

2025 DMC Plan Update



DMC

Destination Medical Center
Rochester, MN

Today's Discussion

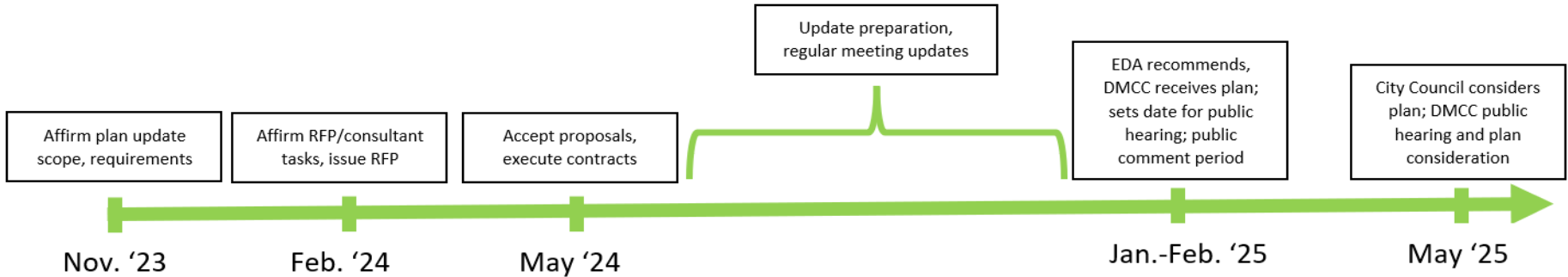
- Review legislative requirements
- Affirm timeline
- Discuss scope of work



Legislative Requirements

- **DMC Plan must be updated at least every five years, was last updated in 2020**
- **The plan must include specific elements:**
 - Known DMC projects
 - Maximum opportunity for private development
 - Conformity with the City Comprehensive Plan
 - Planning specific to certain market segments (housing, research, education, etc.)
 - Fiscal and economic impacts
 - Framework to prioritize public investment and facilitate private development, including the criteria and process for evaluating and underwriting development proposals
 - Land use, transportation, operations, and market research plans

Proposed Timeline



Scope of Work

Required/Typical Plan Elements:

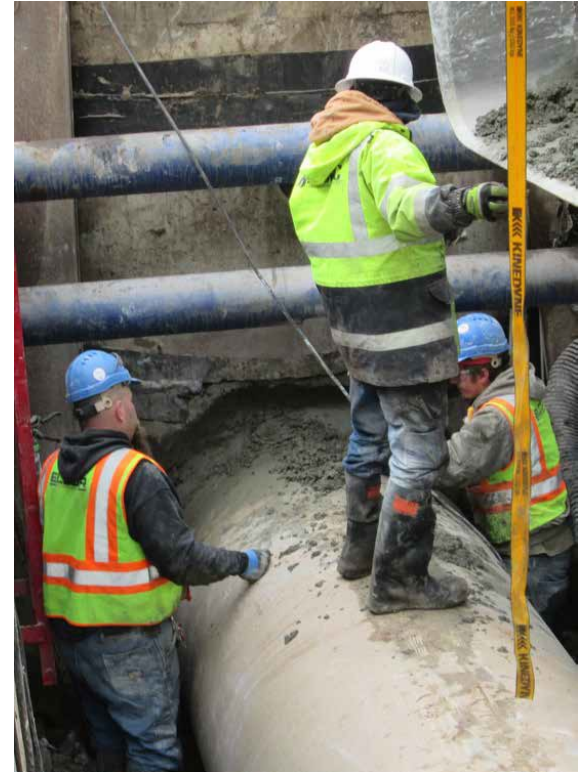
- ✓ Executive Summary
- ✓ DMC Capital Plan
- ✓ Private Development Priorities
- ✓ Market Forecasts
- ✓ Economic & Fiscal Impacts
- ✓ Land use, transportation, and operations plans

Possible Additions to Plan:

- ✓ Significant Development Considerations:
 - Mayo Clinic Growth
 - Post-COVID 19 Impacts
 - Major Project Construction
 - Macroeconomic Impacts
 - 21st Century Infrastructure
 - Others?**

Other Possible Additions?

- Mayo Clinic Growth
- Post-COVID 19 Impacts
- Major Project Construction
- Macroeconomic Impacts
- 21st Century Infrastructure
- Others?



Other Considerations

Are there methodologies or approaches we should consider?

Who is our audience?

How do we ensure alignment with other planning efforts—Mayo Clinic, UMR, Downtown Master Plan, City Comprehensive Plan, etc.?

Today's Discussion

- Review legislative requirements
- Affirm timeline
- Discuss scope of work



“Discovery Labs” Shared Lab Infrastructure

November 2023



DMC

Destination Medical Center
Rochester, MN

TODAY'S REQUEST OF THE DMCC

1. Board expectations of DMC investment in Discovery Labs.

What is a Shared Lab

- A **community** of like-minded entrepreneurs associated with one or more academic research partners
- **Programming** that supports business growth (the “secret sauce”).
- A **facility** where multiple early-stage companies share access to laboratory resources and equipment to take new technologies to market.
- **Real estate** with lease rates and terms are structured to be more accessible to entrepreneurs and startups.


Shared Labs Matter - in the Top 15 Biotech Hubs

- Boston
 - Biolabs (3), CIC (2), Portal, Jlabs, nest.bio, LabCentral (6), IndieBio
- San Francisco
 - Jlabs, Bonneville Labs, Focus Labs, QB3 Berkeley, StartX Med Labs, MBC biolabs
- San Diego
 - Biolabs, Jlabs, ScaleMatrix, Prodigy Labs
- Greater DC & Baltimore
 - Jlabs, Baltimore Innovation Center, The BioInnovation Center, FastForward
- Philadelphia
 - Biolabs, CIC, Pennovation Center, Connect Labs
- Raleigh-Durham
 - Biolabs, Connect Labs
- New Jersey
 - Biolabs, Step-Out Labs
- New York City
 - Biolabs (2), Jlabs, IndieBio
- Seattle
 - SoundBio Lab, Fred Hutch Innovation Lab, CoMotion Labs,
- Salt Lake City
 - Altitude Lab
- Pittsburgh
 - LifeX Labs
- Minneapolis-St Paul
 - UEL, Incubology
- Houston
 - Portal, J Labs
- Chicago
 - Portal, CIC, Technology Innovation Lab, UTP Incubator
- Denver-Boulder
 - Innosphere Ventures

“Clusters with the right talent, healthy levels of funding and investment, and the real estate infrastructure to support expansion will remain the most resilient during the short term, though emerging clusters may present early-mover advantages.”

Why a Shared Lab in Discovery Square

DMC Master Plan



DEVELOPMENT PLAN
DESTINATION MEDICAL CENTER

10.2 THE BIO-MED-TECH STRATEGY
A key component of the DMC Development Plan is to leverage Mayo Clinic's presence in the downtown to foster an innovation economy. The physical aspects of the plan are manifested in the Discovery Square sub district, which includes a potential program of 600,000 – 1,000,000 square feet of development based on the analog research completed by AECOM (See Market Study, Section 5.0).

Once operational, the EDA will provide leadership to this through the implementation of the business development, real estate and investment strategies. The strategic priorities of the strategy are outlined below. The Phase I tasks of these strategic priorities are incorporated into the work plan at the end of this sections.

Strategic Priorities:
The strategic priorities and key tasks that have been identified for these strategies include:

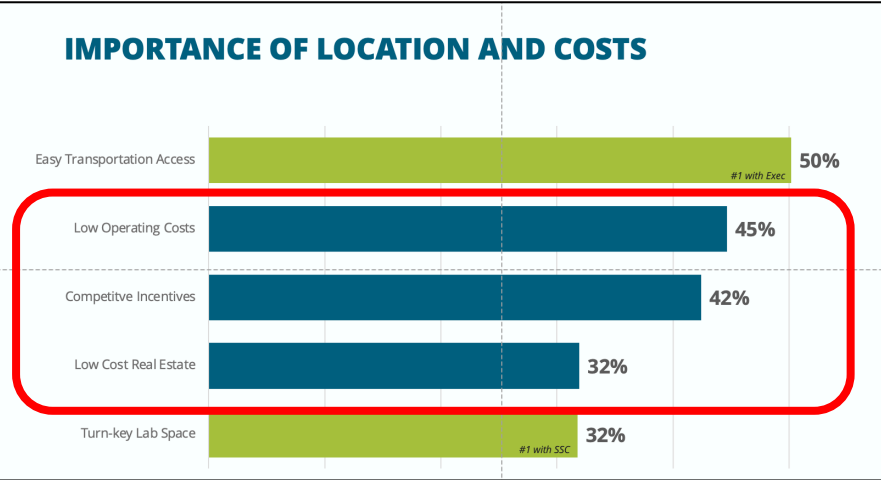
1. **Foster a Partnership with Mayo Clinic; Leverage Key Assets**
 - Develop strategic connections/leverage opportunities with Mayo Clinic in clinical, research and education fields (the "Three Shields")
 - Develop protocols to access patients, research, technology and intellectual property, subject to HIPPA and other rules
 - Through the EDA, engage Mayo Clinic leadership to advise and provide assistance with long-term strategic plans
 - Direct the EDA to establish a working committee with Mayo Clinic, Rochester Area Economic Development, Inc. (RAEDI)/Journey to Growth (J2G) and other local stakeholders to coordinate initiatives
2. **Identify Other Core Competencies and Partnership Opportunities in Local and Regional Markets**
 - Look for opportunities to foster technology partnerships with IBM
 - Identify and solicit partnerships/coalitions with other companies, service/advocacy and business organizations in the region
 - Establish partnerships and form coalitions with Mayo Clinic, RAEDI, LifeScience Alley, DEED and others to attract investment and businesses to region
3. **Attract Partners, Companies and Technology To The Market**
 - Learn through focus groups/surveys about the factors driving locational, investment decisions of companies; address needs
 - **Assess the venture capital funding provided in other states and regions**
 - **Attract a greater variety of companies, including technology, software companies, engineering, advisory and consulting services**
4. **Identify Potential Partners and Venture Capital**
 - Work with Mayo Clinic Ventures to identify strategies and opportunities to attract venture capital to the market
 - Working with Mayo Clinic to facilitate connections between clinicians and business/venture capital groups
5. **Create an Platform for Entrepreneurism**
 - Engage entrepreneurs in identifying potential companies / start-up opportunities
 - Identify space for start-up businesses
 - Partner with business leaders, service organizations and educational institutions to provide a range of low-cost or discounted services for early stage start-ups including space, legal services, business/investment advisory services, human resources and other similar services
6. **Initiate the Real Estate Strategy**
 - Determine land use and development strategy for Discovery Square
 - Reserve DMC Funds to support and attract investment and catalytic development projects
 - Promote awareness of the DMC funding program
 - **Where appropriate, engage in land banking and other activities to facilitate development**
 - **Provide state-of-the-art technology infrastructure**
 - **Facilitate an environment of collaboration with integrated facilities and shared public space**
 - Create a dynamic, live-work environment and direct links to transit/transportation alternatives
 - Provide alternative real estate space opportunities for campus academic and housing needs
7. **Assessing Workforce Competencies and Identifying Strategies to Mitigate Gaps in Education, Training or Recruitment**
 - Identify partners and build coalition to support workforce initiatives around bio-med-tech economy
 - Work with Mayo Clinic, the Chamber of Commerce, J2G and other businesses/stakeholders to identify workforce gaps in the market
 - Work with educational institutions to develop training and education programs to support need
 - Coordinate business development strategies with other DMC strategies to improve livability, accessibility and economic opportunity in Rochester to attract and retain top tier talent.
8. **Measure, Track and Assess Success**
 - Provide annual tracking and reporting on advancement of plans and strategic priorities
 - Adjust strategies as needed

PAGE 2 | SECTION 10.0 - DMC BUSINESS DEVELOPMENT IMPLEMENTATION PLAN

DMCC Goals

- 1 **Comprehensive Strategic Plan**
Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire region.
- 2 **Attract Private Investment**
Leverage public investments to attract more than \$5 billion in private investments to Rochester.
- 3 **Create Jobs**
Create more than 30,000 new jobs, with workforce development strategies that support that growth.
- 4 **Generate Additional Net Tax Revenue**
Generate approximately \$7.5–\$8.0 billion in new net tax revenue over 35 years.
- 5 **Become the Destination for Health & Wellness**
Achieve the highest quality patient, visitor, and community member experience both now and in the future.

DMC Market Research



Why This Matters to Rochester

1. Top location & cost decision driver among site selectors.
2. Big-market infrastructure in a mid-sized market.
3. A de facto standard in established technology hubs.
4. Startups responsible for >15% of job creation.

Why This Matters to Mayo Clinic

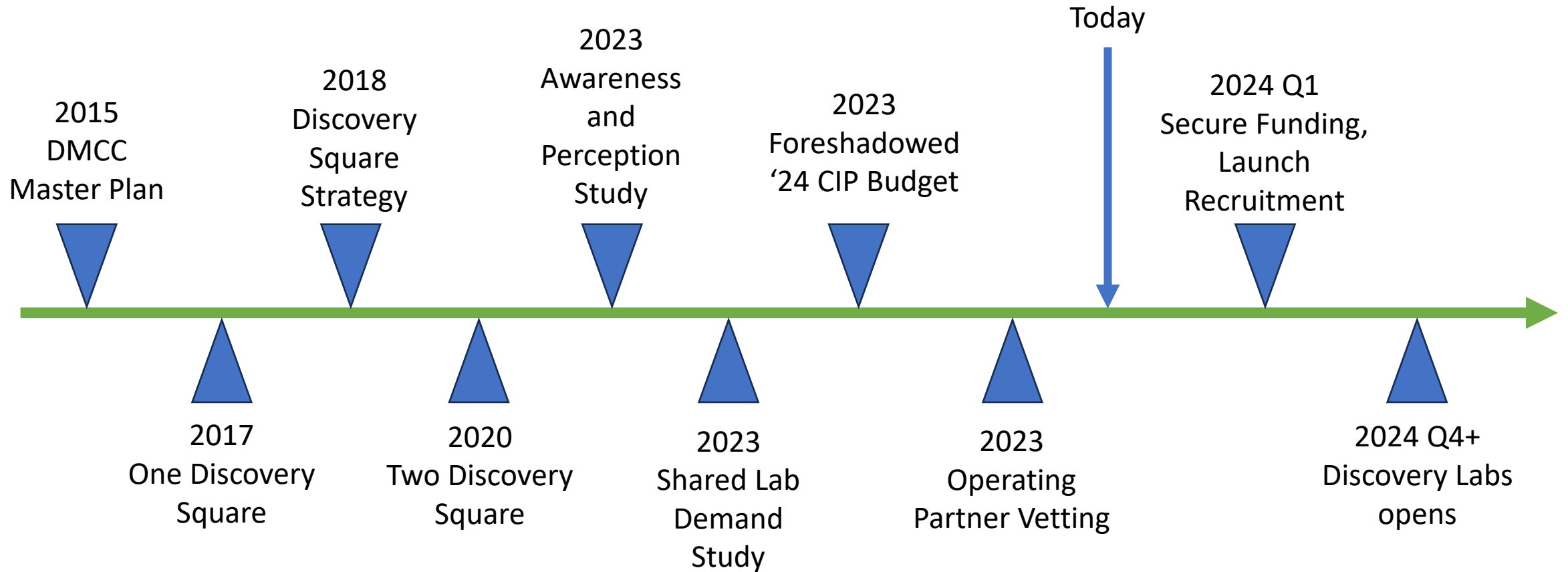
1. Workforce recruitment and retention.
2. Existing/emerging local start-ups and innovators can stay and grow here.
3. Attracts out-market companies with compelling technologies.
4. Particularly attractive to international businesses and talent.

DISCOVERY LABS

- 25,000 sf on the 5th floor of Two Discovery Square
- Lab spaces ranging from a single bench to 2,000 sf private lab
- Shared equipment room
- National operator to run programming and facilities
- Tenant recruitment by all partner organizations plus Minnesota economic development partners



How Did We Get Here



PARTNERS IN DISCOVERY LABS

Operator TBD

Operator

- Operates shared lab locations in key markets
- Strategic focus on high potential, underserved biotech hubs



Mortenson Construction



Destination Medical Center



Mayo Clinic

Discussion - Partnership Expectations

Destination Medical Center

- Contribute to funding the buildout of the space
- Lead the effort on brand awareness and tenant recruitment

Mortenson

- Long-term commitment to shared lab infrastructure and strategy.
- Contribute to funding the buildout of the space.
- Participate in the Discovery Labs fundraising activities (e.g. sponsorships).

Operator

- Set aside a percentage of space for Rochester partner initiatives/programs
- Treat Rochester partners as full members, with access to facilities, programming, companies, leadership
- Support tenant recruitment activities

Mayo Clinic

- Startups have TBD preferential access to Mayo infrastructure.
- Support tenant recruitment activities
- Support Discovery Labs fundraising activities (e.g. sponsorships)

TODAY'S REQUEST OF THE DMCC

1. Board expectations of DMC investment in Discovery Labs.

architecture
urban design

GAMBLE
ASSOCIATES

swa

wsb



KRAUS-ANDERSON®

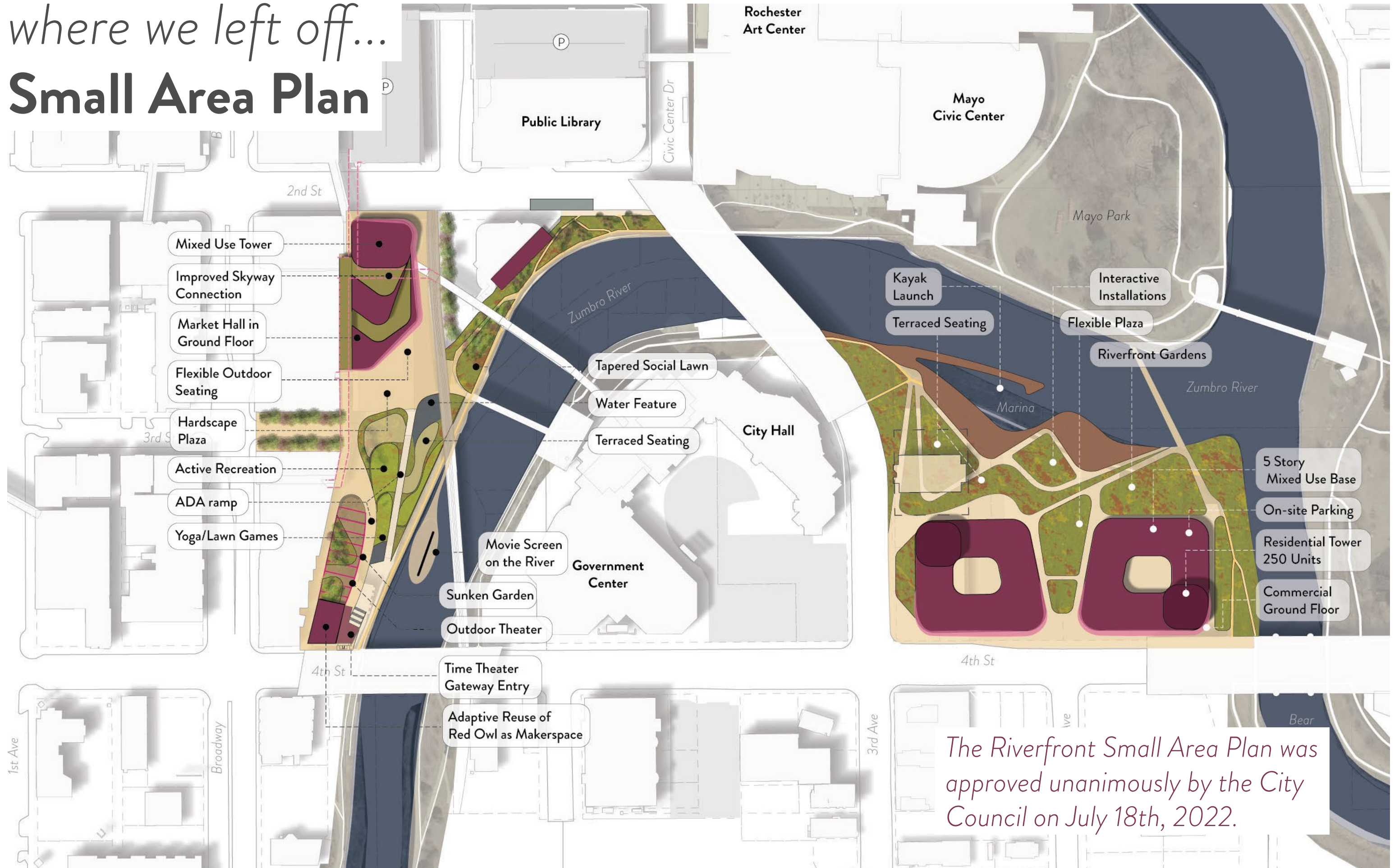


RIVERFRONT SMALL AREA PLAN 2.0

PRESENTATION TO DMC BOARD OF DIRECTORS

ROCHESTER MN | November 2023

where we left off...
Small Area Plan



Mixed Use Tower

Improved Skyway Connection

Market Hall in Ground Floor

Flexible Outdoor Seating

Hardscape Plaza

Active Recreation

ADA ramp

Yoga/Lawn Games

Tapered Social Lawn

Water Feature

Terraced Seating

Movie Screen on the River

Sunken Garden

Outdoor Theater

Time Theater Gateway Entry

Adaptive Reuse of Red Owl as Makerspace

Kayak Launch

Terraced Seating

Interactive Installations

Flexible Plaza

Riverfront Gardens

5 Story Mixed Use Base

On-site Parking

Residential Tower 250 Units

Commercial Ground Floor

The Riverfront Small Area Plan was approved unanimously by the City Council on July 18th, 2022.

Design and Engineering Work Plan

Tasks:

- 1.** Interim Activation (predevelopment infrastructure)
- 2.** Advance Design Concepts
- 3.** Due Diligence; Red Owl/ Time Theater Development
- 4.** East/West Due Diligence
- 5.** Advance Flood Wall Work with Army Corp of Engineers
- 6.** RFP/RFQ Preparation

Predevelopment Infrastructure

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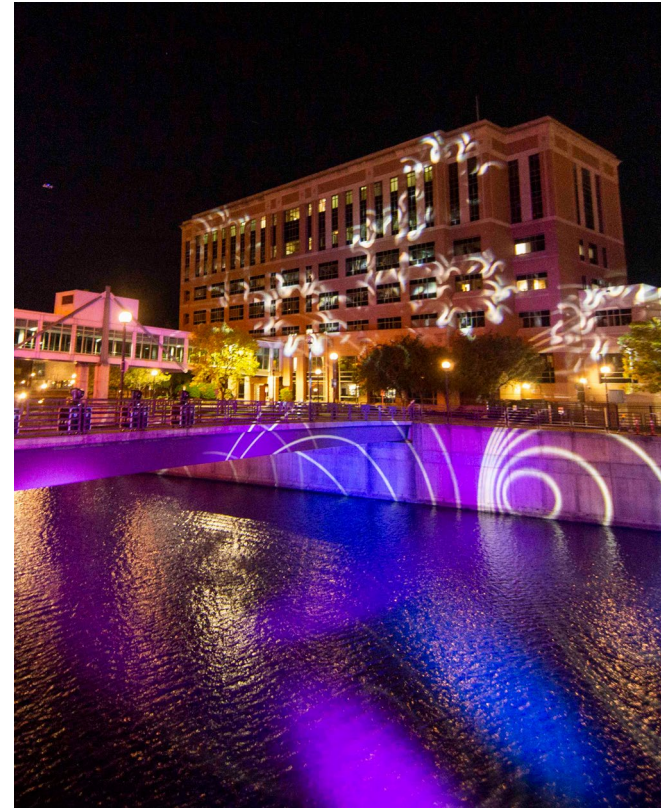
Have met and talked to:

- Business Owners - Residents
- Students (University of Minnesota Rochester)
- Property Abutters

Predevelopment Infrastructure

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“I would like to see more seating with trees” - Fontaine Towers Resident

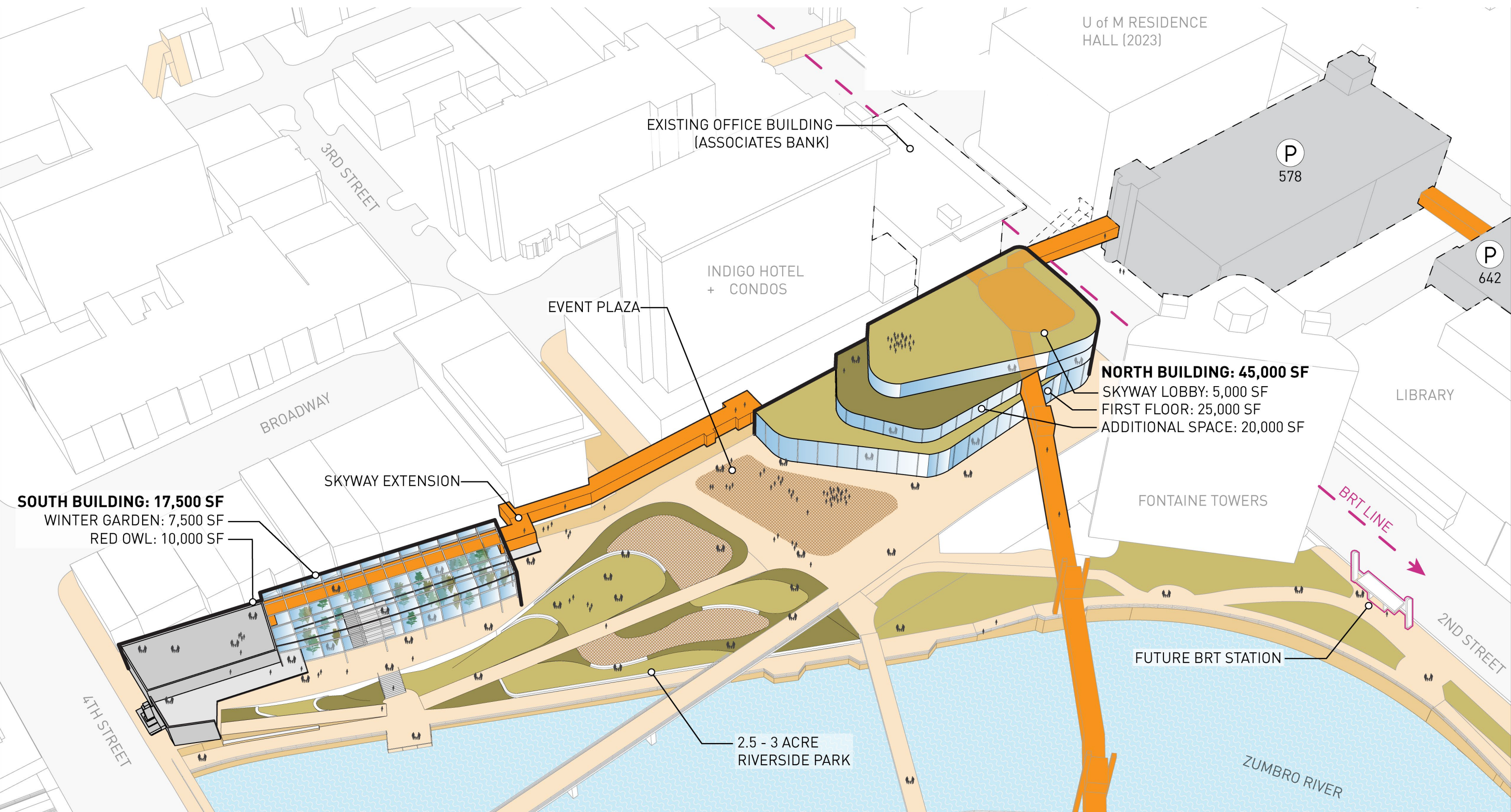


Programs suggested:

- Outdoor Seating
- Outdoor movie
- Bocce Courts
- Bag Toss
- Ping Pong
- Pickleball
- Light-based art installation
- Community Space
- Dining Decks
- Temporary Planting
- Festoon Lighting
- Murals

Advance Design Concepts

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SOUTH BUILDING: 17,500 SF
WINTER GARDEN: 7,500 SF
RED OWL: 10,000 SF

EXISTING OFFICE BUILDING
(ASSOCIATES BANK)

INDIGO HOTEL
+ CONDOS

EVENT PLAZA

U of M RESIDENCE
HALL (2023)

P
578

P
642

NORTH BUILDING: 45,000 SF
SKYWAY LOBBY: 5,000 SF
FIRST FLOOR: 25,000 SF
ADDITIONAL SPACE: 20,000 SF

LIBRARY

FONTAINE TOWERS

BRT LINE

FUTURE BRT STATION

2.5 - 3 ACRE
RIVERSIDE PARK

ZUMBRO RIVER

BROADWAY

3RD STREET

4TH STREET

2ND STREET

Advance Design Concepts

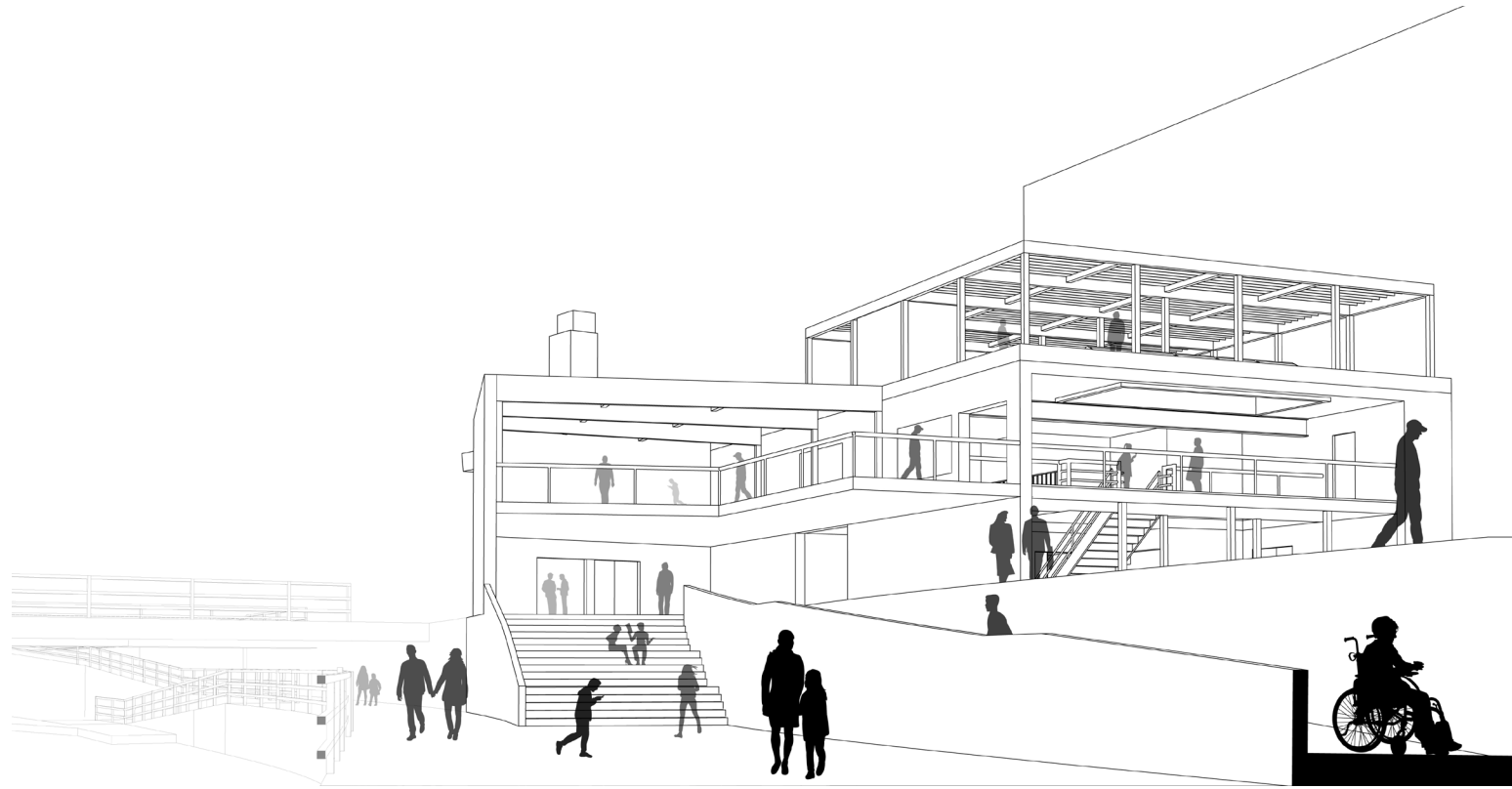
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The West site is ideally located within a naturally-occurring cultural corridor



Advance Design Concepts

West Site



Initial Estimates:

Red Owl Whitebox: \$2,004,695

Time Theater Whitebox: \$2,811,267

Demo of existing addition: \$43,743

Potential Addition (Winter Garden):

\$2,696,784

Site: \$49,843

\$7,300,000 - \$8,000,000*

(\$278-\$304/sf)

*with Wintergarden

*“I would like
to see outdoor
movies”*

- Business Owner

Advance Design Concepts

East Site

1

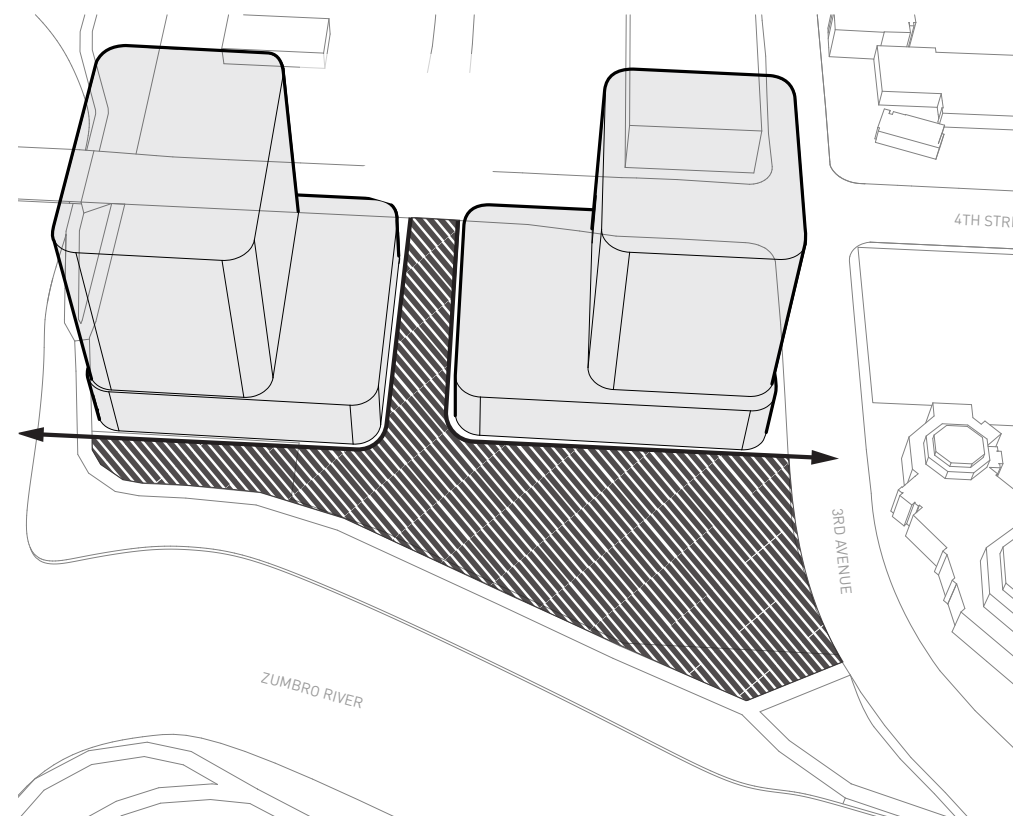
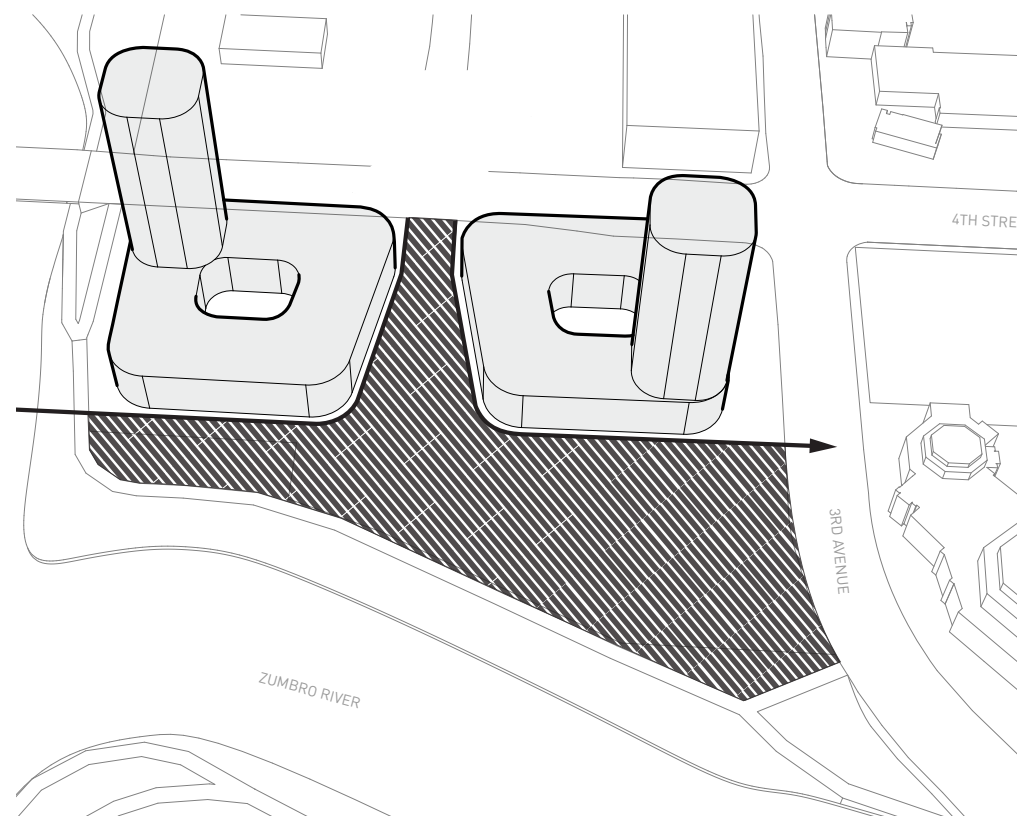
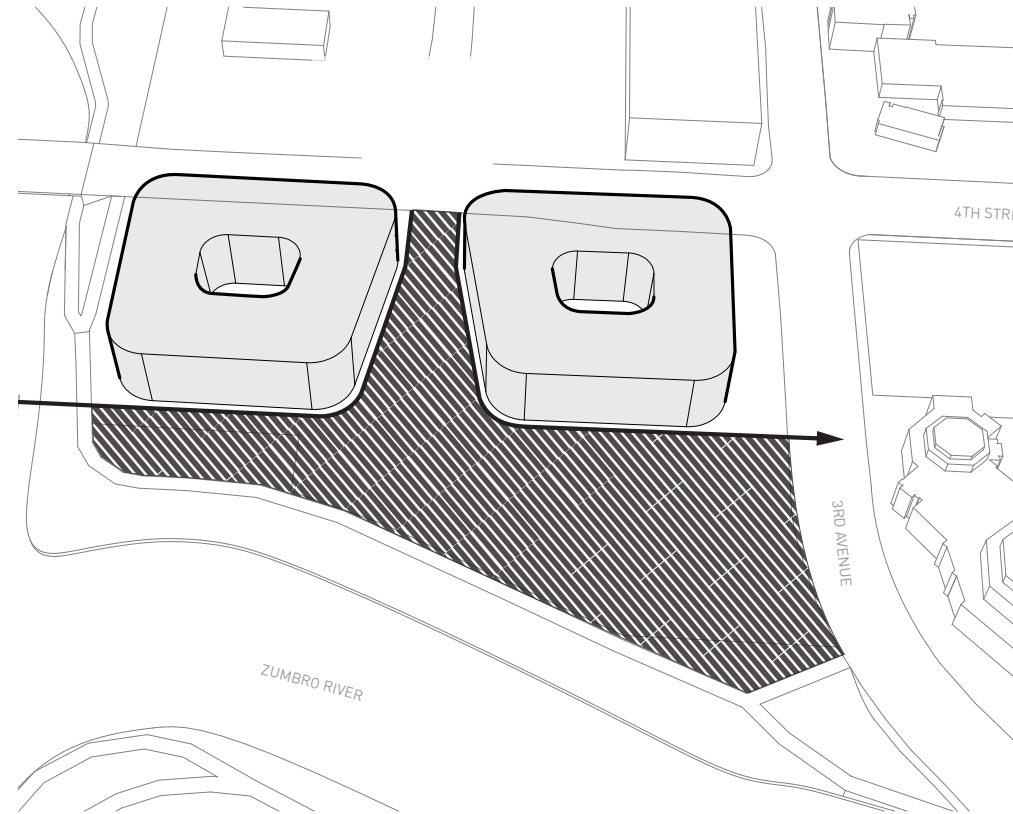
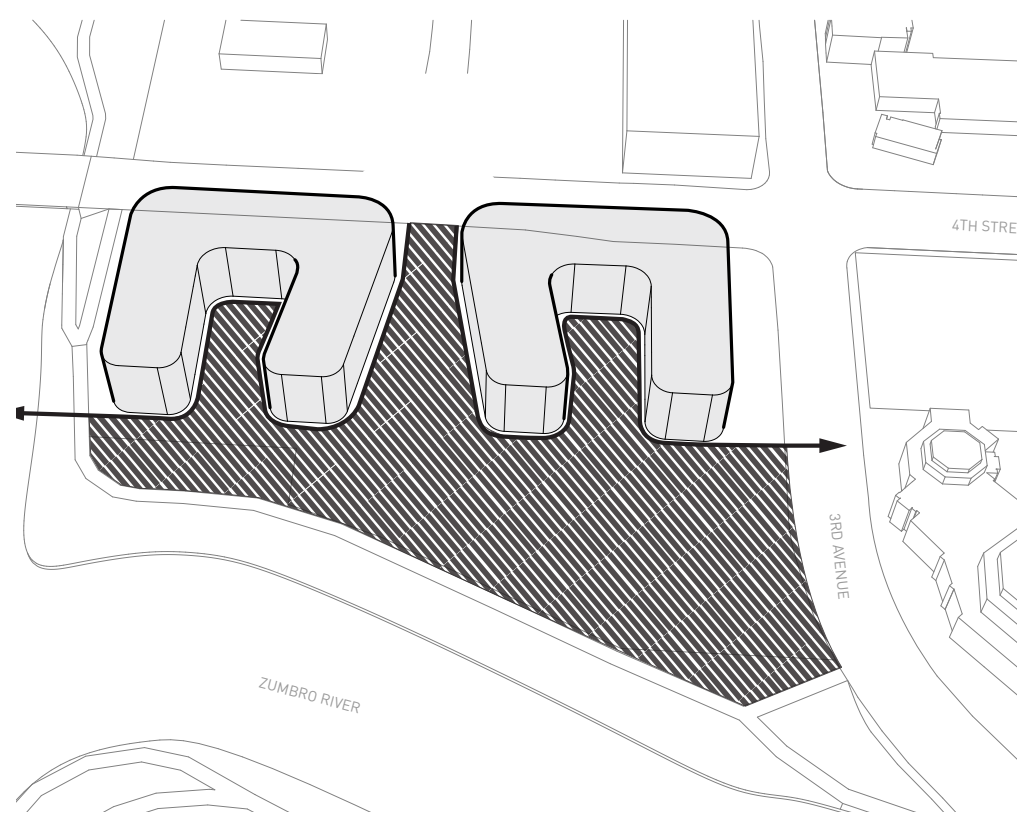
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East Site Development Range
175,000-500,000 TOTAL SF
150-400 new housing units

*“I would like to see **more density** and commercial activity”*
- Neighborhood Resident

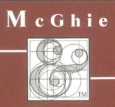
Due Diligence

Red Owl/Time Theater Development


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Environmental Transaction Screen Report

Phase I Environmental Review & Update



McGhie



Betts Environmental Services, Inc.

I Certify
Supers.

PRELIMINARY GEOTECHNICAL REPORT

ROCHESTER SMALL AREA MAP
ROCHESTER, MN

September 22, 2023

Prepared for:
Gamble Associates, LLC
678 Massachusetts Ave - Suite 502
Cambridge, MA 02139

WSB PROJECT NO. 022543-000



LOG OF TEST BORING wsb

PROJECT NAME: Riverfront Small Area Plan 2.0 PROJECT LOCATION: Rochester, MN BORING NUMBER B-1
 CLIENT/WSB #: 022543-000 SURFACE ELEVATION: 997 ft PAGE 1 OF 1

DEPTH (ft)	ELEV. (ft)	DESCRIPTION OF MATERIAL	USCS	GEOLOGIC ORIGIN	WL	SAMPLE TYPE	No.	N	MC%	Wg/ft	N-Value Plot
1	996	4" BITUMINOUS 6" CRUSHED LIMESTONE		Pavement Section							
1	996	CLAYEY SAND, dark brown, moist		Fill		AU	1				
2	995										
3	991					SB	2	4	13	38	
4	993					HSA					
5	992	SAND, fine to medium grained, brown, moist, loose	SP	Coarse Alluvium		SB	3	8			
6	991					HSA					
7	990										
8	989	ORGANIC FAT CLAY, dark brown, saturated, very soft [Organic Content = 6.3%] [LL = 81, PI = 58]	OII	Fine Alluvium		SB	4	2	59		
9	988					HSA					
10	987	CLAY WITH SAND, pieces of limestone, brown, wet, firm	CL			SB	5	11	25		
11	986	- [Bedrock encountered at 11.5 feet] End of Boring 11.5 ft.				HSA					

WATER LEVEL MEASUREMENTS							START: 6/15/2023	END: 6/15/2023	
DATE	TIME	SAMPLED DEPTH	CASING DEPTH	CAVE-IN DEPTH	WATER DEPTH	WATER ELEVATION	METHOD	Crew Chief:	Logged By:
6/15/2023	12:00 pm	11	11.5	7.5	None		3.25" HSA 0' - 11.5'	J. Croft	A. Wacek

- Environmental Site Assessment: “(N)o evidence of recognized environmental conditions” no history of leaks, spills or releases”. Some asbestos abatement likely needed.

- Geotechnical Scope: Soil borings: Soil boring logs and Soil Sampling

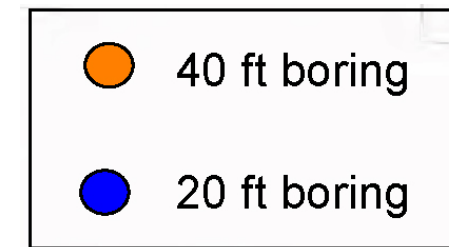
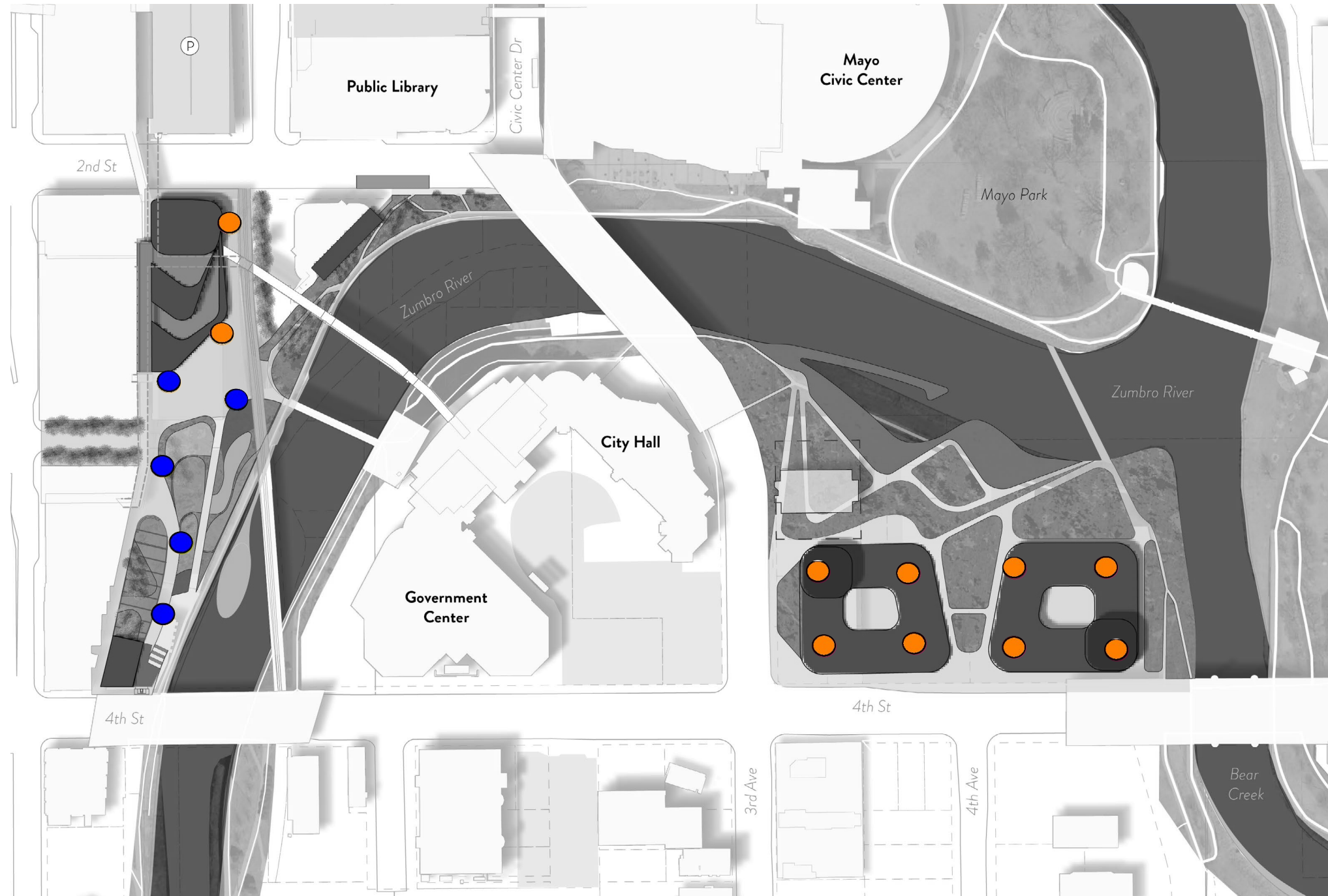
Take away:

- Course alluvial soils capable of supporting spread footings for light loads; High foundation loads anticipate pipe pile or h-pile foundations to bedrock. Groundwater high in this area.

Due Diligence

East/West Site

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The boring profiles generally consist of Pavement, Fills, Organics and Alluvial Deposits found until Bedrock.

Advance Flood Wall Work

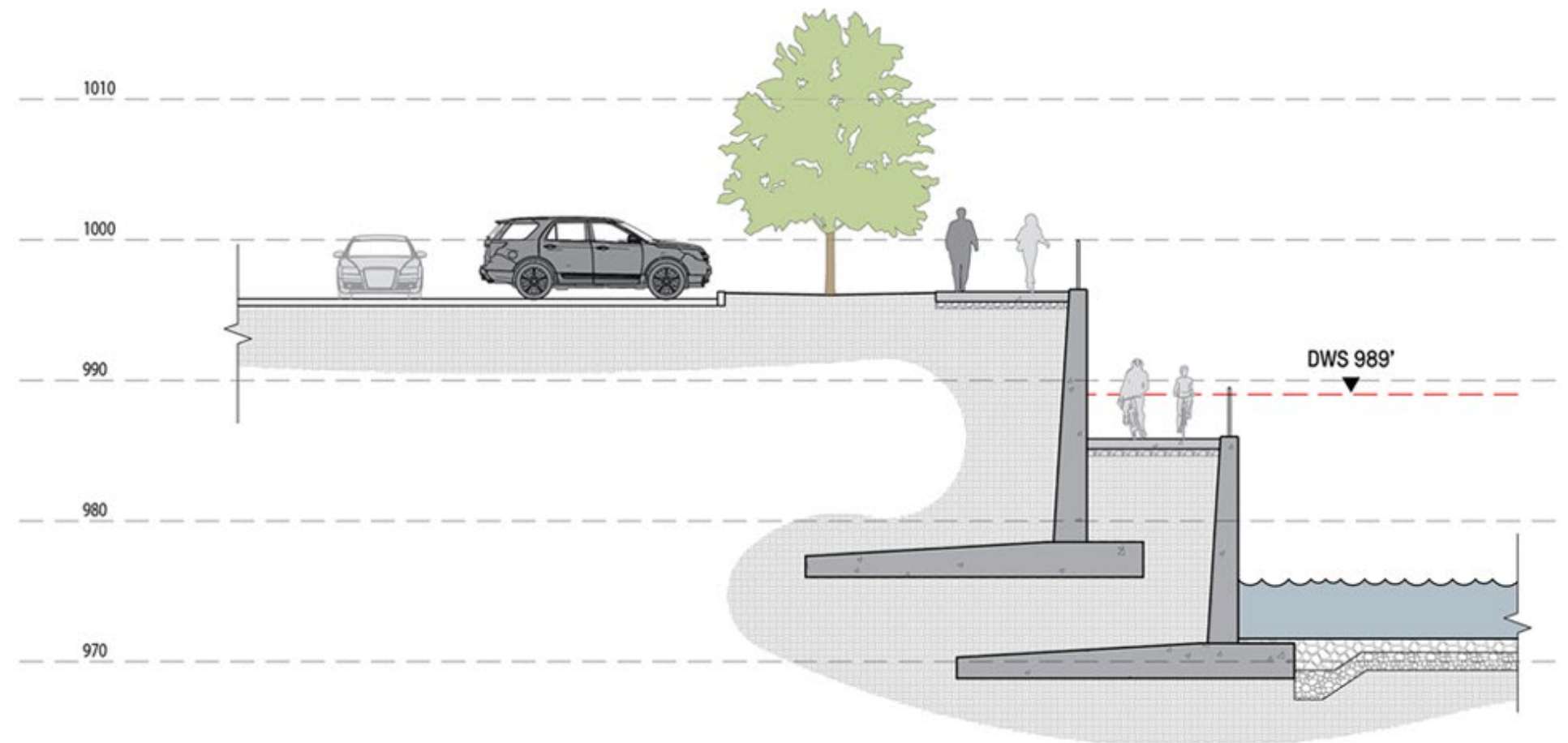
with Army Corp of Engineers

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Scope:

Engage U.S. Army Corps of Engineers, MN. Dept of Natural Resources on necessary modifications to the river channel wall, timing and infrastructure implications for the floodway.



Advance Flood Wall Work

with Army Corp of Engineers

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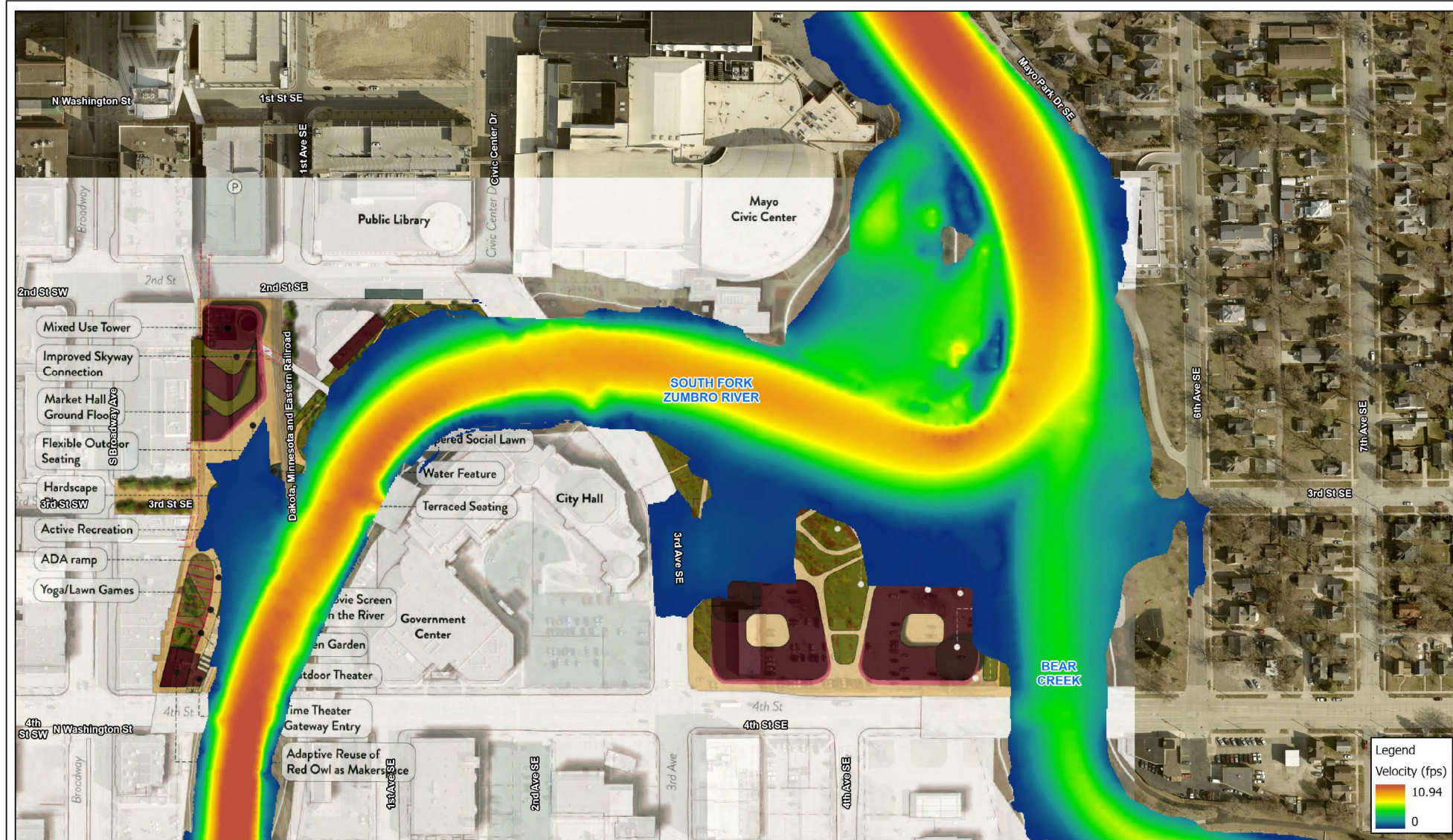
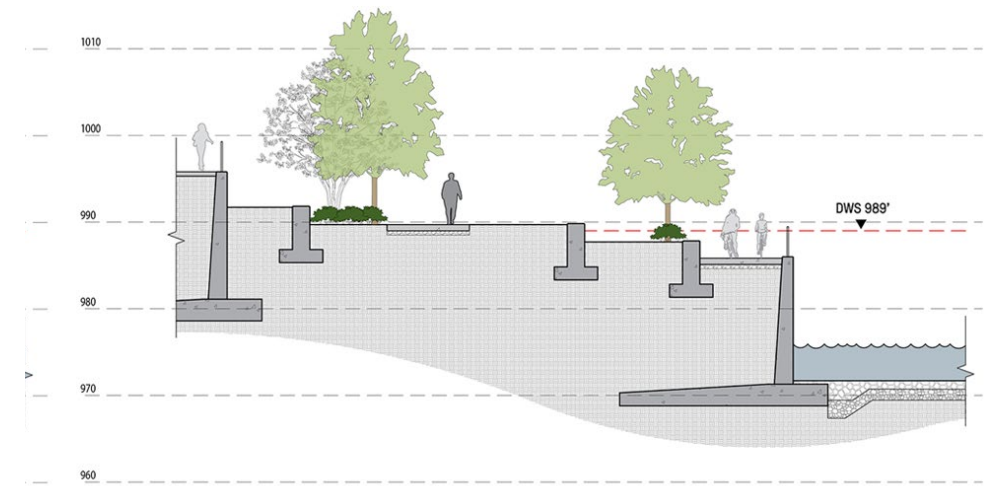
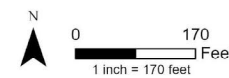


Figure 8 - Proposed 200-year Velocity Map

Rochester Small Area Plan 2.0
Rochester, MN



Take aways:

HEC-RAS 2-D Model built to visualize velocities through channel with terrain for 2-year, 10-year, 100-year and 200-year events.

The modifications to the flood wall increase floodway capacity at the bend of the river.

RFP/ RFQ Preparation

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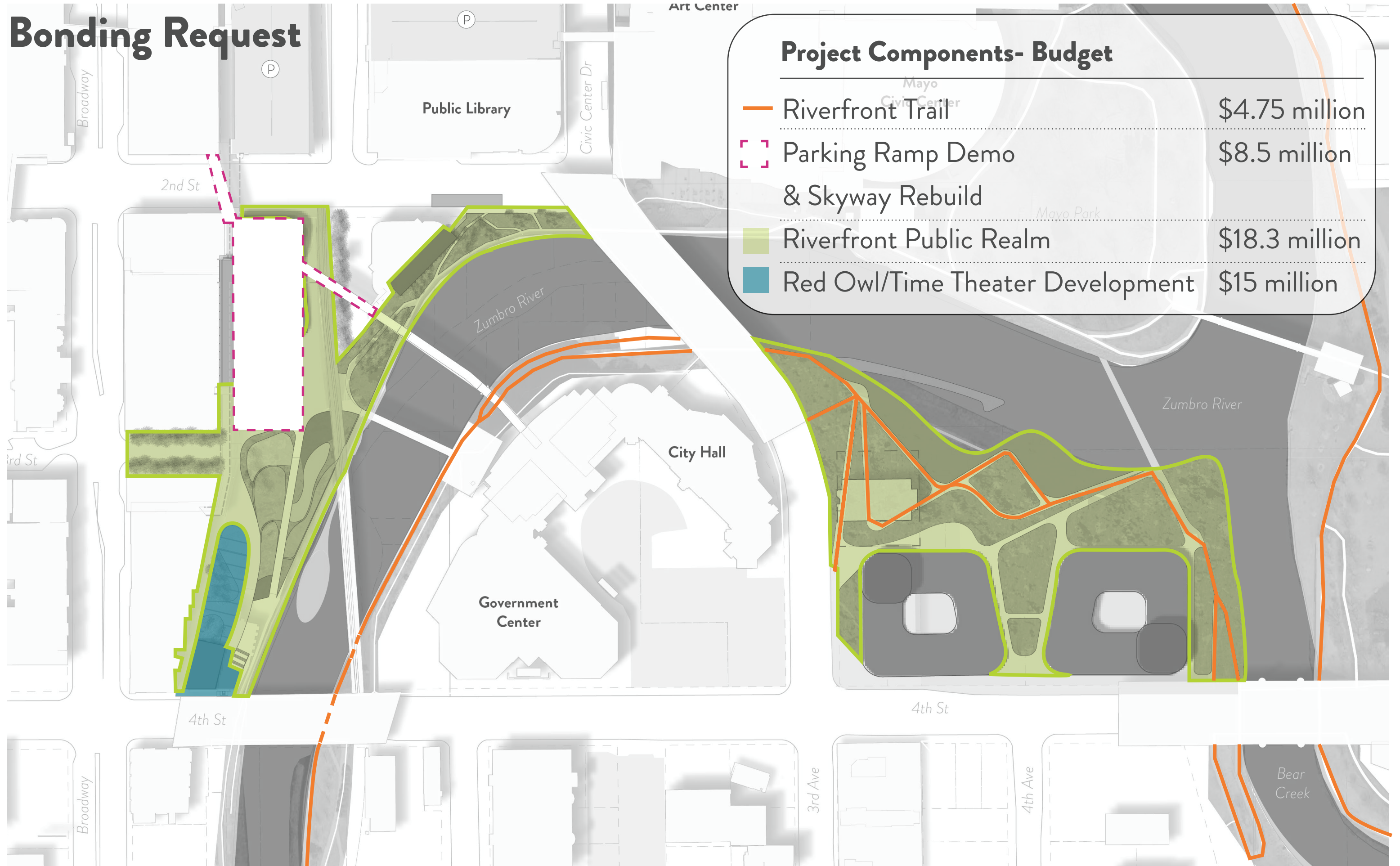
Scope:

Assemble due-diligence information and graphics, develop narrative, design principles and graphics for RFQ/RFP for the East and West Parcels.

Next Steps:

- 1.** Consultant finalizes work on all previous items
- 2.** Pre-development infrastructure advances from concepts into implementation strategy
- 3.** Secure capital support needed to advance this vision
- 4.** Consider timing for RFQ/RFP process
- 5.** Begin consideration of Zumbro River function

Bonding Request



Project Components- Budget

— Riverfront Trail	\$4.75 million
- - - Parking Ramp Demo & Skyway Rebuild	\$8.5 million
■ Riverfront Public Realm	\$18.3 million
■ Red Owl/Time Theater Development	\$15 million

U of M Rochester - A Start Up University

Developing Human Potential for the Healthcare Industry

Lori J. Carrell, PhD

UMN Rochester Chancellor

November 17, 2023



UNIVERSITY OF MINNESOTA

Driven to DiscoverSM



UMR's VISION

The University of Minnesota Rochester will **inspire** transformation in higher education through innovations that **empower** our graduates to **solve** the grand health challenges of the 21st century.



SHOPS

University Square

U of M ROCHESTER

is a proven start-up campus in America's City for health:

Incubator for learning innovation.

Diverse students.

Driven by learning analytics.

Equity in outcomes.

Experiential learning in community.

Mayo Clinic partnerships.





PRINCIPLES & PROTOTYPE



A young woman with long dark hair, wearing a blue lab coat over a dark red shirt, is smiling warmly at the camera. She is standing in a laboratory or classroom setting. To her left is a large, white, articulated robotic arm. The background shows a well-lit room with glass partitions, white cabinets, and various pieces of equipment. A semi-transparent dark red banner is overlaid across the middle of the image, containing white and yellow text.

UMR STUDENTS

Future Health Professionals

MINNESOTAN 80% from MN (half rural, half metro)

DIVERSE 2/3 underrepresented

SUCCESSFUL Equity in degree completion



CAREER PATHWAYS



**Patient
Care**



**Resilience,
Well-Being
& Mental
Health**



**The Business
& Leadership
of Health
Care**



**Emerging
Health
Technologies**



**Public Policy
& Global
Health**



**Health Care
Research &
Discovery**






NEW DESIGNS FOR A NEW ERA





**WE DO IT DIFFERENTLY
TO DO IT BETTER**



“Thanks to the U of M Rochester it will be Minnesota minds behind the solutions to the 21st century’s biggest medical challenges...

U of M Rochester we need you!”

- Senator Amy Klobuchar

