

To: DMC Corp. Board of Directors

From: Patrick Seeb, Executive Director, DMC EDA

Re: Questions raised by DMCC board directors at the September 22, 2022 board meeting

Dear Chair Wheelock and members of the board:

At the September 22, 2022 DMC Corp. board of directors meeting, EDA staff committed to providing responses to several questions posed by members of the board. Below, I've paraphrased those questions and provided responses in a question-and-answer format.

Q: Does the City of Rochester have any policies regarding the preservation of naturally-occurring affordable housing (NOAH) upon its sale or a change in ownership or tenancy?

A: The preservation of NOAH, including in the event of a change in tenancy or property ownership, remains a regular topic of discussion for the Coalition for Rochester Area Housing. There is no specific City policy requiring such preservation in place at this time, but City of Rochester TIF agreements require developers to ensure that appropriate relocation benefits are provided to displaced rental unit tenants whose incomes are at or below the 60% area median income (AMI). Similarly, residents displaced by DMC projects may also be eligible for DMC-funded relocation benefits.

Q: How has the tax capacity of taxable properties in the DMC development district changed over time, and how does this change compare to tax capacity changes in the rest of the City of Rochester?

A: Between 2012—the year before the introduction of DMC's enabling legislation—and 2021, the tax capacity increase within the DMC district was 111%, outperforming the tax capacity increase experienced throughout the rest of Rochester (78%). Here is a table demonstrating that annual change:

	Annual Tax Capacity	
	DMC District	Rochester (minus DMC district)
2012	\$ 13,937,681	\$ 85,522,676
2013	\$ 16,156,992	\$ 88,286,926
2014	\$ 18,440,508	\$ 90,958,710
2015	\$ 21,090,491	\$ 94,557,257
2016	\$ 22,506,460	\$ 107,020,156
2017	\$ 23,342,006	\$ 112,686,503
2018	\$ 24,049,484	\$ 123,206,157
2019	\$ 26,316,943	\$ 134,247,381
2020	\$ 31,194,559	\$ 145,975,903
2021	\$ 29,417,295	\$ 152,357,689

Q: What is the timeline for the Link bus rapid transit-related South Second Street reconstruction? What efforts will be made to mitigate construction impacts on adjacent businesses and properties?

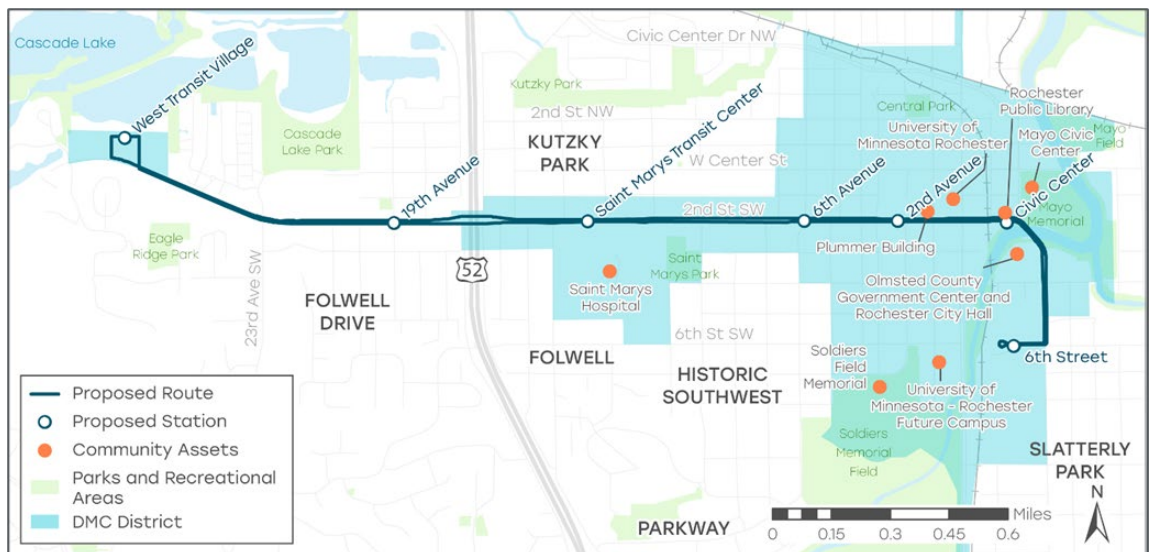
A: Scheduled to begin service in 2026, the Link Rapid Transit line will connect the West Transit Village, Cascade Lake, Mayo Clinic campuses, downtown Rochester, the Mayo Civic Center, and the Rochester-Olmsted Government Center.

During the construction of Link Rapid Transit, the DMC EDA and City of Rochester will utilize “Business Forward” principles (namely, to provide for safety, accessibility, and regular stakeholder communication and input).

For example, during the Heart of the City construction, the application of these principles resulted in solutions tailored to the needs of adjacent property and business owners, including:

- Weekly property/business owner conference calls
- Regular updates to the Rochester Downtown Alliance
- Efforts to maintain pedestrian and vehicular access to retail, restaurants, and hotels
- Construction phasing/timing that minimized disruptions to hotel guests and patients

Similar, customized mitigation efforts will be made along the Link Rapid Transit route.



What progress has been made toward the development of the housing types identified in the 2020 Olmsted County housing needs assessment?

A: The housing needs assessment estimated that more than 3,900 additional units would be required in downtown Rochester by 2030. Between 2015-2020, approximately 1,150 housing units were added to downtown Rochester. Since the 2020 study, more than 500 additional units, including affordable, student and market-rate housing, are in various stages of planning and development.

Additional development needs still exist for workforce rental housing in the 30-50% area median income range, and ownership options for workforce and seniors, especially affordable home ownership opportunities.