



DMC  
Destination  
Medical Center

# DMC Corporation Board Meeting

## November 12, 2019



DMC

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# Metrics Update

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## DMC GOALS

1. Comprehensive Strategic Plan
2. Attract Private Investment
3. Create Jobs
4. Generate Additional Net Tax Revenue
5. Become the Destination for Health & Wellness



# CITY OF ROCHESTER DMC TARGETED BUSINESS AND WORKFORCE PARTICIPATION

- Goals
- Successes and Shortcomings
- Strategic Opportunities





## **DMC MINNESOTA STATUTES 469.44**

**A. Subd. 6. American made steel.**

**B. Subd. 7.** Goals for construction contracts must be established in the manner required under the **city's minority and women-owned business enterprises utilization plan.**

## **CITY OF ROCHESTER, MINNESOTA DESTINATION MEDICAL CENTER TARGETED BUSINESS ENTERPRISE UTILIZATION PLAN**

**A.** To provide **businesses owned by minority, women, veterans and disabled persons** an **opportunity** to participate in **DMC public infrastructure construction and contracting.**

**B.** To promote increased participation in **workforce employment** opportunities for women and minorities.



## TARGETED BUSINESS & WORKFORCE PARTICIPATION GOALS

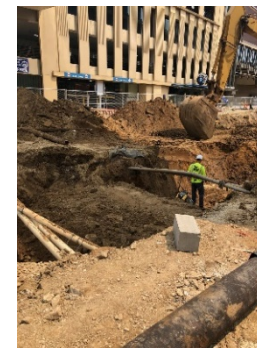
- **Targeted Business (TB): 4 %** of the total construction value
- **Workforce Participation (hours): 4 % for minorities and 6 % for women.**



# DMC CONSTRUCTION PROJECTS

(APRIL 2017-AUGUST 2019)

1. Parking Ramp #6
2. Berkman Apartments
3. The Maven on Broadway
4. One Discovery Square
5. 4th St SW Reconstruction
6. Hyatt House
7. Wells Fargo Renovation
8. Hotel Indigo Renovation
9. Chateau Theatre Improvements
10. Replace/Upsize Sanitary Sewer
11. 6th & 7th Avenue Reconstruction





# TARGETED BUSINESS (TB) RESULTS

(APRIL 2017 – AUGUST 2019 CUMULATIVE)

**Goal:**

**4 %**

**Construction**

**Result\*: 6.5 %**

**Professional Services &  
Construction Administration**

**Result\*: 5.2 %**





# WORKFORCE PARTICIPATION RESULTS

(APRIL 2017 – AUGUST 2019 CUMULATIVE)

Goals: Women: 6 %

Minorities: 4 %

## Construction

Results:

% of Total Hours

Women

3.9 %

Minorities

12.7 %

## Professional Services & Construction Administration

Results:

% of Total Hours

Women

32.8 %

Minorities

6.5 %



## PREVAILING WAGE

The minimum hourly wage employers must pay certain workers who work on construction projects where state dollars are used to fund the construction.

**The average base hourly pay rate for construction workers on DMC Construction projects was \$39.11 plus fringe benefits. This is an average annual salary of \$80,000/year plus benefits. (April 2017-June 2019)**



Construction workers residing in zip codes 559XX (around Rochester) earned **\$13,268,719 (54%)** of wages paid on DMC projects. (April 2017-June 2019)





## KEY TAKEAWAYS

- M.A. Mortenson awarded **17 %** (\$3.4 million) of One Discovery Square contracts to Targeted Businesses.
- Construction work performed by **minorities: 12.7 %** (goal 4 %).
- Professional Services & Construction Administration work performed by **women: 32.8 %** (goal 6 %).
- Providing employment for trades workers in Minnesota, regionally and across the U.S.
- Paying livable wages



## CHALLENGES

- Southeastern Minnesota has a low number of certified women, minority, veteran or small subcontractors.
- Shortage of women in workforce on construction projects.
- National shortage of skilled-trades workers.



## STRATEGIC OPPORTUNITIES 2019-2020

- Build capacity of Targeted Businesses located in southeastern Minnesota.
- Evaluate alignment of City of Rochester DMC Construction Workforce Participation with Minnesota Department of Human Rights goals for Southeast Minnesota.
- Promote trade careers to under-employed, women, minorities and youth.
- Learn best practices for recruiting and training workforce.



# BUILD TARGETED BUSINESS CAPACITY

## 2019 Progress

- Welcomed National Association of Minority Contractors –June 2019
- Initiated Rochester Area – Construction Small Business – Collaboration, August 2019



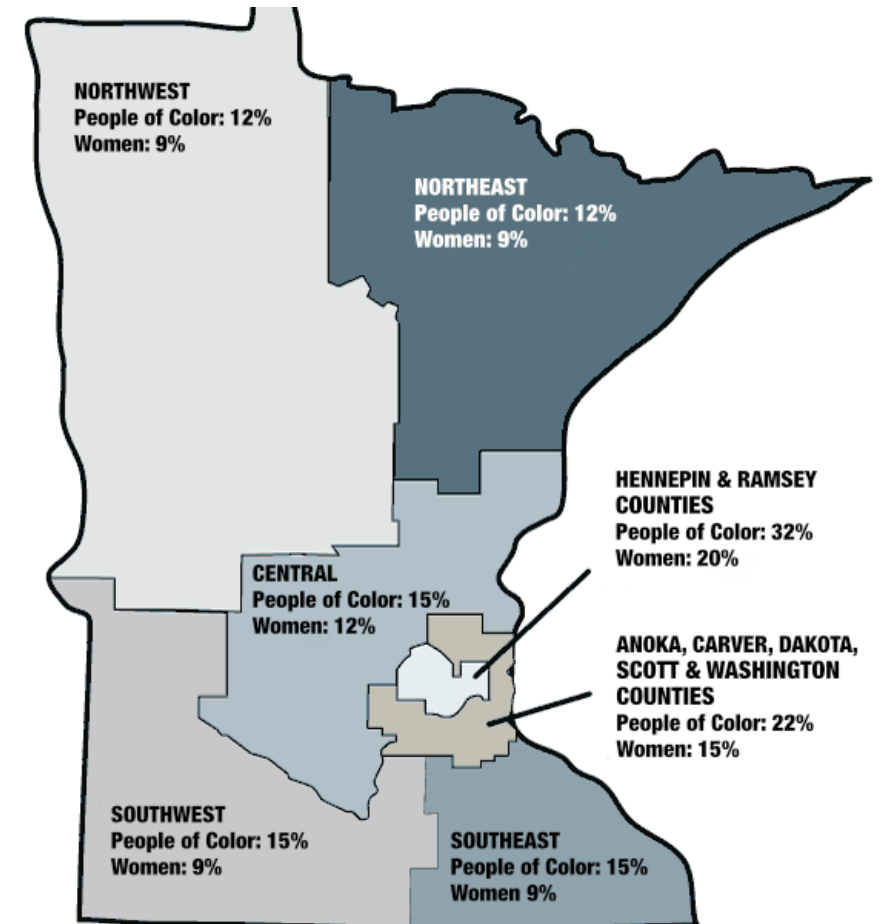
## 2020 Plans

- Assess gaps with existing subcontractors to determine market opportunity.
- Recruit women and minorities from workforce to work as independent contractors and start their own companies.
- Host workshops to educate entrepreneurs, provide consulting services for WMBVE certification process and assist with bid process to win contracts on DMC projects.



# EVALUATE WORKFORCE PARTICIPATION GOAL

- Current DMC Minority Goal: 4 % Result: 12.7 %.
- Compare with Minnesota Department of Human Rights goal in SEMN for People of Color\*: 15 %.
- Evaluate moving toward MN Department of Human Rights goal realizing some minorities are being met while others are not.







# Bold. Forward.

## Cure. Connect. Transform.

Adam Brase, Planning Services – Strategic Intelligence

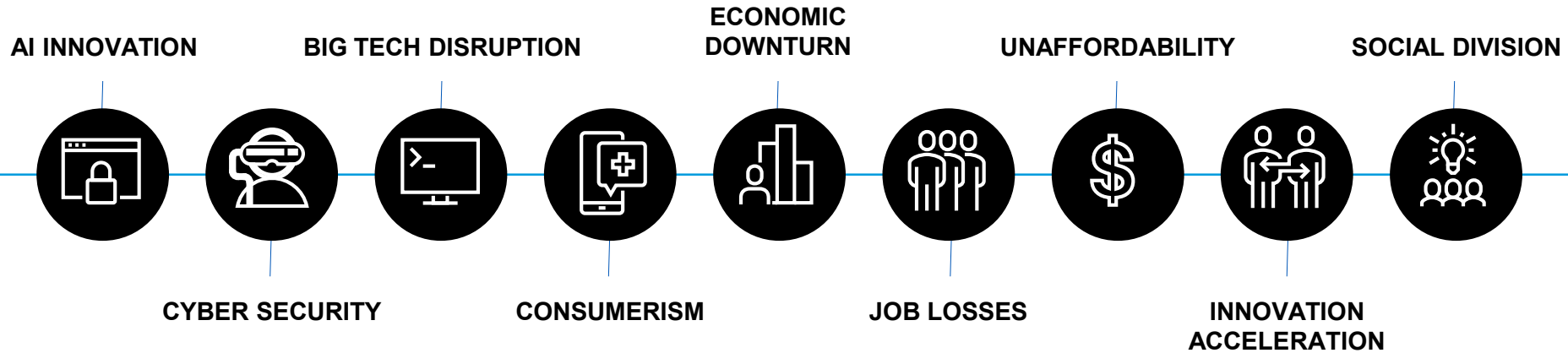


**No industry stays the same. Health care is on the precipice of significant change and Mayo Clinic is prepared to lead. To do so, we will cure, connect and transform the future of health care.**

**Mayo Clinic 2030**



# Consistent 2030 themes



- **Disruption is hard to time and will likely present as a collection of variables.**
  - We may not see it until it's too late
  - People are adaptable and that's a risk
- **Banking, Hospitality, Retail and Education provide clues.**
  - Consumerism + Outdated Business Models + Fragmentation + \$ Opportunity = Risk of Disruption
  - Timing of major disruption is of short
  - Must develop capabilities to adapt

# 2030 Strategic Plan Forces of Change



1

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**Accurate  
diagnosis —  
anywhere,  
anytime**

2

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**The patient  
will see you  
now**

3

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**Virtual  
interactions**

4

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**Research,  
education and  
collaborations  
accelerate  
cures**

5

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**Old business  
models become  
obsolete**

# Who we become

## Mission

Inspiring hope and promoting health through integrated clinical practice, education and research

## Vision

Transforming medicine to connect and cure as the global authority in the care of serious or complex disease

## Identity

Delivering an unparalleled experience with the most trusted clinical expertise and knowledge.

# How we respond

## Build on our differentiators:

- Brand and reputation
- Human touch (patient experience)
- Clinical expertise
- Discover, translate, apply
- Integrated care model

## Develop new capabilities:

- Consumer and market knowledge
- Partnerships and acquisitions
- Pace – speed to execution
- Data and innovation to drive change
- Technology



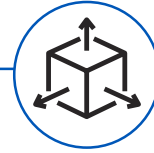
# 2030 Strategic Plan



**Cure**



**Connect**



**Transform**



**People, Innovation and Environment**



# 2030 Strategic Plan

## Three key features



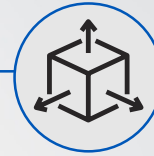
### Cure

Mayo Clinic will differentiate itself through the discovery, delivery and diffusion of the next generation of diagnosis, treatment and cures.



### Connect

Mayo Clinic will create digital care delivery capabilities with a human touch and virtually integrate our care to create a system that is more accessible, scalable and affordable.



### Transform

Mayo Clinic will transform healthcare through platforms, leveraging data and technology to redefine health care.

**When successful, Mayo Clinic will possess a new strategic identity. One that not only defines itself by the patients it sees, but also by the people it serves. One that is behind the health care answers people routinely consume, and one that can answer the most serious challenges. Its physicians and care teams are accessible, empowered and joyful in their work fulfilling our mission.**

**Mayo Clinic 2030**





Thank  
You





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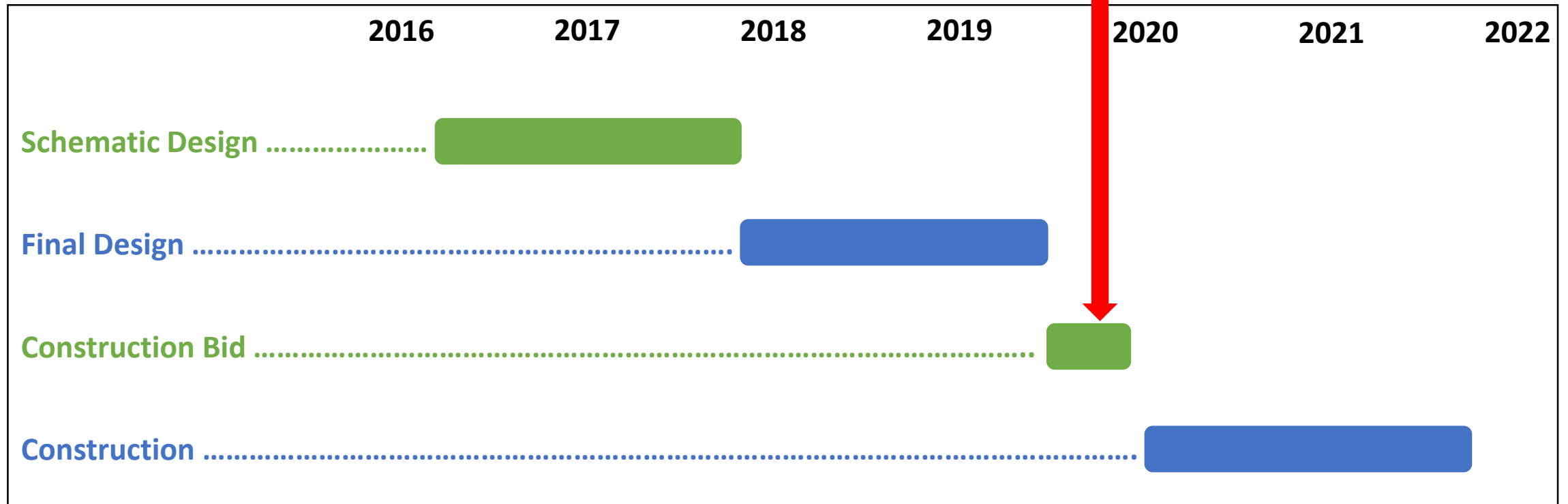
# Heart of the City

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# Project Timeline

We Are Here





# Schedule

- Approval of 2020 CIP: October 18, 2019
- Completion of “Business Forward” construction documents: November 2019
- Project bidding: December 2019 – January 2020
- Project construction: 2020-2021
- Business support strategies in place and operational



# Business Forward Strategy

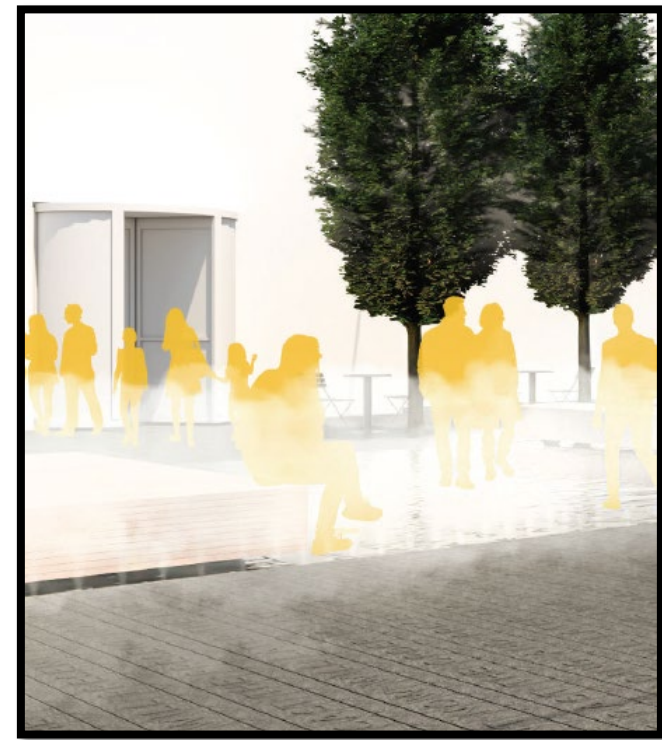
Minimizes construction disruption by focusing on:

Accessibility & Safety

Communications

Activation & Programming

# Heart of the City Public Art







# Chateau Theatre Update





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**Discovery Square**

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# One Discovery Square

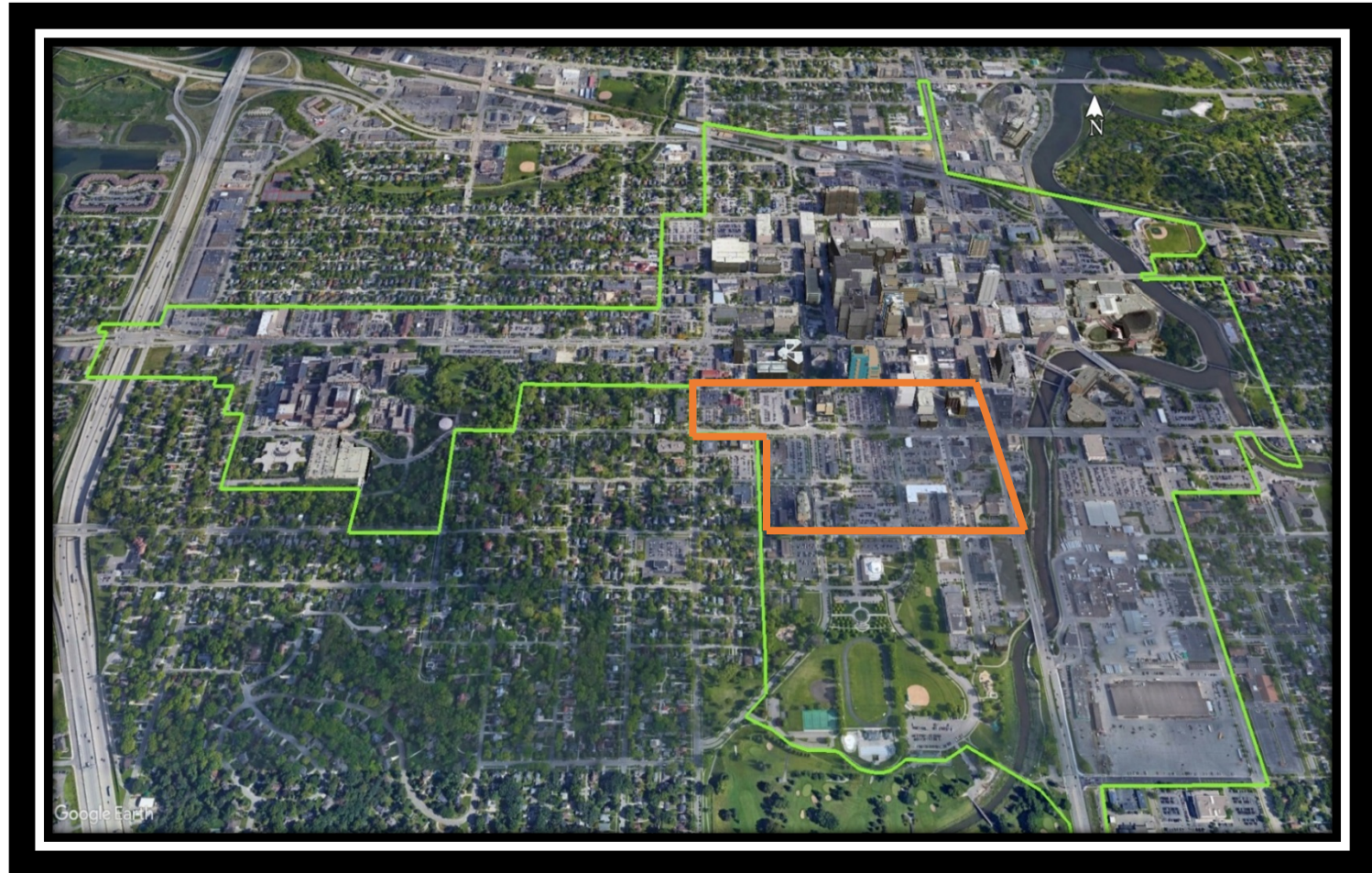






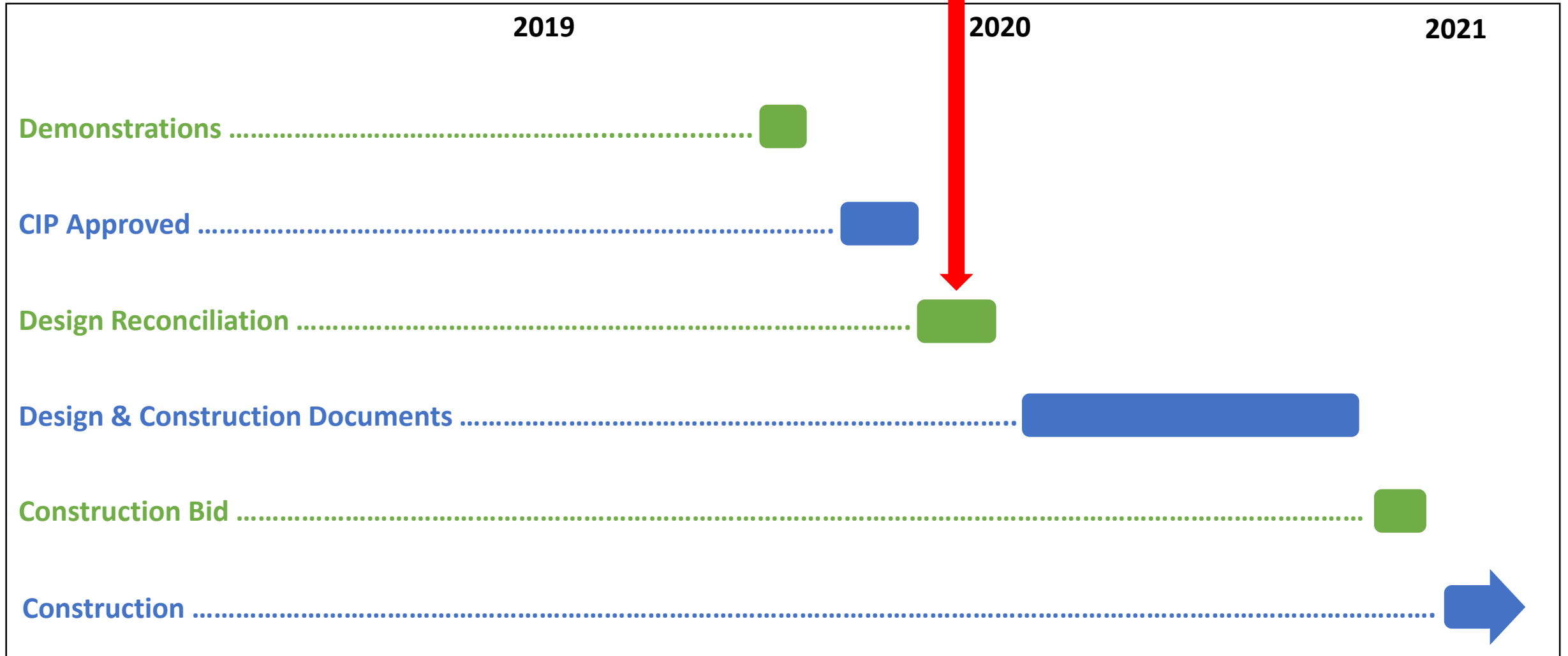
# Recent Activities

- RION
- BioSig
- Collider Foundation
- Vyriad
- Two Discovery Square





# Discovery Walk Timeline





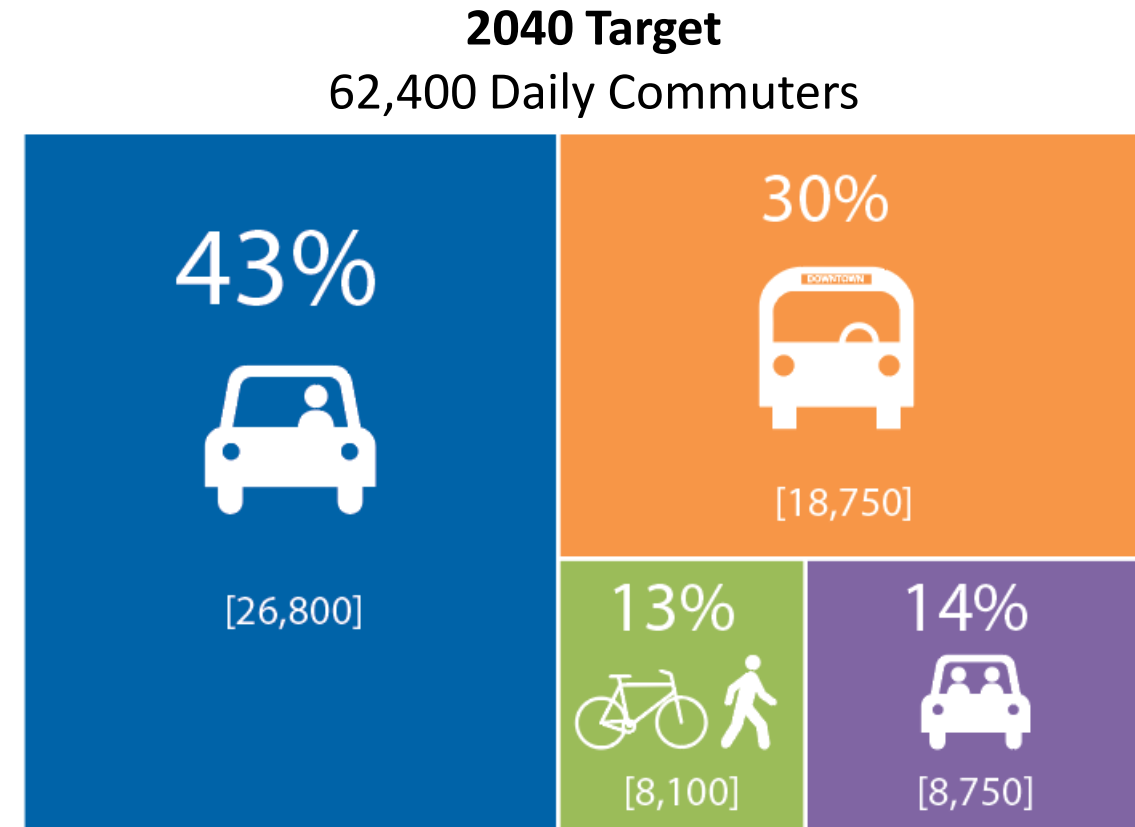
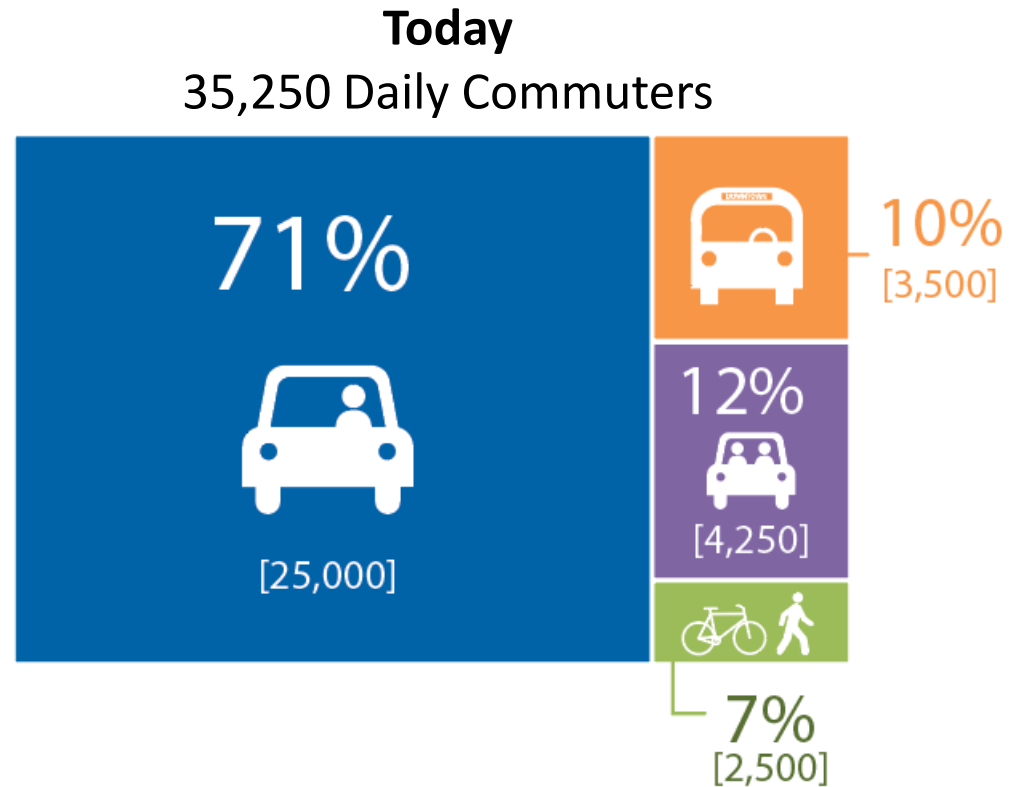
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# Transportation

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# Mode Shift – Reducing Single Occupancy Vehicles



■ Drive Alone   ■ Carpool   ■ Transit   ■ Walk Bike



# Transportation Initiatives

- Park & Ride
- Car Sharing Program
- Bike & Scooter Sharing
- City Loop – Pedestrian / Bike
- Downtown Parking Strategy
- Arrive Rochester (TMA)
- Transit Circulator







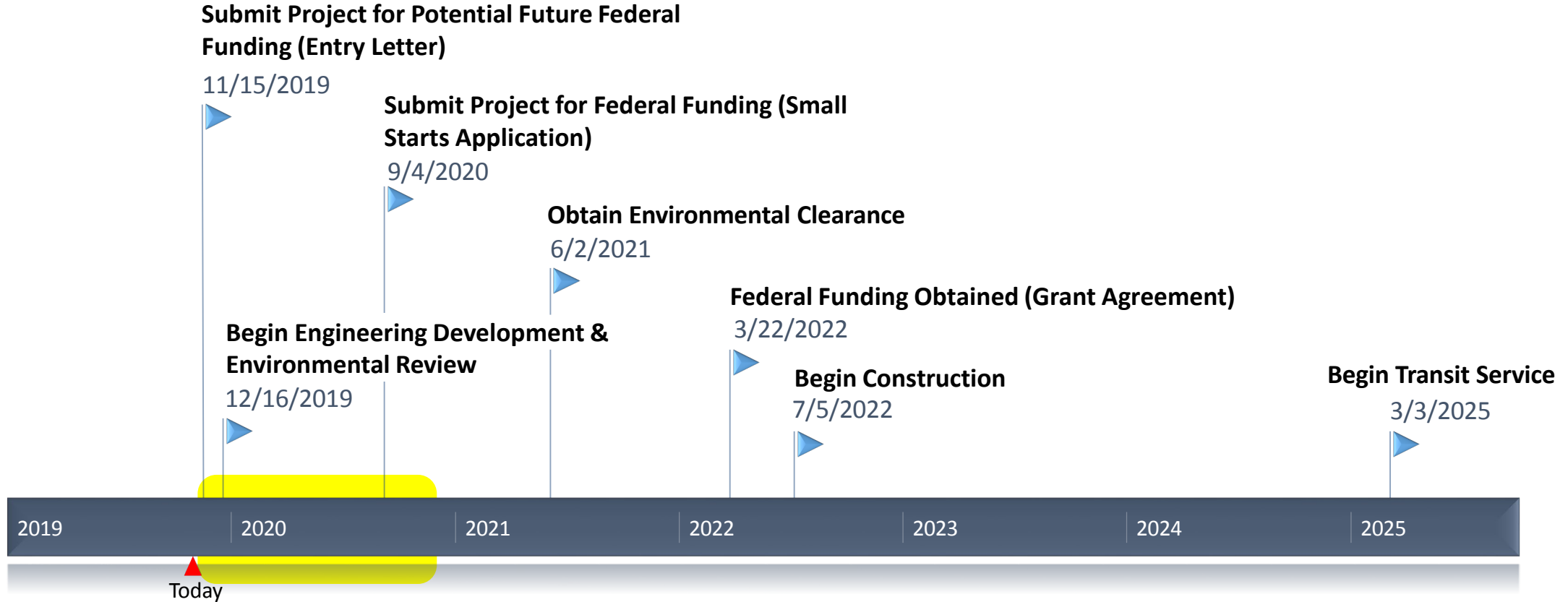
# Recent Decisions

- Route- Broadway
- Mode- High Amenity Rapid Transit
- Transit Villages- Affordable Housing
- Prepare for FTA Application- 2020



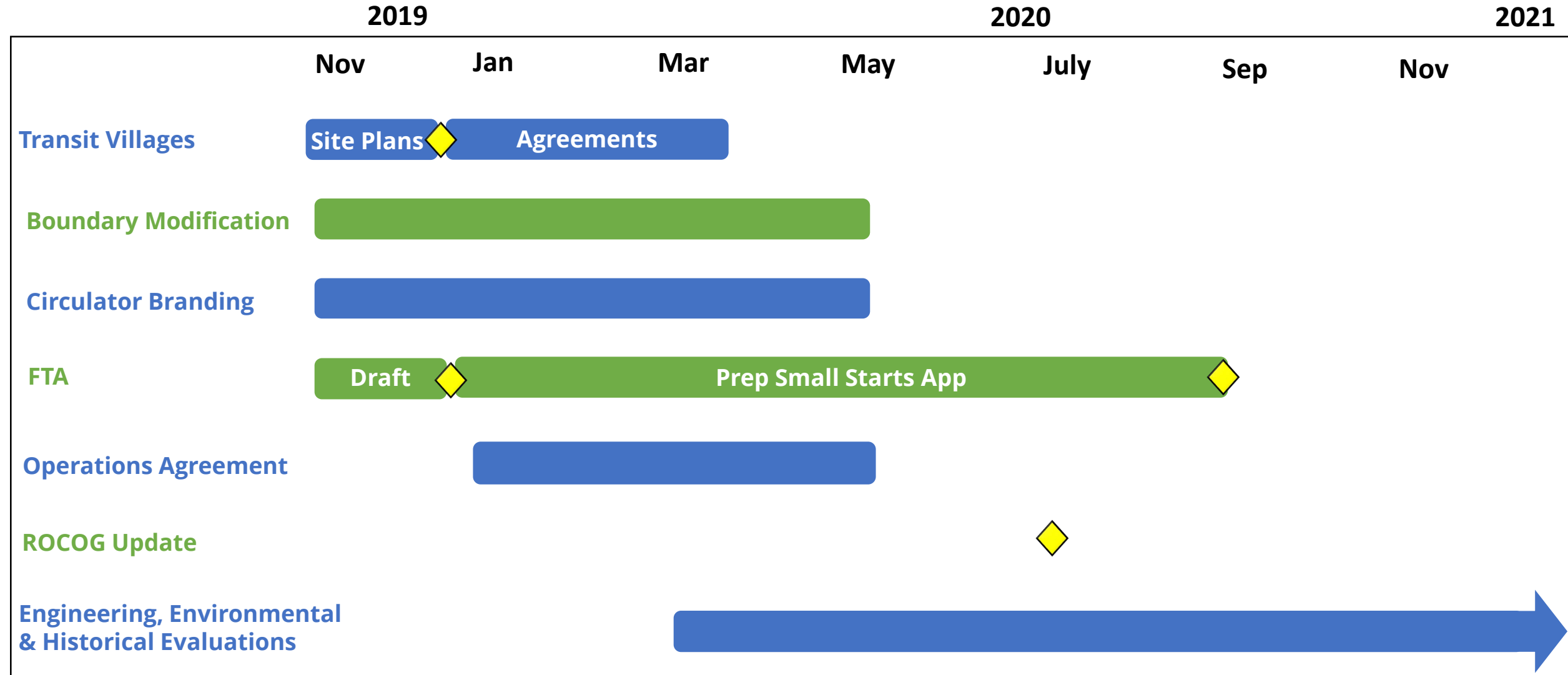


# Transit Circulator Timeline





# 2020 Transit Circulator Timeline





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# Affordable Housing

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# Affordable Housing 2019 DMC EDA Workplan Objectives

## Objective A: Strategy Development

1. Current progress and needs
2. Identify high-potential parcels in the DMC District
3. Confirm opportunities available to DMC
4. Leverage community partners
5. Continue to engage in community activities related to a workforce housing strategy
6. Develop and share goals for DMC District units of affordable and senior housing

## Objective B: Project Development

1. Attract/recruit affordable housing developers to DMC District and Rochester market
2. Partner with the City to evaluate opportunities for property within the DMC District
3. Coordinate activity with other priorities and plans
4. Identify and leverage public and private partners



# 2019 DMC EDA Workplan: Progress to Date

## 1. Strategy Development

- Maxfield Study Update
- Parcel Analysis
- Housing Coalition participation

## 2. Project Development

- Met with five entities interested in developing affordable housing since early 2019
- Real Estate Summit
- Parking Ramp 6
- Transit-Oriented Development Study

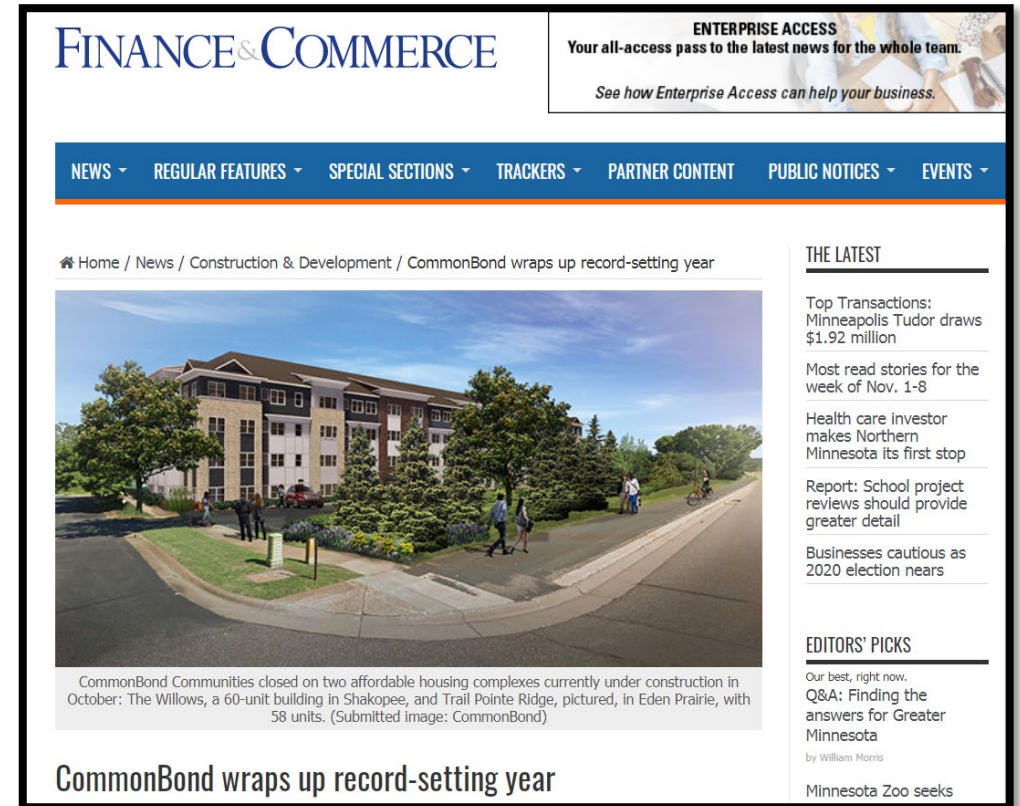






# CommonBond

- Non-profit affordable housing developer
- High-rise construction
- Number of units and rents:
  - 127 units – 13 studio
  - 76 one bedroom
  - 38 two bedroom
  - Rents between 30%-80% AMI
- Income averaging approach
- Anticipated Completion Schedule: Early 2023





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# DMC Development Plan

## Five Year Update

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# Legislative Requirements

- Must be updated every five years
- Outline DMC's plan for public and private development
  - Afford maximum opportunity for private development
  - Conform to city comprehensive plan
  - Include research/tech, learning, hospitality, recreation, livability, RDE, & health plans
  - Provide framework to identify and prioritize public investment
  - Include land use, transportation operations, and market research information
- Complement/address State and local objectives
- Understand fiscal and economic impacts



## 2015-2019 Planning Efforts

- **DMC:** Integrated Transit Studies, Heart of the City, Discovery Walk, Saint Marys Place, Design Guidelines
- **Mayo Clinic:** 2017-2022 Capital Plan, 2030 Strategy, Discovery Square
- **City:** Comp. Plan, TOD Zoning
- **Olmsted County:** Graham Park Master Plan



## What We Have Heard...

- Keep the plan *understandable* and succinct
- Demonstrate *progress* toward current plan goals
- Don't create *another plan*



# Proposed Update

- Focus on the *Implementation Strategy for 2020-2025*
  - *Mobility*
  - *Public Realm*
  - *Streets and Sewers*
  - *Private Development*
  - *Operating Model*
- Refer to complementary/existing documents



# Additional Content

- Resiliency/Climate
- Data Policy/Strategy
- Affordable Housing
- Equity + Inclusion
- “Future-proofing” strategy



# Timeline

November  
2019

January  
2020

May  
2020

September  
2020

November  
2020

Today ..... 

Scope Refinement ..... 

Plan Update ..... 

DMCC reviews plan & submits to City ..... 

City public comment period and plan adoption ..... 

DMCC adoption of plan ..... 



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# DMC EDA Update

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# Riverfront Re-Imagined

City of Rochester is soliciting statements of interest (SOI) on the City-owned property.

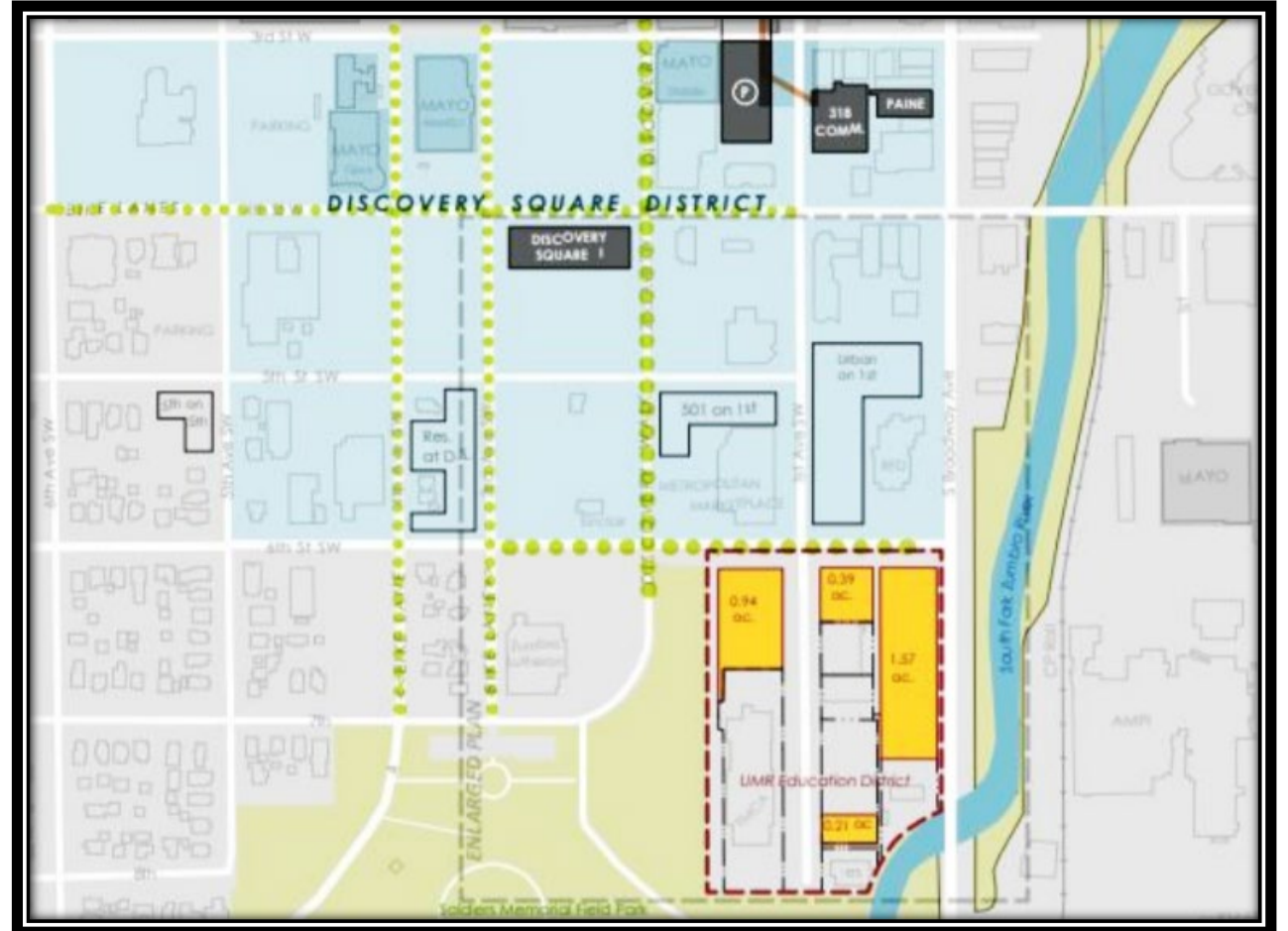
DMC EDA staff have informed potential developers of this opportunity.







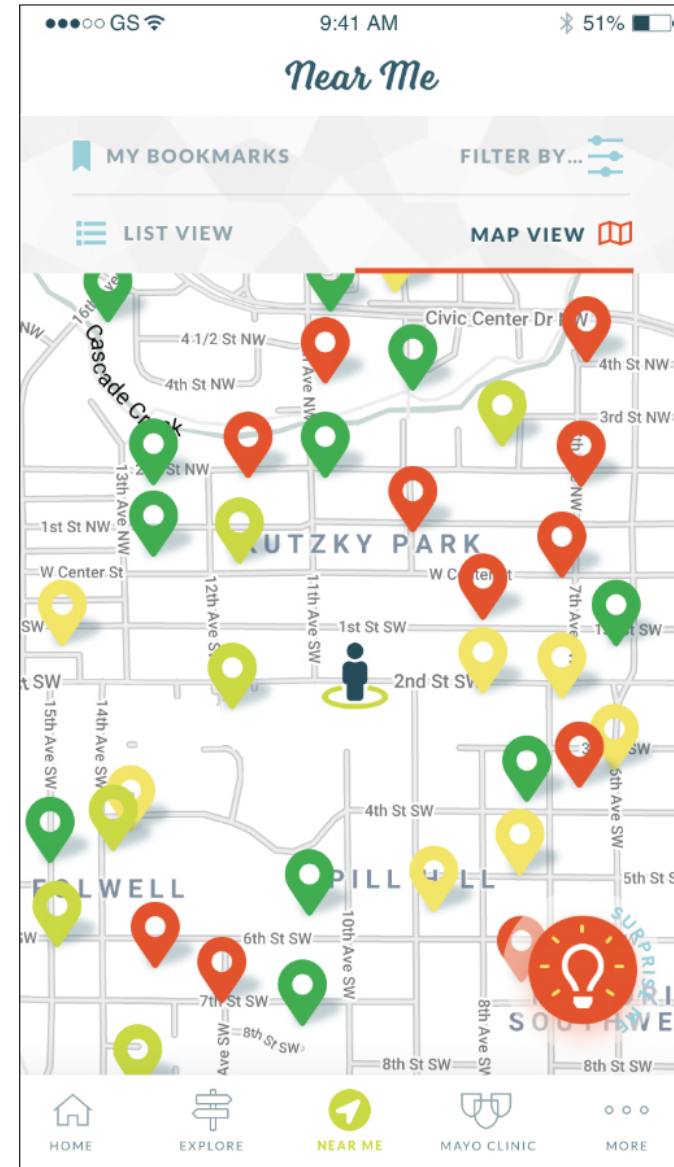
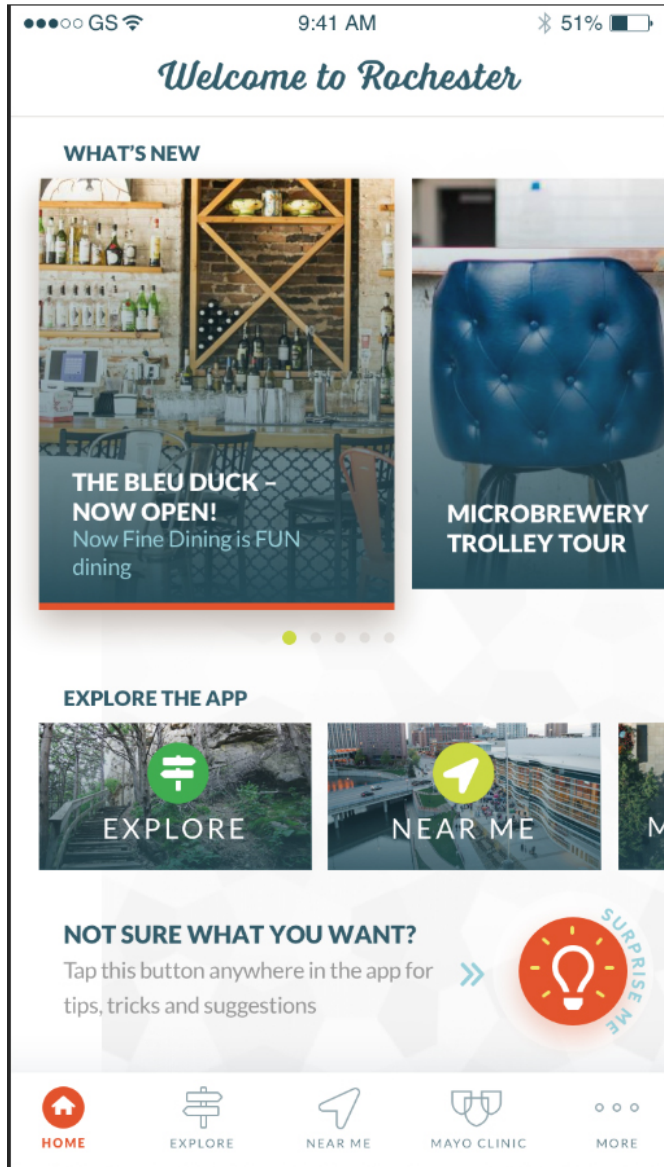
DMC EDA coordinated regular meetings between community leaders prior to the issuance of the RFP.





# “When in Rochester” App

- DMC Goal: Ideal community member, patient and visitor experience
- Mayo Clinic + Destination Medical Center + Experience Rochester
- Launched: October 7, 2019





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# DMC Corporation Board Meeting

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