



**Agenda
Minnetonka City Council
Study Session
Monday, Sep. 19, 2022
6:30 p.m.
Minnehaha Room**

- | | | |
|----|-----------------------------------|----------------|
| 1. | Call to Order | 6:30 p.m. |
| 2. | Introductions/Roll Call | 6:30-6:35 p.m. |
| 3. | Affordable Housing | 6:35-7:35 p.m. |
| | | Break |
| 4. | Housing: homelessness | 7:45-8:15 p.m. |
| 5. | Juneteenth | 8:15-8:45 p.m. |
| 6. | Nov. 7, 2022 Study Session Topics | 8:45-8:55 p.m. |
| 7. | Adjournment | 8:55 p.m. |

The purpose of a study session is to allow the city council to discuss matters informally and in greater detail than permitted at formal council meetings. While all meetings of the council are open to the public, study session discussions are generally limited to the council, staff and consultants.



**Study Session Agenda Items #3 and #4
Meeting of Sep. 19, 2022**

Title: Housing Discussion

Report From: Alisha Gray, Economic Development and Housing Manager
Rob Hanson, Economic Development Coordinator

Submitted through: Mike Funk, City Manager
Julie Wischnack, AICP, Community Development Director

Action Requested: Review the information and provide feedback

Summary Statement

This report includes annual updates on city housing priorities identified in the city's Strategic Plan, Housing Workplan, and Economic Improvement Plan.

Strategic Profile Relatability

- | | |
|--|--|
| <input type="checkbox"/> Financial Strength & Operational Excellence | <input checked="" type="checkbox"/> Safe & Healthy Community |
| <input type="checkbox"/> Sustainability & Natural Resources | <input checked="" type="checkbox"/> Livable & Well-Planned Development |
| <input type="checkbox"/> Infrastructure & Asset Management | <input checked="" type="checkbox"/> Community Inclusiveness |
| <input type="checkbox"/> N/A | |

Statement: This discussion item supports housing choices in Minnetonka.

Background

Each year the city council participates in a study session to review the city's progress toward housing goals identified in the Strategic Plan, Economic Improvement Plan, and Affordable Housing Work Plan. This report summarizes the staff efforts to continue supporting existing households and expanding community housing choices.

Housing Need Overview – Draft Housing Study Summary

In Sept. 2022, staff received an update to the information provided in the 2018 Marquette Housing Study. The goal of the update was to better understand the current housing market demand and unmet needs. The attached draft housing update provides additional insights to this report, and key information is summarized below:

Demographics

According to Metropolitan Council projections, the region is projected to grow by 11,400 households/year from 2020-2030, decreasing to around 9,600 households/year between 2030-2040. The Metropolitan Council forecast indicates Minnetonka should capture around 2.1% of

regional household growth between 2020-2030 (294 households), decreasing to about 1.8% from 2030-2040 (172 households). However, Minnetonka can capture a greater percentage of regional household growth if a sufficient supply of attractive and appropriately priced housing units are constructed in the community to meet this demand. The growth forecast for Minnetonka is based on a more aggressive 4% capture of regional growth from 2020-2030 (456 households), declining slightly to 3.5% from 2030-2040 (336 households).

Rental Demand

There has been strong demand in the rental market – as apartment construction boomed in Minnetonka and throughout the metro area. Apartment absorption has kept pace with the new supply. As of mid-year 2022, metro area vacancy was 4.0% (4.6%, including new supply still in lease-up status) and just 2.4% vacancy in Minnetonka (a healthy vacancy rate is around 5%). Developers have responded to demand for rental housing from varied household groups, although “Millennials” continue to comprise the primary demand segment. However, larger numbers of all household groups opt for rental housing due to lifestyle and economic factors.

- The housing report indicates demand for an additional 553 market-rate rental units and an additional 4,004 affordable rental units over the next five years. This takes into account the 1,040 units currently under construction.
- Additionally, the report estimates that 3,200 Minnetonka households are currently housing costs burdened, spending more than 30% of their income on housing, with limited opportunities to find affordable housing.
- This chart indicates rental demand by income level over the next 5-years.

Remaining Unmet Demand	1-5 Years		
	Rental	For-Sale	Total
HH Group by % of AMI			
30% AMI	1,083	0	1,083
50% AMI	778	0	778
60% AMI	1,262	0	1,262
80% AMI	881	0	881
Market Rate	553	150	703
Total	4,557	150	4,707

Source: Marquette Advisors

- The report indicates demand for an additional 2,758 units in 5-10 years, and 2,270 units in 10-15 and 15-20 years.

Senior Housing Demand

Senior housing demand is estimated at 669 units within five years, increasing to 935 units between 5-10 years. Presently, one senior housing development is under construction in Minnetonka, *Amira*, comprising 186 “active adult” units. More than 1/2 of the projected market-rate senior housing demand in Minnetonka over 10 years is expected for this product type. Similar developments are restricted to adults age 55+, offering few, if any, services. This should include a mix of for-sale (including co-ops) and rental units.

Senior Housing Demand Summary by Product Type/Service Level (2022-2031) City of Minnetonka		
Product Type/Service Level	Short Term Demand (1-5 yrs)	Long-Term Demand (5-10 yrs)
Adult/Few Services & Independent	396	447
Assisted Living	207	367
Memory Care	66	121
Total	669	935

Source: Marquette Advisors

For-Sale Housing

The report indicates unmet demand for roughly 150 for-sale housing units within the next five years. There is additional demand for 600 units in 5-10 years, 450 units in 10-15 years, and 450 units in 15-20 years. For context, the city experiences 40-60 new single-family homes per year. This projection includes all types of for-sale housing, including single-family.

Opus Redevelopment Recommendation

The completion of SWLRT slated for 2027, along with improvements to the area's street system, trail network, and public spaces (making the area more pedestrian and auto-friendly), will enhance the appeal of interior sites within Opus Park for residential development over the mid-to-long-term (i.e., 2027+). Given these factors, and the limited availability of potential development sites elsewhere in Minnetonka, the report indicates the Opus Park area is poised to accommodate a large share of the city's development over the next 10+ years. The report suggests the Opus Park area is best suited for the following housing product types:

- High-density market rate, mixed-income, and affordable rental housing development, comprising a mix of low to mid-rise buildings.
- Rental townhomes (financial feasibility more challenging due to lower density)
- For-sale townhomes (similar financial feasibility issue)
- For-sale condos (high-risk to developers due to construction warranty laws, high-end development possible in 5-10 years).

The report indicates the demand for an additional 500 units in Opus in the 2025/2026 timeframe. This would include the proposed Greystar project and one additional project with around 200+ units. The report indicates this would allow ample time for these units to absorb prior to opening new housing in a large-scale redevelopment of the current Minneapolis Mart site.

Minneapolis Mart Site (within Opus)

The report states that Minnetonka's market could support an average of 300 new market-rate apartment units per year. It is reasonable to expect much of this new development to be accommodated within Opus Park. For the Minneapolis Mart site, the report recommends an initial development phase with around 300 to 350 market-rate rental units, perhaps in two buildings with a staggered delivery over approximately 12-18 months. Depending on the

structuring of public-private partnerships and the availability of financing, this area could also support an affordable housing component (either stand-alone or mixed-income) with 75 to 100 units (potentially more, depending on the subsidy available).

In summary, the draft updated housing study indicated additional capacity for multi-family housing and for-sale housing in the short term (1-5) years and long-term projections. Staff will utilize this information to guide discussions with developers indicating interest in new housing development in the community.

Housing Work Plan and Strategic Plan Updates

The city council approved a new [Strategic Profile](#) in 2020. Within the Strategic Plan and Housing Work Plan (attached), several priorities are identified related to the city's housing efforts. This section of the housing report highlights staff's progress towards those efforts.

Ownership Housing

Pathways to Homeownership

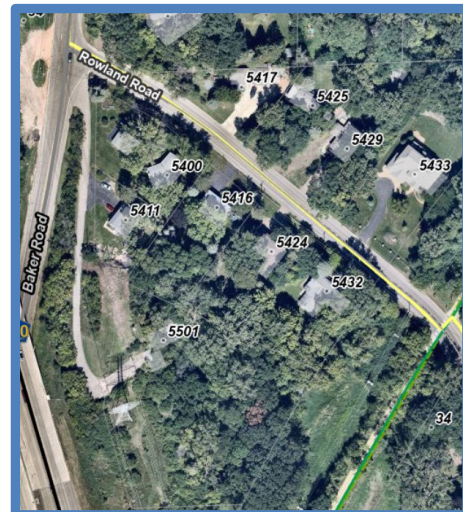
As a follow-up to the wealth-building discussion on Feb. 14, 2022, staff presented a concept for a new down-payment assistance program to the EDAC on July 14, 2022. The new program assists low-to-moderate-income homebuyers with up to \$75,000 in down payment and closing cost assistance. The program will go to council for consideration in Oct. 2022.

City-Owned Sites – Affordable Homeownership Opportunities at 5501 Baker Road and 5432 Rowland Road

Occasionally, the city has elected to purchase properties to accommodate planned public works or transportation projects. Often the property is already vacant, or structures are demolished shortly after the sale. However, in some cases, demolition is not immediate, and if a project does not materialize, the city is left with a property that contains an occupied housing unit.

- ***5501 Baker Road***

The city purchased this property in 1988 due to a planned interchange between Baker Road and Interstate 494. However, the interchange project never materialized, and the city decided to continue leasing the home on the property. In November 2021, the long-term tenant moved out of the property, and it's now vacant.



- **5432 Rowland Road**

In October 2000, the property owners approached the city about purchasing the property because it adjoins the city-owned 5501 Baker Rd. at the southwest end of the property. The city did so partially because of the opportunity to market with 5501 Baker Road (which the city purchased in 1988). Owning these two properties has created a total land area of approximately 2.88 acres. During these discussions, staff prepared a concept plan that envisioned the sites being redeveloped and four other nearby parcels into a major affordable housing redevelopment. However, purchasing the additional four parcels never materialized, and the housing market of the early 2000s did not support the type of redevelopment originally envisioned. In August 2021, the long-term tenant moved out of the property, and it's now vacant.

Both of these properties have significant deferred maintenance needs. Staff does not recommend continuing to lease the vacant properties in their current condition.

Staff has begun the process of gathering site information on the two properties and has developed a detailed land-use study process to guide the future land uses of the two sites. A complete summary of the process is attached to this report.

Overall Property Transition Goals: Staff envisions the next iteration of use for these two sites will represent an investment in affordable home ownership, promote sustainability, protect the natural resources of the sites, and create an opportunity for inclusion by working with non-traditional builders.

Opportunity to Purchase for Affordable Ownership -1809 Welland Avenue and 10505 Belmont Road

The city was recently approached by the resident who owns 1809 Welland Ave and inquired if the city would be interested in purchasing his property and an inherited property nearby at 10505 Belmont Road. The property owner is interested in selling to the city, he is planning for his future and was interested in having new families have the opportunity to live in Minnetonka. The resident indicated that he would move out upon the home's sale. Staff requested the property owner provide current appraisals for the two properties before further discussion. Appraisals were completed earlier this year.

- Reuse Opportunity

Staff has discussed purchasing the two properties and has conceptual ideas about what could happen with the sites. Staff views these parcels as an opportunity to do an innovative rebuilding of homes that could maintain an affordable ownership opportunity with sustainability as a priority.

Staff plans to follow a process similar to the redevelopment of 5501 Baker Road and 5432 Rowland Road. The goal would be to sell the property with affordability covenants to single-family home builders with affordable housing experience. Staff would vet interested companies through the EDAC and City Council.

- Purchase Negotiation

Staff presented the owner of the two homes with an offer to purchase the properties at \$390,000 for 10505 Belmont Road and \$330,000 for the purchase of 1809 Welland Ave, and the owner has preliminarily agreed. This offer was developed by research from the city's assessing department (including the appraisals). The purchase price is in line with the fair market value of the properties.

Housing Dashboard

In 2022, staff developed the [Minnetonka Rental and Affordable Housing Dashboard](#). The dashboard assists staff with rental analysis for newly proposed projects, information to inform developers on nearby housing and opportunities, just-in-time data, general housing inquiries, tracking dates for affordability compliance, and allows the user to search based upon the age of the building. Photos of all buildings have been added.

Production of New Multi-family

There are currently four multi-family housing projects under construction, with a total of 1,040 units of housing available for occupancy in 2023. The projects consist of 872 market-rate units and 168 units at varying affordability levels. Development interest for multi-family remains strong in 2022, and staff anticipates additional multi-family housing production in 2022/2023.

Naturally Occurring Affordable Housing

Staff continues to monitor the city's properties that provide naturally occurring affordable housing (NOAH) opportunities for residents. This includes tracking the list of existing multi-family contractual affordable housing with expiring affordability contracts, such as Cedar Hills Townhomes and Clear Springs residences, expiring in 2026. Staff continues to have conversations with building owners as properties near the end of contractual affordability compliance periods and with building owners that have properties listed for sale or have plans to list for sale. There are limited opportunities to finance NOAH properties to continue affordability; however, the city evaluates these opportunities on a case-by-case basis. More on regional efforts to promote the preservation of housing, is included in the attached Housing Brief.

Minnetonka Residential Zoning Code Review

Staff applied for a new funding opportunity through the Metropolitan Council as part of its Livable Communities Act – Policy Development Program and recently received \$50,000. The city plans to use the funding to hire a consultant to analyze the city's residential zoning code and offer recommendations to modernize, remove equity barriers, provide clarity, and improve functionality to achieve greater sensitivity to the community's character.

Homelessness

At the July 18, 2022, city council meeting, the council approved temporary assistance for Minnetonka families experiencing a housing crisis in partnership with HIS House Foundation. The temporary aid is geared more toward suburban homelessness, and the organization prioritizes placing clients in local hotels to maintain their community ties. The council requested more information about how policies and systems affect Minnetonka households experiencing a housing emergency. Secondly, the council inquired if there is something, procedurally, the city can do to help homelessness issues in the community.

The Department of Housing and Urban Development (HUD) and the State of MN provide the majority of funding for homelessness interventions in Minnesota. Both funding entities rely on Minnesota counties to apply for funding and distribute resources according to the priorities outlined in HUD's [Continuum of Care Program \(CoC\)](#). Hennepin County coordinates the applications to HUD for CoC funding; convenes and provides staff support for [CoC boards and committees](#), and prepares all reporting and data on homelessness in the county. Within the county CoC, the [Coordinated Entry System](#) is the county's approach to organizing and providing housing services for people experiencing homelessness in Hennepin County. In addition, the county offers grant opportunities for non-profit organizations equipped to assist with placement into the CoC and organizations that provide temporary shelter and homeless case management (like His House Foundation).

The Coordinated Entry System is a statewide system but is administered separately in roughly a dozen different regions in the state. Hennepin County is one of those regions and serves Minnetonka residents. Coordinated Entry prioritizes housing placement based on an individual's needs and situation. However, each region has different criteria for how homelessness is determined. The attached Coordinator Entry handout provides insight into how the process works for Minnetonka residents. As stated at the July 18, 2022, meeting, Hennepin County residents must be in a shelter for 14 days or in a place not meant for human habitation (living in a car, train, outside, etc.) or fleeing or attempting to flee from domestic violence, must live in Hennepin County, and must be 16+ to be eligible for assessment. The access points to receive an assessment are limited to shelters and local non-profit entities, such as [His House Foundation](#), that are authorized to complete assessments and provide temporary shelter for households to be placed within the coordinated entry system. There is no viable alternative for Minnetonka to opt out of participating in the county's coordinated system to provide services on its own or with partnering communities.

Due to limited resources, participating in the Coordinated Entry program does not guarantee permanent housing. However, the goal of the program is to attempt to rehouse households through one of the following options:

- **Rapid Re-Housing (RRH)** - is a type of housing program that provides help with housing location, case management support, and some limited financial assistance. Most often lasts 6-9 months. RRH programs will help find housing, but after a few months of financial assistance, the tenant will be required to pay all the rent.
- **Transitional Housing** – is a housing program that provides medium-term rental assistance and services for up to 24 months.
- **Permanent Supportive Housing (PSH)** - is a type of housing that provides permanent housing and other supportive services. Some supportive services include intensive case management, mental health services, medical services, group support, recovery support, and life skills. The tenant is required to pay a percentage of income toward rent, or if the tenant has no income, the agency can assist for a period of time. This varies from agency to agency.
- **Long-Term Homeless (LTH) Housing Support** – provides Permanent Supportive Housing (same services as PSH) and includes site-based and scattered-site housing).

Additionally, there is a subset of the population that is not eligible for coordinator entry and subsets of the population that are assisted through other agencies. These include:

- Residents who are couch-hopping or doubled up with friends/family on the verge of losing housing are not eligible for coordinated entry.
- Residents in a treatment facility or jail/prison are not eligible for coordinated entry.
- Disability-designated housing is handled through several different agencies and organizations.
- General housing (market rate/mainstream housing) has multiple points of entry.

Three key themes emerge as potential pathways to explore to address entry into homelessness interventions.

1. Conduct research to determine to assist with determining the population of Minnetonka residents experiencing housing emergencies and homelessness.
2. Coordinate discussions with the Hennepin County Continuum of Care governance committees to discuss coordinated entry requirements and provide feedback on future changes to the process.
3. Identify local agencies and coordinate entry access points, such as His House Foundation, to identify additional resources and opportunities.

Homeless Resources

- [HUD Coordinated Entry Policy Brief](#)
- [Hennepin Continuum of Care](#) and [Coordinated Entry System](#)
- [“Missed Opportunities” in the Pathway from Referral to Housing – A Mixed Methods Analysis of Success, Timelessness, and Disparities in Hennepin County’s Coordinated Entry System](#)
- On June 22, 2022, The US Department of Housing and Urban Development (HUD) released the [2022 Continuum of Care \(CoC\) Supplemental Notice of Funding Opportunity \(Special NOFO\)](#) to address unsheltered and rural homelessness. This Special NOFO makes \$322 million available nationally to assist communities in addressing unsheltered and rural homelessness. This represents a significant opportunity to reverse course on punitive tactics and demonstrate the effectiveness of evidence-based best practices. Hennepin County is in the process of completing an application for this funding.

Housing Brief

Regional housing efforts and temporary Minnetonka housing efforts are included in the attached housing brief.

Discussion Questions

- ***Does the Council have any feedback on the affordable housing proposal for city owned properties?***
- ***Does the city council have any feedback on the purchase of 1809 Welland Ave and 10505 Belmont Rd?***
- ***Should staff explore any additional policies/programs not previously identified in the 2023-2027 EIP, Housing Work Plan, or Strategic Priorities?***

- ***Does the Council have any additional feedback?***

Supplemental information:

[May 19, 2022 – EDAC Unofficial Meeting Minutes](#)

[June 20, 2022 – City Council Study Session](#)

[July 14, 2022 – EDAC Unofficial Meeting Minutes](#)

[July 18, 2022 – City Council Meeting Minutes](#)

[Sept. 12, 2022 – 2023-2027 Economic Improvement Program](#)

Attachments:

Draft Housing Study

Housing Brief

Affordable Housing Work Plan

City-Owned Homes - Process and Environmental Information

Coordinated Entry Handout



****DRAFT****

TO: Ms. Alisha Gray, Economic Development & Housing Manager
City of Minnetonka

FROM: Brent Wittenberg, CRE, Vice President
Marquette Advisors

R.E.: Minnetonka Housing Market Update

DATE: September 1, 2022

BACKGROUND & UNDERSTANDING

The City of Minnetonka (“City”) has seen a considerable ramp up in housing construction recently, particularly multifamily rental housing and especially within the Opus Park, as several infill/redevelopment projects are underway and planned for this area. As such, the City (both staff and elected officials) would like to better understand what’s happening in the residential market, especially related to supply & demand trends, both regionally and within Minnetonka. In this regard, the City retained Marquette Advisors to assess current and projected market conditions and provide guidance to the City regarding future housing needs and the potential demand for various housing types in the community. This information will be used by the City as it plans for future development and redevelopment city-wide, especially along the SW LRT corridor and within the Opus Park.

This report provides a concise overview of Minnetonka and Twin Cities housing market conditions, with a particular focus on new housing production and potential supply-demand imbalance due to market inefficiencies and other factors. Housing types examined include for-sale housing, market rate apartments, age-restricted senior housing, and affordable housing.

Presented first is a summary of our city-wide housing demand forecast for Minnetonka. This is followed by a discussion of market conditions. The appendix includes more detail including a variety of metrics in tabular and graph formats.

Marquette Advisors Offices:

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Seattle Office: 2723 California Avenue SW, Seattle, WA 98116

Phone: 425-392-7482; Fax: 425-392-7330

New York Office: 54 West 40th Street, New York, NY 10018

Phone: 646-868-8025; Fax: 612-334-3022

**Housing Demand Potential -- General Occupancy (Non-Senior) Rental and For-Sale Residences
City of Minnetonka**

HH Group by % of AMI	1-5 Years			5-10 Years			10-15 Years			15-20 Years		
	Rental	For-Sale	Total	Rental	For-Sale	Total	Rental	For-Sale	Total	Rental	For-Sale	Total
30% AMI	1,083	0	1,083	150	0	150	115	0	115	115	0	115
50% AMI	871	0	871	217	0	217	165	0	165	165	0	165
60% AMI	1,288	0	1,288	258	0	258	195	0	195	195	0	195
80% AMI	958	0	958	333	0	333	445	0	445	445	0	445
Market Rate	1,500	300	1,800	1,200	600	1,800	900	450	1,350	900	450	1,350
Total	5,700	300	6,000	2,158	600	2,758	1,820	450	2,270	1,820	450	2,270

Projected New Supply

HH Group by % of AMI	1-5 Years		
	Rental	For-Sale	Total
30% AMI	0	0	0
50% AMI	93	0	93
60% AMI	26	0	26
80% AMI	77	0	77
Market Rate	947	150	1,097
Total	1,143	150	1,293

Remaining Unmet Demand

HH Group by % of AMI	1-5 Years		
	Rental	For-Sale	Total
30% AMI	1,083	0	1,083
50% AMI	778	0	778
60% AMI	1,262	0	1,262
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Market Rate	553	150	703
Total	4,557	150	4,707

Source: Marquette Advisors

**Senior Housing Demand Summary by Product Type/Service Level (2022-2031)
City of Minnetonka**

Product Type/Service Level	Short Term	Long-Term
	Demand (1-5 yrs)	Demand (5-10 yrs)
Adult/Few Services & Independent	396	447
Assisted Living	207	367
Memory Care	66	121
Total	669	935

Source: Marquette Advisors

MINNETONKA HOUSING DEMAND SUMMARY

Marquette Advisors has developed estimates of housing demand in Minnetonka over 20 years. The forecast is segmented into 5-year increments by product type as shown on the preceding tables. The following points summarize our projections.

- 1–5-year demand is measured from January 1, 2022 through December 31, 2026. Our calculations for this initial timeframe indicate potential demand for approximately 6,000 units in the community, including 1,800 market rate units and another 4,200 affordable housing units. It is important to note that this short-term affordable housing demand estimate far exceeds the projected mid- to long-range demand forecasts because it also includes current “pent-up” demand for affordable housing in the community. Pent-up demand as measured here accounts for an estimated 3,200 households currently living in Minnetonka who earn less than 80% of AMI and are “housing cost burdened,” meaning they must allocate more than 30% of their monthly incomes toward housing cost. The remaining 1,700 in affordable housing demand as shown for the 1–5-year period is attributable to household formation and in-migration to Minnetonka during this time.
- The table also compares estimated 5-year demand with projected new housing construction in Minnetonka, based on our review of projects currently under construction or proposed. From this analysis, it appears that as of this writing there is likely to be remaining demand for another 700 or so market rate units in Minnetonka and 4,000 affordable housing units, over and above what is currently in the pipeline.
- 5–10-year demand in Minnetonka is estimated at 2,758 units, decreasing to 2,270 units from 10-15 and 15-20 years. These forecasts are based on our review of regional growth, economic trends and Met Council household growth projections at the macro (metro area) level. The region is projected to grow by 11,400 households/year from 2020-2030, decreasing to around 9,600 households/year between 2030-2040 according to Met Council projections. The Met Council forecast indicates Minnetonka should capture around 2.1% of regional household growth between 2020-2030, decreasing to about 1.8% from 2030-2040. However, we believe Minnetonka has the potential to capture a greater percentage of regional household growth, if in fact a sufficient supply of attractive and appropriately priced housing units are constructed in the community to meet this demand. Our growth forecast for Minnetonka is based on a more aggressive 4% capture of regional growth from 2020-2030, declining slightly to 3.5% from 2030-2040.
- The more aggressive 3.5% to 4.0% capture rates for Minnetonka are reasonable based on a number of factors, most notably the following:
 - The city’s strong economic base – Minnetonka accounts for approximately 3.5% of metro area employment presently, including major corporate headquarters

such as United Health Group, Cargill and Starkey Laboratories. As well, Minnetonka also provides a convenient connection to other major employment nodes just outside the city, such as the “Golden Triangle” area of Eden Prairie and the I-494 and I-394 corridors. In fact, an estimated 240,000 jobs are based within a 10-minute drive from Minnetonka’s “Opus Park” area, representing about 14% of total employment in the metro area.

- Attractiveness factors – the availability of goods/services in the community with a strong retail & commercial base, convenient freeway access, walkable neighborhoods, community amenities such as parks & trails, strong schools, etc.
- Construction of SW-LRT, further enhancing the appeal of Minnetonka (and other SW suburbs) for commuters. Construction of SW-LRT station areas also brings with it opportunities for redevelopment and infill housing. The impact of this project is already being felt in the community, with 482 new housing units completed in the Opus Park recently and 848 units now under construction in three new developments. Demand for housing in this area is expected to peak around 2027-2029 following completion of SW-LRT in 2027.
- Senior housing is estimated at 669 units within 5 years, increasing to 935 units between 5-10 years. Presently there is one senior housing development under construction in Minnetonka, *Amira*, comprising 186 “active adult” units. More than 1/2 of projected market rate senior housing demand in Minnetonka over 10 years is expected to be for this product type and similar developments restricted to adults age 55+ offering few, if any services. This should include a mix of for-sale (including co-ops) and rental units.

HOUSING MARKET OBSERVATIONS

The following are key points from our analysis of housing market conditions in Minnetonka, the southwest suburban market area, and the Twin Cities metro area as a whole.

Apartments Account for a Growing Share of Twin Cities Housing Production – The Twin Cities market is in the midst of an apartment construction boom. Over the past 5 years (2017-2021), nearly 29,000 market rate rental units have been constructed in the metro area. This is nearly double the number of units constructed during the preceding five years. A summary of Minnetonka and Metro Area housing construction from 2017-2021 is shown on the following table.

New Housing Construction, 2017-2021 (5 yrs) Minnetonka and Twin Cities Metro Area						
Product Type	Minnetonka			Twin Cities Metro Area		
	New Units	%	% of Metro	New Units	%	% of Metro
For-Sale	155	9.3%	0.4%	34,608	37.9%	100.0%
Market Rate Rental	766	46.2%	2.6%	28,954	31.7%	100.0%
Affordable Rental	582	35.1%	3.2%	18,449	20.2%	100.0%
Senior (market rate)	155	9.3%	1.7%	9,277	10.2%	100.0%
Total	1,658	100.0%	1.8%	91,288	100.0%	100.0%

The increase in apartment construction in Minnetonka and throughout the metro area has been met with strong demand, as apartment absorption has kept pace with new supply. As of mid-year 2022 metro area vacancy was 4.0% (4.6% including new supply still in lease-up) and just 2.4% in Minnetonka. Developers have responded to strong demand for rental housing from varied household groups, although “Millennials” continue to comprise the primary demand segment, although larger numbers of all household groups are opting for rental housing due to both lifestyle and economic factors.

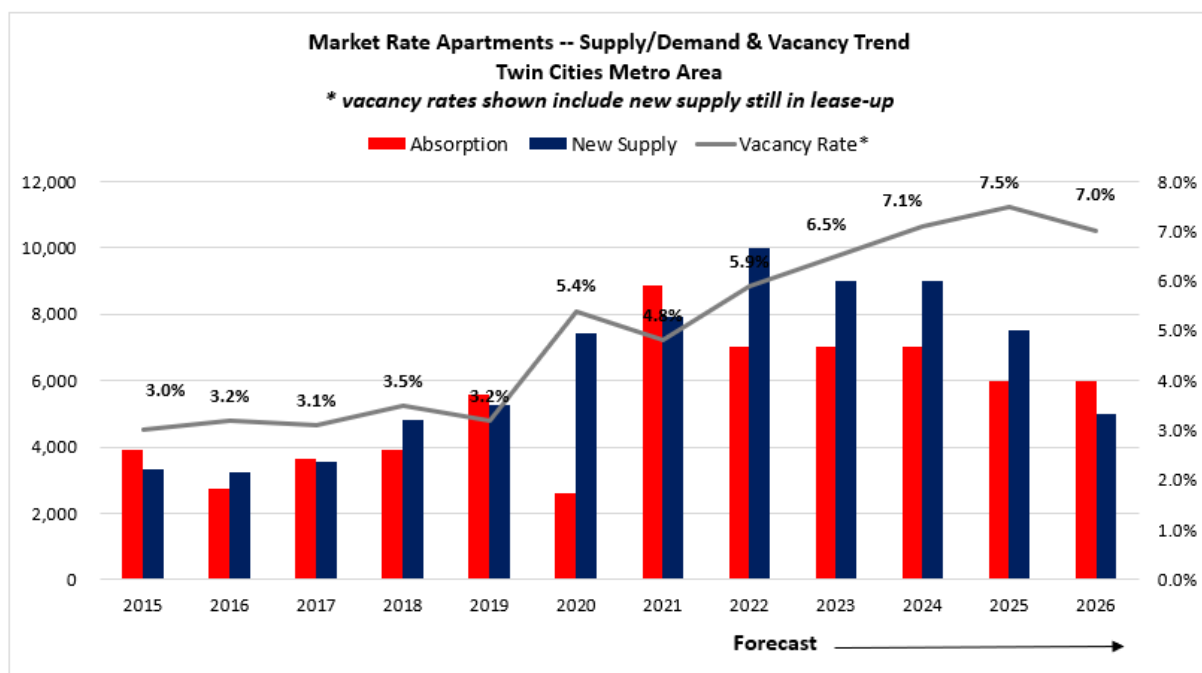
Minnetonka accounts for just 1.8% of metro area housing construction over the past five years, including 2.6% of market rate rental and 3.2% of affordable housing production. We’ve noted previously in this memo that we believe a 3.5% to 4.0% capture rate is in fact realistic for Minnetonka, based on a review of its economic base and attractiveness factors. However, this assumes an adequate supply of housing is in fact produced to meet this level of demand – this will require infill and redevelopment activity at high densities, and, in most cases, financial feasibility will require public private partnerships.

Record Demand for Apartments in the Metro Area – the Twin Cities market saw record absorption of more than 8,800 units 2021, a trend which has continued into 2022 as another 3,985 units were absorbed through the first six months of the year. Although varied by submarket, apartment managers generally have noted a surge in demand for all unit types, ranging from small Studio and Alcove floorplans to larger 2BR and 3BR apartments, as well as rental townhomes and an emerging market of single-family rental homes. Demand for smaller

unit types across the Twin Cities comes from primarily young, single renters. Meanwhile, demand for larger unit types comes primarily from couples – this includes mostly older Millennials, although renter characteristics vary by submarket. Secondary demand segments for 2BR apartments include roommate situations, single parents and couples with young children, as well as older adult “empty nesters.”

Rising Housing Costs Keeping Millennials in Rental Housing – Millennials are now between the ages of 25 and 40. Although many older Millennials may have considered a home purchase recently, large numbers remain in apartments as they have been challenged by a low inventory of for-sale listings, a highly competitive market, and rising prices. Further complicating this situation, mortgage rates have ramped from 3.0% to 5.5%+ in recent months. The impact of this rate increase on a \$400,000 mortgage is +\$585 per month, keeping even more households who might otherwise be homebuyers in rental housing. This situation in the housing market will not resolve in the near term, as such we expect a growing share of older Millennials will continue to rent their housing. Many will remain in apartments, while others seek alternatives such as rental townhomes or single-family home rentals.

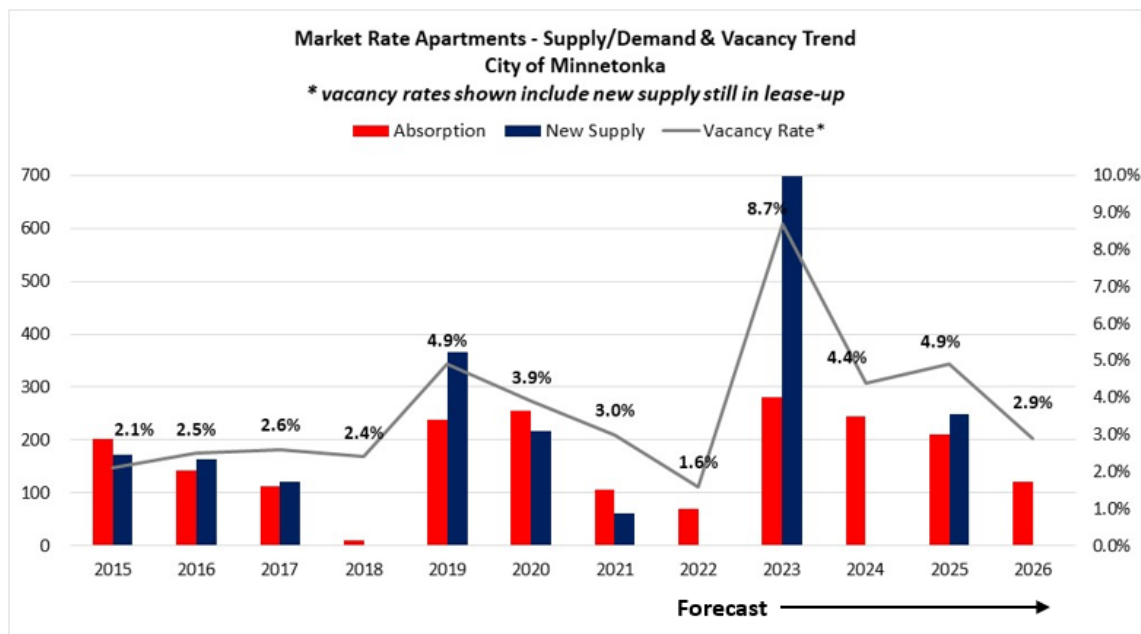
Metro Area Apartment Supply Growth Likely to Exceed Market Demand in 2022-2025 – Apartment demand has lagged only slightly behind new supply in the metro area, with some submarkets becoming temporarily over-supplied – examples are mostly urban, such as downtown Minneapolis. We expect a shift, however, as around 35,000 units to deliver in the metro area from 2022-2025. Meanwhile we expect demand for approximately 27,000 units during this period. As such, the metro area’s overall vacancy rate is projected to shift slightly out of balance, likely exceeding 7%+ at points during 2023-2024 as this new supply is absorbed.



Ramp-up in Suburban Apartment Construction, Including SW Metro Suburbs – Urban submarkets led the surge in apartment construction beginning in 2013, but suburban construction has ramped up considerably in recent years. The SW metro area has seen the construction of more than 3,000 units from 2019 to date, including 644 new units in Minnetonka. Demand has kept pace, however, as apartment vacancy stood at 5.4% in the SW metro and just 2.4% in Minnetonka at the mid-point of 2022.

From 2022-2025, the SW metro is expected to see the addition of nearly 8,000 market rate apartments, accounting for approximately 20% of metro area construction during this time. The SW-LRT corridor accounts for the lion’s share of the current development pipeline, with considerable activity focused around station areas in St. Louis Park, Hopkins, Minnetonka and Eden Prairie. SW-LRT corridor communities St. Louis Park, Hopkins, Minnetonka and Eden Prairie are expected to account for about 4,700 new market rate units during this period. This includes 947 new units in Minnetonka (about 2.7% of metro area construction), while neighboring cities Hopkins (1,424 units), St. Louis Park (1,272 units) and Eden Prairie (1,056 units) account for a larger share of current SW metro development.

Expect Low Apartment Vacancy in Minnetonka, as City Remains Under-Supplied from 2022-2026 -- Over the next five years, we expect another 947 market rate apartments will open in Minnetonka. We’ve noted previously that we estimate 5-year demand to comprise around 1,500 units (300/yr on average). As such, while a temporary upward adjustment in vacancy is expected in 2023 as more than 600 new units open, we expect this new supply will be mostly absorbed in 2024, with vacancy declining to around 4.4% by year-end 2024. From our analysis it appears there is “room” for another 500+ market rate apartments in the Minnetonka, in excess of the units currently under construction and formally proposed.



Still Considerable Demand for Affordable Housing in Minnetonka Despite Recent Additions – Minnetonka has seen the recent (2021) addition of 482 affordable housing units in two Opus Park developments by Dominion. This includes 262 age-restricted senior units (55+) and 220 workforce housing units, all of which are restricted to households earning <60% of AMI. Even with this addition, we estimate there are still more than 3,200 Minnetonka households who remain “housing cost burdened.” Additionally, annual affordable housing demand due to household formation and in-migration to the community is estimated at approximately 190 units per year going forward.

Opus Park Residential Development – The following is a summary of recent development, ongoing construction, and formal proposals within the Opus Park area of Minnetonka. Recent developments include the noted 482 affordable housing units by Dominion, opening in 2021. Expected 2023 deliveries include 699 market rate rental units and 149 affordable units. Based on our review of market demand and competitive supply factors, we expect that these developments should all reach a stabilized occupancy level within approximately 18 months following completion. As noted previously, we expect the overall Minnetonka apartment market will see a re-stabilization of apartment vacancy to the 4.4% to 4.6% range by the end of 2024. It should be noted that the timing of this expected re-stabilization will obviously be impacted by the specific opening dates of these new projects in 2023. At this time, we assume each of the noted 2023 deliveries will occur within the first half of the year.

Residential Construction -- Recent Additions & Current Pipeline									
Opus Park -- Minnetonka, MN									
Project Name	Developer	Projected Occupancy Date	Number of Units			Affordable Units by % of AMI			
			Market Rate	Affordable	Total	30%	50%	60%	80%
Legends of Mtk (Senior)	Dominium	2021	0	262	262	0	0	262	0
The Preserve at Shady Oak	Dominium	2021	0	220	220	0	0	220	0
Total Units - 2021			0	482	482	0	0	482	0
Total Units -- 2022			0	0	0	0	0	0	0
Minnetonka Station	Linden Street	Early 2023	247	28	275	0	28	0	0
Unnamed	Doran	Spring 2023	297	53	350	0	18	17	18
Unnamed	Wellington	Summer 2023	155	68	223	0	23	0	45
Total Units -- 2023			699	149	848	0	69	17	63
Total Units -- 2024			0	0	0	0	0	0	0
Unnamed	Greystar	2025?	248	27	275	0	14	0	14
Total Units -- 2025			248	27	275	0	14	0	14
Total Units, 2022-2025			947	658	1,605	0	83	499	77

Current construction within the Opus Park is generally focused to the west around Red Circle Drive, Bren Road and Shady Oak. Presently, we view this part of the Opus Park as being the most attractive for residential development based on walkability, access to neighborhood amenities (i.e. shops/restaurants near Shady Oak Road), and quick freeway connections (MN-62, US 169, US 212) which allow for short trips to other commercial and employment nodes.

The completion of SW-LRT slated for 2027, along with improvements to the area's street system, trail network and public spaces (making the area more pedestrian and car friendly), will enhance the appeal of interior sites within Opus Park for residential development over the mid- to long-term (i.e. 2027+). Given these factors, and the limited availability of potential development sites elsewhere in Minnetonka, we believe the Opus Park area is poised to accommodate a large share of the city's development over the next 10+ years. We believe the Opus Park area is best suited for the following housing product types:

- High-density market rate, mixed-income and affordable rental housing development, comprising a mix of low to mid-rise buildings.
- Rental townhomes (financial feasibility more challenging due to lower density)
- For-sale townhomes (similar financial feasibility issue)

High-rise construction will be very difficult if not impossible in this area due to construction costs, and low/mid-rise development in most cases will require creative public-private partnerships and the use of tax increment financing.

While we would expect a positive market response to for-sale condos here within 5-10 years, the economics of condo development are extremely challenging due and create a high level of risk for developers due to construction warranty laws. As such, current condo development only makes sense at the very high end of the market at a price point of \$800+ per square foot. We do not view the Opus Park area as being well suited for this type of luxury development.

Senior housing products could also be considered for Opus Park, although this area currently does not provide convenient access to goods/services and medical facilities, while the one-way street network presents another challenge.

Following the opening of 699 market rate apartments in the Opus Park in 2023, we believe the market will support another 500 or so units delivering in the 2025/2026 timeframe. This would include the proposed Greystar project and perhaps one additional project with around 200+ units. In our view, this would allow ample time for these units to absorb prior to the opening of new housing in a large-scale redevelopment of the current Minneapolis Mart site.

Minneapolis Mart Site -- Marquette Advisors was asked to opine on the potential for redevelopment of the Minneapolis Mart property. Redevelopment of this 20-acre parcel is assumed to commence in about 2027, with the delivery of new residential units and other project

components such as public spaces/amenities and commercial development beginning in 2029. SW-LRT and the Opus Station is expected to be completed in 2027. As noted previously, we believe the Minnetonka market could support an average of 300 new market rate apartment units per year. It is reasonable to expect that much of this new development can be accommodated within the Opus Park. For the Minneapolis Mart site, specifically, we would recommend an initial development phase with around 300 to 350 market rate rental units, perhaps in two buildings with a staggered delivery over approximately 12-18 months. Depending on the structuring of public-private partnerships and the availability of financing, this area could also support an affordable housing component (either stand-alone or mixed-income) with 75 to 100 units (potentially more depending on the amount of subsidy available).

We expect that new apartments here will attract renters seeking a modern suburban luxury apartment in a highly-amenitized building with good access to neighborhood amenities and LRT. Improved trails and public spaces, green space and more availability of neighborhood restaurants and gathering spaces will greatly enhance this location. Young single renters are expected to comprise the primary demand segment, with most of these renters seeking smaller unit types. Secondary market segments are expected to include older Millennials (including both singles and couples who continue to rent for the reasons noted in this report), and empty nesters. Both of these groups will show a preference for larger unit types.

Although market conditions continue to evolve and must be constantly monitored as a considerable amount of new product opens in Minnetonka and throughout the SW metro next year, we offer the following baseline suggestion in regard to a possible unit mix for around 350 units on the Minneapolis Mart site (likely spread across two buildings with staggered delivery timing). Rents shown are in current August 2022 dollars.

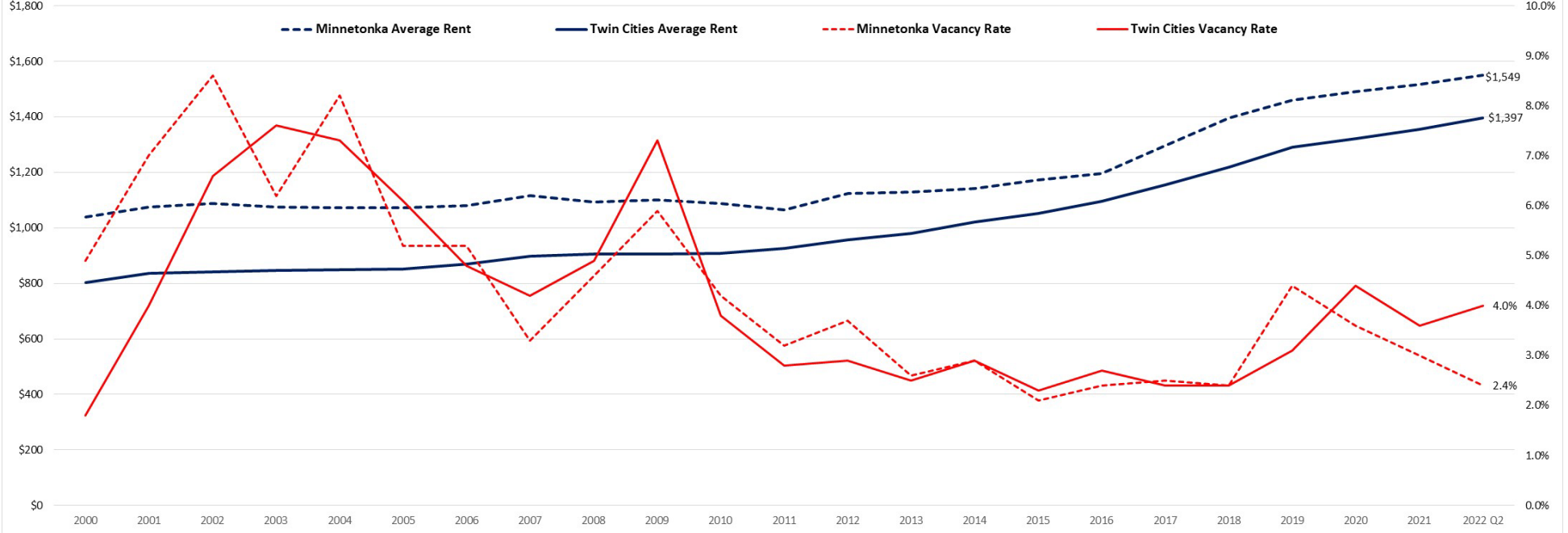
Preliminary Unit Mix & Rent Schedule (for illustration purposes only)							
Possible Market Rate Apartment Development (2 buildings) -- Mpls Mart Site							
Unit Type	No.	Pct.	Unit		Esimated Current Market Rent (Aug 2022)		
			Size	Total SF	per Unit	PSF	Total \$/Month
Studio	24	6.9%	450	10,800	\$1,350	\$3.00	\$32,400
Alcove	32	9.1%	550	17,600	\$1,495	\$2.72	\$47,840
Alcove	24	6.9%	600	14,400	\$1,595	\$2.66	\$38,280
Subtotal	80	22.9%	535	42,800	\$1,482	\$2.77	\$118,520
1BR, 1Ba	32	9.1%	650	20,800	\$1,650	\$2.54	\$52,800
1BR, 1Ba	44	12.6%	680	29,920	\$1,695	\$2.49	\$74,580
1BR, 1Ba	44	12.6%	720	31,680	\$1,750	\$2.43	\$77,000
1BR, 1Ba	24	6.9%	780	18,720	\$1,825	\$2.34	\$43,800
Subtotal	144	41.1%	702	101,120	\$1,723	\$2.45	\$248,180
1BR+Den, 1Ba	16	4.6%	850	13,600	\$1,925	\$2.26	\$30,800
Subtotal	16	4.6%	850	13,600	\$1,925	\$2.26	\$30,800
2BR, 1Ba	12	3.4%	880	10,560	\$2,150	\$2.44	\$25,800
2BR, 1Ba	12	3.4%	920	11,040	\$2,225	\$2.42	\$26,700
2BR, 2Ba	24	6.9%	1,000	24,000	\$2,375	\$2.38	\$57,000
2BR, 2Ba	20	5.7%	1,100	22,000	\$2,475	\$2.25	\$49,500
2BR, 2Ba	16	4.6%	1,200	19,200	\$2,650	\$2.21	\$42,400
Subtotal	84	24.0%	1,033	86,800	\$2,398	\$2.32	\$201,400
2BR+Den, 2Ba	14	4.0%	1,300	18,200	\$2,950	\$2.27	\$41,300
2BR+Den, 2Ba	12	3.4%	1,400	16,800	\$3,150	\$2.25	\$37,800
Subtotal	26	7.4%	1,346	35,000	\$3,042	\$2.26	\$79,100
TOTAL	350	100.0%	798	279,320	\$1,937	\$2.43	\$678,000
Source: Marquette Advisors							

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APPENDIX:

SUPPORTING DATA

Average Apartment Rents & Vacancy Trend, 2000-2022
 Minnetonka & Twin Cities Metro Area



Market Tracker -- Supply/Demand & Rent Growth Trends
-- Southwest Suburban Market Area
-- Twin Cities Metro Area

	Southwest Suburban Market Area										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	1st half
Total Units *	27,677	28,075	28,736	28,900	29,986	30,485	31,560	32,355	33,068	33,564	
New Supply	491	398	661	164	1,086	499	1,075	795	713	496	
Vacant Units	952	931	988	723	750	870	1,262	2,123	1,776	1,822	
Vacancy Rate**	3.4%	3.3%	3.4%	2.5%	2.5%	2.9%	4.0%	6.6%	5.4%	5.4%	
Occupied Units	26,725	27,144	27,748	28,178	29,236	29,615	30,298	30,232	31,292	31,742	
Absorption	463	420	604	429	1,059	379	682	(65)	1,060	450	
Avg. Rent	\$1,081	\$1,118	\$1,141	\$1,193	\$1,238	\$1,332	\$1,411	\$1,445	\$1,463	\$1,515	
Rent Growth	2.9%	3.4%	2.1%	4.6%	3.8%	7.6%	5.9%	2.4%	1.2%	3.6%	
	Twin Cities Metro Area										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	1st half
Total Units *	173,799	178,190	181,525	184,777	188,350	193,157	198,415	205,831	213,731	217,593	
New Supply	2,763	4,391	3,335	3,252	3,573	4,807	5,258	7,416	7,900	3,862	
Vacant Units	4,345	5,975	5,382	5,902	5,819	6,704	6,396	11,184	10,222	10,099	
Vacancy Rate**	2.5%	3.4%	3.0%	3.2%	3.1%	3.5%	3.2%	5.4%	4.8%	4.6%	
Occupied Units	169,454	172,215	176,143	178,875	182,531	186,453	192,019	194,647	203,509	207,494	
Absorption	3,378	2,761	3,928	2,732	3,656	3,922	5,566	2,628	8,862	3,985	
Avg. Rent	\$981	\$1,021	\$1,053	\$1,095	\$1,155	\$1,219	\$1,290	\$1,321	\$1,354	\$1,398	
Rent Growth	2.5%	4.1%	3.1%	4.0%	5.4%	5.6%	5.8%	2.4%	2.5%	3.2%	
SW Metro Area Market Share											
SW % of Metro Area Occupied Units	15.8%	15.8%	15.8%	15.8%	16.0%	15.9%	15.8%	15.5%	15.4%	15.3%	
SW % of Metro Area New Supply	17.8%	9.1%	19.8%	5.0%	30.4%	10.4%	20.4%	10.7%	9.0%	12.8%	
SW % of Metro Area Absorption	13.7%	15.2%	15.4%	15.7%	29.0%	9.7%	12.3%	-2.5%	12.0%	11.3%	

* Unit supply includes market rate apartments in complexes with 10+ units. Excludes subsidized apartments and senior living communities.

** Note that the vacancy rate shown here includes both stabilized properties and new units still in lease-up.

Source: Marquette Advisors

Market Tracker -- Supply/Demand & Rent Growth Trends
 -- City of Minnetonka
 -- Twin Cities Metro Area

	Minnetonka									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 1st half
Total Units *	3,949	3,949	4,122	4,286	4,406	4,406	4,773	4,990	5,052	5,052
New Supply	0	0	173	164	120	0	367	217	62	0
Vacant Units	103	115	87	107	115	106	234	195	152	121
Vacancy Rate	2.6%	2.9%	2.1%	2.5%	2.6%	2.4%	4.9%	3.9%	3.0%	2.4%
Occupied Units	3,846	3,834	4,035	4,179	4,291	4,300	4,539	4,795	4,900	4,931
Absorption	43	(12)	201	143	113	9	239	256	105	30
Avg. Rent	\$1,128	\$1,142	\$1,172	\$1,196	\$1,295	\$1,397	\$1,459	\$1,490	\$1,517	\$1,549
Rent Growth	6.0%	1.2%	2.6%	2.0%	8.3%	7.9%	4.4%	2.1%	1.8%	2.1%

	Twin Cities Metro Area									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 1st half
Total Units *	173,799	178,190	181,525	184,777	188,350	193,157	198,415	205,831	213,731	217,593
New Supply	2,763	4,391	3,335	3,252	3,573	4,807	5,258	7,416	7,900	3,862
Vacant Units	4,345	5,975	5,382	5,902	5,819	6,704	6,396	11,184	10,222	10,099
Vacancy Rate	2.5%	3.4%	3.0%	3.2%	3.1%	3.5%	3.2%	5.4%	4.8%	4.6%
Occupied Units	169,454	172,215	176,143	178,875	182,531	186,453	192,019	194,647	203,509	207,494
Absorption	3,378	2,761	3,928	2,732	3,656	3,922	5,566	2,628	8,862	3,985
Avg. Rent	\$981	\$1,021	\$1,053	\$1,095	\$1,155	\$1,219	\$1,290	\$1,321	\$1,354	\$1,398
Rent Growth	2.5%	4.1%	3.1%	4.0%	5.4%	5.6%	5.8%	2.4%	2.5%	3.2%

Minnetonka Market Share										
Tonka % of Metro Area Occupied Units	2.3%	2.2%	2.3%	2.3%	2.4%	2.3%	2.4%	2.5%	2.4%	2.4%
Tonka % of Metro Area New Supply	0.0%	0.0%	5.2%	5.0%	3.4%	0.0%	7.0%	2.9%	0.8%	0.0%
Tonka % of Metro Area Absorption	1.3%	-0.4%	5.1%	5.2%	3.1%	0.2%	4.3%	9.8%	1.2%	0.8%

* Unit supply includes market rate apartments in complexes with 10+ units. Excludes subsidized apartments and seniors housing.

** Note that the vacancy rate shown here includes both stabilized properties and new units still in lease-up.

Source: Marquette Advisors

**Apartment Development Pipeline, 2022-2025 -- known developments and proposals as of August 2022
Primary Market Area (Minnetonka, Eden Prairie, St. Louis Park & Hopkins)**

Project Name	Developer	Location	City	Status	Projected Occupancy Date	Number of Units			
						Market Rate	Affordable	Total	
Raspberry Ridge II	Raspberry Ridge Ltd.	6th & Main St.	Hopkins	Under Construction	Summer 2022	43	0	43	
Via Sol	Place	Wooddale Station	St. Louis Park	Under Construction	Summer 2022	65	152	217	
Parkway Flats	Sela	31st & Inglewood	St. Louis Park	Under Construction	Summer 2022	0	6	6	
Volo at Texa-Tonka	Paster	2939 Texas Ave. S.	St. Louis Park	Under Construction	Fall 2022	90	22	112	
						Total Units -- 2022	198	180	378
Paravel Apts	Timberland	Prairie Center Dr. & Castlemoor	Eden Prairie	Under Construction	Spring 2023	182	63	245	
The Ellie	United Properties	Eden Prairie Rd. & Lincoln Ln.	Eden Prairie	Approved	Fall 2023	220	25	245	
Blake Road Station - Phase I	Trilogy Real Estate	Excelsior Blvd. & Blake Rd.	Hopkins	Under Construction	Fall 2023	223	0	223	
Vista 44	Beacon Interfaith	1st St. S. & 12th Ave.	Hopkins	Approved	Fall 2023	0	50	50	
Minnetonka Station	Linden St. Investments	10400, 10500, 10550 Bren Rd. E.	Minnetonka	Under Construction	Early 2023	247	28	275	
Unnamed	Doran Companies	5959 Shady Oak Rd	Minnetonka	Under Construction	Spring 2023	297	53	350	
Unnamed (Phase I)	Wellington	10901 Red Circle Dr.	Minnetonka	Under Construction	Summer 2023	155	68	223	
Luxe Residential	Luxe Residential Services	5235 Wayzata Blvd.	St. Louis Park	Under Construction	Summer 2023	207	0	207	
Unnamed	Opus	3440 Bellline Blvd.	St. Louis Park	Under Construction	Fall 2023	225	25	250	
Wooddale Avenue Apts	Real Estate Equities	3801 Wooddale Avenue	St. Louis Park	Approved	Fall 2023	0	114	114	
Rise on 7	Common Bond	8115 Hwy. 7	St. Louis Park	Approved	Fall 2023	0	120	120	
						Total Units -- 2023	1,756	546	2,302
Blue Stem North - Phase I	Greco	6901 Flying Cloud Drive	Eden Prairie	Proposed	2024	176	61	237	
The Ellie	United Properties	16316 Lincoln Ln	Eden Prairie	Proposed	2024	179	60	239	
The Grove	Ryan Companies	N. of Valley View, W. of Plaza Dr	Eden Prairie	Approved	2024	158	53	211	
325 Blake Rd. - Phase I - Bldg C	Alatus LLC	325 Blake Road North	Hopkins	Approved	2024	342	0	342	
Hopkins Apartments	Enclave Development	1118 Mainstreet	Hopkins	Proposed	2024	150	0	150	
Unnamed	Hopkins Park Plaza	5th & Main St.	Hopkins	Conceptual	2024	180	0	180	
Bellline Station Apts - Bldg 2	Sherman Associates	Bellline Station	St. Louis Park	Approved	2024	0	82	82	
Bellline Station Apts - Bldg 1	Sherman Associates	Bellline Station	St. Louis Park	Approved	2024	156	0	156	
Unnamed	Bigos	9808 & 9920 Wayzata Blvd.	St. Louis Park	Approved	2024	186	47	233	
Union Park Flats	Project for Pride in Living	3700 Alabama Ave. S.	St. Louis Park	Approved	2024	0	60	60	
Olyhi SLP	Saturday Properties	Wooddale Station	St. Louis Park	Approved	2024	197	49	246	
Bellline Station Apts - Bldg 1	Sherman Associates	Bellline Station	St. Louis Park	Approved	2024	146	0	146	
						Total Units -- 2024	1,870	412	2,282
Blue Stem North - Phase II	Greco	6901 Flying Cloud Drive	Eden Prairie	Proposed	2025	141	47	188	
325 Blake Rd. - Phase II - Bldg D	Alatus LLC	325 Blake Road North	Hopkins	Proposed	2025	129	33	162	
325 Blake Rd. - Phase II - Bldg A	Alatus LLC	325 Blake Road North	Hopkins	Proposed	2025	0	112	112	
Blake Road Station - Phase II	Trilogy	Excelsior Blvd. & Blake Rd.	Hopkins	Approved	2025	250	0	250	
Hopkins Cinema Site	Enclave	1118 Main Street	Hopkins	Proposed	2025	150	0	150	
Unnamed	Greystar Development	10701 Bren Rd	Minnetonka	Proposed	2025?	248	27	275	
						Total Units -- 2025	918	219	1,137
						Totals - 2022-2025	4,742	1,357	6,099

Market Rate, General Occupancy Apartment Supply & Absorption Trend, 2018-2026
City of Minnetonka & Twin Cities Metro Area

	Historic				Forecast				
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Twin Cities Metro Area									
Total Units	193,157	198,415	205,831	213,731	223,731	232,731	241,731	249,231	254,231
New Supply	4,807	5,258	7,416	7,900	10,000	9,000	9,000	7,500	5,000
Vacant Units	6,704	6,396	11,184	10,222	13,222	15,222	17,222	18,722	17,722
Vacancy Rate *	3.5%	3.2%	5.4%	4.8%	5.9%	6.5%	7.1%	7.5%	7.0%
Occupied Units	186,453	192,019	194,647	203,509	210,509	217,509	224,509	230,509	236,509
Absorption	3,922	5,566	2,628	8,862	7,000	7,000	7,000	6,000	6,000
Minnetonka									
Total Units	4,406	4,773	4,990	5,052	5,052	5,751	5,751	5,999	5,999
New Supply	0	367	217	62	0	699	0	248	0
Vacant Units	106	234	195	151	81	500	255	293	173
Vacancy Rate *	2.4%	4.9%	3.9%	3.0%	1.6%	8.7%	4.4%	4.9%	2.9%
Occupied Units	4,300	4,539	4,795	4,901	4,971	5,251	5,496	5,706	5,826
Absorption	239	239	256	106	70	280	245	210	120
Minnetonka Market Share									
% of Metro Total Supply	2.3%	2.4%	2.4%	2.4%	2.3%	2.5%	2.4%	2.4%	2.4%
% of Metro New Supply	0.0%	7.0%	2.9%	0.8%	0.0%	7.8%	0.0%	3.3%	0.0%
% of Metro Absorption	6.1%	4.3%	9.7%	1.2%	1.0%	4.0%	3.5%	3.5%	2.0%

* Vacancy rate shown includes all vacant units, including new units still in lease-up as of year-end.

Source: *Marquette Advisors*

Senior Housing Supply -- Market Rate (as of August 2022)		
City of Minnetonka		
Property Name	Year Built	Number of Units
Adult/Few Services -- Ownership		
Zvago Sr. Cooperative	2017	54
Applewood Pointe of Minnetonka	2016	87
	Subtotal	141
Adult/Few Services (55+) -- Rental		
Avidor	2020	168
	Subtotal	168
Independent with Services (Congregate)		
Havenwood of Minnetonka	2019	36
Orchards of Minnetonka	2019	75
Westridge	1998	102
Beacon Hill	1995	107
The Glenn	2011	69
Ridgepointe I & II	1986/1988	274
	Subtotal	663
Assisted Living		
Havenwood of Minnetonka	2019	36
Orchards of Minnetonka	2019	50
Amira Choice	2017	71
Brookdale Minnetonka	1995	86
Sunrise of Minnetonka	2005	39
Brookdale Minnetonka	1996	78
Elder Homestead	1986	30
Beacon Hill Commons	1995	42
The Glenn	2011	54
	Subtotal	486
Memory Care		
Havenwood of Minnetonka	2019	24
Orchards of Minnetonka	2019	20
Amira Choice	2017	22
Brookdale Minnetonka	1999	35
Sunrise of Minnetonka	1995/2007	30
Emerald Crest	1998	36
Elder Homestead II	1986	20
The Glenn	2011	24
	Subtotal	211
Care Suites		
Amira Choice	2017	6
	Subtotal	6
	TOTAL	1,675

**Senior Housing Development Pipeline, as of Aug 2022
Minnetonka**

Project	Developer / Operator	Location	Product Type/Service Level								Notes:
			Total Units	Coop	Condo	55+ Adult	Independent w/Services	Assisted Living	Memory Care	Skilled Nursing	
Amira	United Properties / Ebenezer	801 Carlson Parkway	186	0	0	186	0	0	0	0	Under construction, projected 2023 opening.
Total by Product/Service Level			186	0	0	186	0	0	0	0	

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**Estimated Demand for Adult/Few Services & Independent ("Congregate") Senior Housing
City of Minnetonka**

Short-Term Demand -- 5 Yrs (2022-2026)	Age 55-64	Age 65-74	Age 75+	Total
Estimated Households with incomes of \$25,000-\$34,999	133	177	389	699
(times) Homeownership Rate	88%	87%	70%	78%
(equals) Potential Market	117	154	272	543
(plus) Estimated Income Qualified Household Base (\$35,000+ Income)	4,592	4,062	2,905	11,559
(equals) Potential Local Market Base	4,709	4,216	3,177	12,102
(times) Product Short-Term Capture Rate	3.0%	5.0%	20.0%	8.6%
(equals) Short-Term Demand Potential (local)	149	222	669	1,040
(plus) Estimated Additional Demand from Outside the Market Area @ 20%	47	70	211	328
(equals) Total Short Term Demand Potential	196	292	880	1,368
Compare to # of Existing Adult/Few Services & Independent Senior Housing Units				972
(equals) Projected Short-Term Unit Surplus or (Shortage) (Next 5 Years as of Jan. 2022)				(396)
Long-Term Demand -- 5-10 yrs (2027-2031)	Age 55-64	Age 65-74	Age 75+	Total
Estimated Households with incomes of \$25,000-\$34,999	49	99	310	458
(times) Homeownership Rate	88%	87%	70%	76%
(equals) Potential Market	43	86	217	346
(plus) Estimated Income Qualified Household Base (\$35,000+ Income)	4,058	4,562	4,104	12,724
(equals) Potential Local Market Base	4,101	4,648	4,321	13,070
(times) Product Short-Term Capture Rate	3.0%	5.0%	20.0%	9.3%
(equals) Short-Term Demand Potential (local)	123	232	864	1,220
(plus) Estimated Additional Demand from Outside the Market Area @ 20%	39	73	273	385
(equals) Total Short Term Demand Potential	162	306	1,137	1,605
Compare to Projected # of Adult/Few Services & Independent Senior Housing Units				1,158
(equals) Projected Short-Term Unit Surplus or (Shortage) (Next 5 Years as of Jan. 2027)				(447)
Source: Marquette Advisors				

**Estimated Assisted Living Senior Housing Demand
City of Minnetonka**

		Short Term (1-5 yrs.)	Long Term (5-10 yrs.)
		<u>2022-2026</u>	<u>2027-2031</u>
<u>Demand from Market Area Seniors Ages 75-79</u>			
Market Area Population Ages 75-79		2,304	3,137
(times) Percent Needing Assistance with ADL's	x	25%	25%
(equals) Estimated Seniors Ages 75-79 Needing Assistance with ADL's *	=	576	784
<u>Demand from Market Area Seniors Ages 80-84</u>			
Market Area Population Ages 80-84		1,542	2,016
(times) Percent Needing Assistance with ADL's	x	33%	33%
(equals) Estimated Seniors Ages 80-84 Needing Assistance with ADL's	=	509	665
<u>Demand from Market Area Seniors Ages 85+</u>			
Market Area Population Age 85+		1,937	2,155
(times) Percent Needing Assistance with ADL's	x	50%	50%
(equals) Estimated Seniors Age 85+ Needing Assistance with ADL's	=	969	1,078
Total Market Area Seniors Ages 75+ Needing Assistance with ADL's	=	2,053	2,527
(times) Percent Income Qualified	x	90%	90%
(times) Potential Penetration Rate for Assisted Living Housing	x	30%	30%
(equals) Potential Assisted Living Demand from Market Area Seniors	=	554	682
(add) Additional Demand from Outside Market Area @ 20%	+	139	171
(equals) Potential Total Assisted Living Sr. Housing Units Supportable in Market Area	=	693	853
Compare to Existing Supply of Assisted Living Units		486	486
(equals) Excess Short-Term Unit Surplus or (Shortage) in Minnetonka (next 5 years)	=	(207)	(367)

* ADL's = Activities of Daily Living

Source: Marquette Advisors

**Estimated Memory Care Housing Demand
City of Minnetonka**

		Short-Term (1-5 yrs)	Long-Term (5-10 yrs)
		<u>2022-2026</u>	<u>2027-2031</u>
<u>Demand from Market Area Seniors Ages 65-74</u>			
Market Area Population Ages 65-74		7,533	8,161
(times) Dementia Incidence Rate	x	1.5%	1.5%
(equals) Estimated Sr's Ages 65-74 with Dementia	=	113	122
<u>Demand from Market Area Seniors Ages 75-84</u>			
Market Area Population Ages 75-84		3,846	5,153
(times) Dementia Incidence Rate	x	16%	16%
(equals) Estimated Sr's Ages 75-84 with Dementia	=	615	824
<u>Demand from Market Area Seniors Ages 85+</u>			
Market Area Population Age 85+		1,937	2,155
(times) Dementia Incidence Rate	x	44%	44%
(equals) Estimated Sr's Age 85+ with Dementia	=	852	948
Estimated Total Market Area Seniors with Dementia	=	1,581	1,895
(times) Percent Income/Asset Qualified	x	70%	70%
(times) Potential Penetration Rate for Specialized Memory Care Housing	x	20%	20%
(equals) Potential Memory Care Housing Demand from Market Area Seniors	=	221	265
(add) Additional Demand from Outside Market Area @ 20%	+	55	66
(equals) Potential Total Memory Care Housing Units Supportable in Minnetonka	=	277	332
Compare to Existing Supply of Memory Care Units in Minnetonka	-	211	211
(equals) Excess Short-Term Surplus or (Shortage) in the Minnetonka (next 5 years)	=	(66)	(121)
Source: Marquette Advisors			

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PROFILE OF
MARQUETTE ADVISORS

Marquette Advisors

Real Estate Consultants



The Residential Analytics Group



Marquette Advisors -- The Residential Analytics Group

The ***Residential Analytics Group*** of Marquette Advisors provides market and financial feasibility studies, appraisals, and varied consulting and advisory services on behalf of the real estate development community. We offer a team of the industry's foremost market experts who are regularly called upon to assist property owners, developers, investors, and lenders, as well as planners and government agencies in making intelligent decisions regarding the market potential and financial feasibility of residential and mixed-use development and redevelopment projects.

Marquette Advisors provides a focused analysis that is customized to meet the individual needs of each client. We strive to provide the right advice and solutions for every project on which we consult. Throughout our team's history, we have analyzed hundreds of situations, providing clear development advisory services and thoughtful answers to client questions and problems.

The Residential Analytics Group of Marquette Advisors provides market and financial feasibility analyses, valuation and advisory services in the following areas:

- Multifamily residential (for-sale & rental)
- Single-family & residential subdivision development
- Seniors housing
- Student housing
- Hotel condos & fractional housing
- Mixed-use developments, incorporating residential and commercial uses
- Community housing needs assessments

Additionally, through its ***Hospitality Group***, Marquette Advisors also provides full range of market research, financial advisory and feasibility study services related to hotels, casinos, entertainment and convention facilities, sports arenas, and recreational developments.

Marquette Advisors Offices:

Minneapolis Office: 50 South 6th Street, Suite 1308, Minneapolis, MN 55402

Phone: 612-335-8888; Fax: 612-334-3022

Seattle Office: 2723 California Avenue SW, Seattle, WA 98116

Phone: 425-392-7482; Fax: 425-392-7330

New York Office: 54 West 40th Street, New York, NY 10018

Phone: 646-868-8025; Fax: 612-334-3022

Marquette Advisors

FEASIBILITY STUDIES

All of our assignments are scoped according to the specific needs of the client. Our market studies are regularly used to evaluate and guide real estate development projects, ranging from acquisition/rehab opportunities, to free-standing new apartment or condominium developments, to complex mixed-use communities. Our feasibility studies typically evaluate both the market viability and financial feasibility of a development project. These reports are regularly used to secure financing.



A Marquette Advisors feasibility study typically includes each of the following components:

- Site Analysis
- Analysis of demographics & economic conditions
- Competitive Market Analysis with detailed competitive supply audit and development pipeline assessment
- Buyer/renter profile analysis
- Development recommendations – project sizing, unit mix, price/rents, amenities, design considerations
- Demand analysis and absorption forecast
- Financial feasibility

COMMUNITY HOUSING NEEDS ASSESSMENTS

Our community housing needs assessments and policy studies employ the disciplined methodology outlined above and focus on the needs of a particular geographical area – a city or a county, for example – to facilitate the strategic development of a variety of housing products. Our clients include, but are not limited to: municipalities, counties, non-profit affordable housing organizations, and downtown business associations.

ECONOMIC IMPACT ANALYSIS

Marquette Advisors has developed a specialty in providing economic impact studies for residential development projects, as well as studies which analyze the economic impact of affordable and workforce housing shortages upon individual communities and entire regions.



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DEVELOPMENT CONSULTING

As fee-paid developers, Marquette Advisors have executed programs for large residential parcels, including development conceptualization, programming, planning and sale for those owners and investors who require professional assistance to enhance and maximize their residential property assets. We have recently worked on the behalf of property owners in advising and assisting them in the evaluation of condominium conversion opportunities.



BUSINESS PLANS

Marquette Advisors have developed business plans scaled for large single-family, multi-family and multi-use developments. We are expert at developing strategic plans required for successful implementation.



VALUATION SERVICES

Marquette Advisors offers a complete range of MAI appraisal products for all real estate property classes throughout the country. Our appraisals have been utilized to underwrite and support new developments, execute re-merchandising strategies, assist in workouts of problem projects, and complete acquisitions.



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**PROFESSIONAL QUALIFICATIONS OF
BRENT E. WITTENBERG, CRE**

***Vice President
Marquette Advisors***



Brent E. Wittenberg is Vice President of Marquette Advisors, a Minneapolis-based firm providing comprehensive real estate consulting services to residential, retail, industrial, office, hospitality, gaming, entertainment and recreational developments. Mr. Wittenberg is an invited member of the American Society of Real Estate Counselors (CRE).

Brent has a diverse background and over 25 years has completed numerous consulting assignments for a wide variety of income producing real estate developments. He has completed assignments in 37 states and in Canada, including feasibility studies and varied development advisory services. He is a known expert in the field of real estate research and feasibility analysis, spanning all property sectors. He has completed engagements related to multifamily housing, residential subdivision analysis, seniors housing, casinos, hotels, conference and banquet facilities, golf courses, retail shopping centers and individual retail store operations, gas station/convenience stores, truck stops, office and industrial developments, community centers and health clubs, and aviation-related real estate operations such as corporate hangar facilities and FBOs. Brent has developed an expertise in providing feasibility studies for complex mixed-use projects, redevelopment projects, urban infill and downtown development. He understands the unique aspects of redevelopment and public-private partnerships, having worked in both sectors.

Brent has also developed a specialty in providing affordable housing market analyses and needs assessments on behalf of cities, counties, regional and state planning agencies throughout the United States. Specifically, his studies have addressed the relationship between housing affordability and economic development. Recently, he has authored reports on this issue on behalf of clients in Minneapolis/St. Paul, Tallahassee, FL, Portland, OR and Jasper and Beaufort Counties (Hilton Head), SC.

Brent has spoken at Urban Land Institute conferences and seminars sponsored by the Minnesota Multi-Housing Association and the Institute of Real Estate Management. He has also been a guest lecturer at local universities. Mr. Wittenberg is regularly quoted in *The Business Journal of Minneapolis-St. Paul*, *Minnesota Real Estate Journal*, *Finance and Commerce*, *Minneapolis StarTribune*, *St. Paul Pioneer Press*, *Heartland Real Estate Business*, *National Real Estate Investor*, and *Apartment Finance Today* regarding multifamily market trends, and has provided articles for several of these publications. Brent has served as a “Best in Real Estate” judge on behalf of the Twin Cities Business Journal in 2002, 2003 and 2010. He served on the Board of Directors of the Minnesota Multi-Housing Association in 2005 and 2006 and is currently active on multiple committees with the organization.

Mr. Wittenberg earned a Master of City and Regional Planning Degree (MCRP) from Clemson University, where he was recognized by the American Institute of Certified Planners (AICP) for outstanding attainment in the study of planning. He earned a Bachelor of Arts Degree in Local and Urban Affairs at St. Cloud State University.



PROFESSIONAL QUALIFICATIONS OF LOUIS W. FRILLMAN, CRE, FRICS, MAI

President

MARQUETTE ADVISORS & MARQUETTE CAPITAL ADVISORS



Louis W. Frillman has been engaged in the business of providing counsel to the real estate investment and development business nationwide since 1975. During this time, he has completed counseling assignments dealing with significant decisions regarding market feasibility and absorption analysis studies, valuations and disposition of major business properties, and investment analyses for acquisition of property by institutional investors of all types. In addition, he has actively overseen major development programs for all types of property developments; he holds the professional designations FRICS (Fellow, Royal Institution of Chartered Surveyors), MAI (Member Appraisal Institute), and CRE (Member, American Society of Real Estate Counselors).

Marquette Advisors currently operates a national real estate counseling practice with offices in Minneapolis and Seattle. Marquette provides comprehensive solutions to complex real estate problems and is practiced at managing and overseeing large real estate consulting projects nationwide. Marquette Capital Advisors specializes in transactional advisory services, crossing all property types and geographic boundaries.

Mr. Frillman formerly was Executive Vice President of Marquette Partners, a 490-employee firm that managed and oversaw 49 million sf of investment properties of all types, including regional and community shopping centers nationwide, as well as office and industrial properties and corporate portfolios.

Mr. Frillman is regularly retained to advise on large real estate assets and portfolios which require solutions to complex problems involving ownership and financial structuring. He is a recognized expert at devising complex value-enhancement strategies. He has completed several thousand market studies, appraisals, and devised business plans for properties of all types. His practice has spanned North America and parts of Europe regularly for over 25 years.

Mr. Frillman has a Bachelor of Arts Degree in Finance from the College of St. Thomas. He has lectured and taught real estate-related topics at the University of St. Thomas and has been a guest lecturer at numerous continuing education seminars for the Law Board, NAIOP, American Society of Real Estate Counselors, and NACORE. He has spoken frequently at varied industry conferences.

Mr. Frillman is a licensed and bonded real estate broker in multiple states. He is an affiliate member of the National Association of Industrial and Office Parks (NAIOP), and served on the Legislative Committee of that association. He is a member of the American Society of Real Estate Counselors, the real estate counseling affiliate of the National Association of Realtors. He is an elected member of the Appraisal Institute and has served on the MAI Demonstration Appraisal Reports Committee nationally and was a member of the Board of Directors for the local Institute Chapter as well as on the local admissions committee. He has also served as Chairman of the Candidate Guidance Committee. He is an invited member as a Fellow of the Royal Institute of Chartered Surveyors, the most widely recognized group of real estate development and investment experts in the world.



Mr. Frillman has developed all types of income-producing properties, and in addition, has developed single-family custom housing. Finally, he has provided counsel to real estate buyers, sellers, investors and lenders concerning virtually all types of real estate, worldwide.

Mr. Frillman's community activities include being a full member of the Greater Minneapolis Board of Realtors, an associate member of the Urban Land Institute, a member of the National Trust for Historic Preservation, and the Riverfront Development Committee of the Downtown Council of Minneapolis.

Mr. Frillman is an invited member of Lambda Alpha International, the Honorary Society for the Advancement of Land Economics.

Mr. Frillman's charitable activities include eight years as director of Catholic Charities for the Elderly; he served that board as development coordinator of Marian Center, a 150-bed skilled care and 100-unit assisted living care facility. He was responsible for coordinating all aspects of development including facility design and review, construction management, marketing programming, and ongoing management supervision.

Currently, Louis W. Frillman resides at 1661 Harbor Avenue SW, Seattle, Washington. He and his wife maintain a pied' a terre at 1060 Grand Avenue in St. Paul, Minnesota He is married to the former Carol A. Motsinger and has four children.



PARTIAL LISTING OF ENGAGEMENTS RESIDENTIAL ANALYTICS GROUP

The following is a sample description of engagements recently completed by our firm. The list is not intended to be comprehensive, as Marquette has consulted on hundreds of residential and mixed-use developments over 20+ years. Rather, this partial list is intended to illustrate the variety and breadth of our experiences as advisors to real estate market participants and investors. We are pleased to provide additional project examples and/or references upon request.

DEVELOPERS / INVESTORS / LENDERS

RYAN COMPANIES – Development Consulting & Market Analytics – “Eleven” ultra-luxury condo tower – Minneapolis, MN: Market research and advisory services regarding a proposed luxury condominium development on France Avenue near Southdale Center in Edina, MN.

RYAN COMPANIES – Market Feasibility Study – Proposed Apartments -- Minneapolis Downtown East -- Market feasibility study for proposed luxury high-rise overlooking The Commons Park in the “East Town” neighborhood of Downtown Minneapolis.

RYAN COMPANIES – Development Consulting – Proposed “Estelle” Luxury Condominiums – Edina, MN: Market research and advisory services regarding a proposed luxury condominium development on France Avenue near Southdale Center in Edina, MN.

RYAN COMPANIES – Development Consulting – Proposed Five-Star Luxury Hotel & Branded Residences – Mall of America, Bloomington, MN: Market feasibility study, development recommendations and financial projections for a proposed five-star hotel and branded residences at the Mall of America in Bloomington, MN.

KRAUS ANDERSON DEVELOPMENT CO. – “HQ” - Downtown Minneapolis apartment feasibility: Market study and development recommendations for luxury apartment tower in downtown Minneapolis, Minnesota.

KRAUS ANDERSON DEVELOPMENT CO. – “The Larking” - Downtown Minneapolis apartment feasibility: Market study and development recommendations for luxury apartment tower in downtown Minneapolis, Minnesota.

KRAUS ANDERSON DEVELOPMENT CO. – Eden Prairie, MN apartment feasibility: Market study and development recommendations for apartment development on an infill site in Eden Prairie, MN.

KRAUS ANDERSON DEVELOPMENT CO. – Bloomington, MN apartment feasibility: Market study and development recommendations for a proposed redevelopment of a shopping center site in East Bloomington incorporating market rate apartments and grocery-anchored retail development.

KRAUS ANDERSON DEVELOPMENT CO. – “Five 90 Park” – St. Paul MN “micro” apartment feasibility: Market study and development recommendations for development of “micro” apartments on a site near the MN State Capital and Regions and Gillette Children’s Hospitals in St. Paul.

OPUS DEVELOPMENT CORP. – “365 Nicollet” – Downtown Minneapolis, MN: Marquette Advisors provided a complete market feasibility study and development recommendations for 365 Nicollet, a luxury high-rise apartment community on the former “Ritz” hotel block in Downtown Minneapolis.



OPUS DEVELOPMENT CORP. – “The Nic on 5th” – Downtown Minneapolis, MN: Market study and due diligence consulting in support of Opus regarding a proposed luxury high-rise development, including a review of the proposed development concept, recommendations regarding unit mix, sizing, amenities and supportable rental rates.

OPUS DEVELOPMENT CORP. – “Oxbo” – Downtown St. Paul, MN: Market study and development recommendations for luxury apartment development on West 7th Street in Downtown St. Paul.

OPUS DEVELOPMENT CORP. – “The Maven on Broadway” – Downtown Rochester, MN: Market study and development recommendations for upscale apartment development in Downtown Rochester, MN.

HINES INTERESTS – “Dock Street Flats” - Downtown Minneapolis apartment feasibility: Market study and development recommendations for proposed luxury apartment community on Washington Avenue in downtown Minneapolis, Minnesota.

LENNAR MULTIFAMILY COMMUNITIES – Market Study & Development Recommendations – “NordHaus” – Northeast Minneapolis, MN: Market feasibility study for a proposed mixed-use development incorporating luxury rental apartments along with a mix of retail and restaurant concepts on a site on 1st Avenue NE in Minneapolis. Analysis included a detailed assessment of the development concept and full review of both apartment and retail market conditions in the immediate neighborhood and broader market areas.

LENNAR MULTIFAMILY COMMUNITIES – “Indigo at Bloomington Central Station” and “Onyx” Apartments – Bloomington & Edina, MN: Marquette Advisors provided market research, data and advisory services regarding Lennar development proposals near Southdale and at Bloomington Central Station.

UNIVERSITY OF MN ALUMNI ASSOCIATION – Market Research and Development Advisory Services – Proposed Alumni Condominium Housing, Minneapolis, MN: Marquette Advisors provided a market study and development recommendations on behalf of the UMMA Housing Task Force in reference to a proposed alumni housing development on the Minneapolis campus. Multiple development alternatives were considered, including senior cooperative housing and for-sale condominiums.

MCGOUGH CO. – proposed multifamily development – Rochester, MN – Market study and development recommendations for a proposed infill development in Downtown Rochester incorporating both market rate rental apartments and for-sale condos in two buildings near the Zumbro River.

MCGOUGH CO. – “Bloomington Central Station” -- proposed multifamily development –Bloomington, MN – Market study and development recommendations for a proposed infill development within the South Loop area of Bloomington, MN.

MCGOUGH CO. – proposed multifamily development – St. Paul, MN – Feasibility study for a proposed development incorporating primarily “micro” apartments on a site on West 7th Street in Downtown St. Paul.

MORTENSON CO. – “Rafter” -- Minneapolis, MN: Market study for a proposed high-rise apartment tower in Northeast Minneapolis.

ELEVAGE DEVELOPMENT GROUP – proposed luxury apartment tower – Minneapolis, MN – Market study and development recommendations for a proposed luxury high-rise near Lake Bde Maka Ska in southwest Minneapolis.

DOUGHERTY FUNDING/KROISS DEVELOPMENT – “TMBR” luxury condos – North Loop, Downtown Minneapolis, MN: feasibility study and complete market value appraisal report for proposed luxury condo development.



ALATUS – “Latitude 45” – Downtown Minneapolis apartment feasibility study: Market feasibility study and development recommendations for luxury mid-rise apartment development on Washington Avenue in the Mill District.

ALATUS – “Ironwood” – New Hope, MN apartment feasibility study: Market feasibility study for upscale apartment community on site adjoining the New Hope Village Golf Course.

ALATUS – “Humboldt Greenway” – Minneapolis, MN for-sale housing development: Market study, development recommendations and pricing analysis for new-construction single-family and townhomes along the Humboldt Greenway in Minneapolis.

ALATUS LLC – “Alia” luxury condo tower – Minneapolis -- development Consulting: Market research and advisory services regarding a proposed 30-story luxury condominium development at 2nd & Central in NE Minneapolis.

ALATUS LLC & CRG – “200 Central” luxury apartment tower – Minneapolis: Market study, development recommendations and analysis of supportable rental rates for proposed luxury high-rise development in the St. Anthony Main neighborhood of Minneapolis.

ALATUS LLC – “The Berkman” Apartments – Rochester, MN: Market study and development recommendations proposed luxury apartments and rental townhomes on 2nd Street in Rochester, just north of the St. Mary’s Medical Center campus of Mayo Medical Center.

ALATUS – Columbia Heights, MN apartment feasibility study: Market feasibility study and development recommendations for proposed redevelopment incorporating market rate apartments along with a new Columbia Heights city hall and retail tenant spaces.

ALATUS & CRG – “200 Central” Luxury Apartments – Minneapolis, MN apartment feasibility study: Market feasibility study and development recommendations for luxury high-rise development in Downtown Minneapolis.

BADER DEVELOPMENT – “West Lake Quarter” – Minneapolis, MN: Market research and development advisory services on behalf of the project team related to a planned \$225 million development comprising 613 new apartment units in southwest Minneapolis.

BADER DEVELOPMENT & RON CLARK CONSTRUCTION – proposed apartments – Bloomington, MN: Market study and development recommendations for upscale apartment development on a site near the Minnesota River in east Bloomington, MN.

BADER DEVELOPMENT & RON CLARK CONSTRUCTION – proposed apartments – Crystal, MN: Market study and development recommendations for a proposed redevelopment site along Bass Lake Road in Crystal. Planned development program incorporates 130 market rate apartments.

KAEDING DEVELOPMENT – Hotel Conversion Feasibility Study – Bloomington, MN: Market study and development recommendations for proposed conversion of the Crowne Plaza-Bloomington to rental apartments.

T2 Investments – Hotel Conversion Feasibility Study – Orlando, MN: Market study and development recommendations for proposed conversion of the hotels to workforce housing targeting Disney and other service- and tourism-industry employees.

DOUGHERTY MORTGAGE / DORAN DEVELOPMENT – “Triple Crown Residences” – Shakopee, MN: Feasibility study for proposed upscale apartment complex near Canterbury Park in Shakopee.



COLLIERS MORTGAGE / DORAN DEVELOPMENT – Proposed apartment development – NE Minneapolis, MN: Feasibility study for proposed apartment development at 2nd & Lowry in NE Minneapolis.

DORAN DEVELOPMENT – Proposed apartment development – Tonka Bay, MN: Market study and development recommendations for proposed upscale apartment development in Tonka Bay.

DORAN COMPANIES – Proposed Uptown Minneapolis Apartments: Market study, development recommendations, rent estimates and demand forecast for a contemplated luxury apartment development in the Uptown neighborhood of Minneapolis.

COLLIERS MORTGAGE – Development Appraisal – “Risor of Bloomington Apartments” – Bloomington, MN: Market value appraisal of this to-be-constructed apartment development in the South Loop district of Bloomington. As-is, as-complete and as-stabilized values provided.

COLLIERS MORTGAGE – Development Appraisal – “TMBR” – Minneapolis, MN: Market value appraisals provided regarding a proposed infill luxury multifamily development. Project was valued under both for-sale condo and rental apartment development scenarios.

JMS CUSTOM HOMES – Multifamily Development Market Research & Consulting: Market research and advisory services in consideration of a luxury infill multifamily development on a site near 50th & France in Minneapolis, MN. Development analysis provided for both condo and apartment alternatives.

MWF DEVELOPMENT – Proposed Apartments, Burnsville, MN: Market feasibility study for a proposed infill apartment development on a site near Burnsville Center.

MWF DEVELOPMENT – Proposed Apartments, Blaine, MN: Market study and phased development recommendations for a contemplated multifamily development in Blaine, MN.

NORTH SHORE PARTNERS – Proposed Apartments, New Brighton, MN: Market feasibility study for redevelopment of former office site near I-694 to rental apartments.

THE CORNERSTONE GROUP – Lyndale Gardens – for-sale townhomes - Richfield, MN: Market study, development recommendations and pricing analysis for infill development of single-level and two-story townhomes in Richfield, MN.

AECOM – “RiversEdge” Downtown St. Paul Mixed Use Development: Market research and advisory services relating to program development for proposed major mixed-use development on the riverfront in Downtown St. Paul, inclusive of for-sale and rental apartments, hotel, and retail components.

TIMBERLAND PARTNERS – “333 on the Park” Downtown St. Paul: Market research and advisory services relating to program development for office conversion project in Downtown St. Paul. Marquette Advisors provided a market study and detailed recommendations regarding unit mix, sizes and supportable rents for this apartment project in the Lowertown area of St. Paul.

TIMBERLAND PARTNERS – “Green on 4th” Apartments – Minneapolis, MN – Market feasibility study for mixed-income apartment community in the Prospect Park neighborhood of Minneapolis, MN.

TIMBERLAND PARTNERS – “Elevate at SW Station” – Eden Prairie, MN – Market feasibility study for mixed-income apartment community in Eden Prairie, MN.



TIMBERLAND PARTNERS – “Sundance at Settlers Ridge” – Woodbury, MN – Market feasibility study for proposed rental townhouse community in Woodbury, MN.

INLAND DEVELOPMENT PARTNERS – Comprehensive Apartment Market Analysis – Bloomington, MN – Complete review of the Bloomington, MN apartment market on behalf of IDP in consideration of potential development and acquisition/value-add investment opportunities in this suburban Twin Cities market.

STAR REAL ESTATE VENTURES – Valuation of U.S. Apartment Portfolio – complete valuation of a portfolio of 17 suburban apartment communities located in Michigan, Ohio, Illinois, Indiana, Texas, Georgia, North Carolina and Florida.

EL-AD GROUP CANADA – “Emerald City, Cite Nature and Maple Grove” - Residential Condominium Development Feasibility & Valuation – Toronto and Montreal, Canada: Marquette Advisors provided market studies, as-is and prospective appraisals on behalf of El-Ad related four major residential condo developments, including two in Toronto (Emerald City and Maple Grove) and two in Montreal (Cite Nature and Nordelec).

EL-AD U.S. HOLDING, INC. – “250 West Apartments” – New York, NY: Marquette Advisors provided a market assessment and appraisal for proposed renovation and repositioning of former office building to multi-family residential units in Manhattan.

EL-AD U.S. HOLDING, INC. – “108 Leonard Apartments” – New York, NY: Marquette Advisors provided a complete appraisal for proposed renovation and repositioning of former office building to luxury residential condominium units in the Tribeca neighborhood of Manhattan.

GRECO – “Mississippi Crossing” – Champlin, MN apartment feasibility: Market study and development recommendations for proposed upscale apartment complex and for-sale townhouse development on a site near the Mississippi River in Champlin, MN.

GRECO – “Blue Stem North” – Eden Prairie, MN apartment feasibility: Market study and development recommendations for proposed TOD mixed-income apartment development comprising 400+ units near the under construction SW-LRT and Golden Triangle Station.

DOUGHERTY MORTGAGE, INLAND DEVELOPMENT PARTNERS – “Parker Station Flats” – Robbinsdale, MN apartment feasibility: Market feasibility study for proposed apartment development in downtown Robbinsdale, MN.

DOUGHERTY MORTGAGE, INLAND DEVELOPMENT PARTNERS & KRAUS ANDERSON CO. – “The Chamberlain” – Richfield, MN apartment feasibility: Market feasibility study for proposed mixed-income apartment development in Richfield, MN. Project includes both adaptive re-use and repositioning of existing workforce housing and construction of new apartment complex.

DOUGHERTY MORTGAGE, TIMBERLAND PARTNERS & PROSPECT PARK PROPERTIES – “Green on 4th” – mixed-income apartment feasibility: Market feasibility study for proposed mixed-income apartment community in the Prospect Park neighborhood of Minneapolis, inclusive of both affordable and market rate housing.

SOLHEM COMPANIES – “The Julia” – Northeast Minneapolis – Market assessment and development recommendations for infill apartment development at Broadway & Marshall.

SOLHEM COMPANIES – “Ox Op Gallery & Residences” – Downtown Minneapolis – Market assessment and development recommendations for infill apartment development on Washington Avenue in Downtown Minneapolis.



SOLHEM COMPANIES – “Borealis” – North Loop – Downtown Minneapolis – Market assessment and development recommendations for apartment development in the North Loop.

SOLHEM COMPANIES – “The Fred” – Edina, MN – Market feasibility study for planned 400-unit apartment development on an infill/redevelopment parcel in the Pentagon Park district.

SOLHEM COMPANIES – “Archive” – North Loop – Downtown Minneapolis – Market assessment and development recommendations for apartment development in the North Loop.

TE MILLER & SOLHEM COMPANIES -- “Solhavn Apartments” - Downtown Minneapolis, MN: Complete market study, development recommendations, rent estimates and absorption forecast for a proposed 137-unit apartment community in the North Loop neighborhood of Downtown Minneapolis.

TE MILLER DEVELOPMENT -- “The Gibson” - NE Minneapolis, MN: Market study, development recommendations, and analysis of market rents for infill mid-rise apartment development in NE Minneapolis.

SOLHEM COMPANIES & TE MILLER DEVELOPMENT – “The Lyndy” – Minneapolis, MN: Market study and development recommendations for The Lindy, an infill development in the Lyn/Lake neighborhood of Minneapolis on the Midtown Greenway.

SOLHEM COMPANIES & TE MILLER DEVELOPMENT – Development Consulting – Proposed North Loop Luxury Condo Development -- Minneapolis: Market assessment, development program review and pricing analysis for proposed boutique condo residence in the North Loop neighborhood of Downtown Minneapolis.

T.E. MILLER DEVELOPMENT – Market study and highest and best use consulting, Richfield, MN: Market study and development recommendations for a proposed 33-acre redevelopment project at I-35 and Penn Avenue in Richfield, MN. Marquette provided a detailed assessment of residential, retail, office and lodging market trends and provided specific phased development recommendations for this prime site along the I-494 strip in the Twin Cities metro area.

LUND HOLDINGS – “Landsby on Penn Apartments” – Richfield, MN: Market feasibility study for a planned new market rate apartment community adjacent to a renovated Lund’s & Byerly’s market in Richfield, MN.

REAL ESTATE EQUITIES – proposed senior housing – Lauderdale, MN: Market feasibility study for a planned new independent living senior housing development in Lauderdale, MN.

REAL ESTATE EQUITIES – proposed workforce apartments – Coon Rapids, MN: Market study for a planned workforce apartment community in Coon Rapids.

LECESSE CO. – “Skye at Arbor Lakes” – Maple Grove, MN – Market research and consulting services related to planned upscale apartment development in the Arbor Lakes area of Maple Grove.

LECESSE CO. – “RiZE at Opus Park” – Minnetonka, MN – Feasibility study for upscale apartment community in the Opus Park in Minnetonka, MN.

LECESSE CO. – “RiZE on Grand” – Burnsville, MN – Market assessment and development recommendations for a proposed apartment development in this south-metro suburb.



TITAN VENTURES – Proposed High-Rise Apartment Development – Downtown Rochester, MN: Market feasibility study and development recommendations for luxury apartments within a planned mixed-use high-rise development in Downtown Rochester incorporating hotel, residential and commercial uses.

ALTSHULER SHAHAM PROVIDENT FUNDS LTD. – “Symphony Tower,” Syracuse, NY – Valuation and Workout Analysis: Marquette Advisors provided an as-is appraisal for a stalled (failed) development involving the conversion of a former hotel tower to rental apartments in downtown Syracuse, NY. As well, Marquette provided detailed financial projections under varied development and repositioning scenarios on behalf of client considering purchase of the property.

SILVER POINT INVESTORS – Proposed Residential Subdivision Development – Park City, UT: Complete appraisal via discounted cash flow approach for a proposed 250-acre master planned community in Park City. This development incorporated a variety of single family and townhouse products and varied timeshare units.

VERMILION DEVELOPMENT – “The Wallis” -- Proposed Mixed Use Development – Prospect Park – Minneapolis, MN: Market study and development recommendations for proposed rental apartments, for-sale condos, and retail space on an infill/redevelopment site.

FLAHERTY & COLLINS / DOUGHERTY MORTGAGE – “2700 University” – St. Paul, MN: Market feasibility study for a proposed apartment development on University Avenue, adjacent to the planned Westgate LRT Station.

KRAUS ANDERSON REALTY CO / TRUCORE REALTY – “430 Oak Grove” luxury apartments, Downtown Minneapolis, MN: Market research, consulting and advisory services on behalf of team involving complete renovation and conversion of a historic Loring Park office building to 76 luxury apartments.

DOUGHERTY MORTGAGE / DOMINIUM DEVELOPMENT – Proposed general occupancy and senior affordable apartments – St. Paul, MN: Feasibility studies for proposed senior and general occupancy affordable apartments near University Avenue and MN-280.

COOKIE DRAWER CO. – “Ray” Apartments – St. Paul, MN: Market study and development recommendations for infill development of “micro” apartments near University & Raymond and the Green Line LRT in St. Paul.

DOUGHERTY FUNDING / NOLAN PROPERTY GROUP / BADER DEVELOPMENT – “700 Central” – Minneapolis, MN: Complete market feasibility study for a proposed mixed-use development, inclusive of residential apartments and retail space for lease within the context of a historic renovation project.

IRONTON ASSET GROUP – “Custom House” Rental Apartments Feasibility – Downtown St. Paul, MN: Market study, concept review, demand analysis and complete development recommendations for proposed conversion of former US Post Office property on Kellogg Blvd to a high-rise apartment community.

TARGET CORPORATION / CUNINGHAM GROUP – Mixed Use Market Study & Master Plan – Target Corporate Campus – Brooklyn Park, MN: Marquette Advisors provided a market study and advisory services on behalf of Target Corporation related to master planning of a 320-acre land holding near U.S. 169 and MN Hwy. 610. Marquette was retained to provide a review of the development potential for added corporate office, retail/restaurant, hotel and residential components and appropriate development phasing.

DOUGHERTY MORTGAGE & THE MELROSE CO. – “Arlington Row” rental townhomes, St. Louis Park, MN: Market feasibility study for proposed “workforce” housing development on two sites in St. Louis Park, MN.



THE EXCELSIOR GROUP & GRANDBRIDGE REAL ESTATE CAPITAL – “The Flats at West End” Rental Apartments Feasibility – St. Louis Park, MN: Feasibility study, including complete development recommendations and revenue forecast for a proposed luxury apartment community in St. Louis Park, MN.

SCHAFFER-RICHARDSON – “M on Hennepin” – NE Minneapolis, MN: Complete market study and development recommendations for a proposed apartment development along Hennepin Avenue in NE Minneapolis.

SCHAFFER-RICHARDSON – “Cameron Apartments” – Minneapolis, MN: Market study for a proposed affordable apartment community in the North Loop neighborhood of Minneapolis, involving the renovation of a historic warehouse building to a 43-unit apartment complex. Marquette provided a market study to be utilized by the developer in project planning and related to Low Income Housing Tax Credit application process.

CPM DEVELOPMENT – “Wa-Hu” – Student Housing & Retail Development – Stadium Village, University of MN: Marquette Advisors provided a market feasibility study for a proposed mixed-use redevelopment project near Oak and Washington in the Stadium Village neighborhood. Full market studies provided for a gourmet grocery store and a hotel development at this prime site near the U of M.

OPUS DEVELOPMENT CORP. – “Station at Washington” Student Housing – U of M - Minneapolis, MN: Marquette Advisors provided a market feasibility study for a proposed 100-unit (160-bed) student apartment community in the Stadium Village neighborhood near the U of M main campus.

OPUS DEVELOPMENT CORP. – “The Marshall” Student Housing – U of M - Minneapolis, MN: Market feasibility study and development recommendations for student housing development in Dinkytown.

JPI STUDENT HOUSING – U of M - Minneapolis, MN: Market study and demand forecast for on and off-campus housing needs related to the U of M student population.

THE EXCELSIOR GROUP – “The Vintage on Selby Apartments” - St. Paul, Minnesota: Market feasibility study, inclusive of full development and phasing recommendations for a proposed mixed-use development at Snelling and Selby in St. Paul, MN involving luxury apartments along with an upscale gourmet grocery store.

TRUCORE REALTY – “The Plymouth Building” – Proposed Historic Renovation & Conversion to Apartments – Downtown Minneapolis, MN: Complete market feasibility study and development recommendations regarding a proposal to convert historic office building to residential apartments over street-level retail and restaurant space at 6th & Hennepin in Downtown Minneapolis.

HARBOR BAY REAL ESTATE – “ENDI” Apartments – Duluth, MN: Market analysis and development advisory services for a proposed upscale 140-unit market rate apartment community on London Road in Duluth, MN.

HARBOR BAY REAL ESTATE – “Preserve on Maine” Apartments – Rochester, MN: Market analysis and development advisory services for a proposed upscale 160-unit market rate apartment community in the Shoppes on Maine in southwest Rochester, MN.

DUKE REALTY – Proposed “West End” Mixed Use Development, St. Louis Park, MN: Market assessment and development recommendations for a major mixed-use redevelopment project on a site near the I-394/Hwy. 100 interchange in St. Louis Park, Minnesota. Study included an initial analysis of the potential to develop residential (for-sale and rental housing), retail, restaurant, hotel and office components within a vibrant mixed-use development concept.



INSIGNIA DEVELOPMENT GROUP – Proposed Conversion to Residential Condos – “The Lowry Building” – Downtown St. Paul, MN: Marquette Advisors provided a complete market feasibility study for a proposed 60-unit luxury condominium development in Downtown St. Paul.

THE GOODMAN GROUP – “Signature 41” - Chaska, MN: Marquette Advisors provided a market feasibility study for a proposed luxury apartment community in Chaska, MN.

DOUGHERTY FUNDING / LECESSE DEVELOPMENT – “Skye at Arbor Lakes” – Maple Grove, MN: Marquette Advisors provided a complete market feasibility study for a proposed 240-unit luxury apartment community in the Arbor Lakes area of Maple Grove.

TPI PROPERTY INVESTMENTS – Proposed Hotel & Residential Development, Spicer, MN: Market analysis regarding a proposed mixed-use development incorporating hotel and condo units on a site near Green Lake in Spicer, MN.

HUNTER-EMERSON INC. – “MartinBlu” Apartments – Eden Prairie, MN: Market feasibility study and development recommendations for Mitchell Crossing, a planned 192-unit luxury apartment community near the intersection of I-494 & MN Hwy. 5 in Eden Prairie, MN.

BADER DEVELOPMENT – “The Ellipse” Apartments – St. Louis Park, MN: Marquette Advisors was retained to provide advisory services including a detailed review of the proposed unit mix, unit sizes and features, amenity package and rental rates for this luxury apartment community in St. Louis Park.

ABACUS CAPITAL GROUP – Proposed Golden Valley, MN Apartment Development – Complete market study used by investor group considering an investment opportunity involving a proposed 300+ unit apartment development in Golden Valley, MN.

OAK GROVE CAPITAL / QUEST DEVELOPMENT -- Proposed Apartments, Plymouth, MN: Market feasibility study for proposed 159-unit, mixed income apartment community at MN Hwy 55 & US 169 in Plymouth, MN.

FLAHERTY & COLLINS INC. – Proposed Southdale Apartments – Edina, MN: Marquette Advisors provided a complete market feasibility study for a proposed 250-unit luxury apartment community in near Southdale Center in Edina, MN.

HANS HAGEN HOMES – “Red Cedar Canyon” -- Hudson, WI: Market study and development recommendations for proposed luxury rental townhomes in Red Cedar Canyon of Hudson, WI.

HANS HAGEN HOMES – “North Bay” rental townhomes - Blaine, MN: Market study and consulting services regarding proposed rental townhomes within *The Lakes* of Blaine. In addition to providing a market feasibility study which was utilized to secure financing for the project, Marquette Advisors was integral in the development of an appropriate unit mix, features and amenity package for the first luxury rental townhome development in Blaine in several years.

HANS HAGEN HOMES – Apartment Portfolio Valuation – Maple Grove, MN, Hudson, WI, Woodbury, MN and Blaine, MN: Valuation of portfolio of rental townhouse communities in four Twin Cities suburban locations.

CBRE / CPM DEVELOPMENT – “1800 Lake” - Uptown Minneapolis: Market study, development recommendations, feasibility and valuation services for “1800 Lake,” a 57-unit luxury apartment community at Lake St. & Knox Avenue near Lake Calhoun in Minneapolis’ “Uptown” neighborhood.



UNIVERSITY OF MINNESOTA – DEPARTMENT OF RESIDENTIAL LIFE: Marquette Advisors provided a complete review and analysis of on and off-campus housing market conditions near the University’s Minneapolis campus. Study included a detailed supply audit and review of recent developments, occupancy levels and market rents.

STUART COS. – “Upper Landing” – St. Paul, MN: Marquette Advisors provided a detailed review of this existing Class A apartment community near Downtown St. Paul in terms of its market positioning, competitive unit/amenity package, and market rental rates.

AGM Financial Services – Proposed “Parkside Village Apartments” – Apple Valley, MN: Marquette Advisors was retained to provide a market value appraisal for this proposed 322-unit apartment community near 152nd & Galaxie in Apple Valley.

JAS APARTMENTS – “The Marmont” - Downtown Minneapolis apartment feasibility: Market study and development recommendations for proposed 350-unit apartment community known as *The Marmont* in downtown Minneapolis, Minnesota near the Guthrie Theater.

RON CLARK CONSTRUCTION – Proposed Apartments – Chanhassen, MN: Site analysis and preliminary development advisory services on behalf of Ron Clark Construction in consideration of a possible luxury apartment community in Chanhassen, MN.

VARDE PARTNERS – Residential Land Development Consulting - National: Marquette Advisors provided ongoing market research and pricing/absorption forecasting related to varied subdivision investments held by Varde throughout the United States.

ROTTLUND HOMES, WELSH CO., & ROSEVILLE PROPERTIES – Market study for proposed “Twin Lakes” mixed use development at County C & Cleveland in Roseville, MN: Market assessment and demand analysis for *Twin Lakes*, a proposed mixed-use redevelopment project at County Road C and Cleveland Avenue in Roseville, Minnesota. The proposed development program included 490 for-sale townhouse and condominium units, 240 units of senior housing, 317,000 square feet of retail and restaurant space and 221,000 square feet of office space. Marquette Advisors provided an analysis current and projected market conditions, and provided a demand forecast for each of the proposed development components to determine whether there was sufficient market support for the project.

CENTRAL BANK – Condominium Valuation & Work-Out Analysis – Stone Bay of Orono, MN: Review and as-is valuation of failed/partially complete residential condominium development in far western suburb of Minneapolis.

SHELTER CORPORATION – Burnsville, MN apartment market study: Market study, rent and occupancy projections for the Burnsville/Savage rental market and Shelter-managed apartment communities, *Dakota Station* and *Winfield Townhomes*.

STEVEN SCOTT MANAGEMENT & DEVELOPMENT – Lakeville, MN apartment assessment: Market analysis and development advisory services related to *Lakeville Woods Apartments* in Lakeville, MN.

BLAISSELL APARTMENTS - TURNSTONE GROUP – South Mpls. apartment mkt study: Market study, demand analysis and rental rate recommendations regarding a proposed acquisition/rehab apartment investment in south Minneapolis utilizing *Section 42 LIHTC*.

SHERMAN ASSOCIATES – Sect. 42 apartment feasibility, Minneapolis: Market feasibility study for proposed apartment development near St. Anthony/Main in Minneapolis.



LUPE DEVELOPMENT PARTNERS – Sect. 42 apartment feasibility, Minneapolis: Market feasibility study for proposed apartment development in the East Phillips Neighborhood in Minneapolis, MN.

MIDLAND MORTGAGE INVESTMENT CORPORATION, Clearwater, Florida – Washington DC senior housing market study: A feasibility study for a proposed rental housing project for seniors to be developed in Washington, DC through the ***Sect. 42 Low-Income Housing Tax Credit*** program.

TRK DEVELOPMENT – Sect. 42 apartment feasibility, Delano, MN: Market feasibility study for a proposed ***Section 42*** rental housing community in Delano, Minnesota.

LUPE DEVELOPMENT PARTNERS – Minneapolis condominium consulting: Downtown Minneapolis residential condominium market consulting and advisory services.

PEDEERSEN VENTURES – Apple Valley mixed use feasibility: Market feasibility study and detailed development recommendations for a proposed mixed use residential and retail development in Apple Valley. This development, known as *The Village at Founders Circle*, is being designed as a new downtown for this suburban Twin Cities community.

EDINA DEVELOPMENT COMPANY – Residential subdivision mkt. study, St. Cloud, MN: A market feasibility study and development recommendations for proposed rental and for-sale townhomes planned for a master planned community east of St. Cloud.

JPI STUDENT HOUSING – Minneapolis student housing analysis: A study of the market potential for a student housing project on a site near the campus of the University of Minnesota.

KMS PROPERTIES – Uptown Minneapolis apartment market positioning: A study of market rents and rental rate recommendations for an apartment community, subject to renovation and repositioning in the Uptown Minneapolis neighborhood.

AIMCO – Lake Calhoun, Minneapolis area apartment market: Market study and due diligence consulting on behalf of AIMCO in evaluation of investment opportunity in Lake Calhoun area of Minneapolis.

K2 URBAN CORP – Tallahassee, FL residential demand analysis: Market study, demand analysis and economic impact consulting for Evening Rose, a proposed for-sale townhouse community in Tallahassee, FL. Marquette also provided due diligence and advisory services in support of a grant application submitted by K2 Urban to the State of Florida.

ROTTLUND HOMES, St. Louis Park, MN retail market consulting: Site assessment and expert opinion memorandum regarding the potential for retail development at 36th & Wooddale in St. Louis Park, Minnesota.

HARTMAN DEVELOPMENT – Brooklyn Park, MN apartment market: Market research and due diligence regarding the acquisition of a 360-unit apartment community in Brooklyn Park, Minnesota.

CENTRAL COMMUNITY HOUSING TRUST (CCHT) – Rosemount, MN apartment analysis: Market feasibility study for a proposed market rate apartment community in Rosemount, Minnesota.

EDINA DEVELOPMENT COMPANY – Residential subdivision mkt. study, Buffalo, MN: A market feasibility study and development recommendations for a master planned community of 550 homes on a site near Lake Pulaski in Buffalo, Minnesota.



KMS PROPERTIES – Woodbury apartment repositioning analysis: A study of market rents and rental rate recommendations for an apartment community, subject to renovation and repositioning in Woodbury, Minnesota.

CORNERSTONE GROUP – Richfield condo market study: A feasibility study for *Kensington Park*, a mixed-use residential and retail development project in Richfield, Minnesota near the I-494/Lyndale Avenue interchange. The project includes retail and restaurant development, along with for-sale townhomes and loft-style condominiums.

DEL AMERICAN – Bloomington apartment feasibility: A feasibility study for *Le Chateau Grand*, a proposed ultra-luxury apartment tower in Bloomington, Minnesota and an analysis of the potential for condominium conversion and pricing.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO – Regional apartment market consulting: A market assessment and demand forecast for 1) the Twin Cities regional apartment market, and 2) the downtown Minneapolis apartment market.

MMA FINANCIAL, LLC – Rochester rental townhouse feasibility: A feasibility study for a proposed luxury rental townhome development known as *Grandeville at Cascade Lakes* in Rochester, Minnesota.

ROTTLUND COMPANY, Osseo, Minnesota – land development analysis: Preliminary market overview for a proposed urban resort and golf course to be included in a suburban planned unit development.

CROCKETT ASSOCIATES, INC – South Minneapolis apartment feasibility.: A feasibility study for a proposed mixed-use redevelopment project at the intersection of 48th and Chicago in south Minneapolis, Minnesota.

CENTEX MULTI-FAMILY – Plymouth, MN apartment feasibility: A feasibility study for a proposed upscale rental housing development in Plymouth, Minnesota.

CENTEX MULTI-FAMILY – Downtown St .Paul condo mkt study: An assessment of the market potential of luxury condominiums and townhomes in the proposed “Upper Landing” development adjacent to Downtown St. Paul and the Mississippi River.

HOLIDAY COMPANIES – Bloomington, MN mixed-use feasibility: A feasibility study for a proposed apartment development in Bloomington, Minnesota. An analysis of potential mixed-use redevelopment options for a site in Bloomington.

BDC MANAGEMENT – Apartment valuation services, Minneapolis & St. Paul: Market value appraisals for six rental properties in Minneapolis and St. Paul.

US BANK: - Apartment valuations, Raleigh, NC Market value appraisals for apartment property portfolio in Raleigh, NC.

PEDERSON GROUP – Apartment valuation, Edina: Market value appraisal of the Cedars of Edina, a 600-unit apartment community in Edina, MN.



PARTIAL LISTING OF OUR PUBLIC-SECTOR CLIENTS

CITY OF MINNETONKA, MN – Comprehensive housing needs assessment: Marquette Advisors provided a comprehensive analysis of the housing stock in Minnetonka, MN. This included a review of current and projected future housing needs within the community, by product type and by price/rent level. A detailed analysis of the housing/jobs balance was provided, with insight regarding housing affordability, commuting patterns, and potentially unmet demand for workforce housing in the community.

CITY OF MINNETONKA, MN – Comprehensive retail, office & industrial market assessment: Additionally, Marquette Advisors provided a comprehensive analysis of the retail, office and industrial market conditions in Minnetonka and throughout the metro area. This report was used to inform the city's comprehensive plan update.

HENNEPIN COUNTY / SW-LRT COMMUNITY WORKS – SW-LRT Corridor Housing Gaps Analysis -- Marquette Advisors was retained to provide a comprehensive assessment of housing gaps and future development potential for the "Green Line" LRT corridor and for specific station areas along the route which will connect Downtown Minneapolis with the Twin Cities southwest suburbs.

CITY OF WOODBURY, MN – Comprehensive real estate market assessment: Marquette Advisors provided a comprehensive analysis of housing, retail, office and hotel development in Woodbury, MN. This study was provided as part of a master planning initiative led by HKGi of Minneapolis related to planned BRT Gold Line Station Areas. Marquette Advisors provided a comprehensive review of real estate market conditions, including a forecast of future demand for all property types in the community. A review of each Gold Line Station Area was provided along with recommendations regarding best suited development types for each station and a discussion of possible barriers to development and mechanisms/strategies for the city to support and set the stage for quality development at each station.

PORTLAND, OREGON BUSINESS ALLIANCE AND PORTLAND DEVELOPMENT COMMISSION – Comprehensive Downtown Portland residential Market study & economic impact analysis: A comprehensive study of housing market trends and a 5-year demand forecast for housing by price point in downtown Portland, Oregon. The study identified several barriers to development of affordable workforce housing in downtown Portland, estimated the cost to develop affordable housing and the needed public subsidy to support new construction. Further, the analysis included an economic impact study which measured the economic benefits of increasing the supply of affordable workforce housing in downtown Portland, and then measured this impact against the needed subsidy to support new construction. The report documented the "return on investment" (workforce housing development subsidies and incentive programs) from the standpoint of local government.

THE FAMILY HOUSING FUND, THE MINNESOTA HOUSING FINANCE AGENCY, THE METROPOLITAN COUNCIL, AND THE MINNESOTA MULTI-HOUSING ASSOCIATION – An assessment of "workforce" housing needs in the Twin Cities region: A study of the economic impact of the lack of affordable "workforce" housing in the Twin Cities Metropolitan Area. This study measured the current and future demand for affordable housing in the metro area, as well as cost to produce such housing, the level of subsidy required to support this construction, and the return on investment this investment.

BEAUFORT COUNTY, SOUTH CAROLINA – Comprehensive housing needs assessment: Completion of a for-sale and rental housing needs assessment with detailed 5-year demand projections and development recommendations by price/rent and location for Beaufort County, South Carolina. This coastal South Carolina County includes the Hilton Head area, which has seen rapid resort and high-end residential development during the past five to eight years. Meanwhile, a growing share of the workforce is effectively being priced out of the local housing market, to the point where many of the Hilton Head area workforce is commuting long distances to



more affordable housing in adjacent counties. Marquette developed a demand forecast and development recommendations for Beaufort County over a five-year period, assisted in identifying the primary barriers to development of affordable housing in the county, and suggested strategies for reducing or eliminating many of these barriers in support of affordable housing construction in the years ahead.

JASPER COUNTY, SOUTH CAROLINA – Comprehensive housing needs assessment: Analysis of county-wide market rate and affordable housing needs. Marquette Advisors quantified current and future housing needs throughout the county and evaluated the impact of zoning and development density upon residential development feasibility and affordability.

CITY OF MINNEAPOLIS, MINNESOTA – Uptown Minneapolis Small Area Plan: Market study provided to guide development of the Uptown Small Area Plan. Marquette also provided market and financial review of several development scenarios for multiple parcels within the study area, identifying the financial viability of varied alternatives and need for gap financing.

CITY OF MINNEAPOLIS, MINNESOTA – Downtown Minneapolis housing market study: A feasibility study for a proposed luxury high-rise to be constructed in conjunction with a new library and planetarium in downtown Minneapolis, Minnesota.

CITY OF CHAMPLIN, MINNESOTA – Restaurant/Events Center & Commercial Development market study: Market study for a Champlin Crossings, a proposed mixed-use redevelopment project on U.S. 169 at the Mississippi River in Champlin, MN.

CITY OF ST. LOUIS PARK, MINNESOTA – Proposed Mixed-Use Development – Excelsior & France: Market study for a proposed street level commercial development within “The Ellipse,” a mixed-use development incorporating retail and restaurant space along with luxury apartments.



14600 Minnetonka Blvd. | Minnetonka, MN 55345 | 952-939-8200 | minnetonkamn.gov

FROM: Community Development

DATE: Sept. 19, 2022

SUBJECT: Housing Brief

The following memorandum provides updates on local and regional housing priorities.

City Resources and Affordable Housing Priorities

Affordable Housing Trust Fund (AHTF)

In November 2020, the council adopted an ordinance to establish an Affordable Housing Trust Fund to provide temporary relief programs to residents impacted by COVID-19. The council utilized the AHTF to provide \$200,000 in rental assistance to households impacted by COVID-19. In 2021, the council approved the transfer of nearly \$5 million of existing tax increment financing pooling funds for future affordable housing initiatives. The city-funded two affordable housing projects through the trust fund in 2021, Doran apartments (\$280,000) and Minnetonka Station apartments (\$553,000), located in Opus. In 2021, the Cliffs repaid a \$2.1 million loan to the city; the repayment of the loan was added to the trust fund bringing the available balance to approximately \$6.2 million for affordable housing efforts in 2022 and beyond. Considerations for the use of the funds in 2022 and beyond:

- Supporting home ownership
- Production of affordable housing units
- Assistance for redevelopment of city owned properties (to provide affordable housing)

American Rescue Plan Act (ARPA)

Minnetonka utilized its American Rescue Plan Act funds for use in 2022, which allowed \$750,000 to be designated for future housing and business priorities. Uses identified in the 2023-2027 EIP include:

- \$300,000 - Pathways to Homeownership Program
- \$200,000 – Homelessness Interventions in Partnership with His House Foundation
- \$250,000 – Business Assistance and Pedestrian Improvements

Hennepin County's funding is allocating \$30 million for tutoring services, public health efforts, housing, and food security. More information is available on the county's [ARP response website](#).

Minnetonka COVID-19 Emergency Rental Assistance

In total, the city council approved \$300,000 in funding for an emergency rental assistance program to assist Minnetonka residents impacted by COVID-19. To establish the program, the city approved a temporary ordinance that allows the city to set up a housing trust fund for this purpose.

- Fifty-four households received a total of \$68,932.51 in direct rental assistance through the city's emergency rental assistance program. The average assistance per household was \$1,304.
- There is a balance of \$24,763 of assistance remaining in 2022. It is likely that the city will have to allocate additional funding for this assistance to continue.
- 68% of the assistance was utilized by black households, 17% white households, 3% Asian households, and 12% for other.
- 75% of households assisted are homes where a female is the head of household.

Temporary Housing Assistance Program Updates

Mortgage Assistance

HomeHelpMN is accepting applications for mortgage assistance until allocated funds are fully exhausted. Homeowners with incomes at 100% AMI or under, have fallen behind on their mortgage, or have incurred other housing-related expenses are eligible for the funding. Details of the program include:

- Eligible expenses include: mortgage payments, contract for deed payments, manufactured housing loan, property taxes, property insurance, homeowner or condo fees, and manufactured home lot rent.
- Homeowners may be eligible for up to \$50,000.
- Have past-due expenses in one of the eligible categories

As of the end of August, HomeHelp has received over 5000 applications, which represent about 71% of the total available funding. View the [Program Dashboard](#) to get more information on applicants.

Hennepin Homeownership Preservation Program

The county has partnered with the Minnesota Homeownership Center to support homeowners in Hennepin County who are past due on their mortgage or other housing expenses. This program offers foreclosure prevention advising and limited financial assistance.

Regional Efforts

Minnetonka staff actively participates in several affordable housing workgroups that are researching, lobbying for, and implementing new approaches to fund affordable housing programs, preserve existing naturally occurring affordable housing (NOAH), and protection for tenants. Several cities (including Minnetonka) and counties in Hennepin and Ramsey Counties are also attending the housing workgroup meetings to share their efforts and streamline the legal review of new concepts and programs. The list below highlights the collaboration between various agencies and organizations working toward affordable housing goals in the region.

These large-scale efforts go beyond the individual ability of the city. They will have a greater impact on the production and preservation of affordable housing than what can be accomplished locally.

[Greater MN Housing Fund](#) - Greater Minnesota Housing Fund (GMHF) is Minnesota's leading nonprofit affordable housing lender. GMHF is not just a lending agency, it is also known for its innovation and its creative approaches to Minnesota's affordable housing challenges.

- Naturally Occurring Affordable Housing (NOAH) Fund to provide funding to preserve NOAH properties.

[Housing Justice Center](#) - Founded in 1999 as the Housing Preservation Project, Housing Justice Center (HJC) is a nonprofit public interest advocacy and legal organization whose primary mission is to preserve and expand affordable housing for low-income individuals and families. Priorities include:

- Production of affordable housing
- Preservation of NOAH properties
- Tenant Rights and barriers to access

[Minnesota Housing Finance Agency](#) - Minnesota Housing is the state's housing finance agency. For more than 40 years, its worked to provide access to safe, decent, and affordable housing and to build stronger communities across the state. In 2018, the agency has invested \$1.26 billion and assisted more than 66,000 households.

[Minnesota Housing Partnership](#) - Minnesota Housing Partnership (MHP) strengthens development capacity and promotes systems change to expand opportunity, especially for those with the greatest need. They support, lead, and collaborate with a diversity of partners to stimulate innovation and drive a positive impact in affordable housing and community development in Minnesota and beyond.

- [Link to housing agenda for 2022](#)

[Fair Housing Implementation Council](#) - Established in 2002 to coordinate efforts of its participating members to comply with their obligations to affirmatively further fair housing throughout the Twin Cities metro housing market area. This group led the development of the Twin Cities Regional Analysis of Impediments to Fair Housing, which is a thorough examination of structural barriers to fair housing choice and access to opportunity for members of historically marginalized groups protected from discrimination by the federal Fair Housing Act.

[The Local Initiatives Support Corporation](#) - known as LISC, supports projects and programs to revitalize communities and bring greater economic opportunity to residents. They invest in affordable housing, high-quality schools, safer streets, growing businesses, and programs that connect people with financial opportunities. They provide the capital, strategy, and know-how to local partners.

- Supporting a bill to increase tax increment pooling for certain housing projects to serve individuals whose income is 30 percent or less of the area median income.
- Exploring options for a regional housing trust fund to support the production and preservation of affordable housing to leverage additional private investment to broaden the resources for housing.
- Providing assistance and expertise to preserve NOAH properties.

[Metro Cities](#) - (the Association of Metropolitan Municipalities) is a membership organization

representing cities in the seven-county metropolitan area at the Legislature, Executive Branch, and Metropolitan Council. It is the only metro-wide entity that monitors regional issues, advocates for cities at the Metropolitan Council, and that represents the interests of metro area cities at the state levels of government.

- [Link to Legislative Policies](#)

Regional Housing Workgroup - Each month, staff participates in the regional housing workgroup. The group is comprised of housing and economic development professionals from metro area cities. The workgroup focuses on sharing insights on legislative priorities, housing policies and programs, and other time-sensitive housing information. Thirty-three cities or housing agencies participate in these meetings each month.

[*League of MN Cities*](#) - The League of MN Cities establishes a set of priorities for each legislative session with input from the membership cities. Minnetonka's Community Development Director has chaired the housing task force for the last three years. The legislative priorities for 2022 are summarized on the league's [website](#).

Updated Housing Work plan – Sept. 19, 2022

Topic	Type	EDAC	Council
Fair Housing Policy	Policy	Nov. 8, 2018	Adopted Nov. 26, 2018
Affordable Housing Policy (mixed income)	Policy	May 8, 2019	Adopted updated policy July 8, 2019
2021-2025 EIP Review Intro Noah Strategies <ul style="list-style-type: none"> • 4d Program (concept)* • Legacy Education Program Intro (concept)* • Multifamily Rehab Loan Intro (concept)* 	Policy/Program	June 24, 2020 – Noted on conceptual pages	Adopted July 27, 2020 EIP Implementation strategies being developed.
Tenant Protection <ul style="list-style-type: none"> • Notice of Sale • 90 Day Protection • Relocation 	Ordinance	Winter 2020 Update	Staff monitoring state implementation effort and applicability.
Accessory Apartment (ADU) – in a detached structure.	Ordinance Amendment	Fall 2020	Adopted on Oct. 4, 2021
Other <ul style="list-style-type: none"> • Redevelopment of city owned properties • Senior Affordable Housing Exploration • Affordable Housing for Public Service • Research General Funding for Affordable Housing • Payment-in-lieu of affordability requirements 	Continued Research	Ongoing	Plan for Redevelopment of city owned properties at Sept 19, 2022 Study Session

**5501 Baker Road – 5432 Rowland Road
Summary of Process**

Overall Land-Use Goals: Invest in ownership and affordability, promote sustainability, protection of natural resources, and create opportunity for inclusion for non-traditional builders.

Proposed Timetable	
Sept. 19, 2022 Study Session	Housing Study Session: Discuss Affordability, Sustainability, Diversity And Inclusion, End Users, Timeline For Process.
Oct. 2022 – Dec. 2022	Neighborhood Engagement Process, Series Of Meetings
Feb. 2023	Release Of Marketing Soliciting Potential Buyers
Mar. 2023	City Staff Review, City Staff Makes Recommendation To City Council
Apr. 2023	Sale Of Property And Beginning Of Concept Plan Review Process
June 2023	Land Use Approval And Permitting
July 2023	Construction Begins

Detailed Planning Workshops

Engagement Workshop – Hosted by Staff

1. Meeting One
 - a. Discussion Topics
 - i. History of Properties
 - ii. How City Acquired Each
 - iii. Technical Aspects of Properties
 - iv. Zoning Code
 - v. What’s Allowed
2. Meeting Two
 - b. Discussion Topics
 - i. Development Possibilities
 - ii. Key Aspects People Want
 - iii. Recommendations or Wish List

Supplemental Materials

The Phase 1 Environmental Survey, Tree Inventory, Wetland Report and Topographic Survey is available on the Baker-Rowland City Property [Project Page](#).



Use this resource if you know the person you are working with is experiencing homelessness

<p>What is it?</p> <ul style="list-style-type: none"> • A centralized process that coordinates the intake, assessment, and referrals for people experiencing homelessness to access homeless dedicated housing. • A system to track availability of <u>homeless dedicated beds</u> and to connect people experiencing homelessness to those spaces. • Homeless dedicated housing includes rapid re-housing, transitional housing, permanent supportive housing (including Housing Support Long-term Homeless (formerly GRH-LTH)). Some programs are site-based, while others offer a subsidy to be used in market-rate housing (scattered site).
<p>Eligibility Criteria</p> <ul style="list-style-type: none"> • To be eligible to be assessed: a person has to be <u>in a shelter for 14 days or in a place not meant for human habitation (living outside, on the train, car, etc.), or fleeing or attempting to flee domestic violence.</u> • Must have tie to Hennepin County, • Must be 16+ to be eligible for an assessment
<p>Key Considerations/Good to Know</p> <ul style="list-style-type: none"> • There is not enough housing so having an assessment does not guarantee housing. • The system does not work like a traditional “waiting list” as vacancies are matched to individuals based on a priority (it’s a priority list) If and when a referral might be received cannot be predicted. Again, housing is not guaranteed. • People who are “couch hopping”, in jail, treatment, or any transitional setting are not considered eligible for assessment. • Only homeless dedicated housing is filled through CES • The CES assessor is not a case manager, however, they look up information in HMIS or CES Connect regarding the person/s assessment/placement on the priority list. • If a housing referral occurs, the individual/family assessed will be contacted by the housing provider. • CES assessments cover: Housing history, disability status, vulnerability measurement, housing preferences
<p>How to access a CES Assessment</p> <ul style="list-style-type: none"> • Single Adult/youth access: <ul style="list-style-type: none"> ○ Those staying at a homeless shelter in Hennepin County for over 14 days will be identified by shelter staff for assessment. If not identified, you should request one from a shelter worker or street outreach worker. ○ If staying in a place not meant for human habitation (outside, train, car, camping, etc.) – a CES assessment can be completed by: <ul style="list-style-type: none"> ▪ Single Adults – Streets to Housing staff. Email: streets.to.housing@hennepin.us ▪ Youth (16-24) – Call the YMCA’s youth resource line at 763-493-3052 ▪ Alternative options: <ul style="list-style-type: none"> Clare Housing: If you are living with HIV or AIDS+ contact Amber Poppe at 612-888-1630 (Amber.Poppe@clarehousing.org) Health Care for the Homeless: If you are currently working with Health Care for the Homeless, contact your Health Care the Homeless case manager Hennepin County Homeless to Housing Program: If you are currently working with Homeless to Housing, you can contact your H2H case manager to set up an assessment. MACV Veteran Outreach: If you are a veteran, contact 1-833-222-6228. • Families access (for those with custody of children 51% of the time or pregnant):



- Those staying at People Serving People or St. Anne's, will be identified by shelter staff for an assessment
- If staying in a place not meant for human habitation (outside, train, car, camping, etc.) call Front Door Social Services at 612-348-4111 for access to the family assessors.
- Individuals attempting to flee or are fleeing domestic violence can call Domestic Abuse Project (DAP) at 612-874-7063 x242 to schedule a time to complete an assessment.
- Reminder: Housing is not guaranteed. Individuals/families placed on the priority list should continue seeking resources to resolve their homelessness (www.housinglink.org).

Adult Shelter Connect

- Adult Shelter Connect (ASC) is NOT Coordinated Entry - It is the point of entry into Single Adult Shelter
- Do NOT send Single Adults experiencing homelessness to the ASC for "Coordinated Entry"
- DO send Single Adults experiencing homeless to the ASC for shelter

Links/Resources/Contacts

- [Coordinated Entry System](http://www.hennepin.us/coordinated-entry), (www.hennepin.us/coordinated-entry)



**Special Study Session Agenda Item #5
Meeting of Sept. 19, 2022**

Title: Juneteenth

Report From: Keith Clarke, Senior Diversity Equity and Inclusion Coordinator
Moranda Dammann, Acting Assistant City Manager

Submitted through: Mike Funk, City Manager

Action Requested: Provide feedback

Summary Statement

Juneteenth, June Nineteenth, commemorates the end of slavery in the United States. After being signed into legislation by President Biden in 2021, Juneteenth was declared a federal holiday. However, it has not yet been declared a Minnesota state holiday, requiring cities to take action locally. The city council declares holidays by ordinance in accordance with city code section 205.010. Staff is seeking feedback and support for the addition of Juneteenth as a declared holiday for the City of Minnetonka.

Strategic Profile Relatability

- | | |
|--|---|
| <input type="checkbox"/> Financial Strength & Operational Excellence | <input type="checkbox"/> Safe & Healthy Community |
| <input type="checkbox"/> Sustainability & Natural Resources | <input type="checkbox"/> Livable & Well-Planned Development |
| <input type="checkbox"/> Infrastructure & Asset Management | <input checked="" type="checkbox"/> Community Inclusiveness |
| <input type="checkbox"/> N/A | |

Background

On June 19, 1865, federal troops arrived in Galveston, Texas to take control of the state and guarantee that all enslaved people be free. Juneteenth honors the end of slavery in the United States and is deemed to be the longest-running African American holiday. On June 17, 2021, it was officially signed into law that Juneteenth become a federal holiday.

At least two dozen states and the District of Columbia (D.C.) have designated Juneteenth as a permanent paid and/or legal holiday through legislation or policymaking action. However, the state of Minnesota is not one of those states to make this designation requiring cities to take action on the local level. The city council declares holidays by ordinance in accordance with city code section 205.010.

205.010. Holidays.

The City of Minnetonka currently recognizes the following ten official holidays. Official business must not be conducted on these days:

- New Years Day, January 1
- Martin Luther King's Birthday, the third Monday in January
- President's Day, the third Monday in February

- Memorial Day, the last Monday in May
- Independence Day, July 4
- Labor Day, the first Monday in September
- Veterans Day, November 11
- Thanksgiving Day, the fourth Thursday in November
- The Friday after Thanksgiving Day
- Christmas Day, December 25

The holidays that fall on a Saturday will be observed the preceding Friday. Those that fall on a Sunday will be observed the following Monday.

Comparable cities

Due to this designation requiring cities to take action on the local level, staff researched which cities did designate Juneteenth as a permanent paid and/or legal holiday in 2022 and plan to in 2023.

Comparable Cities	2022 Juneteenth Holiday (official)	Planned 2023 Juneteenth Holiday
Bloomington	Yes	Yes
Brooklyn Park	No	Yes
Burnsville	Yes	Yes
Eagan	No	Undecided
Eden Prairie	No	Undecided
Edina	Yes	Yes
Lakeville	No	Yes
Maple Grove	No	Undecided
Plymouth	No	Undecided
St. Louis Park	No	Yes
Woodbury	No	No

Other government entities

Government entity	2022 Juneteenth Holiday (official)	Planned 2023 Juneteenth Holiday
Hennepin County	Yes	Yes
Brooklyn Center	Yes	Yes
Golden Valley	No	Yes
Hopkins	No	Yes
New Brighton	No	Yes
Richfield	Yes	Yes
Roseville	No	Yes

In 2022, the city of Minnetonka did not declare Juneteenth as a holiday. However, a proclamation declaring Sunday, June 19, 2022, as Juneteenth was read at the June 13, 2022, regular council meeting.

Staff is seeking feedback and support for the addition of Juneteenth as a declared holiday for the City of Minnetonka. If support is received, staff will anticipate introducing an ordinance at the Oct. 3 regular council meeting.

Discussion Questions

1. Does the council support the addition of Juneteenth as a declared holiday?
2. Does the council have questions or concerns?



**Study Session Agenda Item #6
Meeting of Sept. 19, 2022**

Title: November Study Session – topics and date

Report From Mike Funk, Acting City Manager

Submitted through:

Action Requested: Affirm upcoming topics and date

Summary Statement

This item is informational and is intended to provide the council with the upcoming study session agenda items and study session schedule.

Background

The Minnetonka city council is scheduled to hold a total of eleven (11) study sessions in 2022. To maximize study session meetings, provide staff direction and focus on council priorities, council members ranked specific topics they expressed interest to review. At the Jan. 10, 2022 Study Session the city council reviewed these rankings, discussed priorities and provided direction to staff.

At the Feb. 7, 2022 regular council meeting the city council unanimously approved the 2022 Study Session Work plan. See attached. Staff committed that at each proceeding study session the topics for the upcoming study session will be provided.

Section 1.5 of the City Council Rules of Procedure states, individual council members may propose agenda items for future meetings at a study session, and the council may provide direction to the city staff regarding scheduling such matters. In essence, this document can be modified throughout the remainder of the year by a majority of council members.

Unless modified by the city council, the 2022 Study Session Work Plan agenda items for Nov. 7, 2022 are:

- Sustainability commission young adult interviews
- Speed limits
- Communications and marketing presentation

Discussion Questions

1. Does the city council confirm upcoming topics and date?

2022 Council Study Session Work Plan		
C i t y M a n a g e r R e c r u i t m e n t	Quarter 1	
	10-Jan	
	Establish 2022 Council Work Plan Study Session: streaming/broadcasting	
	14-Feb	
	Joint EDAC/CC wealth building buy-down program Boards & Commission Interviews 2022 Community Survey questions review	
	17-Mar	
	Director presentation: Chief Scott Boerboom, Police Director presentation: Julie Wischnack, Community Development Strategic Profile	
	Quarter 2	
	TBD	Joint meeting with City of Hopkins: Southwest Light Rail & Dual city contracts
	04-Apr	
	Director presentation: Mike Funk/ Moranda Dammann, Administration Director presentation: Corrine Heine, Legal Director presentation: Kelly O'Dea, Recreation programming overview Director presentation: Chief John Vance, Fire	
	16-May	
	Director presentation: Will Manchester, Public Works Director presentation: Darin Nelson, Finance 2023 Kick-Off Budget discussion	
	08-Jun	Rescheduled Annual Park Board tour
	20-Jun	
	NRMP/POST Plan, park dedication fees, funding, priority list 2023 CIP/EIP	
	13-Jul	Boards & Commissions dinner
	Quarter 3	
	15-Aug	
	2023 budget discussion Recap RCV Sign ordinance in reference to elections	
	25-Aug	Annual joint Planning Commission, EDAC and City Council tour
	19-Sep	
	Housing: homelessness City wide, curb-side pick up Affordable Housing	
	Quarter 4	
	02-Nov	Annual Park Board and City Council joint meeting
	07-Nov	
	Sustainability commission young adult interviews Speed limits Communications and marketing presentation	
	21-Nov	
	2023 Enterprise budget discussion, including utility billing/senior discount) 2023 budget discussion	
	12-Dec	
	2023 Strategic Profile Action Steps 2023 Study Session Work plan 2023 Legislative Breakfast - confirm priorities	

Other Potential Topics

- Technology security and data practice training
- Council meeting length/meeting efficiencies
- Review solar energy programs and offerings
- Noise discussion: Lawn mowers, leaf blowers
- Storage of garbage/recycling containers
- Council member compensation
- Noise discussion/hardscape discussion: outdoor pickleball
- Personal property tax
- Review of business programs
- Permitting work flow: informational
- Human Rights/DEI Commission
- Community Engagement
- New Low to Medium Density Zoning Discussion Along Identified Corridors
- Buckthorn pick-up
- annual survey and/or a question through MinnetonkaMatters
- city council retreat item; Spring 2022