



July 5, 2005

MEMORANDUM

TO: Mr. Tim Yantos
Anoka County Housing and Redevelopment Authority

FROM: Brian Smith
Mary Bujold
Maxfield Research Inc.

RE: Initial Market Assessment for an Independent Senior Rental Housing Project in
Burns Township, Minnesota

Introduction/Purpose and Scope of Research

Introduction/Purpose and Scope of Research

This memorandum contains an initial market assessment of the demand for independent senior housing in Burns Township, Minnesota. Maxfield Research Inc. calculated demand for senior housing and services based on estimates of the senior household base, estimates of senior household incomes and an inventory and survey of existing competitive and planned units in the defined Market Area.

The methodologies used to calculate demand in this memorandum are proprietary to Maxfield Research, but are consistent with methodologies used by analysts throughout the senior housing industry.

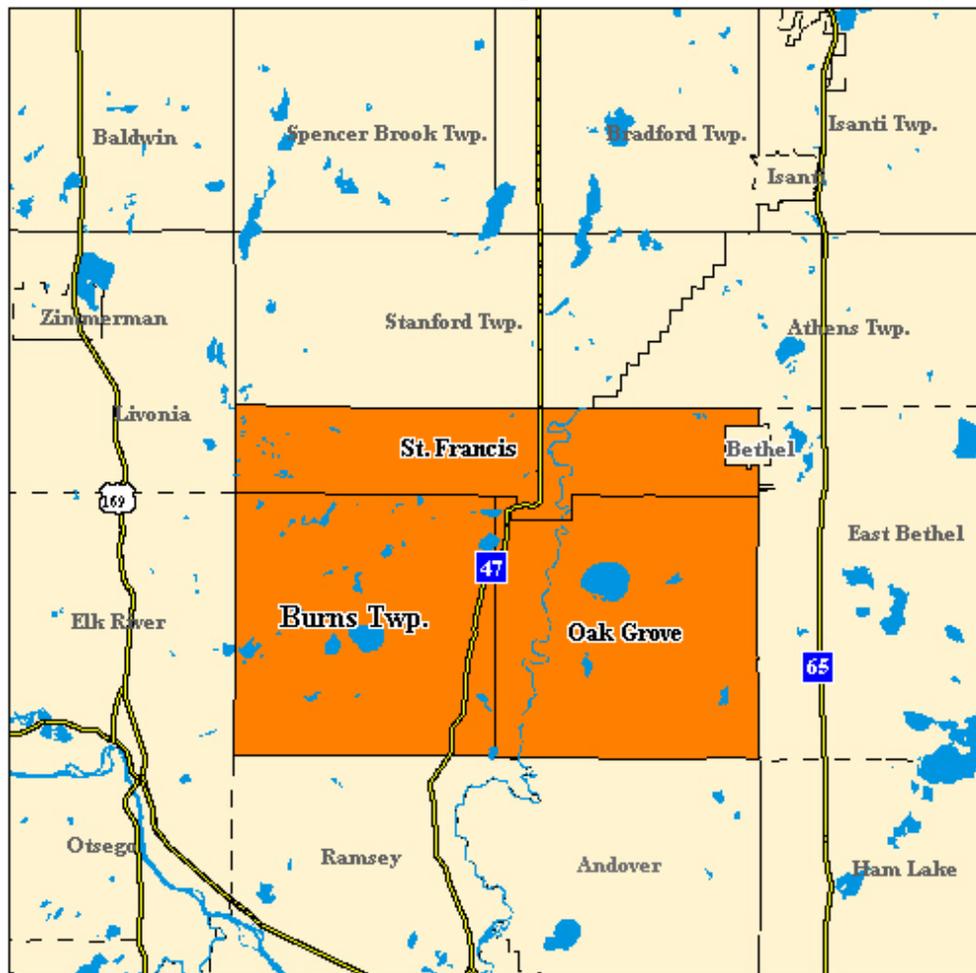
This memorandum begins by presenting our initial conclusions based on the research findings. It then defines the Market Area and presents estimates and projections of the senior population and senior household incomes in the Market Area. Finally, this assessment presents demand calculations for independent living units and a recommendation regarding the number of units supportable.

Market Area Definition

Based on the location of the Site, transportation routes, man-made geographic boundaries, and our experience of the draw areas for independent senior housing, we define the primary draw (or “market”) for this Initial Market Assessment as the following group of communities: Burns Township, Oak Grove, and St. Francis. The Map below illustrates the geographic areas included in the Burns Township Market Area (highlighted in orange).

We estimate that approximately 80% of the market support for independent senior housing in Burns Township would come from this Market Area. The remaining portion of the demand (20%) for a senior housing development in Burns Township will come from outside the defined Market Area. These individuals will include people currently residing just outside the Market Area who have an orientation to the area (i.e., church, doctor, etc.); people who once resided in the area that desire to move back to be near friends and family, as well as parents of adult children living in the Market Area.

Burns Township Market Area



Maxfield Research Inc.

Household Income Trends

Table 1 shows estimated and projected incomes for senior households in the Market Area in 2004 and 2009. The income estimates were made by Maxfield Research Inc., based on data from Claritas Inc., a national demographics firm. The data helps determine the demand for senior housing based on the size of the market at specific price levels. It should be noted that the data does not account for the asset base of senior households, nor supplemental income that a senior household could gain from the proceeds of a home sale or from contributions from family members. This information has been compiled and is presented later in this report.

The frailer the senior, the greater the proportion of their income they will typically spend on housing and services. Studies have shown that seniors are often willing to pay 40% or more of their incomes for market rate senior housing with little or no services, while income allocations of 50% to 65% are typical in a congregate setting, and 80% to 90% percent or more for assisted living housing. The proceeds from the sale of a home, as well as financial assistance from adult children are often used as supplemental income to afford senior housing alternatives.

The following are key points regarding senior household incomes from Table 1.

- The median income among all age 65+ households in the Burns Township Market Area was estimated at \$45,309 in 2004. Within this age group, the median income for households between the ages of 65 and 74 was \$50,740, while the median income for households age 75 and older was \$33,701. The higher incomes for younger senior households (65 to 74) compared to older seniors (75+) is primarily due to the higher proportion of younger seniors who are married, and more likely to have two pensions or higher Social Security benefits, while some continue to work. Households age 55 to 64, who are often in their peak earning years, had a 2004 estimated income of just over \$74,335. These older adults are not a primary market for age-restricted senior housing.
- A senior household earning \$45,309 (the median income for households age 65 to 74 in 2004) could afford a monthly housing cost of \$1,510, allocating 40% of the household's annual income towards housing, or \$1,888, allocating 50% of income. A senior household earning \$33,701 (median income for households age 75+) could afford a monthly housing cost of \$1,404, allocating 50% of income towards housing.
- It is expected that the median income among age 65+ households will increase to \$52,302 in 2009, an increase of 15.4% over five years. Among age 65 to 74 households, the median income is projected to increase to \$58,969 in 2009, and among age 75 and older households, it is expected that the median income will increase to \$40,088.

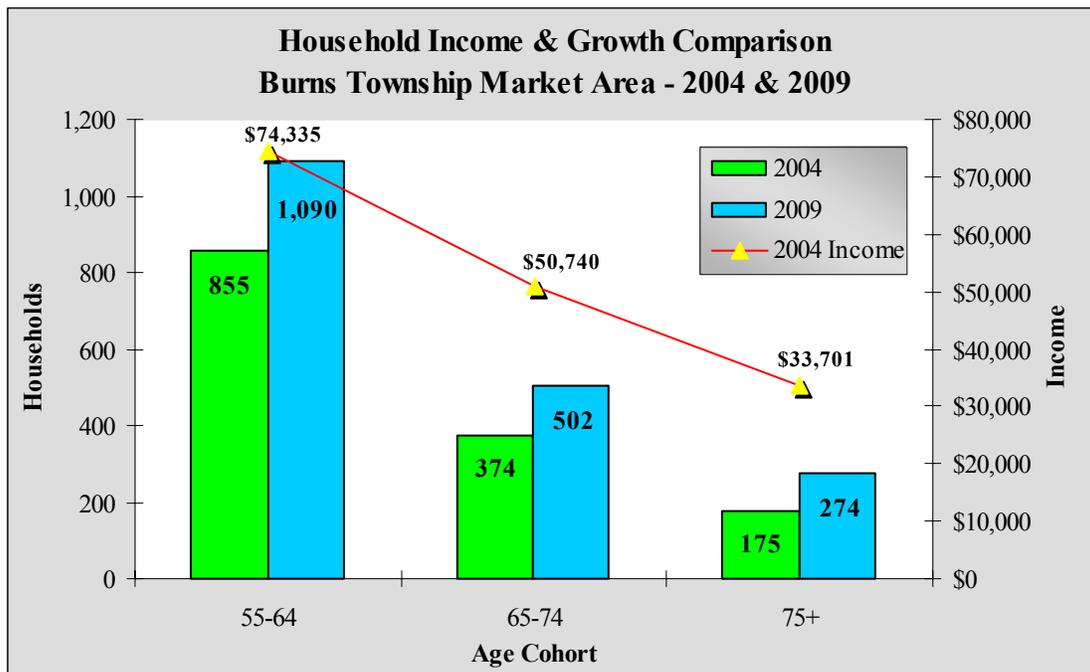
**TABLE 1
OLDER ADULT INCOME DISTRIBUTION
BURNS TOWNSHIP MARKET AREA
2004 & 2009**

2004								
	55-64		65-74		75+		Total 65+	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$10,000	0	0.0	28	7.5	0	0.0	28	5.1
\$10,000-\$14,999	7	0.8	16	4.3	4	2.3	20	3.6
\$15,000-\$24,999	50	5.8	43	11.5	49	28.0	92	16.8
\$25,000-\$34,999	53	6.2	41	11.0	38	21.7	79	14.4
\$35,000-\$49,999	97	11.3	53	14.2	50	28.6	103	18.8
\$50,000-\$74,999	225	26.3	124	33.2	14	8.0	138	25.1
\$75,000-\$99,999	185	21.6	41	11.0	10	5.7	51	9.3
\$100,000 or more	238	27.8	28	7.5	10	5.7	38	6.9
Total	855	100.0	374	100.0	175	100.0	549	100.0
Median Income	\$74,335		\$50,740		\$33,701		\$45,309	
2009								
	55-64		65-74		75+		Total 65+	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$10,000	0	0.0	31	6.2	0	0.0	31	4.0
\$10,000-\$14,999	4	0.4	19	3.8	4	1.5	23	3.0
\$15,000-\$24,999	38	3.5	38	7.6	43	15.7	81	10.4
\$25,000-\$34,999	63	5.8	29	5.8	67	24.5	96	12.4
\$35,000-\$49,999	79	7.2	93	18.5	64	23.4	157	20.2
\$50,000-\$74,999	255	23.4	138	27.5	60	21.9	198	25.5
\$75,000-\$99,999	227	20.8	87	17.3	10	3.6	97	12.5
\$100,000 or more	424	38.9	67	13.3	26	9.5	93	12.0
Total	1,090	100.0	502	100.0	274	100.0	776	100.0
Median Income	\$86,669		\$58,969		\$40,088		\$52,302	
Change								
	55-64		65-74		75+		Total 65+	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$10,000	0	0.0	3	10.7	0	#DIV/0!	3	10.7
\$10,000-\$14,999	-3	-42.9	3	18.8	0	0.0	3	15.0
\$15,000-\$24,999	-12	-24.0	-5	-11.6	-6	-12.2	-11	-12.0
\$25,000-\$34,999	10	18.9	-12	-29.3	29	76.3	17	21.5
\$35,000-\$49,999	-18	-18.6	40	75.5	14	28.0	54	52.4
\$50,000-\$74,999	30	13.3	14	11.3	46	328.6	60	43.5
\$75,000-\$99,999	42	22.7	46	112.2	0	0.0	46	90.2
\$100,000 or more	186	78.2	39	139.3	16	160.0	55	144.7
Total	235	27.5	128	34.2	99	56.6	227	41.3
Median Income	\$12,334		\$8,229		\$6,387		\$6,994	

Sources: Claritas, Inc. Maxfield Research Inc.

- The target market for market rate independent senior housing is generally senior households age 65 and older with incomes of at least \$25,000 in 2004 (plus senior homeowners with incomes of at least \$15,000). Younger seniors, ages 55 to 64, may also choose age-restricted housing, accounting for only a small portion of the overall demand within any given Market Area. As of 2004, there were 409 senior households (ages 65+) in the Market Area with incomes of \$25,000 or higher, accounting for just under three quarters of all senior households.
- The number of senior households (65+) in the Burns Township Market Area is projected to increase by 227 households between 2004 and 2009, resulting in an increase of 41.3%. The number of income eligible seniors (\$30,000 or higher, accounting for inflation) increased by 184 households from 409 households in 2004 to 593 households in 2009.

The graph below shows the number of households by age cohort in 2004 and 2009, as well as the 2004 median household income.



Homeownership Rate

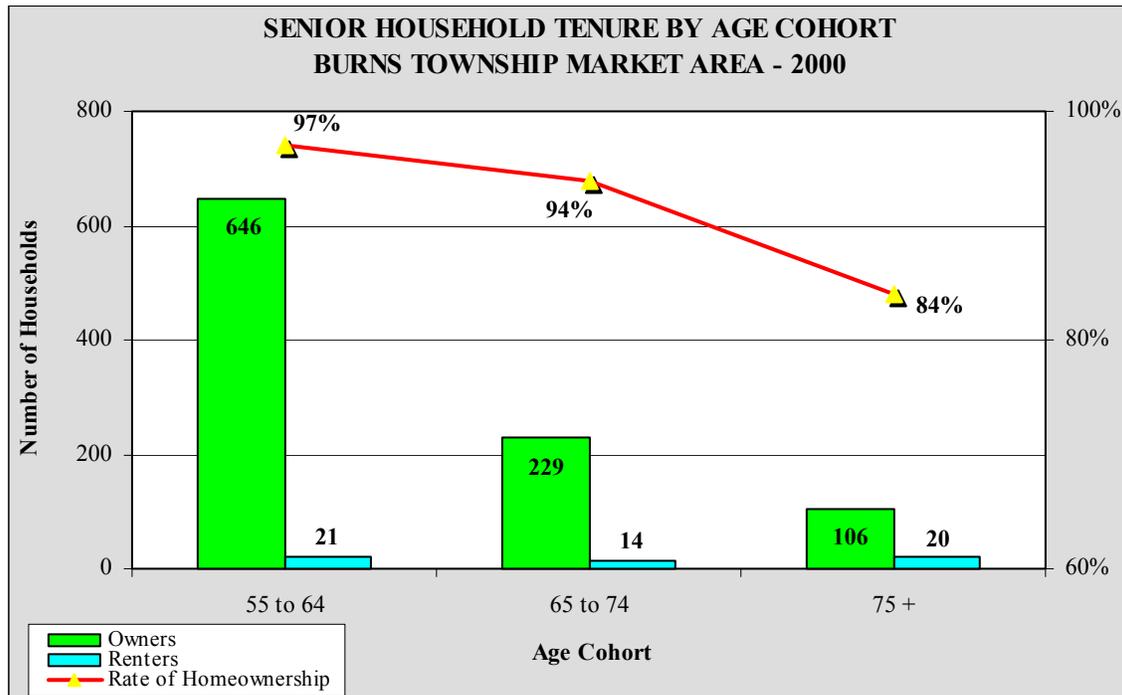
In addition to existing income sources, many senior households are able to derive additional income by investing the proceeds from the sale of a home. This supplemental income can be used to cover the costs associated with residency in an age-restricted facility. Table 2 shows homeownership rates from the 1990 and 2000 Censuses for senior households in the Market Area.

- Overall, 95% of the Market Area's older adult and senior (age 55+) households owned their

housing in 2000. Homeownership rates, however, decline as householders age, from 97% among households age 55 to 64, to 95% among householders ages 65 to 74, and 84% for households age 75 and older in 2000.

- Total older adult and senior (age 55+) owner-occupied households increased by 519 (a 112% increase) and the number of renters increased by 30 households (a 120% increase) between 1990 and 2000. The high homeownership rate indicates a large percentage of seniors today have equity in an existing home that they can allocate to senior housing.
- Households age 75 and over experienced an increase of 58 owner households (a 121% increase) and increased the homeownership rate from 81% to 84% from 1990 to 2000. This shows both the strong growth in the Market Area and either the desire of seniors to stay in their homes or the lack of maintenance-free housing for seniors to move to.
- As seniors age, they may no longer desire, or be able or willing to maintain their single-family homes. They may prefer to move to housing that offers them greater freedom from maintenance and/or offers support services. Seniors typically begin to consider moving into senior housing in their early 70s.

TABLE 2								
OLDER ADULT HOUSEHOLD TENURE								
BURNS TOWNSHIP MARKET AREA								
1990 and 2000								
	Age of Householder							
	55-64		65-74		75+		Total 55+	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent
2000								
Number of Households	646	21	229	14	106	20	981	55
Homeownership Rate	97%		94%		84%		95%	
1990								
Number of Households	278	6	136	8	48	11	462	25
Homeownership Rate	98%		94%		81%		95%	
Change								
Number of Households	368	15	93	6	58	9	519	30
Homeownership Rate	132%	250%	68%	75%	121%	82%	112%	120%
Sources: US Census Bureau, Maxfield Research Inc.								



The graph above shows that as seniors in the Market Area age, the rate of homeownership declines. The graph illustrates that many seniors over the age of 70 are choosing to stay in their single-family homes or have a lack of choices near their location for alternative senior housing.

Home Values

Maxfield Research gathered data on resale prices for all single-family homes in the Burns Township Market Area. Table 3 on the following page presents home resale data for homes that are 15 years and older in the Market Area. This data is presented for the years 2000 through May 2006 from the local Multiple Listing Service. This information is useful because it is a good indicator of the amount of equity that seniors may be able to derive from the sale of their homes. This information is also useful in that this built-up equity could be used to cover the cost of housing or supplement their income should they desire to move into alternative housing. To better gauge the likely equity that area seniors might be able to command, we have examined sales data only for homes 15 years and older. We collected data on older homes because most seniors' homes are older and many of the new homes constructed in the Market Area over the last decade and a half are occupied by younger households, especially in the southern part of the Market Area.

- As of May 2005, the average value of homes resold in the Burns Township Market Area (among homes that are over 15 years old) is roughly about \$251,336 while the median sale price was \$218,600. It should be noted that median sale prices are generally a more accurate portrayal of home equity since average figures can be skewed by a few very high- or low-

priced homes. In the Market Area, for example, the highest-price home sold in the year 2004 was \$510,000, and the lowest-priced home was \$123,500.

- Home values have appreciated significantly in the Market Area over the last four years with the median sales price increasing 44% and average sale price increasing 50% from 2000 to 2004. Both the average and median home sale prices have steadily increased each year from 2000 through 2004.

Year	# of Resales	Average Market Time (Days)	Sale Price Distribution			
			Median Sale Price	% Change	Average Sale Price	% Change
2000	70	85	\$151,950	--	\$155,881	--
2001	73	68	\$169,900	12%	\$182,619	17%
2002	76	68	\$180,450	6%	\$189,506	4%
2003	82	63	\$203,500	13%	\$222,456	17%
2004	91	70	\$218,500	7%	\$233,284	5%
2005*	25	70	\$218,600	0%	\$251,336	8%

* Sales are through May 2005

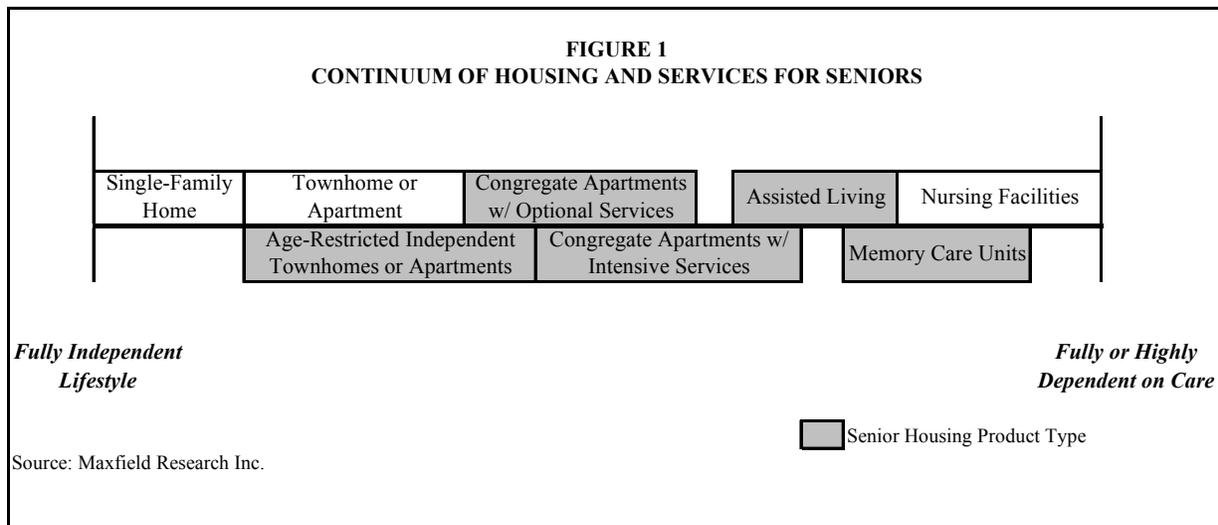
Sources: Regional Multiple Listing Service of Minnesota (MLS); Maxfield Research Inc.

- In 2000, the average length of time a home remained on the market was 85 days. The average market time decreased the following year to 68 days. The days on market has remained steady since 2001, currently at 70 days in May 2005. The average sale time of two months is fairly quick and indicates the market is a sellers market and that seniors would be able to sell their homes in a short period of time should they decide or need to sell their homes.
- Because a large majority of senior homeowners own their homes outright, they have access to a sizeable financial resource in the form of the equity they can realize from the sale of their homes. While the interest earned on investing these funds can help offset the monthly costs associated with living in a senior housing facility, many seniors are also willing to begin spending-down assets in order to live in a facility that meets their needs. For example, a senior who owns their home outright for \$218,000 would likely be able to derive approximately \$202,740 after factoring in marketing/real estate commissions and moving costs. Should this equity be invested in an interest-bearing account with a four percent return, it would produce an income of \$8,110 annually (or \$676 per month).

Senior Housing Defined

Senior housing is a concept that generally refers to the integrated delivery of housing and services to seniors. As shown in Figure 1, however, senior housing can include a wide range of product types across the service-delivery spectrum. These product types range from independent apartments and/or townhomes with virtually no services to highly specialized, service-intensive, assisted living units or housing geared for people with dementia-related illnesses (termed "memory care"). In general, independent senior housing attracts people age 65 and over while assisted living typically attracts people age 80 and older who need assistance with activities of daily living (ADLs).

The least service-intensive projects, also termed "*active adult*" or "*adult/few services*" projects, are similar to general occupancy housing projects in that they offer virtually no support services or health care, but are age-restricted (typically 55 or 62 and over). Organized activities, transportation programs and common areas are typical of these projects. However, due to the lack of services, adult/few services projects typically do not command the rent premiums of more service-intensive senior housing.



Congregate/optional-services projects, the next level up on the service-delivery spectrum, offer residents some support services such as meals and housekeeping, but these services are typically a-la-carte so that residents can choose whether or not to pay for them. Next on the service-delivery spectrum are *congregate/service-intensive* projects, which include even more personalized support services in the rent, and attract a frailer senior population than adult or optional-services projects. As the proposed project in Burns Township will be independent senior housing, this preliminary demand study focuses on independent senior housing (with and without services) in the Burns Township Market Area.

The most service-intensive product types, *assisted living* and *memory care*, offer the highest level of services that are just short of a nursing home. Typically, services covered in the fee for

both of these product types include all meals, housekeeping, linen changes, personal laundry, 24-hour emergency response, and a wide range of personal care and therapeutic services (either built into the fee or a-la-carte). Sponsorship by a nursing home, hospital, faith-based organization or other health care entity is common for assisted living and memory care projects (as well as for many congregate/service-intensive projects).

Supply of Independent Senior Housing in the Burns Township Market Area

The Burns Township Market Area currently has no independent senior rental properties. Table 4 below summarizes the existing and pending supply of adult/few services senior housing in the Burns Township Market Area. We have identified one development under construction in the Market Area. The project is the Lake George Senior Apartments that incurred a fire last year and was destroyed.

TABLE 4 INDEPENDENT SENIOR HOUSING DEVELOPMENTS ST. FRANCIS MARKET AREA April 2005									
Project	Year Open	Vacancies	Vac. Rate	Unit Mix	Unit Size (Sq. Ft.)	Monthly Fee	Services	Amenities/Features/Comments	% of Units Considered Competitive
Adult/Few Services									
None									
Existing Total		0	0.0%	0					
PENDING									
Lake George Senior	2006			14 - 1BR	750 - 800	\$600 - \$850	No services offered.	Central A/C, In-unit W/D, library,	50%
Market Rate Rental				15 - 1BR+D	946	\$950		exercisise room, computer room,	
Oak Grove				17 - 2BR	1,002 - 1,328	\$990 - \$1,220		community room, underground heated	
				6 - 2BR+D	1,355	\$1,250		garage is \$30/mo.	
				52					
Pending Total				52					

Source: Maxfield Research Inc.

Burns Township

- There are currently no pending senior projects in Burns Township.

St. Francis

- There are currently no pending senior projects in the City of St. Francis. However, a similar market assessment was completed for senior housing in St. Francis April 2005. Discussions with the city planner indicate they will begin to move forward with a senior rental project consisting of about 28 to 32 units.

Oak Grove

- Lake George Senior Apartments was awaiting insurance proceeds before they could start with the reconstruction after a fire destroyed the almost completed project last summer. City officials stated that reconstruction should begin early July. The Lake George development is a 52-unit affordable independent senior project at 80% of AMI. The building will consist of

14 one-bedroom units, 15 one-bedroom plus den units, 16 two-bedroom units, and 6 two-bedroom plus den units. One-bedroom units will range in size from 750 to 800 square feet and will achieve monthly rents of \$600 to \$850, one-bedroom plus den units will be 946 square feet and rent for \$950, two-bedroom units will range in size from 1,002 to 1,328 and rent from \$990 to \$1,220, and the two-bedroom plus den units will be 1,355 square feet and rent for \$1,250. Underground garage stalls will be available for \$30 per month.

Market Rate Independent Senior Housing Demand Estimates

Table 5 below and the accompanying chart present our demand calculations for market rate independent senior rental housing in Burns Township.

TABLE 5 ADULT RENTAL SENIOR HOUSING DEMAND BURNS TOWNSHIP MARKET AREA 2004 & 2009						
	2004			2009		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of >\$25,000/\$30,000	798	287	122	1,017	400	194
(plus)						
# of Households w/ Incomes of \$18-\$25K/\$23-30K	35	30	34	40	23	43
(times) Homeownership Rate	x 97%	94%	84%	x 97%	94%	84%
(equals) Potential Market	= 34	28	29	= 39	22	36
(equals) Total Potential Market Base	= 832	315	151	= 1,056	422	230
(times) Potential Short-Term Capture Rate	x 0.4%	6.5%	12.5%	x 0.4%	6.5%	12.5%
(equals) Potential Demand	= 3	+ 20	+ 19	= 4	+ 27	+ 19
Total Local Short-Term Demand Potential	= 43			= 50		
(plus) Demand from Outside Market Area (20%)	+ 11			+ 13		
(equals) Total Adult Rental Demand Potential	= 53			= 63		
(minus) Existing Competitive Units *	-	0		-	25	
(equals) Senior adult rental demand in Market Area	= 53			= 38		
(time) Percent of demand capturable by project in Burns Township	x 30% - 35%			x 30% - 35%		
(equals) Senior adult rental demand in the Market Area	= 16 - 19			= 11 - 13		

* Existing Competitive unit counts reflect the estimated number of units that will be competitive based on position in the Market Area, less a 5% vacancy rate.

Source: Maxfield Research Inc.

Table 5 calculates demand based on senior households that have incomes of \$25,000 or more. This estimate also includes senior households whose incomes would rise to this level based on proceeds gained from the sale of their single-family homes. We have estimated this proportion based on the homeownership rates and home values in the Burns Township Market Area.

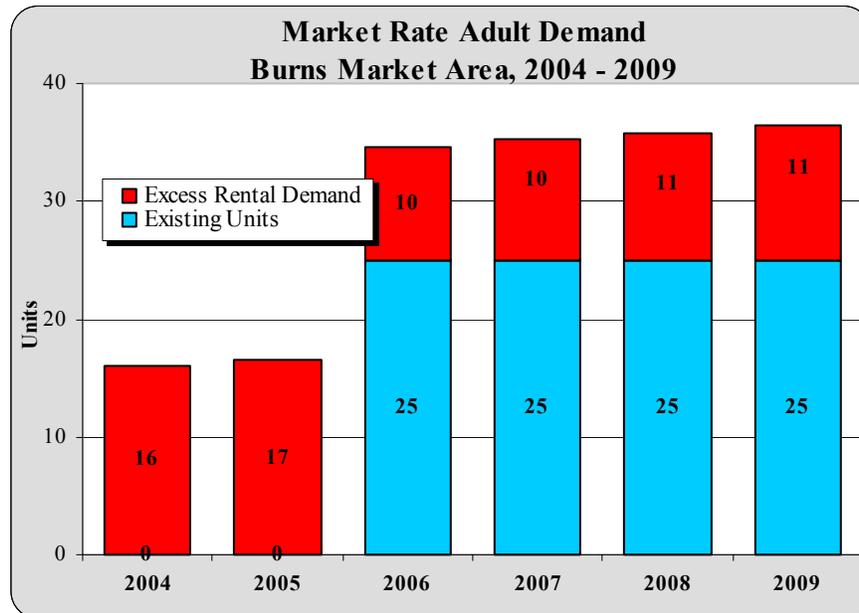
To arrive at the potential age- and income-qualified base for market rate independent senior housing, we have included all older adult and senior households that have incomes of \$25,000 or more plus households that have incomes between \$18,000 and \$25,000 who would qualify with the proceeds from the sale of their home. We estimate that the number of age- and income-qualified older adult and senior households in the Market Area in 2004 to total 1,298.

We then adjusted the number of age-qualified older adults to include appropriate short-term capture rates for each age cohort. In 2004, we estimate these capture rates to be 0.4% of households age 55 to 64, 6.5% of households 65 to 74, and 12.5% of households age 75 and older. We used the same capture rates for 2009. This results in a short-term (2004) demand potential of approximately 43 market rate independent senior rental units.

We also estimate that additional demand will come from outside the Burns Township Market Area. This demand will consist primarily of parents of adult children living in the Market Area, individuals who live just outside the Market Area and have an orientation to the area, as well as former residents who desire to return. Due to the proximity of Burns Township and the Remainder of the Market Area from the Metro Area, we estimate that approximately 20 percent of the demand for independent senior rental housing will come from outside the Market Area. The demand from local seniors is then added to the demand from seniors who would relocate to the Burns Township Market Area resulting in a total unmet demand for 53 independent senior units in 2004 and 63 independent senior housing units in 2009.

From this estimate, a portion of existing and pending competitive rental units serving the Market Area are subtracted (minus a vacancy factor of 5% to allow for sufficient consumer choice and turnover), resulting in net demand for 53 rental units in the Market Area in 2004. We estimate that by 2009, the demand for senior rental units in the Market Area will decrease slightly to approximately 38 units. If the St. Francis senior project were to come online within the next five years, this number would decrease to 12 units in 2009.

Finally, we estimate a range of 30-35 percent of this demand could be captured by a project located in Burns Township. This results in a demand for 16 to 19 independent senior rental units in 2004, decreasing slightly in 2009 to 11 to 13 senior rental units when the Lake George project comes online in 2006. If the St. Francis project were to come online before 2009, the demand would decrease to 4 units by 2009.



Preliminary Conclusions

The initial market assessment of the age/income-qualified senior base and lack of existing competitive units in the Burns Township Market Area indicate that as of 2004 demand exists for market rate independent senior rental housing. As Table 5 shows, our calculations indicate that there is sufficient demand to support up to 16 to 19 adult rental units in 2004. The Lake George Senior Apartments is the only project under construction and/or pending in the Market Area and will absorb some of the pent-up demand in 2006 when it opens for occupancy. When the Lake George project opens, demand in 2006 will decrease to 10 units and as those units are absorbed into the Market, demand will then increase slightly to 11 to 13 units by 2009. However, if the St. Francis senior project were to come online in the next few years demand would decrease to only 4 units by 2009. Competing with the project in Oak Grove and specifically a project in St. Francis would be difficult due the infrastructure of St. Francis to provide a wide variety a goods and services. Based on these factors and the projected level of unmet demand, we would not recommend proceeding with an independent senior housing development.

Although demand is shown as minimal in 2009 we have provided recommended unit mix, sizes, and pricing for the proposed senior housing project based on the 2004 demand figures. We would recommend that the project include a range of unit sizes and types to appeal to a broader target market. Based on rents achieved at existing and pending projects in the Market Area, we recommend monthly rents ranging from \$700 to \$800 for one-bedroom units and \$950 to \$1,100 for two-bedroom units. These monthly rents include water, sewer, and trash removal. Residents would responsible for heat and electricity, however.

TABLE 6
RECOMMENDED CONCEPT
INDEPENDENT SENIOR HOUSING
BURNS TOWNSHIP MARKET AREA
June 2005

<u># of Units</u>	<u>Unit Type</u>	<u>Unit Sizes (Sq. Ft.)</u>	<u>Monthly Rent</u>	<u>Rent per (Sq. Ft.)</u>
6 - 6	1BR	725 - 800	\$700 - \$800	\$0.97 - \$1.00
4 - 6	2BR	1,000 - 1,150	\$950 - \$1,100	\$0.95 - \$0.96
10 - 12				

Source: Maxfield Research Inc.

Site Locations/Descriptions

Burns Township City officials provided two locations to analyze for senior housing. Important criteria for independent seniors when choosing locations for senior rental housing are accessibility and visibility, proximity to health care and community services, compatibility with surrounding land uses, and aesthetics of surrounding land uses.

Site #1

This Site is located in Nowthen which is located within Burns Township on County Road 5 (Nowthen Boulevard NW) just south of County Road 22. The Site is directly south and adjacent to the Nowthen Alliance Church. The surrounding land uses consist of farmland to the south and east. West of the Site is a few single family homes and the McKensie Farms Garden Center. North of the Site across County Road 22 is the Burns Township Town Hall, Nowthen Park, and a farm equipment business. Amenities surrounding the Site and within walking distance include Sparky's Café, Sparky's Banquet and Event Center, Northwoods Bar & Grill, Nowthen Nursery, Nowthen Storage, Nowthen Country Store/Marathon Gas Station, Nowthen Alliance Church, Burns Township Town Hall, Nowthen Park, and McKensie Farms Garden Center. All other services such as medical and grocery would involve a drive to one of the surrounding communities (St. Francis, Ramsey, and Elk River). Views from the proposed building would be favorable in all directions. Access to the proposed development would come via County Road 5 (Nowthen Boulevard NW) and County Road 22.



View of Site facing east from across County Road 5 (Nowthen Boulevard NW).



View south of from Site.



View west from Site of McKensie Farms Garden Center.



View north from Site of Nowthen Alliance Church.

Site #2

Site #2 is located at the entrance to Twin Lakes County Park at County Road 65. It is located about 2 miles west of the Burns Township Town Hall in Nowthen and 2 ½ miles east of the Sherburne County and Elk River border. A single family home currently occupies the Site that would be purchased by Burns Township and then raised for the proposed project. The surrounding land uses are compatible, with views of a pond/marsh and trees directly north along with the Twin Lakes County Park surrounding the majority of the Site. A small single family residential neighborhood with about five homes is located to the south across County Road 65. Overall the extended surrounding land is dominated by the County Park and farmland. The nearest goods and services are located about 2 miles east in Nowthen and discussed above in Site #1. Medical services and some other retail not mentioned above such as groceries would be found in surrounding communities such as St. Francis, Ramsey, and Elk River. The St. John's Lutheran Church and Cemetery is located a few blocks east of the Site. The Site is easily accessible from County Road 65



View of the Site from Halas Street NW across County Road 65 facing north.



View from Site facing south towards single family homes across County Road 65.



View of wooded area and marsh directly north of Site.

Summary

After analyzing the Site locations, we believe that both Sites are adequate for senior housing. The surrounding land uses are compatible at the Sites and are easily accessible from the County roads. Site #1 is located within walking distance from the closest goods and services while Site #2 is a short drive from Nowthen where the services are located. However, the two Sites are not close to medical services or a grocery store and residents would need to travel to a bordering community such as St. Francis, Ramsey, and Elk River. While Site #1 is located closer to goods and services, the location of Site #2 offers a quieter environment and aesthetically pleasing views in all directions from the proposed development.