

DESTINATION MEDICAL CENTER CORPORATION (DMCC)
BOARD MEETING

Wednesday, February 3, 2021
9:30 A.M.

MINUTES

- I. Call to Order. Chair R.T. Rybak called the meeting to order at 9:30 a.m.
- II. Roll Call. Chair R.T. Rybak, Mayor Kim Norton, Paul Williams, Jim Campbell, Commissioner Jim Bier, Pamela Wheelock, and Council President Brooke Carlson were present.
- III. Approval of Agenda. Commissioner Bier moved approval of the Agenda. Mayor Norton seconded.

Ayes: Commissioner Bier, Mr. Campbell, Council President Carlson, Mayor Norton, Chair Rybak, Ms. Wheelock, Mr. Williams.

Nays: None.

- IV. Approval of Minutes: November 19, 2020. Mr. Williams moved approval of the Minutes. Commissioner Bier seconded.

Ayes: Commissioner Bier, Mr. Campbell, Council President Carlson, Mayor Norton, Chair Rybak, Ms. Wheelock, Mr. Williams.

Nays: None.

- V. Public Comment. No public comments were offered.

- VI. Chair's Report. Chair Rybak noted that this is Patrick Seeb's first meeting as Executive Director of the DMC Economic Development Agency (EDA); that the Board will consider approval of the annual report to the legislature, discuss the transit experience, and that the Board members may participate this afternoon in a public work session with the Rochester City Council, Olmsted County Board of Commissioners and EDA board of directors.

- VII. Consent Agenda

A. DMCC Budget: Year-to-Date Update

Ms. Wheelock moved approval of the Consent Agenda. Commissioner Bier seconded.

Ayes: Commissioner Bier, Mr. Campbell, Council President Carlson, Mayor Norton, Chair Rybak, Ms. Wheelock, Mr. Williams.

Nays: None.

- VIII. Annual Report to the Legislature

Resolution A: Approving February 15 Report to the Legislature

Council President Carlson noted an amendment by the City Council, stating that the Council discussed the description of the Chateau Theatre as a “completed project” and amended the description to note that the completed investments provide time to determine the long-term use of the theatre.

Ms. Wheelock moved to approve Resolution A, as amended by the City Council. Mayor Norton seconded.

Ayes: Commissioner Bier, Mr. Campbell, Council President Carlson, Mayor Norton, Chair Rybak, Ms. Wheelock, Mr. Williams.

Nays: None.

IX. DMC Metrics. Kevin Bright, EDA Energy and Sustainability Director, and Jorrie Johnson, City of Rochester DMC Project Manager, provided an update on DMC’s targeted workforce and business goals. Mr. Bright noted that the DMC targeted business and workforce utilization plan is one element of a broader approach to equitable economic development. Ms. Johnson reported on the business and workforce utilization goals adopted by the City of Rochester, noting that many of the goals have been exceeded since the goals were revised in mid-2020. Ms. Johnson also described efforts to build local targeted business and workforce capacity through workshops, industry partnerships, and planning, including with the Rochester NAACP branch.

X. Project Updates

A. Heart of the City. Jamie Rothe, EDA Experience and Engagement Director, provided the Heart of the City update, including a construction and “Business Forward” construction mitigation strategy update and the planning for an “inaugural year” program.

B. Discovery Square. Chris Schad, EDA Business Development Director, reported on economic development and placemaking activities in the Discovery Square subdistrict.

Mr. Schad and Josh Johnson, City of Rochester DMC Project Manager, also provided an update on Discovery Walk. Mr. Schad stated that Discovery Walk was designed with input from community co-designers (representatives from some of Rochester’s minority communities), and includes art from local artists. Construction documents are seventy-five percent complete, and efforts to resolve issues related to underground utilities, operations and maintenance, and “Business Forward” construction mitigation strategies continue. Mr. Johnsen narrated a video walk-through of Discovery Walk.

Mr. Schad outlined several items for Board discussion, including the base project budget, the potential deferment of public space construction on the 300 block of Discovery Walk, and other project considerations. The 300 block public space includes a portion of the private, Mayo-Clinic-owned property adjacent to the public right-of-way, and Mayo Clinic has proposed deferring the public space improvements on the block until it redevelops the adjacent private property. The base project budget approved in 2019 totaled \$16.8 million but did not include a contingency budget. Since 2019, project cost estimates have increased by \$440,000. Additionally, community input has resulted in some proposed refinements to the project, including the addition of weather structures, a sidewalk snowmelt system, and extending the project to Soldier’s Field.

Mayor Norton asked that, for future projects, community input be solicited and adjacent property owners be consulted prior to the drafting of construction documents. Ms. Wheelock stated that DMC ought to ensure that the owners of properties abutting DMC

projects are fully informed and consulted through the design and development process; she requested that all future projects include a contingency budget, as well as an explanation of how the contingency budget was determined and the approval process for the use of contingency funds; and she expressed support for deferring the 300 block public space construction until it can coincide with Mayo Clinic's private development.

Mr. Williams noted the project cost, including the snow-melt system and other optional features, amounts to approximately \$23 million, or about four percent of DMC's total resources. He also noted that the financial resources for the additional investments could be put toward other uses, like affordable housing. Chair Rybak requested that Mayo Clinic provide an update at the next regular DMCC meeting regarding its development plans and timing for the 300 block.

Ms. Wheelock asked how the Board would receive a proposal to amend the scope of the project. Mr. Seeb noted that any amendment to the scope would be proposed following consultation with the EDA board, as well as City staff and elected leaders. Chair Rybak affirmed the EDA's advisory role to the DMCC but stressed the importance of the public DMCC board playing the leading role in DMC public investment decision-making.

Ms. Wheelock noted that snowmelt systems are often appropriate in high-traffic outdoor areas, but posed several questions that should be addressed, including how the development of a pedestrian subway or skyway in the Discovery Square sub-district might impact street-level pedestrian traffic during winter months; what the drivers of foot traffic through this corridor will be; and how the project capital budget and operations and maintenance costs will be impacted by these options. Council President Carlson noted that adding the snowmelt system to the DMC capital project budget alleviates the need for the City of Rochester to fund ongoing labor and equipment costs to maintain accessible public space following a snowfall. Ms. Wheelock also asked staff to identify existing snowmelt systems in the downtown area, where else are they planned, and whether the Discovery Walk project establishes a new, different standard for sidewalk construction going forward.

Chair Rybak requested that staff prepare a "winter strategy" recommendation that reflects how people are likely to use the public space during the winter, which climate-control amenities are necessary given that likely use, and how any future pedestrian subway or skyway development may impact such a strategy.

- C. Transportation Experience. Catherine Malmberg Dannenbring, EDA Interim Director of Economic Development and Placemaking and Mona Elabaddy, SRF Consulting Transit Planning and Design lead, presented the transportation experience update. Silvia Bujak-Oliver, community co-designer and Executive Director of 125Live, Rochester's community senior center, joined the presentation.

Ms. Elabaddy described how the co-design process input was incorporated into the rapid transit project, and noted that vehicle platforms could feature many amenities, including weather protection, increased lighting for safety, and seating. Mayor Norton asked that the illustration of the transit circulator, which currently show three lanes of traffic, be altered to show the two vehicle lanes that currently exist on S. Second Street. Ms. Malmberg described the transit-oriented economic development opportunities expected to develop along the rapid transit corridor and at the transit village locations. Board members emphasized the development opportunity at the west transit village, which is expected to include housing and other amenities.

D. Other Private Projects

1. Bryk Apartments. Mr. Seeb described the proposed 180-unit mixed-income affordable housing development. The project would be located on the northwest corner of Broadway Ave. and Civic Center Drive, along a dedicated transit corridor in the DMC district. The DMCC will consider a special meeting if the EDA and City staff advance a DMC funding recommendation.

XI. EDA Update

- A. Marketing Update. Bill Von Bank, EDA Marketing and Communications Director, provided a marketing update, noting the recent launch of DMC's "Urban Evolution" podcast, the national reach of DMC's 2020 marketing campaign, and DMC's 2021 target audiences of life science audiences, entrepreneurs, and retail, dining and entertainment businesses. Chair Rybak requested that the DMC marketing team consider how Rochester can be positioned as a "gateway" to other regional amenities.

XII. Meeting Schedule

- A. Next Executive Committee Meeting: March 25, 2021 at 9:30 A.M.
- B. Next Regular Meeting: May 20, 2021 at 9:30 A.M.

XIII. Adjournment. Mr. Campbell moved to adjourn. Commissioner Bier seconded.

Ayes: Commissioner Bier, Mr. Campbell, Council President Carlson, Mayor Norton, Chair Rybak, Ms. Wheelock, Mr. Williams.

Nays: None.