



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

9:30 A.M. THURSDAY, December 15, 2016

MAYO CIVIC CENTER - ROCHESTER



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DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, December 15, 2016

9:30 A.M.

AGENDA

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**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

MINUTES

October 27, 2016

I. Call to Order. Chair Tina Smith called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Riverview Suite, located at 30 Civic Center Drive SE, Rochester, MN 55904.

II. Roll Call. In attendance were Chair Tina Smith, Council Member Mark Hickey, Jim Campbell, Susan Park Rani, Commissioner Jim Bier, Mayor Ardell Brede, Michael Dougherty and R.T. Rybak.

III. Approval of Agenda. Commissioner Bier moved approval of the agenda. Ms. Park Rani seconded.

Ayes (8), Nays (0), Motion carried.

IV. Approval of Minutes: August 25, 2016. Mr. Dougherty moved approval of the minutes from the meeting held on August 25, 2016. Commissioner Bier seconded.

Ayes (8), Nays (0), Motion carried.

V. Public Comment Period. Chair Smith invited members of the community to offer comments.

Kevin Lund, Rochester resident, spoke regarding the proposed Alatus development and proposed boundary extension request. His comments included a video of vehicle traffic and current residential homes in Saint Marys Place.

John Kruesel, Rochester resident, spoke regarding the Alatus project and suggested that the Rochester School District determine the impacts of the project on the Folwell elementary school.

Nancy Slocum, Rochester resident, spoke regarding the Days Inn development and Mayo Clinic.

VI. Chair's Report. Chair Smith noted that the 2017 DMCC meeting schedule was being developed. She reported on the AdvaMed conference, hosted for the first time in Minnesota, and highlighted the work in Discovery Square. Chair Smith emphasized that the DMCC is designed to facilitate broad economic development, rooted in a strong foundation of local control in evaluating particular developments and that how development unfolds properly remains the responsibility of local boards, with the benefit of local input.

VII. Project Update. Patrick Seeb and Terry Spaeth facilitated the project update.

A. Alatus: Proposed Development on 2nd Street SW. Bob Lux and Chris Osmundson spoke on behalf of Alatus LLC, noting that the proposed project, which includes a 349-unit apartment complex, has passed the first set of City Council and Planning and Zoning Commission approvals. In response to questions from Mr. Rybak, Mr. Lux outlined the proposed parking, the decrease from initial plans, and the intended parking focus upon residential and retail users of the project.

Resolution A: Authorizing Submission of Modification to the Development District to the City. Alatus, LLC requested that the DMCC consider a proposed modification of the DMC

Development District to include the portion of the project that currently lies outside of the district.

Mr. Rybak clarified that the resolution does not indicate DMCC approval of the project. Chair Smith noted that the resolution begins a 60-day public comment period that includes a public hearing.

Mayor Brede moved approval of the resolution. Mr. Dougherty seconded.

Ayes (8), Nays (0), Motion carried.

- B. Transportation Update. Richard Freese, Beth Bartz (SRF) and Ken Holte (SRF) provided the transportation update, including a milestones schedule, with an initial milestone of January 2017. Transportation principles considered in the four studies include walkability, efficient parking options, sustainability, and maximizing public and private funds.

The four studies are integrated, and studies of parking, current demand, and the need to address future supply are being reviewed under a travel demand management system. The January 2017 deliverables include a transit needs statement and a broad set of mode options. The street use study will review current street use and traffic demand. A “park once” concept, on-street parking, sidewalk use, and other street typology considerations for downtown will be reviewed. The city loop study will include a baseline assessment and consideration of grades. The May 2017 deliverables reflect a narrowing of options, with preferred transportation solution scenarios anticipated by September 2017. Phasing, financing, and other practical elements will be considered.

Ms. Park Rani commended the aggressive deliverables and schedule and suggested that the milestones schedule specify the primary consultant.

Council Member Hickey noted that the city’s policy does not prioritize any transit mode over another. Mr. Holte and Mr. Freese explained that the consultants will consider how right of way is used, and removing barriers to make options other than single-occupant-vehicles available. Commissioner Bier stated that the street typology and finite space will determine how new pedestrian or bike right-of-ways are created. Mayor Brede expressed thanks for a complete report and for the hard work. Mr. Dougherty asked about the consultant cost for 2016 and 2017. Mr. Holte noted that the total for all four studies is \$7.5 million. In response to questions from Chair Smith, Ms. Bartz noted that each milestone stage of the studies includes input from the public.

Mr. Rybak emphasized the importance of peripheral parking in measuring mode shifts. He noted that determining the location of the transit system, regardless of type, should be accelerated. Mr. Dougherty agreed. Commissioner Bier noted that existing traffic lanes should be preserved.

- C. Titan/OPUS Proposed Development between First Avenue SW and Broadway. Matt Rauenhorst and Ernesto Luiz Garcia, OPUS Group, described the proposed development. The project includes multi-family housing, a green roof, two-story lobby, no visible parking, and active uses at the street level. Mr. Rybak praised the proposed project design.
- D. Hammes Company Proposed Development at West Center Street and First Avenue NW. Bob Dunn, Hammes Company, presented an overview of the proposed mixed-use project on the current Days Inn site, which includes a hotel, residential, retail, and parking.

Commissioner Bier described the project as aspirational. Mr. Campbell noted that parking may continue to be an issue.

E. Subdistrict Update.

1. Heart of the City.

- a. Public Space Design Milestone Schedule. Jon Buggy, RSP Architects, provided a public space design update, noting the importance of harnessing the energy and creativity of the community, creating private investment, jobs, and generating tax revenue.
- b. Chateau Theatre Taskforce Report. Rochester Civic Music Director Steven Schmidt provided the Chateau Theatre reuse and renovation update. Mr. Schmidt described the extensive community engagement process. He explained that a draft business plan, including a market analysis and phasing for renovation, will be published in the next month, and that the market analysis supported an on-going role for the Chateau Theatre. Mr. Schmidt described potential footprint options, including using the existing footprint, expanding into the alley, and excavating the basement, as well as seating options and multi-purpose space. Mr. Rybak noted the opportunities created by exploring aspirational options.

2. Saint Marys Place. Mr. Seeb noted that an open house for public input is being planned.

VIII. DMCC 2016 Budget: Year to Date Update. Commissioner Bier provided a budget update.

IX. 2017 DMCC Funding Request.

Resolution B: Approving the 2017 DMCC Funding Request and Authorizing Transmittal. DMCC Treasurer Bier summarized the efforts of the DMCC budget working group and described the 2017 budget review process, noting a total reduction of nearly \$1 million from 2016. He explained the four components of the 2017 DMCC Funding Request, including the EDA Work Plan and Budget, the DMCC Budget, the Capital Improvement Plan, and the extension of the working capital loan agreement.

Council Member Hickey thanked City and EDA staff for making meaningful adjustments, and described the work plan as ambitious. Chair Smith thanked the budget work group, and noted her support of the Funding Request.

Commissioner Bier moved approval of the 2017 Funding Request. Council Member Hickey seconded.

Ayes (8), Nays (0), Motion carried.

X. League of Minnesota Cities Insurance Trust. General Counsel Kaela Brennan explained that as part of its insurance policy, the Board must annually consider whether it wishes to retain certain statutory monetary protections or waive them, and that the Board's risk management consultant recommended that the DMCC not waive these protections.

Commissioner Bier moved that the DMCC elect not to waive the statutory protections. Mr. Dougherty seconded.

Ayes (8), Nays (0), Motion carried.

- XI. Meeting Schedule. The next regular meeting of the DMCC is Thursday, December 15, 2016 at 9:30 AM.
- XII. Adjournment. Chair Smith adjourned the meeting.

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Alatus, LLC
Second Street-Saint Marys Place
Development

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To: Lt. Governor Tina Smith and members of Destination Medical Center Corporation board of directors

From: Jeff Bolton, Chair, DMC EDA
Lisa Clarke, Executive Director, DMC EDA

Date: December 9, 2016

Re: Alatus LLC 2nd Street Redevelopment Project

The DMC EDA board acted unanimously in recommending the Alatus LLC 2nd Street Development project to the DMCC as a Public Infrastructure Project, consistent with the DMC Development Plan. It further recommended in the amount of \$10.5 million in city Tax Increment Financing.

Our findings, which you will find attached, is based on a thorough independent review of the project using the criteria established by DMCC. Additionally this recommendation is completely aligned with the City of Rochester's recommendation.

Thank you for considering this recommendation.

Alatus 2nd Street Development

EVALUATION REPORT

December 9th, 2016

EXECUTIVE SUMMARY / RECOMMENDATION

STATEMENT OF RECOMMENDATION:

Based upon information provided by Alatus, LLC (the “Applicant”), the Proposed Project aligns with the Destination Medical Center (“DMC”) vision and is consistent with the DMC goals, objectives and values. It will significantly increase tax base, create job growth, and attract additional private investment. It falls in the St. Marys Place sub-district. Though not in the two priority sub-districts (Discovery Square and Heart of the City), it will advance the DMC initiative.

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

STATEMENT OF ELIGIBILITY:

Based upon information provided by the Alatus, LLC, the Proposed Alatus 2nd Street Development Project is a “public infrastructure project” under the DMC Act, and the Proposed Project falls within the DMC Development District boundaries (St. Marys Subdistrict).

PROJECT SUMMARY:

The Alatus 2nd Street Development includes construction of an approximately 327,965 square foot, thirteen-level commercial and residential complex. Approximately 13,500 square feet of commercial and retail space will be dedicated to the ground floor along 2nd Street SW. In addition, approximately 7,500 square feet will be dedicated office/retail space on the 2nd floor along 2nd Street SW. This proposed project will include 347 market-rate luxury rental apartments and townhome style units. Of the 347 units, 310 will be rental apartment units and 37 will be townhouse-style rental units. The mixed use commercial and residential complex will be supported by a below-grade, heated parking garage for residential and commercial tenants. The City of Rochester property assessor department, has estimated that the proposed building will be worth approximately \$67,230,000 upon completion. The proposed development would redevelop and replace 14 existing parcels including: 2 motels; 5 single family homes; 1 surface parking lot; 3 vacant land parcels; 1 vacant single family home. The proposed unit mix in the residential tower is to have 44 studios, 34 alcove, 137 one-bedroom, 93 two-bedroom and 2 three-bedroom apartment units. The proposed residential mix in the townhome/apartment flat development is 5 one-bedroom, 23 two-bedroom and 9 three-bedroom units. The expansive amenity package for use by all residents will include a fitness and cardio room(s), dog run and spa, pool deck with grilling stations, community clubroom areas, a bike lounge and sky lounge terrace overlooking the 2nd Street Corridor and downtown Rochester. The Proposed Project falls on a site (RayMar Motel) that has been deemed Blighted by the City of Rochester which qualifies the site as a “Redevelopment District”.

RELEVANT PROJECT HIGHLIGHTS

The following list outlines relevant project highlights for consideration:

- Located in St. Marys Place DMC Subdistrict;
- Provides capital investment of \$115 million;
- Distinctive entrance or gateway into downtown with a signature mixed-use building;
- Activates the ground floor with commercial and retail space for restaurants, businesses and a potential small “incubator” space;
- Creates permanent jobs in those businesses occupying the building and for property management;
- It will create more than 240 jobs, many of which will be short-term construction jobs;
- Approximately 30% of the TIF generated by the project will be available for other public improvements within the District;
- Local property taxes will increase from \$136,606 to \$1,250,000 per year;
- The developer has agreed to provide an additional 17 feet of right of way along 2nd St. SW which will assist in making the area more attractive with landscaping and activate the street area with restaurants and commercial businesses;
- Project is designed to meet LEED certification standards;
- Project will provide high quality, higher density housing along the potential main transit and employment corridor, providing opportunities for many residents to access jobs with use of automobiles.

EVALUATION REPORT

SECTION 1.0 PROJECT OVERVIEW

The Alatus 2nd Street Development includes construction of an approximately 327,965 square foot, thirteen-level commercial and residential complex. Approximately 13,500 square feet of commercial and retail space will be dedicated to the ground floor along 2nd Street SW. In addition, approximately 7,500 square feet will be dedicated office/retail space on the 2nd floor along 2nd Street SW. This proposed project will include 347 market-rate luxury rental apartments and town home style units. Of the 347 units, 310 will be rental apartment units and 37 will be town homes. The mixed use commercial and residential complex will be supported by a below-grade, heated parking garage for residential and commercial vehicles. The proposed development would redevelop and replace 14 existing parcels including: 2 motels; 5 single family homes; 1 surface parking lot; 3 vacant land parcels; 1 vacant single family home.

Alatus originally requested approximately \$11,590,000 in the form of Tax Increment Financing. Subsequent discussions with DMC EDA and City of Rochester staff has resulted in a proposed support level of \$10,500,000. The City of Rochester property assessor department, has estimated that the proposed building will be worth approximately \$67,230,000 upon completion. The TIF amount requested in this application was generated utilizing this assumed property value along with local tax rates and current associated financing fees.

SECTION 2.0 MINIMUM ELIGIBILITY REQUIREMENTS OF DMC ACT

Check the following that apply to the Project:

- "Public Infrastructure Project"
 - General Infrastructure Project or
 - Transit/Transp. Project
- Within DMC Development District Boundaries

In order 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 in order to support Mayo Clinic’s development plans, as identified in the DMCC Development Plan. Based upon information and a pending approval of an amendment to the DMC Boundary adjustment provided by and representations made by the Applicant, the Proposed Project would qualify as a “Public Infrastructure Project” as required by the DMC Act.

A significant portion of the applicant’s project is within the St. Marys Place DMC sub-district (approximately 65%) If the amendment to the DMC Boundary adjustment is approved the Proposed Project will be located within the DMC Development District boundaries as identified in the Development Plan adopted on April 23, 2015. See attached map.

SECTION 3.0 EVALUATION CRITERIA

The 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 consistent with the DMC Goals and Objectives. It is an attractive new development which leverages public investment to attract private investment, creates new jobs, generates future tax revenues, and offers new amenities to enhance resident experience.

Is the project consistent with the DMC Vision?

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

The DMC initiative was designed 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 to support the economic growth of Minnesota and its biosciences sector. In considering projects for DMC funding, a project's ability to support and advance this aspirational vision should carry significant weight. The Applicant has provided evidence that the Proposed Project has the potential to significantly contribute to the Plan's aspirational concept for the future of Rochester and Minnesota as a whole.

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

The DMC vision is inclusive of a series of "guiding principles", established to provide guidance in completion and execution of the Plan. The Proposed Project herein reasonably adheres to the overall principles of the DMC vision, and possesses the potential to substantially advance the DMC vision. It is a market driven, transit oriented development, that supports vision of a dynamic urban core. It will advance the principle of sustainability, as a LEED certified building.

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

As DMC progresses, it is imperative that all projects/developments offer an established framework that is both visionary and flexible to respond to changing market conditions. This project is consistent with the emerging vision for the St. Marys Place public realm plan.

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

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

In evaluating projects for DMC Funding, the approving bodies must consider the "but for" test: Determining whether the proposed development would reasonably be expected to occur solely through private investment within the foreseeable future. The Applicant states the assistance is necessary to develop the proposed site. Due to the high-quality of materials required to develop the proposed project, the improvements to the public infrastructure would not be financially viable without financial assistance under the DMC guidelines. Meaning, the market is currently demanding a yield on cost of 6-7% and the applicant would not be able to meet this demand without assistance from the City of Rochester/DMC. The project plan adequately addresses land acquisition, earthwork, demolition and utility installation work that relies on TIF eligible funding. Through discussions and correspondence, the Developer has sufficiently demonstrated that the project is unlikely to occur "but--for" the use of DMC funding.

- **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 public infrastructure to be funded benefits the Proposed Project as well as supports the broader vision of the DMC District. The Proposed Project includes elements encouraging pedestrian engagement and offers community amenities to residents. Additionally, the project offers below grade parking for residents and commercial/public users. The project's mixed uses along the 2nd Street Corridor will bring a vibrancy and vitality to the area that is currently lacking due to poor infrastructure.

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

The Proposed Project is one of the largest projects currently seeking to develop in the City of Rochester and has significant potential to drive continued development along the 2nd Street Corridor in the St. Marys Place Subdistrict.

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 subdistricts?**

The Proposed Project is located at the edge of the Subdistrict, with numerous development opportunities surrounding the site. The Applicant has provided evidence and a market analysis to support the proposed project as an anchor development in the subdistrict. The project will serve as a catalyst for public transportation given its nearby access to the new transit hub station planned for development located directly outside of the future St. Marys Park.

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

The details provided in the project proposal indicate a capacity to support the transportation/transit strategies outlined in the Development Plan. The Alatus project will serve as a catalyst for public transportation given its nearby access to the new transit hub station planned for development located directly outside of the future St. Marys Park. The plan provides below grade, parking for residents and commercial users, decreasing the parking deficit and maximizing the site use. In addition to several bus stops located along 2nd Street, the Proposed Project will incorporate bicycle racks, dedicated spaces for a car sharing program and continue to pursue bike-sharing programs in the City of Rochester.

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 other 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 serves as a gateway project leading into the overall DMC Development District. The streetscape and commercial space situated along 2nd Street will provide a highly-activated pedestrian experience for both residents and visitors of Rochester. This addition of commercial space contributes to the St. Marys Place Program anticipated need of approximately 40,000 square feet of retail space collectively located along 2nd Street in the St. Marys Subdistrict. In addition, the location of the Alatus project will serve as a catalyst for public transportation with its nearby access to the new transit hub station planned for development by the DMC and the City of Rochester located directly outside of the planned development of St. Marys Park. The Proposed Project also provides a connection to the DMC Vision to drive economic development due to its unique and tremendous location, dedication to public spaces, attractive appeal, and encouragement of multi-modal transportation. In addition, the building is designed to encourage concentrated employment growth along the 2nd Street Corridor by placing employees in close proximity to jobs. The District Infrastructure Plan places a significant focus on building/improving an efficient storm sewer collection system to properly support the average rainfall incurred by the City of Rochester. The Proposed development will contribute to redeveloping the Sanitary Sewer Relief Line that will serve as the connection to the 12th Avenue Extension Relief Line proposed for Phase 1 of the DMC Development Plan. The Alatus team will seek to handle all storm water on-site, either with the inclusion of underground cisterns or best-practice green roof mitigation systems.

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

The Business Development Plan and strategic framework/implementation plans for DMC have been developed around a series of objectives designed to achieve the goals of the DMC initiative. The Proposed Project plan is consistent with these plans by increasing the City's tax base, fostering entrepreneurial companies and existing small businesses to continue to facilitate economic growth and providing short-term job creation during project construction. The Alatus project will create a sustainable framework by contributing a unique housing option to the Rochester market along with designating approximately 7,500 square feet of office incubator space. The Proposed Project will also incorporate state-of-the-art sustainable mechanical systems, building materials, appliances, and technologically advanced transit notification systems while providing a dynamic live-work environment.

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

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

The Proposed Project is a unique destination that provides residents, employees and visitors an environment to enjoy high-quality living while encompassing business, life and leisure. The Alatus project also meets supporting principles of the City Comprehensive Plan: expand housing choices; enhance the integrity of existing neighborhoods and encourage compact; mixed-use developments.

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

The Proposed Project has a complete approach to supporting sustainability principles through development and operations of the project. The project will support the residents' sustainable living experience by meeting LEED certified standards and incorporating energy-efficient appliances, low-flow water fixtures, low-VOC paints and building-wide recycling practices.

SECTION 3.3 FINANCIAL VIABILITY *[Form may vary based on size/scope of project]*

Does the project include a plan that is financially viable?

Does the project include:

- 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?

The Proposed Project is supported by an extensive market feasibility analysis completed by Marquette Advisors. The analysis of current market fundamentals, and the expected economic environment and DMC impact, Marquette Advisors concluded that there will be sufficient demand for the proposed apartments by Alatus with 347 units. The unit mix and renter profile will be adequately differentiated from the other developments, while Marquette Advisors trust that there will be sufficient demand to support the development along with the others as noted in their report during the 2017-2019 timeframe.

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

Of the approximate \$115,800,000 million dollars in total project costs, private funds will consist of \$34,700,000 in equity and \$69,450,000 private debt financing which would maximize the requested \$10,500,000 DMC Funding.

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

The project has demonstrated financial feasibility and a plan for long-term viability. The funding request that Alatus has proposed will support various aspects of the project including the improvement of current public infrastructure, addition of parking stalls which contributes to the reduction in traffic flow, and enhances the public spaces and amenities surrounding the development. These along with other costs of the Proposed Project are considered to be TIF eligible expenses.

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

The Proposed Project's operating pro forma was reviewed and appears to be reasonable. When net operating income, TIF reimbursement, and debt service are calculated, it suggests that the cash flow after debt service is to be approximately 4.2 million per year, which is a reasonable amount.

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

A common reimbursement structure as originally proposed by City Staff would provide the Alatus project an approximate 95% annual TIF reimbursement of the total calculated annual tax increment, up to the total amount agreed upon TIF support to be provided. This is proposed to be \$10.5 million. City Staff also requested that Alatus run a sensitivity analysis on receiving a lesser percentage of annual reimbursement which would allow more of the annual increment to be used for other proposed improvements and/or developments in the City of Rochester.

Is the proposed operating structure sustainable?

The proposed cash flows demonstrate that the project will cover the operating costs and debt service which will provide an acceptable return on investment.

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

No.

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

Yes.

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 located in the St. Marys subdistrict. Its program, market rate housing and street level retail, is consistent with the Development Plan strategy.

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

The current geographic focus for this phase is Discovery Square and Heart of the City. This project is in the St. Marys Place sub-district, which has attracted a great deal of market interest.

Is the project consistent with the DMC---CIP?

The Alatus 2nd Street Development supports both of the primary goals of the DMC-CIP – (1) create a catalyst to begin the process—public or private projects measured by whether they support making Rochester the global center for health; and (2) investing in strategic projects – that lay a foundation for future growth and investment in the DMC District. The City of Rochester will benefit from the significant improvements the Alatus project will make to the existing public infrastructure, the expansion of housing options for the anticipated growth in Mayo Clinic employees serving as a catalyst for growth, and create reserves in the form of increased tax revenue to assist in funding large-scale investments in the future.

- ***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. Street improvements required by the Proposed Project are included in the current DMC---CIP.

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?

The Alatus 2nd Street Development will be designed and constructed in conformance with the requirements of the DMC Act regarding prevailing wage, American Made Steel, M/WBE construction targets and other minority and disadvantage business participation guidelines. Alatus will also encourage Local and Small Business participation within the designated commercial and office spaces.

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.

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?

Based upon job projections, the project has the potential to create approximately two-hundred and thirty-five (235) new construction jobs for all trades of the construction and development process. Once operational, it is anticipated that eight (8) new positions are created to efficiently run the ongoing management of the property. In addition, it is anticipated that relocating a current commercial tenant (i.e. Healing Touch Spa) from the Brentwood on 2nd into the Alatus project, retaining approximately thirteen (13) jobs, as well as source local businesses to occupy the remaining dedicated retail and office space.

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

The current property taxes for all 14 parcels that the Alatus 2nd Street Development will encompass totals \$135,606 (assessed 2015 / paid 2016). The estimated annual property tax revenue after completion of the Alatus project is anticipated to be in excess of \$1.8mm, which is a significant increase to the current property taxes stated above. This increase in tax revenue will provide for significant investment in future development in the DMC sub-district(s).

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

The size, scale and amenity package of this project would be unique to the Rochester market. If it is constructed and succeeds, this project could serve as a demonstration to other potential investors that development in Rochester is a good risk.

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

The increase in annual property tax revenue will be a substantial amount for the City of Rochester to invest in future public and private developments. In addition, the Public Works Development Agreement will include a detailed plan describing how Alatus will work with the City (e.g. public works) to improve the current public infrastructure required for the development which will have the capacity to be used by other future developments.

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 Alatus 2nd Street Development includes civic/cultural uses and/or public amenities which supports growth in the DMC Development District. The applicant has put a tremendous amount of focus on developing a highly-sustainable building and providing a walkable public realm. The Alatus development supports and will utilize local businesses and labor as well as will be constructed in conformance with the requirements of the DMC Act regarding prevailing wage, American Made Steel, M/WBE construction targets and other minority and disadvantage business participation guidelines. The Proposed Project will also assist in upgrading public roadways, sanitary sewer, water, parking and storm water management facilities.

SECTION 3.7 OTHER PROJECT POLICY CONSIDERATIONS

Is the project inside the DMC Development District?

A significant portion of the applicant's project is within the St. Marys Place DMC sub district (approximately 65%). An amendment to the DMC Boundary is currently under consideration.

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

Yes,

If so, are the recommended changes:

- *Limited to the area required to support the project request? Yes*
- *Consistent with the core strategies and planning documents? Yes*
- *Essential to the strategies and/or catalytic to growth under the DMC Development Plan? Yes*

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

The Alatus Development incorporates social and/or community benefits that are not specifically required by the DMC Act. These benefits include a transit screen in the front lobby which will provide current schedules for various types of alternate transportation, best-in-class resident amenity package that puts tremendous focus on useful amenities, and incorporation of office incubator space. In addition, the Alatus team has committed to continue working with the City and other stakeholders to implement other ideas as they apply to the project.

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DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2016

Approving the Alatus 2nd Street Development, Contingent Upon Subsequent Approval of a Modification of the Development District

BACKGROUND RECITALS

A. Under Minnesota Statutes, Section 469.41 Subdivision 13, a project must be approved by the Destination Medical Center Corporation (“DMCC”) before it is proposed to the City of Rochester (the “City”). The DMCC must review the proposed project for consistency with the Development Plan, adopted by the DMCC on April 23, 2015 (the “Development Plan”).

B. By correspondence to the DMCC dated December 7, 2016, and attached hereto as Exhibit A, the City has requested approval of the Alatus 2nd Street Development project (the “Proposed Project”), and that City expenditures and financing in the amount of up to \$10,500,000 be credited to the City’s \$128,000,000 local contribution as required by statute. The City’s expenditures and financing include funding from tax increment financing bonds.

C. Pursuant to Minnesota Statutes, Section 469.47, subdivision 4, the City’s local match contribution may be provided by the City from any source identified in Minn. Stat. Section 469.45 and any other local tax proceeds or other funds from the City and may include providing funds to assist developers undertaking projects in accordance with the Development Plan or by the City directly undertaking public infrastructure projects in accordance with the Development Plan, provided the projects have been approved by the DMCC.

D. Pursuant to Minn. Stat. Section 469.45, Subdivision 4, the City may elect to establish one or more redevelopment tax increment financing districts within the Development District to fund public infrastructure projects.

E. 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

(1) acquire real property and other assets associated with the real property; (2) demolish, repair or rehabilitate buildings; . . .

(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, utilities systems and related facilities, utility relocations and replacements, network and communication systems, streetscape improvements, drainage systems, sewer and water systems, subgrade structures and associated improvements, landscaping, facade construction and restoration, wayfinding and

signage, 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; [and] (8) prepare land for private development and to sell or lease land

F. The majority of the site of the Proposed Project is located in the development district boundaries as adopted in the Development Plan (the “Development District”) and in the Saint Marys Place district as described in the Development Plan.

G. Pursuant to Resolution No. 42-2016, the DMCC authorized the submission of a proposed modification to the Development District to include the Proposed Project in the Development District. The DMCC intends to schedule a public hearing on the proposed modification, pursuant to statute, and take action on the proposed modification at its meeting on January 26, 2017.

H. The City and the Destination Medical Center Economic Development Agency (the “EDA”) have examined the Proposed Project applying the evaluation factors contained in the Development Plan, and now recommend the Proposed Project for approval. Copies of those reports are available and on file with the City and the EDA.

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: acquiring real property and other assets associated with the real property; demolishing, repairing or rehabilitating buildings; installing, constructing or reconstructing elements of public infrastructure required to support the overall development of the Development District; acquiring, constructing or reconstructing, or equipping parking facilities and other facilities to encourage intermodal transportation and public transit; making related site improvements; and preparing land for private development; and that the DMCC approves the Proposed Project as consistent with the Development Plan.

BE IT FURTHER RESOLVED, that the DMCC approves the Proposed Project for the purposes of Minnesota Statutes, Section 469.47, subdivision 4, and supports the certification of the City’s expenditures of up to \$10,500,000 in tax increment financing identified in the Proposed Project, upon final approval by the City, subject to approval and certification by the State of Minnesota, Department of Employment and Economic Development, as part of the City’s \$128,000,000 local contribution.

BE IT FURTHER RESOLVED, that the approvals contained herein are expressly contingent upon the DMCC approving a modification of the Development District, such that the site of the Proposed Project will be entirely located with the Development District.

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.

864122.DOCX

Exhibit A



ROCHESTER

Minnesota



December 7, 2016

GARY H. NEUMANN
Assistant City Administrator
City Administrator's Office
201 4th Street SE, Room 266
Rochester, MN 55904-3781
(507) 328-2000
FAX (507) 328-2727

Tina Smith
Chair, DMCC Board of Directors
130 State Capital
75 Rev. Dr. Martin Luther King Jr. Boulevard
St. Paul, MN 55155

Re: DMCC Board approval for the Alatus 2nd Street Development Project

Dear Chair Smith and DMCC Boardmembers:

The City of Rochester provides the following information relating to the Alatus project for your consideration at your December 15, 2016 meeting.

1. DMCC board action requested. The City asks the DMCC Board to grant approval of the prepared resolution to approve the Alatus 2nd Street Development (herein after "Project") as a DMC Public Infrastructure Project that is consistent with the DMC Development Plan. The approval as a DMC public infrastructure project by the DMCC Board is required before the City Council can act to approve it as a DMC Public Infrastructure Project. Such approval would need to be made contingent upon the City of Rochester's subsequent approval: (1) of the Project as a DMC Public Infrastructure Project; (2) of the Development Assistance Agreement (DAA) for the Project; and (3) of the Boundary Modification that has been initiated by the DMCC Board for this Project at your October 27, 2016 meeting. If those approvals are granted by the City of Rochester, then the DMCC Board would be requested to approve the Boundary Modification at your January 26, 2017 meeting.
2. Current project status/schedule. The City of Rochester has land use, planning and zoning authority for all projects in the City including those projects within the DMC Development Plan Area. In addition the City has the authority to provide financial assistance, if needed, to assist in the development of projects through Tax Increment Financing (TIF) including the authority to establish TIF districts within the DMC Development Plan area. The DMC legislation authorizes the City's use of TIF for DMC projects and to receive credit for the TIF financial assistance provided to DMCC Board approved projects towards the City's required \$128 Million local contribution.

- a. Land Use and Zoning Status. On Wednesday, November 30 2016, the Project received unanimous approval of the City Planning and Zoning Commission for the Restricted Development Final Plan. The City Council will consider approval of the Restricted Development Final Plan for the Project at a public hearing on December 19, 2016. The City approves restricted development projects under a two-phase process. There is a review of a preliminary plan at public hearings before both the City Planning and Zoning Commission and the Rochester City Council. There is consideration of a Final Plan at the City Planning and Zoning Commission as a non-hearing item, followed by the third public hearing at the City Council. If the City Council approves the Final Plan after the public hearing on December 19, 2016, that would provide the final land use approval needed for the Project. If the land use is approved, a separate City Development Agreement (DA) addressing construction and utility service matters would also need to be considered and approved by the City Council in order for the Project to proceed. The City's land use review for all projects covers all aspects of a project, including neighborhood impacts and comments, design, landscaping, utility and street infrastructure impacts, impact on all modes of transportation, and parking. Staff reports and comments can include more than 100 pages of information in the City Planning and Zoning Commission and City Council packets.
- b. Establishment of Tax Increment Financing (TIF) District and Development Assistance Agreement (DAA). The land use approvals would allow the Project to proceed to construction by the developer and are independent of any financial assistance considerations or approval as a DMC Public Infrastructure Project. However, the Developer has indicated that even with the land use approvals in hand the Project would not be able to proceed to construction and be financially feasible without or "but for" some financial assistance from the City or the DMCC. The developer has provided detailed financial information to document the need for \$11.5 Million in assistance to close the financial "gap" for this Project. As the DMCC Board is aware, the potential receipt of State DMC funding will grow over time but is lower/limited in these early years until private capital investments increase well beyond the minimum threshold for State DMC funding of \$200 Million. As both an alternative to State DMC funding to fund early stage DMC projects and in order to retain future bonding capacity for future DMC capital needs, the City can utilize its authority to establish a tax increment financing district within the DMC Development Plan Area to provide financial assistance through TIF to allow the project to proceed. The City Council will consider establishment of a tax increment district and terms and conditions of a Development Assistance Agreement (DAA) at its 12/19/2016 meeting if the Council approves the Restricted Development Final Plan following the public hearing. Obviously, if Final Plan were not to be approved then no decision on financial assistance would be needed.

In instances in which the City provides TIF financing for DMC Public Infrastructure Projects, the State legislation makes provision for the City to obtain credit for such costs towards its required \$128 Million City DMC contribution. For the Alatus 2nd Street Development project the staff will be recommending to the Mayor and City Council that the City provide \$10.5 million of tax increment financing assistance for this Project. The Council will consider this as a component of the Development Assistance Agreement (DAA) at their meeting on December 19, 2016. It should be noted that the City staff has been working closely with the DMC EDA staff in the review of all aspects of this Project including the proposed amount of financial

assistance that is recommended for the Project. The DMC EDA will be providing their comments on the Project separately and independently from the City staff. The DMC EDA staff and the City staff are in agreement concerning the recommended amount of assistance and the developer has indicated that they can proceed with the Project with that \$10.5 million level of assistance. Approval by the DMCC Board of the Alatus 2nd Street Development Project as a DMC Public Infrastructure Project will also mean that DMC provisions relating to prevailing wage rates, WMBE, and American-made steel will also apply for the construction of the Project.

The City staff's review of the financial information provided by the developer which showed a gap of \$11.5 Million, was based on our experience in reviewing many other TIF projects over the years and a financial analysis of the submitted developer information by Springsted, Inc., the City's financial consultant, which performs such reviews for many communities. The Springsted review did indicate that the requested \$11.5 Million was supported in their analysis. They also noted that the return on investment for the developer was within normal parameters with that amount of assistance included. In discussions with the developer we were subsequently able to agree upon a lower financial assistance amount of \$10.5 Million. The ratio of private investment to the public assistance would be approximately \$11 private investment to \$1 public. In the instance of this Project there would be a conservatively estimated 30% of the total TIF proceeds available for other public improvements within the district. The City staff believes that these are supportable measures for this Project.

3. Financial Impact Information.

The request for public funding as a proposed Public Infrastructure Project is what requires DMCC approval before the presentation to the City Council.

a. Alatus' Capital Project Investment.

- (1) General State Infrastructure Aid (GSIA). The Alatus project developers have submitted information that shows that the overall project cost is estimated at \$115 Million. That \$115 Million investment is multiplied by 2.75% to determine the amount of General State Infrastructure Aid (GSIA) payments that investment may be equal to annually, which is \$3,162,500. Under the City "pay as you go" TIF approach however, the annual GSIA payments will start lower than that and will grow to the \$3,162,500 over several years.
- (2) State Transit Aid (STA). That same \$115 Million investment amount is multiplied by 0.75% to determine the State Transit Aid (STA) annual payment equivalent amount, which is \$862,500 per year payable annually over several years, but lower in earlier years as noted in (1) above. An estimated 40% of the annual STA amount would be from the required local match provided by Olmsted County.
- (3) City TIF Contribution. The State GSIA can only be received if sufficient matching dollars have been spent by the City at the rate of \$1 City to secure \$2.55 GSIA. The proposed City TIF contribution of \$10.5 Million is multiplied by 2.55 to determine the amount of GSIA that can be secured from that \$10.5 million matching contribution which is \$26.775 Million. In the early years of the DMC initiative, the City expenditures will result in excess credits towards future State GSIA payments until the capital investments catch up. Those excess credits will carry forward for later years of the DMC initiative.

4. Summary of the Proposed Project.

- a. Rochester-Olmsted Planning Staff Report: “The applicant is proposing a mixed-use development consisting of commercial/office areas, a mixture of residential housing options and the parking facility. The commercial/office areas are located along 2nd St. Southwest on the first and second floors. The residential housing consists of 347 units broken into two general categories. The first is a 13 level L-shaped residential tower running along 2nd St., Southwest and 14th Ave. Southwest. The second type of residential housing units are townhomes/walk up units that front on 14th Ave. Southwest, 15th Ave. Southwest and in the alley between 14th and 15th Ave. Southwest. The parking facility consists of 560 parking stalls with four levels of parking, one underground and three above ground.”
- b. From the developer submissions: “Alatus’ vision for the proposed project is to create a transit-oriented residential mixed-use development located in close proximity to downtown Rochester and adjacent to Mayo’s St. Mary’s campus.” “The project will consist of 347 market rate luxury apartment units, 560 enclosed parking stalls, and a best in class resident amenity package. In addition, approximately 21,000 sq. ft. of retail and office space will extend along the 2nd Street corridor along with high quality landscaping to highlight a welcoming pedestrian experience.”
- c. Transportation and Parking. As with all other projects within the City, the transportation and parking impacts were evaluated by the City Public Works Department and Planning Department Transportation Planning staff. A Traffic Impact Report was required to be prepared for the project by the developer’s consultant. The report was reviewed, recommended for revision, and subsequently approved as revised. Significant changes included a reduction in the originally proposed parking of 883 spaces to 560 parking spaces. The original proposal included parking that was to be made available for contracted private parking for off-site users. Those spaces for off-site parking were removed resulting in the reduced number of spaces. A concern of the City staff was that additional parking beyond the parking needed for the project itself would increase congestion on the east side of Highway 52 as well as on the on & off ramps at the Highway 52 interchange with 2nd St SW, and that the location may not be an appropriate location for such non-project related private parking. The reduced parking capacity is consistent with the DMC plan that calls for accommodating resident, customer, patient or visitor parking needs within the district, while the vast majority of employee needs are accommodated in lots outside the district and served by express shuttles or circulator service. The introduction of a significant number of peak hour commuters within the district boundary at a critical portal to downtown that is near capacity is not consistent with the plan. In addition, this reduction of the parking spaces addressed neighborhood concerns about increased traffic and traffic movements to the south on residential streets. Several other traffic and transportation improvements will also be required to be constructed as is stated in staff report on the Project that was reviewed by the City Planning and Zoning Commission on November 30, 2016 as follows:

Traffic and Transportation.

The applicant's submittal materials identify a number of modifications to the existing roadway network to accommodate the development of this project including:

- Additional ROW Dedication along 2nd Street SW
- Street Improvements along 15th Avenue SW to restrict vehicular traffic from exiting south on 15th Street SW
- Vacation of public Alley between 14th Avenue SW and 15th Avenue SW.

A Traffic Impact Report submitted with the Restricted Development Preliminary Plan has been accepted by the City of Rochester Public Works Department. The Traffic Impact Report identifies a number of recommended improvements to be completed prior to the project opening, including:

- Improvements & Modifications to 2nd Street SW.
- The applicant purposes to construct a temporary traffic signal at the intersection of 15th Avenue SW and 2nd Street SW.

The results and mitigation from the Traffic Impact Report reviewed and approved by the City of Rochester Public Works Department will be incorporated into the approval of the Conditional Use Permit – Restricted Development Final Plan for the Alatus 2nd Street Mixed Use Development Project.

The proposed project allows for the future implementation of the approved Official Map 19.

Respectfully Submitted,



Gary Neumann

Assistant City Administrator

To: DMMC Board of Directors

From: DMC EDA Staff

Date: Dec 9, 2016

Attached is the evaluation criteria for proposed DMC Development Projects, used to determine consistency with the DMC plan.

These criteria are being applied during our current review of the Titan/Opus (Urban on 1st) and Hammes (Heart of the City North) proposals. A brief description of each of these two projects is attached.

We anticipate that both projects will come before the DMCC Board for consideration in 2017.

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3.2 EVALUATION CRITERIA FOR PROJECTS

The Development Plan, together with any updates thereto, shall include a list of potential projects and recommended strategies to serve as a guideline for the DMCC Board and City Council in making investment decisions in accordance with detailed and uniform guidelines for expenditure of DMC Funds.

Within 30 days of receipt of a funding application and the required supporting documentation, the EDA shall prepare a report for the DMCC Board that assesses the compliance of a project and project funding request as compared to the approved projects and/or strategies incorporated in the Development Plan, including any updates thereto. The basis for this evaluation shall be the Evaluation Criteria outlined below. The EDA's evaluation shall be presented in the form of a staff report to the DMCC Board, which shall include a detailed assessment and ranking of a project's compliance with the specified criteria.

This report shall be provided to the DMCC Board members and shall be used for information purposes only. The DMCC Board may utilize any information to make its decisions including, but not limited to the EDA report, public comments, City/County information or other information. The City Council may choose to utilize the EDA's report at its own discretion in its approval process. All approvals will be reviewed and approved in accordance with the DMC Act and Project Agreements.

1. Is the project consistent with the DMC vision, goals and objectives? Is it critical to driving the strategies included in the Development Plan?

This Development Plan is a strategic framework to guide the DMC Initiative and direct public funds and incent private investments to accomplish certain specific goals and objectives and to realize the DMC vision. The following has been established to assist in the evaluation of projects against these critical elements of the structure:

- a. Is the project consistent with the stated DMC Goals & Objectives? (1 point for compliance with each objective, up to 11 points total)
 - Does the project meet one or more of the goals and objectives established approved for the Development Plan?
- b. Is the project consistent with the DMC Vision? (up to 5 points for each)
 - Is the project part of a bold and aspirational concept for the future?
 - Does the project fit with the principles of the vision?
 - Does the project provide a framework for growth in this sub-district?
- c. Does the project build infrastructure to support growth and drive investment? (Up to 5 points for each)
 - Would the investment occur without the public infrastructure to be funded?
 - Will the public funding accelerate private investment in the Development District or applicable sub-district?

- d. Does the project provide a catalyst for /or anchor for an approved strategy? (Up to 5 points for each)
 - Can the project reasonably be expected to catalyze or anchor development in one of the six sub-districts?
 - Can the project reasonably be expected to catalyze necessary transportation/transit strategies?

2. Is the project consistent with the Development Plan (and any updates thereto) and other relevant planning documents?

The Development Plan includes a Master Plan (Section 6.0), Transportation Plan (Section 7.0) and Infrastructure Plan (Section 8.0) establishing a planning framework for the project. The Development Plan also includes Finance Plan, Business Development Plan and Implementation Strategies that serve as the business and finance framework of this Development Plan. The Development Plan also conforms to the general plan for the development of the City and conforms to specific City planning documents. The specific questions to be explored include:

- a. Is the project consistent with the DMC Planning Documents? (up to 5 points for each)
 - Is the project consistent with the adopted DMC Master Plan, Transportation Master Plan and/or Infrastructure Master Plan?
 - Is the project consistent and/or supportive of the Finance Plan, Business Development Plan and other Implementation strategies of the DMC?
- b. Is the project consistent with the City/County Planning Documents? (up to 5 points for each)
 - Is the project consistent with the RDMP Plan or City Comprehensive Plan?
 - If a Transit/Transportation project, is the project consistent with the ROCOG long-range Transportation Plan?

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

The Development Plan outlines projects and strategies that are recommended as the focus in each phase of the DMC Initiative. These recommendations and the list of anticipated projects shall be reaffirmed and/or updated each year in the DMC-CIP that is incorporated as part of the DMC's annual budget process and as necessitated by private investment in the Development District. Criteria will include:

- a. Is the project part of an approved strategy and current focus? (Up to 5 points for each question)
 - Is the project outlined as an approved strategy for the project within the Development Plan?
 - Is the project recommended as a focus for the particular phase of the project in the Development Plan?
- b. Is the project consistent with the DMC-CIP? (2 points for each)
 - If public, is the project specifically listed in the DMC-CIP? Or is the project necessary to facilitate a DMC related strategy?
 - If private, is the project otherwise compatible with the planned public improvements in the DMC-CIP?

4. Is the project financially viable?

Projects are required to provide a preliminary finance plan with their applications. The information that will be required includes:

- a. Project Summary (e.g. Concepts, Detailed Program, Project Team, etc.)
- b. Total Project Budget
- c. Sources of Funding, demonstrating a verifiable gap that justifies DMC Funding
- d. Project Operating Pro Forma
- e. A Project Plan and/or Market Study supporting the demand/need for the project
- f. Demonstration of financial capacity to support the project
- g. A plan for achieving M/WBE Project Requirements and other party requirements, as applicable
- h. Agreement to execute the DMC Development Agreement, the terms of which shall be provided in form to all applicants
 - Agreements will include requirements of the DMC Act (e.g. American Made Steel, MBE/WBE Construction Targets)

The project-specific finance plan will be evaluated based upon the following criteria (up to 5 points each)

- Is the project supported by current market conditions and comprehensive feasibility studies?
- Does the project leverage additional private funds, maximizing the use of DMC Funds?
- Is the preliminary project finance plan comprehensive and viable based upon Project Team and financial capacity?
- Is there a verifiable gap for funding based upon a reasonable return on private investment?
- Is the proposed operating structure sustainable?
- Has the project applicant agreed to the DMC Development Agreement?

Proposed Development Summary: Titan/OPUS, Urban on 1st.



Project Summary

- Discovery Square Subdistrict
- Approximately 238,717 square feet, six story commercial and residential complex (9,000 square feet allocated for retail)
- Project total cost estimate is \$38 million
- Requested TIF amount in application is \$4 million
- Includes 156 market rate apartment (studio, 1 & 2 bedroom) units with commercial space on the street level
- 156 Parking spaces (1 per unit)

Titan/OPUS presented the development proposal to the DMCC board in October 2016 and will present to the Planning and Zoning Commission on December 14.



Proposed Development Summary: Hammes Heart of the City North



Project Summary

- Central Station Subdistrict
- Approximately 392,750 square feet, sixteen story hotel and residential complex (10,000 square feet allocated for retail)
- Project total cost estimate is \$98.4 million
- Requested TIF amount in application is \$12 million
- Includes 120 market rate apartments and 200 hotel units with commercial space on the street level
- 317 Parking spaces
- Historic Preservations components

Hammes Co. has held various community meetings, has met with local historic preservation leaders, and will present to the Planning and Zoning Commission on December 14. Hammes Co. presented the development proposal to the DMCC board in October 2016.



Note: Example only. Actual design to be determined



Heart of the City Updates

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Chateau Theatre Reuse

To: DMCC Board of Directors
From: DMC EDA Staff
Date: December 9, 2016

Background:

In January 2016, the City of Rochester, with financial support from DMC and Mayo Clinic, purchased the historic Chateau Theatre on Rochester's Peace Plaza.

A community task force, chaired by Mayor Brede, was established. It was assembled to guide the study of reuse potential and strategies. A consulting team led by Miller Dunwiddie was retained. Its role was to assess market demand for a multi-use performing arts center, assess the physical structure and develop a renovation strategy, and recommend a business model and governance structure.

The consultant report, presented to the Task Force at its November 1, 2016 meeting, indicated the following:

- There is market gap in the existing facility inventory for a high quality, performance, film, and meeting and event space, particularly one with 600+ seats;
- Chateau should accommodate as many seats as possible and be designed to be extraordinarily flexible and functional;
- Should include excellent food and beverage options;
- It should be programmed throughout the day and for as many dates in a year as possible;
- Renovation hard costs (exclusive of soft costs) for the most robust build out is estimated to be in excess of \$21 million;
- Governance structure could include management by a City agency with support from a private foundation model;
- Staffing model would require seven full time staff, three part time staff, and numerous event staff on an as-needed basis;
- A version of a 5-year operating budget, assuming diverse earned income streams and significant contributed income (including annual city support), would achieve profitability by Year 3.

The Task Force advanced this report to the Rochester City Council. Its review raised questions about opportunities for connecting this project with adjacent redevelopment initiatives, sources of capital (beyond DMC), operating income assumptions, and governance/management models.

Staff from DMC EDA and City of Rochester will develop a strategy for next steps and project timetable.

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Heart of the City Public Realm

To: DMCC Board of Directors
From: DMC EDA Staff
Date: December 9, 2016

Background:

The design team, led by RSP Architects, was selected by the DMCC board and City Council in August and September, respectively to design the public space of the Heart of the City sub-district. A 14 member Community Advisory Committee, chaired by mayors Brede and Rybak, was established to guide the process.

The team is fully mobilized and has begun its research phase (80% complete) which will largely be completed in December or January. Meanwhile it is beginning to launch what it calls the Dream phase, where it will begin testing out ideas through prototyping and demonstration initiatives. An outline of their schedule with key milestones is attached.

The final product of this initiative is schematic designs, cost estimates, phasing and implementation recommendation, and operations and maintenance plan. This will be completed by June 2017.

Key findings to date:

- One size does not fit all
- Visitors expressed a need for connection to:
 - Nature
 - Quiet
 - Each Other
 - Conversation
 - Distraction
- Residents expressed a need for connection to:
 - Places: Access
 - Being included
 - Activity
 - Engagement
 - Belonging

What's next:

- Research Phase (Discover):
 - Completion of Research/Data Gathering
 - Research Synthesis
 - Review with Research Advisory Committee
 - Final Research Presentation

- Dream and Design Phase:
 - Define the Study Area
 - Explore Existing Conditions
 - Discuss Precedent Studies
 - Present Revised Workplan for Dream + Design

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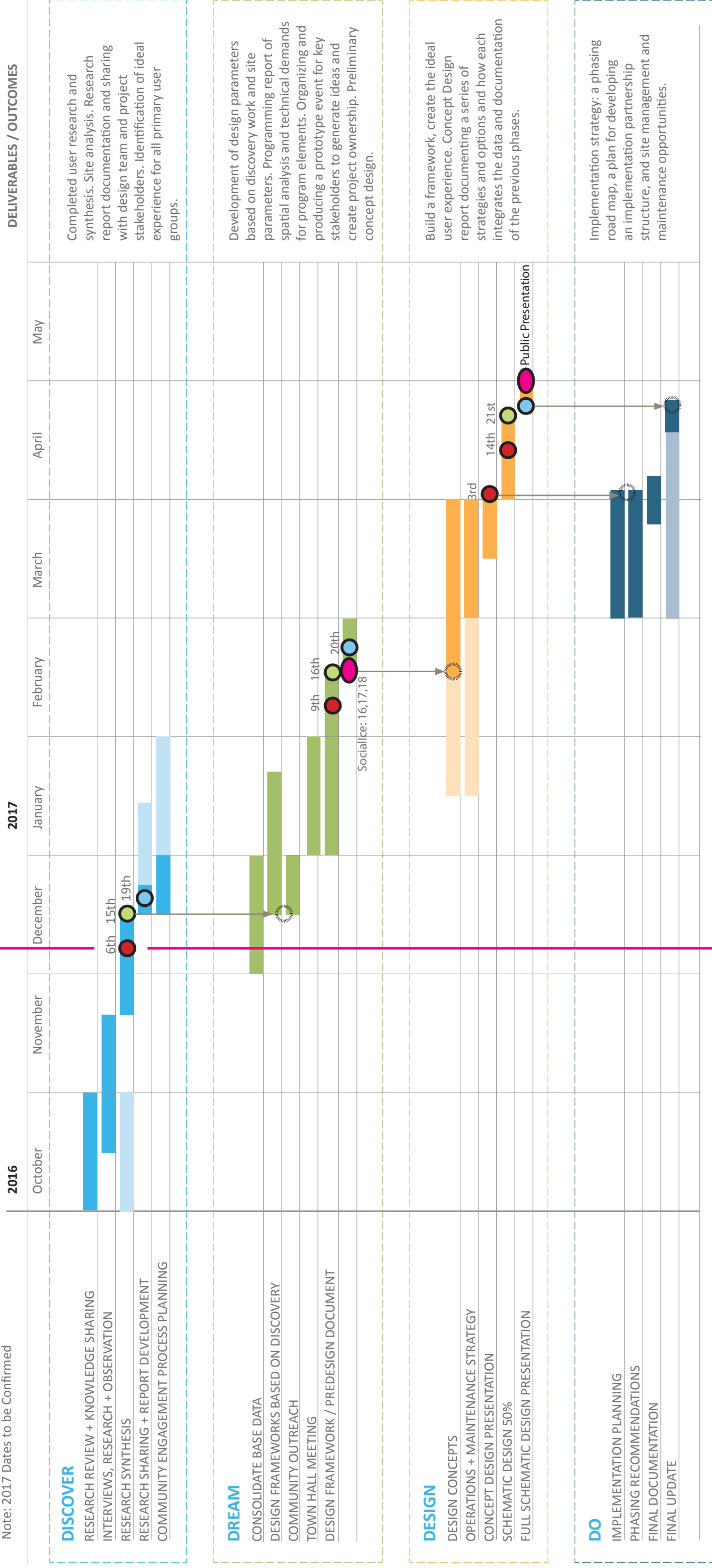
WORK PLAN: DREAM + DESIGN

WE ARE HERE

MILESTONE MEETINGS

- City Council, Committee of the Whole - Each Monday @ 3:30 PM
- DMCC - 3rd or 4th Thursday before 12:00 PM, Bi-Monthly
- HoC CAC - (1) Week Prior to DMCC Board Meetings, and as Needed

Note: 2017 Dates to be Confirmed



HEART OF THE CITY DESIGN TEAM

RSP + Coen+Partners + 9. Square + HR&A Advisors + Kimley-Horn

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St Marys Place

To: DMCC Board of Directors
From: DMC EDA Staff
Date: December 9, 2016

Background:

The public design process initiated for the St. Marys Place sub-district public realm continues to move forward. Following data collection, including a site visit to the Twin Cities, the design team led a process called a Design Sprint. This is an accelerated and in-depth engagement and design process to illustrate ideas and preliminary concepts to test out with the community.

Following the results of this phase, three concepts were developed for community feedback. Feedback data were collected using on-line surveys (650 responses); intercept surveys (150); open houses (150+ attendees); prototype demonstration project (75 participants); and an independent survey by Post Bulletin regarding subway connection (11,000 responses).

Eight key features emerged that may find their way into a final design concept:

1. A single North South subway with dramatic public access courtyards;
2. Weather protection arcade system at street level;
3. Frequent pedestrian crossings at street level;
4. Wide sidewalks and four traffic (or transit) lanes;
5. North south greenway to Kutzky Park and Historic Southwest Neighborhood;
6. Strengthen 1st Street bicycle corridor;
7. Prominent transit nodes at key locations;
8. Create gateway features and neighborhood identity.

Other ideas such as mid-block connections, restoring the alley system, activating the front lawn of St. Marys Place, turning 12th Avenue into a pedestrian plaza, and a more extensive subway system were also proposed.

Next Steps:

- Initiate prototyping/temporary demonstrations of project ideas;
- Incorporate feedback and study findings into a final concept for public consideration in Q1, 2017.

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TO: Jim Bier, Treasurer
Kathleen Lamb, Attorney

FR: Dale Martinson, Assistant Treasurer

Date: December 7, 2016

RE: November 2016 Financial Budget Summary



The attached summary for November 2016 reflects expenditures to date totaling \$1,631,939 of the 2016 budget of \$4,260,812. The total remaining 2016 budget of \$2,628,873 represents 62% of the original budget remaining with 1 months (8%) of the year remaining.

In the DMCC direct costs section, the \$76,047 of expenditures in November was primarily building rent, legal and insurance costs.

The second page of this summary now reflects DMCC approved CIP project costs that are being implemented by the City. Total capital expenditures of \$8,040,472 primarily represents the Chateau Theater purchase as well as the various transit studies underway. There is also a \$62,524 expenditure for Heart of the City, a new project listing for this month.

The DMC EDA costs are billed both through Master Application for Payments (MAPs) for outside contractors and through working capital loan advances for the EDA payroll and other operational expenses. DMC EDA Payroll and Operational expenses paid through July amounted to \$561,842 with contract payments through the MAP process totaling \$824,901. Details of those contract payments including remaining contract commitments can be found on the third through fifth pages of the summary as provided by the DMC EDA.

An additional working capital loan request for operational expenses was submitted in December for November expenses in the amount of \$20,273. These costs are not reflected in the totals of the November report totals.

Please feel free to contact me with any questions or concerns.

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Destination Medical Center Corporation
 Financial Budget Summary
 November 2016

	2016 Approved Approved Budget	Current Month Nov 2016	Nov 2016 YTD	Amount Remaining	Percent Remaining
DMCC Board Expenses	36,612		573	36,039	98%
General Administrative Services	180,600	30,518	63,081	117,519	65%
Professional Services	780,600	45,529	183,346	597,254	77%
City Expenses	275,000	-	-	275,000	100%
Subtotal DMCC	1,272,812	76,047	247,000	1,025,812	81%
Third Party Costs - DMC EDA *					
Payroll, Staff, Administration & Benefits-EDA	777,000	73,411	561,842	215,158	28%
DMC EDA Operational Costs	163,000		26,376	136,624	84%
Economic Development Outreach & Support	495,000	3,522	49,162	445,838	90%
Professional Services	1,148,000	66,617	674,640	473,360	41%
Miscellaneous Expenses	405,000		72,920	332,080	82%
Subtotal EDA	2,988,000	143,550	1,384,940	1,603,060	54%
Total DMCC 2016	4,260,812	219,597	1,631,939	2,628,873	62%
* Note: An additional EDA Operations request for November Expenses totalling \$20,273.02 outstanding as of 11/30/2016 to be paid in December.					
		DMCC	Working Capital Note	1,000	
		EDA	Working Capital Note	50,000	

**DMCC Authorized CIP Projects
Managed by the City of Rochester**

As of November 30, 2016

DMCC Project	DMCC Project Revenues	DMCC Project Expenditures to Date	DMCC Project Budget
8611C-- Sn/S12AvSW/NW<2StSW>2StNW		3,940.13	300,000.00
8612C-- VZmbrRvrSn/SRIfLin<CookPk>CCDr			200,000.00
8613C- - ChateauTheatrePre-OccupancyM&O	2,655.25	58,572.92	500,000.00
8614C-- DMCTransit&InfrastrctrPgrmMgmt	239,700.00	506,289.69	500,000.00
8617C-- Broadway @ Center Parking Ramp			10,500,000.00
8618C- - SharedParkingStudy&PrgmDevlpmnt		245,015.38	200,000.00
8620C-- City Loop Plan		152,342.80	200,000.00
8621C-- Transit Circulator Study	630,150.00	184,993.74	538,535.00
8623C- - DMCC Street Use Study	630,150.00	298,936.83	775,465.00
8624C- - ChateauTheatreBldgImprov/Purch	500,000.00	6,527,856.67	
8625C-- Heart of the City		62,523.50	
Totals	2,002,655.25	8,040,471.66	13,714,000.00

Master Application for Payment

Destination Medical Center Economic Development Agency

Master Application For Payment Detail: October 2016

11/1/2016

DMC EDA P&L Description	Vendor	Contract #	Previous Billings	Current Work in Place	Total Work to Date
EDA Staff Costs			\$ 1,803.15	\$ -	\$ 1,803.15
Payroll	Smart-Fill	NA	\$ 1,803.15	\$ -	\$ 1,803.15
EDA Operational Costs			\$ 26,375.62	\$ -	\$ 26,375.62
Website, Drafting, Hosting	Brandhoot	4043	\$ 24,924.00	\$ -	\$ 24,924.00
Website, Drafting, Hosting	Brandhoot	NA	\$ 210.00	\$ -	\$ 210.00
IT Hardware & Support	Data Smart	4044	\$ 1,241.62	\$ -	\$ 1,241.62
Econ Dev Outreach & Support			\$ 45,640.00	\$ 3,522.47	\$ 49,162.47
Conferences, Meetings, Travel & Sponsorships	AdvaMed 2016	NA	\$ 7,990.00	\$ -	\$ 7,990.00
Conferences, Meetings, Travel & Sponsorships	BioAM LLC	NA	\$ -	\$ 2,500.00	\$ 2,500.00
Conferences, Meetings, Travel & Sponsorships	DEED	NA	\$ 5,000.00	\$ -	\$ 5,000.00
Outreach, Print & Collateral	Fuse Digital	4042	\$ 2,025.00	\$ -	\$ 2,025.00
Outreach, Print & Collateral	Journal Communications	NA	\$ 8,755.00	\$ -	\$ 8,755.00
Conferences, Meetings, Travel & Sponsorships	Mayo Civic Center	NA	\$ -	\$ 522.47	\$ 522.47
Conferences, Meetings, Travel & Sponsorships	Minnesota Chamber of Commerce Exec	NA	\$ 15,445.00	\$ -	\$ 15,445.00
Conferences, Meetings, Travel & Sponsorships	RCTC	NA	\$ 600.00	\$ -	\$ 600.00
Conferences, Meetings, Travel & Sponsorships	Rochester Area Chamber of Commerce	NA	\$ 4,250.00	\$ -	\$ 4,250.00
Conferences, Meetings, Travel & Sponsorships	Rochester Area Economic Development, Inc	NA	\$ -	\$ 500.00	\$ 500.00
Conferences, Meetings, Travel & Sponsorships	Rochester City Lines	NA	\$ 700.00	\$ -	\$ 700.00
Conferences, Meetings, Travel & Sponsorships	Rochester Downtown Alliance	NA	\$ 750.00	\$ -	\$ 750.00
Conferences, Meetings, Travel & Sponsorships	Rochester Trolley & Tour Company	NA	\$ 125.00	\$ -	\$ 125.00
Professional Services			\$ 608,022.95	\$ 66,616.97	\$ 674,639.92
Other Contracting Services	Brandhoot	4016	\$ 10,031.52	\$ 8,580.00	\$ 18,611.52
Other Contracting Services	Catharine Jones	4058	\$ 7,560.00	\$ -	\$ 7,560.00
Marketing Communications & Advertising	Clarity Coverdale Fury (CCF)	4052	\$ 106,755.00	\$ -	\$ 106,755.00
Marketing Communications & Advertising	Clarity Coverdale Fury (CCF)	NA	\$ 77,800.00	\$ 17,210.00	\$ 95,010.00
Marketing Communications & Advertising	Post Bulletin	NA	\$ 610.00	\$ 2,832.40	\$ 3,442.40
Marketing Communications & Advertising	Timothy J. Griffin	NA	\$ -	\$ 5,826.60	\$ 5,826.60
Marketing Communications & Advertising	Townsquare Media Rochester	NA	\$ -	\$ 960.00	\$ 960.00
Marketing Communications & Advertising	White Space LLC	NA	\$ 1,500.00	\$ -	\$ 1,500.00
Financial Reporting Services	CliftonLarsonAllen	NA	\$ 2,950.00	\$ -	\$ 2,950.00
Financial Reporting Services	Lund Tax & Accounting	NA	\$ 4,777.50	\$ 1,580.00	\$ 6,357.50

MAP for undisputed labor, services, or materials

Master Application for Payment
Destination Medical Center Economic Development Agency

Master Application For Payment Detail: October 2016		11/1/2016	
Other Contracting Services	Deluxe	\$ 643.02	\$ 643.02
Other Contracting Services	EJ Photography	\$ 350.00	\$ 350.00
Other Contracting Services	Eric Anderson	\$ 1,120.00	\$ 1,120.00
Other Contracting Services	Gina Osmond	\$ 1,312.50	\$ 1,312.50
Other Contracting Services	Himle Rapp	\$ 125,854.04	\$ 11,765.20
Other Contracting Services	Imagebridge Design	\$ 25,080.00	\$ 25,080.00
Other Contracting Services	Inspire MN, LLC	\$ 67,938.00	\$ 6,457.50
Other Contracting Services	Knowble LLC	\$ 6,800.00	\$ 6,800.00
Other Contracting Services	Majestic Tents & Events	\$ 1,538.94	\$ 329.02
Other Contracting Services	MarketaBelle	\$ 20,328.00	\$ 20,328.00
Other Contracting Services	Mayo Clinic	\$ 10,031.04	\$ 10,031.04
Other Contracting Services	Medical Alley	\$ 2,325.00	\$ 2,325.00
Other Contracting Services	Michael Best	\$ 200.00	\$ 200.00
Other Contracting Services	Midwest Signtech of Rochester LLC	\$ 52.86	\$ 52.86
Other Contracting Services	Momentum	\$ 2,600.00	\$ 2,600.00
Other Contracting Services	Nelsen BioMedical	\$ 53,713.95	\$ 10,000.00
Other Contracting Services	Nelson Nygaard	\$ 1,235.00	\$ 1,235.00
Other Contracting Services	Our City	\$ 16,260.00	\$ 16,260.00
Other Contracting Services	Riggott Creative Inc	\$ -	\$ 1,076.25
Other Contracting Services	St Paul River Front Corporation	\$ 8,056.58	\$ 8,056.58
Other Contracting Services	Terra Eclipse, Inc.	\$ 21,600.00	\$ 21,600.00
Other Contracting Services	Wilder Research	\$ 16,500.00	\$ 16,500.00
Other Contracting Services	University of Minnesota	\$ 12,500.00	\$ 12,500.00
Miscellaneous Costs			
Insurance & Taxes	Aon Risk Services	\$ 72,920.10	\$ 72,920.10
		\$ 72,920.10	\$ 72,920.10
Project Total		\$ 754,761.82	\$ 70,139.44
			\$ 824,901.26

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. __-2016

Approving the 2017 DMCC Board Regular Meeting Schedule

BACKGROUND RECITALS

The Minnesota Open Meeting Law provides that a schedule of the regular meetings of a public body shall be kept on file at its primary office. If a public body decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided for a special meeting.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation (“DMCC”) Board of Directors that the schedule of regular meetings for 2017 is set forth below. The meetings will begin at 9:30 a.m., and the location will be at the Mayo Civic Center. The Secretary is directed to post the 2017 schedule on the website and to post notification by such other means as she determines necessary and appropriate.

<u>Date</u>	<u>Time</u>	<u>Mayo Civic Center</u>
Thursday, January 26, 2017	9:30 a.m.	Mayo Civic Center
Thursday, April 27, 2017	9:30 a.m.	Mayo Civic Center
Thursday, July 27, 2017	9:30 a.m.	Mayo Civic Center
Thursday, November 2, 2017	9:30 a.m.	Mayo Civic Center

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November 2016

**Monthly Report
Destination Medical Center
Economic Development Agency**

Dear Board Members,

On behalf of the Destination Medical Center Economic Development Agency (DMC EDA), I am pleased to provide you with the DMC EDA November 2016 monthly report. This month's activities are a culmination of the important work in partnership with key stakeholders that has continued to progress throughout the year and are aligned with our strategic goals for the 2016 workplan.

DMC continues to partner with the City of Rochester to create a process to ensure thorough review and approval of sustainable projects, consistent with the DMC Development Plan.

The opportunity for investment in the DMC District continues to gain momentum as evidenced by some very key projects including the Alatus project in St. Marys Place, the Titan Development/Opus project in Discovery Square, and the Heart of the City North project in Heart of the City. We have businesses opening in downtown and we have had developments like 501 on First open their doors welcoming tenants as well as a new restaurant serving the needs for housing and high quality experiences in downtown Rochester.

The strategy plan for Discovery Square is being finalized and we continue to foster relationships with existing and start-up businesses and life science industry experts who are intently interested in the opportunities ahead for this first-of-its-kind urban research campus.

In Heart of the City, DMC is working with architects and advisors to plan public spaces that are welcoming and display Rochester's true personality and economic growth opportunities.

Concepts designs are underway in St. Marys Place for creating a walkable, active commercial district north of Second Street, enhancing connections to neighborhoods, improving traffic flow, and ensuring a safe, comfortable pedestrian environment.

The City of Rochester is conducting four integrated transit studies to refine the concepts identified in the DMC Plan: Downtown Transit and Circulator; Downtown Street Use; Parking and Travel Demand Management; City Loop Study. We are partnering with the City on key community engagement opportunities in 2017, where the public can share feedback on transit studies.

In closing, the business community, industry consultants and residents' opinions have always been welcome and solidifies our direction, our commitment to the needs of the community, and our efforts to drive economic impact in the region and the state.

It is a pleasure to provide you these monthly updates. Please contact me if you have questions on this report.

Sincerely,

Lisa Clarke
Executive Director, DMC/EDA

Page:

1	Economic Development
2	Active Projects in DMC District
5	Finance, Operations, and Patient & Visitor Experience
6	Communications Review
12	Major Tasks for Next 60 Days: November - December
13	Financials



Economic Development

- Alatus submitted a DMC Joint Funding application to DMC and City of Rochester on October 26, 2016. Application has been reviewed and a recommendation is under consideration by DMCC.
- Hammes Company has submitted a DMC Joint Funding application to DMC and City of Rochester on November 11, 2016. Staffs from both organizations are reviewing the application and will prepare a recommendation for DMCC consideration.
- Titan/OPUS has submitted a DMC Joint Funding application to DMC and City of Rochester on November 17, 2016. Staffs from both organizations are reviewing the application and will prepare a recommendation for DMCC consideration.
- Bloom has presented preliminary information regarding project design and public amenities. A formal submittal has not been received.
- Continued discussions with Mayo Clinic, M.A. Mortenson and other stakeholders regarding Discovery Square development.
- Chateau Theatre task force continues to explore the expansion of the physical space, financing, management/governance and business plans.
- Design process for the public realm of St. Marys Place sub-district continues. Three concepts resulted from the sessions held in September, the demonstration concepts were presented on social media and the DMC website for public feedback during the month of November. Planning and preparing for a Community Input Open House also took place.
- Partnered with The George F. Pougiales Trust to highlight The Lofts at Mayo Park development. Community leaders were invited on a hard hat tour of the project which offered the opportunity for an inside look. The 29 unit lofts are located in the DMC Waterfront Subdistrict and will begin leasing in 2017.
- Lead a DMC panel discussion at the 82nd Annual American Institute of Architects (AIA) Minnesota Convention & Exposition. An estimated 2,000 people attended the 2016 convention.
- The Heart of the City public space design process continues. RSP Architects continue discussions with the Community Advisory Committee, EDA staff and the City of Rochester while launching work in what the team calls the Discovery Phase.
- A successful Urban Prototyping initiative in September was completed and data was collected then analyzed. The final report was completed and shared with the community at the Art + Business=Innovation breakfast.
- Presented the proposed design standards for DMC District to key constituent audiences.

Active Projects in DMC District

Discovery Square



Development: **501 on First**
 Developer: **501 on First, LLC**
 Purpose: **Residential, Retail**
 Subdistrict: **Discovery Square**
 Location: **Fifth St. SW and Second Ave. SW**
 Status: **Under Construction**

Development: **Third Avenue Lofts**
 Developer: **The Urban Studio**
 Purpose: **Residential**
 Subdistrict: **Discovery Square**
 Location: **Third Ave. SW and Sixth St. SW**
 Status: **Proposed**



Development: **Titan-OPUS**
 Developer: **Titan Investments and OPUS Group**
 Purpose: **Residential**
 Subdistrict: **Discovery Square**
 Location: **Between First Ave. SW and Broadway Ave. S.**
 Status: **Proposed**

Development: **Discovery Square**
 Developer: **M.A. Mortenson and Mayo Clinic**
 Purpose: **Life science**
 Subdistrict: **Discovery Square**
 Location: **First Ave. SW**
 Status: **Proposed**



Downtown Waterfront



Development: **Associated Bank**
 Developer: **Bloom Properties**
 Purpose: **Office**
 Subdistrict: **Downtown Waterfront**
 Location: **Broadway Ave. S and Second St. SE**
 Status: **Under Renovation**

Development: **Broadway at Center**
 Developer: **Titan Investments**
 Purpose: **Hotel/Residential/Retail**
 Subdistrict: **Downtown Waterfront**
 Location: **Broadway Ave. S and Center St. E.**
 Status: **Proposed**



Development: **Bloom**
 Developer: **Bloom Properties and City of Rochester**
 Purpose: **Mixed-Use**
 Subdistrict: **Downtown Waterfront**
 Location: **Riverfront near Second St. SE and Broadway Ave. S**
 Status: **Proposed**

Active Projects in DMC District

Downtown
Waterfront

Central Station

Heart of the City

St Marys
Place

Development: **Flats on Fourth**
Developer: **Stencil Group**
Purpose: **Residential, Affordable Housing**
Subdistrict: **Downtown Waterfront**
Location: **Fourth St. and Third Ave. SE**
Status: **Under Construction**



Development: **Lofts at Mayo Park**
Developer: **Pougiales Trust properties**
Purpose: **Residential**
Subdistrict: **Downtown Waterfront**
Location: **Sixth Ave. SE**
Status: **Under Construction**

Development: **Heart of the City North**
Developer: **Hammes Company**
Purpose: **Hotel/Residential/Retail**
Subdistrict: **Central Station**
Location: **Center St. W. and First Ave. N.**
Status: **Proposed**



Development: **First Avenue Flats**
Developer: **Joseph Development**
Purpose: **Residential, Affordable Housing**
Subdistrict: **Central Station**
Location: **Civic Center Dr. and Broadway Ave. N.**
Status: **Under Construction**

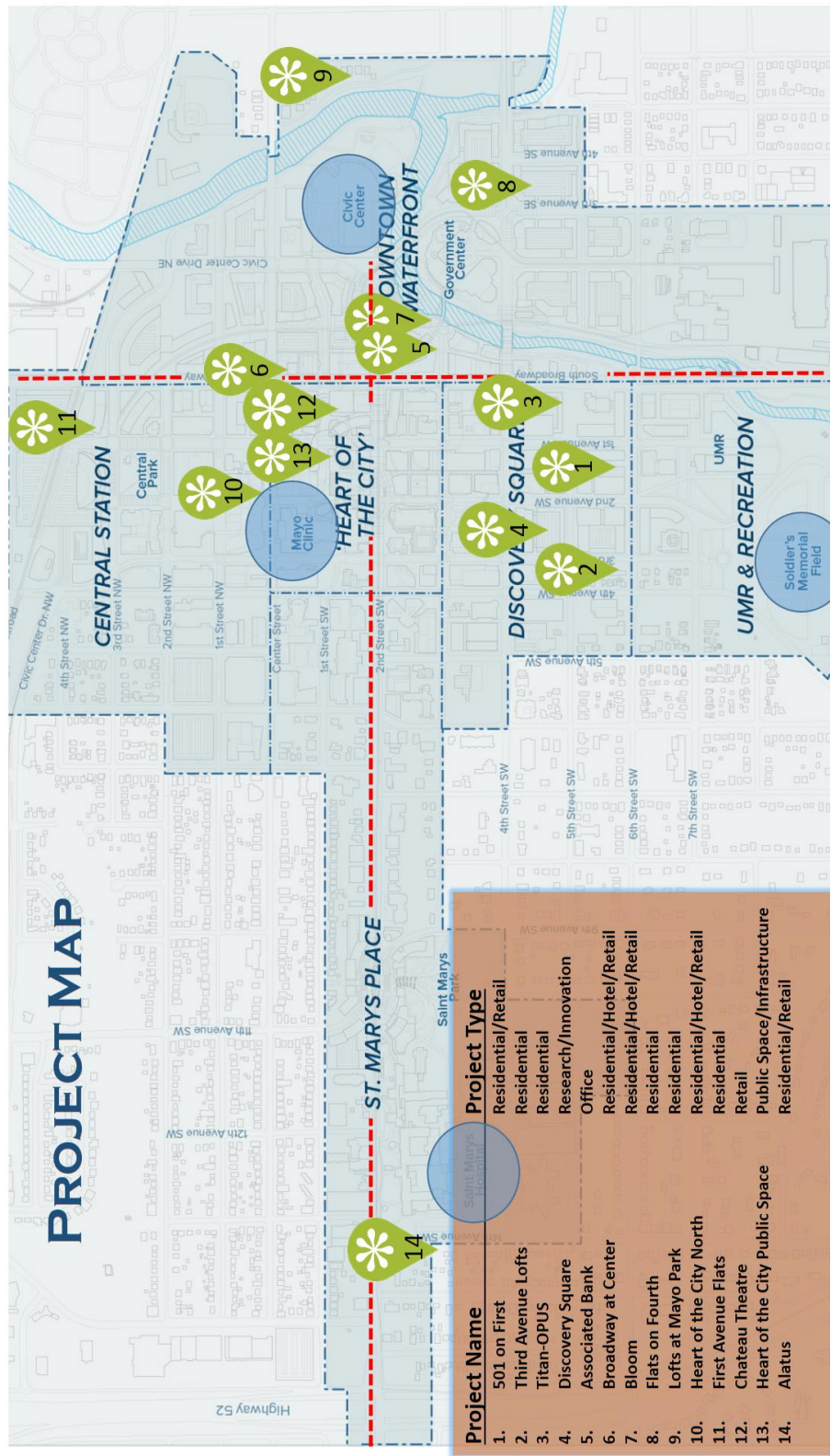
Development: **Chateau Theatre**
Developer: **City of Rochester**
Purpose: **TBD**
Subdistrict: **Heart of the City**
Location: **Peace Plaza**
Status: **Studies Underway**



Development: **Heart of the City Public Space**
Developer: **City of Rochester and RSP Architects**
Purpose: **Public Space**
Subdistrict: **Heart of the City**
Location: **Heart of the City**
Status: **Studies Underway**

Development: **Alatus Development**
Developer: **Alatus, LLC**
Purpose: **Residential, Retail**
Subdistrict: **Saint Marys Place**
Location: **Second St. SW and 14th Ave. SW**
Status: **Proposed**





Finance

- DMC EDA 2017 budget was approved by Rochester City Council.

Patient & Visitor Experience

- Project team continues technical and budget planning for wayfinding mobile application.
- Experience Accreditation- More businesses continue to enroll in this "one of a kind" program designed to enhance the patient, visitor and community member experience. Mayo Clinic, DMC and the RCVB continue to make this effort a priority. <http://www.rochestercvb.org/experience-accreditation/>



Communications and Marketing

- Developed video campaign to launch in 2017.
- Finalized concept to enhance web site for investors and developers.
- Activated digital media strategy through national and Minnesota business influencer publications.
- Received media coverage and social reach for key milestone events including open house at Lofts at Mayo Park tour, panel discussion at American Institute of Architects Annual Event, and ribbon cutting at 501 on First project.

Outreach and Community Engagement

- Reached cities in surrounding counties and beyond focused on driving economic development and building workforce opportunities in Minnesota:
 - Joined leadership from the region at Community and Economic Development Associates (CEDA) at their annual partnership recognition event in Red Wing, MN.
 - Hosted and participated in numerous events for Global Entrepreneurship Week including the screening in the DocuMntary – The Story of Tech in Minnesota and Recognizing Awarding Valuing Entrepreneurs (RAVE) recognition event.
- Strengthened collaborative partnerships with organizations focused on healthcare and innovation:
 - Presented to Leader Labs at Mayo Clinic and Honorary Consulate of Switzerland, Mayo Clinic Volunteer Group and the Charter House.
- Engaged with local leaders and higher education related to workforce opportunities:
 - Attended U of M Regents Dinner
 - Participated in Best practice tour of museums and experiential learning centers in Houston and Austin, TX and San Jose and San Francisco, CA.
 - Attended Corporate Diversity and Inclusion workshop lead by Augsburg College

Breadth... How many people are connecting with DMC on our social media channels?



Twitter:

Our followers have reached 3,102. On average, each tweet reached 1,177 people.



LinkedIn:

We started our company page in July 2016, and we now have 43 followers.



Facebook:

Our fan base grew 7.89 percent to 4,690. On average, we reached 23,319 people per post in November.



YouTube:

We have more than 7,750 views of our videos.



Instagram:

Our fan base grew 2.8 percent during the past month to 475.

Breadth and Engagement... How are people are connecting with DMC via our newsletter?

Newsletter – November Issue 1: 10.14.16 – Regular Edition: Transportation Planning | I2R | Discovery Square

- The issue was delivered to 1,937 readers (99.3% successful deliveries)
- It was opened by 690 users (35.9% - industry average is 22.8%)
- 219 people clicked on one or more of the links (11.4% - industry average is 2.3%)

Top links clicked:

1. Post: [Transportation studies: Advancing the DMC vision](#)
2. Post: [Timeline for physical Discovery Square taking shape](#)
3. Post: [Investors and Innovators Day attracts regional and national experts to Rochester](#)
4. Link: [Rail proposal gets boost from DMC leader](#)
5. Link: [Noseworthy: Mayo Clinic on schedule to meet DMC development targets](#)

Newsletter – November Issue 2: 10.28.16 – Special Edition: St Marys Place Design Sprint Input

- The issue was delivered to 1,936 readers (99.5% successful deliveries)
- It was opened by 661 users (34.3% - industry average is 22.8%)
- 210 people clicked on one or more of the links (10.9% - industry average is 2.3%)

Top links clicked:

1. PDF: [St Marys Place Concept A](#)
2. Post: [DMC seeks community input in next steps for St Marys Place and 2nd Street](#)
3. Post: [St Marys Place Concept C](#)
4. Post: [St Marys Place Concept B](#)
5. Post: [Progress continues in the St Marys Place sub-district](#)



Direct Engagement... What content did people interact with on [Twitter](#)?

1



Twitter: Nov 16 – “Vue-Up! Congrats to GoRout on the latest in sports technology. Changing the look of football forever.

[#perfectyourgame](#) [#GEW2016](#)
[#dmcmn](#)
pic.twitter.com/029NoRxQVQ”

- Seen by users 2,100 times
- 107 people interacted with the tweet (liked, retweeted, clicked, followed, or replied)

2



Twitter: Nov 1 – “A sneak peek at the Lofts at Mayo Park. Housing project in the DMC Waterfront District. Room with a great view!

pic.twitter.com/KNpzOjlbv”

- Seen by users 1,900 times
- 153 people interacted with the tweet (liked, retweeted, clicked, followed, or replied)

3



Twitter: Nov 27 – “Great opportunity with Minnesota's largest economic development initiative - Finance Director position open at DMC.

[http://dmc.mn/employment-opportunities/ ...](http://dmc.mn/employment-opportunities/...)”

- Seen by users 1,196 times
- 22 people interacted with the tweet (liked, retweeted, clicked, followed, or replied)

facebook

Direct Engagement... What content did people interact with on [Facebook](#)?

1



Facebook: Nov 11 – Event:
“It’s Global Entrepreneurship Week in Rochester! Are you registered yet? Read on to learn more about the multitude of events planned to get you engaged and excited about the impact of startups in our community.”



- Seen by 203,195 users
- 2,033 people reacted, commented, and/or shared the post

2



Facebook: Nov 18 – Photo:
“Help us welcome 501 on 1st to downtown Rochester! Congratulations!”

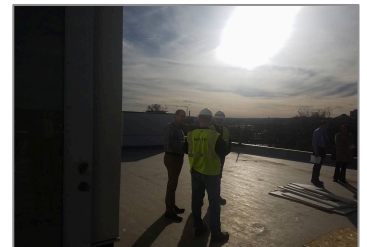


- Seen by 1,777 users
- 30 people reacted, commented, and/or shared the post

3



Facebook: Nov 1 – Photo:
“Beautiful Day to tour Lofts at Mayo Park in the DMC Waterfront District. Opening in January.
[#DMCMN#Progress](#)”



- Seen by 1,632 users
- 2 people reacted, commented, and/or shared the post

Blog

Direct Engagement... What content did people interact with on the dmc.mn blog?

DMC.MN Blog:

- The blog's landing page was visited 518 times in November.
 - 372 of those views were by unique visitors.
- The average read time on the blog's landing page was 01:15.

Top blog posts clicked:

1. [Celebrating entrepreneurs and inspiring innovation](#) (Nov 11)
The page was viewed by 1,028 unique visitors with an average read time of 02:30.
2. [An Incredible View: Lofts at Mayo Park in the Downtown Waterfront sub-district](#) (Nov 15)
The page was viewed by 268 unique visitors with an average read time of 01:27.
3. [How you can help the Mayo Civic Center be the Center of it all](#) (Nov 15)
The page was viewed by 144 unique visitors with an average read time of 02:10.
4. [Mark your calendar for Global Entrepreneurship Week](#) (Nov 11)
The page was viewed by 82 unique visitors with an average read time of 01:58.

IN THE NEWS

Public Relations... What content generated media attention?

DMC in the News:

- There have been 754 DMC-related stories so far in 2016 with an average of 69 stories per month.
- A total of 37 stories appeared in traditional media outlets during November news coverage included Chateau Theatre renovation, the election (including candidate spotlights and results), and the Uber vote.

November Highlights:

November 1 – ABC 6 News, Rochester, MN

[New Apartment Complex Opening in Rochester's Waterfront District](#) (Development)

November 2 – Rochester Post-Bulletin, Rochester, MN

[Chateau Theatre renovation plan to go to city council](#) (Development)

November 9 – Rochester Post-Bulletin, Rochester, MN

[Johnson newest Rochester council member](#) (Mention)

November 9 – Rochester Post-Bulletin, Rochester, MN

[Staver tops Allen for council president](#) (Mention)

November 10 – Rochester Post-Bulletin, Rochester, MN

[Riverwalk apartment project progresses](#) (Mention)

November 14 – ABC 6 News, Rochester, MN

[Global Entrepreneur Week Kicks off in Rochester](#) (Mention)

November 22 – MPR News, St. Paul, MN

[Rochester council deadlocks on vote to allow Uber](#) (Mention)

November 25 – Finance & Commerce, Minneapolis, MN

[Pipeline pitched to fuel Rochester growth](#) (Development)

Major Tasks for Next 60 Days

- Assist three major development projects in advancing their project proposals for consideration by DMCC board and City of Rochester in December 2016 or January 2017;
- Implement marketing plan and develop marketing assets for 2017 workplan; Incorporate enhancements to the DMC website in support of 2017 marketing campaign;
- Coordinate a January 2017 community engagement event with City of Rochester and SRF Consulting, highlighting the progress of the four transit studies.
- Complete Saint Marys Place public realm design process;
- Advance Heart of the City design, with anticipated presentation to DMCC board in January;
- Advance Chateau Theatre reuse and business/governance model in anticipation of a presentation to DMCC board in January;
- Finalize recruitment and begin onboarding of the Energy and Sustainability Manager at the EDA office.



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Prototyping Festival

To: DMCC Board of Directors
From: EDA Staff
Date: December 9, 2016

Background:

DMC successfully executed PlaceMakers | Rochester Prototyping Festival in partnership with Rochester Downtown Alliance and Rochester Art Center created high levels of engagement and extensive visitation on the DMC, RDA and RAC communication platforms (Facebook, Twitter, Instagram, etc.) with more than 5,000 participants. Twenty-three prototype proposals were submitted; 16 were selected for funding, development, and installation. Over 100 local and out of town individuals ranging from youth to professionals worked together to make up the 16 selected teams.

This activity reinforced the business strategy for prototyping which is a way of studying the impact of a project or methodology before investing in the generally high cost of final design and installation. This approach is being used in the urban environment to test out new and creative solutions to city building challenges.

On December 1, the Rochester Art Center hosted an Art + Business = Innovation breakfast where business leaders and supporters of the Rochester Art Center gathered to learn from the Makers on how their concepts have been embraced by the community and how these concepts can be applied.



Next Steps: DMC, RDA and RAC have completed the analysis report for prototyping and will be sharing that with the community to share best practices and to give the public a closer glimpse into the different ways a community can be transformed. The report will be available on the website of the 3 respective organizations.

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Energy Update

To: DMCC Board of Directors
From: EDA Staff
Date: December 9, 2016

Background:

With help from Center for Energy and Environment, McKnight Foundation, and the Energy Integration Committee, DMC developed a job description for our McKnight-funded Energy and Sustainability Manager position. The Energy Integration Committee includes representatives from the City of Rochester, Olmsted County, Mayo Clinic, Rochester Public Utilities, Minnesota Energy Resources Corp., and DMC EDA.

Next Steps:

Regularly scheduled calls with McKnight Foundation will continue to be held, and the Energy Integration Committee will continue to meet.

We have offered the position to a very qualified candidate who will begin in 1st quarter 2017 and will work out of the DMC EDA office reporting to Patrick Seeb.

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Design Guidelines

To: DMCC Board of Directors
From: DMC EDA Staff
Date: December 9, 2016

Background:

The City of Rochester contracted with the Metropolitan Design Center, University of Minnesota, to develop a set of urban design guidelines. Design Guidelines of this nature will assist developers and help their architects better understand the expectations the City has for project and public realm design. In other cities this has helped expedite the design and approval process so developers won't need to speculate about the community's expectations.

There were several public presentations of the guidelines during June, July, and August. On September 1, the Design Guidelines were presented to the City of Rochester Committee on Urban Design and Environment (CUDE), which offered significant constructive feedback.

Next Steps:

Following additional community input through public hearing process, the City Council may act to adopt the guidelines, either as advisory or as ordinance.

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CITY OF ROCHESTER INTEGRATED TRANSIT STUDIES: ADVANCING THE DMC VISION

WHAT DID THE DMC PLAN RECOMMEND FOR TRANSPORTATION?

The DMC Plan was developed with the goal of creating the highest quality employee, resident, patient, companion and visitor experience that will attract the new jobs, private investment and tax revenue needs to make Mayo Clinic and City of Rochester as the world's premiere medical destination center. Transportation and parking is a critical element of that vision; the DMC plan identified the need for over \$1.2 billion in potential transportation infrastructure investment including:

- A transit circulator to improve downtown transit service
- A coordinated system of downtown and remote parking facilities that addresses both short-term (1-4 hour) and long-term (8+ hour) daily parking needs
- A system of world-class streets that benefit all types of users, not just people in cars
- A safe and accessible, pedestrian and bicycle trail network designed for recreation and transportation

WHAT'S GOING ON IN 2017?

The DMC plan was not a blueprint but a concept for future development. The DMC plan was based on a high level assessment of conceptual needs and feasibility. The City of Rochester is conducting four **integrated transit studies** to refine the concepts identified in the DMC Plan, generate confidence in selected projects, and answer key questions that will allow the projects to advance to the design phase. Specifically, the integrated transit studies will:

- Explore how the DMC concepts can be built within public right of way with minimal impact to adjacent private property
- Determine the most cost-effective use of public dollars to realize the DMC's transportation vision
- Allow additional opportunity for public agencies, property owners, businesses and residents to participate in the development of alternatives to implement the DMC plan concepts
- Lay the ground work to seek federal funding for some of these projects

TRANSIT CIRCULATOR STUDY:

Evaluate potential types, locations and days/time of service for transit improvements to determine which will best serve current and future transit riders. Develop a plan for future transit operations and facilities and identify the most promising funding sources for implementation.

CITY LOOP STUDY:

Design and locate a high-amenity bicycle and pedestrian trail circling downtown that serves both a recreational use as well as a transportation option between Rochester neighborhoods and downtown.

PARKING AND TRANSPORTATION MANAGEMENT AUTHORITY (TMA) STUDY:

Evaluate the current parking supply against what will be needed in the future, while taking into account where new parking can be built to best serve downtown shoppers, diners, visitors, Mayo patients and other downtown employees. Identify strategies to reduce the need for additional parking and manage how people travel to, from and within the downtown.

STREET USE AND OPERATIONS STUDY:

Look at how streets in downtown currently function and determine what changes are necessary to enhance downtown character, while addressing the diverse needs of vehicles, transit, bikes and pedestrians.

WHAT'S THE TIMELINE? WHEN DOES THE PUBLIC GET TO WEIGH IN?

There will be four opportunities for public input during the studies, coordinated with key milestones in the study process. At each of these four checkpoints, there will be materials available through the city website (www.rochestermn.gov/integratedtransit) as well as presented at an open house for the public to review and provide comment on in-person or online. In addition, the city is reaching out to neighborhood groups, city advisory committees, business organizations and community groups throughout the process. (If your group is interested please contact Megan Moeller at 507-328-2436).

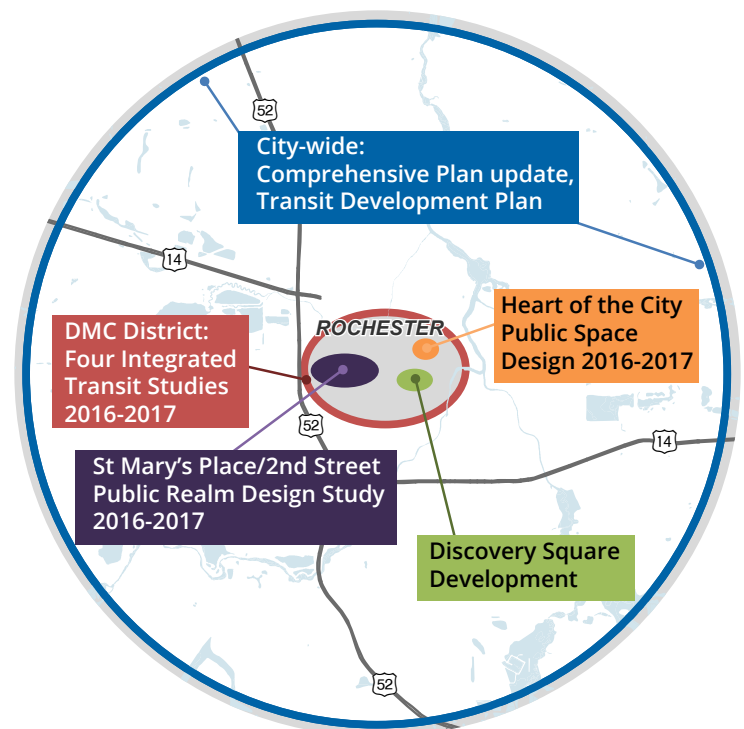
Public Input Opportunities

<p>January 24, 2017 4-8pm, 4th Floor of the UMR University Center:</p> <p>Provide your perspective on downtown transportation needs, potential concerns, and alternatives to be studied further</p>	<p>May 2017*</p> <p>Provide your feedback on the initial alternatives and which should be retained for final study</p>	<p>September 2017*</p> <p>Voice your opinion on which of these options should be selected</p>	<p>December 2017*</p> <p>Explore the preferred option, how/when the elements will be built and provide feedback</p>
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*Exact dates and locations are to be determined

HOW DOES THIS RELATE TO OTHER EFFORTS THAT ARE GOING ON?

Work is going on at many levels to plan for city-wide transportation needs as well as move forward on the DMC initiatives. These efforts vary in both the geographic area they cover as well as the level of detail for each study. The City of Rochester, Olmsted County and DMC leaders are coordinating efforts to ensure that information and public comments are shared, that plans are complementary, and that outcomes will result in the highest quality results for the community.



For further information contact:

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December 8, 2016
Mr. Richard Freese
City of Rochester
Program Manager

RE: TRANSPORTATION & INFRASTRUCTURE PROGRAM MANAGEMENT UPDATE

Dear Mr. Freese:

A brief summary of the recent Program Management activities for the months of October and November 2016 are as follows:

- Public Engagement Plan messaging with City / EDA staff
- Obtaining WMBE on-line tracking proposals
- RSP HoC coordination
- Munster Germany lessons learned presentation
- Drafting WMBE standard contract language and special provisions
- Advanced Program Management Plan documentation
- Conducted regularly scheduled coordination meetings with City, EDA, County, and Mayo Clinic

In regards to Project Activities, there are four integrated transit studies currently underway: these studies are:

- Transit Circulator Study
- Street / Operations Study
- Parking / TMA Study
- City Loop Study

Attached are summary reports for the month of November 2016, as well as individual studies progress reports from each study team, as received to date.

Each of these studies are on schedule, and are actively working towards presenting findings to the DMCC Board at the January 2017 meeting per the Milestone and Deliverables timeline.

Kenneth A. Holte
Program Manager
SRF Consulting Group, Inc.

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J8618 to J8623 Integrated Transit Studies Summary Progress Report

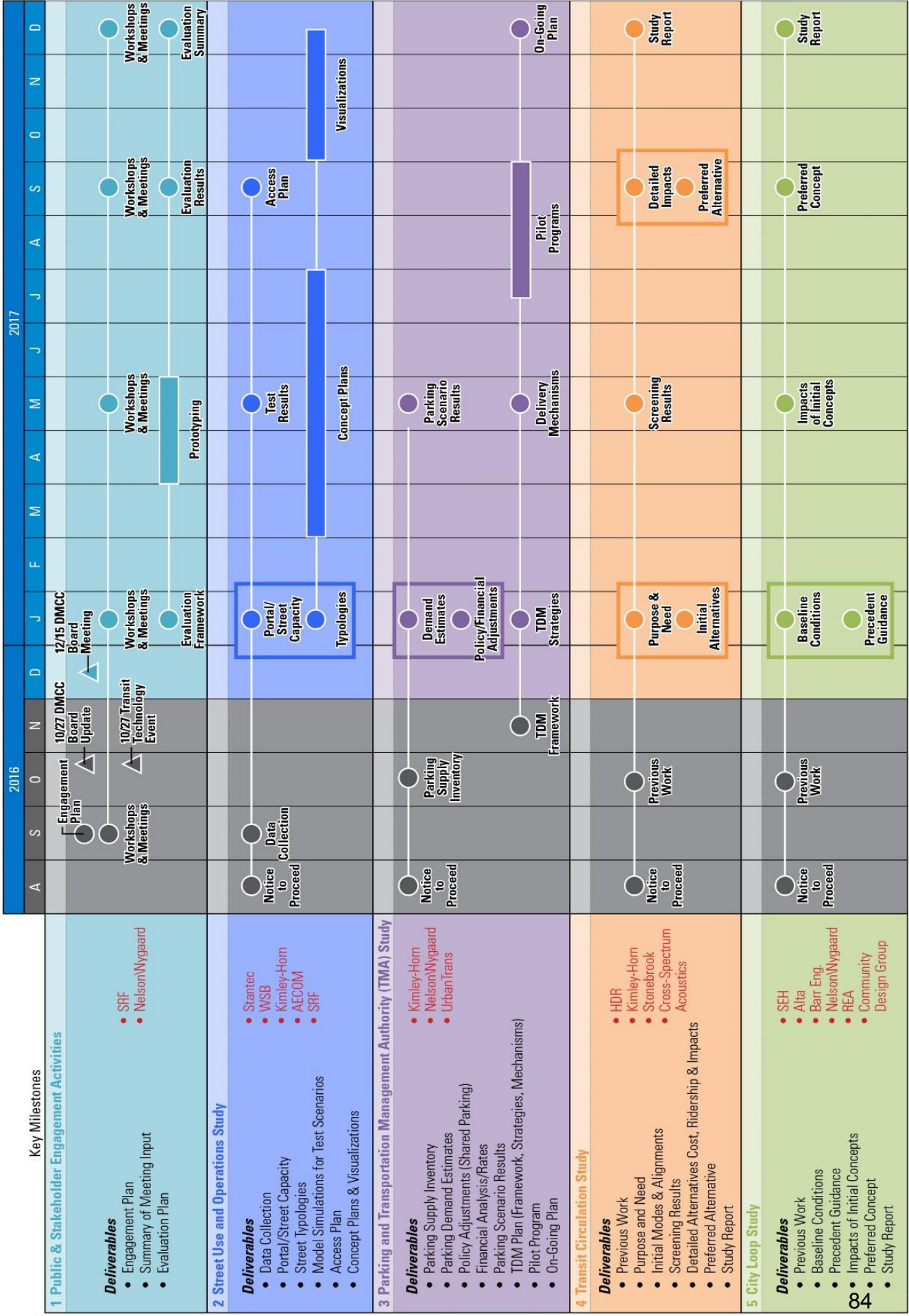
November 2016

1. Summary narrative of project status and work completed this period.
 - The four integrated Transit studies are fully underway with progress being made on many fronts. Initial focus is on clearly understanding intent of DMC development Plan, exchange of ideas amongst the technical teams to identify key areas of coordination and timing of analysis, and data review / updating.
2. Activities completed during the period
 - Data collection, background data research and project team conference calls
 - Portal Capacity
 - Develop methodology and approach for the portal capacity analysis.
 - Set up the methodology and analysis spreadsheets, including review of existing signal timings that were received from the city.
 - LOS Framework
 - Review of Nelson/Nygaard evaluation framework
 - Review of peer agency LOS criteria
 - Began base VISSIM model set-up of lane geometrics and signal timings.
 - Baseline data/forecasting call with SRF and Charlie Reiter on 11/14
 - Began utility coordination process
 - Submitted Request for Information (Parking Related) to the City of Rochester and Mayo Clinic
 - Review of initial RFI documents submitted by COR and Mayo Clinic
3. Products and deliverables generated during the period
 - In-person meetings with Tony Knauer and Michelle McDermott November 10 – 11
 - Submitted several requested documents and contact to COR and Mayo Clinic staff (see meeting notes for details)
 - Current Program Overview – City of Rochester Parking Program
 - Current Program Overview – Mayo Clinic Parking Program
 - Parking and Access Management Programs – Best Practices and Aspirational Cities Research Document
 - Developed “Parking Management and Design Best Practices Document”
 - Developed municipal parking policy geared toward supporting community and economic development
 - Developed “parking financial plan” template based on two examples from leading industry peers
 - Development of the Park+ GIS-based parking demand model
 - Nelson Nygaard has submitted a draft of their zoning and parking requirements to align with larger DMC program goals

4. Upcoming activities and next steps

- Coordination with SRF and ROCOG on baseline data and forecasting approach
- Complete portal capacity analysis and prepare materials for workshop
- Draft LOS criteria and prepare materials for workshop
- Utility coordination meetings
- Recommendation of parking ramp design guidelines
- Develop white paper on “Shared mobility” strategies
- Develop summary of “current development projects” and potential impacts on parking strategy
- Finalize DMC Evaluation framework
- Finalize baseline assumptions
- Build VISSIM pedestrian, bicycle, and street network for analysis of alternatives
- Conceptual Parking scenarios and TDM framework
- Draft transit purpose and need statement
- Develop mode alignments
- Parking design guidelines
- Shared mobility overview
- Current development opportunities
- Align zoning and parking requirements with growth and mobility vision

Rochester Integrated Transit Studies - Milestones and Deliverables



Integrated Transit Studies Summary Report: Parking

Monthly Progress Report: September and October 2016

Submitted By: Thomas Brennan, Nelson Nygaard

Date: November 7, 2016

1. Activities completed during the period:

- Participated in Integrated Transportation Studies Coordination Meeting #1
- Prepared presentation materials for Integrated Transportation Studies Coordination Meeting #1
- Developed draft DMC Evaluation Framework
- Participated in Project Team conference calls

2. Products and deliverables generated during the period

- Draft DMC Evaluation Framework

3. Upcoming activities and next steps (up to 2 months out)

- Finalize DMC Evaluation Framework Memo

4. Deliverable Tracking:

Deliverable	Status	Expected Completion Date	Delivered Date
1. DMC Evaluation Framework	In Progress	11/20	N/A

Integrated Transit Studies Summary Report: Streets

Monthly Progress Report: (November 2016)

Submitted By: Kimley-Horn and Associates, Inc.

Date: November 15, 2016

1. Activities completed during the period

- Data collection, background data research and project team conference calls
- Portal Capacity
 - Met with SRF to discuss methodology and approach for the portal capacity analysis.
 - Set up the methodology and analysis spreadsheets, including review of existing signal timings that were received from the city.
- LOS Framework
 - Review of Nelson/Nygaard evaluation framework
 - Review of peer agency LOS criteria
- Other support activities:
 - Began base VISSIM model set-up of lane geometrics and signal timings.
 - Baseline data/forecasting call with SRF and Charlie Reiter on 11/14
- Utilities: Began utility coordination process

2. Products and deliverables generated during the period

- None

3. Upcoming activities and next steps (up to 2 months out)

- Coordination with SRF and ROCOG on baseline data and forecasting approach
- Bi-monthly Street Use team conference calls (call #1 on 11/16, call #2 on 12/1)
- Complete portal capacity analysis and prepare materials for workshop
- Draft LOS criteria and prepare materials for workshop
- Coordinate with SRF on base traffic model assumptions
- Continue to develop base VISSIM model as data is received
- Utility coordination meetings

4. Deliverable Tracking:

Deliverable	Status	Expected Completion
Existing data set and base models that meet the needs of the Transportation Simulation task.	In Progress	January 2017
Recommendations for each street use concept	Not Started	Summer 2017
Multimodal LOS evaluation framework technical memorandum	In Progress	January 2017
Multimodal LOS analysis and throughput results technical memorandum	In Progress	Spring 2017
Model simulations for use in creation of visualizations	Not started	Fall 2017
Recommendations on parking scenarios, to inform the Parking and Street Use studies.	Not started	Summer 2017

Recommendations on City Loop concepts.	Not started	Summer 2017
Recommendations on transit alternatives, to inform the Transit and Street Use studies.	Not started	Summer 2017

5. WMBE and Work Force Monthly Report: Kimley-Horn is in the process of identifying qualified TGB firms to participate in the Parking / TMA Study and the Street Use / Operations Study

Integrated Transit Studies Summary Report: Parking

Monthly Progress Report: (November 2016)

Submitted By: Kimley-Horn and Associates, Inc.

Date: November 15, 2016

1. Activities completed during the period

- Submitted Request for Information (Parking Related) to the City of Rochester and Mayo Clinic
- Preparing for and attending on-site meetings to review current program assessment and related topics on 11/9 – 11/11
- Data collection, background data research and project team conference calls
- Review of initial RFI documents submitted by COR and Mayo Clinic

2. Products and deliverables generated during the period

- In-person meetings with Tony Knauer and Michelle McDermott November 10 – 11
- Submitted meeting notes to SRF
- Submitted several requested documents and contact to COR and Mayo Clinic staff (see meeting notes for details)
- This period has seen significant work on several draft deliverables that will be submitted by the 12/5 deadline. These deliverables will include:
 - Current Program Overview – City of Rochester Parking Program
 - Current Program Overview – Mayo Clinic Parking Program
 - These program overviews include a recommended parking program assessment tool (“20 Characteristics of Effective Parking Programs”) provided to each entity as a self-assessment mechanism.
 - Parking and Access Management Programs – Best Practices and Aspirational Cities Research Document
 - Developed “Parking Management and Design Best Practices Document”
 - Developed municipal parking policy geared toward supporting community and economic development
 - Developed “parking financial plan” template based on two examples from leading industry peers
- Development of the Park+ GIS-based parking demand model
- Nelson Nygaard has submitted a draft of their zoning and parking requirements to align with larger DMC program goals

3. Upcoming activities and next steps (up to 2 months out)

- Recommendation of parking ramp design guidelines
- Develop white paper on “Shared mobility” strategies
- Develop summary of “current development projects” and potential impacts on parking strategy

4. Deliverable Tracking:

Deliverable	Status	Expected Completion Date
Task 1 Deliverables: <ul style="list-style-type: none"> • Current program assessment report • Parking management best practices report • Best practices research and aspirational cities report 	Started	Draft to be submitted by 12/5/2016
Task 2 Deliverables: <ul style="list-style-type: none"> • Parking demand model framework • Future parking scenario Evaluation 	Started	January 2017 February 2017
Task 3 Deliverables <ul style="list-style-type: none"> • Potential strategies to improve utilization of existing resources 	To be started in 2017	March 2017
Task 4 Deliverables <ul style="list-style-type: none"> • Strategies to leverage parking as a tool for economic development • Draft “Parking Financial Plan” template provided for review/discussion • Parking Facility Design Guidelines 	Draft Parking/ED	January 2017
Task 5 Deliverables: <ul style="list-style-type: none"> • Zoning and Design Guidelines State of the Practice Overview • Stakeholder Input Summary • Recommended Parking and TDM Zoning Strategies Report 	Policy submitted for review. Draft design guidelines submitted for review	January 2017 Spring 2017 Spring 2017
Task 6 Deliverables: <ul style="list-style-type: none"> • TDM strategies recommendations • TMA feasibility review • Analysis of TDM Implementation models • Stakeholder meeting summary 	Draft zoning and parking requirement review submitted	Spring 2017
Task 7 Deliverables: <ul style="list-style-type: none"> • Final TDM regulations 		May 2017
Task 8 Deliverables: <ul style="list-style-type: none"> • A work plan for the delivery of TDM services • A summary report of TDM efforts and recommendations. 		May 2017
Task 9 Deliverables: <ul style="list-style-type: none"> • Employer specific commute options plan • Supporting marketing materials • On-going program assistance 		Summer 2017

Task 10 Deliverables: <ul style="list-style-type: none"> • Delivery of key support services • Establishment of advisory committee/board of directors • Program measurement and evaluation plan • Development of marketing materials 		Fall 2017
Task 11 Deliverables: <ul style="list-style-type: none"> • On-going program delivery • Assistance recruiting and training new program manager • Year 2 work plan and budget 		Early 2018
Task 12 Deliverables: <ul style="list-style-type: none"> • Draft and Final Reports • Summary Report Presentation 		Winer 2017

5. WMBE and Work Force Monthly Report: Kimley-Horn is in the process of identifying qualified TGB firms to participate in the Parking / TMA Study and the Street Use / Operations Study

Integrated Transit Studies Summary Report: Transit

Monthly Progress Report: November 30, 2016

Submitted By: Douglas Moore

Date: December 7, 2016

1. Activities completed during the period
 - Completed review of existing reports: Downtown Rochester Master Plan (2010), Destination Medical Center (DMC) Development Plan (2015), Rochester Comprehensive Plan 2040 (2017 expected completion), Rochester Transit Development Plan (2017 expected completion), Mayo Master Plan (2016 Update in process), 2nd St SW Corridor Framework Study (2009), University of Minnesota - Rochester Campus Master Plan (2014)
 - Conducted field survey in Rochester to examine potential circulator routes.
 - Met with Mayo Clinic Facilities Staff to discuss transit options.
 - Developed initial Tier 1 route, profile, and mode options
 - Prepared materials for Tier 1 Alternative Workshop
 - Developed working draft of Purpose and Need Report
2. Products and deliverables generated during the period
 - Draft Purpose and Need near completion, will be delivered week of December 5, 2016
 - Draft Existing and Future Conditions Report near completion, will be delivered week of December 5, 2016
 - Draft Tier 1 Alternatives Report near completion, will be delivered week of December 5, 2016
3. Upcoming activities and next steps (up to 2 months out)
 - Prepare Materials for Open House Meeting
 - Complete Purpose and Need Document
 - Complete Tier 1 Alternatives Report
 - Develop Evaluation Process
 - Initiate Evaluation of Tier 1 alternatives.
4. Deliverable Tracking:

Deliverable	Status	Expected Completion Date
1. Purpose and Need	Draft near completion	12/5/2016
2. Tier 1 Alternatives	Draft near completion	12/5/2016
3. Existing and Future Conditions Report	Draft near completion	12/5/2016
4. Tier 1 Screening Report	Not initiated	04/10/2017
4. Tier 2 Screening	Not initiated	08/07/2017
5. Preferred Alternative	Not initiated	09/11/2017
6. Study Report	Not initiated	12/04/2017

5. WMBE and Work Force Monthly Report: Include efforts toward meeting contract obligations. Will be provided with initial invoice.