

DEVELOPMENT REVIEW PROCESS

This section provides an overview of the funding application/approval process that will be followed by the DMC Corporation and City of Rochester in the review and approval of projects seeking DMC funding.

The deliberative process for identifying, evaluating, and ultimately approving or denying public infrastructure projects within DMC was designed to provide **efficiency, timeliness, and consistency** to all applicants for DMC funds. The DMC Development Plan establishes a detailed framework to identify and prioritize development in the market and to approve public infrastructure projects. Application for DMC funding can be found on the DMC website at dmc.mn/devapplication.

DMC DEVELOPMENT PLAN

The DMC Development Plan is intended to transform Rochester into a dynamic, urban center with places that foster lasting experiences, create an active and attractive environment, and boost the economy. These places are organized into six sub-districts:

DMC SUB-DISTRICTS:

Discovery Square

A new address for the future of life-science, research, education, and technological innovation, Discovery Square will be a keystone to the DMC economic development strategy.

Heart of the City

The heart of the downtown, this sub-district will create a true center of the city, a crossroads where Mayo Clinic, commercial, hospitality, retail, and residential meet.

Central Station

Central Station will be a cornerstone of the plan for future growth in Rochester. The location is ideal as a transit hub to support the community, visitors, and patients.

Downtown Waterfront

The downtown waterfront will transform the perception of Rochester as a medical campus into a vibrant destination city.

Saint Marys Place

Saint Marys Place will establish a civic square and monumental gateway at one of the primary entry points to Rochester.

UMR and Recreation Area

This sub-district will incorporate the University of Minnesota Rochester (UMR) master plan and the northern edge of Soldier's Field as an anchoring element to the DMC Development District and strategies for growth.

The full version of the DMC Development Plan can be found on the DMC website at <http://dmc.mn/investors-developers/>.

ELIGIBILITY REQUIREMENTS

For a project to be eligible for DMC funding, the project must be:

- (1) Within the DMC District and
- (2) A public infrastructure project.

DMC Development District

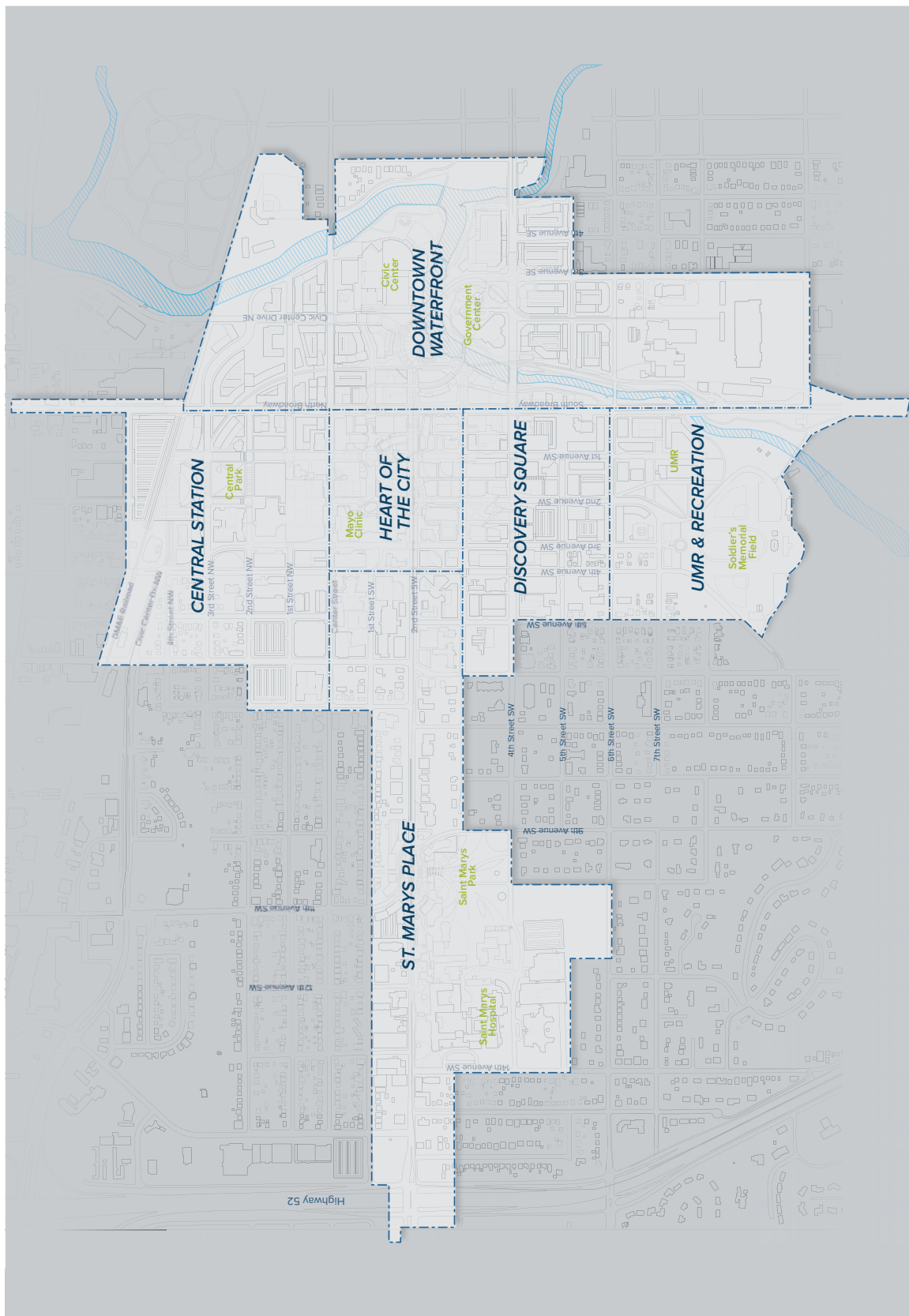
View the DMC Development District Program Map on page 8 or at <http://dmc.mn/maps/>.

Public Infrastructure Project

Public infrastructure project refers to a project financed in part or in whole with public money to support the development plans, as identified in the DMC Development Plan. A public infrastructure project may:

- (1) Acquire real property and other assets associated with the real property.
- (2) Demolish, repair, or rehabilitate buildings.
- (3) Remediate land and buildings as required to prepare the property for acquisition or development.
- (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, utility 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.
- (6) Install, construct or reconstruct, furnish, and equip parks, cultural, and recreational facilities, facilities to promote tourism and hospitality, conferencing and conventions, and broadcast and related multimedia infrastructure.
- (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.
- (8) Prepare land for private development and to sell or lease land.
- (9) Provide costs of relocation benefits to occupants of acquired properties.
- (10) Construct and equip all or a portion of one or more suitable structures on land owned by the City for sale or lease to private development, provided, however, that the portion of any structure directly financed by the city as a public infrastructure project must not be sold or leased to a medical business entity.

DMC DEVELOPMENT DISTRICT PROGRAM MAP



DMC APPLICATION AND APPROVAL PROCESS

BACKGROUND

The DMC Economic Development Agency (EDA) is responsible for implementing the DMC Development Plan over the next 20 years and working with private developers and investors to help facilitate projects and private investments that support the DMC vision.

DMC EDA's services offer developers the opportunity to:

- Walk through the specifics of the application process
- Present their projects in an informal setting under what are considered to be development reviews.

The first two development review projects that a project sponsor will be required to attend are:

- (1) Project Concept Review
- (2) Pre-Development Review

PURPOSE OF REVIEW

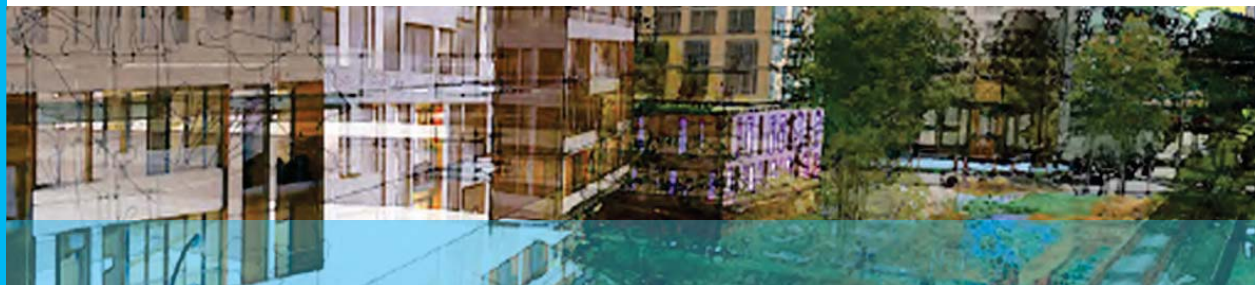
The intent of these development reviews is to:

- Advise and inform procedural requirements and project- related issues associated with DMC funding projects
- Provide all possible DMC forms of assistance applicable to the project
- Exchange information with the appropriate parties.

To ensure productivity during these reviews, the DMC EDA has prepared checklists outlining the information required at each respective meeting:

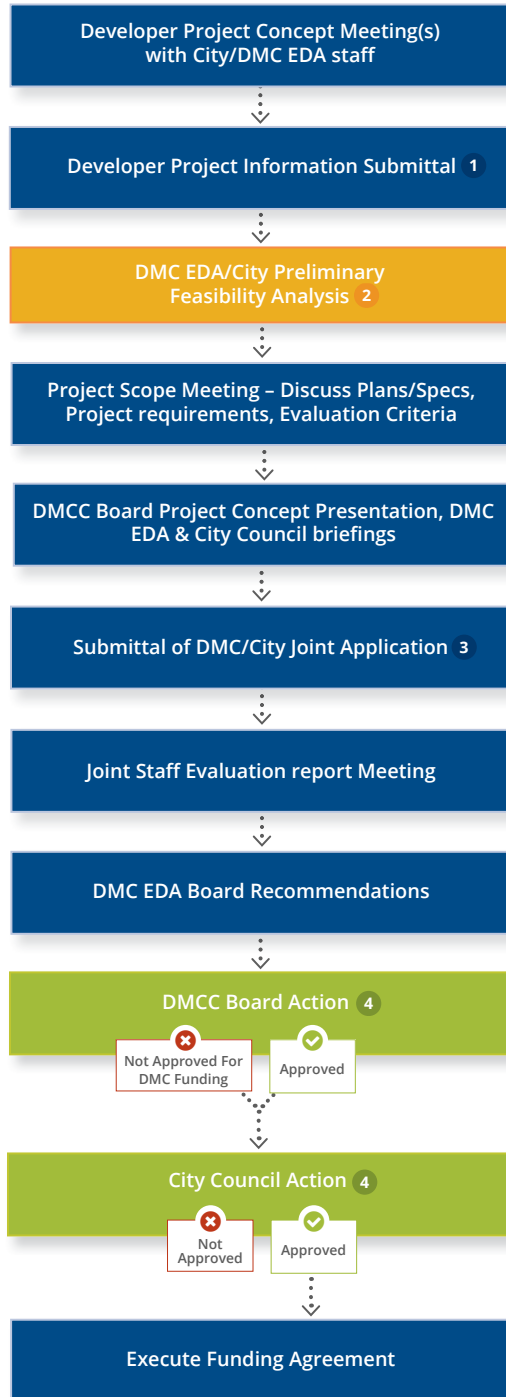
- The Project Concept Review Checklist
- The Pre-Development Review Checklist
- DMC Development Process Flow

The DMC Application for Funding can be found on the DMC website at dmc.mn/devapplication.



DEVELOPMENT APPLICATION PROCESS:

DMC/CITY PROJECT FINANCING PROCESS



CITY LAND USE PROCESS

(Example: Incentive or Restricted Development)
*May be concurrent with financing process



- 1 See proposed DMC Development project Preliminary Feasibility Analysis Information Checklist
- 2 Projects determined not to be eligible for DMC Funding may still possibly be considered for City project funding
- 3 Joint application must be submitted 60 days in advance of the DMCC Board Meeting
- 4 DMCC Board and City Council action on project financing generally will not occur prior to City's preliminary land use / zoning approval for incentive or Restricted Developments, or prior to Site Development Plan approval.

- 1 Determination of zoning requirements and appropriate application process (likely Incentive or Restricted Development)
- 2 Development Informational Meeting shall be no more than 30 days prior to submittal of zoning application

I. PROJECT CONCEPT REVIEW CHECKLIST

The developer will be asked to provide an overview of the proposed project during the Project Concept Review. Although it is not required, the developer is strongly encouraged to submit, in advance, a project summary adequately defining the following:

☐ **General Project Description:**

- ☐ Project Scope
- ☐ Project Type
- ☐ Proposed Buildings and Structures
- ☐ Traffic Consideration/Access from Adjacent Roadways
- ☐ Any Existing Facilities on Site

☐ **Project Location**

☐ **Project Ownership/Legal Structure**

☐ **Project Status (design/engineering/financing/construction)**

☐ **Preliminary Sources and Uses Document**

2. PRE-DEVELOPMENT REVIEW CHECKLIST

The developer is required to submit a written project document adequately defining the following information:

- ☐ **General Project Description:**
 - Refined Information from Prior Meeting
- ☐ Preliminary Market Studies, if any
- ☐ Preliminary Job Projections
- ☐ Preliminary Sources & Uses of Funds
- ☐ Preliminary Planning Documents
(concept design, preliminary feasibility analysis, etc.)
- ☐ Preliminary Traffic Considerations
- ☐ Preliminary “But For” Analysis
- ☐ Preliminary Project Schedule
- ☐ Estimated Funding Request

PROJECT EVALUATION CRITERIA

DMC evaluation criteria will be utilized by the DMC Corporation and the City of Rochester in the review and approval of projects undertaken in accordance with the DMC Development Plan. The DMC EDA may engage third parties to assist with various background research and analysis of projects.

1. Does the project include a plan for achieving the DMC vision and goals? Is it critical to driving the strategies included in the Development Plan?

- a. Is the project consistent with the stated DMC goals and specifically contributing to job creation?
 - Does the project meet one or more of the goals and objectives established for the DMC Development Plan?
- b. Is the project consistent with the DMC vision?
 - 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?
 - Does the project build infrastructure to support growth and drive investment? Would the investment occur without the public infrastructure to be funded? Is the proposed public infrastructure solely for the benefit of the project or does it also support the broader vision of the DMC District?
 - Will the public funding accelerate private investment in the DMC Development District or applicable sub-district?
 - Does the project provide a catalyst or anchor for an approved strategy? 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. Does the project include a plan for achieving consistency with the DMC Development Plan (and any updates thereto) and other relevant planning documents?

- a. Is the project consistent with the DMC Planning Documents?
 - Is the project consistent with the DMC Development 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 DMC?
- b. Is the project consistent with the City/County Planning Documents?
 - Is the project consistent with the Rochester Downtown Master Plan or Capital Improvement Plan (CIP)?
 - If a Transit/Transportation project, is the project consistent with the Rochester-Olmsted Council of Governments long-range Transportation Plan?
- c. Does the project support sustainability principles as a core objective in the development and operations of the project?

3. Does the project include a plan that is financially viable?

- a. Projects are required to provide a preliminary finance plan with their applications. The information required includes:
 - Project summary (e.g., concepts, detailed program, project team.)
 - 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.
- b. The project-specific finance plan will be evaluated based upon the following criteria:
 - 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 the project inclusive of an operation and maintenance pro forma?
 - Is there a verifiable gap for funding based upon a reasonable return on private investment?
 - Is the proposed operating structure sustainable?
 - Does the project impose any financial obligations on DMC or the City of Rochester for ongoing operational or maintenance support?

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

The DMC 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 Capital Investment Plan that is incorporated as part of the DMC's annual budget process and as necessitated by private investment in the DMC District.

Criteria will include:

- Is the project part of an approved strategy and current focus? Is the project outlined as an approved strategy for the project within the DMC Development Plan?
- Is the project recommended as a focus for the particular phase of the project in the DMC Development Plan?
- Is the project consistent with the DMC Capital Improvement Plan (CIP)?
- 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?

5. Does the project include a plan for achieving local small, minority-, and women-owned business project requirements and other project requirements, as applicable?

The DMC is established to drive economic and fiscal benefits to state and local jurisdictions and to benefit the community as a whole. Each project will be evaluated for its ability to realize and/or support growth occurring within the DMC District.

The information that will be required to make the evaluation will include:

- Agreement to execute the DMC Development Agreement, the terms of which shall be provided in the form to all applicants.
- Agreements will include requirements of the DMC initiative (e.g., American Made Steel, Minority Business Enterprise, Women Business Enterprise Construction Targets).

6. Does the project include a plan to comply with or support the economic-fiscal goals and objectives of the DMC?

The DMC is established to drive economic and fiscal benefits to state and local jurisdictions and to benefit the community as a whole. Each project will be evaluated for its ability to realize and/or support growth occurring within the DMC District.

The information that will be required to make the evaluation will include:

- a. Job Projections
 - Construction jobs
 - Permanent operating jobs, if applicable
- b. Tax-base projections (through 2049), if applicable
- c. Capacity or other support to demand (e.g., public works)

The economic-fiscal analysis will be evaluated based on the following criteria :

- Does the project generate substantial economic-fiscal gain based upon job projections?
- Does the project generate substantial economic-fiscal gain based upon tax-base projections?
- Does the project maximize the opportunity for investment by attracting other private capital?
- 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 Plan?
- Does the project align with district and/or specific business development and economic development strategies that are adopted as part of the DMC Development Plan?

7. Other Considerations

A written summary will be provided by the developer for other considerations that the DMC Corporation Board may take into account when evaluating projects. These Include:

a. Is the project inside the DMC Development District?

To be funded, projects must be within the boundaries of the DMC District. The DMC Corporation and the City of Rochester may consider expanding the DMC District to support the execution of specific projects or strategies that are outside of the current boundaries. The DMC Corporation and City of Rochester may choose to do this by amending the current Development District or creating a new district, which may or may not be contiguous to the existing DMC District.

An amendment can happen at any time, but it is recommended that it only be done with an accompanying project request.

The criteria to be considered include:

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

b. Are there specific policies the DMC Corporation wishes to include/consider as implementation of the DMC Development Plan moves forward?

During the implementation phase of the DMC initiative, the DMC Corporation and/or City of Rochester may wish to provide special consideration to projects with certain social and/or community benefits that are not specifically required by the DMC Legislation. The prioritization of these considerations within the DMC Development Plan and the role of the DMC Corporation and/or City in implementing these considerations will be dependent upon many factors, including:

- The completion of certain planning efforts, including but not limited to, the City Comprehensive Plan
- The adoption of policies and/or ordinances by the city and/or Olmsted County
- Identifying sources of funding to support programs and/or operations
- Other implementation or operational considerations.

The DMC Corporation Board may direct the EDA to work with the city, county, and community organizations to develop and recommend specific policies, ordinances, and programs that may incentivize the integration of these types of benefits in the DMC Development District.