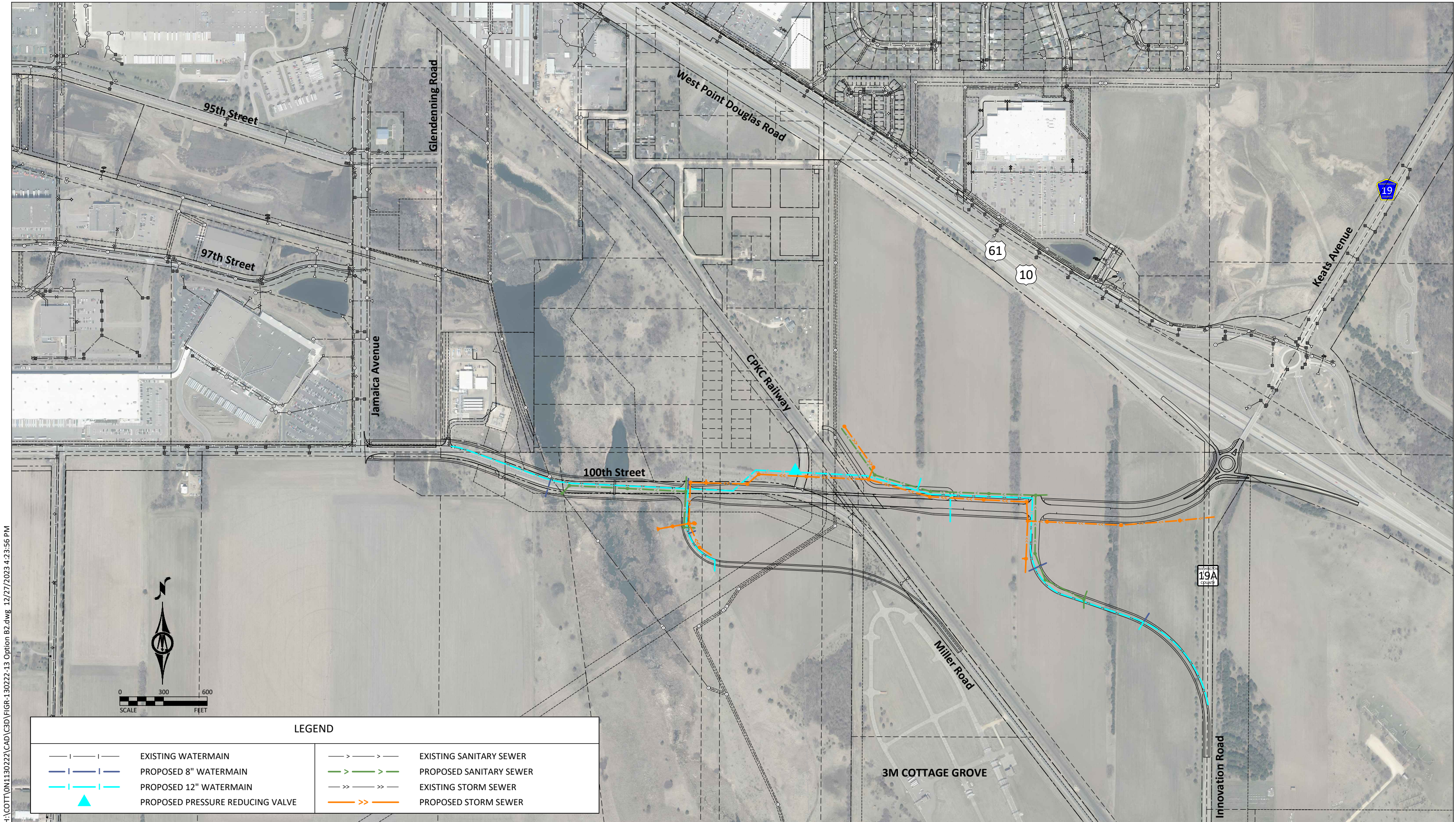












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TO: The Honorable Mayor Bailey and City Council
Jennifer Levitt, City Administrator

FROM: Gretchen Larson, Economic Development Director

DATE: December 28, 2023

RE: 3M Land and Shoppes at Cottage View Developments – Xcel, Comcast, and Lumen Capacity Report

Background

As a part of the 3M Land Study and The Shoppes at Cottage View Developments, the Public Works and Engineering teams have created an overview of all of the public infrastructure that the city would need in order to provide certain levels of services to the area. As a part of this review staff also needed to connect with Xcel, Comcast, and Lumen to work with them regarding their capacity to service the area for electrical, gas and cable/fiber optics needs.

The attached maps were created by Xcel and Comcast, with assistance from our GIS Technician. The first two maps are Xcel's current electrical transmission and distribution capacity, and the third map is an overview of their gas capacity. The fourth map is from Comcast and indicates their capacity and services lines in the area. As of this report we still have not received a services capacity map from Lumen. However, their chief engineer provided an email stating that they were still reviewing if they could share the capacity maps so we will report back accordingly if we receive.

In visiting the respective teams at each company, they indicated that they can currently provide service to a typical user. However, if a very large user were to come into the area in the next 24 to 36 months, Xcel in particular would still find a way to increase capacity to service the needs of the requestor. Capacity is not an issue for Comcast or Lumen regardless of user size. Each of the representatives also stated that they are project driven organizations, so all planning is highly dependent on the project to be built and the exact needs of the company but again, all were confident that they could address the capacity needs of any users within a specific timeframe.

Staff notes that we requested both long-term strategic planning information and detailed maps to better understand the service capacity in greater detail from each of the service providers. However, stating concerns with confidential or privileged information provisions and security constraints, this was as much information that they felt comfortable providing.

Attachments

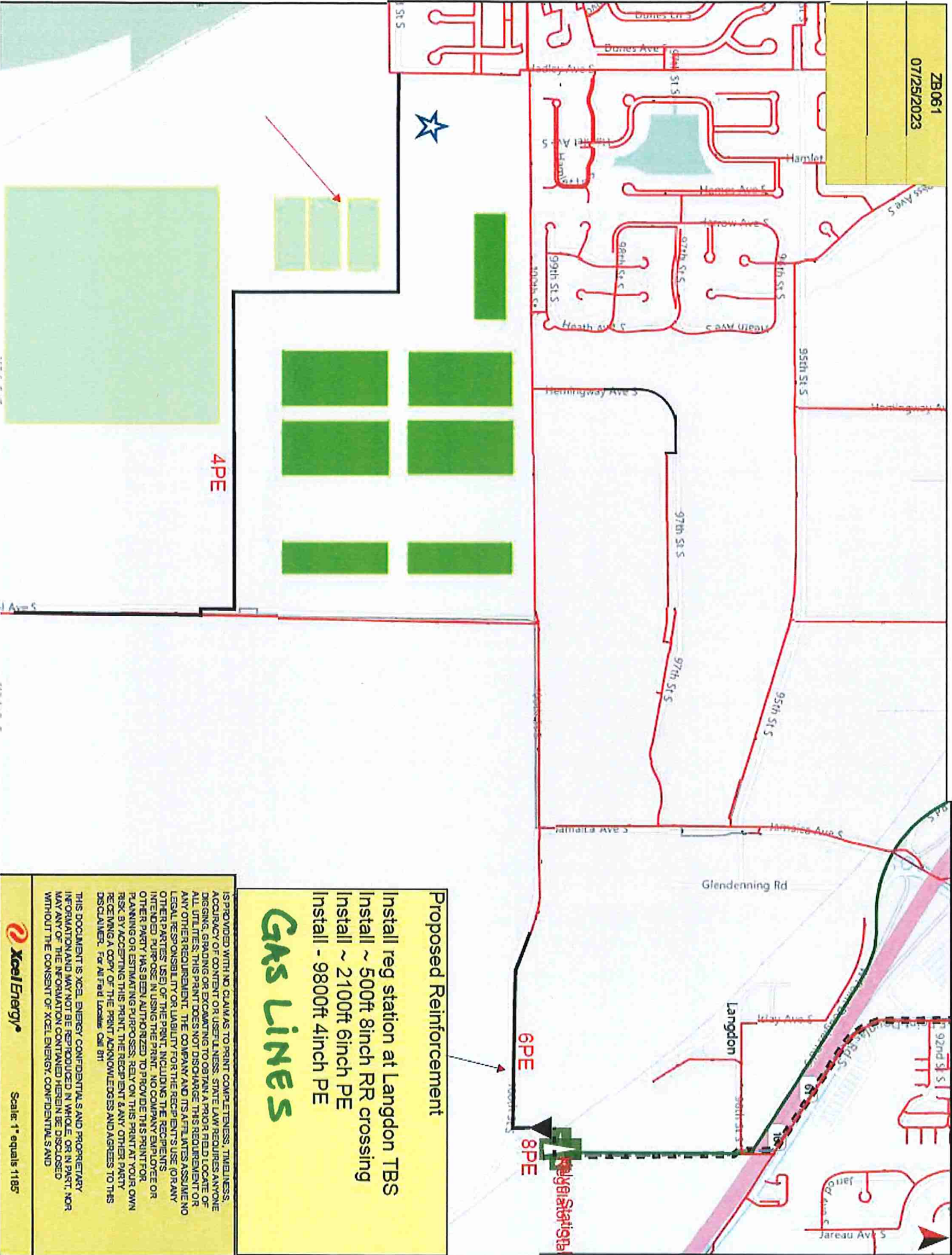
Xcel Electrical Transmission and Infrastructure Distribution
Xcel Gas Lines Distribution
Comcast Service and Capacity Lines

Electric Infrastructure - Distribution



2

ZB061	07/25/2023

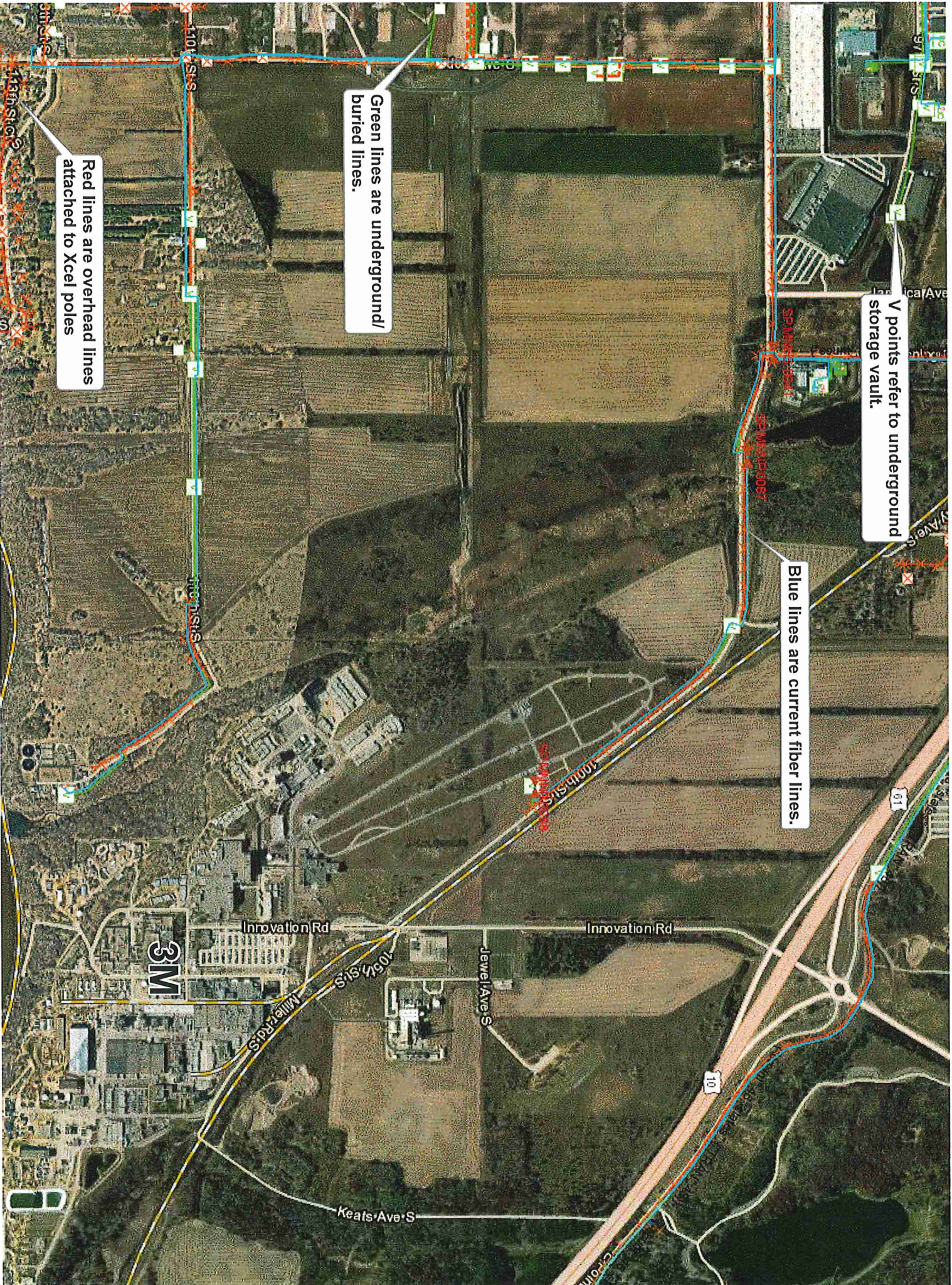


Install reg station at Langdon TBSS
Install ~ 500ft 8inch RR crossing
Install ~ 2100ft 6inch PE
Install - 9800ft 4inch PE

Gas Lines

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V points refer to underground storage vault.

Blue lines are current fiber lines.

Green lines are underground/buried lines.

Red lines are overhead lines attached to Xcel poles



To: Honorable Mayor and City Council
From: Zac Dockter, Parks and Recreation Director
Cc: Jennifer Levitt, City Administrator
Brenda Malinowski, Finance Director
Date: December 19, 2023
Subject: Local Option Sales Tax Project

Background

The City of Cottage Grove received state approval to bring a local option sales tax referendum to Cottage Grove voters in November of 2024. Given the potential significance of this effort has upon the community, staff would like to briefly review the project scope during the strategic planning session and get guidance on the public education and communications strategy.

Project Introduction

The City has spent the past year studying whether a local option sales tax could provide a positive impact to Cottage Grove residents. Below are highlighted points in time for this process:

January 15, 2022Strategic Planning Session with Council to provide initial direction on LOST
February 9, 2022Council Workshop to brainstorm potential projects
April 5, 2022.....Staff session to detail project ideas and develop community engagement plan
June-August, 2022.....Community engagement process (Reimagining Recreation Study)
December 21, 2022Council Workshop to discuss LOST process
January 4, 2023Council Workshop to discuss LOST financial impact
January 11, 2023.....Council Workshop to provide direction on three LOST projects at:
1) Hamlet Park
2) Mississippi Dunes Park
3) River Oaks
February – May 2023.....State Legislation application for special law
November 2023Council resolution to approve special law

Park Project Review

The following projects were submitted in the special law and will be highlighted during the community education and communications effort this coming year. Concept plans for each are included with this report.

Hamlet Park (\$17M)

The Hamlet Park project is designed to enhance Cottage Grove's oldest and largest municipal park. The plan will make improvements to the northern trail entrance, complete the baseball field complex to the south, install a synthetic turf field, splash pad, concrete skate park, new playground, art opportunities and a new park building.

Mississippi Dunes Park Development (\$13M)

This future park along the banks of the Mississippi River near Grey Cloud Island will renovate 20 acres of public space at the former golf course. Improvements will be focused on habitat restoration, recreational access to the river (fishing, boating, paddling, etc.), outdoor educational options, trails and an interpretive center.

River Oaks Golf Course and Event Center (\$6M)

Improvements to River Oaks Golf Course & Event Center are designed to increase appeal of the facility to a broader audience both locally and regionally while also diversifying business opportunities. The project consists of the addition of a winter mountain biking course and a Himalayan putting green. Building and patio renovations will expand both features and allow for expanded services such as patio experiences, simulated golf programs and more.

Financial Impact

A preliminary estimate from the City's financial consultant Ehlers, Inc. is calculating annual sales tax of \$1,209,000 through LOST. Based on this annual sales tax, a 25-year bond of \$15,900,000 could be issued to generate capital for the aforementioned recreational improvements. Inflation and contingency are included in the project budgets as recommended by the financial consultants. The consultant further recommends that project estimates are valued higher than the revenue generation estimates to account for unknown sales tax growth. However, having a tiered construction strategy would assure projects are completed only as funding is available. In the table below, tier one improvements would be the primary construction goals for the first five years. Tier two and three improvements would be completed within the 25-year LOST life cycle as funding is available (tier two as the primary objectives over tier three).

Tier 1 Improvements - \$18M

Hamlet Park (\$10M)

- Synthetic Field (w/lights)
- Ballpark Complex
- Skateboard Park
- Splash Pad
- Playground

Dunes Park (\$4M)

- Trail System
- Small Boat Launch Area
- Canoe/Kayak Launch & Storage
- Picnic Areas
- Shoreline/Habitat Restoration

River Oaks (\$4M)

- Patio Upgrades
- Building Upgrades w/Simulators
- Winter Mountain Bike Trail

Tier 2 Improvements - \$10M

Hamlet Park (\$5M)

- New Building
- Amphitheater
- Artwalk/garden

Dunes Park (\$3M)

- Nature-Based Playground
- Outdoor Classroom
- Interpretive Info
- Parking Lot

River Oaks (\$2M)

- Driving Range Enhancement
- Himalayan Practice Green

Tier 3 Improvements - \$8M

Hamlet Park (\$2M)

- North Trail Entrance
- Fitness Equipment/Court

Dunes Park (\$6M)

- Four-Season Building
- Grand Lawn
- Terrace/Patio

Project Timeline

Jan 2024-Sep 2024Create public communication plan and materials. Begin preliminary data/info drop for early education and communication with the community.
October 2024Full public communication effort to educate public on the ballot question.
November 2024Referendum
Winter 2024-2025Develop project plans and specification.
Summer 2025Commence work on Tier 1 projects.

Staff Recommendation

Review information and provide feedback to project staff team.





PLAN ENLARGEMENT 2



Master Site Plan: Mississippi Dunes Park

KEY HIGHLIGHTS

- 1 Wayfinding / Public Art
- 2 Four Season Building (4,000 SF)
- 3 Nature-Based Playground (6,000 SF)
- 4 Open Lawn Area
- 5 Terrace / Patio
- 6 Parking Lot (40 Stalls)
- 7 Future Parking Expansion
- 8 Boat Trailer Parking Lot (15 Stalls)
- 9 Boat Launch
- 10 Boat and Kayak Dock
- 11 Tiered Seating Area / Outdoor Classroom
- 12 Multi-use Bituminous Trail (12' Width)
- 13 Crushed Stone Trail (6' Width)
- 14 Mowed Trail (5' Width)
- 15 Overlook / Picnic Area
- 16 Stone Steps Down to River
- 17 SNA Trailhead
- 18 Stormwater Management Area

PLAN NOTES:

Potential future roadway re-alignments of Grey Cloud Trail & County Road 103rd Street, in addition to lot lines & roadways for the proposed residential development, are for representation purposes only. Final design and layout for these projects will be refined as both projects move forward.





PRACTICE FACILITY AND HIMALAYAN GREEN 1



GOLF SIMULATOR 2



PATIO UPGRADES 3



MOUNTAIN/WINTER BIKING 4



City Council Action Request

9.A.

Meeting Date 1/6/2024

Department Administration

Agenda Category Action Item

Title Strategic Plan Updates

Staff Recommendation Proposed updates to the strategic plan will be presented and discussed. Facilitate discussion with staff and elected officials on items from the work session, with recommendations to staff from elected officials on strategic action items.

- Review Mission Statement
- Review 3 Pillars
 1. Business Environment
 2. Organizational Culture – Department Heads to report on the survey.
 3. Quality of Life
- Review Strategic Strategies

Budget Implication

Attachments

1.	Organizational Culture - Memo - Employee Survey 2023
2.	Organizational Culture - Employee Survey Graphs 2023



To: Honorable Mayor and City Council
From: Jennifer Levitt, City Administrator
Date: December 29, 2023
Subject: Employee Survey 2023

Discussion

The 2023 employee survey had a total of 100 respondents, which is 54 more individuals than last year. The number of respondents in each category is listed below which is broken down by department.

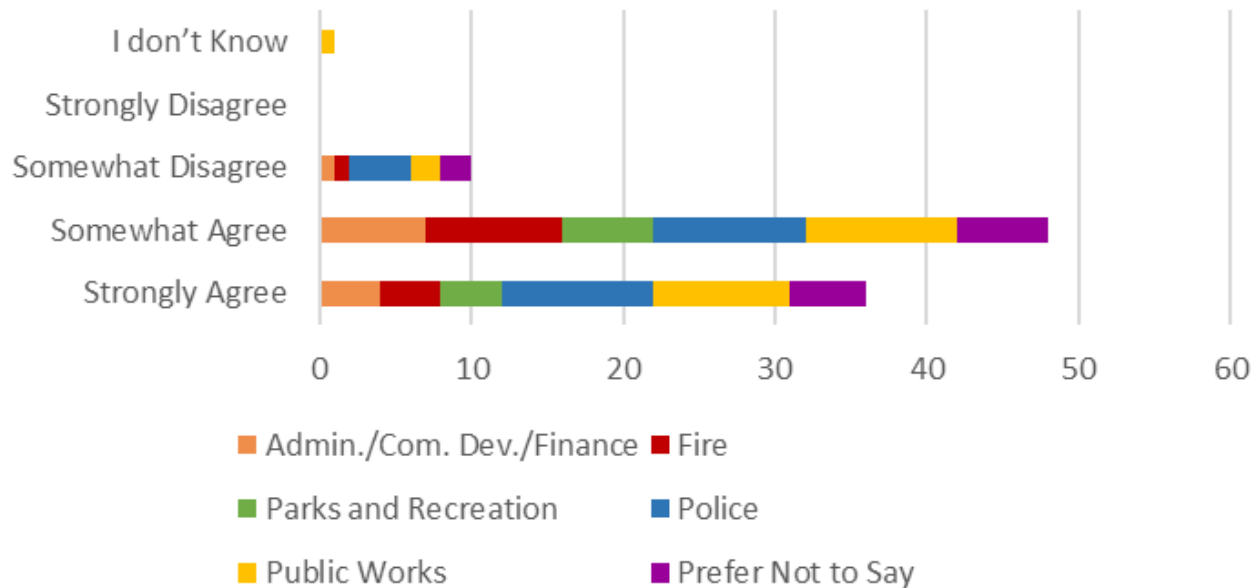
Administration/Community Development/Finance	12
Fire	17
Parks and Recreation/River Oaks	10
Police	24
Public Works	23
Prefer not to say	14

The survey included a total of 56 questions covering topics such as job satisfaction, training, teamwork, leadership, onboarding processes, wages and benefits, and communication.

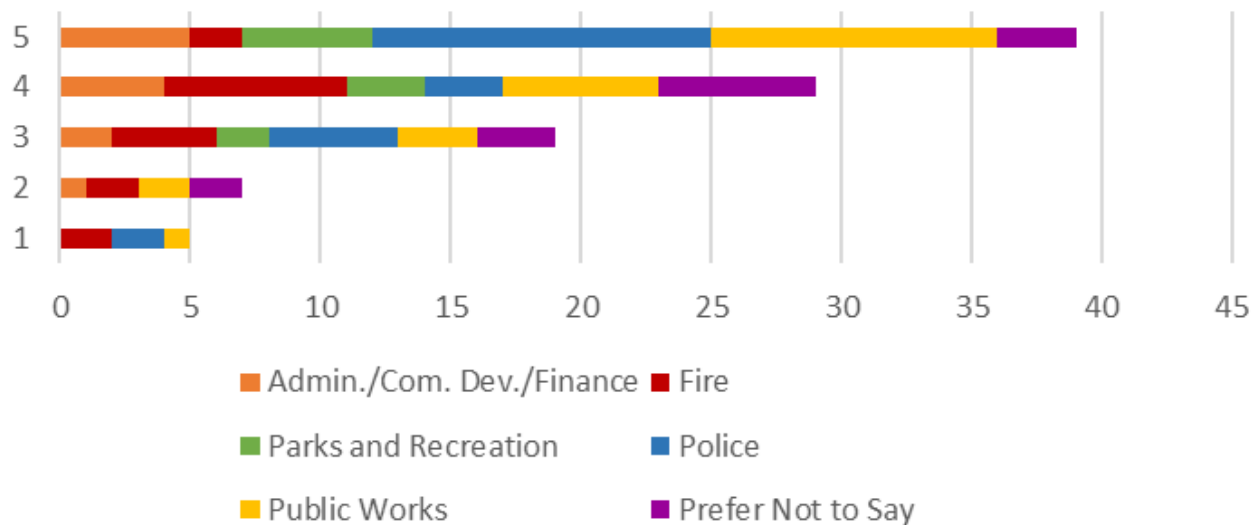
Attached is the Employee Survey 2023 review of respondents by department. Department leaders will provide individual comments and future actions based on this report.

EMPLOYEE SURVEY 2023

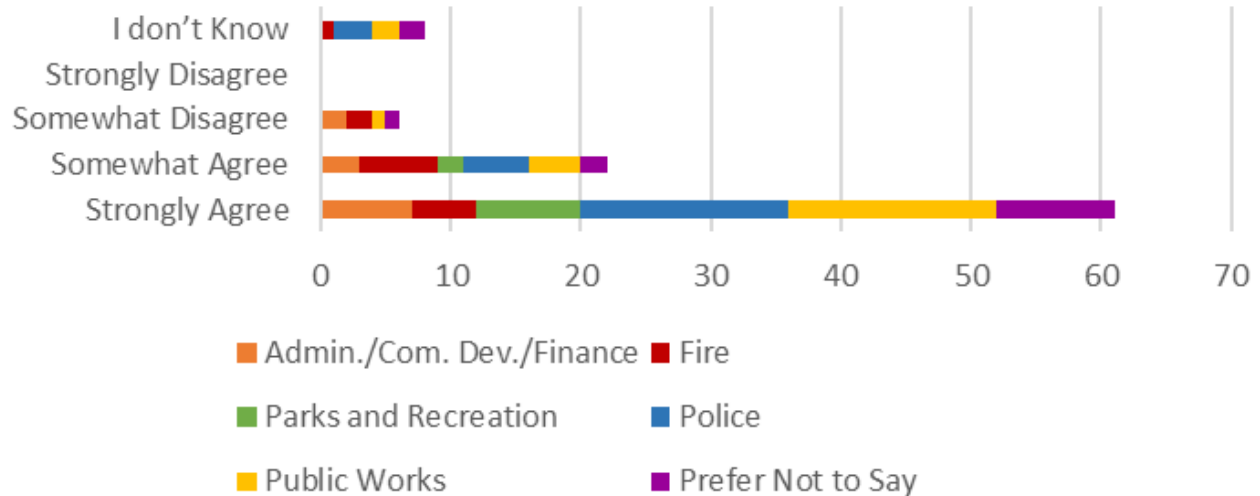
Overall, I am satisfied with my job.



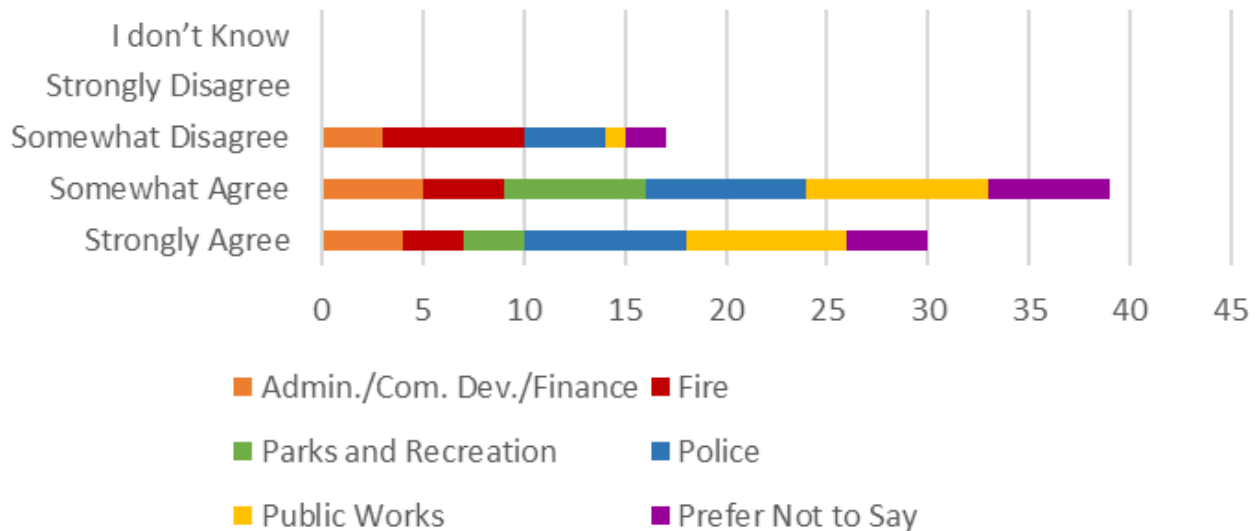
How likely are you to recommend us as an employer on a scale of 1 to 5?



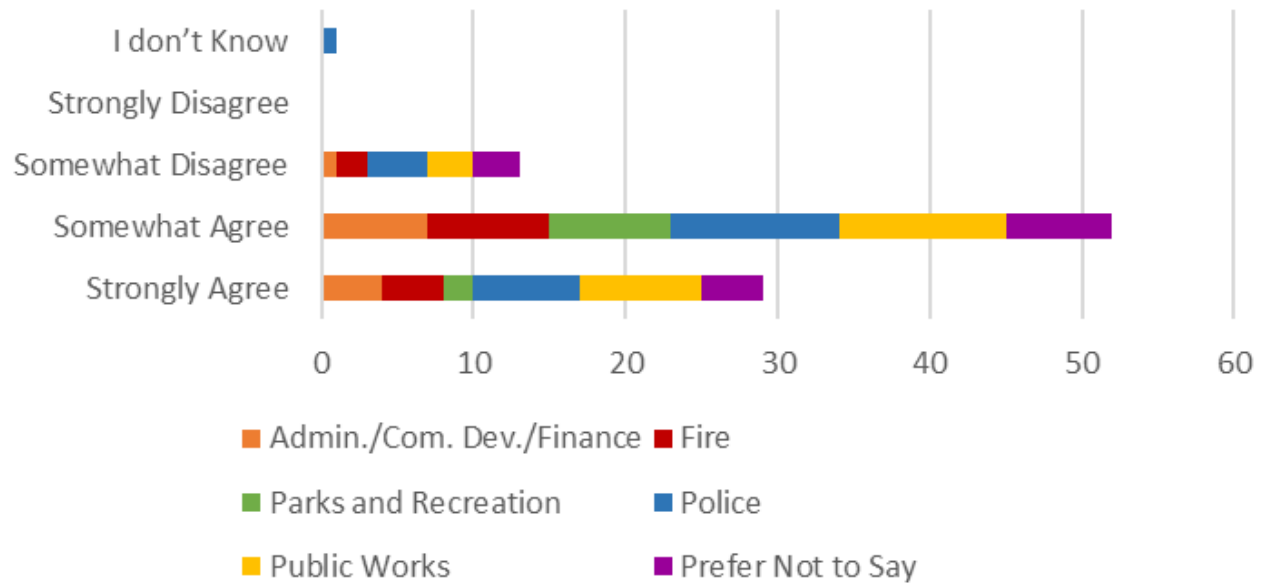
I plan on working for the city one (1) year from now.



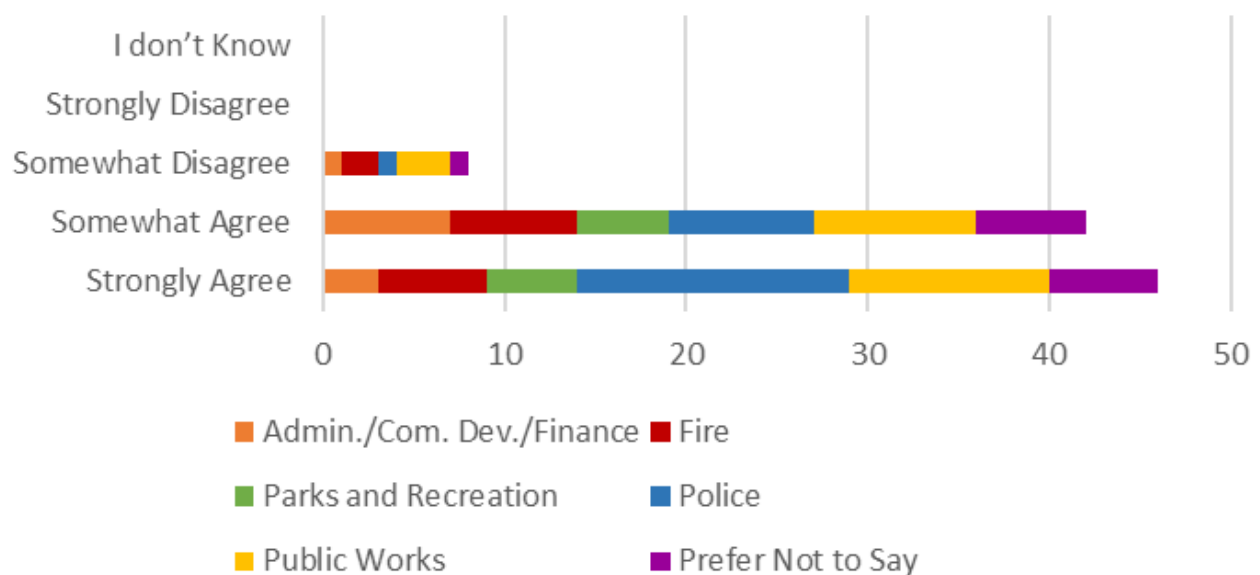
On average, I feel appreciated for the work I do.



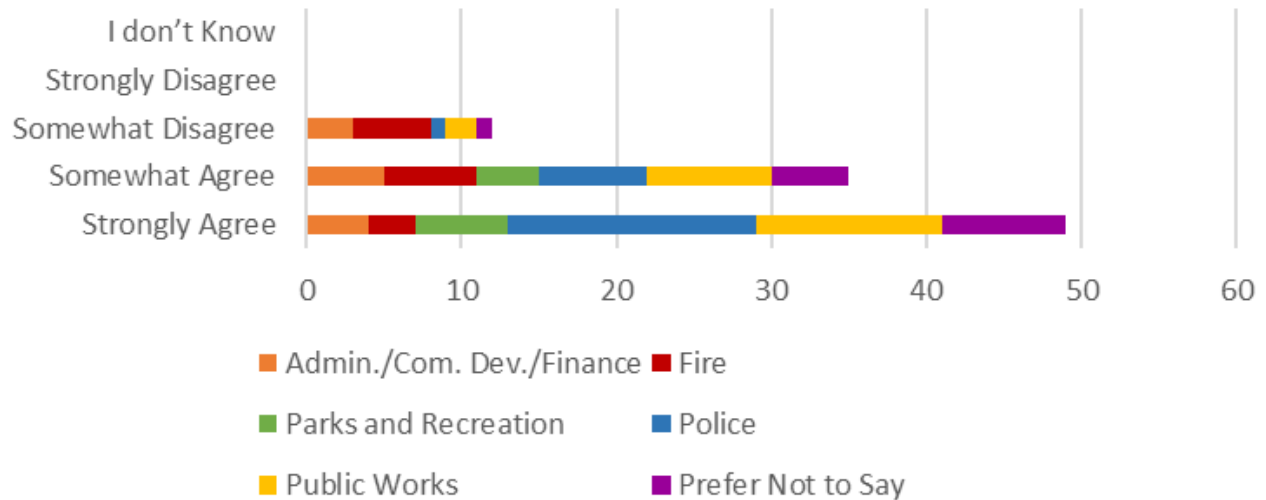
I enjoy coming to work everyday



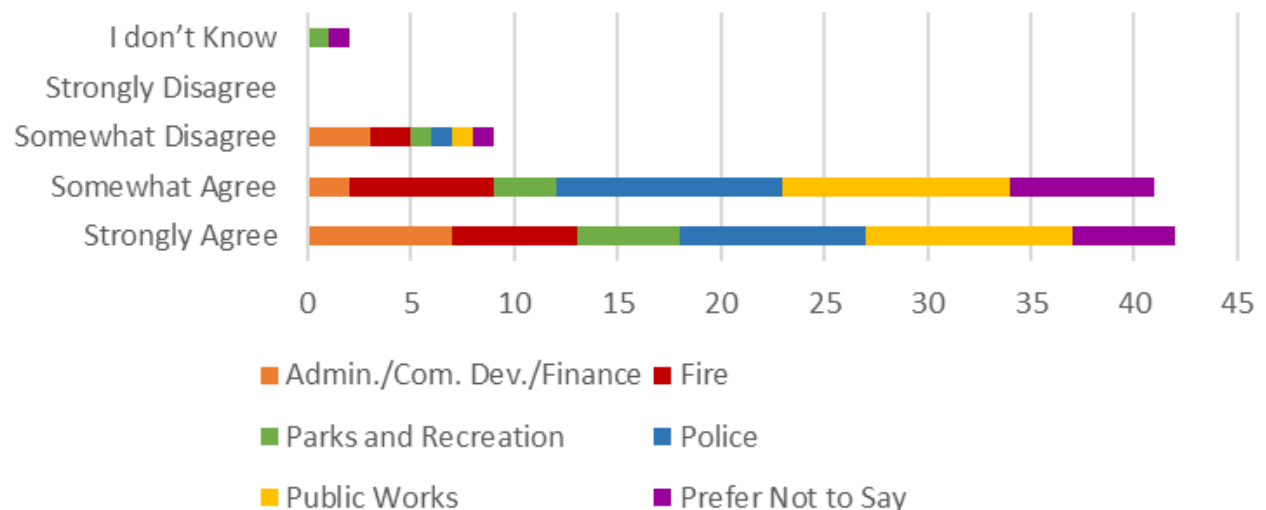
I understand what is expected of me.



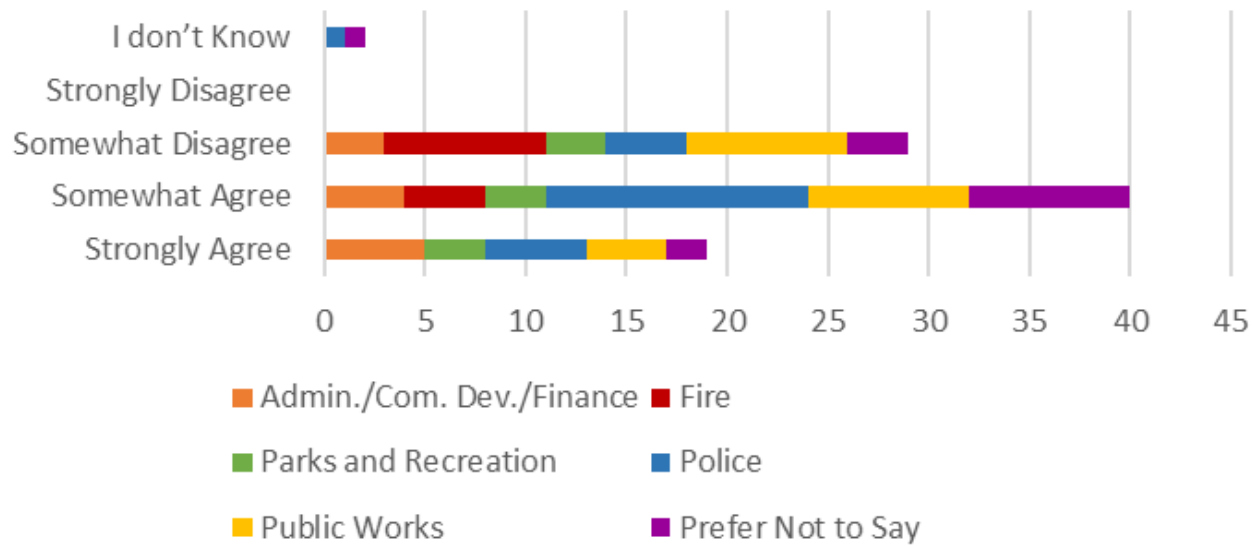
I have access to the resources (e.g. equipment, information, materials, software, technology) needed to do my job effectively.



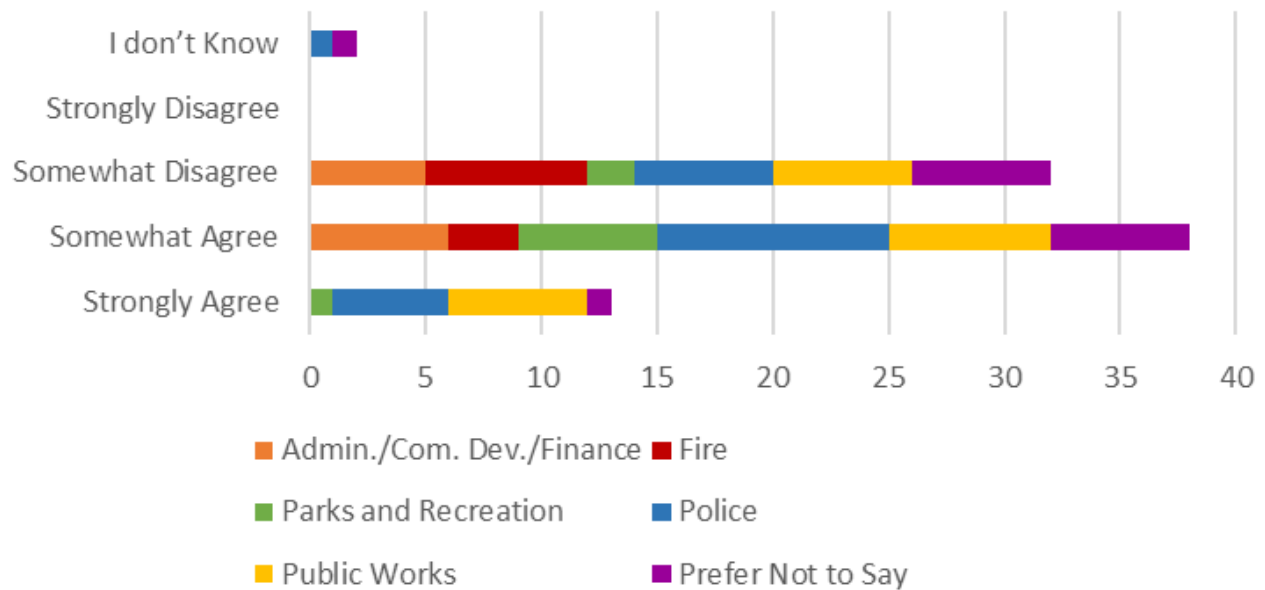
The city provides adequate opportunities to help employees develop the knowledge and skills necessary for the position and to advance my career.



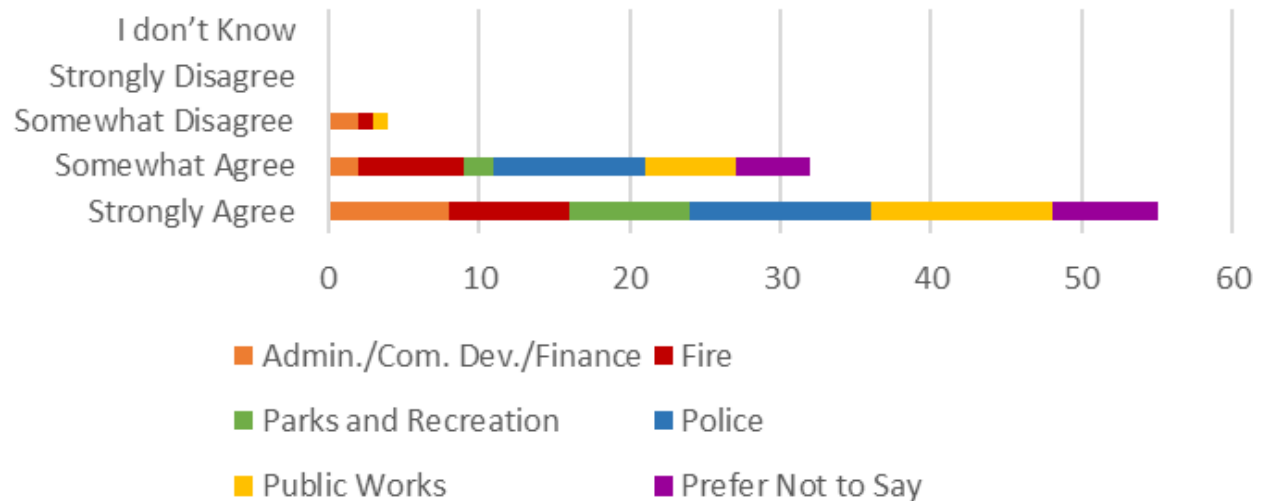
The city attracts the talent needed to continue functioning at a high level.



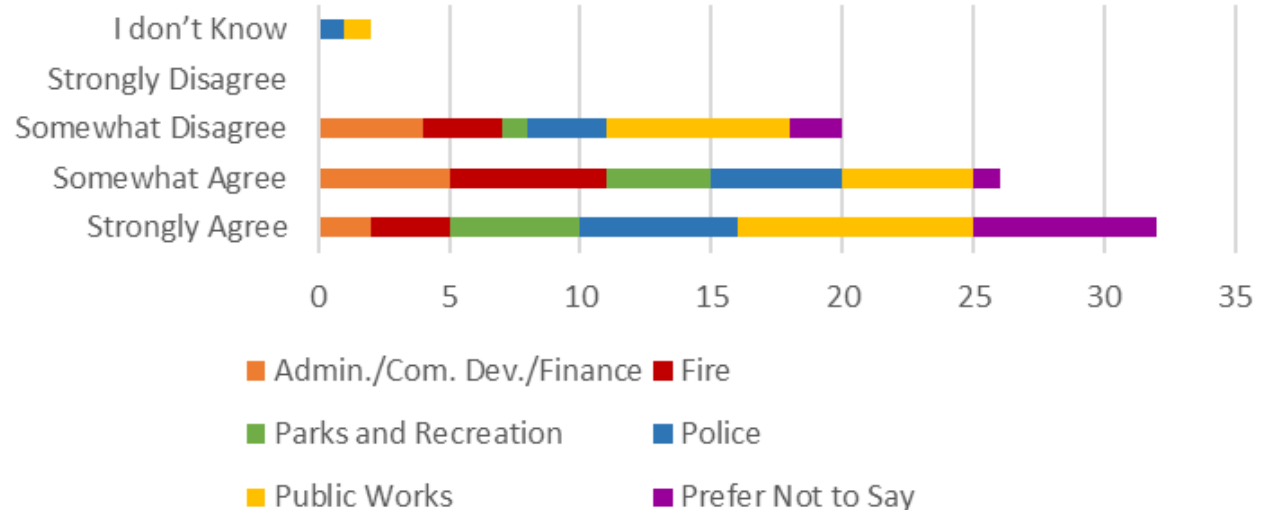
The city does a good job of retaining talent.



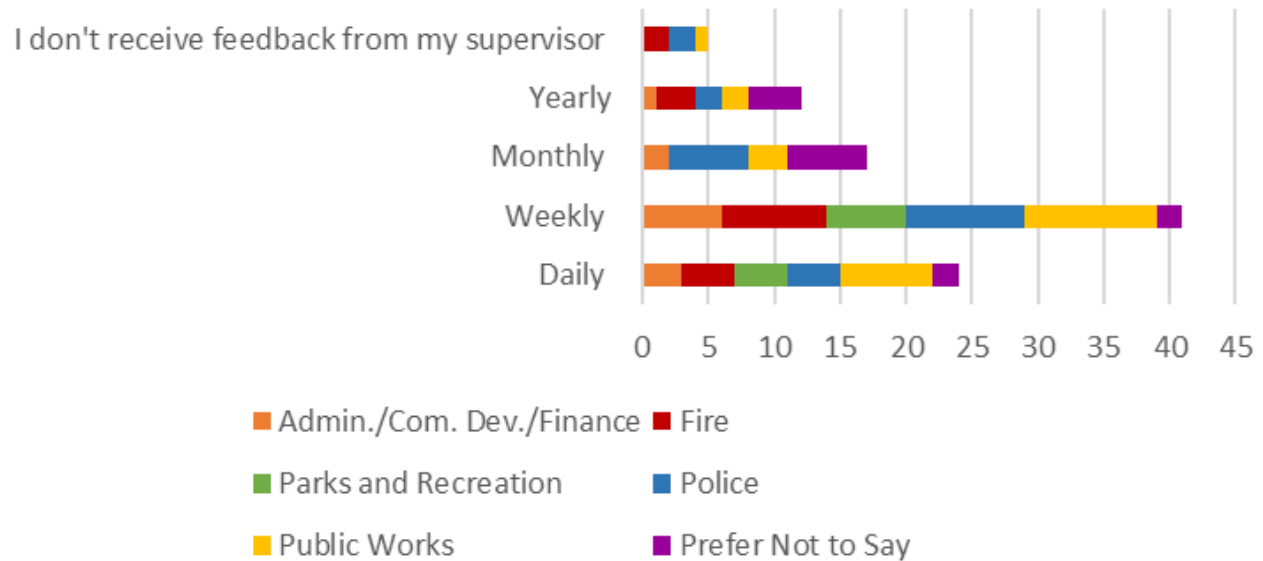
My direct supervisor promotes a positive work environment.



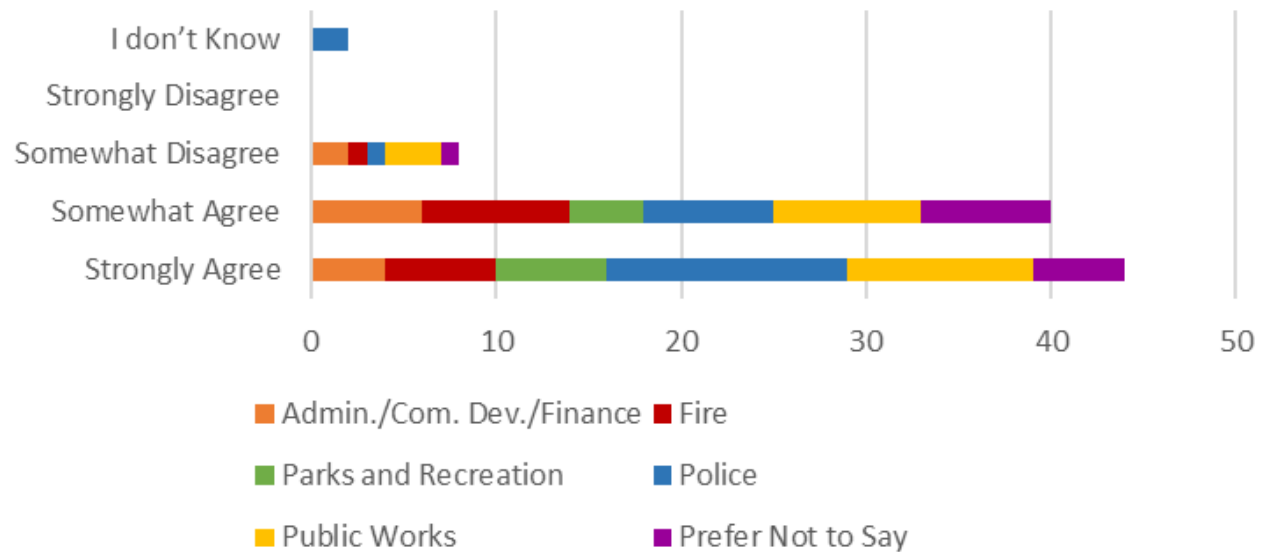
I feel that I have the opportunity to be involved in decisions that affect me and the future of my department.



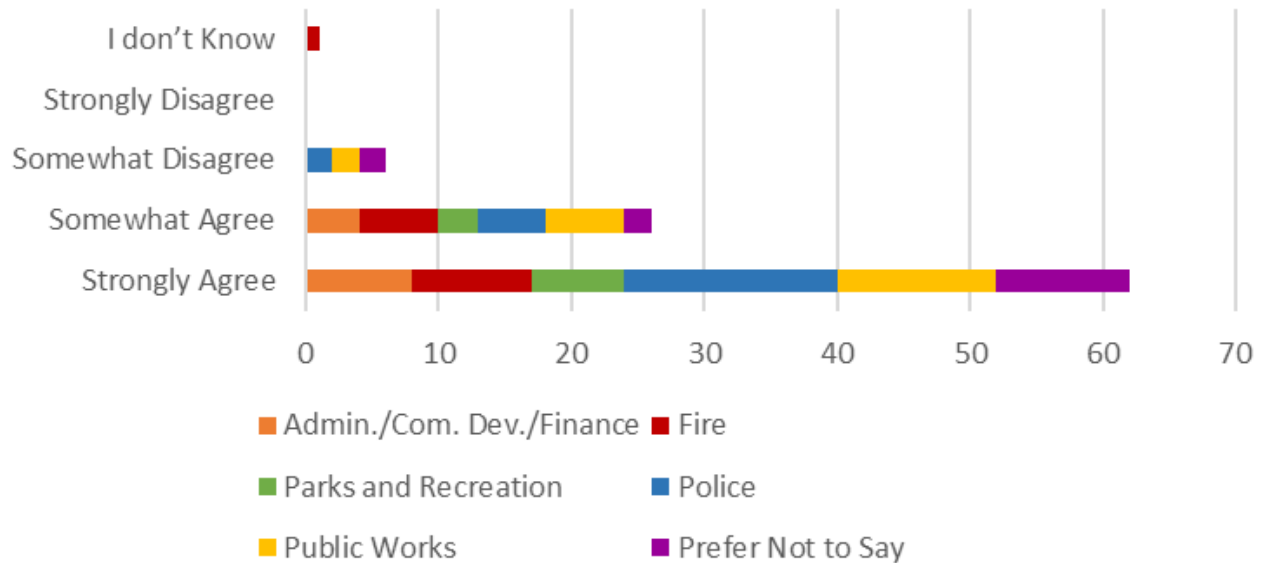
How often do you receive feedback from your direct supervisor?



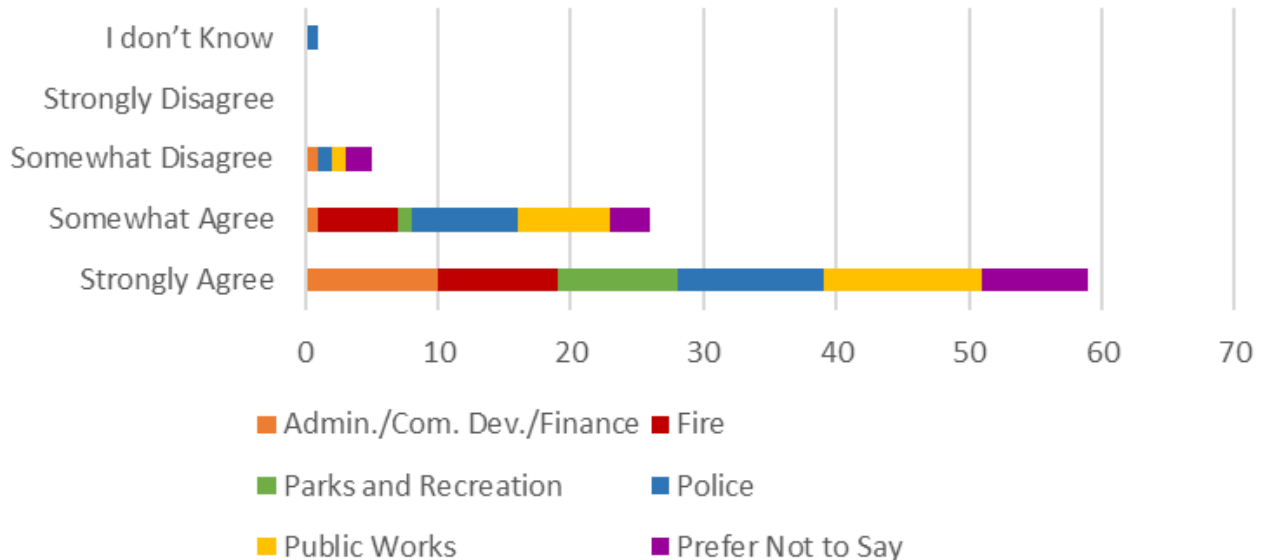
My direct supervisor's feedback on my performance is productive and sufficient.



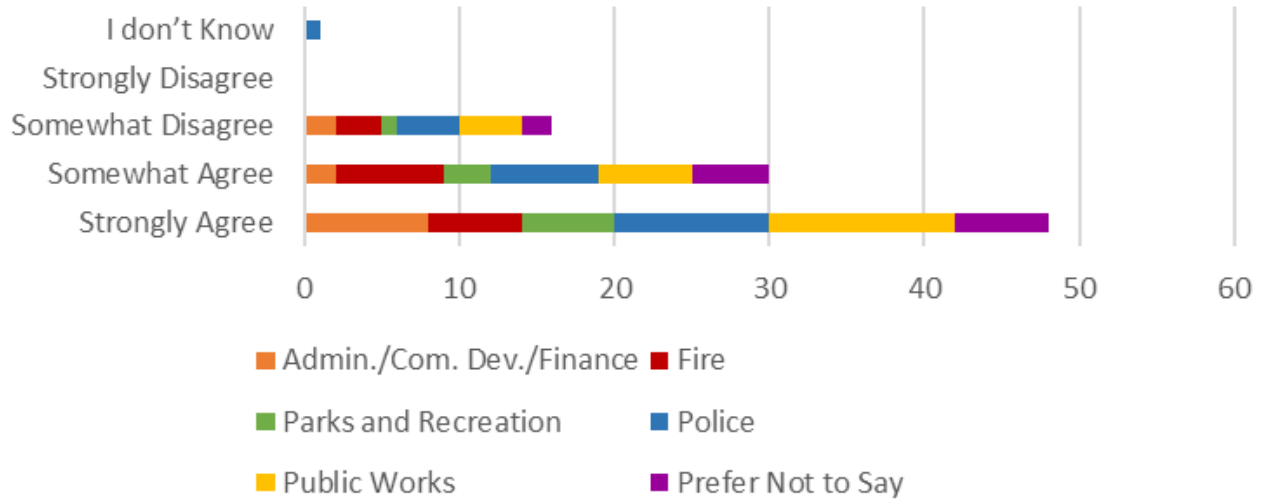
On average, my direct supervisor is fair in their dealings with me.



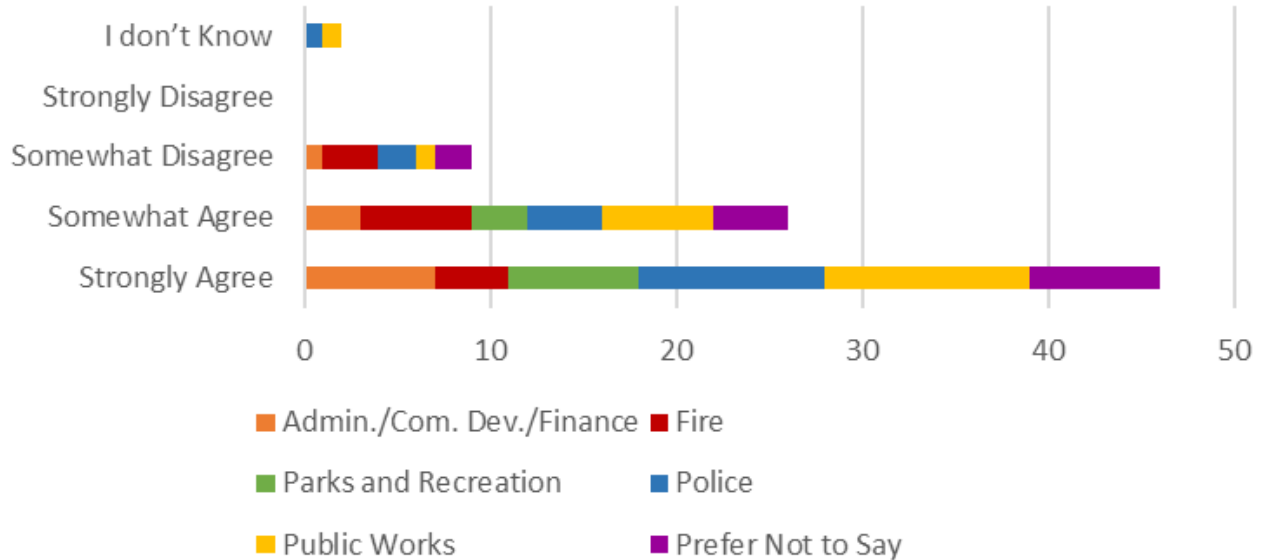
My direct supervisor encourages me to express my honest opinions and ideas.



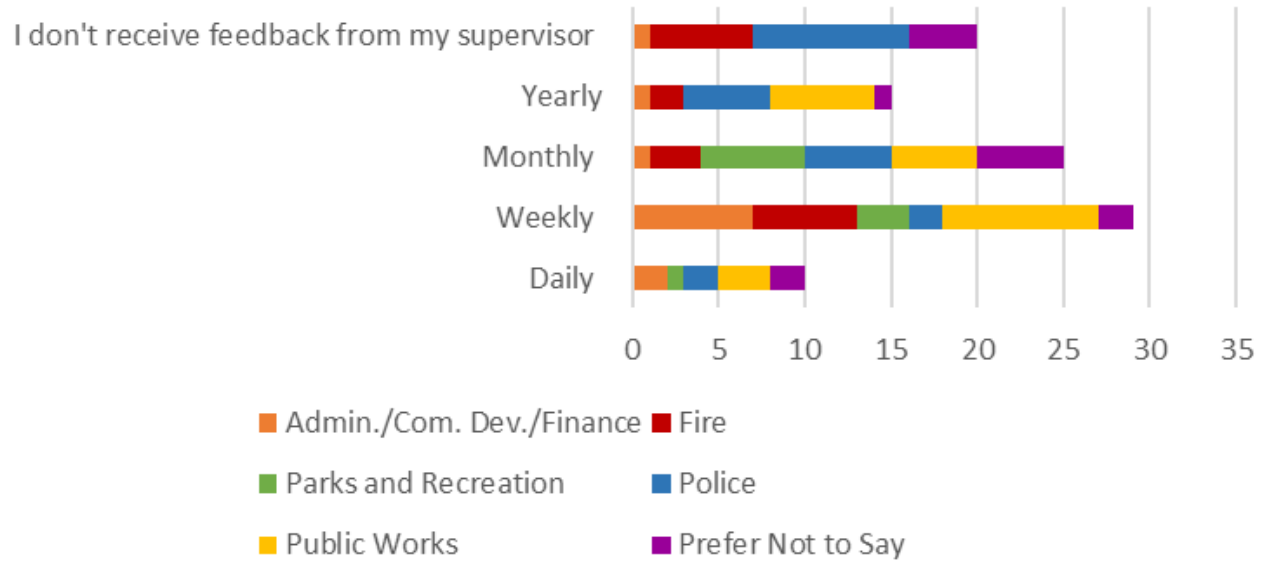
My direct supervisor is able to problem solve and make changes for the better within my work group.



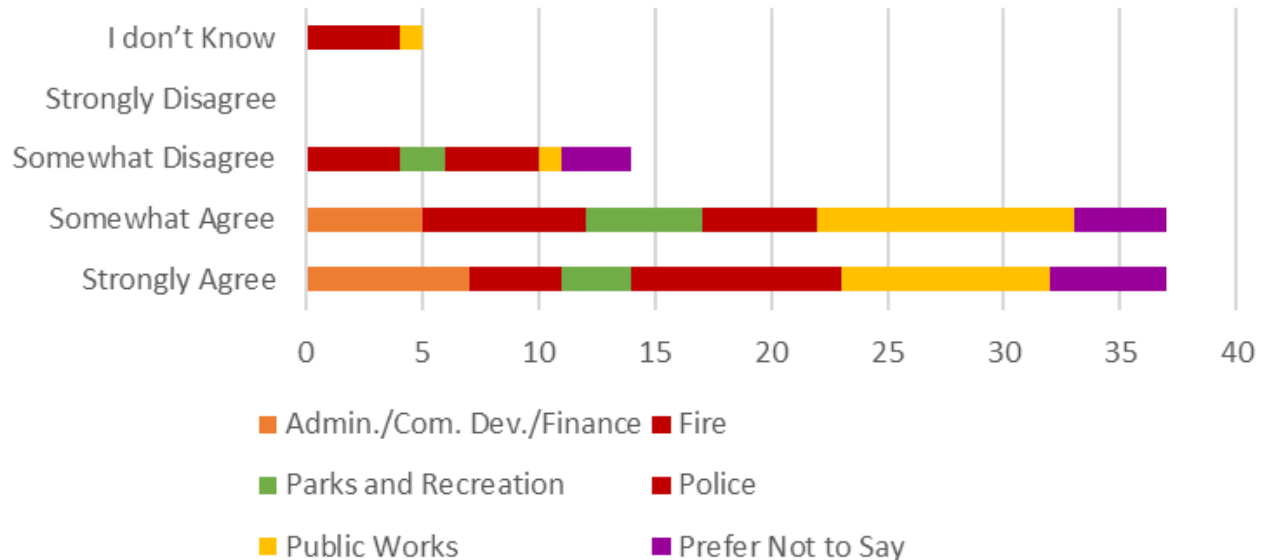
I have confidence in the leadership and management of my department.



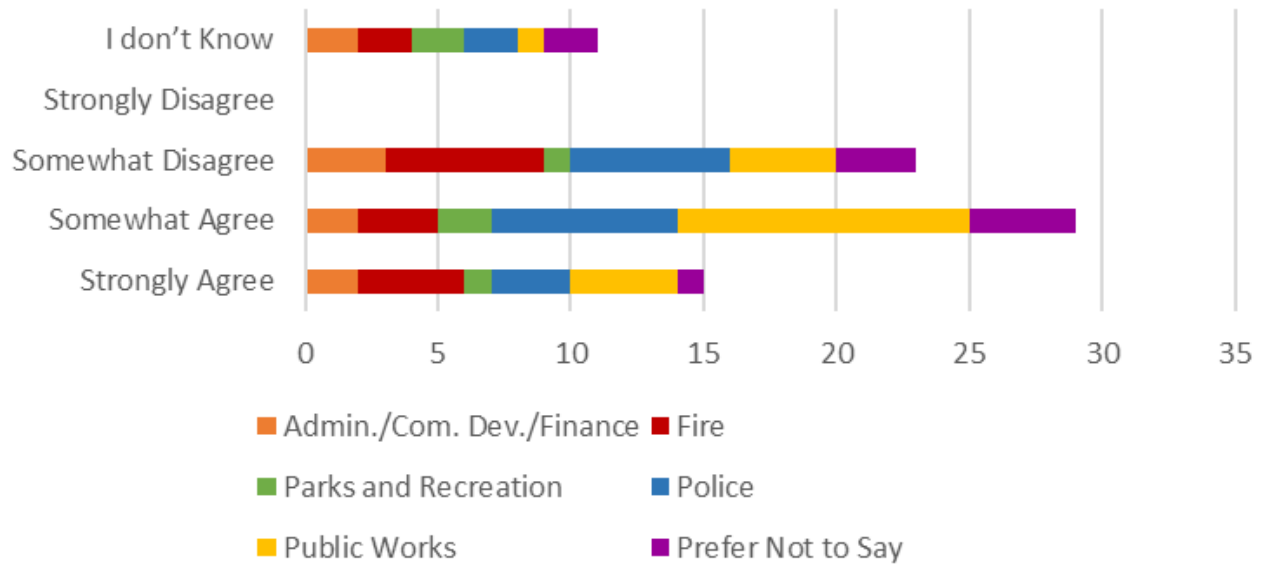
How often do you receive feedback from your department director?



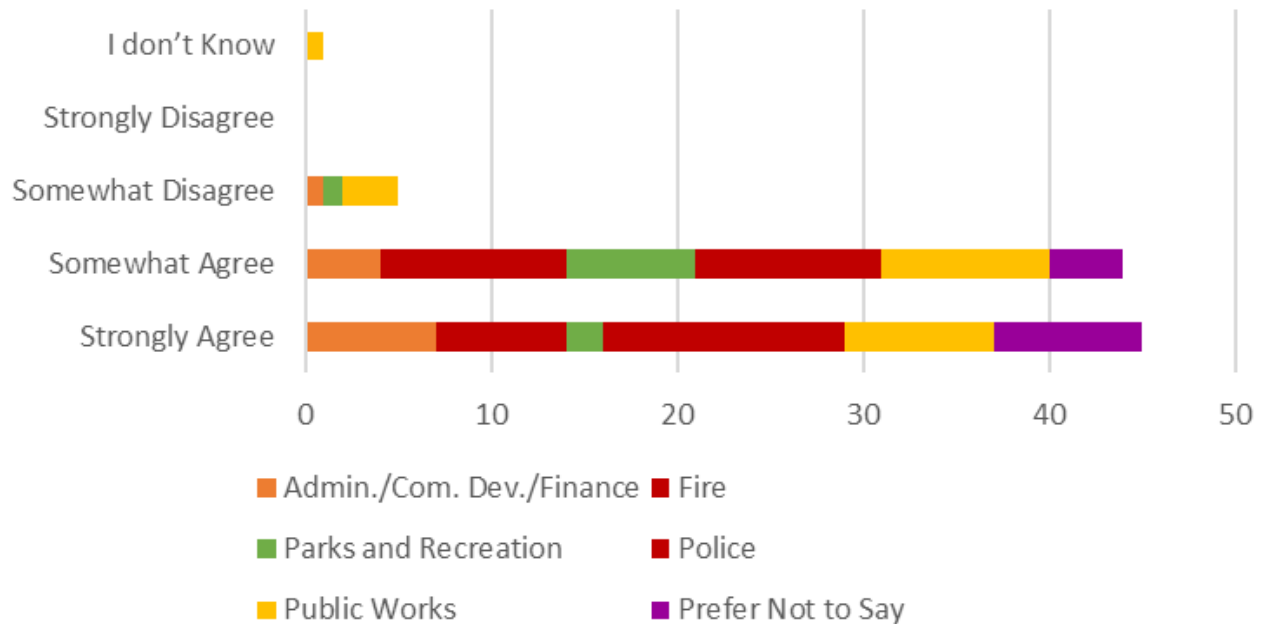
I have confidence in the leadership and management of the City Administrator.



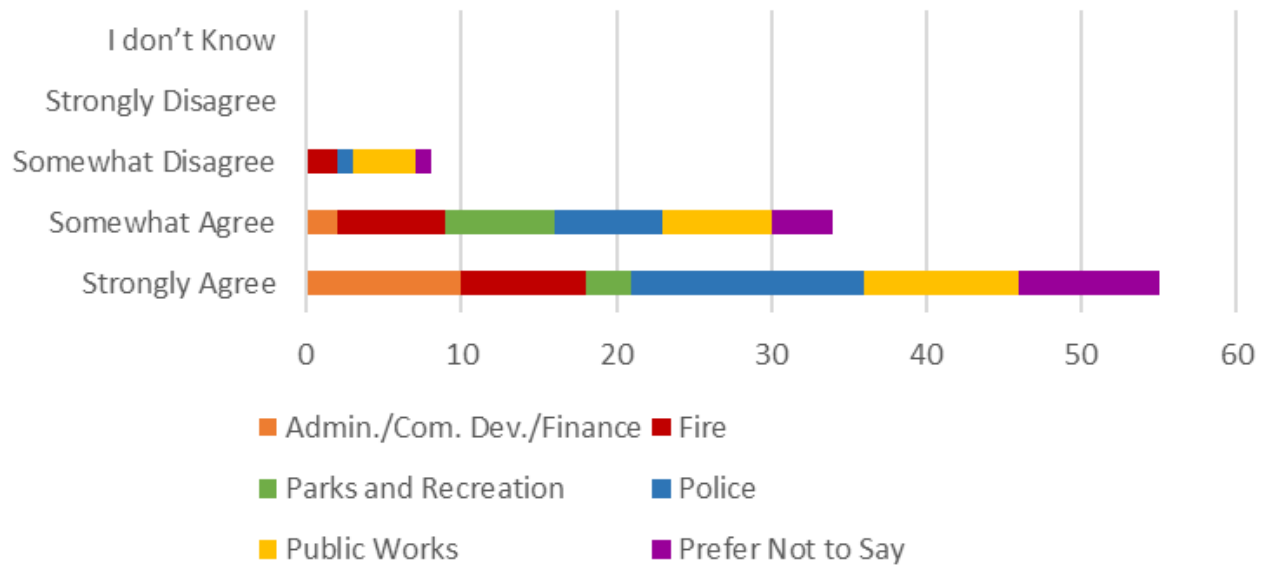
The city's performance evaluation process is an effective way to measure performance.



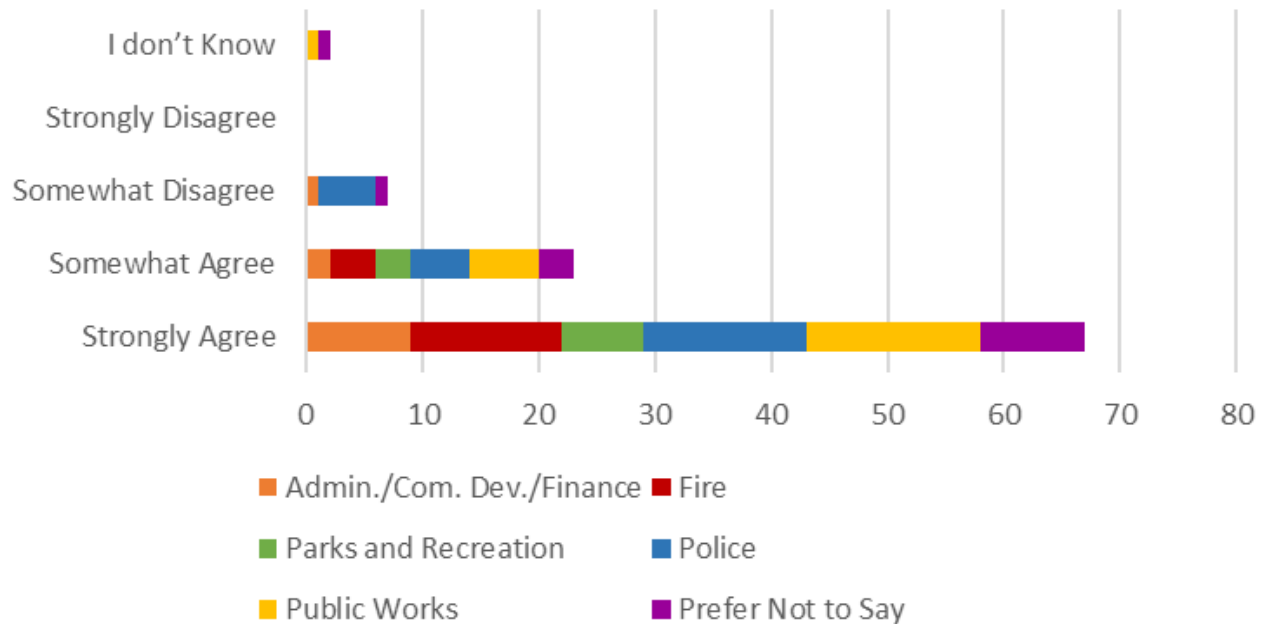
My work group works as an effective team.



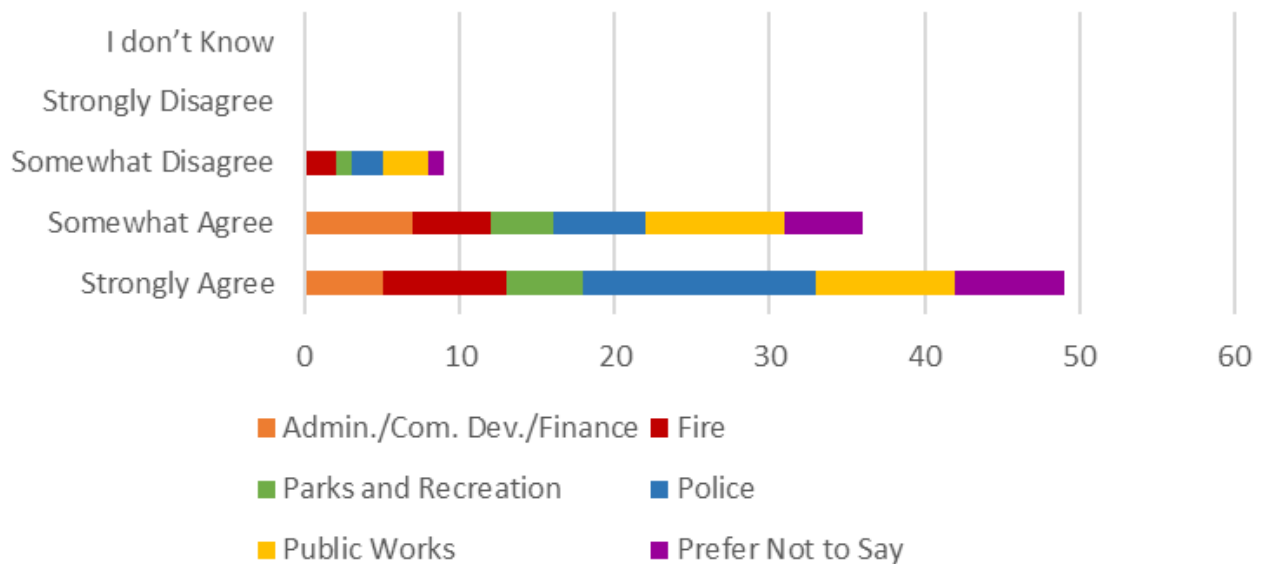
People in my work group share my commitment to doing quality work.



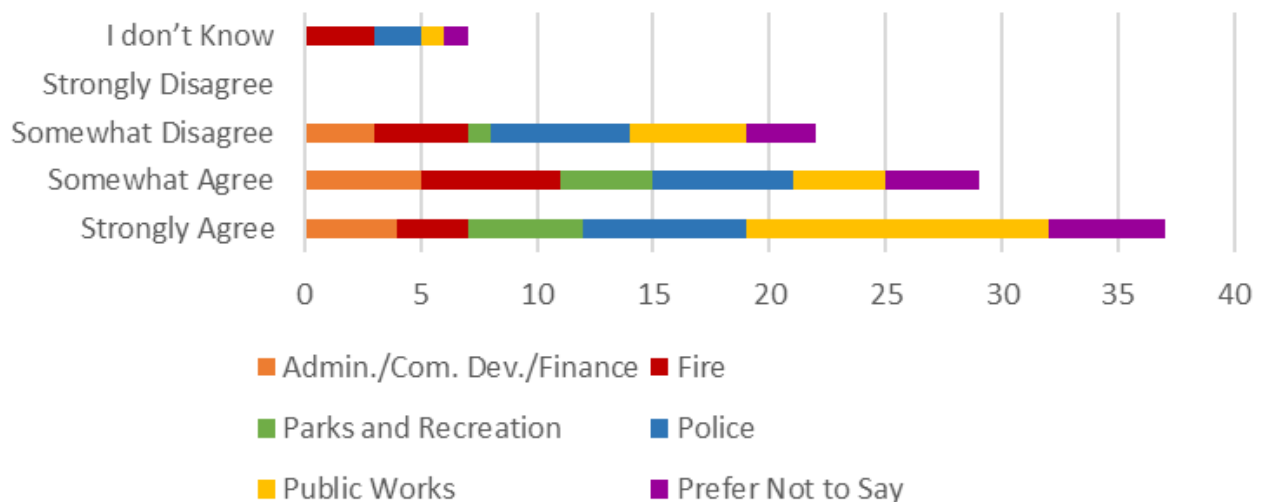
I am motivated to do a good job for the City



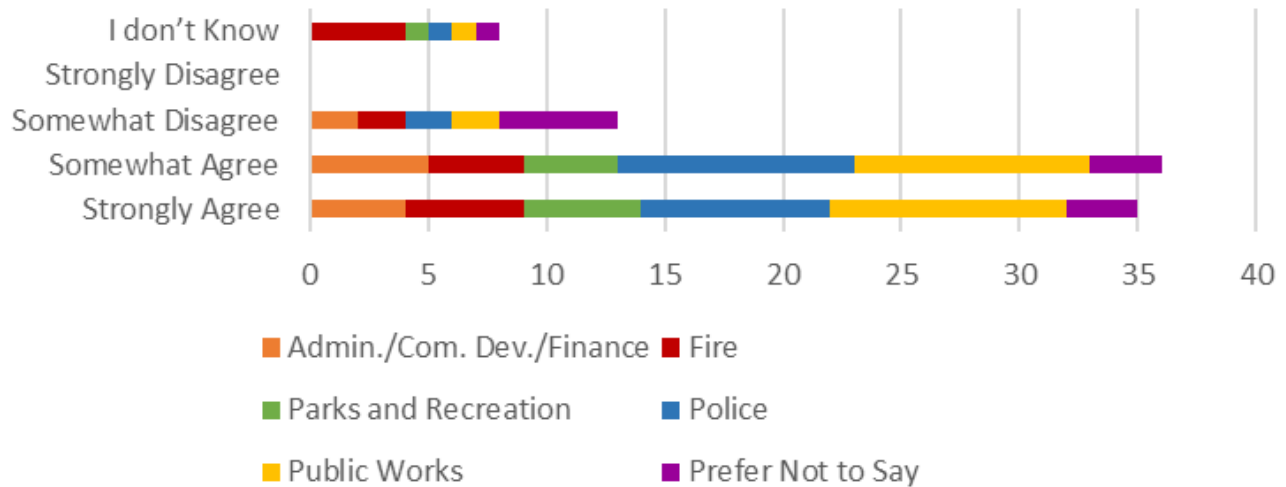
People in my work group freely share information that will help me perform my job better.



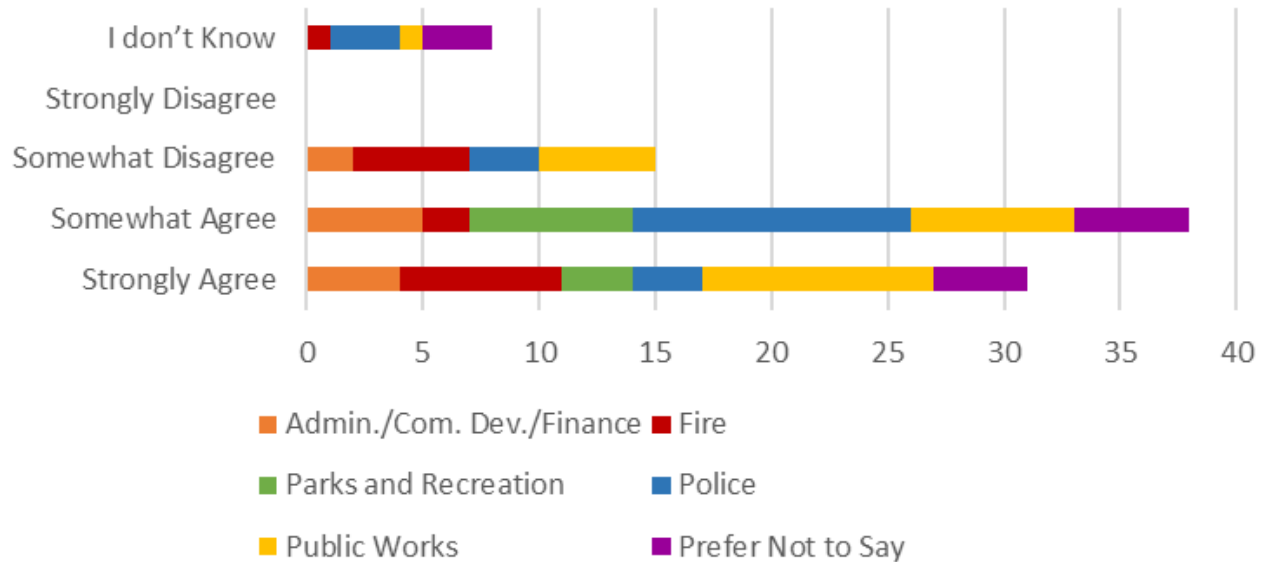
As a team, the City Administrator and department directors do an effective job planning for the future of the city.



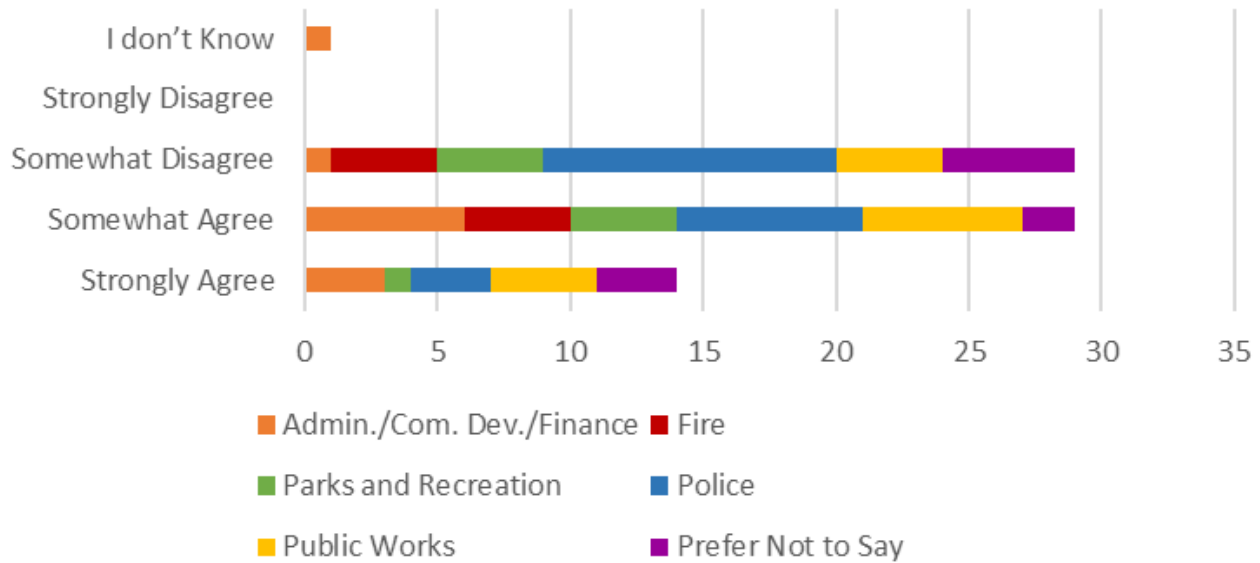
The City Administrator and department directors effectively communicate the city's strategic direction, mission and goals through the Strategic Plan.



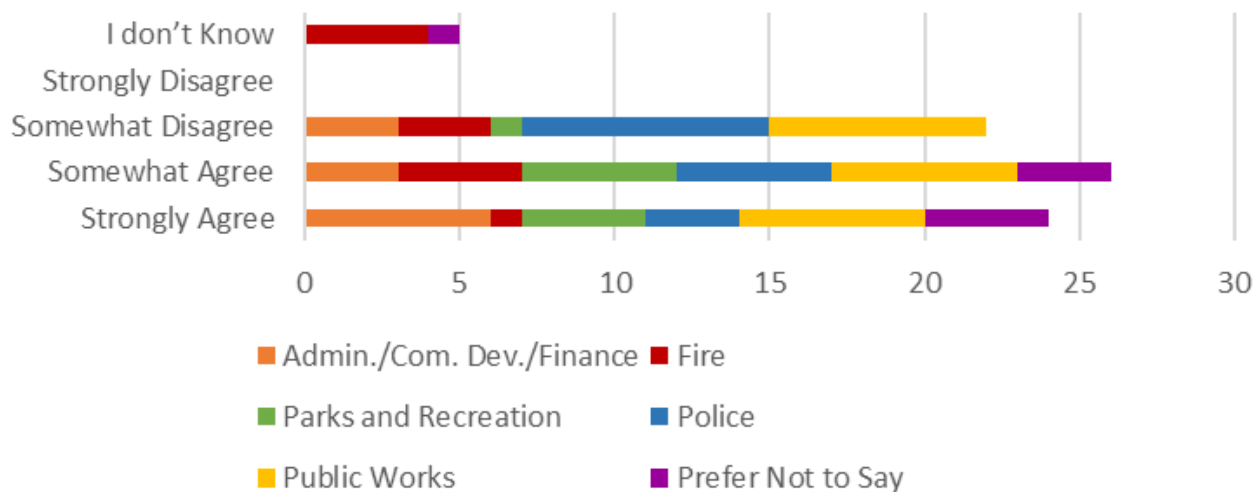
I understand how my work contributes directly to the success of the city's Strategic Plan.



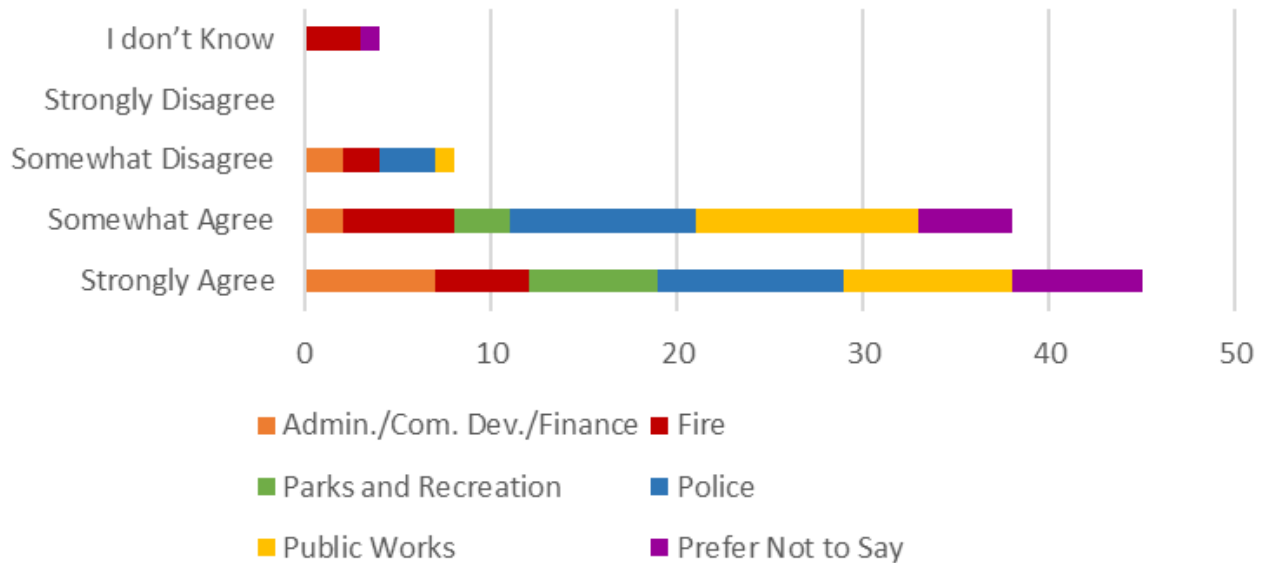
The city provides competitive wages for work responsibilities.



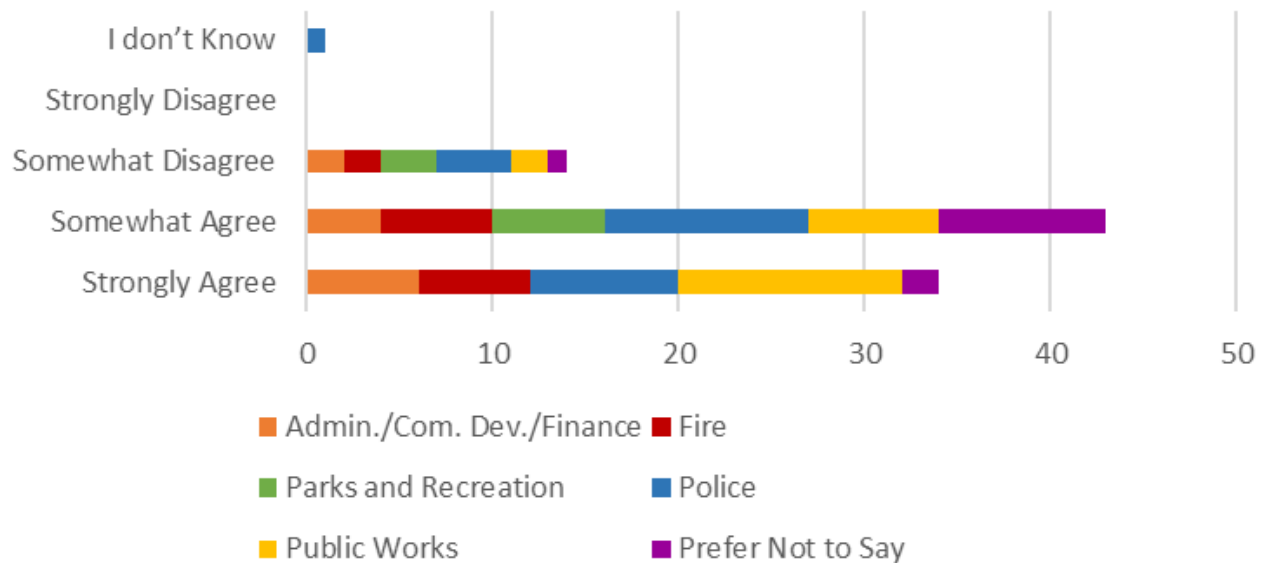
The city provides a competitive amount of benefits for work responsibilities such as annual leave, paid time off, health benefits, retirement, etc.



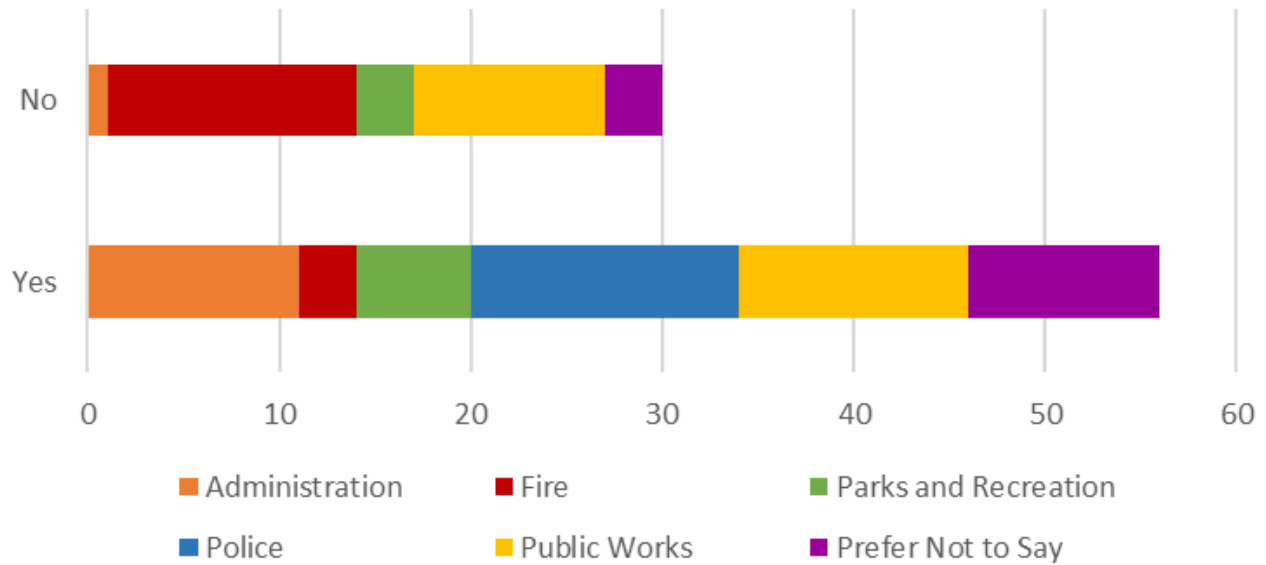
The city provides the necessary information to explain my benefits.



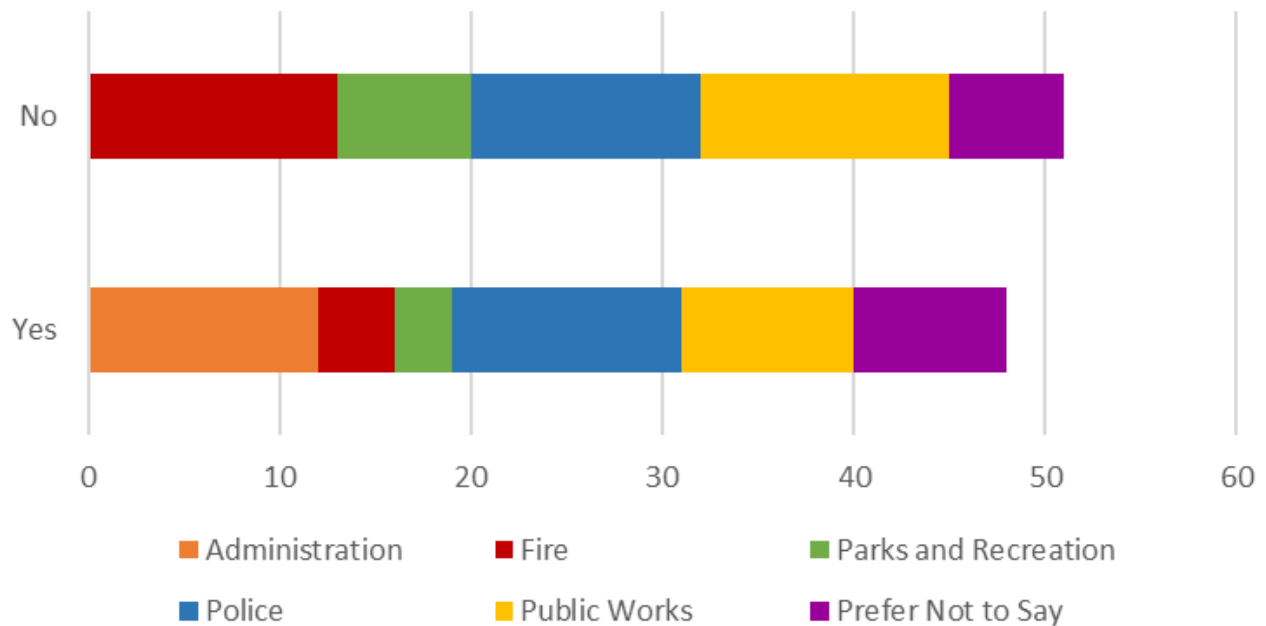
I am able to maintain a healthy balance between work responsibilities and home.



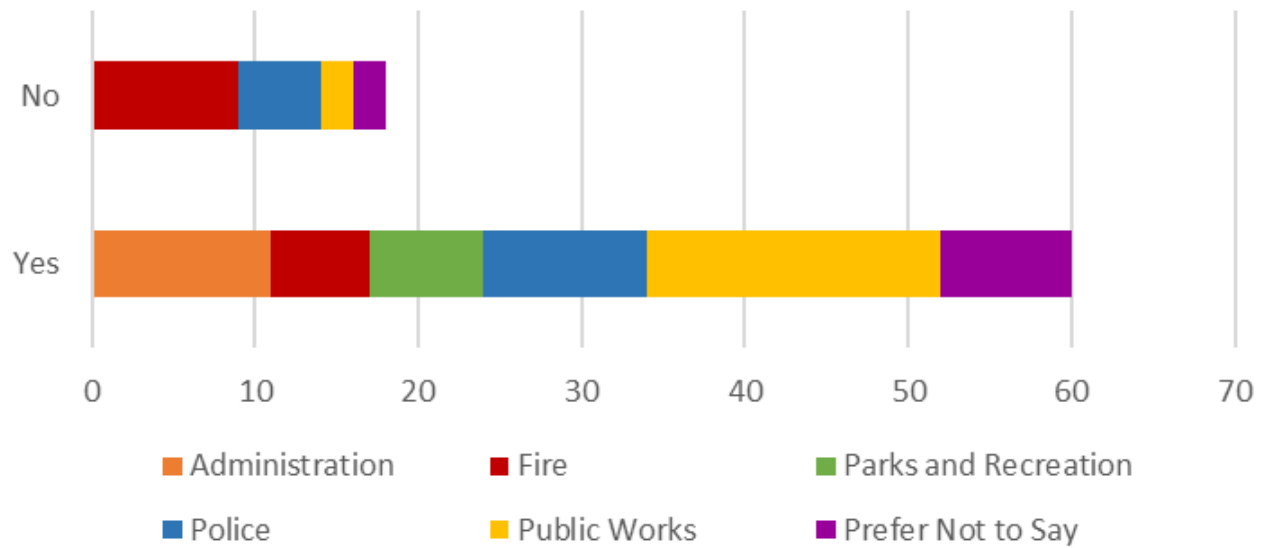
Have you ever attended a wellness committee activity?



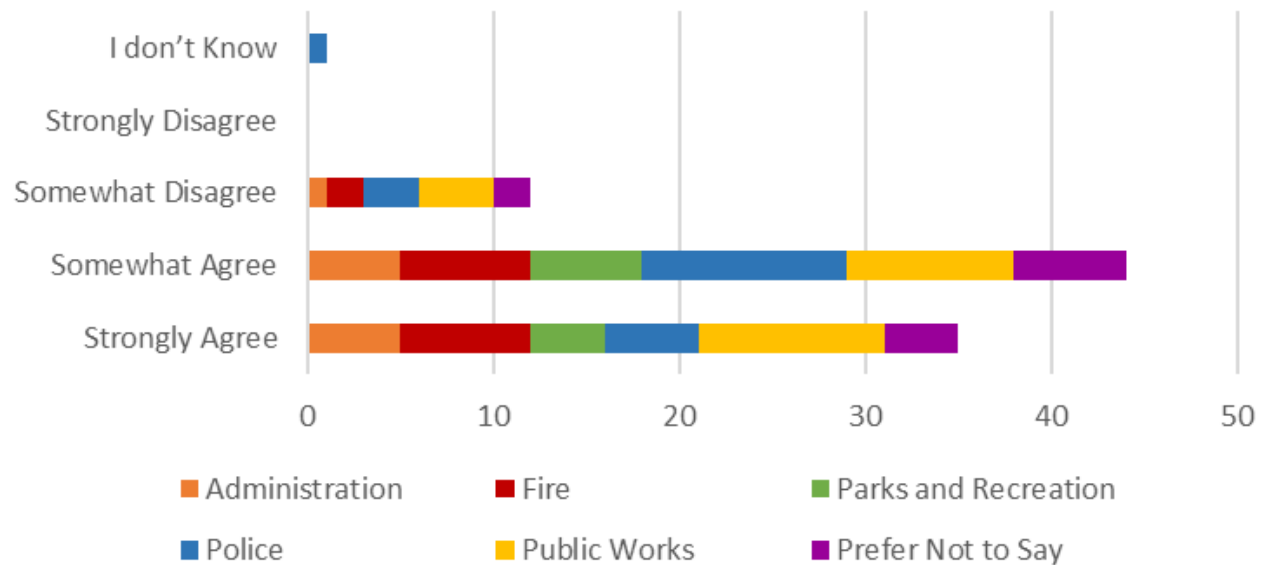
Have you ever attend a lunch and learn?



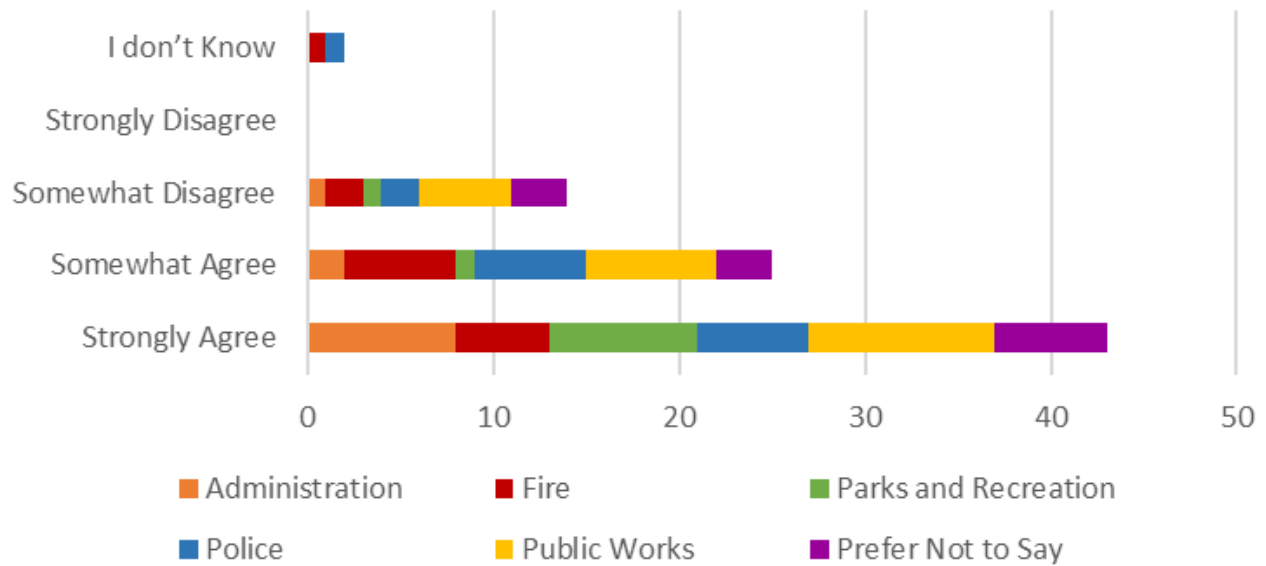
If you attended a Java with Jennifer event within the last year, did you find it helpful?



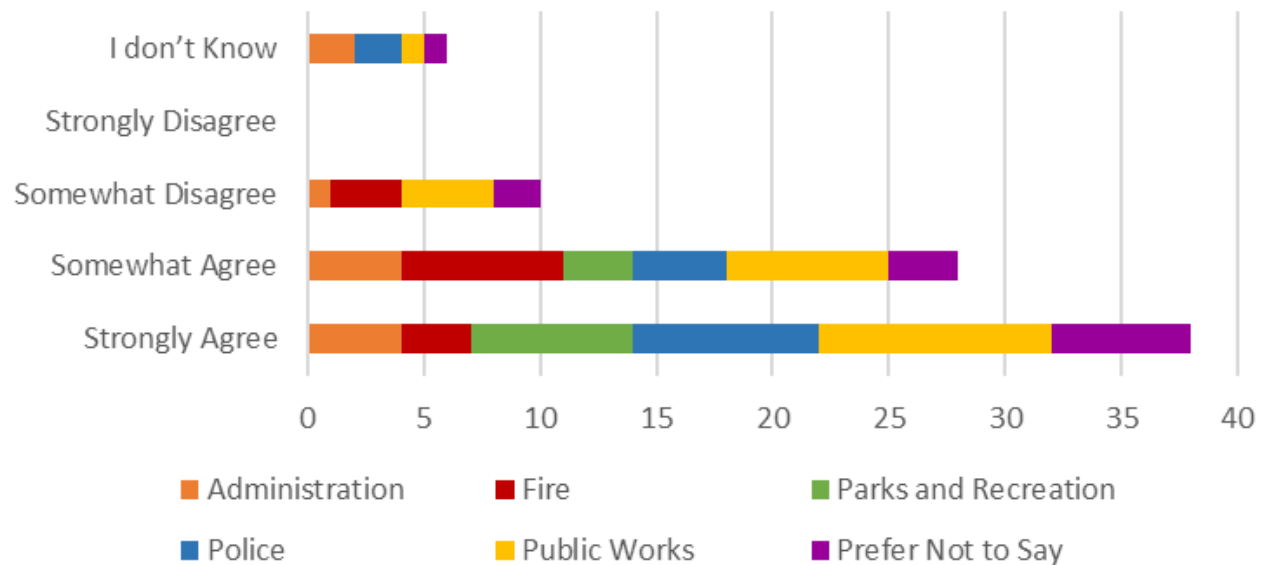
Overall, the city does a good job communicating with its employees.



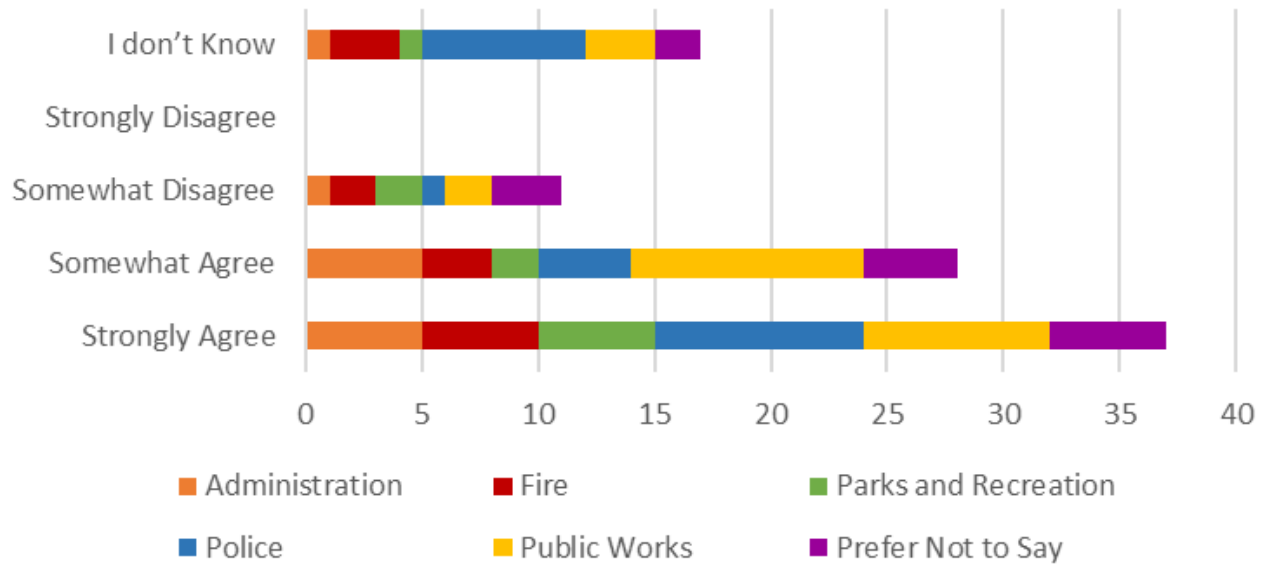
My department director communicates well with their employees.



Department directors listen to employee opinions.



The City Administrator listens to employee opinions.



The city is inclusive.

