



DMC  
Destination  
Medical Center

# DMC Corporate Board Meeting

November 19, 2020



# Consent Agenda

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# DMC Development Plan

## Five-Year Update

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# **Requested Action**

Adopt the 5-Year update to the DMC Development Plan.

# FORWARD

## CREATING ROCHESTER'S FUTURE





# 5 Year Update Overview

- **Why a 5-year update?**
  - To tailor economic development strategies to market conditions
  - To account for how DMC catalyzed for economic growth from 2015-2019
  - To gather community input
  - To meet requirements of State Law
- **What is included?**
  - 2015-2019 results
  - Plans for DMC Initiative from 2020-2024 (including COVID-19 impact analysis)





# Report on Phase 1



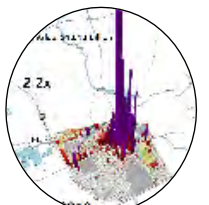
## New Jobs

Over 7,000 new **jobs** were created, and more than 80% of those jobs paid more than Rochester's Area Median Income (which was \$74,880 in 2018).



## New Investment

Through 2019, public investments of \$98M **spurred** private investment of \$963M in Rochester's DMC.



## New Tax Revenue

The increase in jobs and investments have led to net new tax revenue ahead of projections at the end of 2019.



## Plans+Prototypes

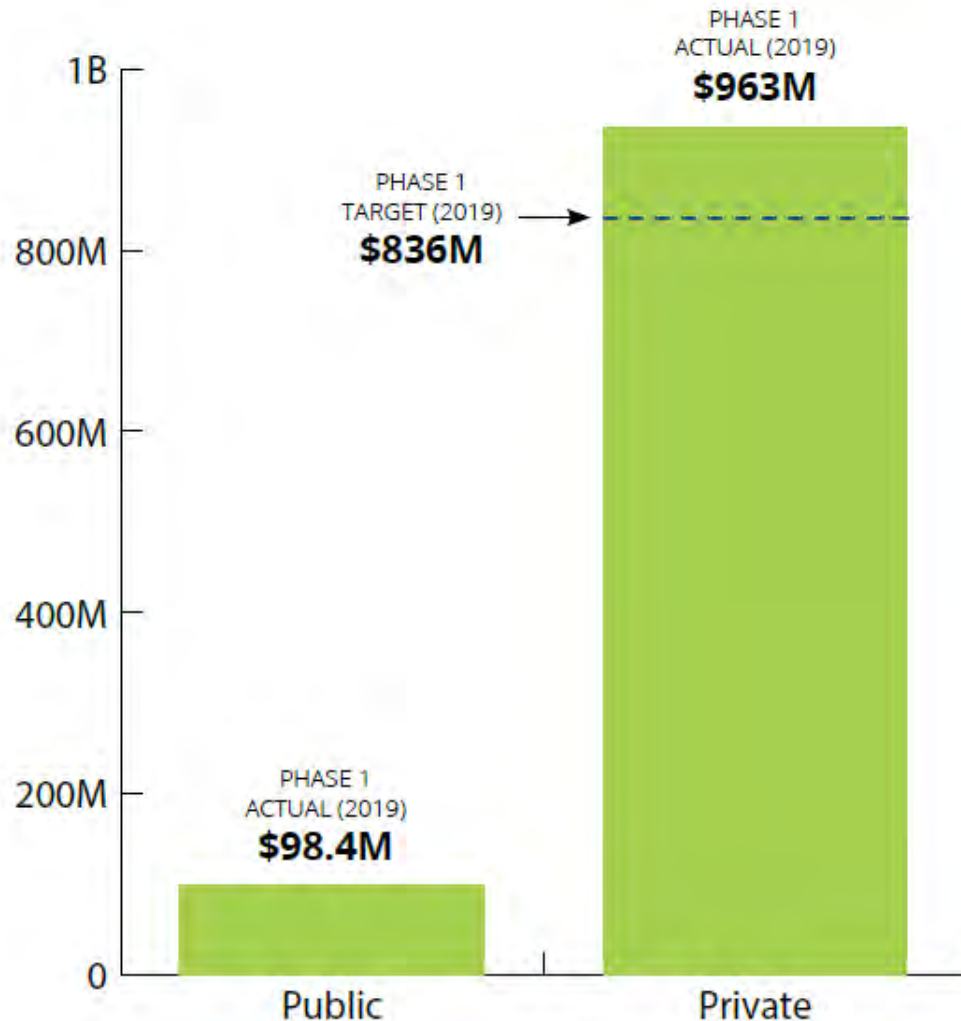
Major mobility and public realm **planning and prototyping** to tee up longer term projects to further economic growth and high-quality development.



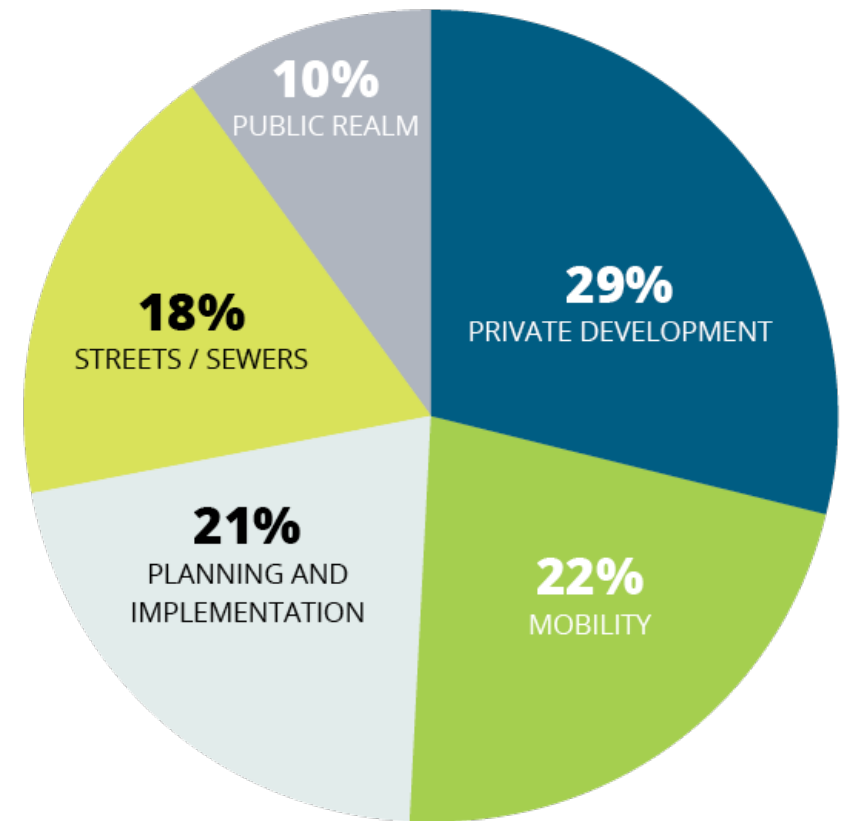
## Transforming Experience

At the heart of it all is DMC's goal of becoming America's City for Health – by building on Rochester's history of care and innovation.

# TOTAL INVESTMENT COMMITTED IN PHASE 1



**Uses:** Public Money (\$98M) in 2015-2019 was committed to these 5 areas







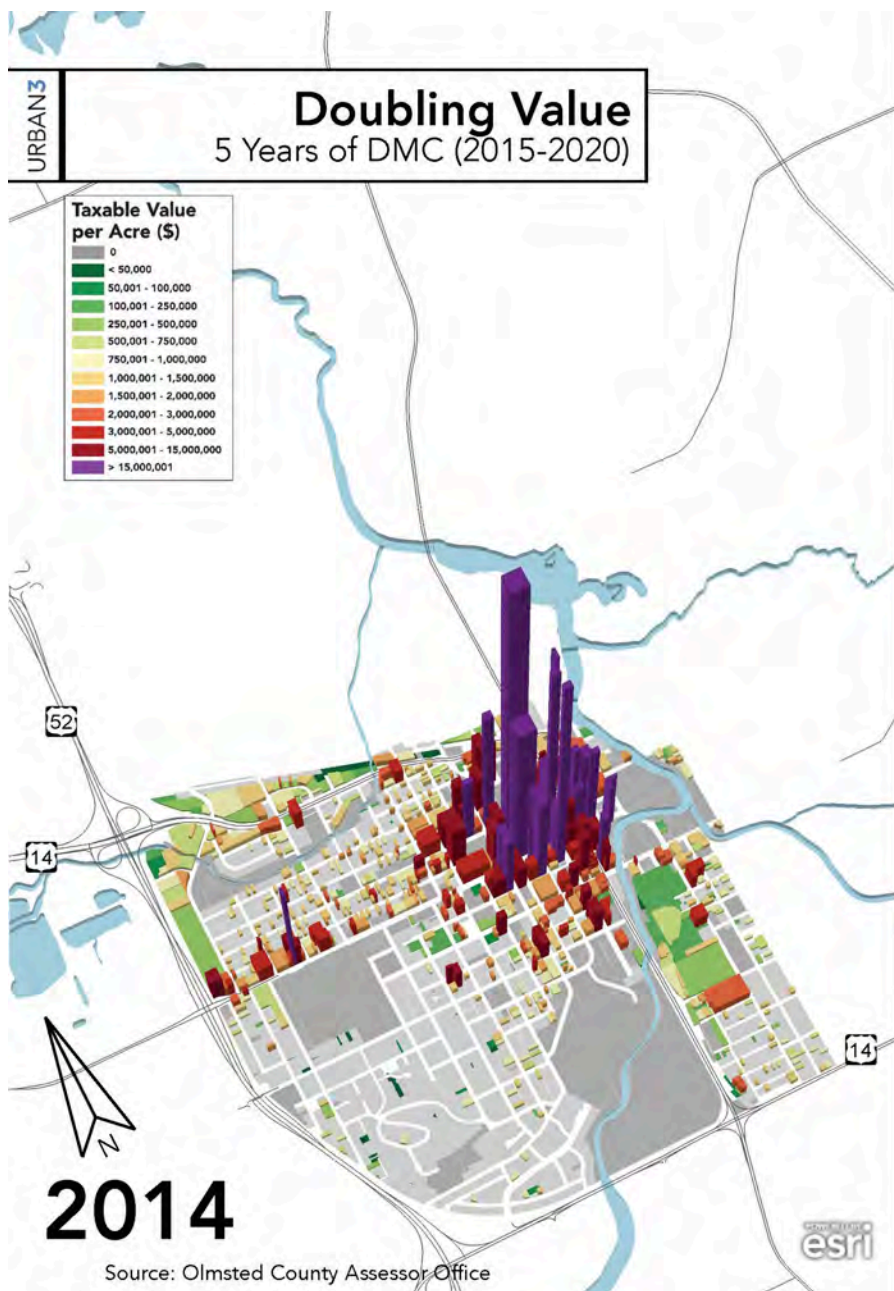
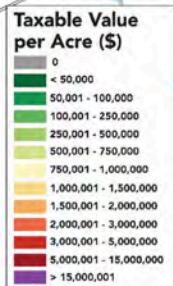
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**Strong Downtowns Build Strong  
Communities**

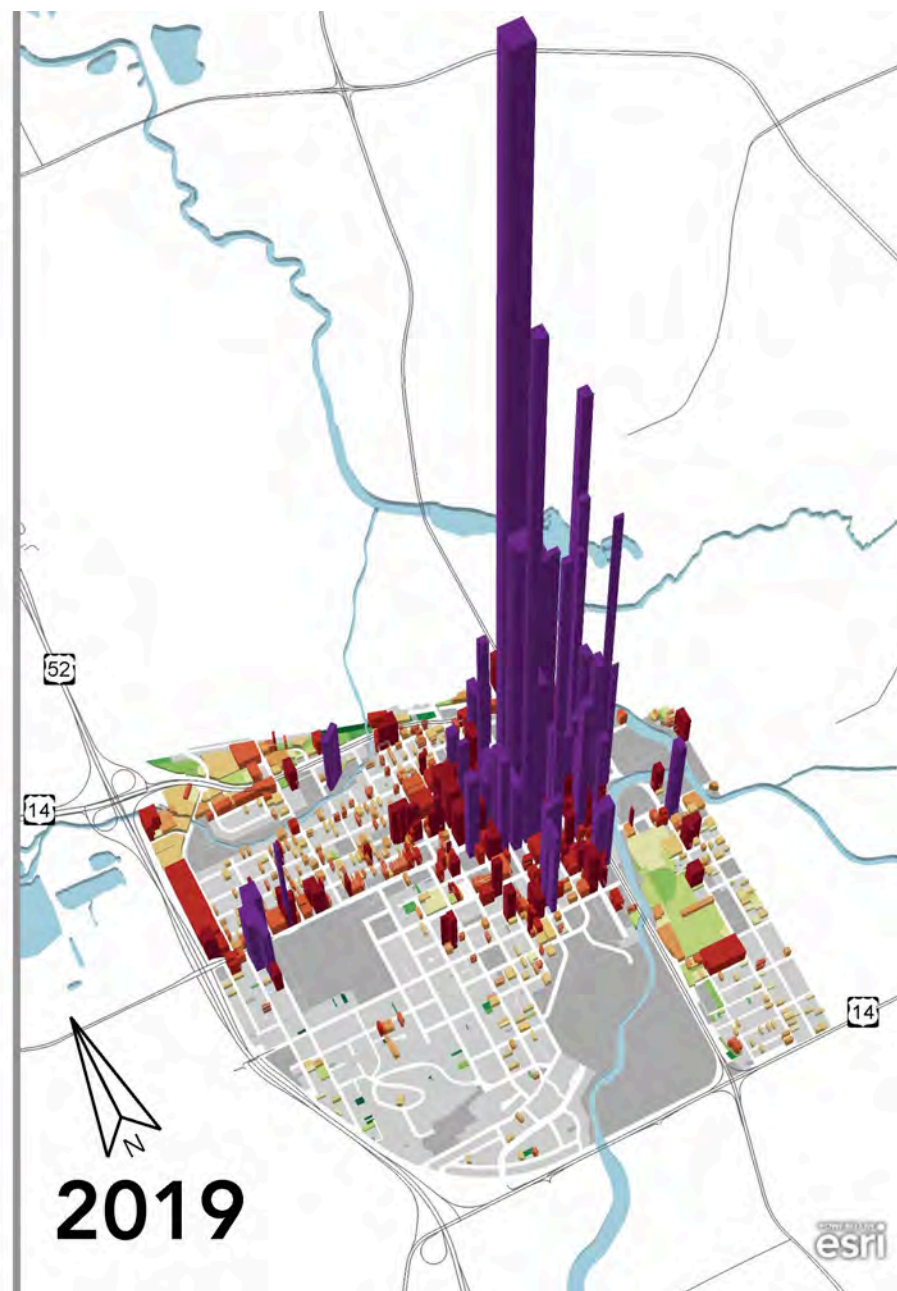
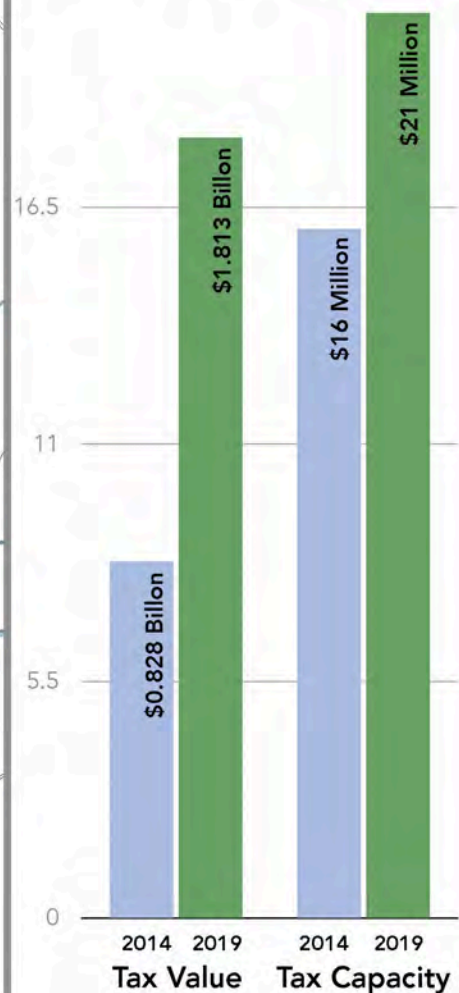
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URBAN3

## Doubling Value 5 Years of DMC (2015-2020)

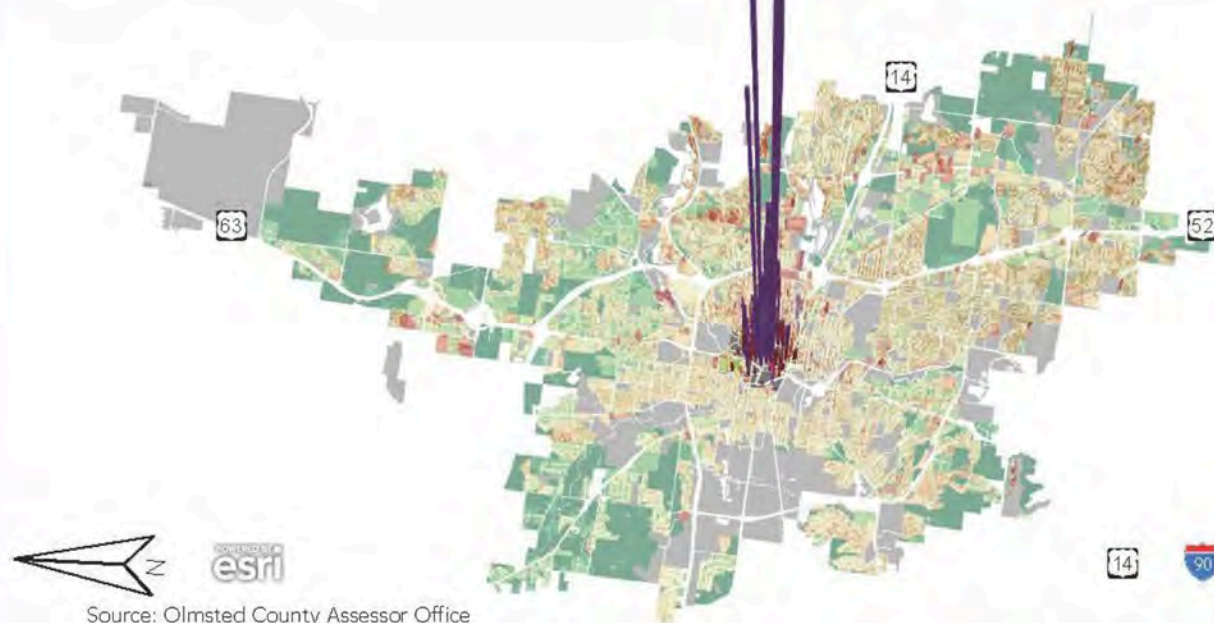
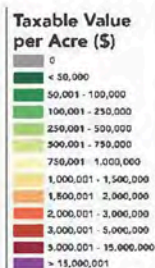


2.2x 1.4x



## Value Potency

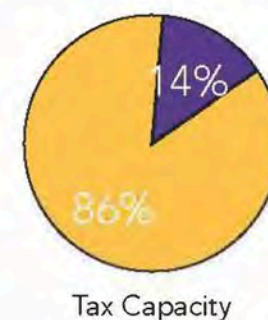
DMC : City



# 1:14.7

**Downtown is the epicenter of the City's tax base; it produces 14% of all property taxes.**

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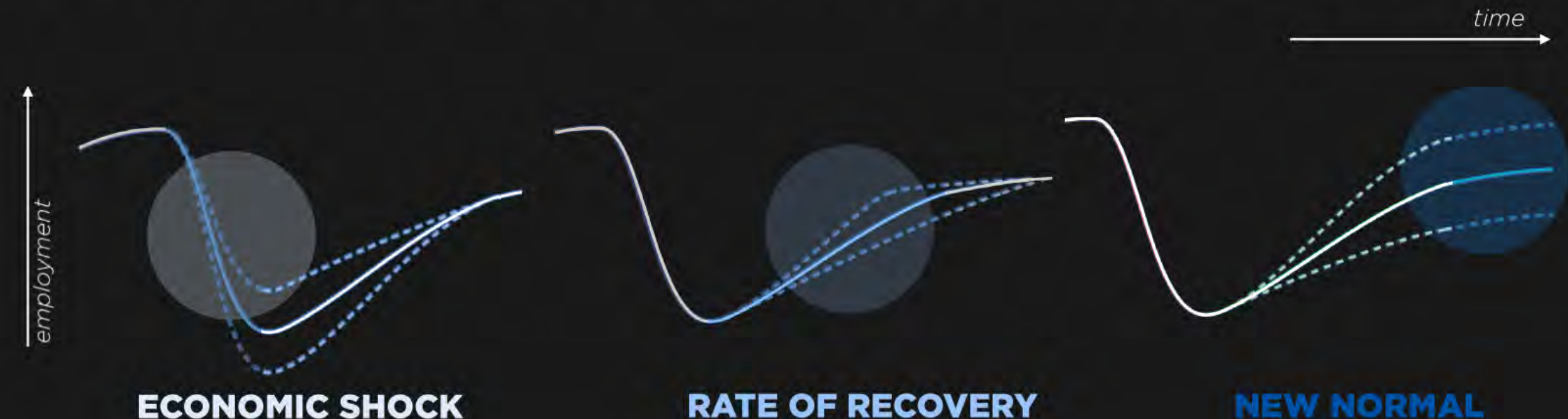
# COVID-19 Impact Analysis

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The economic recovery from COVID will take place over three stages.

**Careful planning and thoughtful interventions can help to bend this curve.**



*How deep is the initial impact of business shutdowns and reductions in consumer demand?*

*When will businesses reopen?*

*What share of pre-COVID jobs will recover, and be located in Downtown Rochester at stabilization?*

# METHODOLOGY

The outputs of the model allow us to extrapolate the impacts of COVID into findings contextualized for the DMC.

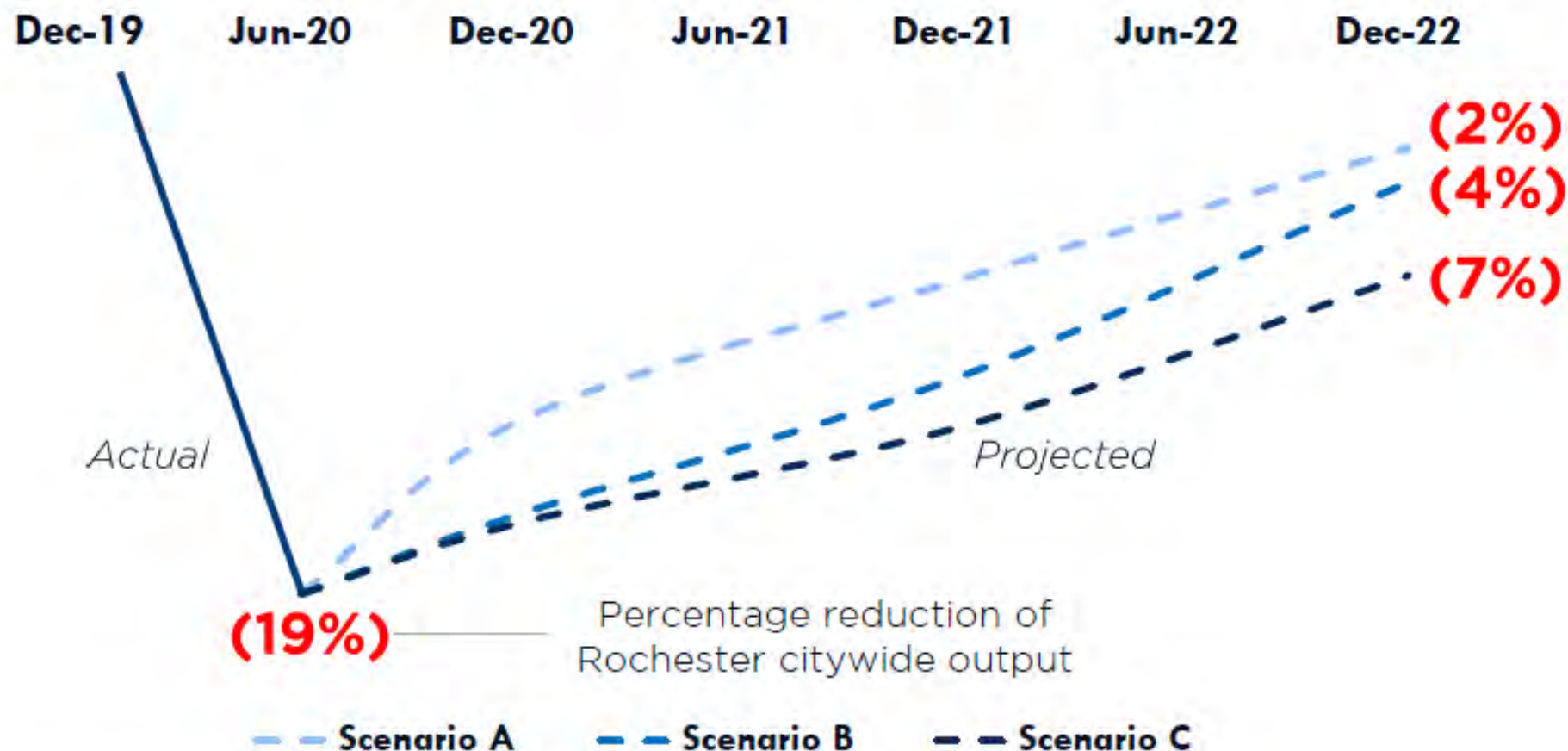




## FINDINGS

Following a significant loss in economic activity, HR&A projects a gradual recovery in the Rochester economy over the next 2+ years.

### Rochester Citywide\* Economic Output Recovery Projections



\*Citywide estimate based on four zip code geography of 55901, 55902, 55904, 55906



## Findings: Impact on DMC Phase 2 Plans

Pre-COVID-19, Rochester had a growing economy. Development was largely aligned with demand. The full impact of COVID-19 is not yet fully understood, but findings indicate:

- **Downtown office space:** Rochester will have excess capacity in due to job loss and growth in remote work
- **Retail and restaurants:** those that depend on employees and visitors will be disproportionately affected
- **Hotels:** experienced a precipitous drop in occupancy rates. With Rochester's hotel pipeline, the market will continue to see occupancy rates below historical averages
- **Housing demand:** remains relatively strong. Growth in downtown residential will help to support the core's retail businesses



## Path Forward: Need to Remain Nimble

Unlike natural disasters, this pandemic hit every city in the country. However, not all are developing recovery strategies.

Despite significant losses, Rochester has **fared better** than other cities.

Rochester is starting its recovery **from a place of strength**.

Rochester had a robust and growing economy. The healthcare industry and Mayo Clinic provide stability during weak economies, and the city has the tools from DMC to support growth.





# Path Forward: Need to Remain Nimble

Future economic development strategies should:

1. Support existing local businesses
2. Prioritize public infrastructure
3. Reuse excess real estate capacity creatively
4. Diversify the economy
5. Support development proactively





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**Looking Forward**

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## Phase 2 (2020-2024): PRIVATE INVESTMENT



### Areas of focus:

- Economic diversification
- Housing affordability
- Mainstreet innovation
- Local entrepreneurs
- Local minority and women-owned business capacity





## Phase 2 (2020-2024): MOBILITY



- Rapid Transit initiative
- Micro-mobility options
- Systemwide enhancements
- Experience



## Phase 2 (2020-2024): PUBLIC REALM

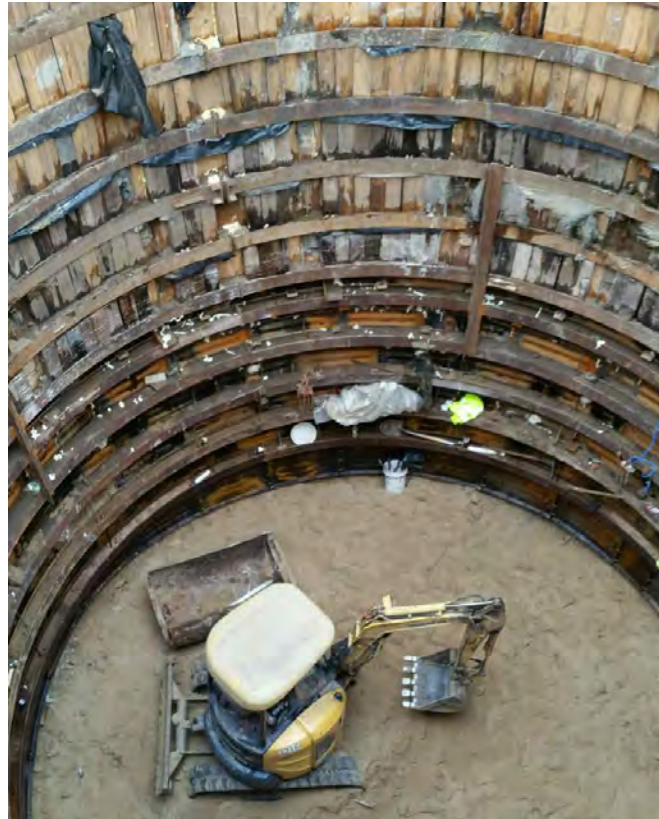


- Public space as catalyst for economic development
- Connection to neighborhoods
- Innovative public space activation





## Phase 2 (2020-2024): STREETS & SEWERS



- Generational investments
- *Complete Streets* approach





## Phase 2 (2020-2024): Community Experience

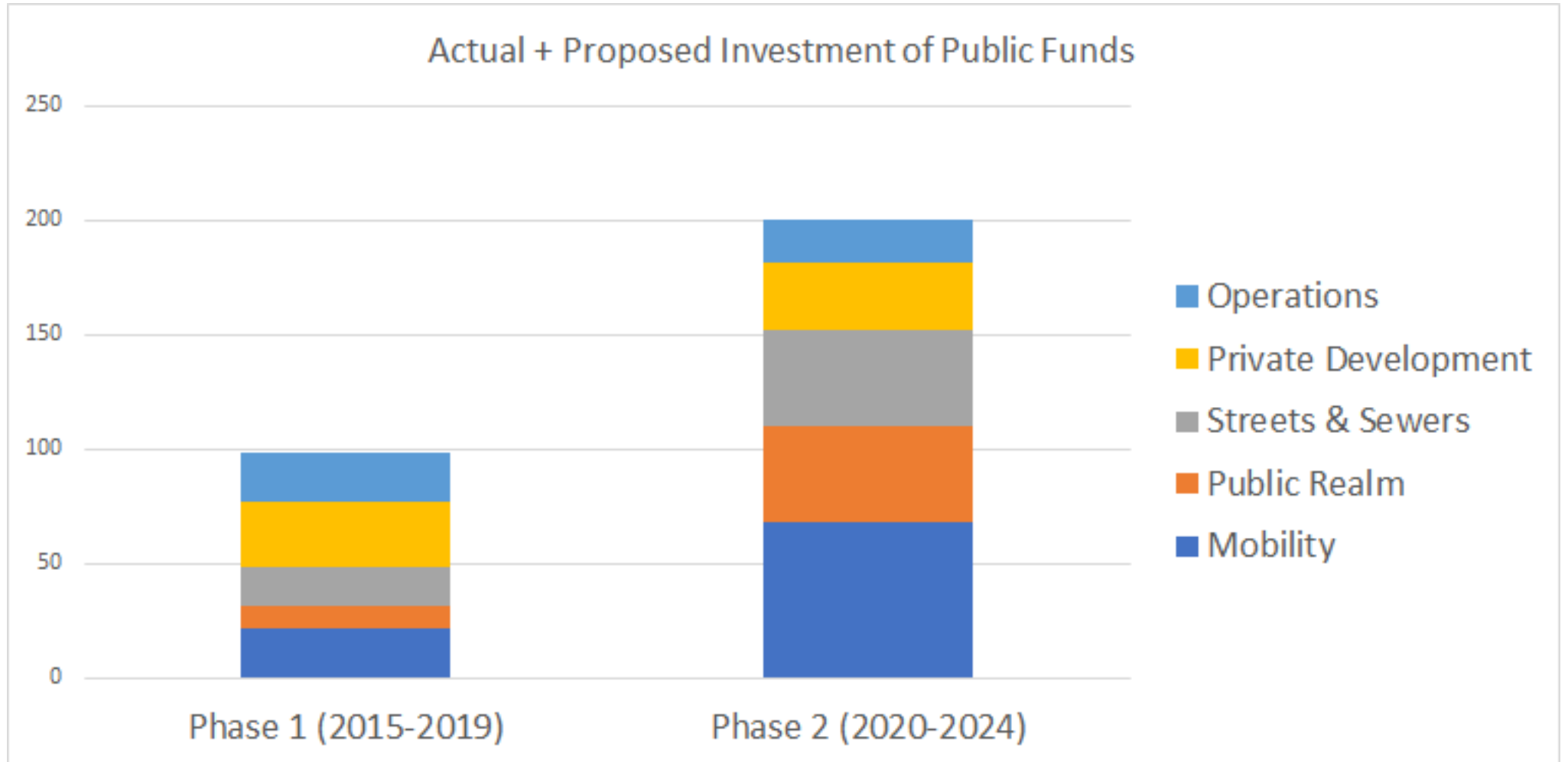


Addressing the aspirations of:  
Residents  
Businesses  
Patients  
Visitors





## Phase 2 (2020-2024): Use of DMC Funds







DMC 2020 Progress





Heart of the City Construction







Wells Fargo Renovation Completion





**Hotel Indigo Ribbon Cutting**







Berkman Apartments Now Open





Second Street Deep Utility Work and Completion





**CRAVE Grand Opening**





Painted Construction Barriers Provided by DMC





**The Hue Apartments in Discovery Square Now Open**





**Construction Begins on Discovery Square 2**



# Path Forward: Need to Remain Nimble

Future economic development strategies should:

1. Support existing local businesses
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# **Requested Action**

Adopt the 5-Year update to the DMC Development Plan.





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# Discussion

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# Heart of the City

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# Peace Plaza Updates

- **Construction**- projected completion: July 2021
- **Business Forward**- efforts to assist neighboring businesses to continue to operate
- **Chateau Theatre**- EDG will plan to reopen in the Summer of 2021
- **Arcade at Peace Plaza**- redevelopment concept under discussion





CHATEAU  
WELCOME TO HEART OF THE CITY

CHATEAU  
WELCOME TO HEART OF THE CITY

THEY SAID THE FIRST  
HUMAN BEING LIVED  
IN A ROCKY HOLLOW CANYON  
AND EVERYWHERE  
WAS ONLY A POTENTIAL  
FORM IN THE DARKNESS OF THE LOWER WORLD  
THERE WAS THUNDER IN ALL FOUR DIRECTIONS  
AND RAIN WAS EVERYWHERE IN THE BEGINNING OF CREATION





# Construction Timeline Updates

<b><u>Project Component</u></b>	<b><u>Original Schedule</u></b>	<b><u>Est. New Schedule</u></b>
<b>Second Street Completion</b>	<b>09/28/2020</b>	<b>08/25/2020 (COMPLETE)</b>
<b>First Avenue South</b>	<b>07/28/2021</b>	<b>07/01/2021</b>
<b>First Avenue North</b>	<b>08/20/2021</b>	<b>05/23/2021</b>
<b>Peace Plaza</b>	<b>08/13/2021</b>	<b>07/15/2021</b>





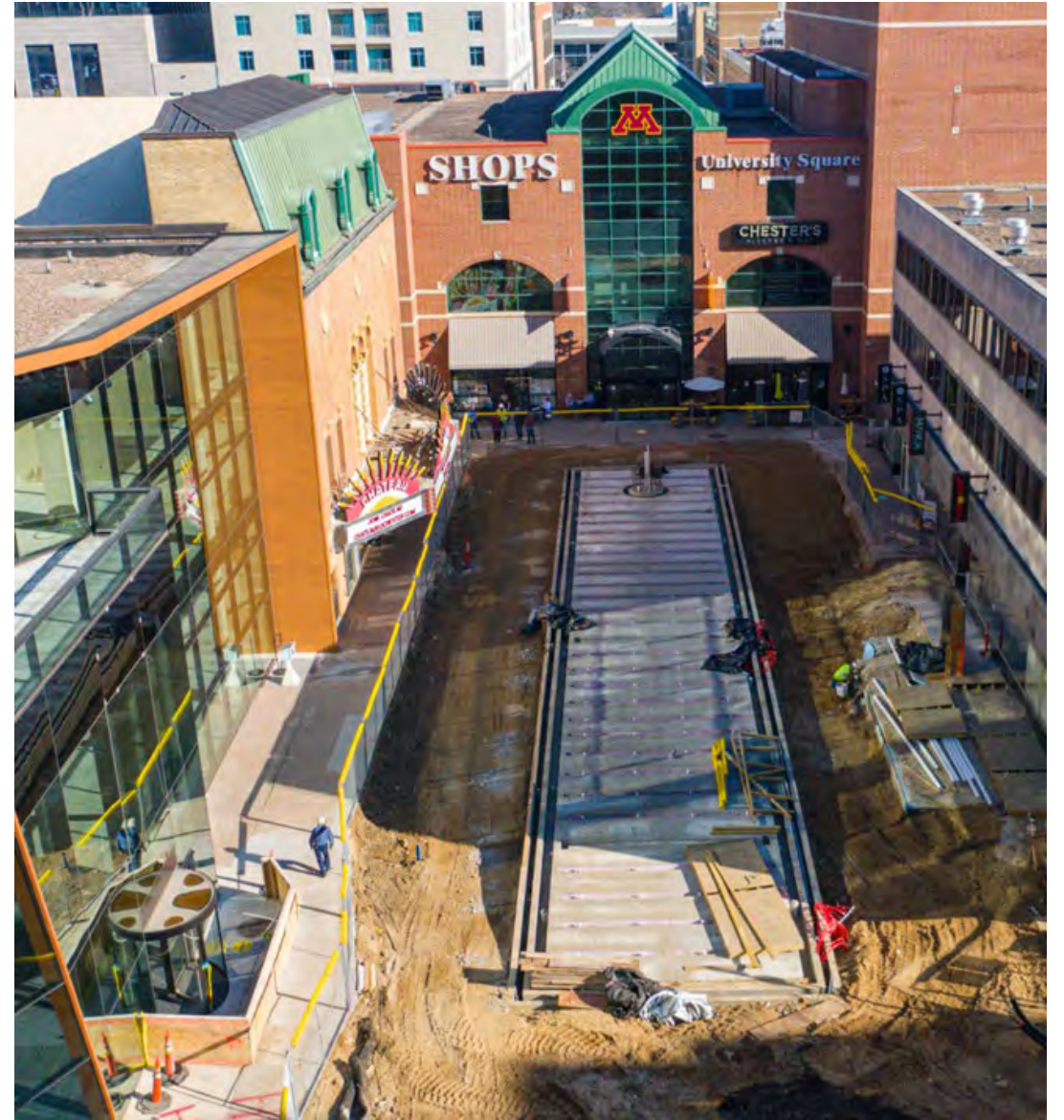










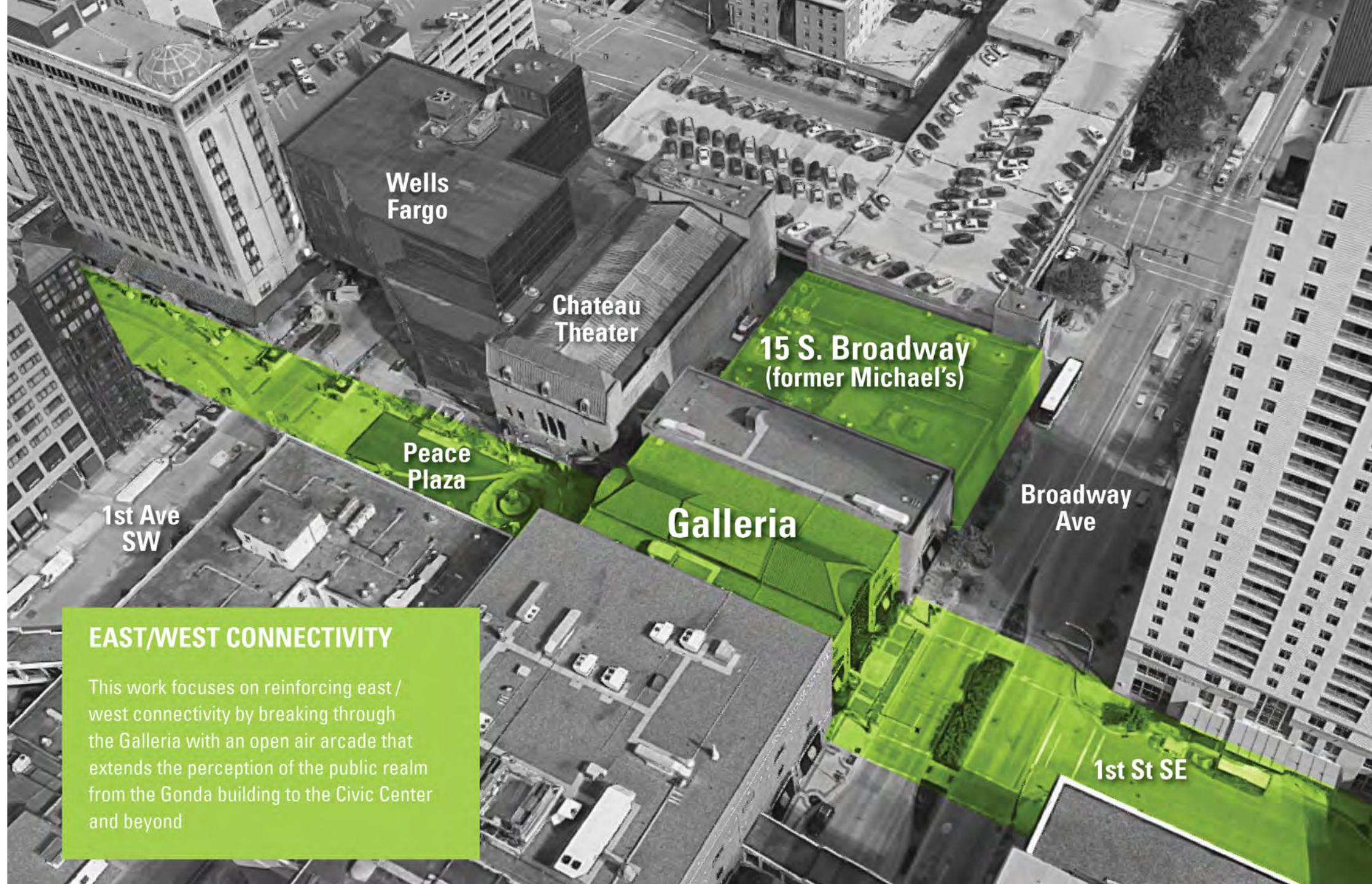




## ROCHESTER CONNECTIONS







## EAST/WEST CONNECTIVITY

This work focuses on reinforcing east / west connectivity by breaking through the Galleria with an open air arcade that extends the perception of the public realm from the Gonda building to the Civic Center and beyond



## EXISTING CONDITIONS



View from Peace Plaza



Entry vestibule off Broadway



Interior view of Galleria



Interior view of Galleria





## Next Steps

1. Further analysis with City and Property Owner
2. Determine potential phasing options
3. Develop MOU for City Council and DMCC consideration
4. Report to DMCC board at February 2021 meeting



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# Discussion

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**Discovery Square**

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# Subdistrict Updates

- **Economic Development-** Recruitment activities to pitch Discovery Square continue
- **Discovery Square 2-** Construction has begun, tenant recruitment planning continues
- **One Discovery Square-** 90+% leased, discussions underway for remaining space
- **Entrepreneurship Activities-** Medical Alley continues work to develop startup initiative in Rochester; DMC continues to participate in the SE MN E1 network
- **Residential and Retail-** Three new residential and retail spaces are now complete
- **Discovery Walk-** Design documents completed





## Requested Action

Approve Discovery Walk design and authorize completion of construction documents and bidding.



# Discovery Walk // Timeline

## APPROVALS & PROCESS

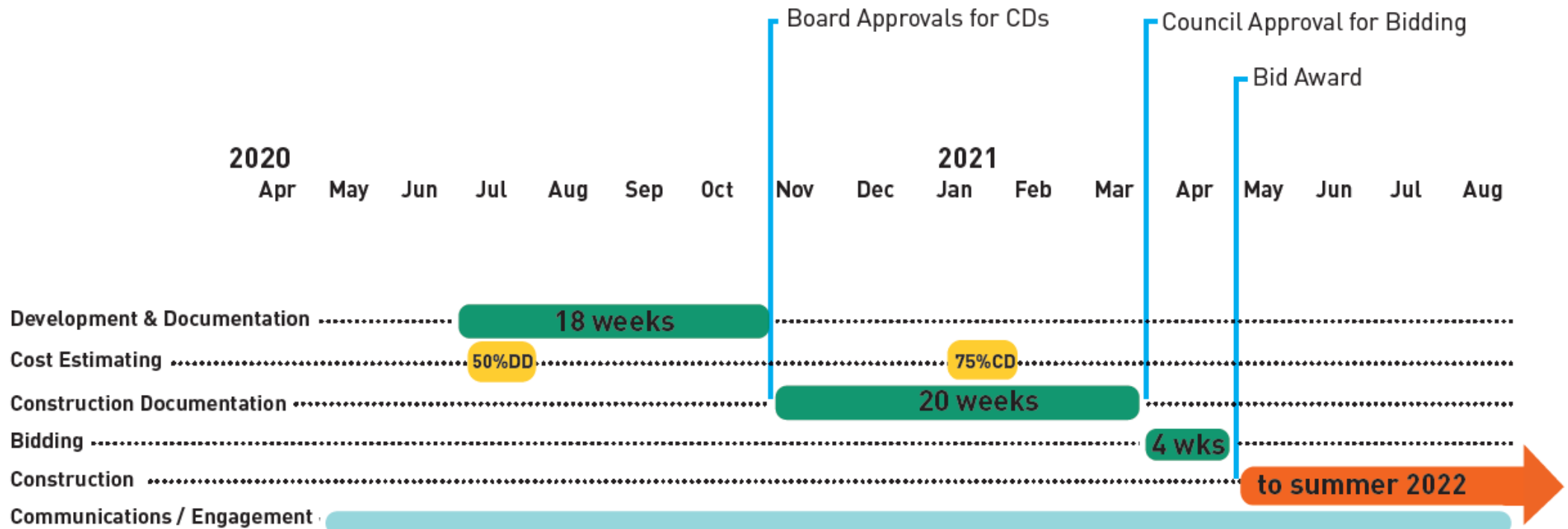
2015 - DMC Development Plan adopted

2017 - Approval for Discovery Walk Schematic Design Phase

2018 - Discovery Walk Schematic Design Phase approved

2019 - Approval for Discovery Walk to progress to Design Development - Bidding phases

2020 - Design Development began







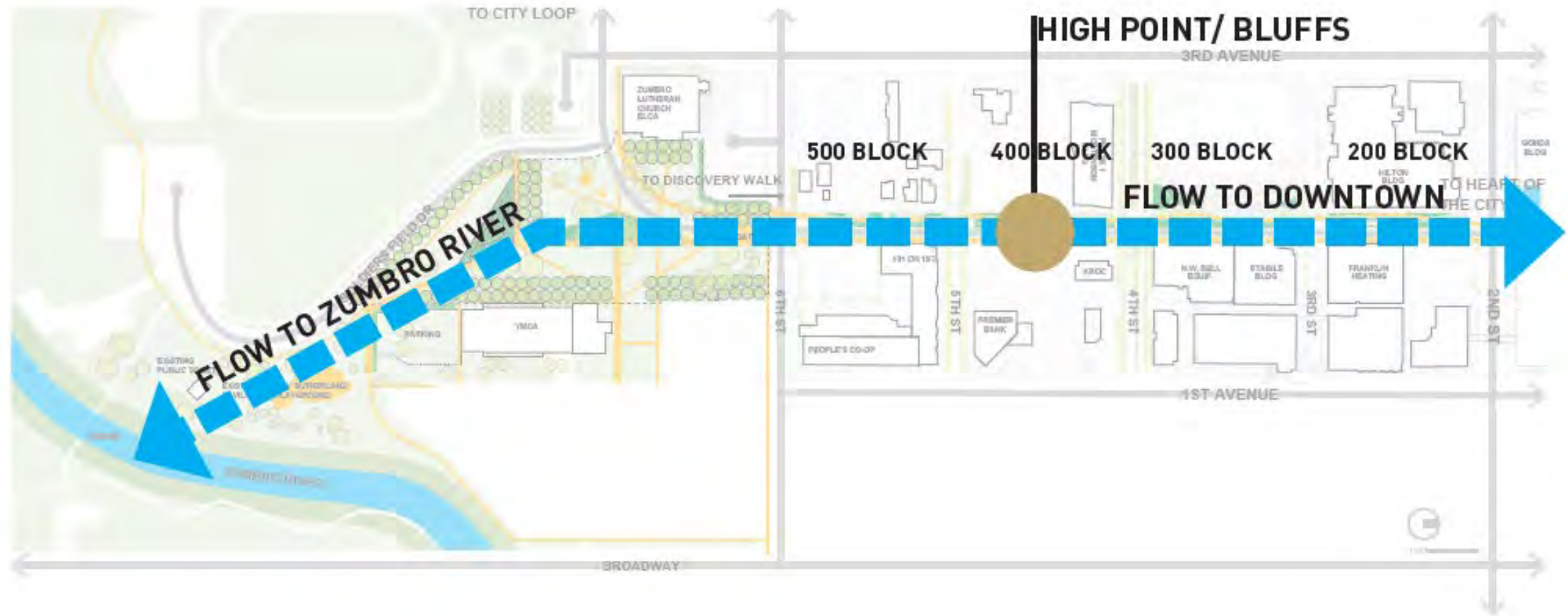
# DISCOVERY WALK WILL...

1. Feel like a park
2. Be flexible for access + events
3. Promote health + wellness + innovation
4. Connect Soldiers Field to Heart of the City
5. Provide a unique program + experience
6. Be accessible to everyone + safe
7. Support future development





## Discovery Walk // Connecting HoC to Zumbro River







# Discovery Walk // Local Community Co-Designers

- The Community Co-Designers are from diverse backgrounds and are great representatives for their communities.
- They engage with their communities to discuss how design and programming can be inclusive.
- Community Co-Designers are integrated into the team to ensure we achieve:
  - Accessible and welcoming space for all
  - Create unique experiences
  - Create a sense of cultural belonging
  - Create places that encourage health



Wafa Elkhaila  
Sudanese Community Activist



Krista Jacobson  
connection to communities dealing with  
mobility challenges



Laurie Kumferman  
YMCA



Chao Mwatela  
RCTC Student Advising



Lap Nguyen  
John Marshall High  
School student



Jenny Rho  
Community Health  
Center



Jeremy Westrum  
connection to communities dealing  
with brain injuries



## Discovery Walk // Local Artists



**Zoe Cinel**

Originally from Italy, Zoe is an interdisciplinary artist and curator. Her interdisciplinary art practice is relational, participatory, and political and uses art to help people feel ownership of the public sphere, with the ultimate goal to connect them.



**Sophia Chai**

Shaped by her experience immigrating to the U.S. from South Korea as a teenager as well as years in New York, Sophia's work often explores these feelings of contradiction, confusion, and ambivalence as a metaphor for that unsettling experience.



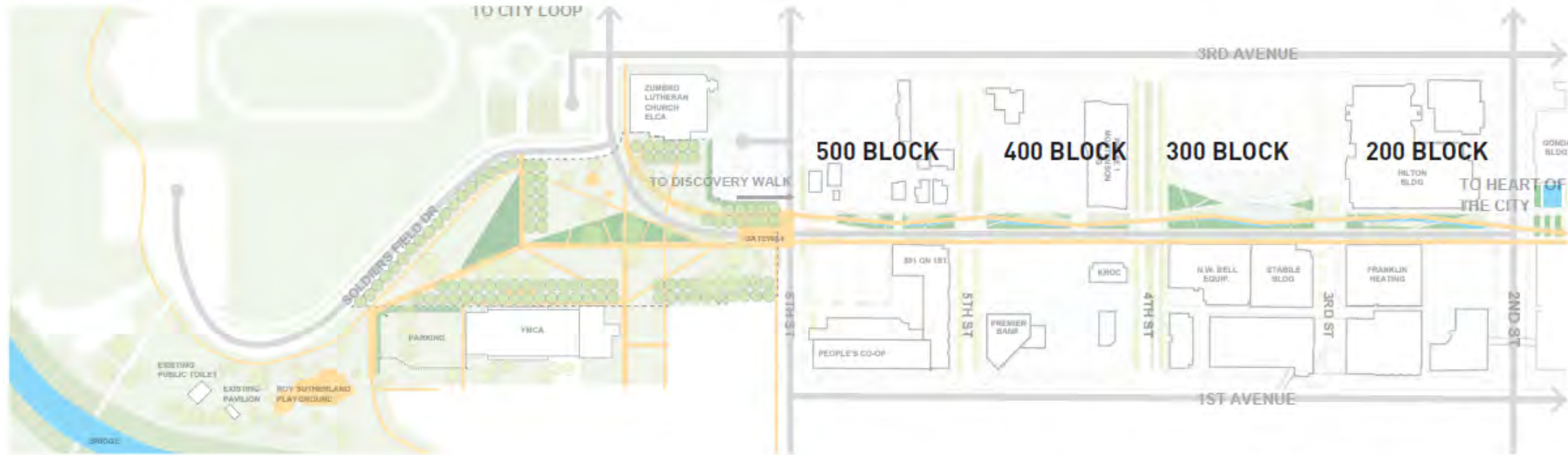
**Ayub HajiOmar**

Ayub is a multicultural artist particularly influenced by his background and travels. As an artist, he tries to bridge the gap between the misunderstood and those who try to understand them.





# Discovery Walk // Site Plan Design Features



## BASE DESIGN FEATURES:

- ADA accessibility (wider walkways and curbless intersections)
- Snow melt in main walkways
- Sustainable stormwater management practices
- Planting of native trees, grasses, and perennials
- Universally designed seating
- Art by local Rochester artists
- Lighting for safety and accessibility
- Utilities to support existing and future development
- Traffic calming and safe integration for bicycles and vehicles
- Space for event, recreation, & business opportunities

## OPTIONAL DESIGN FEATURES:

- Weather shelters
- Snow melt in plazas and garden walks
- Soldiers Field north area
- Utility upgrades at 6th St and Broadway Ave



## Discovery Walk // 400 Block



**CLIFF ROOMS SEATING**  
3 @ 125 SF each



**OUTCROPPING PLAZA SEATING + WORKING + PLAY**  
1200 SF



**WEATHER SHELTER/SWINGS SEATING + PLAY**  
1200 SF





## Discovery Walk // **Metrics**

	<u>Existing</u>	<u>Proposed</u>
<u>Landscape Area</u>	7,000sf	38,700sf
<u>Trees</u>	39	313
<u>Social Space</u>	2,000sf	38,000sf
<u>Seating</u>	65lf	1,300lf
<u>Vendors</u>	3	Up to 35



## Requested Action

Approve Discovery Walk design and authorize completion of construction documents and bidding.





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# Discussion

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# Transportation

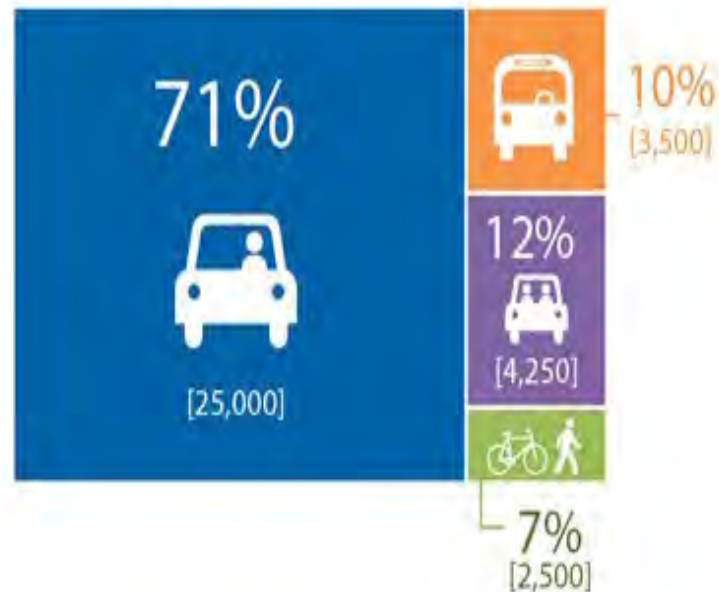
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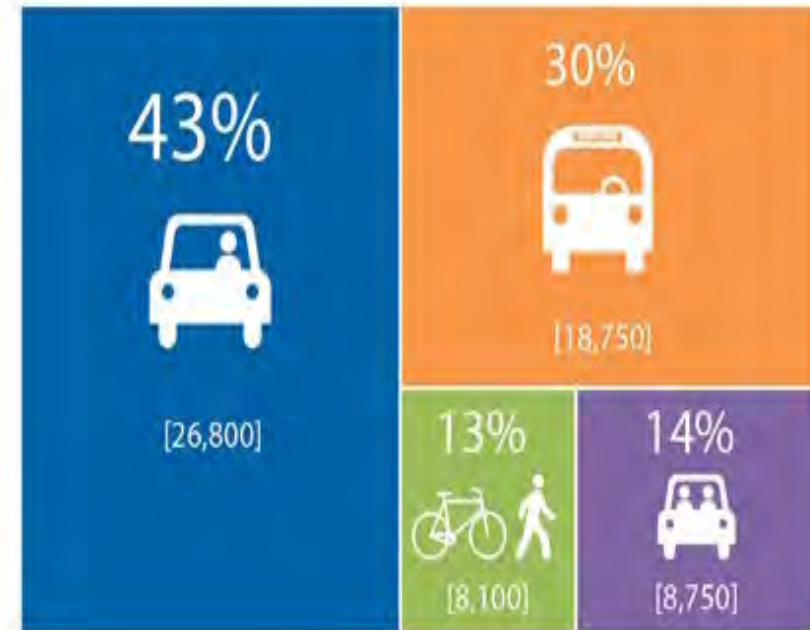


# Transportation Strategy

**Today**  
35,250 Daily Commuters



**2040 Target**  
62,400 Daily Commuters



■ Drive Alone ■ Carpool ■ Transit ■ Walk Bike



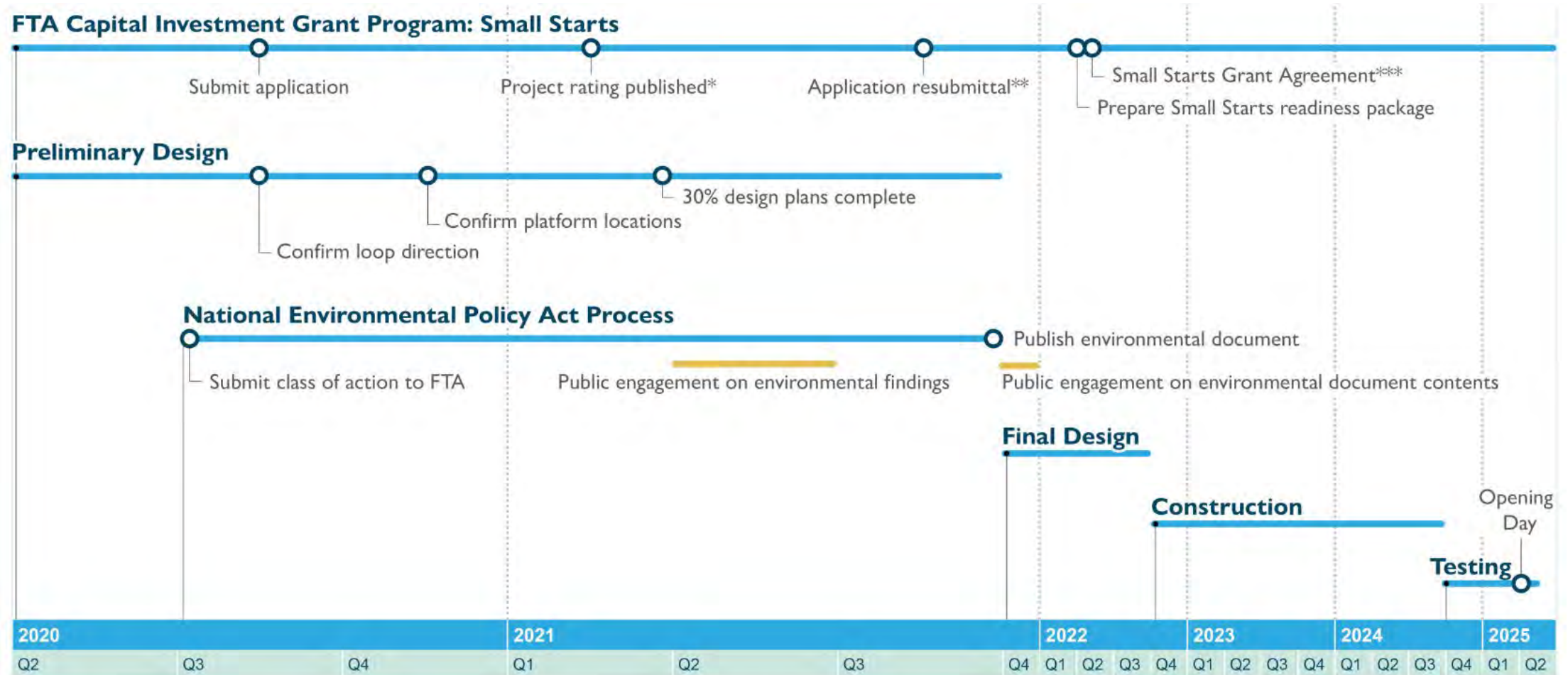
# Mobility Update

- Carshare Program – Hourcar
- Bike-Share Program
- Lime Scooter
- Autonomous Vehicle Pilot
- Transportation Management Association (TMA)
- City Loop
- Street Improvements





# Rapid Transit Circulator Timeline



\*If project receives a rating of medium or better it is eligible for a Small Starts grant. Timing of the Small Starts grant is at the discretion of the federal government.

\*\*Only if project has changed substantially.

\*\*\*Award of the Small Starts grant is at the discretion of the federal government. Date shown is an estimate.



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# Discussion

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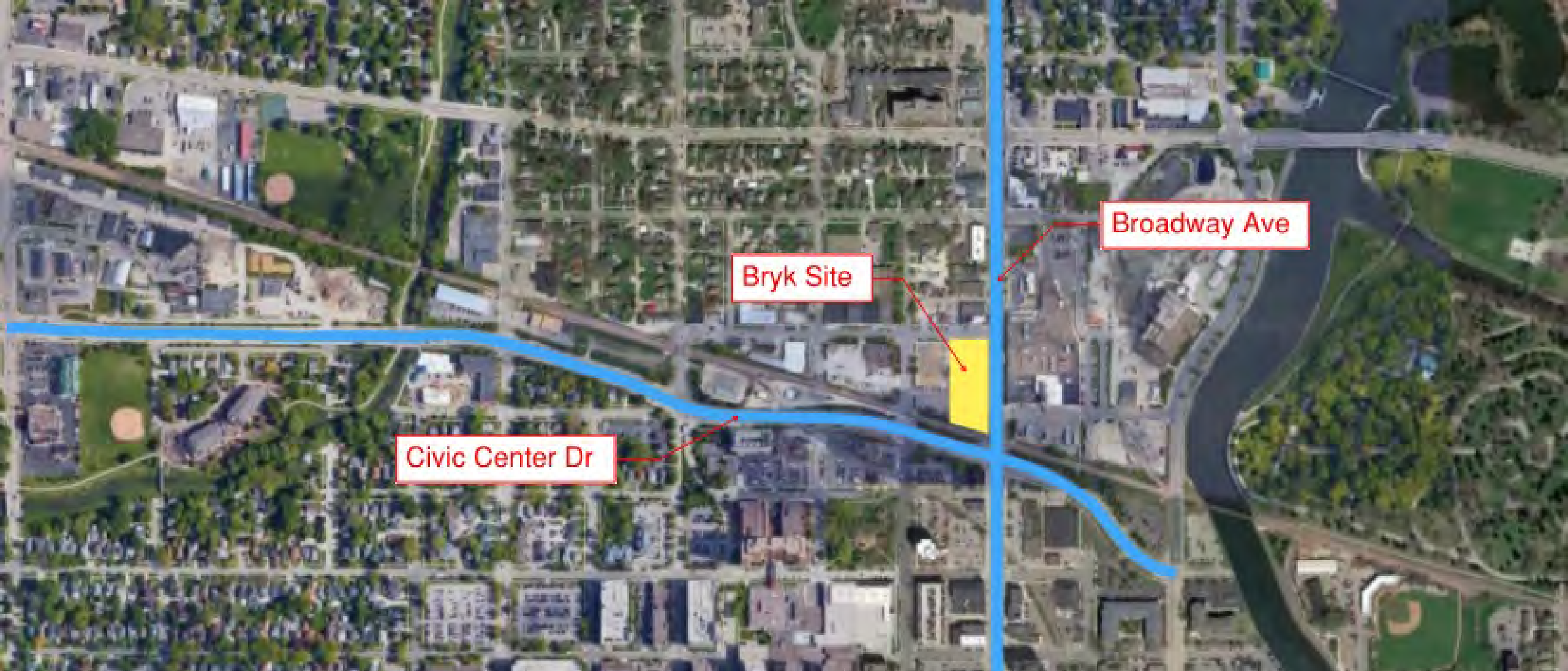


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**Bryk Apartments**

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Location







## STREET VIEW



Architecture + Engineering + Environmental + Planning

BRYK RESIDENTIAL  
ROCHESTER, MN • 11-12-2020  
ISG PROJECT NO. 24599

ISGInc.com



# Development Overview

- 180 Apartment Units
- 7,000 – 10,000 SF Commercial/Retail Space
- 143 Parking Stalls
- Pedestrian Integration
- High Amenity Mixed-Income Housing
- Complements N. Broadway Improvements





# Tenant Amenities Included

- Large Fitness Center
- 5<sup>th</sup> Floor Rooftop Gathering Space
- 6<sup>th</sup> Floor Library/Flexible Work from Home Space
- Outdoor Garden and Patio Street Level
- Covered Climate Controlled Parking



# DMC Goals Achieved

- Workforce Housing
- TOD and DMC Zone, improving blighted site
- Neighborhood Stabilization and Revitalization – timed with North Broadway Improvements
- Increase Tax Base
- Commercial/Retail Integration
- Designed to meet Sustainable Goals





# Workforce Housing Goals

- ~20% Units @ 50% AMI (36)
- ~20% Units @ 60% AMI (36)
- ~60% Units @ or below 80% AMI (108)

UNIT MIX	
Studio	41
1 BR	115
2BR	24
TOTAL	180



## EAST ELEVATION VIEW



Architecture + Engineering + Environmental + Planning

BRYK RESIDENTIAL  
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ISG PROJECT NO. 24599

ISGInc.com





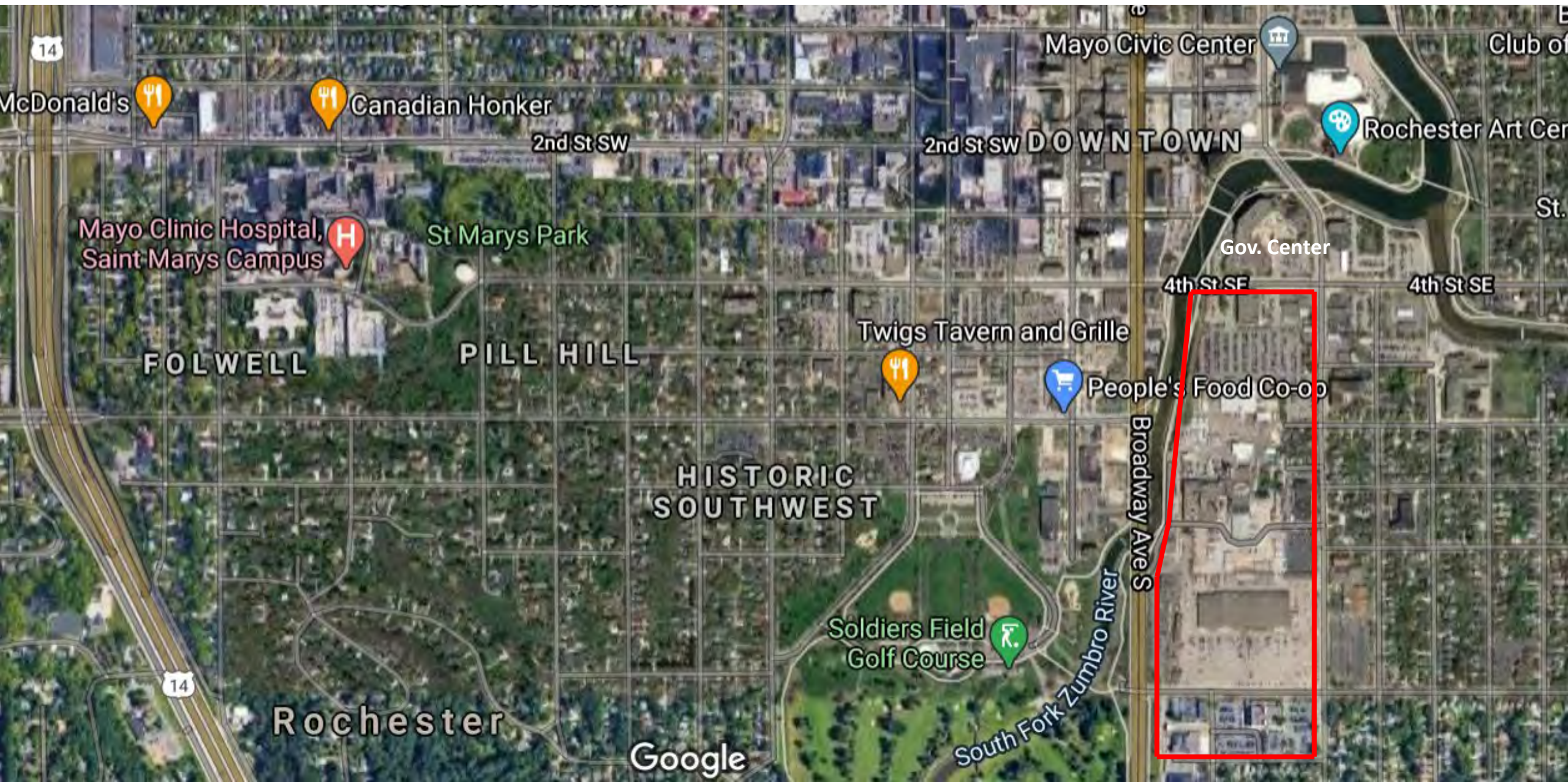
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# DMC EDA Updates

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# Waterfront Small Area Plan







# Waterfront Small Area Plan

## **Project Details and Timeline:**

- **Purpose:** prepare a collaborative, community-driven plan that represents a shared vision for the future of the project area (60+ acres)
- **Project Committee** made up of community stakeholders (includes DMC)
- **Background & Analysis-** Completed summer 2020
- **Vision & Framework-** Completed fall 2020
- **Small Area Plan-** Estimated to be completed early 2021



# COVID Organizational Response

Reopening and Recovery Support Initiatives include:

- Cash Grant Programs: (CARES, Keep it Local, Small Business Support)
- Business Operations: (Outdoor patios, Liquor license, Free Parking, Utility Fees )
- Business Support: (Training and promotion programs)

**More than 800 businesses have received direct support through these programs.**