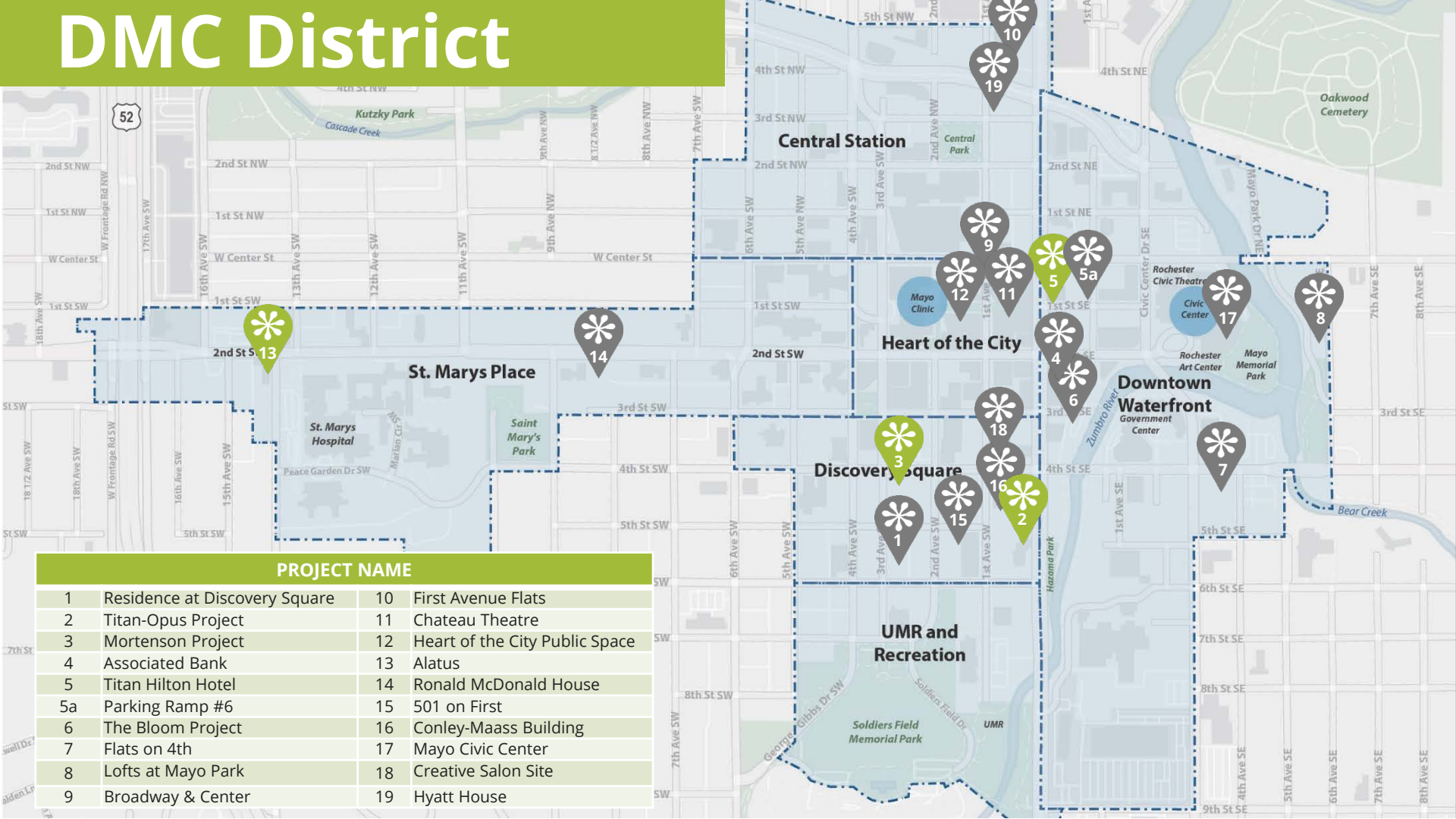




# Project Updates

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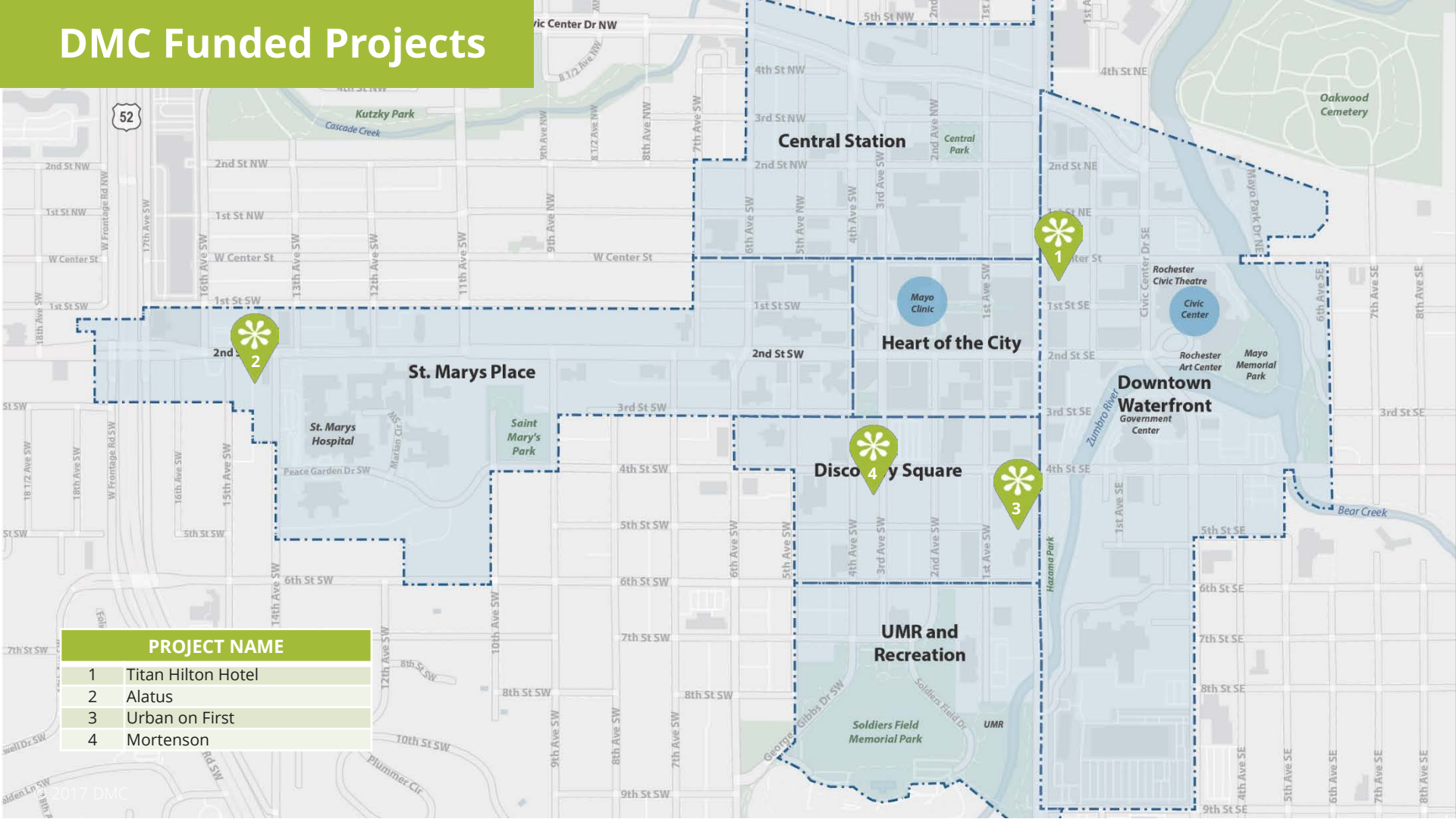
# DMC District



## PROJECT NAME

1	Residence at Discovery Square	10	First Avenue Flats
2	Titan-Opus Project	11	Chateau Theatre
3	Mortenson Project	12	Heart of the City Public Space
4	Associated Bank	13	Alatus
5	Titan Hilton Hotel	14	Ronald McDonald House
5a	Parking Ramp #6	15	501 on First
6	The Bloom Project	16	Conley-Maass Building
7	Flats on 4th	17	Mayo Civic Center
8	Lofts at Mayo Park	18	Creative Salon Site
9	Broadway & Center	19	Hyatt House

# DMC Funded Projects



PROJECT NAME	
1	Titan Hilton Hotel
2	Alatus
3	Urban on First
4	Mortenson



Development Project

# Titan Hilton Hotel

Update



# Titan Hilton

Broadway in Downtown Waterfront

## MIXED USE BUILDING

15,000 Sq. ft. Retail, 264 Hotel Rooms, 630 Parking Spaces (City)



### CAPITAL INVESTMENT \$125 MILLION

Property tax increase from \$23,058 to \$977,250 per year. \$3,685,000 Approved Tax Increment Financing.



### 11<sup>th</sup> FLOOR CONCRETE POUR NOVEMBER 2<sup>nd</sup>

Temporary roofing to be installed in early December



### 120 ONSITE WORKERS



### AT HEIGHT OF PROJECT

there will be more than 300 workers on site.

DEVELOPMENT UPDATE

Photo taken on 10/17/17



Development Project

**ALATUS LLC**

Update



# Alatus LLC

2<sup>nd</sup> St. SW in Saint Marys Place

## MIXED USE BUILDING

21,000 sq. ft. retail, 347 rental units, 560 parking spaces



### CAPITAL INVESTMENT \$115 MILLION

Property tax increase from \$136,606 to \$1,250,000 per year. \$10.5 Approved Tax Increment Financing.



### FINANCING SECURED

Closing date is mid-December



### SITE WORK UNDERWAY

Pollution remediation and property demolition complete



### GROUND BREAKING IS DECEMBER 2017

DEVELOPMENT UPDATE

Photo taken on 10/31/17



Titan / Opus

# Urban on First

Update





# Urban on First

1<sup>st</sup> Ave. in Discovery Square

## MIXED USE BUILDING

9,000 Sq. ft. street level retail, 156 market rate rental units, 156 parking spaces



### CAPITAL INVESTMENT \$38 MILLION

Property tax increase from \$70,158 to \$472,000 per year. \$3.8 Approved Tax Increment Financing.



### PERMITTING & ENTITLEMENT REQUIREMENTS MET



### GROUND BREAKING AND CONSTRUCTION

Expected to occur in January 2018



### FINANCING SECURED



DEVELOPMENT UPDATE



Development Project

# Mortenson Phase 1

Update



## DEVELOPMENT UPDATE

Photo taken on 10/17/17

# Mortenson Phase 1

Discovery Square Development

## SIGNATURE NEW BUILDING IN DISCOVERY SQUARE

89,000 sq. ft. of Life Science Space, 80,000 rentable sq. ft.



### CAPITAL INVESTMENT \$35 MILLION

Property tax increase from \$68,136 to \$485,580 per year. \$4.9 Approved Tax Increment Financing.



### MARKETING AND TENANT RECRUITMENT

Process in full gear.



### SCHEMATIC DESIGN COMPLETED

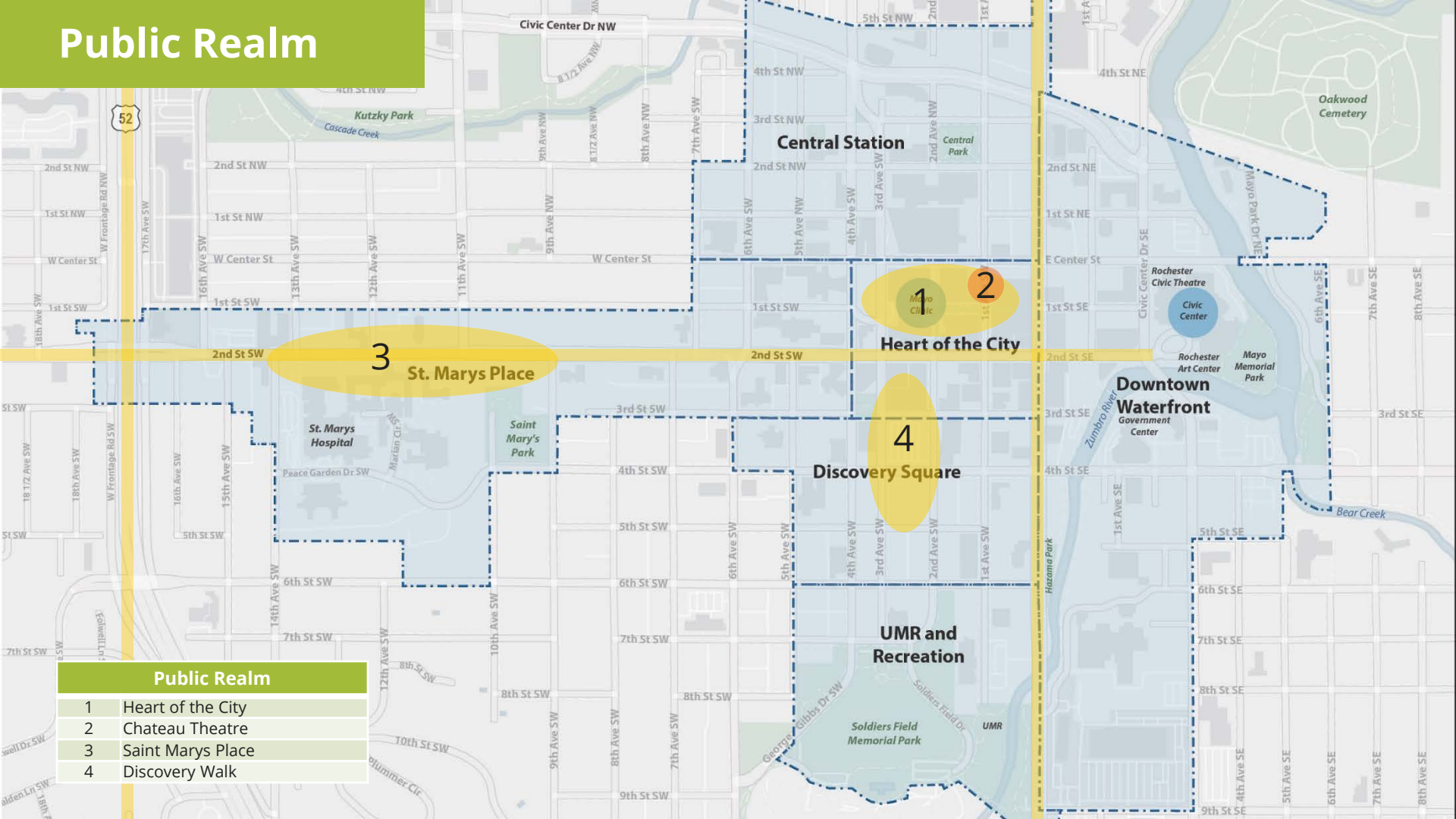
Design development underway.



### GROUND BREAKING IS NOVEMBER 2, 2017

Site work underway.

# Public Realm



Public Realm	
1	Heart of the City
2	Chateau Theatre
3	Saint Marys Place
4	Discovery Walk

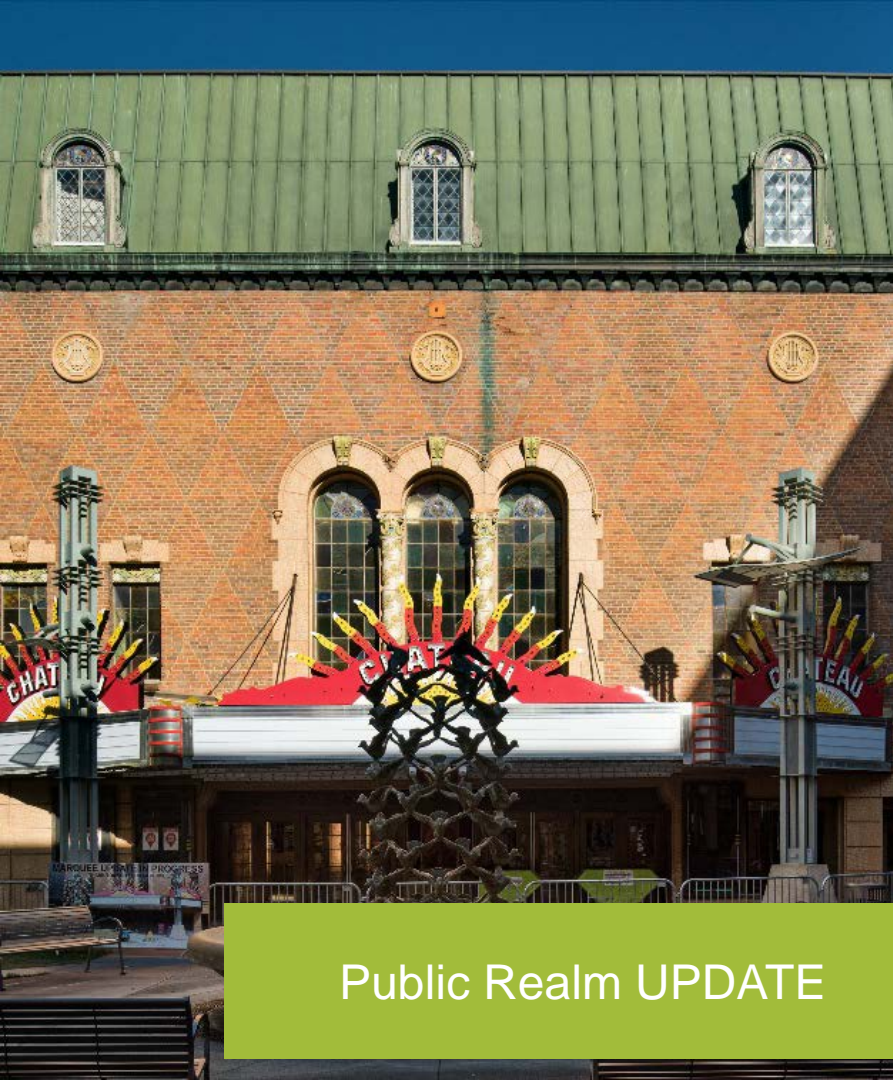


# Heart of the City

## Next Steps

- Integration of project design with Chateau Theatre, Wells Fargo, and Titan/Harbor Bay
- Determine project priorities/phasing, and construction timetable
- Identify and secure funding streams and financing strategy
- Develop governance, management, and operations program
- Preliminary CIP Authorization

Public Realm UPDATE



# Chateau Theatre

## Next Steps

- Develop a strategy to diversify capital funding sources
- Ensure a sustainable ongoing management, programming, and operations plan
- Build relationships to adjacent development
- Consider ideas for interim use and activation
- Preliminary CIP Authorization

Public Realm UPDATE



Public Realm UPDATE

# Saint Marys Place

## Next Steps

- Share application of these design concepts with upcoming projects such as 2<sup>nd</sup> Street reconstruction and private development
- Prototype/temporary demonstrations of project ideas
- CIP for street banners, street furniture, and district identity



# Discovery Walk

## Next Steps

- Extend Heart of the City concepts south to Soldiers Field
- Design process to inform the redesign of 4<sup>th</sup> Street
- Schematic design to be completed by the end of 2017 or 1<sup>st</sup> quarter 2018
- CIP Authorization

Public Realm UPDATE





# DMC

TRANSPORTATION  
INFRASTRUCTURE  
PROGRAM MANAGEMENT

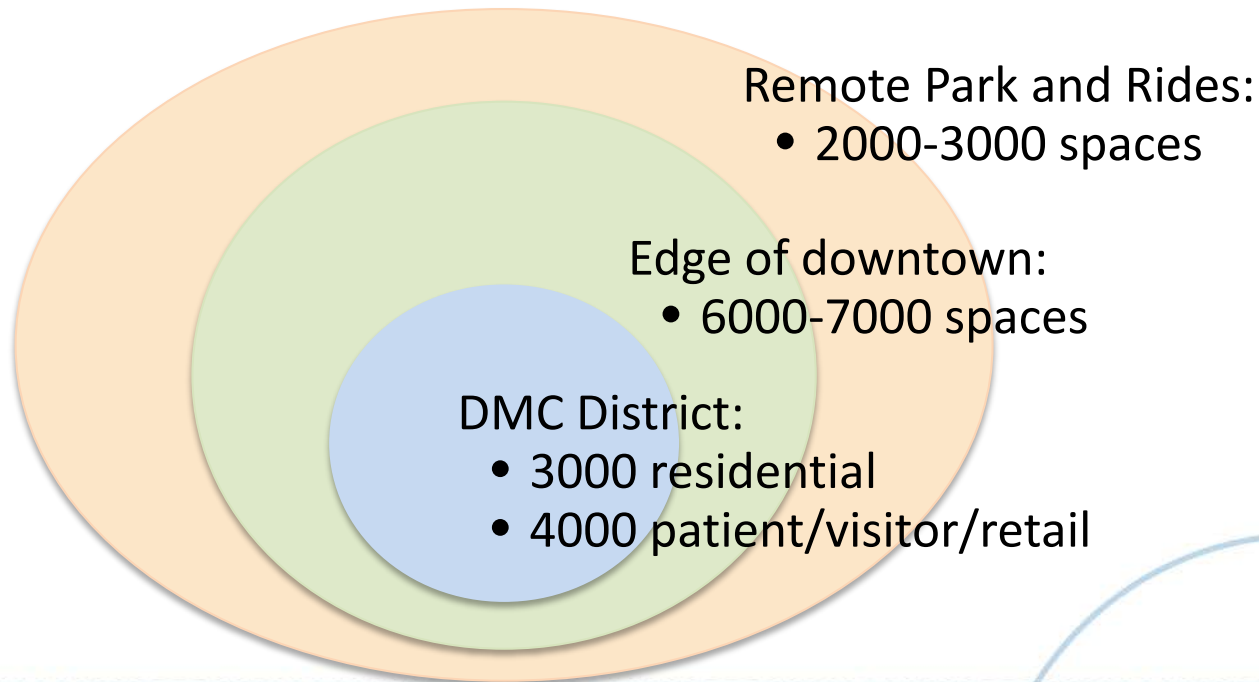


Nov 2, 2017 DMCC Board Meeting

Integrated Studies Update

# Key Findings - Parking

16,000 additional parking spaces needed



# Key Findings - Transit

- Potential transit circulator market of up to 25,000 rides per day.
- Capital costs range from an estimated \$90 million for a BRT service to \$265 million for a rail service to \$490 million to an elevated system.
- Finalizing analysis of the effectiveness of serving the three transit markets
- IBM and Local Motors (Olli) have teamed to pursue an autonomous, accessible vehicle pilot project

# Key Findings – Streets

- Repurposing of two lanes on 2<sup>nd</sup> St South for transit use (St Marys to Government Center) is being evaluated
- A backbone of pedestrian oriented streets (Heart of the City and Discovery Walk) is being planned along with the City Loop supplemented by other pedestrian corridors
- Bicycle travel corridors have been identified to create a connected network of bike facilities throughout downtown to connect the River Trails system and City Loop to key destinations in the District.

# Key Findings – City Loop

- Route options are being field studied to determine best routing options given existing street right of way widths and roadway context (driveways, on street parking, boulevard plantings, crossing safety, etc.).
- Close coordination is occurring with Heart of the City, Discovery Walk and 4<sup>th</sup> Street Reconstruction planning.

# Key Findings – Travel Demand Mgmt

- The City has been working with a committee of downtown stakeholders to identify a Transportation Management Association framework
- Two pilot Travel Demand Management (TDM) efforts have been completed; City staff and HGA employees.
- Developing a menu of services to offer employers and their employees.
- RFP under development to select a consultant to build a user-friendly travel/trip matching web based app

# Key Findings – Capital Costs

- Preliminary concept level cost estimates for the four (4) ITS scenarios range from \$400m to \$1 billion dollars; anticipated cost for recommended alternative will likely be in the middle of that range.
- Potential funding sources are being identified. At this time, it is anticipated that there will be a public funding gap that will need to be addressed. Private funding commitments remain uncertain.

# Next Steps - Schedule

- **November:** ITS Team and City Staff are currently developing a recommended “hybrid” comprised of elements from the four scenarios.
- **December:** Complete documentation and presentation materials
- **First quarter 2018:** Present recommendation to DMCC Board, City Council and the public.





# Metrics Dashboard

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# DMC Development Plan Goals



**Create a comprehensive strategic plan**



**Leverage the public investment of \$585 million**



**Create approximately 30,000 new jobs**



**Generate approximately \$7.5 - \$8.0 billion in new net tax revenue**



**Achieve the highest quality patient, companion, visitor, employee, and resident experience**

# Goal 1. Create a comprehensive strategic plan.

2014-2015

- ✓ DMC Development Plan
- ✓ UMR Campus Master Plan
- ✓ Sustainable Energy Options

2016

- ✓ Discovery Square Project Plan
- ✓ Mayo Clinic Five-Year Plan
- ✓ Chateau Theatre proposal

2017

- ✓ DMC District Design Guidelines
- ✓ Heart of the City Public Realm
- ✓ Saint Marys Place Public Realm



## DESIGN PRINCIPLES



HEART OF THE CITY DESIGN TEAM  
SEH + GreenPartners + Square + HOK + ABBOTT + KIMBLE



**Goal 2. Leverage the public investment to attract more than \$5 billion in private investment.**

**\$585 Million**  
Public

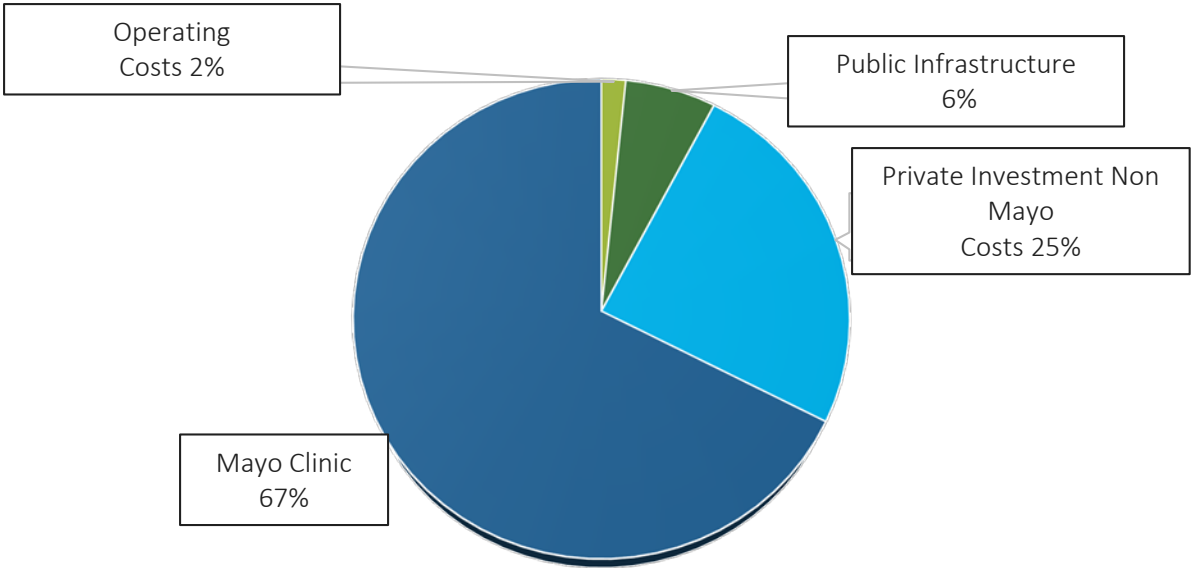


**\$5.5 Billion**  
Private

Approximately 1:10 Ratio

2015-2035

# Goal 2. Leverage the public investment to attract more than \$5 billion in private investment.



Through 2017

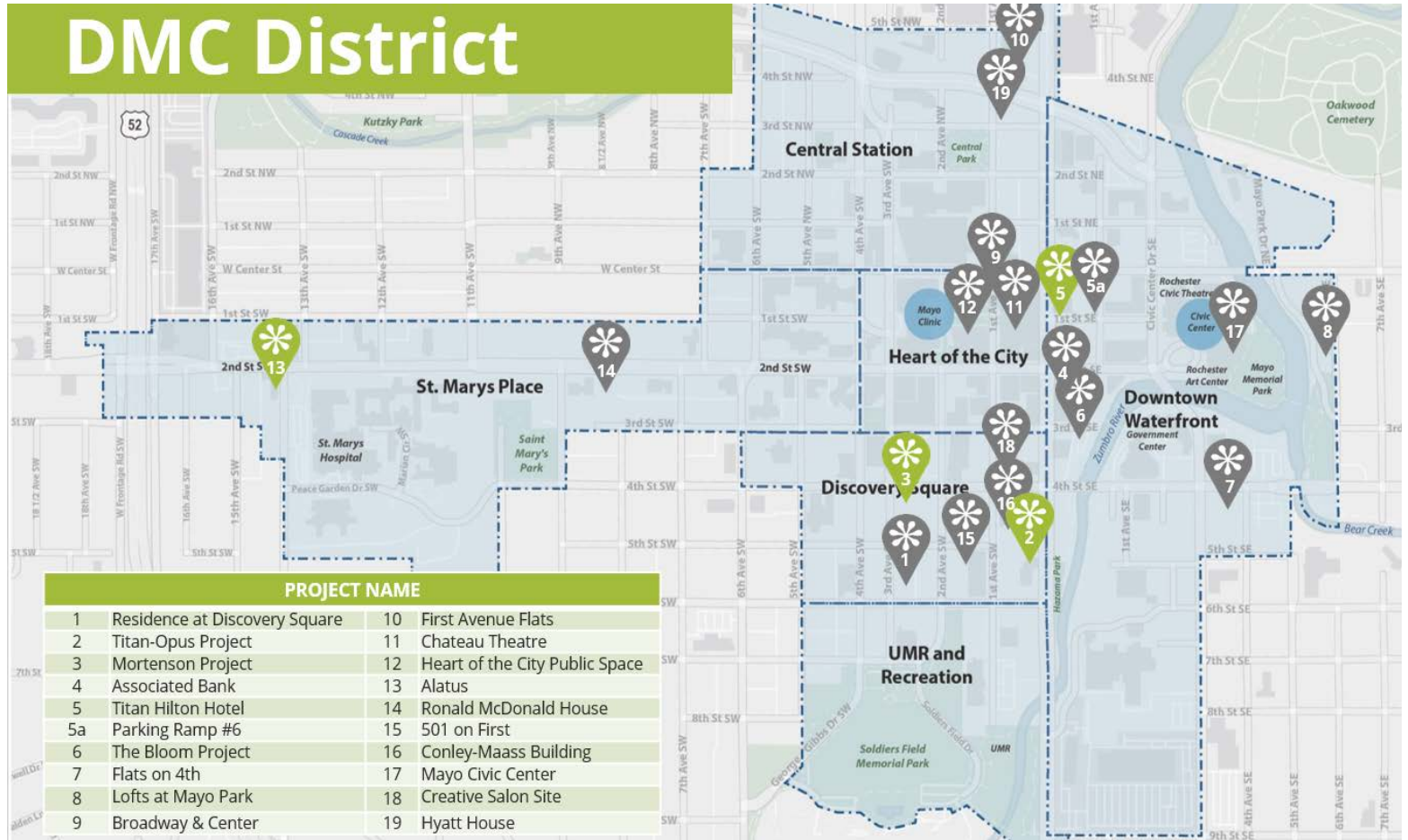
# Goal 2. Continued

## Strategy to Attract Private Investment

2017 January – September

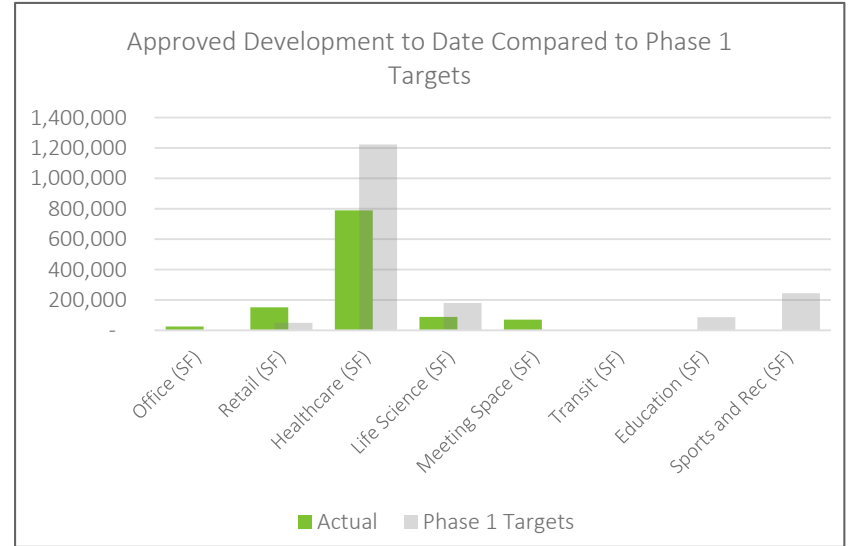
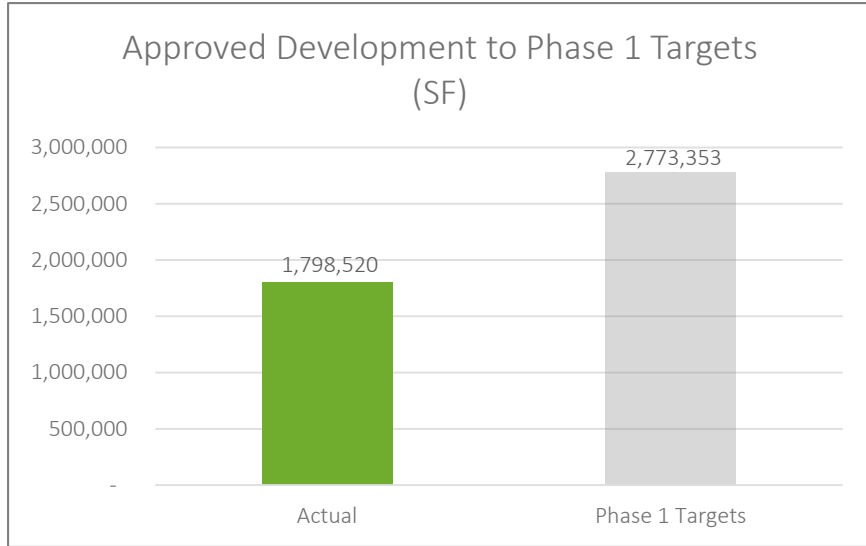


# Goal 2. Continued



# Goal 2. Continued

Overall

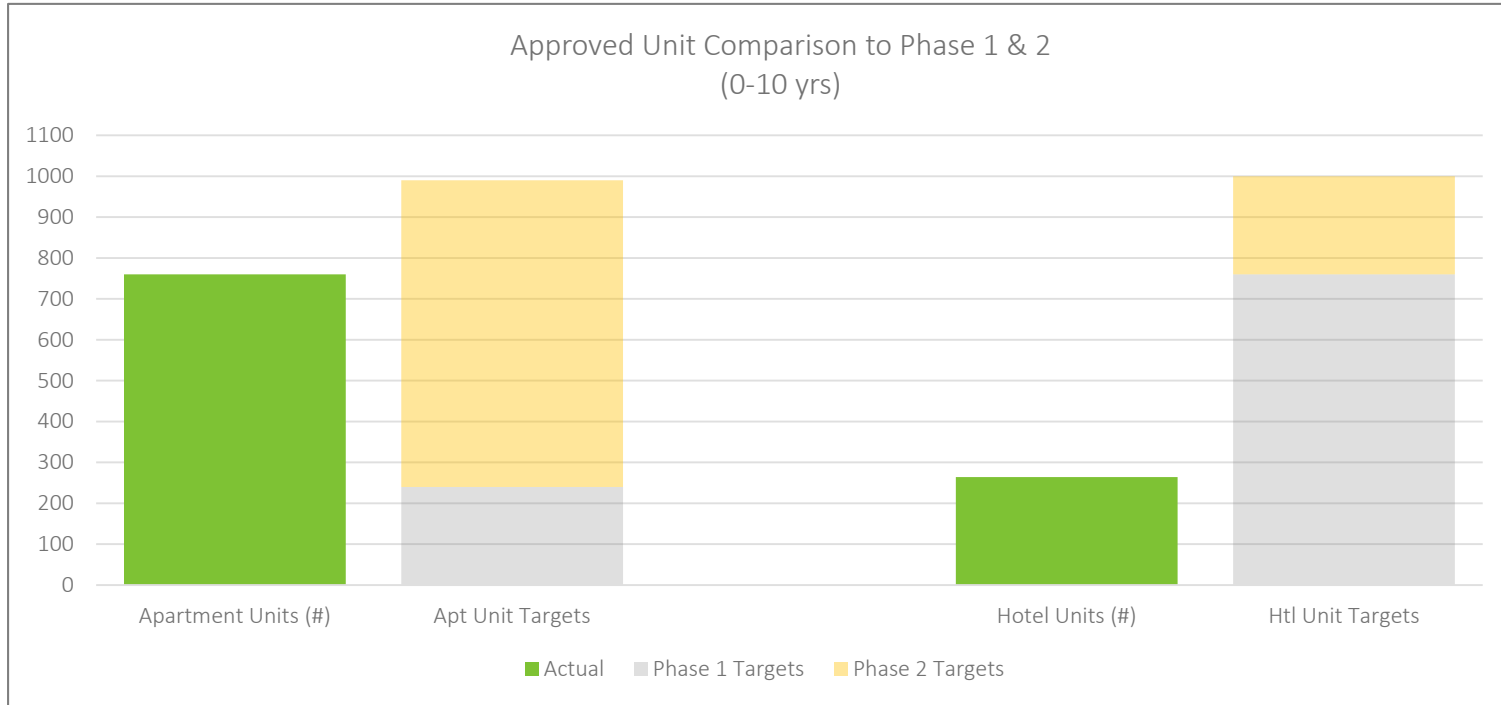


2015-2020



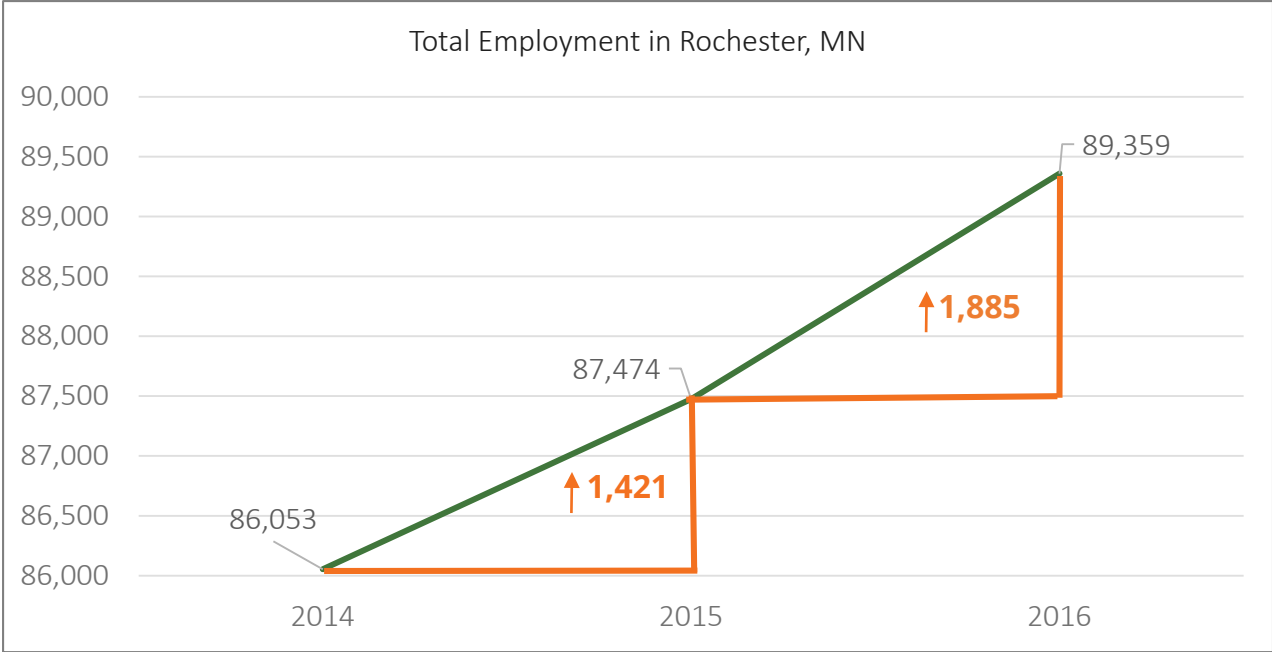
# Goal 2. Continued

## Housing & Hotel



2015-2025

# Goal 3. Create approximately 30,000 new jobs. (1,500 jobs/year)

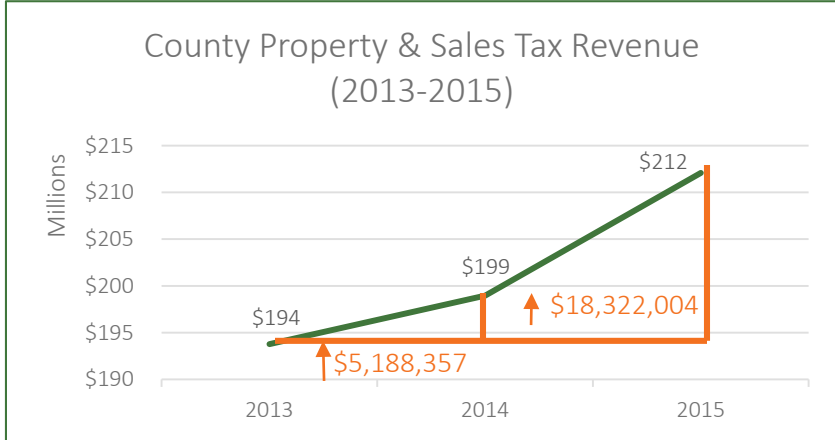
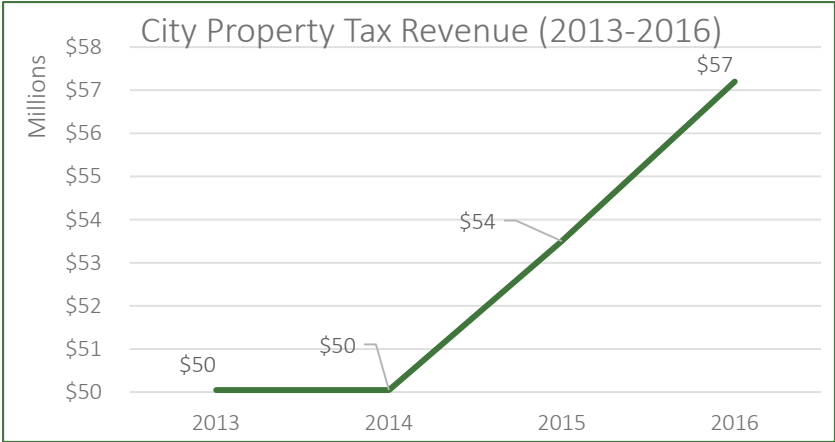


Sources: DEED, Quarterly Census of Employment & Wages, Longitudinal Employer-Household Dynamics, U.S. Census Bureau

# Goal 4. Generate approximately \$7.5 - \$8.0 billion in new net tax revenue.

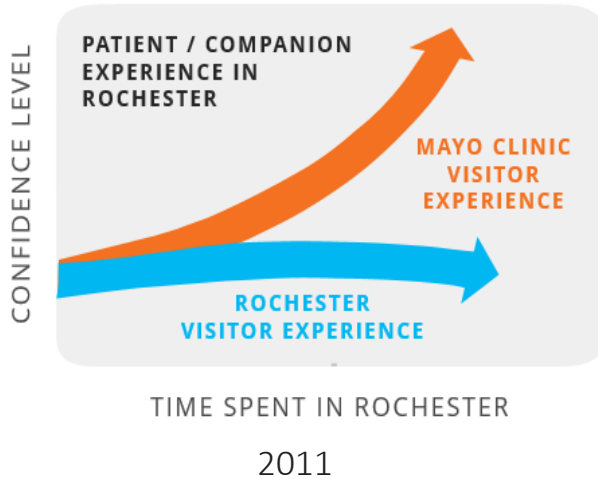
New net tax revenue includes

- Personal income tax
- State sales & use tax
- City property tax
- County property & sales tax

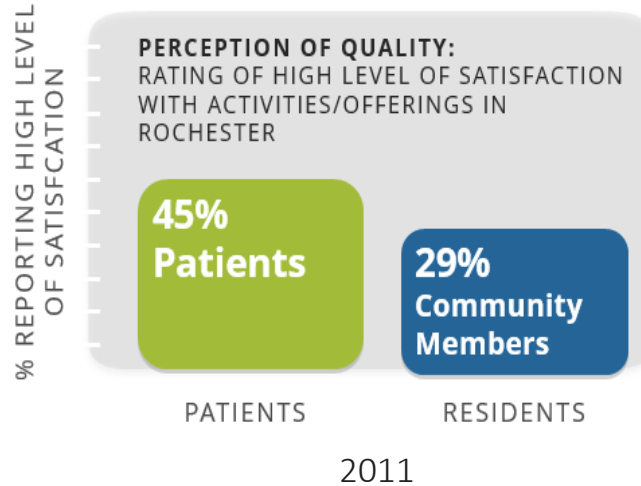


# Goal 5. Achieve the highest quality patient, companion, visitor, employee, and resident experience.

## Experience Gap



## Quality Gap



## Goal 5. Continued

**Tools and programs designed to elevate the patient, companion, visitor, employee, and resident experience. Examples include:**

<b>Tool / Program</b>	<b>Partner (s)</b>	<b>Audience</b>
Experience Accreditation Program	RCVB	Visitors
Rochester Now App	Mayo Clinic & RCVB	Visitors & Residents
Prototyping the Public Realm	RDA, RAC	Community
Entrepreneur Experience	RAEDI, Collider, Mayo Clinic	Entrepreneurs

# DMC EDA Marketing Highlights

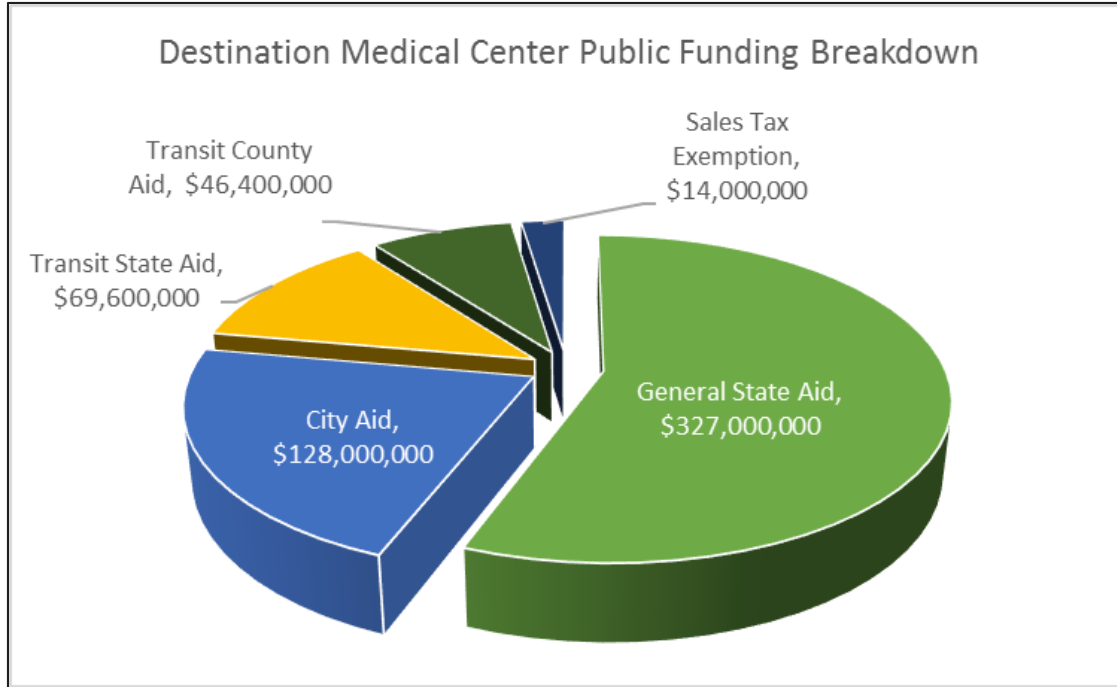
- **Increase in web traffic from Geographies outside of Minnesota**
  - Top states include California, New York, Illinois, Texas and Florida
- **LinkedIn lead generation is a new, successful tactic**
  - Obtaining leads from companies like Guggenheim Partners and Deloitte - and industries such as Venture Capital & Private Equity, Construction, Biotechnology, Hospital & Healthcare and Nonprofit Organization Management
  - Click through rate for lead generation content is 0.68% (industry benchmark is 0.3-0.4%)
- **DMC Storyteller videos launched in June continue to populate social media - with associated boosted posts proving successful with strong engagement and an increase in followers.**
  - Storyteller videos are hosted on DMC website and DMC YouTube channel
- **Participating at key conferences and trade missions and hosting seminars/events has engaged target audiences**



# 2018 DMC Funding

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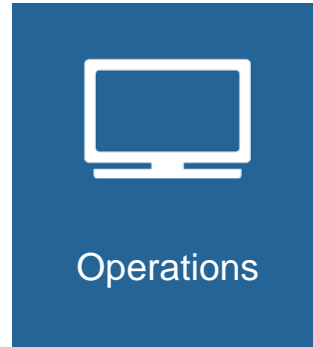
# Destination Medical Center – Public Funding Structure



- \$585 Million from 5 major sources
- Each source has:
  - formula for release
  - annual dollar cap
  - relationship to other sources, and
  - use restrictions



# 2018-2022 Capital Improvement Program



Items for Action: 2018

Items for Introduction: 2019-2022

# Proposed 2018 CIP

Approval Status

31 Initiatives

\$22,191,908

12

**Final Approval**

4, 5, 8, 9, 10, 11, 12,  
13, 14, 16, 30, 31

8

**Not Final**

**Must Return to  
DMCC**

3, 6, 7, 15, 17, 18,  
19, 23

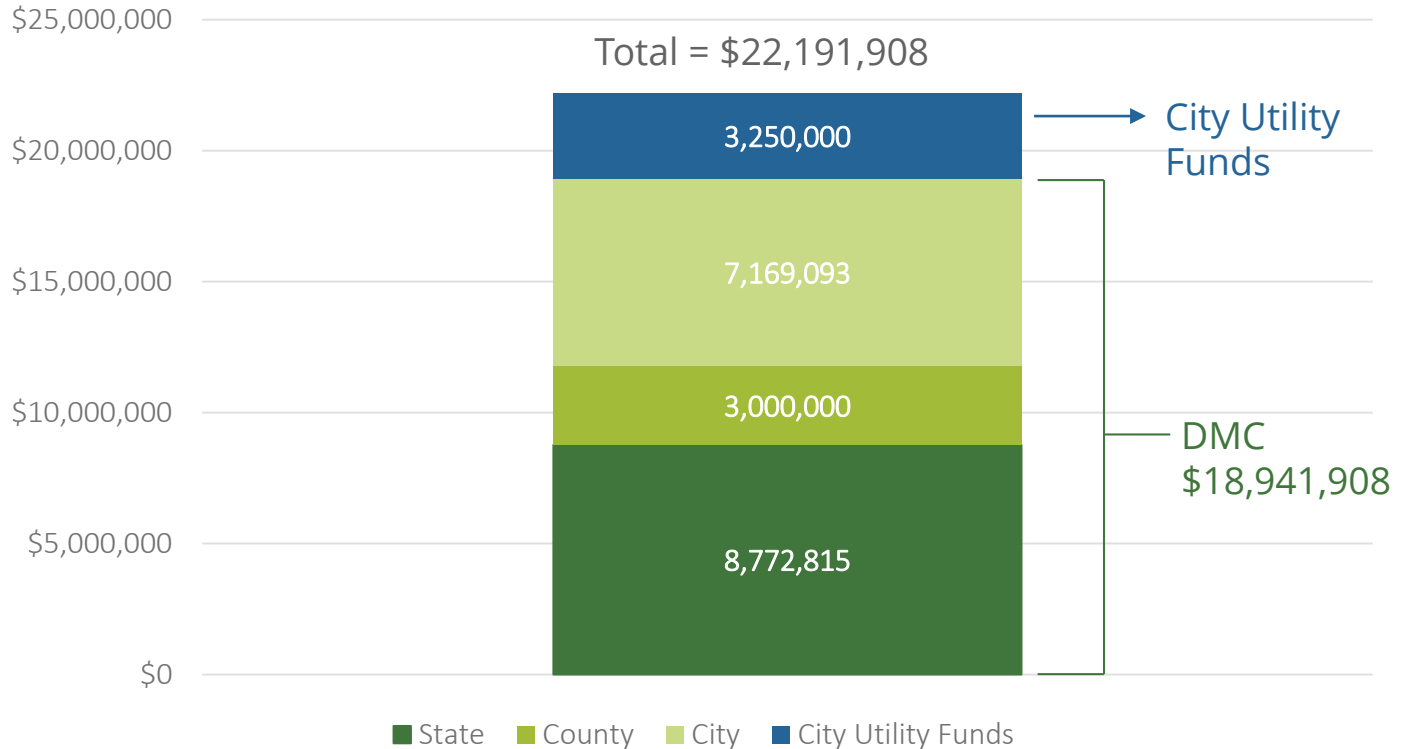
11

**No Action  
Required**

1, 2, 20, 21, 22, 24,  
25, 26, 27, 28, 29

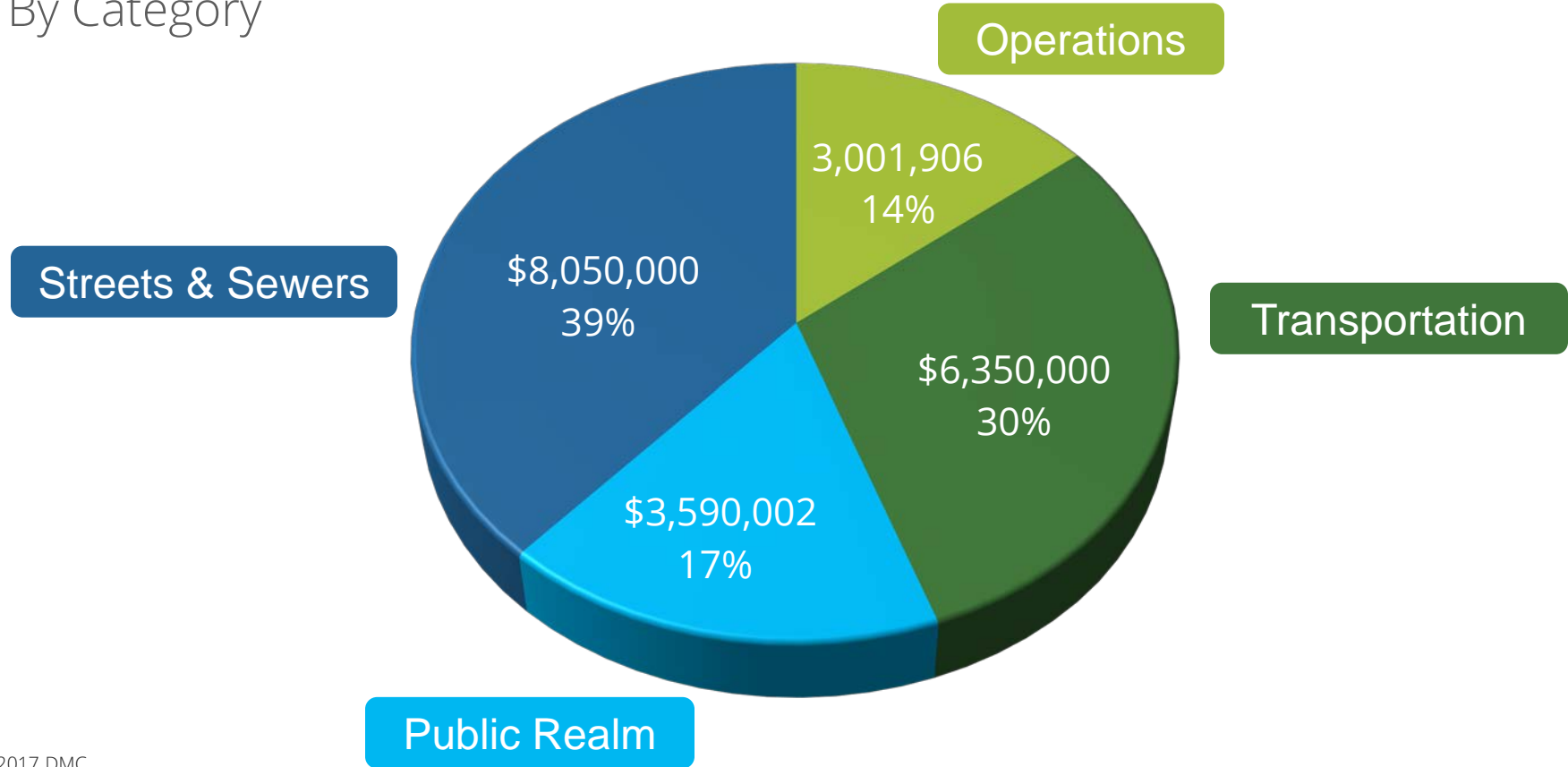
# Proposed 2018 CIP

## By Sources



# Proposed 2018 CIP

By Category

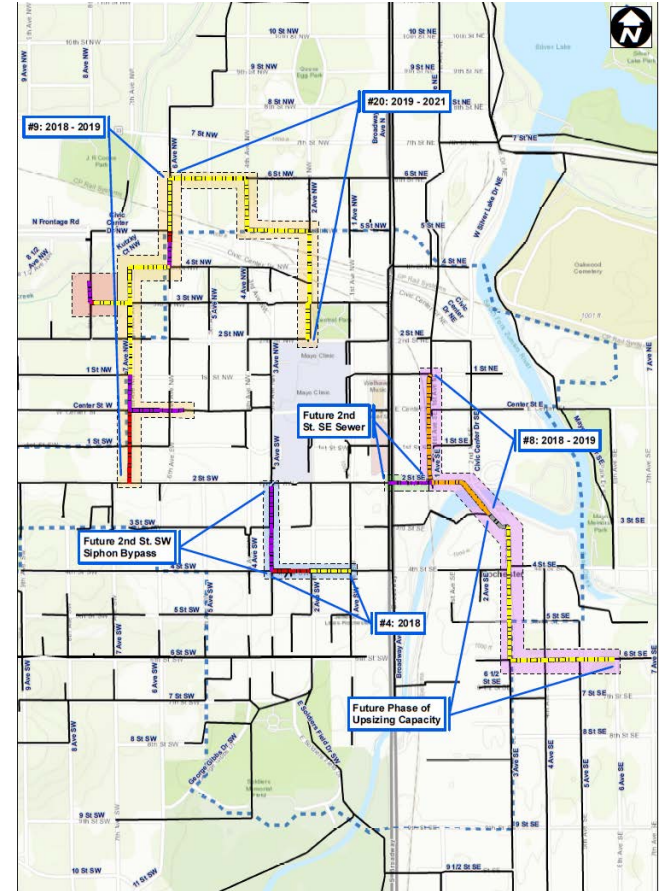


# Proposed 2018 CIP

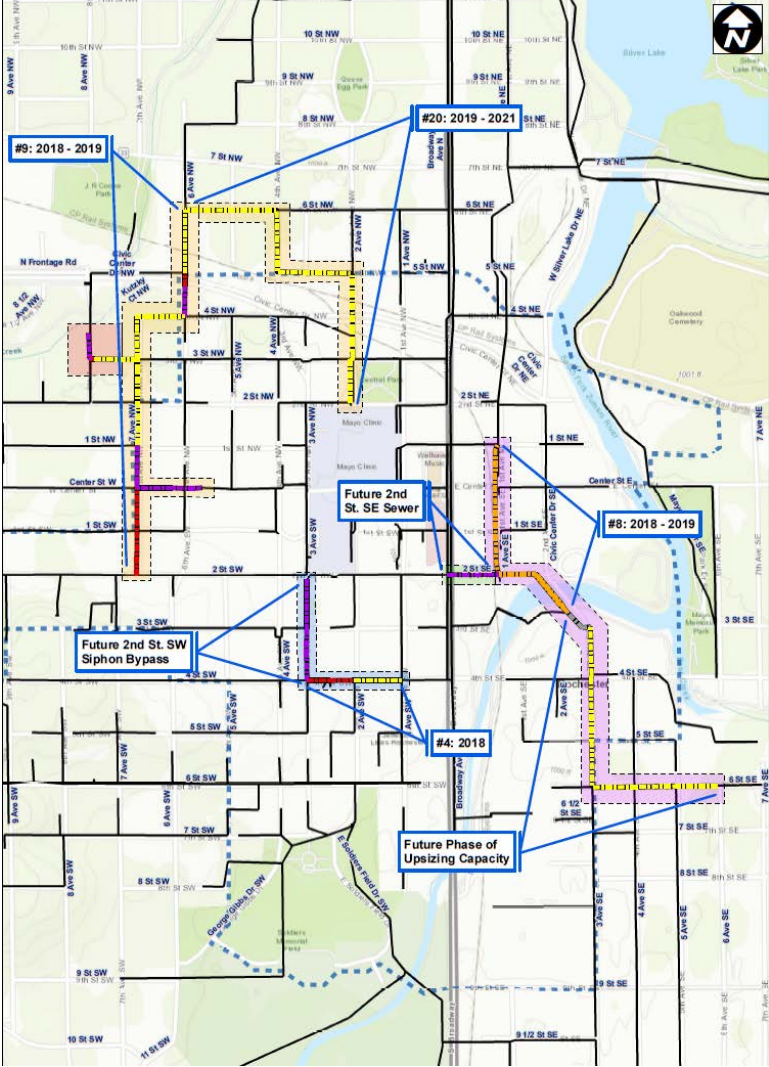
## Streets & Sewers

\$8,050,000

- Essential public infrastructure projects to provide capacity for private investment
- Critical to complete prior to private investment
- DMC investment leveraged with City utility funds



# Streets & Sewers Map



# Proposed 2018 CIP

Transportation

\$6,350,000



## Complete Studies

Integrated Transit Studies



## Initiate Projects

City Loop

Bike Lanes

Transit

Streets

Property Acquisition

# Proposed 2018 CIP

Public Realm

\$3,590,002



**Heart of the City  
Design**



**Chateau Theatre  
Design**



**Discovery Walk  
Design**



**Saint Marys Place  
Capital**



# Proposed 2018 CIP

## Operating Costs

\$3,001,906

- Contributions to DMC Corporation for DMCC expenses.
  - \$355,500
- Contributions to DMC Corporation for EDA expenses.
  - \$2,496,406
- City of Rochester Administrative costs for DMC project.
  - \$150,000