

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 147-2024

Approving the West Transit Village Liner Housing Project, Contingent Upon Evidence of Financing

The following Resolution was offered by Council President Brooke Carlson,
seconded by R.T. Rybak.

BACKGROUND RECITALS

A. A critical component of the development plan adopted by the Destination Medical Center Corporation (“DMCC”) on April 23, 2015, as amended (the “Development Plan”) concerned mobility, transformative transportation strategies, and related development. The Development Plan highlighted the goal of a mode shift in which a significant portion of commuting trips downtown shifts away from single occupant vehicle trips and towards other modes.

B. To implement these goals, the DMCC has reached significant approvals concerning mobility and transportation. By Resolutions 87- and 89-2019, the DMCC adopted a local preferred alternative for the route alignment and transit mode for the downtown bus rapid transit project now known as “LINK.” The DMCC has consistently emphasized the importance of a transit village destination anchoring LINK at its terminus. In Resolution 79-2019, the DMCC approved the location of mobility hubs and park and ride facilities, on the western end of the route now known as the West Transit Village. By Resolution 100-2020, the DMCC approved a boundary modification to adjust the development district, the geographic area in the City identified in the Development Plan in which public infrastructure projects are implemented (“the Development District”) to include the route and transit village location for Phase 1 of the locally preferred alternative. By Resolution 104-2020, the DMCC approved an application for funding to the Federal Transit Agency Small Starts Program for the LINK project.

C. The Development Plan also highlighted the need for senior housing, with both market rate and affordable housing options. The Five-Year Update to the Development Plan, adopted by the DMCC on November 19, 2020 in Resolution No. 109-2020 (the “2020 Update”), further emphasized the need for housing, particularly with a range of income accessibility and housing near public transit.

D. Under Minnesota Statutes, Section 469.41 Subdivision 13, a project must be approved by the DMCC before it is proposed to the City of Rochester (the “City”). The DMCC must review a proposed project for consistency with the Development Plan.

E. By correspondence to the DMCC dated May 16, 2024, and attached hereto as Exhibit A, staff from the Destination Medical Center Economic Development Agency (the “EDA”) has requested approval of the West Transit Village Liner housing project (the “Proposed Project”) as a public infrastructure project.

F. The Proposed Project is a residential development consisting entirely of senior (55+) affordable housing. The Proposed Project contemplates 94 housing units. It plans to seek additional funding from the Minnesota Housing Finance Agency.

G. The Proposed Project advances a range of housing choices affordable to seniors, including:

- Twelve one-bedroom units and seven two-bedroom units at 30% Adjusted Median Income (AMI); and
- Forty-six one-bedroom units and twenty-nine two-bedroom units at 50% AMI.

H. Minnesota Statutes, Section 469.40, subdivision 11, defines “public infrastructure project” as “a project financed in part or in whole with public money in order to support the medical business entity's development plans, as identified in the DMCC development plan” and expressly includes, among other items, the ability to

(3) remediate land and buildings as required to prepare the property for acquisition or development;

(4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, streets, roadways, . . . and other components of community infrastructure; . . .

(5) acquire, construct or reconstruct, and equip parking facilities and other facilities to encourage intermodal transportation and public transit;

(7) make related site improvements including, without limitation, excavation, earth retention, soil stabilization and correction, and site improvements to support the destination medical center development district

(8) prepare land for private development

I. The site of the Proposed Project is located in the Transit Village and Station Areas subdistrict described in the 2020 Update.

J. The DMCC Board approved the 2024 Five Year Capital Improvement Plan (the “2024 CIP”) on September 28, 2023 and approved the projects set forth in the first year of the 2024 CIP as public infrastructure projects within the meaning of Minnesota Statutes Section 469.40, subdivision 11, and consistent with the Development Plan. The 2024 CIP was later approved by the City.

K. The 2024 CIP provided funding for the Strategic Redevelopment Fund, which was first approved in the 2021 Five Year Capital Improvement Plan. Staff has informed the DMCC that a portion of the funds from the Strategic Redevelopment Fund is available for reallocation. As set forth in Exhibit A, EDA staff requests that the DMCC amend the 2024 CIP to reallocate funds in an amount not to exceed \$3,900,000 from the Strategic Redevelopment Fund to the Proposed Project.

L. The EDA has examined the Proposed Project, applying the evaluation factors contained in the Development Plan, and now recommend the Proposed Project for approval.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors, that the DMCC finds that the Proposed Project is a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11, which provides for: constructing and equipping parking facilities and other facilities to encourage intermodal transportation and public transit; installing or constructing elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, streets, roadways, and other components of community infrastructure; making related site improvements, excavation, and earth retention; and remediating land and prepare the property for private development; and that, subject to approval by the City, the DMCC approves the Proposed Project as consistent with the Development Plan.

BE IT FURTHER RESOLVED, that the DMCC amends the 2024 CIP by reallocating funds reserved for the Strategic Redevelopment Fund to the Proposed Project in an amount not-to-exceed \$3,900,000, subject to approval by the City.

BE IT FURTHER RESOLVED, that the approvals contained herein are expressly contingent upon: 1) evidence of financing for the Proposed Project from the Minnesota Housing Finance Agency; and 2) evidence of long-term income-affordability criteria and appropriate enforcement as set forth in the City's approved development assistance agreement.

BE IT FURTHER RESOLVED, that the EDA staff are requested to provide updates with respect to financing, schedule, and other elements of the Proposed Project.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

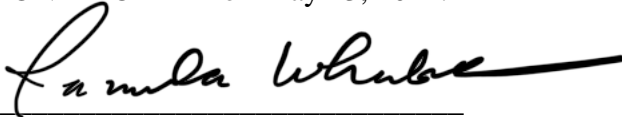
The question was on the adoption of the Resolution and there were 8 YEAS and 0 NAYS, as follows:

BOARD OF DIRECTORS

Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
Douglas M. Baker, Jr.	<u>X</u>	_____	_____
James R. Campbell	<u>X</u>	_____	_____
Brooke Carlson	<u>X</u>	_____	_____
Kim Norton	<u>X</u>	_____	_____
R.T. Rybak	<u>X</u>	_____	_____
Mark Thein	<u>X</u>	_____	_____
Pamela Wheelock	<u>X</u>	_____	_____
Paul D. Williams	<u>X</u>	_____	_____

RESOLUTION ADOPTED on May 23, 2024.

ATTEST: 

Pamela Wheelock, Chair
Destination Medical Center Corporation

EXHIBIT A

Housing: West Transit Village

To: DMCC Board of Directors
From: DMC EDA
Date: May 16, 2024



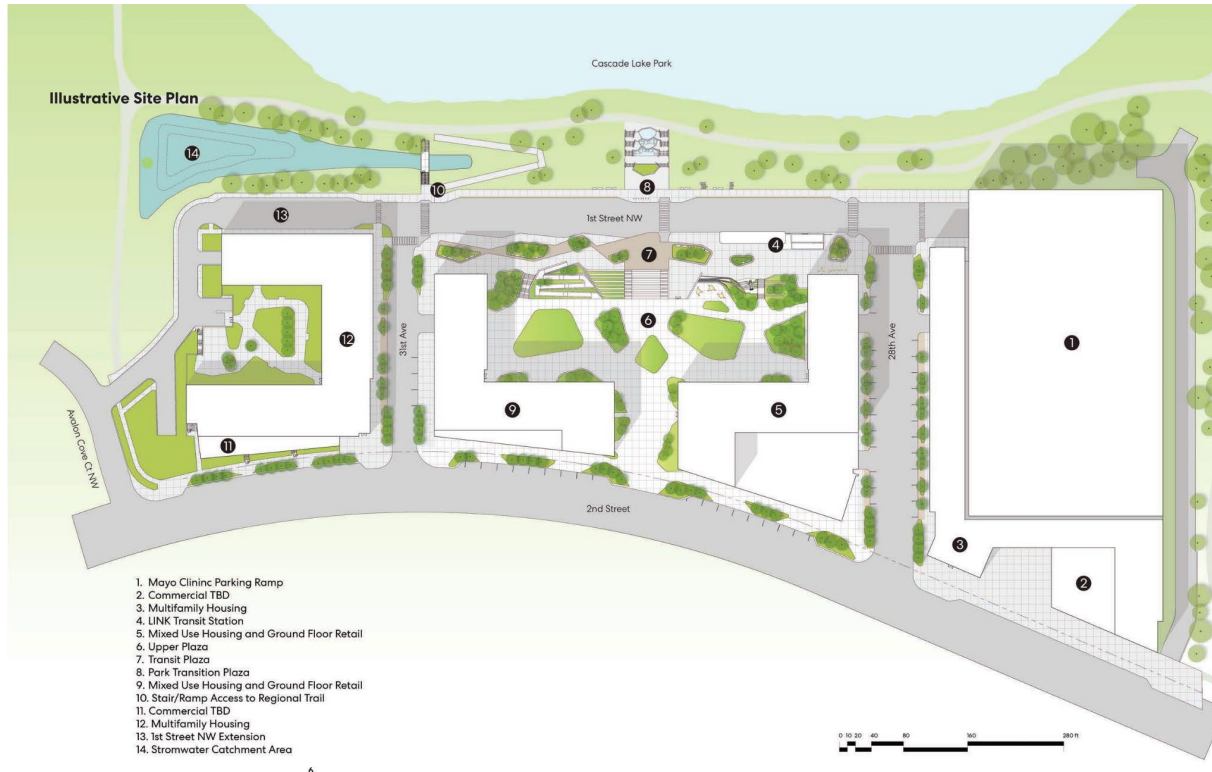
Request of the board of directors:

The DMC EDA board of directors recommends that the DMCC designate the proposed development as a Public Infrastructure Project and provide \$3.9 million in DMC General State Infrastructure Aid. A resolution to this effect has been prepared by staff and is included in the DMC Corp. board meeting materials for your consideration.

Background:

The DMC vision for the West Transit Village is to provide an authentic place where people want to be and leverage the opportunity to make the BRT journey better than a trip in a private single occupant vehicle.

To realize this ambitious vision, Mayo Clinic, the City of Rochester, DMC, and the selected developer team of Kraus Anderson (master developer and market rate housing) and Aeon (affordable housing developer) have worked in collaboration for over a year. The parties have agreed to a public-private partnership approach and are also driven by the FTA transportation funding schedule for the transit elements of the site as well. A master plan has been developed by the development team in close coordination and partnership with Mayo Clinic, DMC, and the City of Rochester:



To realize this vision will require additional infrastructure outside of the Federal BRT project scope as well as support for the housing components of the project.

At this juncture there are over 42 different major components of the site that need to come together to realize

the above vision. Partners are working together to fully develop a detailed matrix of those responsibilities and a schedule in order to maintain the overall project schedule which is built off of the expected opening day of the BRT system in 4Q2026.

While the overall WTV project is not yet developed enough to submit a complete application, there are important funding deadlines for the affordable housing developer (Aeon) that are driving that component of the project to come before the DMCC and City Council in advance of other components of the overall site, namely the annual July deadline for MHFA (Minnesota Housing Finance Agency) funds. If Aeon does not submit this year for those funds they would have to wait another full year to submit, which would make it extremely unlikely that the affordable housing could meet the overall site design and construction schedule, as this component is tightly aligned with the Mayo Parking Ramp schedule.

WTV Aeon 1, or the “Liner” building, is planned to be a 100% Senior (55+) affordable housing project. Aeon is planning on submitting the project to the 2024 Minnesota Housing RFP, due July 11th, 2024. The anticipated mix of housing is as follows:

Current Unit Mix	Count	Affordability (Rent)	Projected Tenant Rents
Unit Type			
1 bedroom	12	30% AMI	\$603
2 bedroom	7	30% AMI	\$831
1 bedroom	46	50% AMI	\$1,065
2 bedroom	29	50% AMI	\$1,267
Total		94	

This building is a critical component of the overall goal of creating a transit village, as the housing will screen the large parking ramp on the eastern edge of the site and contribute to the overall sense of place needed to differentiate a transit village from a park and ride facility.

Fulfilling the DMC Vision, Mission, and/or Goals:

The DMC goal of mode shift for transportation requires a significant portion of commuting trips downtown to shift away from Single Occupant Vehicle (SOV) trips and towards other modes including Bus Rapid Transit. The West Transit Village is a key element of enabling the BRT to function well and provide an experience befitting the goal of DMC vision of a world class destination. The inclusion of affordable and market rate housing, as well as amenity and service retail is critical for this site if it is to realize the DMCC Board vision.

Approvals, milestones, and decision points:

- Request for DMC funds to bolster Aeon application to MHFA for July 11 application deadline
- If approved by DMCC, moves to City Council in June
- Partners continue to develop and refine the overall site infrastructure and market rate housing needs
- Anticipate a full WTV plan presentation and financial analysis by 3Q or 4Q 2024

West Transit Village (WTV) - Aeon Phase 1 Evaluation Report May 16, 2024

EXECUTIVE SUMMARY / RECOMMENDATION

STATEMENT OF RECOMMENDATION:

Based on information provided by Aeon (the “Applicant”), WTV - Aeon Phase 1 (the “Proposed Project”) aligns with the Destination Medical Center (“DMC”) vision and is consistent with the DMC goals, objectives, and values. Development of affordable housing units is among the highest priorities for the DMCC Board of Directors.

The following report evaluates the Proposed Project on all criteria as required by the Development Plan. Based on these criteria, the Destination Medical Center Economic Development Agency (“DMC EDA”) would categorize the Proposed Project as a high priority DMC project that has immense potential to help realize the vision, goals and objectives of the DMC initiative.

DMC EDA recommends DMC support for the project in the amount of \$3.9 million, using the DMC general state aid infrastructure dollars provided by the State of Minnesota.

We further recommend an on-going financial audit to ensure the project built is consistent with the project proposed and approved and to confirm the costs of the relevant public infrastructure components of the project. It is understood that the applicant will provide all requested documentation to facilitate this audit and work in good faith with representatives of the DMCC and DMC EDA, or their consultants, in this process.

STATEMENT OF ELIGIBILITY:

Based upon information provided by the Applicant the Proposed Project meets the definition of “public infrastructure project” under the DMC Act, is consistent with the DMC Development Plan, and falls within the DMC Development District boundaries (Central Station).

PROJECT SUMMARY:

WTV - Aeon Phase 1 will consist of 92 affordable senior (55+) residential apartments and potentially up to 12,000 sq ft of commercial/retail space (pending feasibility study). A mixed income approach has been accessed and the following housing units will be provided: 50% AMI- 75 units; 30% AMI- 19 units. Amenities within the proposed project include: exercise facility; board room; community space; rooftop community space; library and flexible work from home space and an exterior green space with community interaction. The proposed project is to be 1 floor below grade, 4 floors above grade and XX parking stalls are included in the project for commercial and occupant use. The project is an essential component of the West Transit Village project site at the western terminus of the DMC Development District and along a zoned TOD Corridor.

RELEVANT PROJECT HIGHLIGHTS:

The following list outlines relevant project highlights for consideration:

- **General Project Information**
 - Located in the TOD corridor of the DMC District
 - Affordable housing targeting seniors as part of a larger mixed-income and multi-generational community
 - 12,000 rentable square feet of commercial space
 - Activates the southern and western facades of the 2,500 car parking ramp structure to spur the village component of this important node of transit infrastructure
 - Provides direct access for residents to the LINK Bus Rapid Transit system and well as the Cascade Lake trail system
- **Job Creation**
 - Approximately 5 long-term jobs just for the housing; dependent on the commercial user could be an additional 5
 - Approximately 50-100 construction jobs
- **Energy & Sustainability**
 - Project projected to meet Sustainable Building 2030 targets and have an energy use intensity target of 24-25 kBtu/SF
 - Project will pursue and complete certification of Green Communities Tier 2
 - Project projected to meet waste diversion, water reduction targets, electric vehicle readiness, bike facilities, among other sustainability approaches
 - Project committed to sharing utility data and participate in Rochester's Energy Benchmarking Program for a period of 3 years
- **Financial Details**
 - Total project cost: \$43.7 million
 - Financial gap identified by the developer is \$14.85 Million

EVALUATION REPORT

SECTION 1.0 PROJECT OVERVIEW

WTV - Aeon Phase 1 will consist of 92 affordable senior (55+) residential apartments and potentially up to 12,000 sq ft of commercial/retail space (pending feasibility study). A mixed income approach has been accessed and the following housing units will be provided: 50% AMI- 75 units; 30% AMI- 19 units. Amenities within the proposed project include: exercise facility; board room; community space; rooftop community space; library and flexible work from home space and an exterior green space with community interaction. The proposed project is to be 1 floor below grade, 4 floors above grade and XX parking stalls are included in the project for commercial and occupant use. The project is an essential component of the West Transit Village project site at the western terminus of the DMC Development District and along a zoned TOD Corridor.

SECTION 2.0 MINIMUM ELIGIBILITY REQUIREMENTS OF DMC ACT

Check the following that apply to the Project:

- "Public Infrastructure Project"
 - General Infrastructure Project or
- Within DMC Development District Boundaries

For a project to be eligible for DMC Funding, the project must be (1) a “public infrastructure project” and (2) within the DMC Development District Boundaries.

Per Minnesota Statutes, Section 469.40, Subdivision 11, a “Public Infrastructure Project” is described as a project financed in part or in whole with public money to support Mayo Clinic’s development plans, as identified in the DMCC Development Plan, the Proposed Project would qualify as a “Public Infrastructure Project” as required by the DMC Act.

The Applicant provided a detailed list of eligible infrastructure related improvements including:

Site preparation and remediation, utility connections, streetscape improvements (sidewalk, landscaping and public elements), vacation and utility relocations, parking infrastructure, site clean-up, DMC goal of energy efficiency, and community accessible amenity spaces. The total cost for these improvements is in excess of the total amount requested public assistance.

The Proposed Project is within the DMC Development District Boundaries.

SECTION 3.0 EVALUATION CRITERIA

The DMC EDA's recommendation for the project outlined herein was formed in consideration of the following criteria:

- 3.1 DMC Vision, Goals and Objectives / Development Plan Strategies
- 3.2 Consistency with Development Plan and Other Planning Documents
- 3.3 Financial Viability
- 3.4 Consistency with Adopted Strategies, Phasing and Capital Improvement Planning
- 3.5 Targeted Business Enterprise Strategies
- 3.6 Compliance with Economic-Fiscal Goals and Objectives
- 3.7 Other Project Policy Considerations

SECTION 3.1 DMC VISION, GOALS AND OBJECTIVES / DEVELOPMENT PLAN STRATEGIES

Does the project include a plan for achieving the DMC vision, goals and objectives and is it critical to driving the strategies included in the Development Plan?

Is the project consistent with the stated DMC Goals & Objectives and specifically contributing to job creation?

- ***Does the project meet one or more of the goals and objectives established for the Development Plan?***

The Proposed Project is a mixed income affordable housing project located in a DMC sub-district and within the City of Rochester transit-oriented development zoning district. Second Street is a major future transit corridor within the City when the LINK BRT system commences operations in 2026. Senior affordable housing is needed to support the growth resulting from the DMC project. The project provides housing near downtown retail and services, transit access, while offering units at a variety of deeper-need income levels.

Is the project consistent with the DMC Vision?

- ***Is the project part of a bold and aspirational concept for the future?***

The Proposed Project is consistent with the DMC vision of creating a place to Live, Work, Play and Thrive. Based on an economic analysis of housing needs for Rochester, the City needs over XXXX units of housing for individuals earning between 30-50% AMI by 2040. The 92 units incorporated in this project will help build toward meeting this demand.

- ***Does the project fit with the principles of the vision?***

With Mayo Clinic at its heart, the Destination Medical Center (DMC) initiative will be the catalyst to position Rochester, MN as the world's premier destination center for health and wellness; attracting people, investment and jobs to America's City for Health and supporting the economic growth of Minnesota and its biosciences sector." We believe the proposed project aligns with this core principle as it will provide a key piece of infrastructure for growth; an affordable place to live.

- ***Does the project provide a framework for growth in this sub---district?***

The vision for the West Transit Village has been refined over several years and this project is the first residential component of the site coming forward alongside the transit infrastructure that has already been approved for funding by the DMCC Board. Further, constructing units along a transit corridor, provides an opportunity for residents to live in Rochester without depending on a vehicle. This development revitalizes a surface parking lot and provides opportunities to live adjacent to a high frequency mobility option that connects directly to all the major downtown assets of Rochester.

Does the project build infrastructure to support growth and drive investment?

- ***Would the investment occur without the public infrastructure to be funded?***

The Applicant states they would not be able develop this project without public assistance. Based on our own independent analysis, we concur. As stated above, the mixed income approach of this project helps provide affordable units for seniors connected to the downtown and community.

- ***Is the proposed public infrastructure solely for the benefit of the project or does it also support the broader vision of the DMC District?***

As identified in the Infrastructure Master Plan, there are six (6) key areas of infrastructure requirements: (1) public utilities, (2) bridges, subways and skyways, (3) shared parking, (4) parcel development, (5) civic uses, cultural uses and public amenities, and (6) technology improvement. The Proposed Project includes elements encouraging pedestrian engagement, alternative modes of transportation, promotes sustainable building practice, is connected to a major mobility investment, and will provide much-needed housing for seniors which is in undersupply.

- ***Will the public funding accelerate private investment in the Development District or applicable sub district?***

The Proposed Project contributes 92 units of housing ranging between 30-50% AMI units. To meet the needs of renters – the majority of whom live in Rochester – Olmsted County needs to build 1,274 affordable housing units by 2030 (Olmsted County, 2020). Additionally, an October 2023 report commissioned by Aeon found significant demand for senior housing projects, affirming that new, 55 plus senior housing developments have been well-received in Rochester, with strong absorption in their first years (Cadence Marketing Solutions, LLC, 2023).

The Project is meant to act as the catalyst for future development and job growth within the district as well as the first step in evolving the West Transit Village site beyond the mobility infrastructure already planned.

Does the project provide a catalyst for/or anchor for an approved strategy?

- ***Can the project reasonably be expected to catalyze or anchor development in one of the six sub districts?***

The Proposed Project will be the catalyst for the TOD corridor and provide a key piece of housing infrastructure. Its location is an example of how complex TOD development can happen in Rochester and the state of Minnesota, and will generate momentum for other developments – residential and otherwise.

- ***Can the project reasonably be expected to catalyze necessary transportation/transit strategies?***

The Proposed Project will encourage the use of alternate means of transportation with the availability of bike storage and electric vehicle chargers. Moreover, the project is located at the west hub of the LINK BRT project, the largest single investment in public transportation in Rochester to date and the first Bus Rapid Transit system in the State of Minnesota outside of the Twin Cities metro area. Between the facility amenities that foster alternative transportation possibilities and its adjacency to a transit hub the Project will provide a range of options for the residents to move throughout the district and City.

SECTION 3.2 CONSISTENCY WITH DEVELOPMENT PLAN, OTHER PLANNING DOCUMENTS

Does the project include a plan for achieving consistency with the Development Plan (and any updates thereto) and o t h e r relevant planning documents?

Is the project consistent with the DMC Planning Documents?

- ***Is the project consistent with the current DMC Master Plan, Transportation Master Plan, and/or Infrastructure Master Plan?***

The Proposed Project fits well with the vision and principles of the DMC Master Plan. It's also consistent with the transportation and infrastructure master plans.

- ***Is the project consistent and/or supportive of the Finance Plan, Business Development Plan and other Implementation strategies of the DMC?***

Yes, a key strategy of these plans is to develop places for people to live that are affordable. This project expands on this possibility by providing units at a range of income levels. Further, its energy efficiency approach will minimize the utility costs for the building occupants.

Is the project consistent with the City/County Planning Documents?

- ***Is the project consistent with the RDMP Plan or City Comprehensive Pan?***

Yes, the proposed project is consistent with the City Comprehensive Plan as a block suitable for redevelopment in the hopes of achieving higher density in the transit-oriented development zoning district, and repurposing blighted downtown lots.

- ***If a Transit/Transportation project, is the project consistent with the ROCOG long---range Transportation Plan?***

The ROCOG model was utilized for DMC to determine the effects of development and transportation system changes. One main area of the model considers the trips generated by land uses and activities. The Proposed Project will have limited impact on the current traffic flow, in addition the project is designed to incorporate various options for alternate transportation to reduce the single-vehicle traffic flow in the Development District.

The Proposed parking structure, bike parking facilities, location at the major transit hub on the western end of LINK BRT, and the retail and service options within walking distance help reinforce and carry the vision of the DMC Integrated Transit Studies.

Does the project support sustainability principles as a core objective in the development and operations of the project?

As part of the project's Application for Funding, relative to Sustainable Elements, our team acknowledges and is working towards the (9) listed goals of the DMC Plan below, including a whole-building energy performance evaluation process.

- The WTV - Aeon Phase 1 project incorporates the Destination Medical Center Design Guidelines and Destination Medical Center Development Plan.
- The SB2030 EUI target for the building, calculated based on the conceptual design, is estimated at 23 KBtu/sq.ft.-yr. Costs and impacts of various systems including geothermal energy are being studied.

-
- The General Contractor will develop a Construction Waste Plan.
 - The percent of water reduction is still being calculated. The intent is to use low flow WaterSense fixtures. Meeting the requirement of a 20% reduction seems likely based on the project's current approach.
 - The percent irrigation reduction is still being calculated. Given the building footprint, the amount of outdoor irrigated area is limited. The irrigation system will be efficient, incorporating WaterSense labeled weather-based irrigation controllers.
 - The site for this project was based on an overall vision and master plan for the West Transit Village. The covered parking area of this building will provide the infrastructure for a select number of future EV charging stations as well as house tenant bike storage.
 - Green Communities Tier 2 has been selected as the third-party green building rating system. After multiple rounds of design and analysis, and according to Aeon's standard level of design, construction, and operation, we expect this project will perform well above the minimum level of compliance.
 - Ownership has agreed to participate in the City of Rochester's Voluntary Energy Benchmarking Program.
 - Ownership is also interested in pursuing all utility incentive programs through RPU and MERC.

SECTION 3.3

FINANCIAL VIABILITY *[Form may vary based on size/scope of project]*

Does the project include a plan that is financially viable?

- Project Summary (e.g. concepts, detailed program, project team, etc.)
- Total Project Budget
- Sources of funding, demonstrating a verifiable gap that justifies DMC Funding
- Project Operating Pro Forma including an overview of any operations and maintenance funding that may be required
- A Project Plan and/or Market Study supporting the demand/need for the project
- Demonstration of financial capacity to support the project

Is the project supported by current market conditions and comprehensive feasibility studies?

Yes. The applicant has shared its data with the DMC EDA staff.

Does the project leverage additional private funds, maximizing the use of DMC Funds?

Yes, the proposed project leverages multiple sources of funds, including philanthropic and other public sources.

Is the preliminary project finance plan comprehensive and viable based upon Project Team and financial capacity?

Yes. The financial plan presented is comprehensive and viable but only with the proposed DMC assistance of \$3.9 million.

Is the project inclusive of an Operation and Maintenance pro forma?

Yes. The project proforma accounts for estimates of operating costs and maintenance expenses.

Is there a verifiable gap for funding based upon a reasonable return on private investment?

Yes. One key driver of the gap is that this development is a key component of a highly complex and visionary master plan and is essential for screening the transit infrastructure on the site to catalyze the “village” in West Transit Village.

Is the proposed operating structure sustainable?

Yes, we believe the operating structure is sustainable due to Aeon’s strong standing and track record in affordable housing.

Does the Project impose any financial obligations on the DMC or City for ongoing operational or maintenance support?

No. The City and DMC would have no on-going responsibilities for operational or maintenance support.

Has the project applicant agreed to execute the DMC Development Agreement?

If awarded all sources of funding needed for successful realization of this project, the applicant has stated that they will agree to execute the DMC Development Agreement consistent with all expectations of the City and DMC.

SECTION 3.4 CONSISTENCY WITH ADOPTED STRATEGIES, PHASING, AND CAPITAL IMPROVEMENT PLANNING

Is the project consistent with adopted strategies and/or one or more projects for the current implementation phase of the DMC initiative?

Is the project part of an approved strategy and current focus? Is the project outlined as an approved strategy for the project within the Development Plan?

The proposed project is consistent with the DMC priority surrounding transit-oriented housing development to support housing at a variety of price points.

Is the project recommended as a focus for the particular phase of the project in the Development Plan?

The Proposed Project aligns with the needs Olmsted County has identified for various tiers of affordability for housing and is located within the DMC District.

Is the project consistent with the DMC CIP?

- **If public, is the project specifically listed in the DMC---CIP? Or is the project necessary to facilitate a DMC related strategy?**

N/A

- **If private, is the project otherwise compatible with the planned public improvements in the DMC---CIP?**

Yes, this project is part of a larger investment known as the West Transit Village component of the LINK BRT project.

SECTION 3.5 TARGETED BUSINESS ENTERPRISE STRATEGIES *[Form may vary based on size/scope of project]*

Does the project include a plan for achieving Local Business, S/M/WBE Project Requirements and other project requirements, as applicable?

Has the applicant agreed to execute the DMC Development Agreement? (The terms of which are provided in form to all applicants)?

Yes, the Applicant has agreed to execute the DMC Development Agreement, understanding DMC goals for targeted business, and S/M/WBE requirements.

SECTION 3.6 COMPLIANCE WITH ECONOMIC-FISCAL GOALS AND OBJECTIVES

Does the project include a plan to comply with or support the economic-fiscal goals and objectives of the DMC initiative?

Does the project generate substantial economic-fiscal gain based upon job projections?

Yes. The project is anticipated to provide 50-100 temporary construction jobs and 5-10 new permanent jobs.

Does the project maximize the opportunity for investment by attracting other private capital?

To meet the needs of these renters – the majority of whom live in Rochester – Olmsted County needs to build 1,274 affordable housing units by 2030 (Olmsted County, 2020). Additionally, an October 2023 report commissioned by Aeon found significant demand for senior housing projects, affirming that new, 55 plus senior housing developments have been well received in Rochester, with strong absorption in their first years (Cadence Marketing Solutions, LLC, 2023).

Is the project required (e.g. public works) to continue to seed investment in the DMC District?

The project will add to the overall eligible costs that are certified by DEED each year, increasing the amount of available public investment.

Does the project support the economic strategies of the project by providing civic/cultural uses and/or public amenities that support strategic growth in the DMC Development District and/or specific business development and economic development strategies that are adopted as part of the DMC Development Plan?

The project will add new, diverse income level housing, contribute to the sense of place at West Transit Village and meet DMC design guidelines. It is designed to meet different income levels for jobs available within downtown Rochester.

SECTION 3.7 OTHER PROJECT POLICY CONSIDERATIONS

Is the project inside the DMC Development District?

Yes.

If the project is not inside the DMC Development District, are they asking for a boundary change?

N/A

Does the project include any distinctive social and/or community benefits that are not specifically required by the DMC Act?

WTV - Aeon Phase 1 is consistent with the DMC vision of a mixed use walkable and transit-oriented downtown, diversifying the housing options available within the district, densifying at a critical transportation node, and leveraging transportation investments. It is being delivered by a developer with a strong track record in affordable housing.