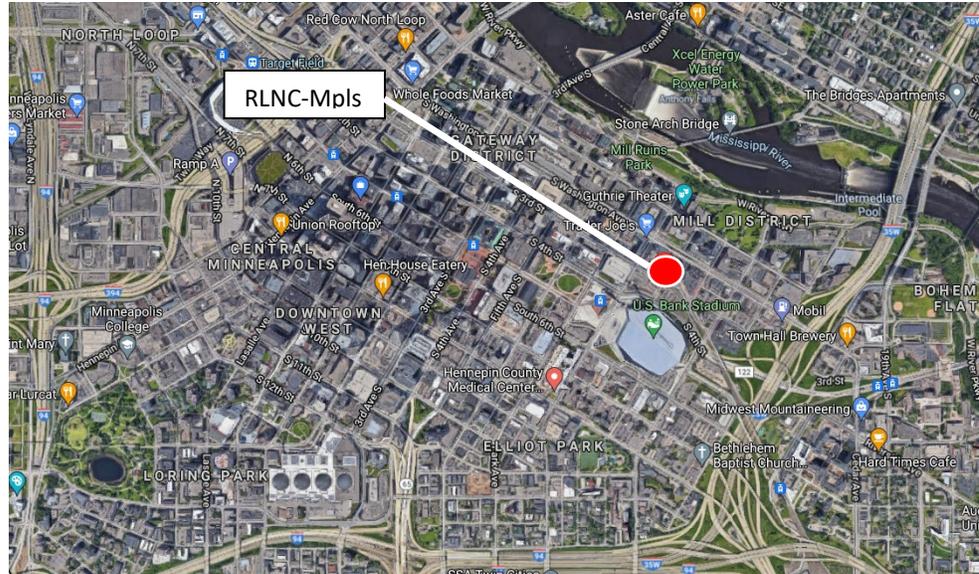


Market Study for Proposed Red Lake Nation College-Minneapolis 900 South 3rd Street, Minneapolis, MN

July 2021

Marquette Advisors File #21026



PREPARED FOR:



Chief Dan King, President
Red Lake Nation College
15480 Migizi Drive
Red Lake, MN 56671

PREPARED BY:

Marquette Advisors

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Marquette Advisors

July 26, 2021

Chief Dan King, President
Red Lake Nation College
15480 Migizi Drive
Red Lake, MN 56671

SUBJECT: Market Study – Red Lake Nation College-Minneapolis
Marquette Advisors File # 21026

Dear Chief King:

We are pleased to present our market feasibility study for the proposed development of the Red Lake Nation College-Minneapolis campus. We understand you have recently entered into a contract to purchase a multi-story office property at 900 South 3rd Street in Minneapolis, with RLNC expected to occupy the college for the 2021-2022 academic term. This report provides a review of the proposed location and an analysis of potential enrollment at the RLNC-Minneapolis campus. We greatly appreciate the opportunity to work with you on this exciting project and remain available to answer any questions you might have regarding our study.

Sincerely,

MARQUETTE ADVISORS



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BACKGROUND & UNDERSTANDING

Red Lake Nation College (RLNC) is a two-year accredited institution operated by the Red Lake Nation in Red Lake, MN. RLNC began operations in 2011 and presently has approximately 200 enrolled students at its Red Lake campus. Presently, RLNC is planning to open a new downtown Minneapolis campus at 900 South 3rd Street, utilizing an existing multi-story office building that will be converted to classrooms, office and related student facilities. Classes will begin in the Fall of 2021. The primary objective of this new campus is to provide higher education options for Red Lake Tribal Members and all other Native Americans residing in the Twin Cities metro area. Presently, approximately 50,000 Native Americans reside in the Twin Cities, including about 8,000 Red Lake Tribal Members. Enrollment in the initial academic term is expected to be <100 students, although RLNC seeks to attract several hundred to 1,000+ students at this location over time. As an accredited institution with all credits transferrable to the University of Minnesota and the Minnesota State Colleges and Universities System (MNSCU), RLNC will provide an affordable education (at \$169/credit in the initial term) to Native Americans and others seeking an affordable small college educational experience in the metro area.

In this regard, RLNC retained Marquette Advisors to provide a market study to evaluate the potential market demand for the new RLNC Minneapolis campus and to provide guidance regarding the location and approximate size of the facility.

The key objectives of the market study engagement are as follows, along with a description of the research approach:

- **Twin Cities Native American Demographic Profile** – The Consultant will provide all available demographic data pertaining specifically to Native Americans residing in the Twin Cities metro area. Data sources are expected to include ESRI Business Information Solutions, a nationally recognized econometric data services and forecasting firm, the US Census Bureau, and the American Communities Survey. Enrollment statistics will be assembled from Tribes, with assistance from the Client, along with estimates from those Tribes pertaining to the number of members residing in the Twin Cities metro area. Provide an analysis of 4-year degree attainment by Native Americans in the Twin Cities metro area.
- **Develop projections of potential enrollment at RLNC-Minneapolis campus.** The target student population includes Red Lake Tribal Members and other Native Americans residing within the Twin Cities metro area and/or within about 60 miles of the Minneapolis campus. The potential student body is expected to include 1) recent high school graduates, and 2) a smaller number of “non-traditional” adult students. While it is expected that Native Americans will comprise the majority of future enrollment, it is likely that a smaller number of non-Natives will enroll based on a variety of factors, perhaps most notably affordability at \$169/credit. Marquette Advisors will review all

available both Tribal and non-Tribal demographic and economic data, as well as high school enrollment and graduation statistics for the greater Twin Cities metro area and will develop a capture rate analysis for RLNC-Minneapolis. The ability of RLNC to attract students will be dependent on a variety of factors, and thus the Consultant will evaluate RLNC and compare to alternative Twin Cities peer colleges (two-year degree institutions) based on the following:

- **Academic profile** (accreditation, curriculum, faculty/student ratio, transferability of credits, etc.)
- **Lifestyle and enrichment factors** (facilities, extra-curricular and student engagement opportunities, Tribal affiliation, etc.)
- **Tuition rates**
- **Location** (ease of access, proximity to highways and public transportation, access to housing and/or current place of residence, neighborhood environment and supporting development in the area)

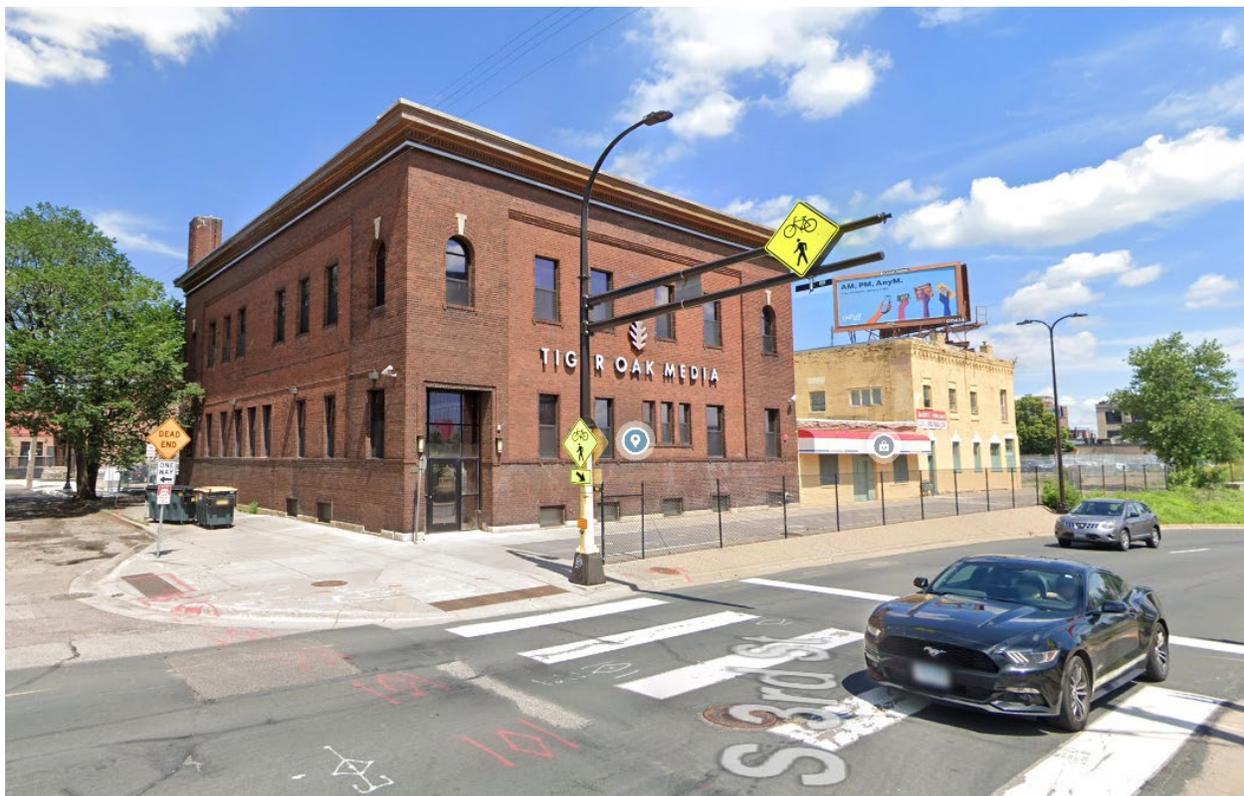
Based on our review of relevant demographics, high school graduation and college enrollment statistics for the Twin Cities metro area, paired with a capture rate analysis, the Consultant will provide enrollment targets for RLNC over a 3-, 5- and 10-year period. Consultant will discuss the potential student body distribution by group: Native American high-school graduates, “non-traditional” students, and non-Native populations.

- **Provide feedback on RLNC location and facilities.** As well, Marquette Advisors will evaluate the planned location for the RLNC Minneapolis campus at 900 South 3rd Street and will opine on the viability and attractiveness of this location based on factors such as accessibility, proximity to highways and public transportation, access to area housing and/or proximity to current residence of student base, quality and characteristics of nearby real estate and supporting development. Additionally, the Consultant will provide estimates of the amount of space needed to accommodate future growth of the RLNC campus (approximate square footage, number of classrooms, office and support facilities). The report will also discuss the potential need for RLNC support facilities on or near the campus (such as child care and other student support services and amenities).

SITE ANALYSIS

We understand that RLNC has under contract a property at 900 South 3rd Street in Minneapolis. The property is situated in the “East Town” neighborhood of Downtown Minneapolis, near US Bank Stadium. The property features a 2-1/2 story brick & timber style office building on a land parcel comprising 6,352 sf (0.15 acres). Note we have reviewed the site from the standpoint of its attractiveness for locating RLNC, although we have not evaluated the economics of this transaction. The following are key points from our analysis of this location for RLNC.

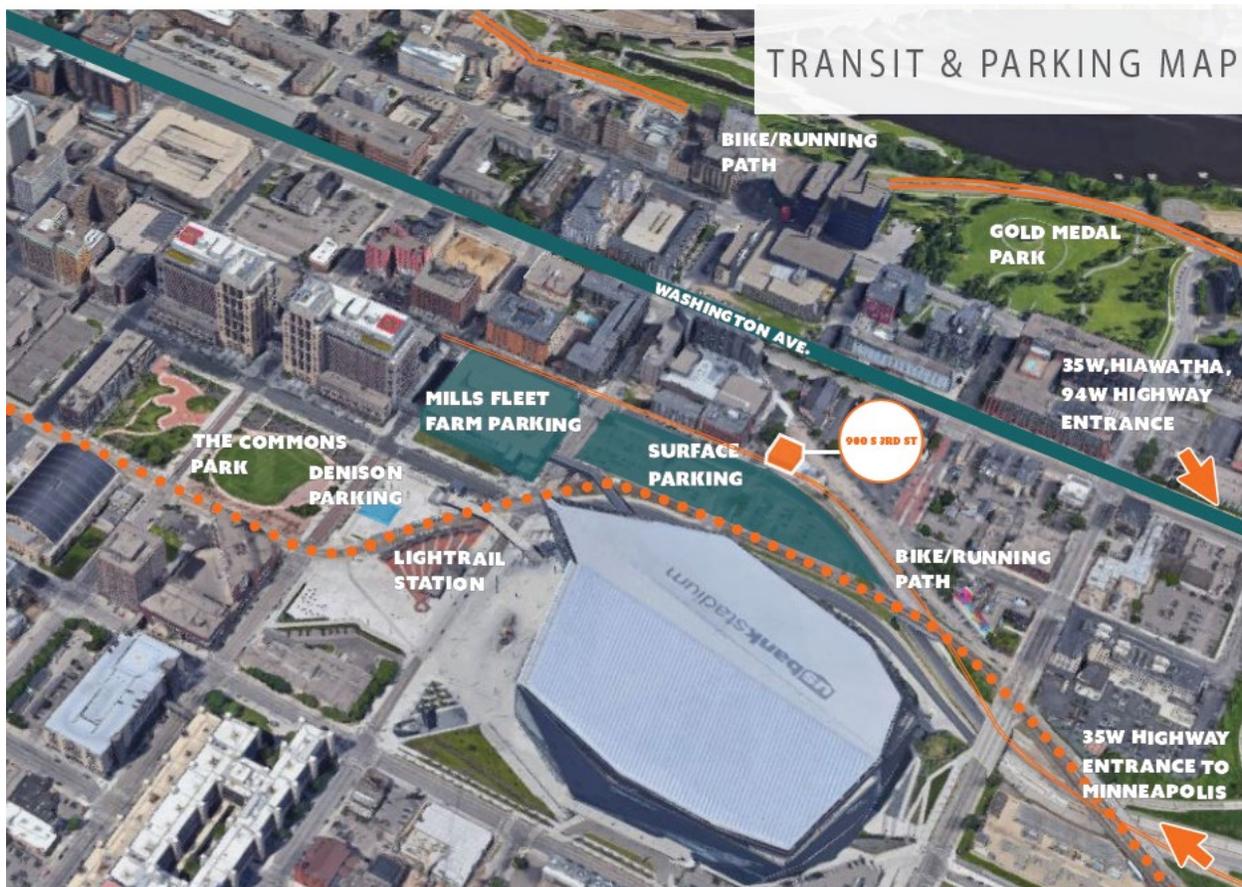
- Overall, we have a very positive reaction to the site for RLNC. The property appears to be in very good condition, while this location should also be attractive and easily accessible for the anticipated student population. Students will be able to access the location easily from major freeways, as well as public transportation, while public parking ramps and surface parking lots are immediately adjacent.
- The property appears to be well maintained and in very good condition, having been subject to complete renovation in 2005 including full mechanicals and a new roof. The property exterior and interior spaces are attractive, with brick & timber finishes. A variety of photographs are provided on the following page. Note that interior photos are from the property listing brochure.





- We have not personally inspected the building interior, although from our review of floorplans and photographs it appears that the 2-1/2 story building (with two stories above grade plus one garden level) will be conducive to conversion to the planned RLNC use incorporating classrooms, office space for faculty and administrative staff, and student study and lounge spaces.
- The location is perhaps most attractive due to its accessibility. The site is obviously centrally located within the metro area, while being close to traditional Native American neighborhoods within the city of Minneapolis. Moreover, the site provide excellent access to public transit service and major freeways, while being just a short walking distance from downtown amenities. The following are highlights:
 - Public parking is available immediately adjacent to the property, including both surface lot and ramp parking
 - 2 blocks to light rail transit station on the “Blue Line,” providing quick access to south

- Minneapolis neighborhoods where large numbers of Native Americans reside
- Nearby access to Metro Bus Stops at multiple locations within one to two blocks along 3rd Street, 4th Street and Washington Avenue
- Approximately 2 blocks to Gold Medal Park and 3 blocks to The Commons Park
- One block to US Bank Stadium



- Being centrally located within the metro area, and within downtown Minneapolis, the site should afford both students and staff with convenient access to restaurants, goods and services.
- We recommend that RLNC consider the development of on-site childcare or seek out opportunities for students and staff to access childcare within the neighborhood.

TWIN CITIES NATIVE AMERICAN DEMOGRAPHICS, ECONOMICS, & EDUCATIONAL ATTAINMENT

Marquette Advisors has reviewed all available demographic and economic data for Native Americans in Minnesota, with a particular focus on those residing in the Twin Cities metro area. It is anticipated that the vast majority of RNLC-Minneapolis enrolling students will originate from within the seven-county metro area. The following are key points from our analysis. Data sources include the US Census – 2019 American Communities Survey, the MN Department of Education, and MN Office of Higher Education, and the Minnesota Statewide Longitudinal Education Data System (SLEDS).

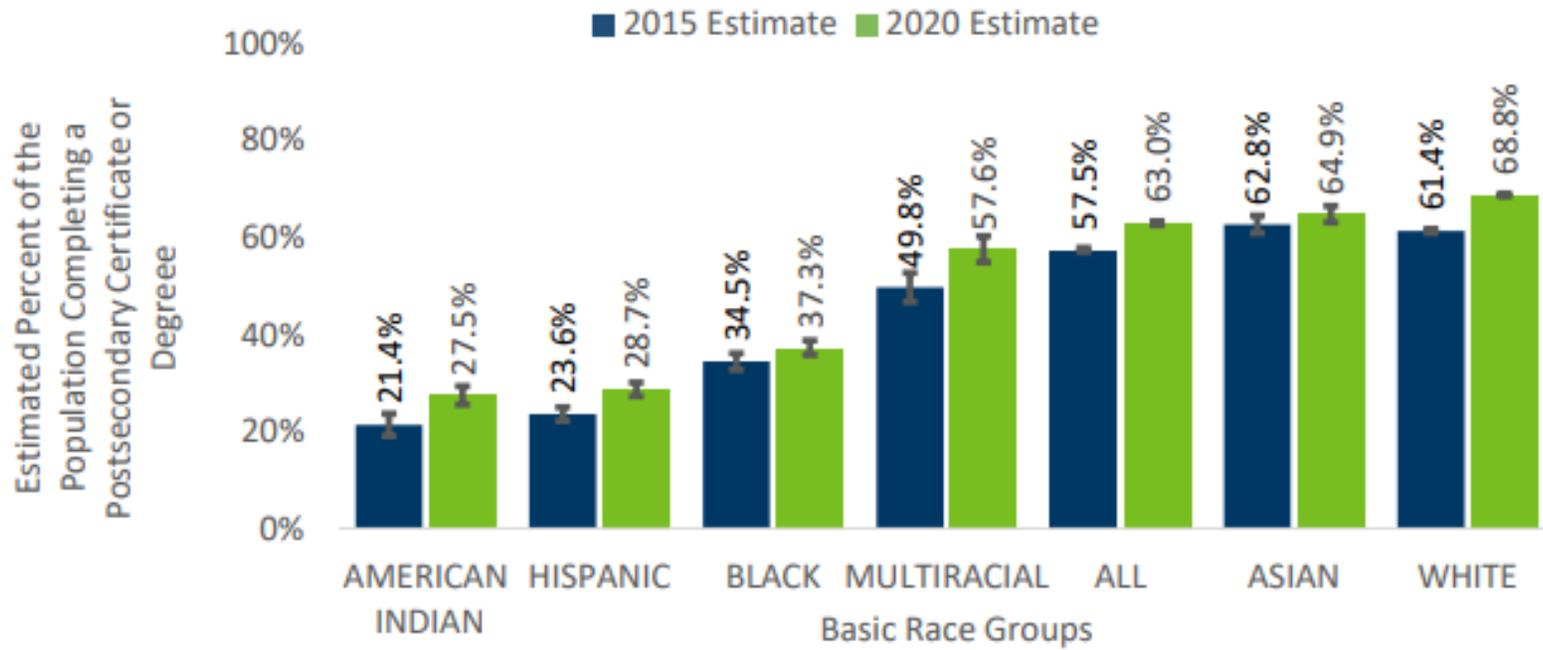
Demographic Profile				
	Metro Area		Metro Area	
	Total Population	Pct.	Native Americans	Pct.
Total Population	3,118,002	100.0%	50,910	100.0%
Income				
Median Household Income	\$84,000		\$40,051	
Access to Technology				
Internet Access	2,882,692	92.5%	45,103	88.6%
Own Laptop Computer	2,731,555	87.6%	38,098	74.8%
Own Smartphone	2,889,007	92.7%	44,666	87.7%
Vehicle Access				
Own at Least 1 Vehicle	2,915,174	93.5%	43,399	85.2%
<i>Source: US Census (2019 American Communities Survey)</i>				

- An estimated 50,910 Native Americans currently reside in the seven-county Twin Cities metro area, comprising approximately 1.6% of the regional population.
- The median income among Twin Cities Native American households at \$40,051 is considerably lower than the overall metro area median household income of \$84,000.
- Twin Cities Native Americans also lag other groups in terms of their access to information technology. Although internet access is relatively high at 88.6% for Native Americans, this remains somewhat lower than the metro area as a whole at 92.5%. Meanwhile, only 74.8% of Twin Cities Native Americans own a laptop computer, compared to 87.6% overall, and 87.7% of Native Americans own a smart phone, compared to 92.7% of overall.
- 85.2% of Native Americans have access to at least one owned vehicle, compared to 93.5% of all Twin Cities residents.

MN Native Americans – Educational Attainment. The graphs on the following pages are sourced from the MN Office of Higher Education report entitled: Educating for the Future, 2020 Update. The report examines educational attainment in Minnesota, both for the state as a whole and for specific cultural groups and establishes attainment goals for the state. The following are key points from our analysis of educational attainment data for Native Americans in Minnesota.

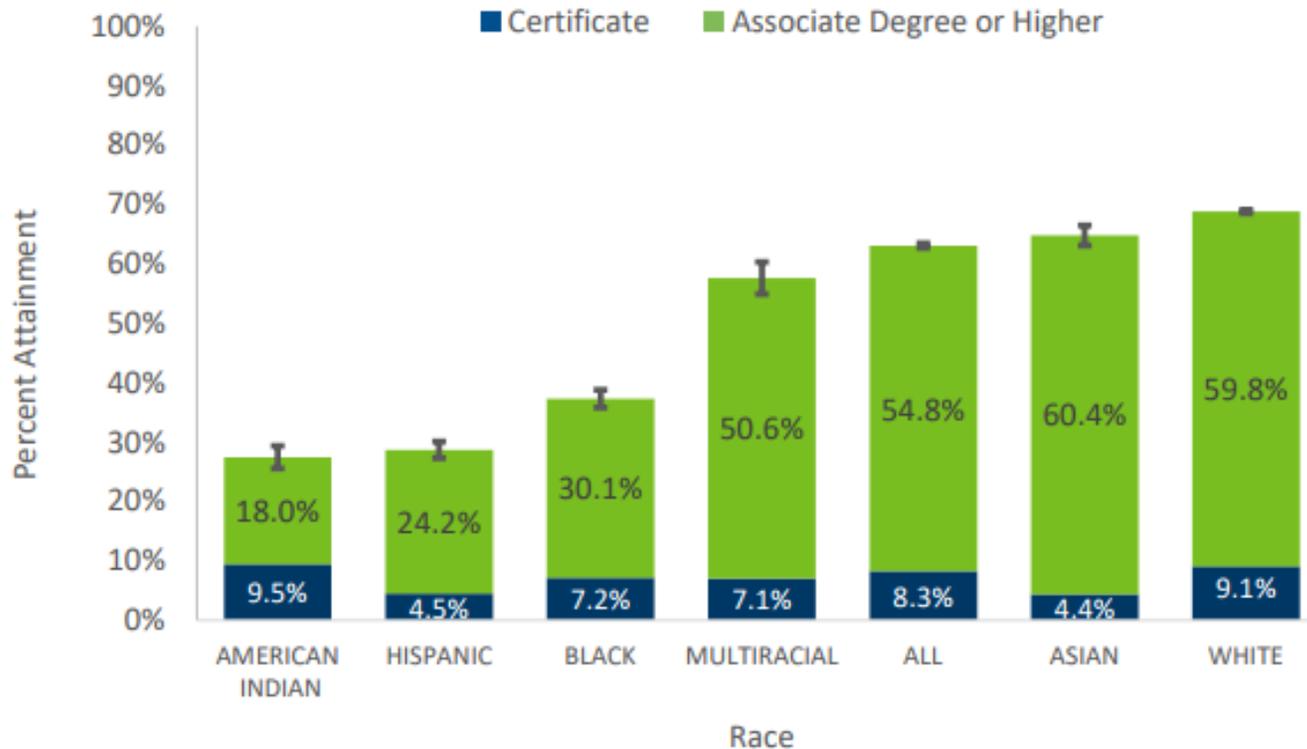
- While Native American educational attainment has improved over the past five years, as shown on the graph below, only 27.5% of Native Americans ages 25-44 in Minnesota have earned at least a one-year certificate from a post-secondary institution. This is up from 21.4% five years ago but remains significantly lower than the state as a whole (63%) and all other ethnicities.
- 4,100 Native Americans living in Minnesota have earned a post-secondary certificate or degree, representing 27.5% of those in the age 25-44 age group. Of this total, the majority (26,100) are certificate holders, compared to 22,000 earning an Associate’s degree or higher.
- In 2015, the Minnesota Legislature enacted a state postsecondary educational attainment goal which states that 70% of Minnesota adults (age 25 to 44) will have attained a postsecondary certificate or degree by 2025 (Minn. Laws 2015 Chapter 69 Article 3 Sec. 6). For the Native American population in Minnesota, a significant achievement gap remains, with fewer than 28% receiving at least a post-secondary certificate or degree in 2020. According to the MN Office of Higher Education, another 6,300 Native Americans would need to earn at least a single-year post-secondary certificate in order to reach the 70% goal.

**Percentage of the Population Age 25-33 Earning a Post-Secondary Educational Certificate or Higher Credential in Minnesota
2015 and 2020 Estimates by Basic Race Groups**



Source: IPUMS Microdata version of U.S. Census Bureau American Community Survey (2008-2012, 2014-2018), with certificate data provided by the Office of Higher Education and Minnesota State Colleges and Universities, and with tabulations and analysis completed by the Minnesota Demographic Center. Holders of certificates as their highest postsecondary award were estimated using a cohort analysis method applied to administrative data on

**Percentage of Population Age 25-44 with a Certificate or Higher Credential
2020 Estimates by Basic Race Groups – State of Minnesota**



Note: Numbers in Figure 4 may not add to the totals in Figure 1 due to rounding. Source: IPUMS microdata version of U.S. Census Bureau 2014-2018 American Community Survey for Associate's or Higher Degree, with tabulations by the Minnesota State Demographic Center. Holders of certificates as their highest postsecondary award were estimated using a cohort analysis method applied to administrative data on certificates awarded (supplied by the Minnesota State Colleges and Universities system and the Minnesota Office of Higher Education) and produced by the Minnesota State Demographic Center.

**Post-Secondary Educational Attainment – Minnesota, 2020
Certificate Holders & Associate or Higher Degree Holders**

Basic Race Group	Certificate Holders	Associate or Higher Degree Holders	Total Persons with Credential	Certificates Earned as a Percent of Total Credentials
AMERICAN INDIAN	1,400	2,700	4,100	34.1%
HISPANIC	4,100	22,000	26,100	15.7%
BLACK	7,500	31,500	39,000	19.2%
MULTIRACIAL	2,200	16,000	18,200	12.1%
ALL	119,300	789,300	908,600	13.1%
ASIAN	4,300	59,300	63,600	6.8%
WHITE	99,800	656,600	756,400	13.2%

Note: Above table does not show or account for margins of error. Source: IPUMS microdata version of U.S. Census Bureau 2014-2018 American Community Survey for Associate's or Higher Degree, with tabulations by the MN State Demographic Center. Holders of certificates as their highest postsecondary award were estimated using a cohort analysis method applied to administrative data on certificates awarded (supplied by the Minnesota State Colleges and Universities system and the Minnesota Office of Higher Education) and produced by the MN State Demographic Center.

TWIN CITIES METRO AREA HIGH SCHOOL ENROLLMENT & GRADUATION

The primary demand segment for Twin Cities area colleges and universities includes graduating high school seniors. In particular, Native American graduating seniors are expected to comprise a primary market for the planned RLNC-Minneapolis campus. The table below profiles 2020-21 public school enrollment by grade in the seven-county Twin Cities metro area according to statistics from the MN Department of Education. We note that ethnicity data is only available for public schools.

School Enrollment by Grade Level Seven-County Twin Cities Metro Area 2020-2021 Academic Year						
Grade Level	Public	Private	Class Total	Native American Enrollment (Public School)	Native American % of Public School Enrollment	
12	41,878	3,065	44,943	440	1.1%	
11	37,523	3,169	40,692	291	0.8%	
10	37,068	3,298	40,366	262	0.7%	
9	37,121	3,230	40,351	295	0.8%	
8	36,976	3,482	40,458	269	0.7%	
7	36,558	3,381	39,939	286	0.8%	
6	35,871	3,440	39,311	263	0.7%	
5	35,321	3,214	38,535	259	0.7%	
4	34,843	3,152	37,995	219	0.6%	
3	34,996	3,190	38,186	232	0.7%	
2	35,190	3,300	38,490	261	0.7%	
1	35,261	3,423	38,684	204	0.6%	
K	33,041	3,806	36,847	159	0.5%	
Total	471,647	43,150	514,797	3,440	0.7%	
<i>* Ethnicity data not available for private school data set.</i>						
Source: MN Dept. of Education						

There following are key points from our analysis of Twin Cities enrollment and graduation statistics:

- For the 2020-21 academic year, there were nearly 515,000 students enrolled K-12 students schools in the metro area, including approximately 472,000 in public schools and another 43,000 in private schools.
- A total of 3,440 Native American students were enrolled in public schools in the metro area, constituting approximately 0.7% of total enrollment. Ethnicity statistics were not available for private schools, although from our research we know that Native Americans comprise a smaller percentage of private school enrollment.
- The 2020-21 senior class comprised 44,943 students (41,878 public + 3,065 private). This included 440 Native Americans, or about 1.1% of public school seniors.
- Current Twin Cities enrollment trend data indicates a slight decline in the number of

graduating seniors is likely over the next several years. This relates in part to declining birth rates both locally and national, as “Millennials” are having fewer children and/or are starting a family at a later age compared to previous generations.

- The table below shows 2020 graduation statistics for the Twin Cities metro area as a whole, also segmented for White and Native American student groups. The four-year survey group includes all of those students who were enrolled in the 9th grade four years ago. The table clearly demonstrates the achievement gap between Native American students and white students in the metro area. The overall Twin Cities graduation rate was 83.0% and 87.9% for white students. By comparison, Native Americans had a much lower graduation rate at 55.5% in 2020. However, this was an improvement compared to 50.8% in the prior year.

Summary of HS Graduation Rates, 2020 Twin Cities Metro Area										
Race/Ethnicity	Graduate		Drop Out		Continuing		Unknown		Total *	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
All Students	31,449	83.0%	1,205	3.2%	3,864	10.2%	1,368	3.6%	37,886	100.0%
White	12,471	87.9%	321	2.3%	971	6.8%	421	3.0%	14,184	100.0%
Native American	208	55.5%	43	11.5%	98	26.1%	26	6.9%	375	100.0%

* This constitutes the four-year outcome inclusive of students enrolled at 9th grade level four years prior.

Source: MN Department of Education

- A primary objective of the new Red Lake Nation College in Minneapolis is to provide an attractive post-secondary educational alternative for Native Americans in the Twin Cities metro area. With the availability of a Native American institution in the area, RLNC hopes to inspire more Native American high school students to aspire to HS graduation and a post-secondary education.

MN COLLEGE ENROLLMENT & GRADUATION TRENDS

Marquette Advisors has evaluated all available data on college/university enrollment and graduation in Minnesota, with data sourced from the MN Office of Higher Education and MN “SLEDS” data. Minnesota has developed the Minnesota Statewide Longitudinal Education Data System (SLEDS) matching student data from pre-kindergarten through completion of postsecondary education and into the workforce.

The following are key points from our analysis.

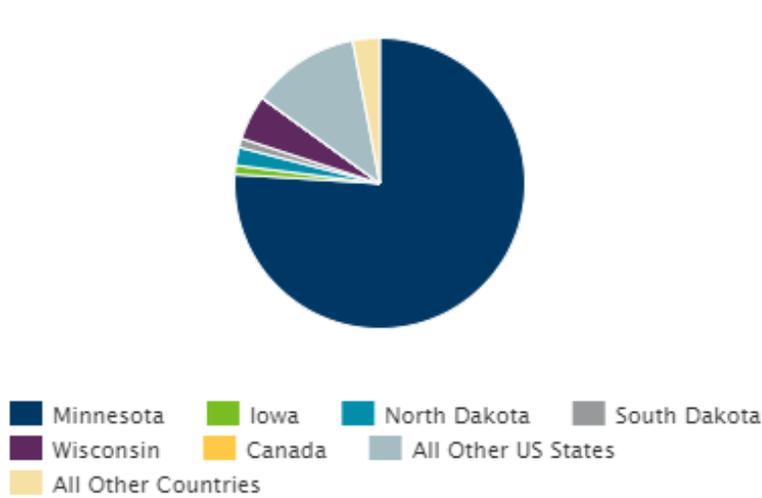
New Undergraduate Student Enrollment -- In 2020, a total of 70,049 new undergraduate students enrolled in MN colleges and universities, including 43,649 incoming freshmen and 26,400 transfer students. This was the smallest number of incoming students over the past five years, as shown below. New student enrollment has averaged 74,228 students per year over the past five years, with new incoming freshmen comprising more than 60% of new students during this time.

MN Colleges & Universities New Student Enrollment, 2016-2020										
	2016		2017		2018		2019		2020	
	No.	Pct.								
New Freshmen	46,859	62.0%	44,222	62.4%	46,016	55.2%	44,032	61.8%	43,649	62.3%
Transfers	28,706	38.0%	26,644	37.6%	37,373	44.8%	27,240	38.2%	26,400	37.7%
Total	75,565	100.0%	70,866	100.0%	83,389	100.0%	71,272	100.0%	70,049	100.0%

Source: MN SLEDS data

New Student Enrollment by Residence (point of origin) -- Approximately 76% of these incoming students were from the State of Minnesota in 2020, as shown on the graph on the following page. More than ¾ of new students have come from within the state over the past five years. International student enrollment had shown an increase in 2016-2018 to more than 4,500 new students per year but has since declined to just over 2,000 students/year. International student enrollment is influenced by a number of factors, ranging from University academic programming and outreach to immigration/migration policy and political factors.

MN New College/University Student Enrollment by Place of Residence, 2020



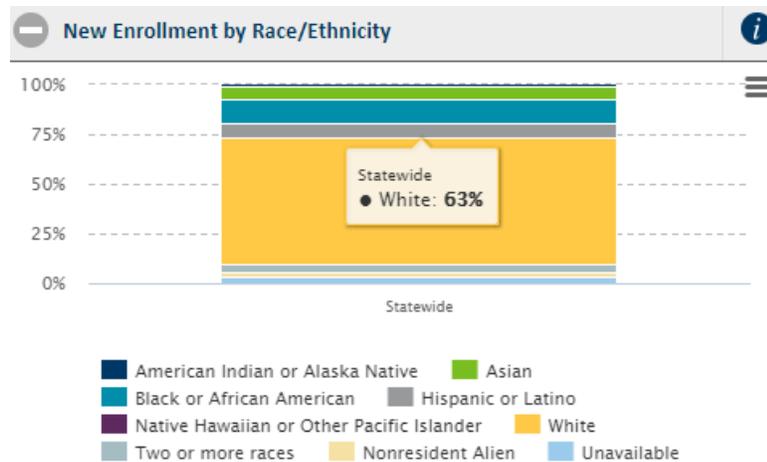
Residence	Count	Percent
Minnesota	53,360	76%
Iowa	430	1%
North Dakota	1,417	2%
South Dakota	462	1%
Wisconsin	3,720	5%
Canada	23	0%
All Other US States	8,418	12%
All Other Countries	2,013	3%

MN Colleges & Universities New Student Enrollment by Place of Residence (point of origin), 2016-2020										
	2016		2017		2018		2019		2020	
	No.	Pct.								
Minnesota	57,855	76.6%	52,817	74.5%	53,952	64.7%	54,036	75.8%	53,360	76.2%
Other US State	13,237	17.5%	13,318	18.8%	24,815	29.8%	15,044	21.1%	14,676	21.0%
International	4,473	5.9%	4,731	6.7%	4,622	5.5%	2,192	3.1%	2,013	2.9%
Total	75,565	100.0%	70,866	100.0%	83,389	100.0%	71,272	100.0%	70,049	100.0%

Source: MN SLEDS data

New Student Enrollment by Ethnicity – Of the 70,049 enrolling students in Minnesota colleges and universities in 2020, 675 were Native American, or about 1% of the total. Over the past five years, an average of 715 Native Americans per year have enrolled in Minnesota colleges and universities, ranging from a low of 601 in 2019 to a high of 848 students in 2018.

MN New College/University Student Enrollment by Race/Ethnicity, 2020



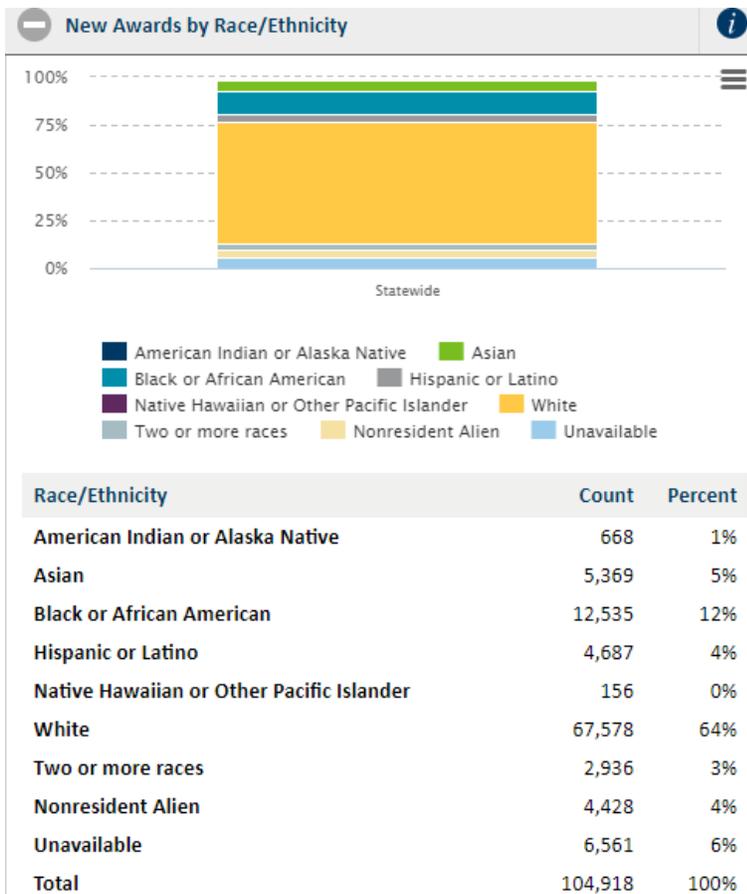
Race/Ethnicity	Count	Percent
American Indian or Alaska Native	675	1%
Asian	4,483	6%
Black or African American	8,458	12%
Hispanic or Latino	5,287	8%
Native Hawaiian or Other Pacific Islander	78	0%
White	43,927	63%
Two or more races	3,148	4%
Nonresident Alien	1,958	3%
Unavailable	2,035	3%
Total	70,049	100%

MN Colleges & Universities New Student Enrollment by Race/Ethnicity, 2016-2020										
	2016		2017		2018		2019		2020	
	No.	Pct.								
White	49,428	65.4%	46,991	66.3%	47,906	57.4%	45,530	63.9%	43,927	62.7%
Native American	790	1.0%	660	0.9%	848	1.0%	601	0.8%	675	1.0%
Black	7,526	10.0%	7,230	10.2%	7,907	9.5%	8,272	11.6%	8,458	12.1%
Hispanic	4,386	5.8%	4,386	6.2%	4,726	5.7%	5,049	7.1%	5,287	7.5%
Asian	4,235	5.6%	4,301	6.1%	4,355	5.2%	4,598	6.5%	4,483	6.4%
Other	9,200	12.2%	7,298	10.3%	17,647	21.2%	7,222	10.1%	7,219	10.3%
Total	75,565	100.0%	70,866	100.0%	83,389	100.0%	71,272	100.0%	70,049	100.0%

Source: MN SLEDS data

MN College Graduates by Ethnicity – In 2019, a total of 104,918 students received an undergraduate degree from four-year colleges and universities in Minnesota. Of that total, 668 were Native Americans, or about 0.6%. Between 2016 and 2019, there were an average of 727 Native American graduates per year in Minnesota.

MN New College/University Student Enrollment by Race/Ethnicity, 2019



MN Colleges & Universities Number of Graduates by Race/Ethnicity, 2016-2019								
	2016		2017		2018		2019	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
White	71,525	68.0%	70,110	67.1%	67,679	65.8%	67,578	64.4%
Native American	836	0.8%	725	0.7%	678	0.7%	668	0.6%
Black	11,147	10.6%	11,568	11.1%	11,697	11.4%	12,535	11.9%
Hispanic	3,931	3.7%	4,043	3.9%	4,304	4.2%	4,687	4.5%
Asian	4,826	4.6%	5,082	4.9%	5,057	4.9%	5,369	5.1%
Other	12,946	12.3%	12,887	12.3%	13,424	13.1%	14,081	13.4%
Total	105,211	100.0%	104,415	100.0%	102,839	100.0%	104,918	100.0%

Source: MN SLEDS data

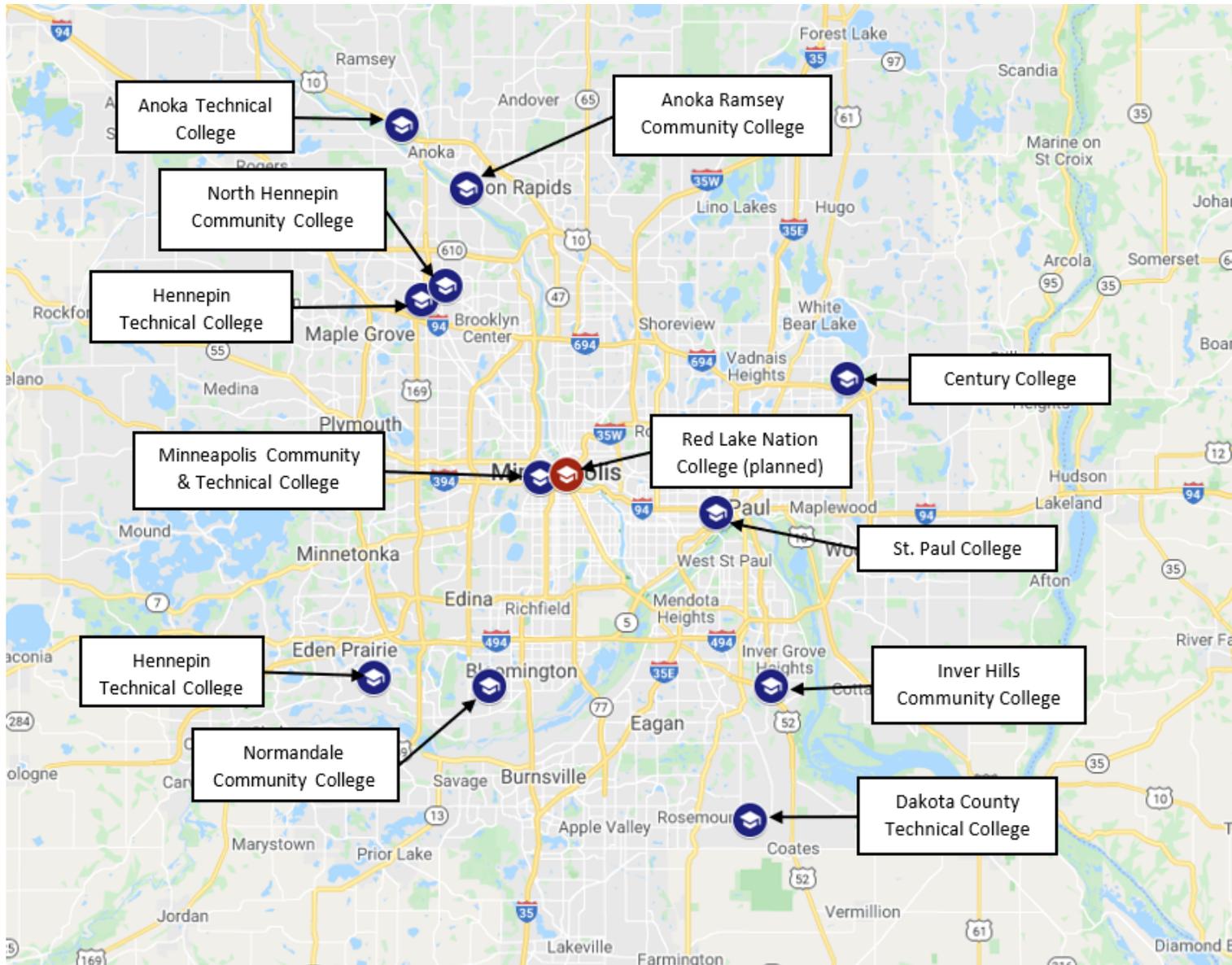
COLLEGE STUDENT ENROLLMENT ANALYSIS – PEER INSTITUTIONS

The RLNC student body is expected to comprise primarily Native American students who presently reside in the Twin Cities metro area. As such, we have considered and analyzed the current post-secondary educational opportunities which exist for this resident base. Presently, there are no tribal colleges operating within the metro area. “Peer institutions” include other 2-year colleges in the Twin Cities metro area. We would consider these to be the primary “competitors” to RLNC-Minneapolis. We expect RLNC will attract both new students and student transfers from these peer institutions, as they seek out a tribal college alternative in the metro area. According to our conversations with RLNC, we understand that 51% of student enrollment must be Native American students, while up to 49% can be of other ethnicity. The study body is expected to include “traditional” incoming freshmen (recent high school graduates) and “non-traditional” adult students. Qualifying high school students seeking post-secondary education could also be targeted in future, although this market is not included in our enrollment analysis at this time.

The map and table on the following pages summarize key enrollment and tuition statistics for each of the peer institutions – those being 2-year public colleges in the Twin Cities metro area. Note that our analysis does not include specialized private “career” schools which offer a specialized curriculum related to a specific occupation or industry. Rather, our focus has been on those institutions offering general educational programs/liberal arts culminating in an associate’s degree, with many students thereafter transferring into a four-year college or university. The following are key points from our analysis of peer institutions in the Twin Cities market:

- There are 10 two-year public colleges in the Twin Cities metro area, with a combined total enrollment of 60,198, as of the Fall 2019 academic term. These are the most recently updated statistics from the MN Office of Higher Education.
- Native American enrollment at the peer institutions totaled 421 students, or about 0.7% of total enrollment. At 0.7%, this percentage ties almost exactly to Native American student enrollment at public high schools in the Twin Cities metro area.
- Total Native American enrollment in MN colleges and universities of all types, including 2- and 4-year public and private institutions, comprised 1,863 students. The peer institutions (2-year colleges in the metro area) account for 421 of those students, or about 23%.

“Peer Institutions” – 2-Year Colleges in the Twin Cities Metro Area



"Peer Institutions" -- MN 2-Year Public Colleges - Twin Cities Metro Area

Summary of Enrollment and Key Characteristics

College	Location	Total Enrollment (2019)	Native American (2017)	Tuition Rate	\$/ credit	Total Faculty	Students per Faculty	Programs Offered	Graduation Rate*	Transfer Out Rate**
Anoka Technical College	Anoka	1,838	10	\$5,812	\$191.03	92	20	70	46%	13%
Anoka-Ramsey Community College	Coon Rapids	8,804	42	\$5,286	\$153.77	261	34	78	25%	32%
Century College	White Bear Lake	8,695	13	\$5,578	\$190.88	364	24	88	22%	22%
Dakota County Technical College	Rosemount	2,433	104	\$5,941	\$179.22	121	20	47	47%	11%
Hennepin Technical College	Brooklyn Park & Eden Prairie	4,625	30	\$5,494	\$166.22	194	24	42	29%	11%
Inver Hills Community College	Inver Grove Heights	4,192	32	\$5,558	\$187.73	177	24	48	28%	30%
Minneapolis Community & Technical College	Minneapolis	7,014	99	\$5,660	\$191.05	267	26	61	17%	26%
Normandale Community College	Bloomington	9,743	34	\$5,679	\$194.27	341	29	74	22%	28%
North Hennepin Community College	Brooklyn Park	6,198	22	\$4,596	\$196.63	225	28		17%	30%
St. Paul College	St. Paul	6,656	35	\$5,811	\$171.54- 259.97	237	28		31%	21%
Total / Average		60,198	421	\$5,542	\$183.42	228	26	64	28%	22%

* % of entering full-time freshmen students graduating within 3 yrs

** % of graduates who transfer to a 4-year institution.

Sources: College websites & interviews; MN office of Higher Education

- We understand RLNC tuition will be set at \$169 per credit hour, including free tutoring service at the college. This will make RLNC-Minneapolis much more affordable than most of the peer institutions, where tuition rates range from approximately \$154 to \$260 per credit hour, with an average of \$183 per credit hour.
- RLNC will also be distinguished as being somewhat smaller than its peer institution with a strong faculty to student ratio. We understand from conversations that RLNC will seek to maintain small class sizes of 10 students or fewer.
- According to MN Department of Higher Education statistics, graduation rates range from 17% to 48% at the peer institutions, with an average of 28%. The graduation rate, as defined by the state, represents the percentage of incoming full-time freshmen students who graduate within three years, or 150% of the minimum time required to achieve an associates degree. Meanwhile, about 22% of graduates from these colleges transfer into a four-year college or university. RLNC in Red Lake has reported a similar graduation rate, at 27%. However, historically, the Red Lake College main campus in Red Lake has achieved a superior ratio, with more than 37% of its students moving on to a four-year college or university.

Enrollment – RLNC Minneapolis Campus

Marquette Advisors has developed short-term enrollment targets for RLNC-Minneapolis based on a review of the subject location, the RLNC concept, current and anticipated market conditions, and the characteristics of peer institutions and enrollment statistics assembled through the MN Department of Higher Education. During its first few years of operations, RLNC-Minneapolis is expected to attract three primary groups of students:

1. Native American incoming freshmen enrollees (recent HS graduates)
2. Native American college-student transfers (perhaps from one of the noted peer institutions) who will be attracted to a tribal college alternative in the metro area
3. Non-Native American Students

The table on the following page shows our estimates of potential RLNC-Minneapolis enrollment by year three of operations. The projection is based on a capture rate analysis using primary and secondary peer institutions. Primary peer institutions include the noted two-year colleges in the metro area. Secondary peer institutions include two- and four-year institutions throughout the state, including both public and private colleges and universities.

Native American Student Enrollment Capture Analysis	
RLNC Minneapolis - Short-Term Student Enrollment Potential	
Group A	(Peer Group) - 2-year colleges - Twin Cities metro area
	Current Native American Enrollment 421
	Number of Institutions in group (with RLNC) 11
	"Fair Share" Capture Rate (1/11) 9%
	Estimated Realistic RLNC Penetration Rate (% of Fair Share) 150%
	Estimated RLNC Short-Term Enrollment Target 57
Group B	Other 2-year colleges - Outstate Minnesota
	Current Native American Enrollment 459
	Number of Institutions in group (with RLNC) 22
	"Fair Share" Capture Rate (1/22) 5%
	Estimated Realistic RLNC Penetration Rate (% of Fair Share) 50%
	Estimated RLNC Short-Term Enrollment Target 10
Group C	4-year colleges & universities - Twin Cities metro area (i.e. U of M + Metro State + Privates)
	Current Native American Enrollment 210
	Number of Institutions in group (with RLNC) 12
	"Fair Share" Capture Rate (1/12) 8%
	Estimated Realistic RLNC Penetration Rate (% of Fair Share) 50%
	Estimated RLNC Short-Term Enrollment Target 9
Group C	4-year colleges & universities - Outstate Minnesota
	Current Native American Enrollment 541
	Number of Institutions in group (with RLNC) 25
	"Fair Share" Capture Rate (1/25) 4%
	Estimated Realistic RLNC Penetration Rate (% of Fair Share) 50%
	Estimated RLNC Short-Term Enrollment Target 11
	Estimated RLNC Capture of MN Tribal College Student Enrollment (A+B+C+D) 87
	Add: Induced Native American Demand @ 30% 26
	Add: Estimated Non-Native American Demand @ 30% 49
	RLNC Total Enrollment Target (w/in 3 years) 162
Source: Marquette Advisors	

We have analyzed current total enrollment for each group of colleges, together with RLNC, and then applied what we believe to be a reasonable enrollment capture rate for RLNC. For example, for "Group A" peer institutions (2-year colleges in the metro area), Native American enrollment totals 421 students. In analyzing RLNC with this group of colleges and estimating its enrollment potential, we can calculate a "fair share" capture rate of 9%, based on it being 1 of 11 such facilities (i.e. 1 / 11 = 9%). However, we would expect RLNC to capture a strong premium over its "fair share" of Native American students who might otherwise consider this group of institutions, as it will be the only tribal college within the peer group. We've also noted the affordability of the college and the attractiveness of the location. Therefore we believe it is reasonable to expect that RLNC would capture a strong 150% premium over and above its fair share of competitive enrollment when considering this group of colleges. Thus, we can calculate annualized demand from this student group of approximately 57 Native American students (i.e. 421 Native American student demand x 9% fair share x 150% premium = 57 students enrolling at RLNC).

We took a similar approach in analyzing Native American student enrollment at other secondary peer facilities, including 2-year colleges in outstate MN, and four-year colleges and universities

throughout the metro area and statewide. In analyzing the enrollment potential for RLNC relative to each of the other groups of facilities, we applied a much lower capture rate (only 50% of “fair share”) for a variety of reasons. For example, those students showing a preference for a 4-year college out of high school are less likely to enroll in RLNC or another 2-year institution. Similarly, RLNC is also less likely to capture students also considering RLNC along with other colleges outside the metro area. Based on this analysis, we believe it is reasonable for RLNC to capture approximately **87 Native American students** by its third year of operations.

Additional “induced” demand should also be accounted for. This will occur as Native American residents, including recent high school graduates and other adult learners, will be induced to consider enrolling simply because of the availability of a tribal college in the area. These are students who would not likely have enrolled in college had this tribal college option not been available to them. We estimate this would account for about 30% of Native American student enrollment at RLNC-Minneapolis, or about **26 Native American students** by year three.

Lastly, we must account for additional demand from non-Native American students. This will occur as other students consider RLNC-Minneapolis among other college opportunities in the region. We expect that some will in fact find RLNC to be an attractive alternative due to a variety of factors: affordability, location, small class sizes, etc. We estimate this group will comprise approximately 30% of total enrollment by year three, or about **49 non-Native American students**.

Total enrollment target by year three = 162 students.

Projected student enrollment targets for RLNC-Minneapolis for years 3 through 10 are as follows:

Year 3	162
Year 4	180
Year 5	195
Year 6	200
Year 7	205
Year 8	210
Year 9	215
Year 10	220