

An aerial photograph of a city skyline, likely St. Paul, Minnesota, featuring a river, train tracks, and various urban buildings. The image is partially obscured by a white diagonal shape that serves as a background for the text.

# **DMC Corporation Board of Directors Meeting**

**THURSDAY, February 3, 2022**







A Global Destination  
for Health & Healing

# Annual Report to the Minnesota State Legislature

# Annual Report to the Legislature

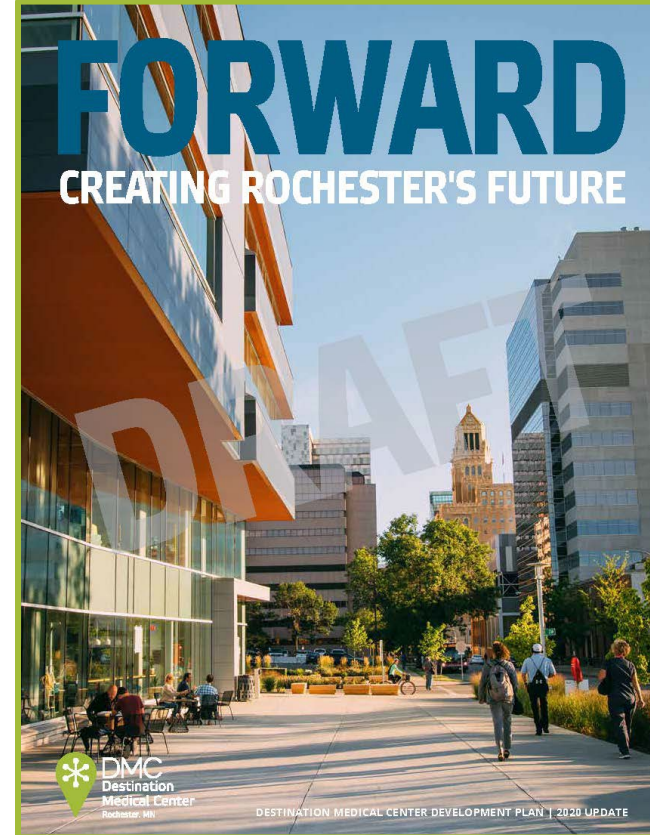
- Joint report by the City of Rochester and DMC Corporation
- Required to be submitted by Feb. 15 each year
- Submitted to:
  - Chairs and ranking minority members of the legislative committees and divisions with jurisdiction over local and state government operations, economic development, and taxes
  - Commissioners of revenue and employment and economic development
  - Chair of the Olmsted County Board of Commissioners
- State law outlines required report elements





# Required Elements of the Report

- Development plan and any proposed changes to the plan
- Progress of projects
- Actual costs and financing sources of projects completed by the DMCC, City, County, and Mayo Clinic
- Estimated costs and financing sources for projects to be started in the next two years by the DMCC, City, County, and Mayo Clinic
- Debt service schedules for all City debt issued for DMC projects



# Report Highlights

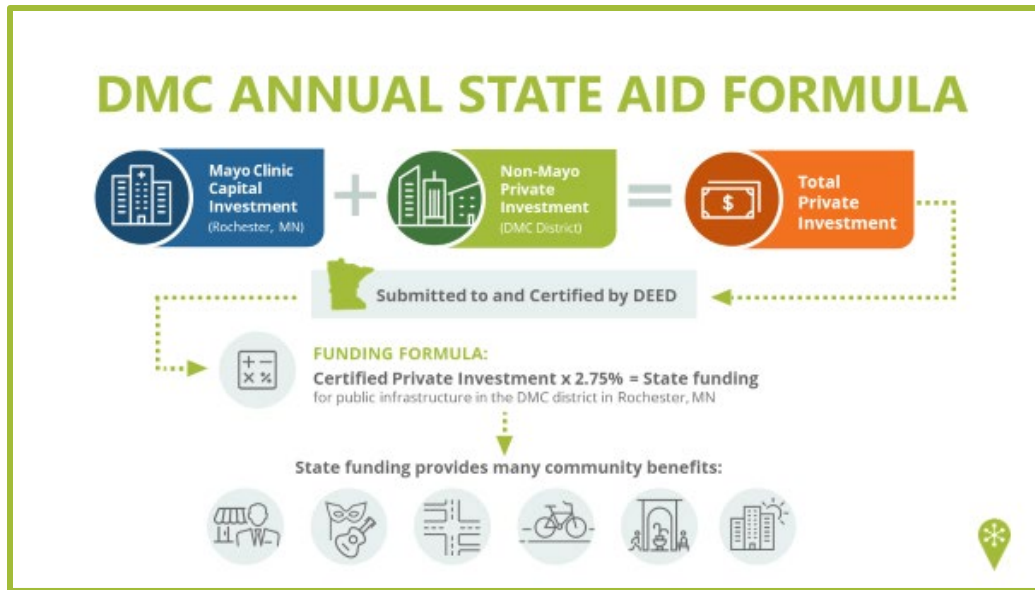
- 5-year update completed in 2020
- DMC investments in:
  - Transportation
  - Public space
  - Streets and sewers
  - Affordable housing
- Programmatic initiatives:
  - Business recruitment
  - Business Forward
  - WMBE
  - COVID-19 recovery



# Report Highlights (Continued)

- Certified 2020 private investment of **\$144M**
- Cumulative private investment (through 2020\*) by Mayo Clinic and others in DMC initiative exceeds **\$1B**
- State of Minnesota DMC investment through 2021 totals **\$68M**
- City of Rochester DMC investment totals **\$73M**
- Olmsted County investment totals **\$14M**

*\*2021 private investment will be reported in March 2022*







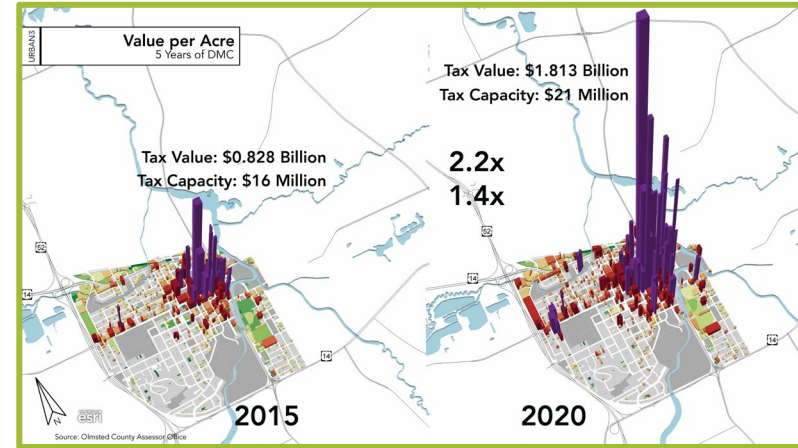
A Global Destination  
for Health & Healing

# Annual Report to the Minnesota State Legislature

# DMC Metrics

## Describing Progress Toward DMC Goals

- **February: 30,000 New Jobs**  
*Construction workforce development strategies supported by the Bloomberg Global Mayor's Challenge award*
- **May: \$5.6B in private investment**  
*An overview of Mayo Clinic's five-year capital plan*
- **September: \$7-8B in new tax revenue**  
*Case studies in how in-fill development can create tax capacity*
- **November: Highest-quality Experience**  
*Discussion of the metrics and indicators DMC monitors to evaluate the efficacy of experience improvement strategies*





Bloomberg  
Philanthropies

# ROCHESTER, USA

## 2021 Global Mayors Challenge CHAMPION CITY

Creating a pathway for women of color into the growing, high-paying local construction field



In Rochester, Minn., 40 percent of Black residents live in poverty, and the level of unemployment among BIPOC (Black, Indigenous, and People of Color) women is far higher than among any other demographic group. The city proposes to engage BIPOC women, employers, and labor associations to design pathways for increased participation in Rochester's growing construction industry, by focusing on education, training, hiring, and work culture interventions. Rochester's idea is important because it focuses on the workforce development and inclusion of a highly underrepresented group. **Currently, less than 1% of jobs in the construction industry are filled by BIPOC women, although they make up 13% of the population.**



WE


RM

CM

KM

RW

KB



JR

+11

Wafa Elkhali...

Roger Mader | ...

Mwatela, C...


Martinez, K...

Ramona Wil...


Kevin Bright

Norton, Kim


Jose Rivas




Darcy (Guest)




Jose Rivas




Kevin Bright




Martinez, Karen [MN]




Mwatela, Chao




Jess Roberts (he/him) (Guest)




Aaron Benike




Brock, Julie A




Ashley Badesch




Steinhauser, Cynthia




Norton, Kim




Jensen, Lauren




Roger Mader | Ampersand (Guest)




Fatma




Carlson, Brooke




Ramona Willson



Dienna Sabol



Bowman, Jenna



JinnyRietmann





**Fatuma Ahmed**



**Aaron Benike**



**Wafa Elkhailifa**



**Violet Magoma**



**Karen Martinez**



**Jose Rivas**



**Lexi Tello**



**Chad Wandler**



**Nick Wille**

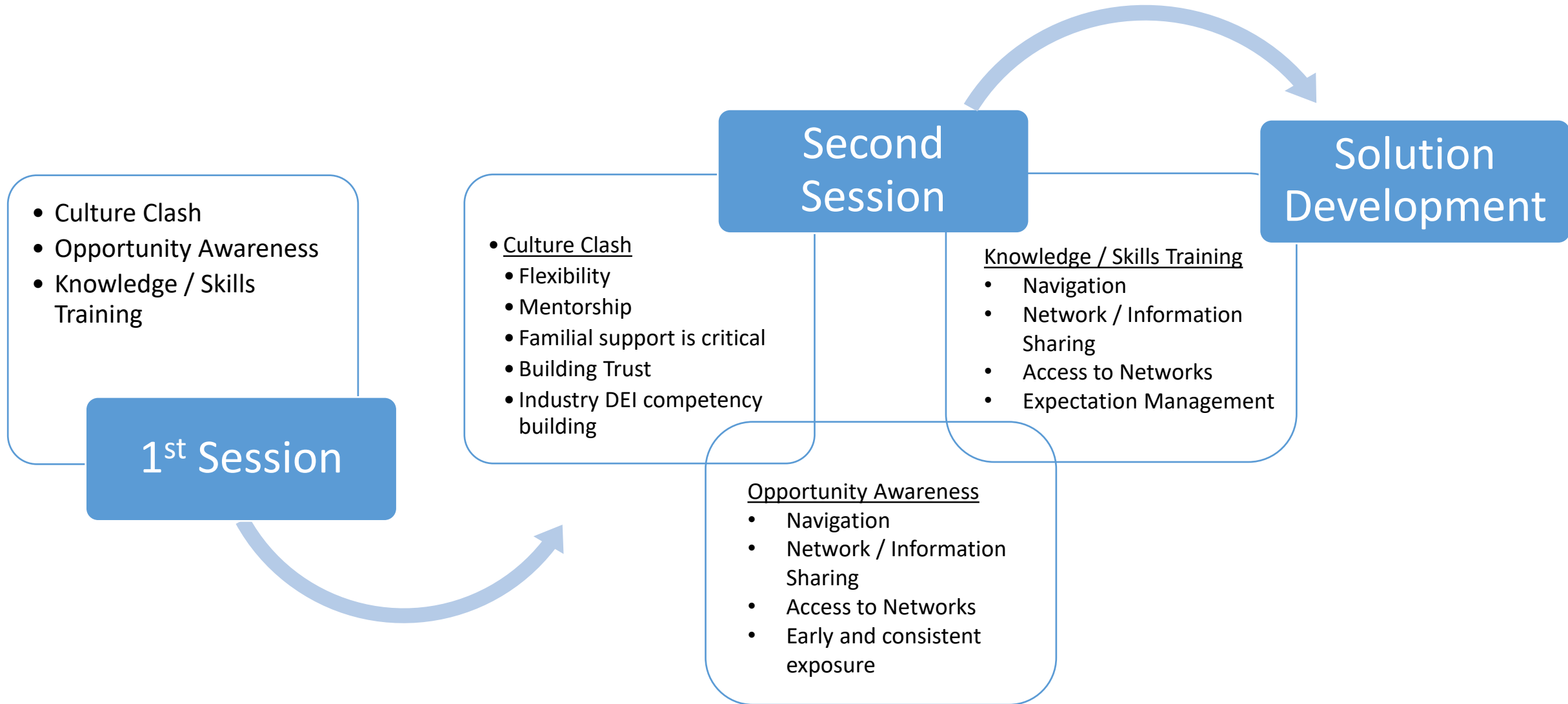


**CITY OF  
ROCHESTER**

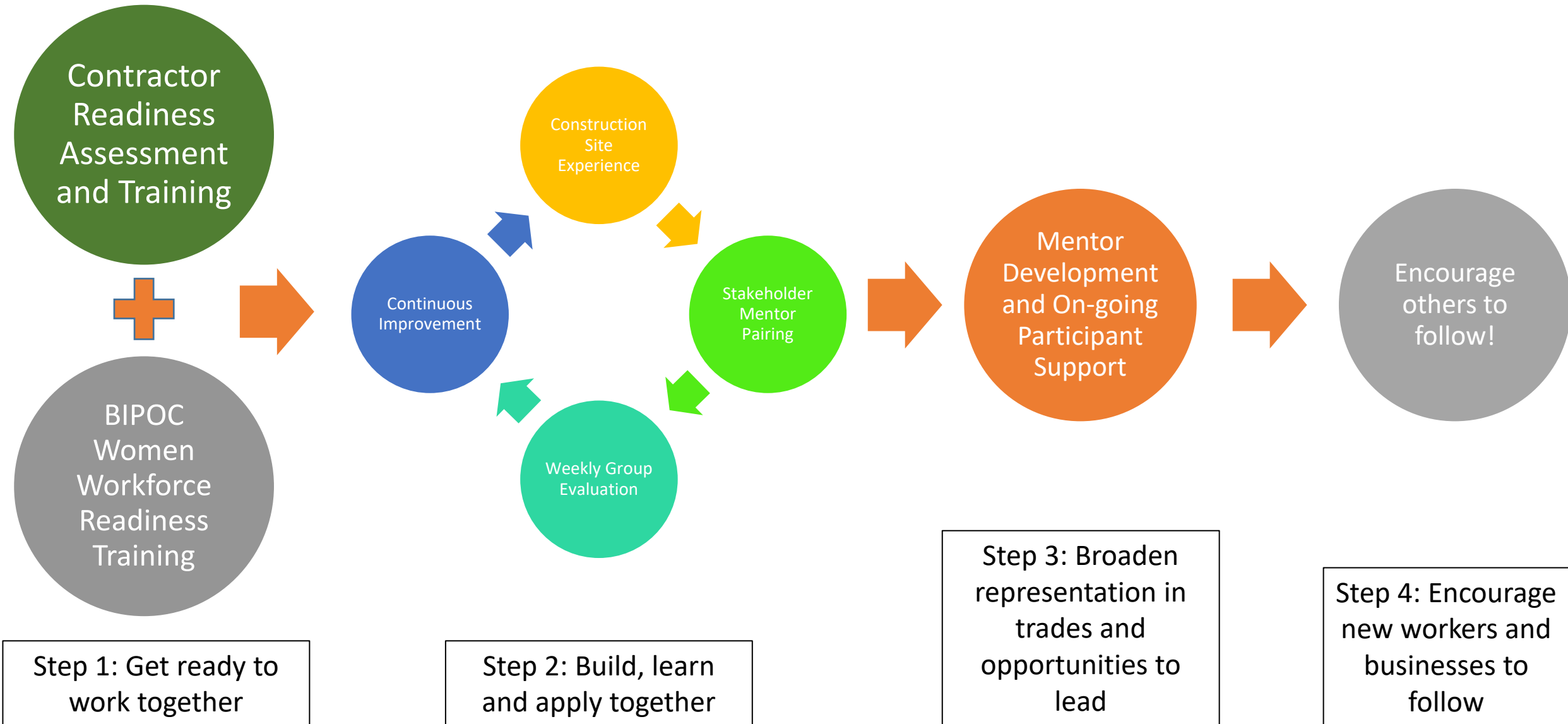




# What did we learn from co-design?



# What is the sustainable design and career pathway solution?



# What are the benefits of this approach?

## For Contractors...

- Find new employees
- Help City meets its Targeted Business Goals
- Diversity, Equity and Inclusion Competency Building and Training
- Mentorship support in inclusivity efforts

## For the BIPOC Community...

- Pursue or find a well-paying career in a safe and welcoming workspace
- Receive technical and financial support
- Mentorship support to explore and establish career or business
- Consider new business or entrepreneurship opportunities

## For the broader community...

- Broaden representation in design and career industries
- Replicable model for other projects and communities
- Meet the community's targeted business and workforce goals
- Community wealth-building



# Sustainable Design and Career Pathway Cohorts

K-12: Early and  
Consistent  
Career Exposure



Post-secondary  
Education  
Cohort(s)



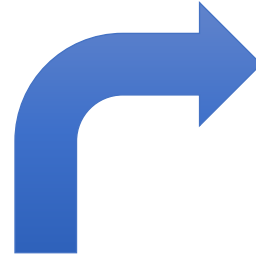
Design and  
Construction  
Industry Cohort(s)

# How will the community benefit?



## Short-Term Outcomes

1. 68 BIPOC Women employed, enrolled in training, or open business within 1 year
2. 5-6 Industry Employers are retaining BIPOC women employees and double their women employees within 3 years
3. Enrollment of BIPOC women in training programs have doubled within 3 years
4. ~30 co-creators remain engaged in project past their cohort



## Long-term Outcomes

1. BIPOC women represent 13% of labor participation
2. Employers recognized for inclusive hiring practices triples
3. BIPOC women enrollment in post-secondary training is tripled
4. Co-creation and co-design is adopted across City departments
5. Co-creation processes involve 100+ Rochester residents per year

# Mobility



DMC

Destination Medical Center  
Rochester, MN



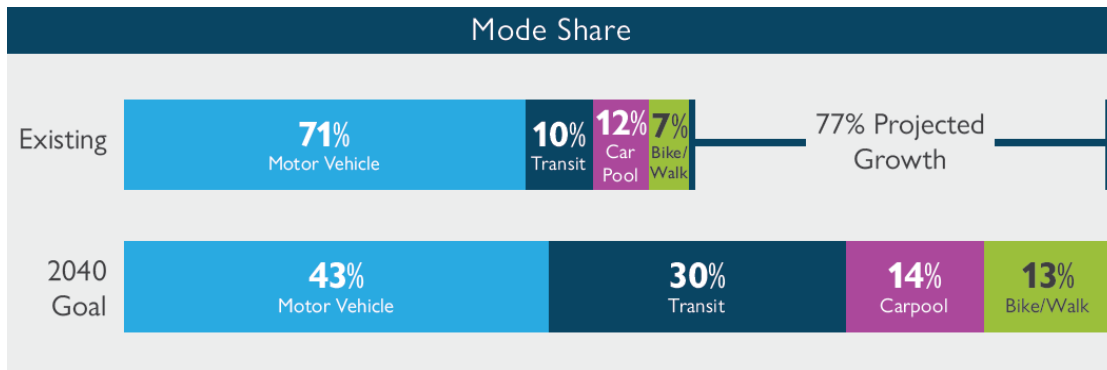
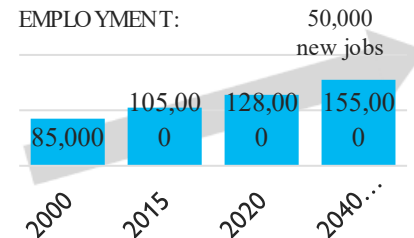
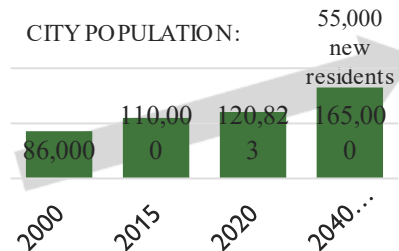
# If we invest in high quality mobility options...

- Quality of life will be improved for residents, employees, and visitors.
  - More pedestrian-friendly streets
  - More parking for patients and neighborhood residents
  - Better air quality
- Alleviate congestion
  - Without alternatives, nearly 40% more miles driven projected each day on existing road network
- Avoid expensive new parking construction
  - Estimated to cost nearly \$1 Billion



# Rochester Rapid Transit : Building for Growth

- Key element of achieving mode shift goals necessitated by expected growth.
- Mayo Clinic remains committed to development of rapid transit and future downtown employment growth.
- Updated DMC Development Plan reaffirms importance of reliable transit.





# Benefits of Bus Rapid Transit

BRT improves quality of life in cities in four key ways:

- saving travel **time** vs. conventional bus
- reducing greenhouse gases (GHG) and improving **air quality**
- improving traffic **safety**
- increasing physical **activity**



# Today's Request

Support directing staff to advance evaluation and design of BRT project enhancements to return to the Board with:

- a) revised project definition
- b) revised timeline
- c) revised project budget
- d) revised funding strategy



# Project Components for Discussion

1. Station design and pedestrian connections to stations
2. The alignment at the eastern terminus of the route
3. The potential to add infrastructure needed for the project into the FTA request to share funding



# Enhanced User Experience



St. Mary's



2<sup>nd</sup> Street



East Terminus

## ***BRT is an improved transit experience:***

- Level boarding
- Streamlined payment systems
- Dedicated travel lanes
- Signal priority
- Quicker connections

## ***Riders will experience High Quality Stations that are:***

- Accessible
- Dry
- Comfortable
- Safe
- Quick

Westbound Station

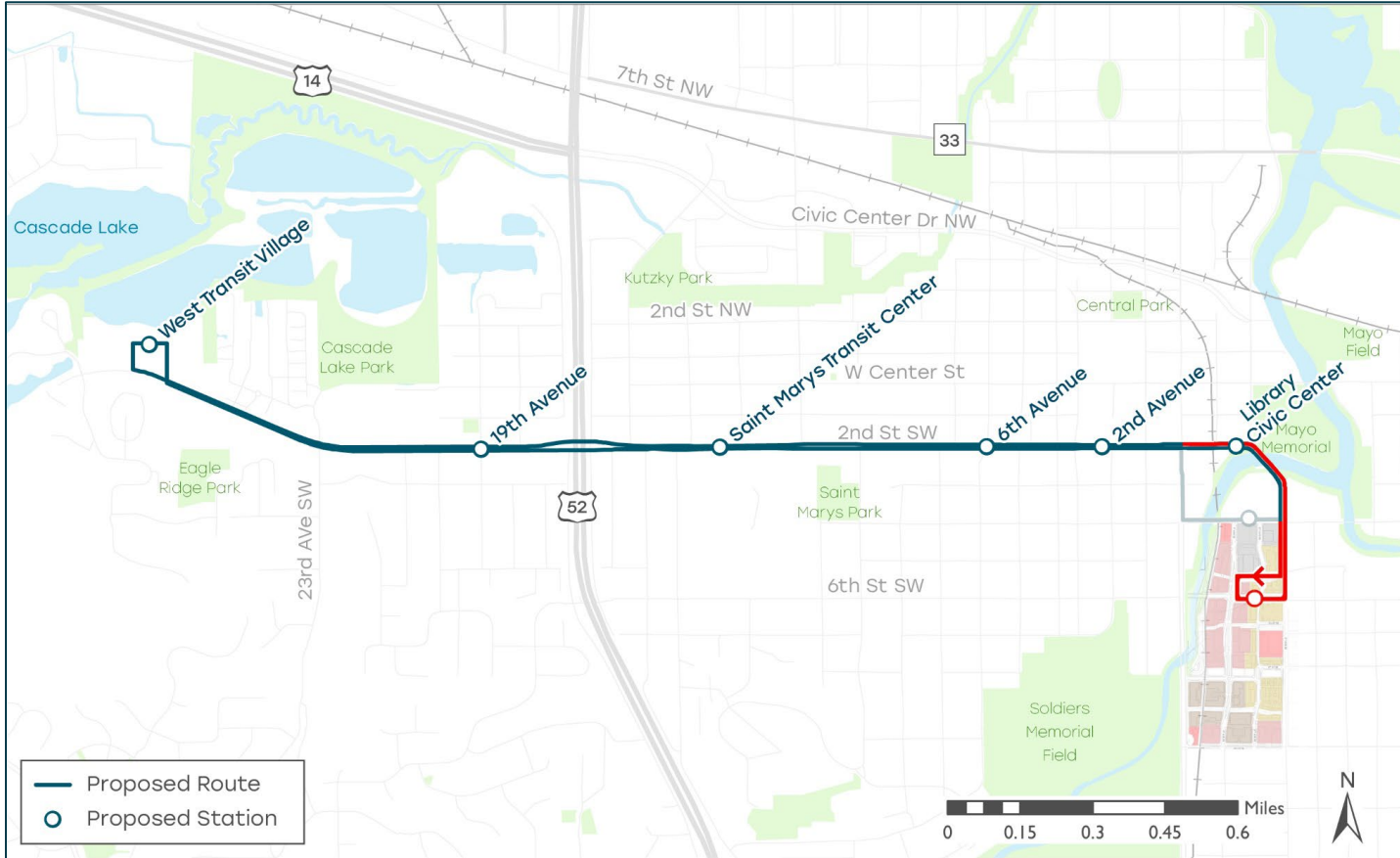


Eastbound Station  
with Vertical  
Markers





# East Terminus Alignment

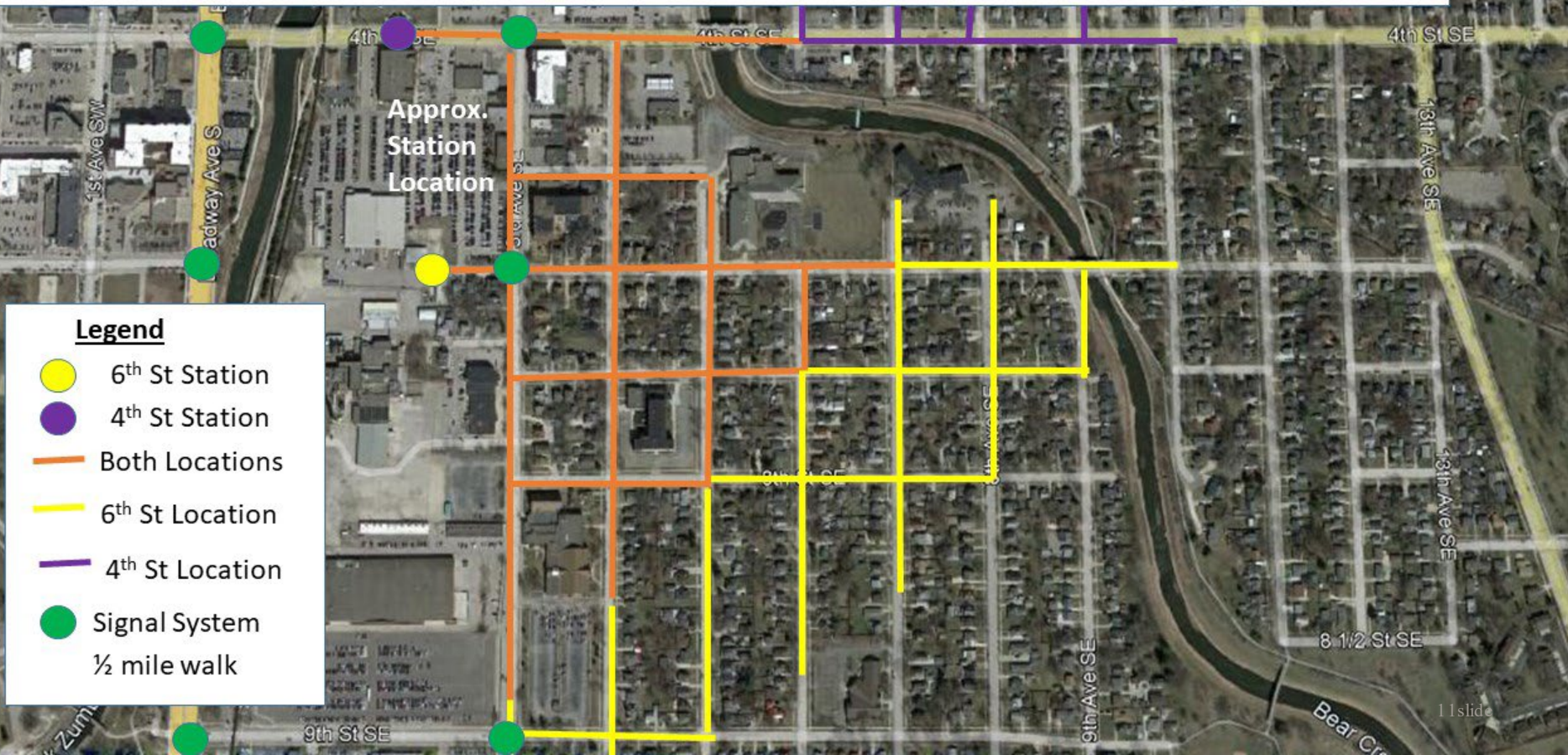


# East Terminus Alignment

- Brings service closer to Slatterly Park and Sunnyside
- Increases neighborhood walkshed to service
- Serves as a catalyst for Downtown Waterfront Southeast redevelopment area
- Bi-directional service is more intuitive for customers
- Avoids operations on Broadway Avenue S.
- Improved user experience for East Lot commuters



# Rapid Transit Station Walk Assessment: Slattery Park





# DOWNTOWN WATERFRONT SOUTHEAST MASTER PLAN

Current Est. Building Value: ~ \$31M (\$500k/acre)  
Projected Est. Building Value: ~ \$260M (\$4.4M/acre)



EST. MARKET DEMAND 2020 – 2040



HOUSING  
**1,500** units  
50% affordable



PUBLIC REALM  
**8.2** acres



OFFICE  
**50 – 75k** sq. feet



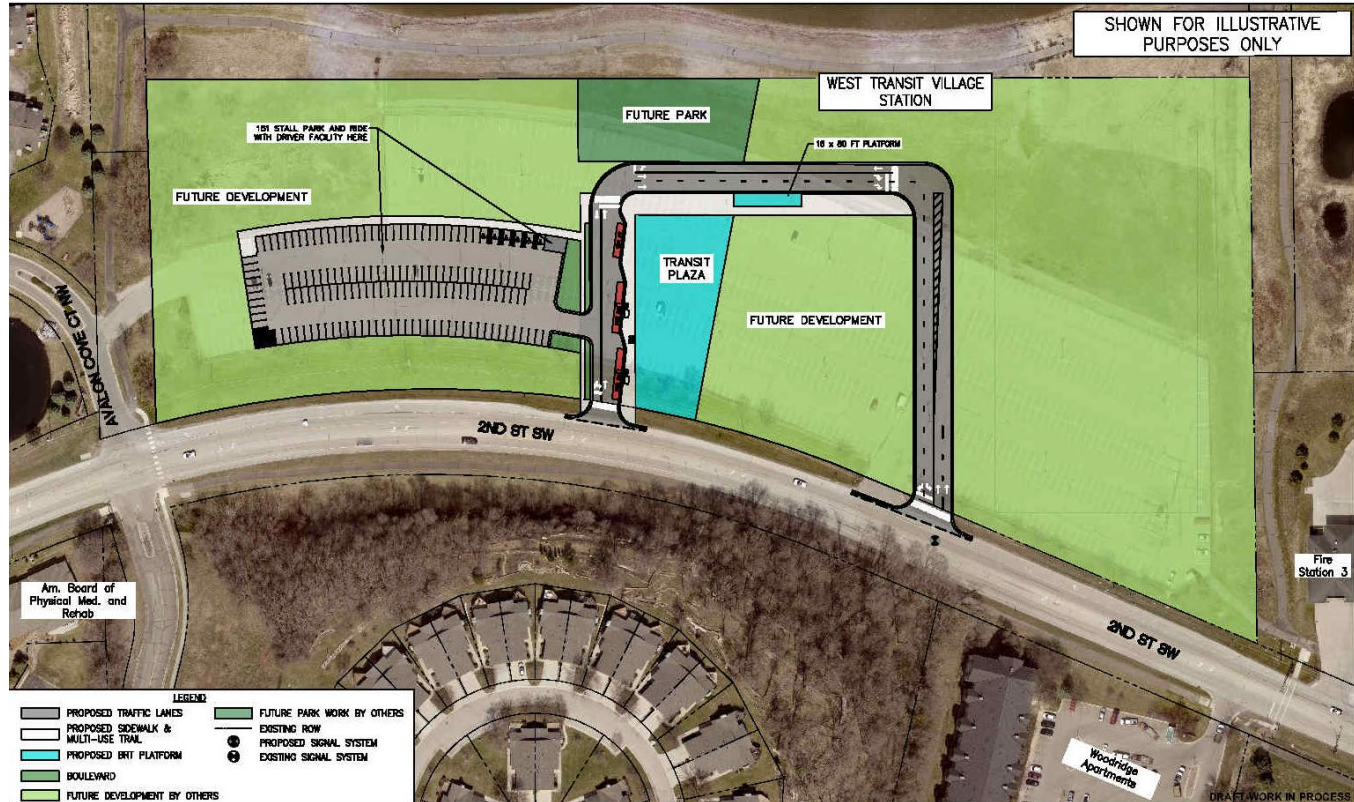
RETAIL  
**70 – 100k** sq. feet



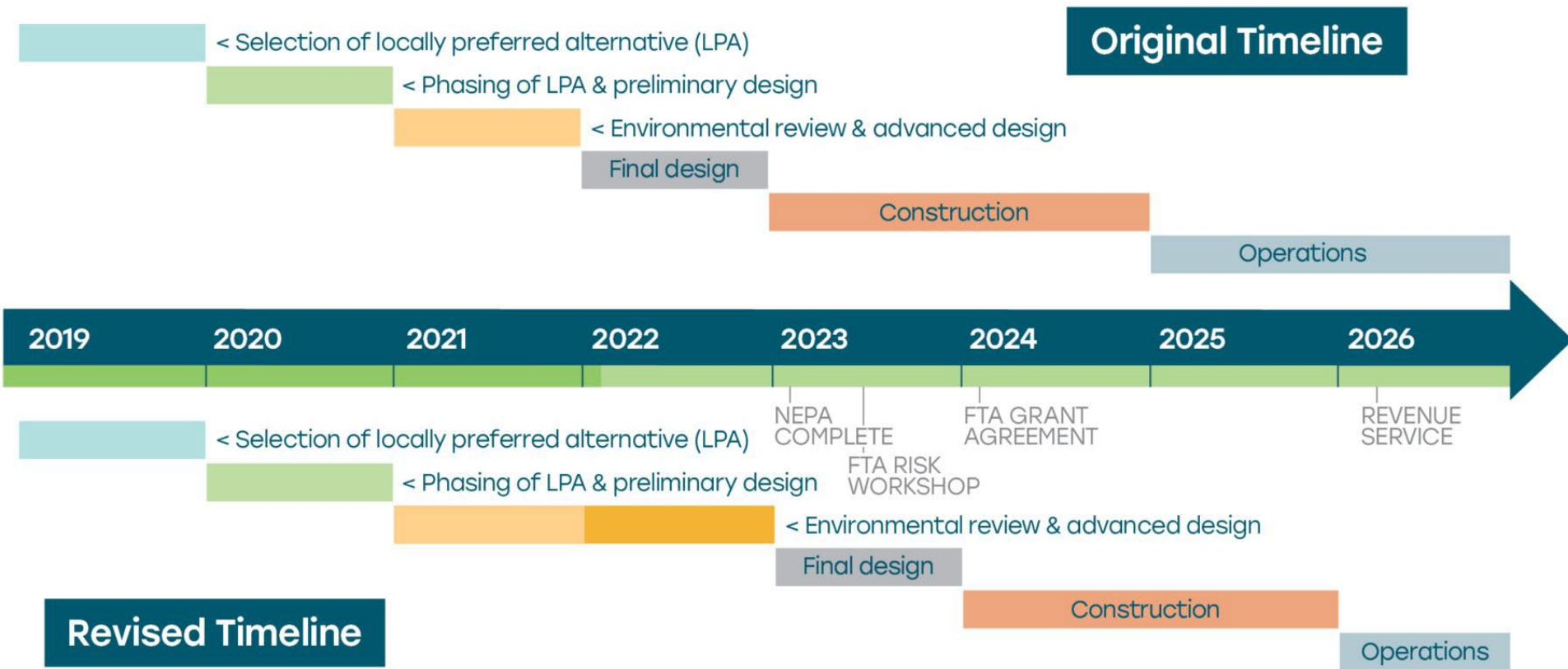
LODGING  
**140** rooms



# Additional Infrastructure added to FTA scope



# Projected Timeline Impact



# Budget Revisions



- Project Submitted to FTA - \$114 Million
- The original 2020 FTA submittal: **51-49 split** between local and Federal funding (known as an *overmatch*).
- The proposed City/DMC share was \$58.7M.
- Propose that when we submit final budget: we hold the same local contribution of \$58.7M.
- Request the additional project costs are from Federal sources. Approximately **40-60 split**.
- Revised Completion date.

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DMC

Destination Medical Center  
Rochester, MN

**Discovery Square**

2/3/22

# What We Cover Today

- The original vision
- Perspectives from the ground
- What is next – transactional and transformational



# Vision for Discovery Square



## Business recruitment

*“The focal point for the new workplace environment to attract the best and brightest”*



## Partnerships and collaborations

*“Strengthened relationships between Mayo Clinic, the UMR, and other institutional partners”*



## Multi-purpose public space

*“One of a series of places creating a unique, year-round experience”*



## Mixed use neighborhood

*“Critical to the DMC master plan is the establishment of a strong residential community”*





# Perspectives from Discovery Square

- Lizzy Haywood – Peoples Food Coop
- Chancellor Lori Carrell – University of MN Rochester
- Dr. Jim Pipe – Mayo Clinic, in One Discovery Square
- Frank Jaskulke - Medical Alley Association
- Brent Webb - Mortenson



# What's Next - Transactions



Business recruitment



Kellen Building construction



Parking infrastructure construction



Discovery Walk construction



Phase 3 project request



# What's Next - Transformations



Affordable and workforce housing



Soldiers Field master plan



Targeted workforce development – Simulation Lab



Targeted entrepreneur support – shared lab space



Contribute to the Minnesota ecosystem



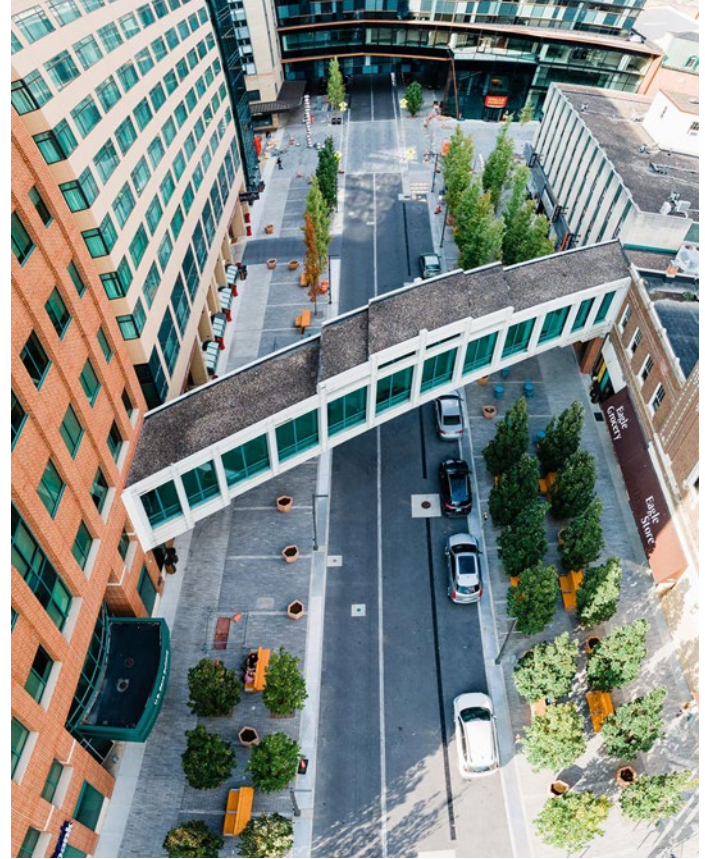


# Heart of the City: Project Update



# Today's Discussion

- Project Status
- Post-occupancy Analysis
- Business Forward Strategy



# Project Update

- Timeline
  - April 2020 to Dec 2021
- Final Punch List
  - Replacement of inadequate pavers
  - Catenary light system (summer 2022)
- Rededication (May 2022)





# Post Occupancy Analysis

## Next Steps



### Methods:

- Observation
- Mapping
- Survey
- Interviews
- Community Events



# Business Forward Strategy

- What is it?
  - Stakeholder engagement
  - Prioritize the businesses' needs
- Why?
  - Unprecedented amount of construction
  - Community expects improved planning efforts



# What Did We Learn?

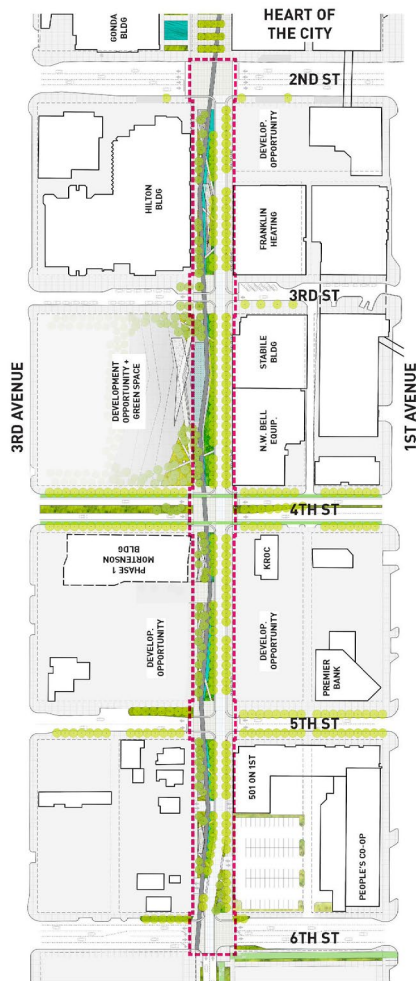
- Involve stakeholders through entire process
- Create trusted space to share concerns
- Construction superintendent that is hands-on and personable
- Build and maintain strong relationships with partner organizations





# Applying Business Forward to Other Projects

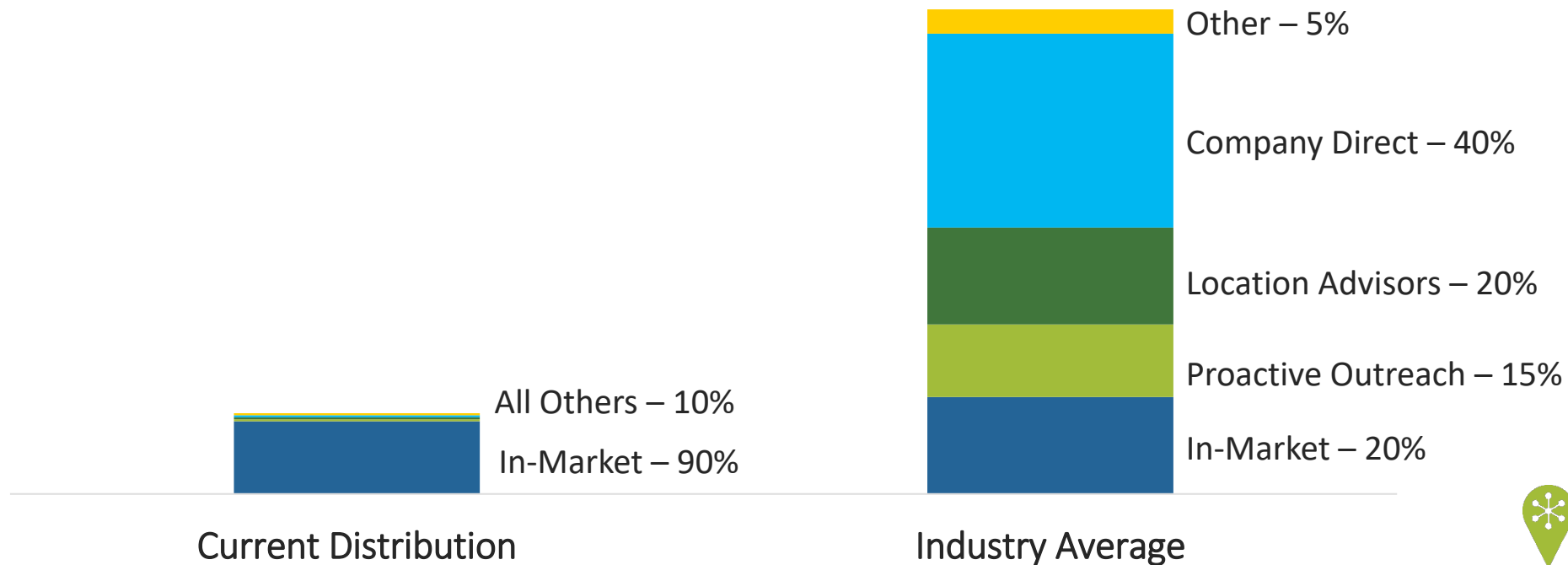
- Discovery Walk
- Downtown Sidewalk Experience Project (Broadway)
- Broadway Street Improvement (Phase 2)



# Site Selection and Corporate Recruitment: 90-day Progress Report



# Where do projects come from?





# January 2022 San Diego Campaign

- **Geographic Focus:** San Diego and Imperial Counties (HQ only)
- **Industry Focus:** Healthcare Device & Supplies, Healthcare Services, Healthcare Technology Systems, Pharma & Biotech.
- **Investment Window:** 1/1/2017 – 1/1/2022
- **Number of Employees:** All
- **Campaign Launch Date:** January 3, 2022 (100% virtual)
- **Targets Identified:** 507
  - Bounce Rate: 22% (114/507)
  - Lead Conversion Rate: 2.8% (11/393)
  - Projects Converted: 3 (Project Coast, Project RSF, Project 42)
    - 2<sup>nd</sup> round of outreach launched the week of January 17, campaign closed January 24



# Upcoming Lead Generation Plans

- Maintain 100% virtual offering in 1Q2022
  - February: Major Midwest Markets (virtual)
  - February: Toronto & Montreal (virtual)
  - March: Greater Los Angeles (virtual)
  - March: Southeast (virtual)
- Goal to improve conversion rate to 4%
  - Generate 40 Leads and 10 Project Opportunities
- Special “Project Aurora” campaign if/when it announces
  - National/International geographic focus
  - Industry target of similar companies



# Next 90 Days

1. Expand Lead Generation efforts, improve conversion rates and project starts.
2. Expand Awareness efforts to key customers, further engage Location Advisor community.
3. Refine Business Case, further develop sales collateral.
4. Partner with in-state advocates on Industry Marketing efforts (DEED, Medical Alley, Greater MSP, RAEDI)

