



A Global Destination  
for Health & Healing

# Annual Report to the Minnesota State Legislature



# DMC Metrics

## Strategic Plans

February 2023



# DMC Metrics

## Describing Progress Toward DMC Goals



Create a comprehensive strategic plan



Leverage the public investment of \$585 million to attract \$5B



Create approximately 30,000 new jobs



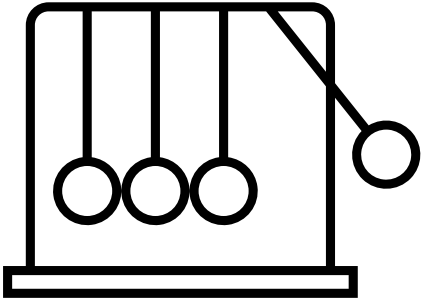
Generate approximately \$7.5 - \$8.0 billion in new net tax revenue



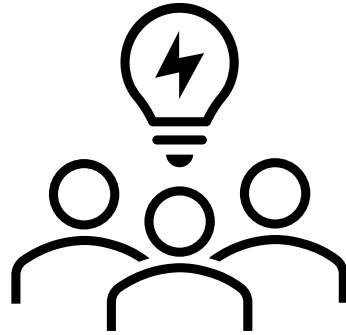
Achieve the highest quality patient, companion, visitor, employee, and resident experience



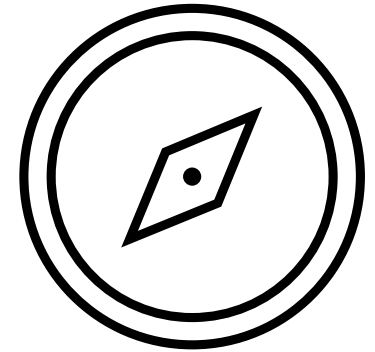
# WHY PLAN?



To harness the energy and creativity of the community.



To achieve a shared vision.



To guide future investments.





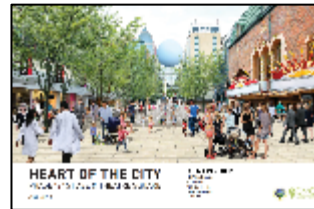
# DMC GUIDING DOCUMENTS

Aligning strategic planning | 2015-2020

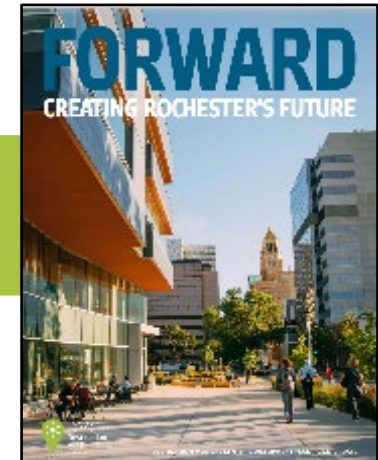
## Regional + City Strategies



## Area Plans



## Updated Market Studies



## 5 Year Update

## DMC Development Plan



# DMC GUIDING DOCUMENTS

Aligning strategic planning | 2020-2025



DMC Development Plan

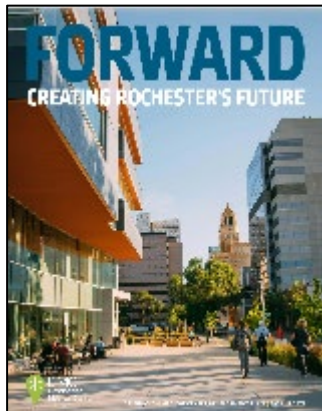
## Regional + City Strategies



## Area Plans



## Updated Market Studies



5 Year Update

10 Year  
Update  
(2025)



# DMC METRICS: STRATEGIC PLAN

## Describing Progress Toward DMC Goals

- Foundational Plan | 2015 DMC Development Plan
  - two years of civic engagement, public hearings, and formal approval
- City development is dynamic
  - new market and community data
- DMC incorporates current thinking
  - Regional + City plans, area plans, market studies
- Plans guide future investments





# Soldiers Field

## Update + Action Item





# Topics to Cover

- Solders Field Memorial Park Update
- Review Alignment
- Action Item

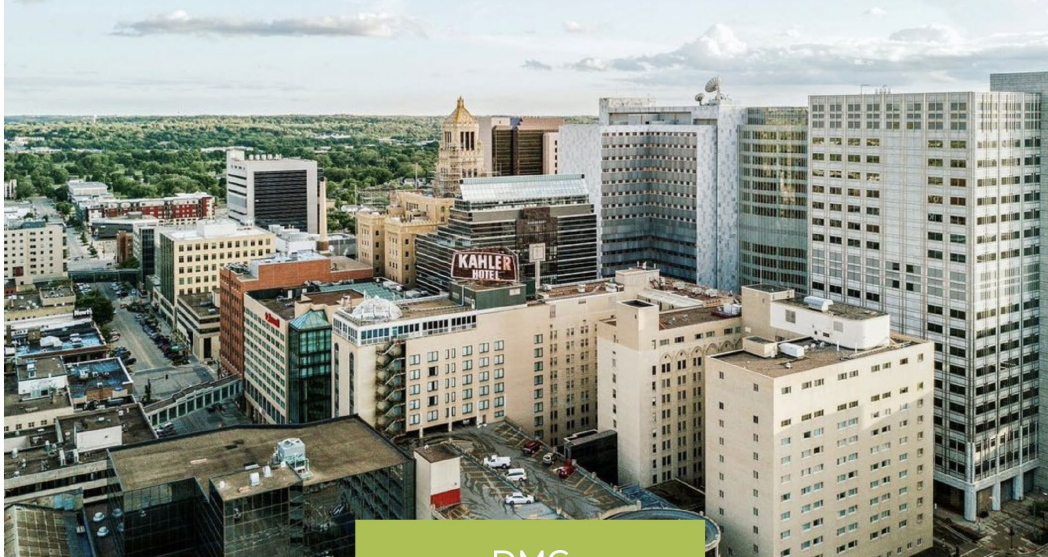
*Approve resolution: Providing Final Approval for the Expenditure of Funds from the 2023 CIP Budget for the Soldiers Field Project*

- *Education-Recreation Subdistrict (Soldiers Memorial Field Park): Public Realm Planning, Design, and Construction: Up to \$10,000,000 to finance a portion of the construction, bid documents, and associated soft costs of the Preferred Alternative Plan*

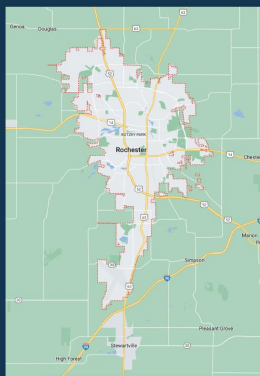


DMC

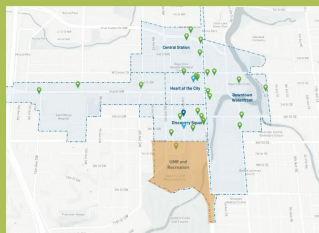
# EDUCATION & RECREATION DISTRICT



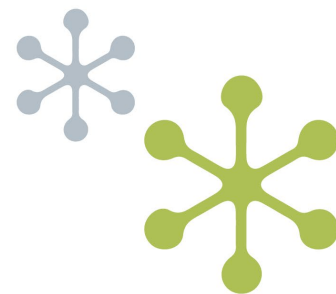
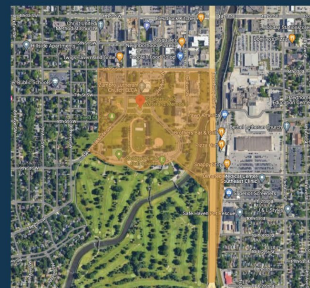
CITY OF  
ROCHESTER



DMC  
DISTRICT



EDUCATION &  
RECREATION  
DISTRICT



# Soldiers Field Update

## DMCC Board Direction

- Minimum impact to golf course
- More details regarding aquatics
- Community-supported plan

### AQUATICS WORKING GROUP (CO-DESIGN)

#### AQUATICS WORKING GROUP CO-DESIGN MEETINGS AND OUTCOMES

##### 1 SITE ANALYSIS / ASSESSMENT

- Overview and background presented from Master Plan process
- Group discussion on needs, accessibility, inclusion, definitions and ideas

##### 2 BUILDING + POOL ASSESSMENT

- Presentation of findings from assessment of existing bathhouse, pumphouse and pool assessment
- Discussion on pros/cons of preserving bathhouse and pumphouse, other aquatics features
- Presentation of a few test layouts to generate discussion

##### 3 CONCEPT DESIGN REFINEMENT

- Presentation and discussion of (3) site layout concepts and (3) building concepts
- Review and discussion of detailed costs and quantities throughout

##### 4 PREFERRED CONCEPT DIRECTION

- Confirmed refined concept with alternate
- Answered 'big questions'
- Discussed priorities



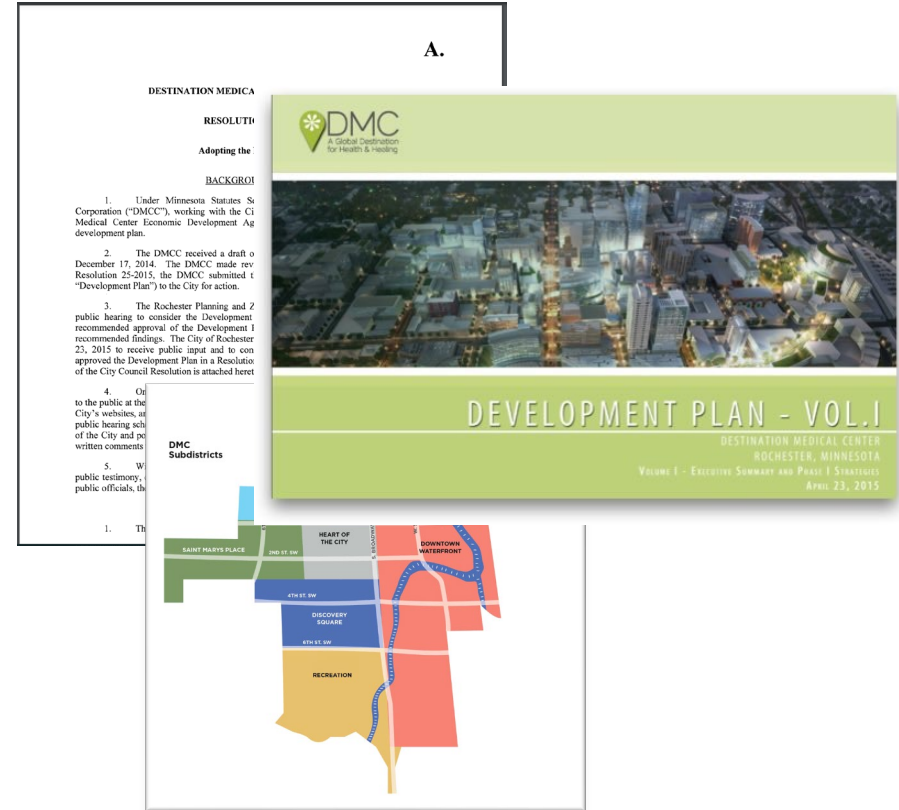


# Alignment

## DMC

- Within DMC District
- Consistent with DMC Development Plan
- Meets definition of public infrastructure

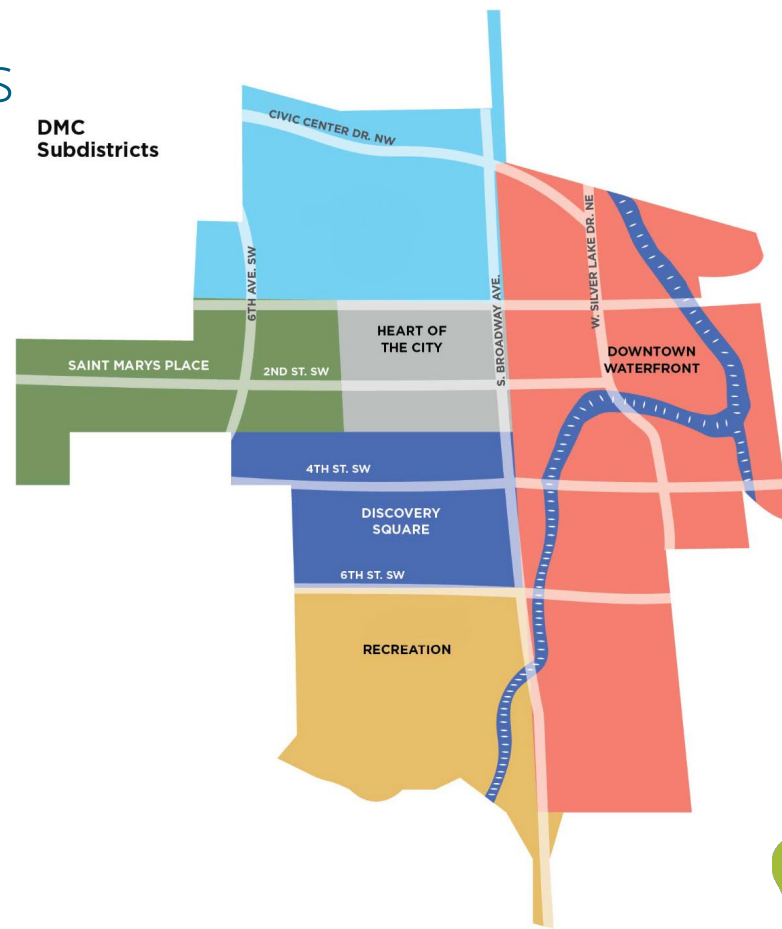
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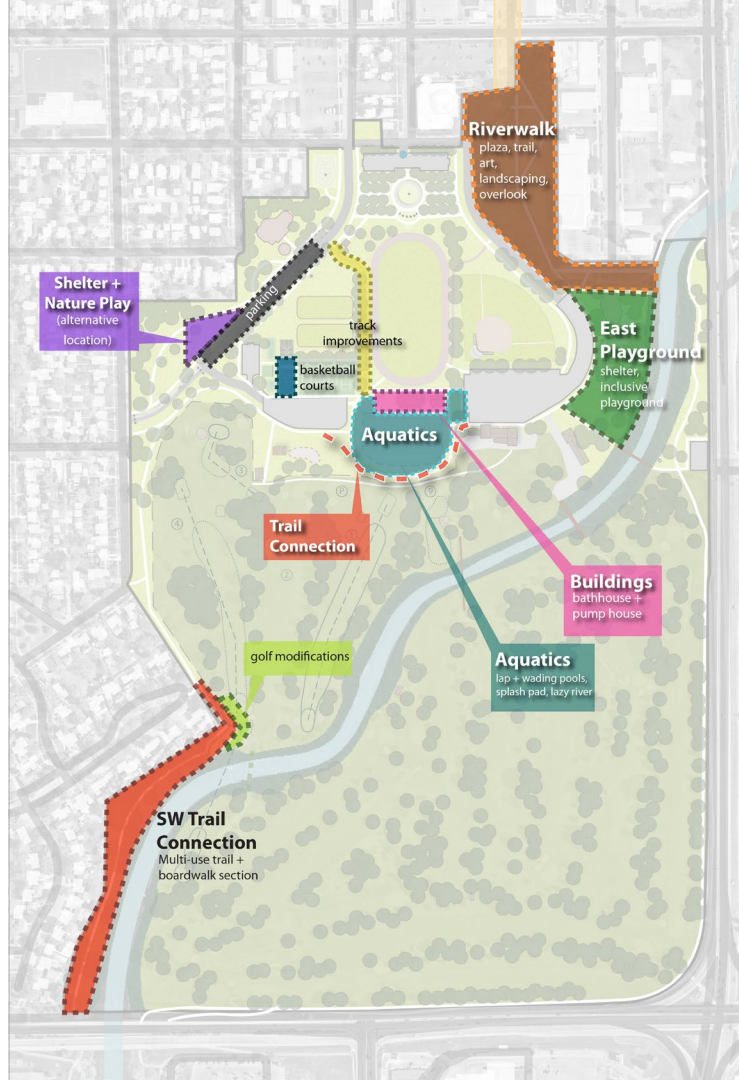


# Alignment

## Key Elements + Guiding Principles

- Connectivity
- Signature Public Space
- Equity
- Inclusivity
- Accessibility
- Health
- Sustainability





# Soldiers Field Plan

Preferred Concept  
Alternative



# COSTS/ALLOCATIONS

## Concept Level Cost Estimate

Preferred Aquatics Concept	\$12M
West Nature Play + Shelter	\$600K
Parking + Track Improvements	\$200K
Basketball Courts	\$150K
East Playground Improvements	\$850K
Downtown Riverwalk	\$750K
Southwest Trail Extension	\$500K
<i>Design/Engineering (15%)</i>	<i>\$2.26M</i>
<i>Inspections/Fees/Permits</i>	<i>\$100K</i>
<i>Contingency (10%)</i>	<i>\$1.5M</i>
<i>Mobilization (8%)</i>	<i>\$1.2M</i>
<b>Estimated Total</b>	<b>\$20.1M</b>

## Funding Allocations

Federal Grant	\$5M
State Grant	\$250K
DMC funding	\$10M
City Referendum	\$7M
<b>Total Funds</b>	<b>\$22.5M</b>

# Soldiers Field Estimated Timeline



**DESIGN**  
(FEB 8 - MAY 3, 2023)



**BID AND AWARD**  
(MARCH 30 - JUNE 9, 2023)



**CONSTRUCTION**  
(JUNE 1 - MAY 23, 2024)



**POST-CONSTRUCTION**  
(MAY 23 - AUG 14, 2024)

# Recommendation to Board:

Approve Resolution: Providing Final Approval for the Expenditure of Funds from the 2023 CIP Budget for the Soldiers Field Project

- Education-Recreation Subdistrict (Soldiers Memorial Field Park): Public Realm Planning, Design, and Construction: Up to \$10,000,000 to finance a portion of the construction, bid documents, and associated soft costs of the Preferred Alternative Plan





# Riverfront Small Area Plan



## Request for Action:

- Take action to authorize \$800,000 of financial support to advance the downtown riverfront project.

Funds for:

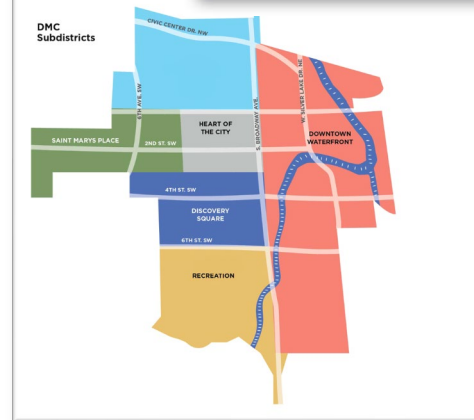
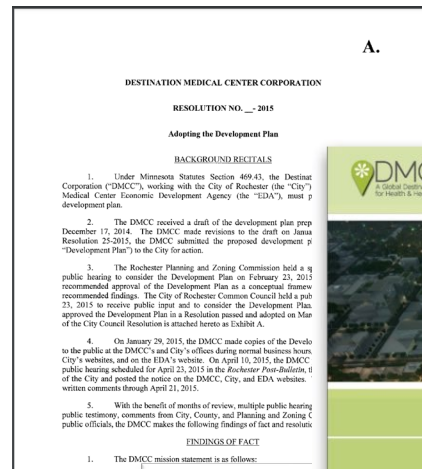
- Land acquisition (\$450k)
  - Design/Engineering (up to \$350k)
- These resources are in the prior approved 2023 CIP



# Alignment

## DMC

- ✓ Within DMC District
- ✓ Consistent with DMC Development Plan
- ✓ Meets definition of public infrastructure





**DEVELOPMENT PLAN**

**Central Station**

**Heart of the City**

**St. Marys Place**

**Discovery Square**

**UMR and Recreation**

**Downtown Waterfront**

**St. Marys Hospital**

**Saint Mary's Park**

**Soldiers Field Memorial Park**

**Mayo Clinic**

**Rochester Civic Theatre**

**Rochester Art Center**

**Mayo Memorial Park**

**Central Park**

**Oakwood Cemetery**

**Bear Creek**

**Zumbro River**

**Hazama Park**

**Plummer Cir**

**W Frontage Rd SW**

**W Center St**

**W 1st St NW**

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# Alignment

## Authorized Uses of DMC Funds

Minnesota Statutes, Section 469.40, subdivision 11, defines “public infrastructure project” as “a project financed in part or in whole with public money in order to support the medical business entity's development plans, as identified in the DMCC development plan” and expressly includes, among other items, the ability to:

(1) acquire real property . . . (3) remediate land and buildings as required to prepare the property for acquisition or development; (4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, utilities systems and related facilities, utility relocations and replacements . . . streetscape improvements, drainage systems, sewer and water systems, . . . landscaping, . . . and other components of community infrastructure. . . (6) install, construct, or reconstruct, furnish, and equip parks, cultural, and recreational facilities, facilities to promote tourism and hospitality [and] (7) make related site improvements including, without limitation . . . site improvements to support the destination medical center development district . . .” Minn. Stat. § 469.400, subd.11 (2022).









Riverfront as a destination and natural corridor



Support local, diverse small businesses



Universal access



Visionary transformation



Expands economic development opportunities and activates the public realm



## Prior Approved Steps:

- Land Acquisition: Continue conversations with County regarding Mr. Muffler site
- Advance engineering and site data:
  - Advance flood wall work with Army Corps
  - Due diligence of Red Owl/Time Theater
  - East Site: site preparation
  - Helping to craft RFQ/RFP

## Today:

- » City and County have agreed to sale for \$450k
- » City has consultant proposal for this scope



## Request for Action:

- Take action to authorize \$800,000 of financial support to advance the downtown riverfront project.

Funds for:

- Land acquisition (\$450k)
  - Design/Engineering (up to \$350k)
- 
- These resources are in the prior approved 2023 CIP



# LINK Bus Rapid Transit and West Transit Village

February 2023



DMC

Destination Medical Center  
Rochester, MN



# LINK BRT Milestones



## Project Schedule

### Design and construction.

- 60% plan set completed.
- Final design to begin after NEPA completion.
- Right-of-way appraisals and acquisitions begin fall 2023.
- Design complete December 2023.
- Construction 2024-2025.

### Opening day spring 2026.



# LINK BRT Milestones

Study Session 2/6/23



## Mayo Agreements

**Services Agreement approved in August, 2022**

**Additional Agreements Needed:**

- Construction Agreement
- Shared Use Agreement
- Real Estate
- Required by July 1, 2023



# LINK BRT Milestones

Study Session 2/6/23

## Electric Bus Procurement



### 12 Electric Buses & Chargers

- 18-24 months for delivery
- 6 months to test and commission
- Begin procurement in May, 2023 for opening service in 2026



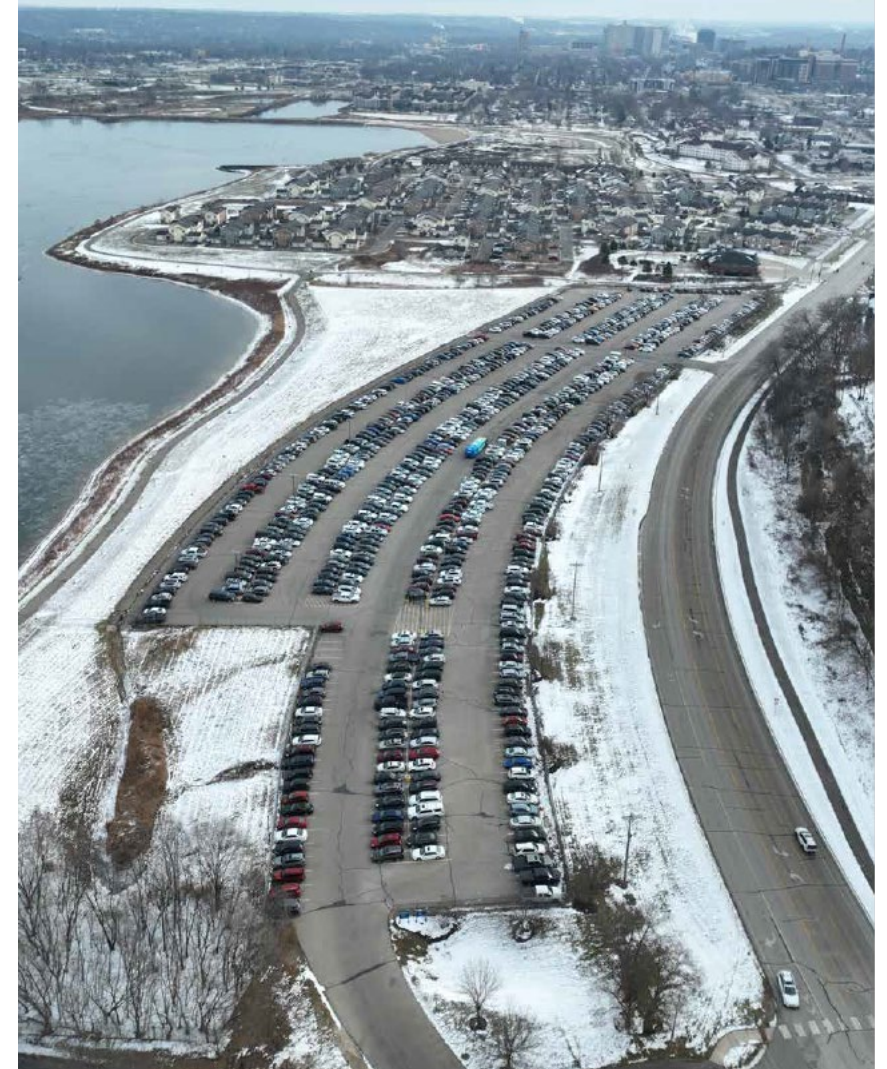


# West Transit Village Update

Mayo Clinic (property owner) identified a preferred development partner at year-end 2022

Next steps:

- a. 1Q 2023: develop conceptual development site plan and BRT infrastructure plan for the site, in conjunction with Mayo Clinic, DMC and the City of Rochester
- b. Spring 2023: preliminary plan ready for Risk Workshop with the Federal Transit Administration





# Downtown Rochester Task Force

February 2023



DMC

Destination Medical Center  
Rochester, MN

# TODAY

- 1 Background
- 2 Current Work
- 3 Next Steps



# Stages of Response to the Pandemic



**Crisis**

Rochester  
Ready

**Recovery**

Downtown  
Rochester  
Taskforce

**Resilience**

TBD





# Rochester Ready Accomplishments



**Who:** Destination Medical Center, City of Rochester, Mayo Clinic, Rochester Area Economic Development Agency, Inc., Rochester Area Chamber of Commerce, Rochester Downtown Alliance, Diversity Council, Experience Rochester, Olmsted County

**Actions:** COVID-19 hotline, liquor license fee deferrals, outdoor dining accelerating permitting, purchase of jersey barriers for outdoor patios, Keep it Local grants, enhancement of Small Business Development Center services





# **Downtown Rochester Task Force**

## **Scope**

**Who:** Destination Medical Center, City of Rochester, Mayo Clinic, Rochester Area Economic Development Agency, Inc., Rochester Area Chamber of Commerce, Rochester Downtown Alliance, Diversity Council, Experience Rochester

**Key Audience:** Downtown Stakeholders

- Business Owners
- Property Owners
- Residents
- Community Members





Collaborating to create a community-based framework for moving downtown Rochester forward and continue down the path of recovery

Create an action plan that identifies recommendations for immediate, short- and long-term actions in response to the impact of the pandemic on downtown Rochester

Using an accelerated model

A focus on downtown Rochester's current and future as a strong business district, neighborhood, and destination

Action plan will identify organizational responsibilities, timelines, and success measurements

# Building the Action Plan in 90 Days

**Feb + Mar**

**Stakeholder Engagement**

Community working  
sessions to identify key  
themes/Issues

**April**

**Stakeholder Engagement**

Determine action steps  
and accountability

**May**

Begin  
Implementation



## Next Steps



# Community Working Sessions

Monday, Feb 27 from 6-7 p.m.,  
Fagan Studio and Studio 324

Friday, March 3 from 9-10 a.m.,  
Chateau Theatre

Monday, March 6 from 2-3 p.m.,  
Pasquale's Neighborhood Pizzeria

Tuesday, March 14 from 10-11 a.m. (virtual)



# THANK YOU





# **AWARENESS AND PERCEPTIONS OF ROCHESTER AS A LIFE SCIENCES DESTINATION**

February 2023



**DMC**

Destination Medical Center  
Rochester, MN

# OBJECTIVES

- 1) Determine baseline awareness
- 2) Understand market perceptions
- 3) Quantify expansion decision-drivers



# Why this matters

- Organic job growth ≠ 30,000 jobs over 20 years
- Job recruitment will be a requirement for success
- Effective recruitment needs to be informed by data



# Audiences Surveyed

**EXECUTIVES:** Decision makers / high-growth / life science / US, Canada, Europe (n=168).

**SITE SELECTION:** Corporate RE / location advisory / tax & incentive / “connectors” (n=153).



# Research Methodology

1. Local stakeholder listening sessions (4)
2. In-depth interviews (10)
3. Quantitative survey ( $n=321$ )
4. Data scrub & analysis

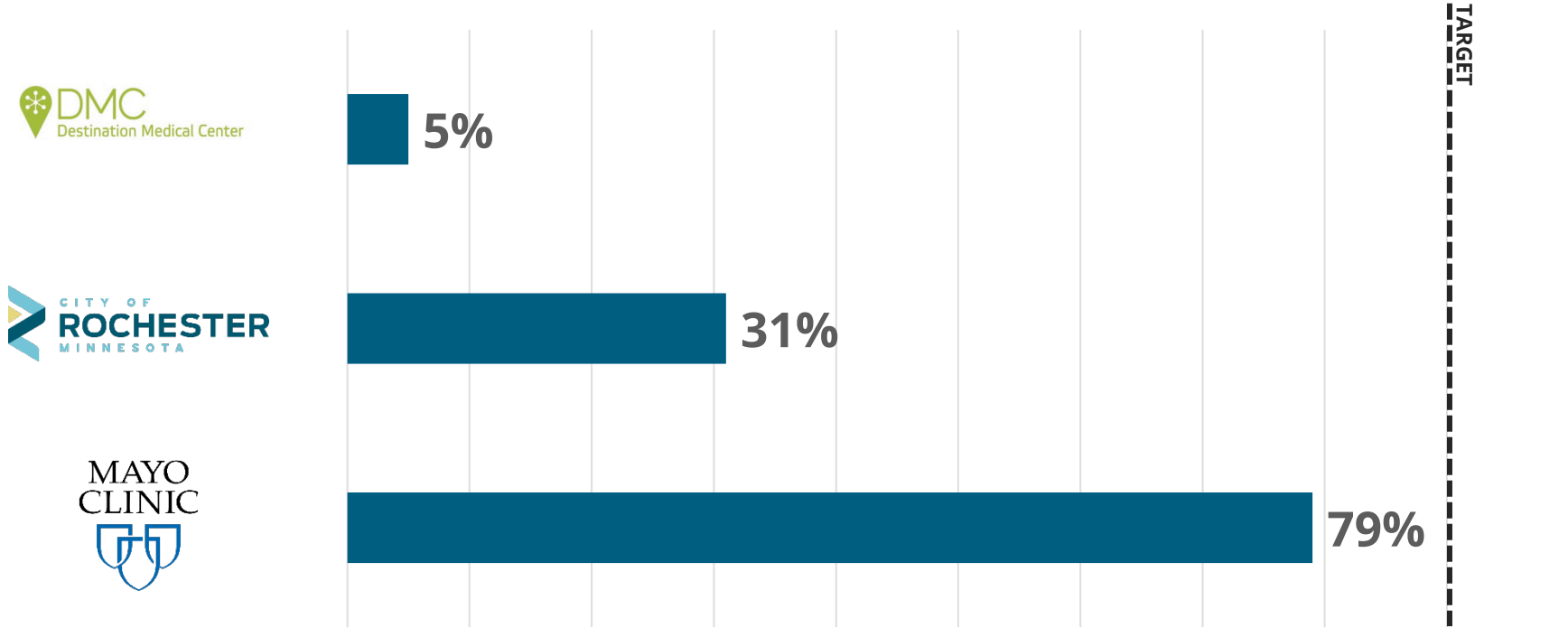




# Awareness



# BASELINE AWARENESS



Q10: How much do you know about ..... (n = 153/168)



# POSITIVE FEELINGS TOWARDS MAYO CLINIC

(VERY OR SOMEWHAT)

96%

Site Selection

90%

Executives



### **3 KEY TAKEAWAYS: AWARENESS**

- 1) Low level of Rochester/DMC awareness.
- 2) High level of Mayo Clinic awareness with high positivity.
- 3) Need to educate audiences on what Mayo means to their business.



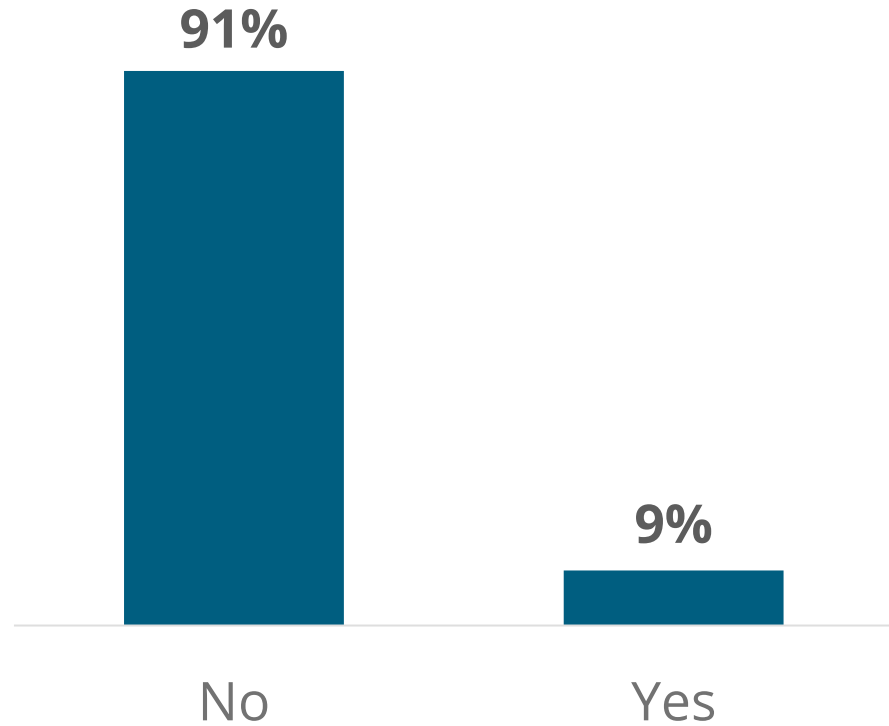
# Consideration





# CONSIDERED ROCHESTER, MN

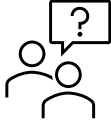
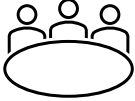

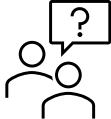


ALL AUDIENCES



Q20: Have you ever considered the Rochester area for an investment project? (n = 153/168)



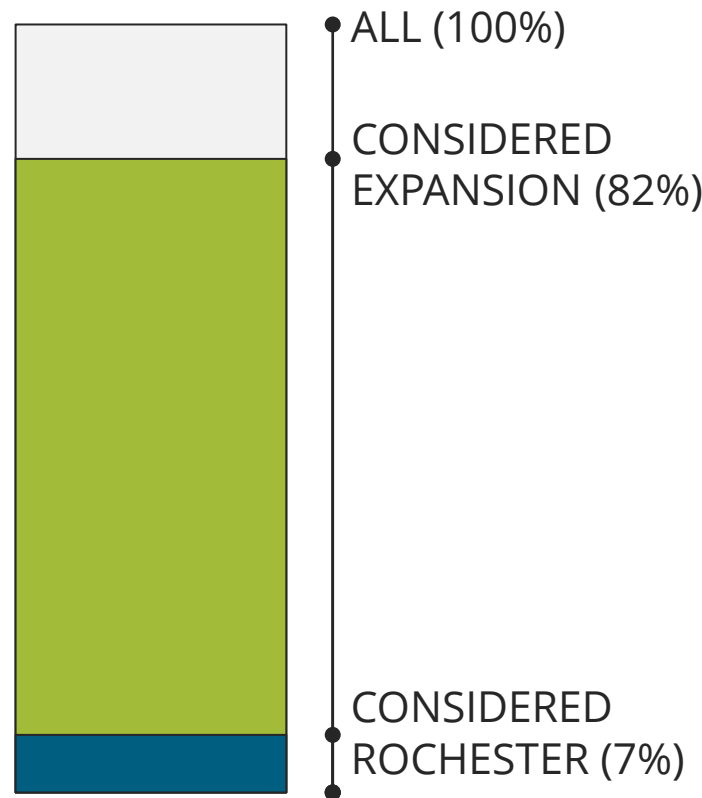
# BIGGEST BARRIERS TO CONSIDERATION

	1st	2nd	3rd
SITE SELECTION	 Unaware	 Talent	 Small Market
EXECUTIVE	 Unaware	 Weather	 Rural/Remote



# 75%

***“CONSIDERATION GAP”***



Q4: Have you ever considered a relocation or expansion for your company? (Select all that apply) (n = 168)



## **3 KEY TAKEAWAYS: CONSIDERATION**

1. Consideration gap is huge.
2. Lack of awareness is universal.
3. Misperceptions abound.

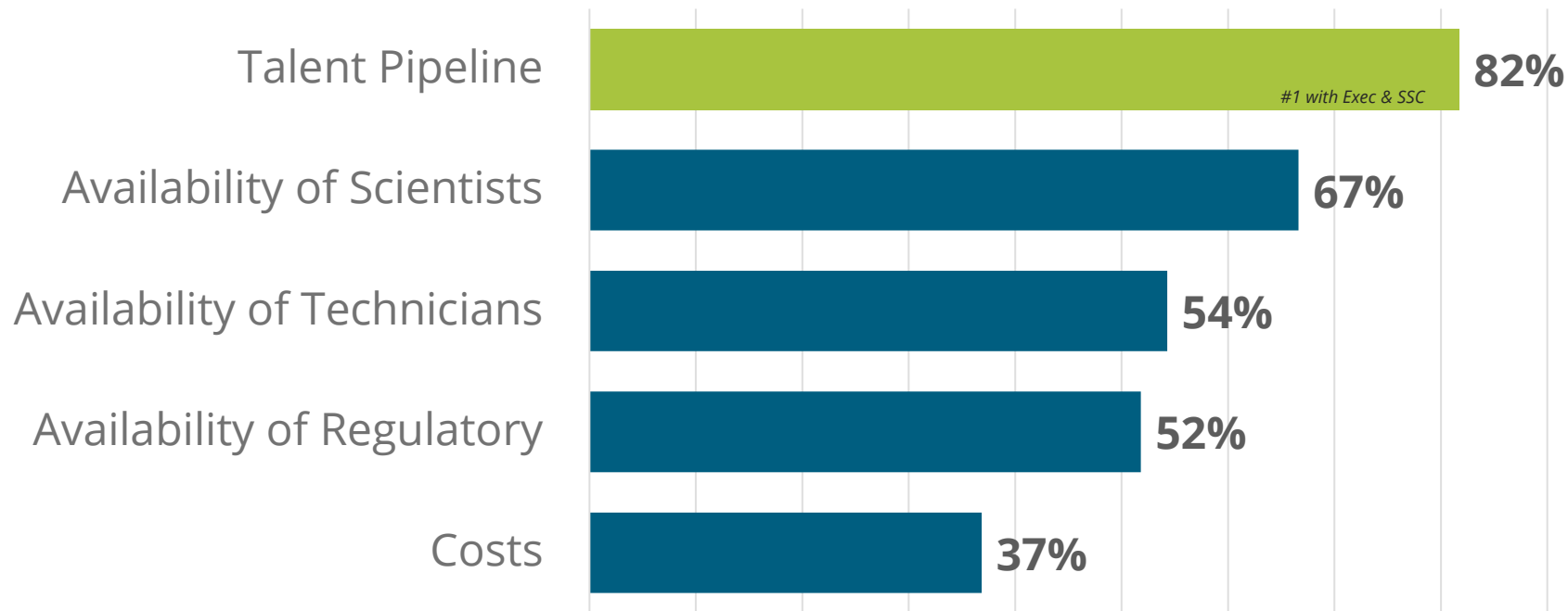


# Decision Drivers





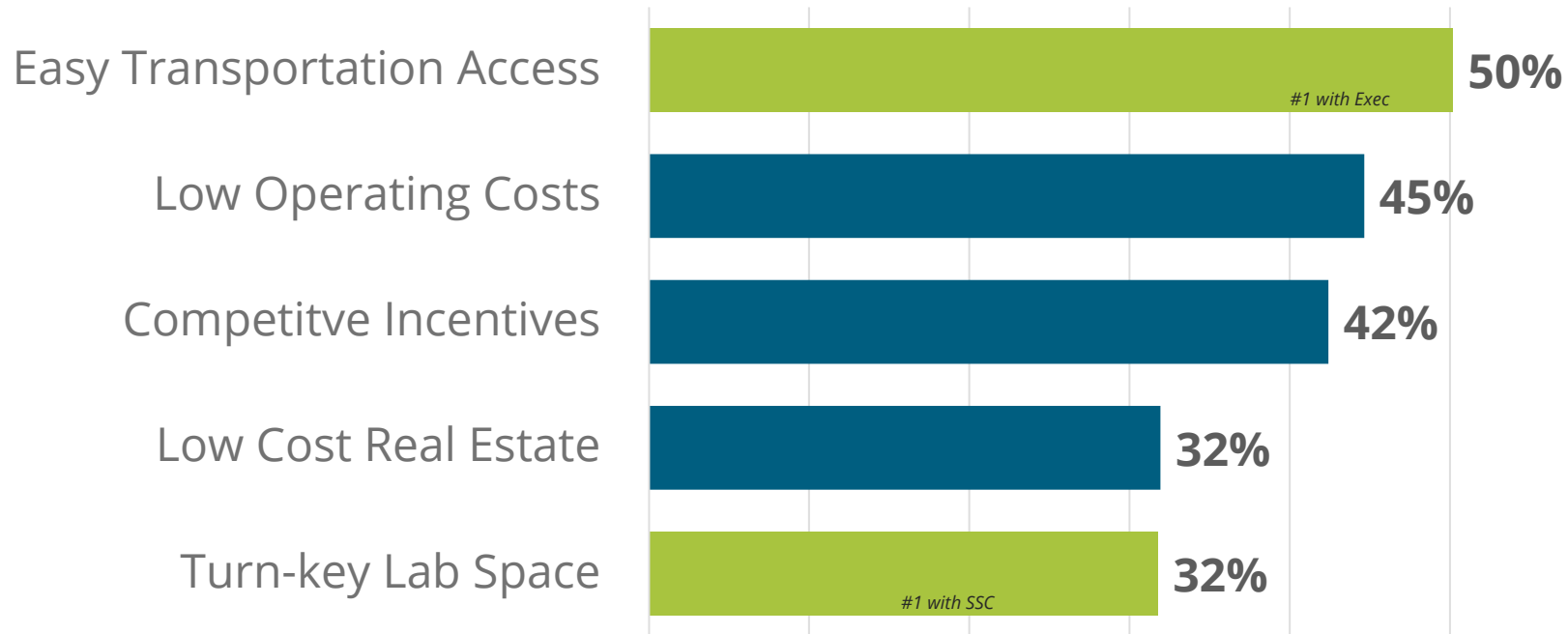
# IMPORTANCE OF LABOR FACTORS



Q7: When recommending a community to a life sciences company, how important are the following labor factors? (n=153/168)



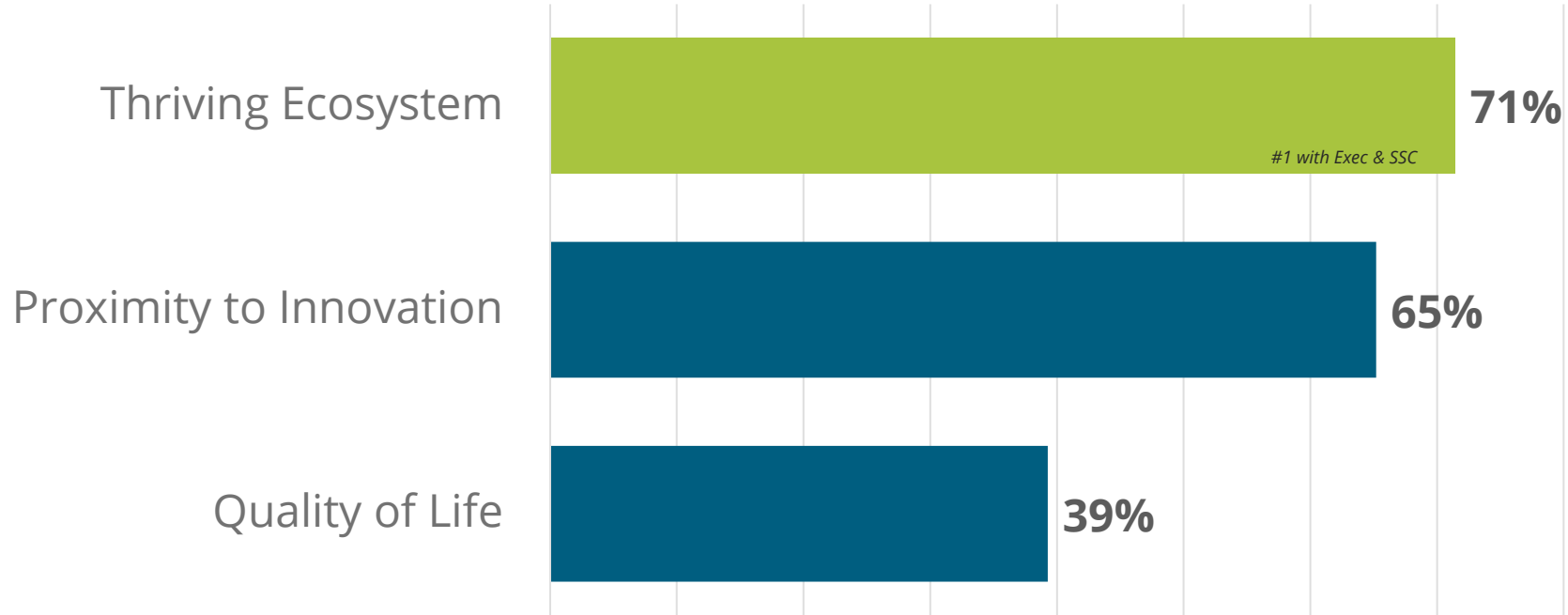
# IMPORTANCE OF LOCATION AND COSTS



Q7: When recommending a community to a life sciences company, how important are the following labor factors? (n=153/168)



# IMPORTANCE OF COMMUNITY



Q9: If you were to ever expand or relocate, how important would the following community factors be to your decision (n=153/168)?



# **3 KEY TAKEAWAYS: DECISION DRIVERS**

1. Predictable talent pipeline is paramount.
2. High end talent > entry level talent.
3. We need lab space & a thriving ecosystem.



# **Awareness and Perception Study Summary**





# STRATEGIC DIRECTIONS

## BUILD AWARENESS

- Rochester as a destination
- DMC as a support
- Mayo Clinic's close connection to both

## BUILD INFRASTRUCTURE

- Reduce risk
- Speed to market
- Make us "bigger"

## BUILD ECOSYSTEM

- Define what is here
- Productively engage partners
- Improve the product



# 2023 Progress



# STRATEGIC PROGRESS: BUILD AWARENESS

- 2023 Program of Work



- New business development focused website being designed and programmed
- Enhanced digital marketing, content creation, and story telling in process



# STRATEGIC PROGRESS: BUILD INFRASTRUCTURE

## The Wet Lab

- Small footprints, shared labs
- Short lease terms
- Access to shared laboratory equipment and services
- Turn-key space options
- Available office space

## 2023 Status

- Market demand study underway
- Partner identification in process
- Capital needed: TBD



# STRATEGIC PROGRESS: BUILD INFRASTRUCTURE

## The Maker Lab

- Open floor
- Shared equipment
- Membership-based
- 3D printers
- AR/VR technology
- Electronics
- Circuit boards
- Machinery
- Prototyping, MVP





# STRATEGIC PROGRESS: BUILD INFRASTRUCTURE

## The Simulation Lab

- Flexible simulated healthcare space
- Advanced healthcare training
- Testing new technologies
- AR/VR tech
- Live actors and life-like mannequins
- Workforce development tool

## 2023 Status

- GRAUC request to legislature
- Business and operating model developed
- Capital needed: \$11.3M

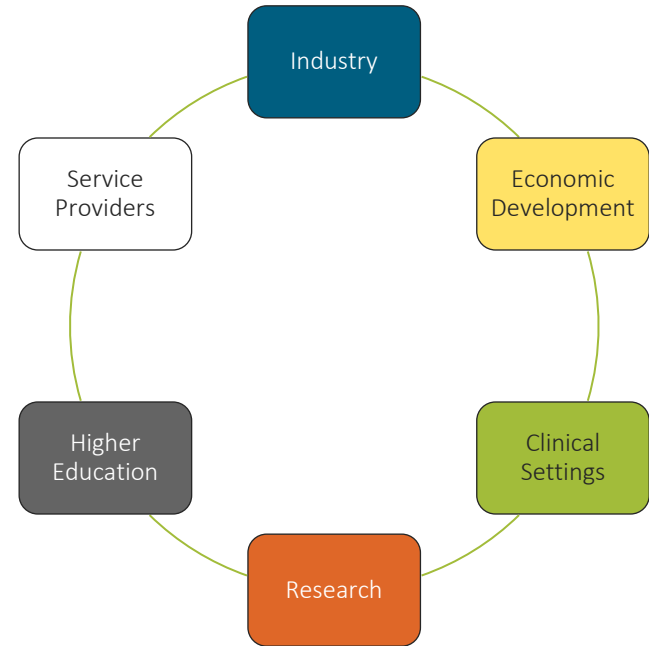


# STRATEGIC PROGRESS: BUILD ECOSYSTEM

- 40+ healthcare and life science technology companies
- Mayo Clinic
- UMR, RCTC, Winona State, GRAUC
- Finance, legal, regulatory, compliance, real estate
- DMC, RAEDI, Collider, Medical Alley

## 2023 Status

- Needs assessment underway
- Three listening sessions convened



# THANK YOU



DMC

Destination Medical Center  
Rochester, MN



# Annual Report to the Legislature

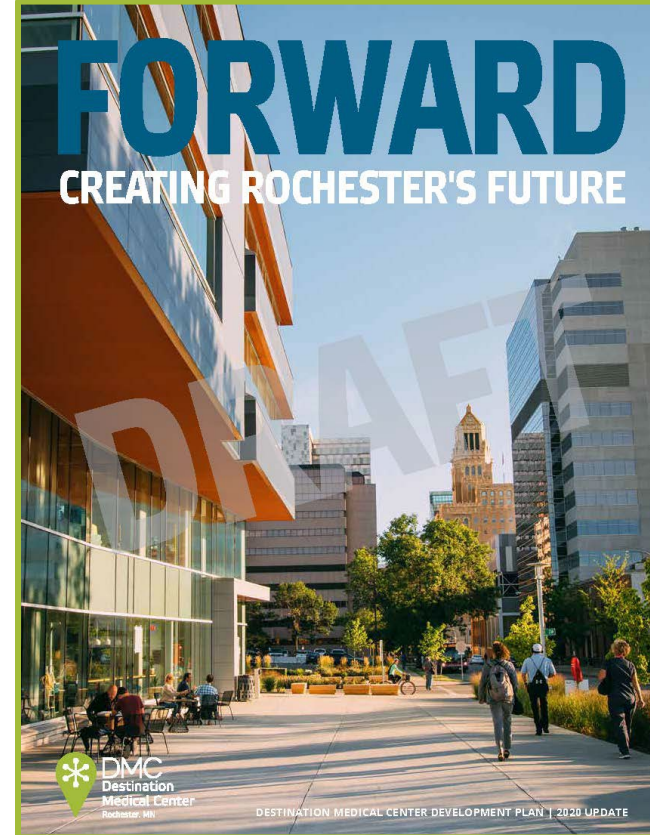
- Joint report by the City of Rochester and DMC Corporation
- Required to be submitted by Feb. 15 each year
- Submitted to:
  - Chairs and ranking minority members of the legislative committees and divisions with jurisdiction over local and state government operations, economic development, and taxes
  - 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

- **DMC investments in:**
  - **Transportation**
  - **Public Space**
  - **Streets and Sewers**
  - **Bio-med-tech**
  - **Workforce Housing**
- **Programmatic initiatives:**
  - **Business Recruitment and Marketing**
  - **Targeted Business and Workforce Capacity-Building**
  - **Community Co-Design**

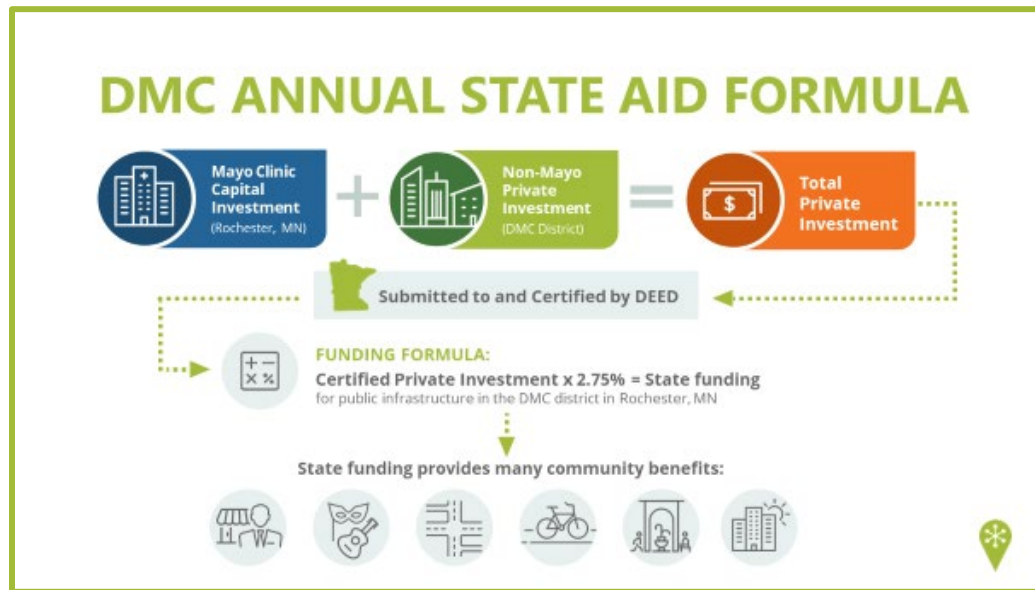




# Report Highlights (Continued)

- Certified 2021 private investment of **\$155M**
- Cumulative private investment (through 2021\*) by Mayo Clinic and others in DMC initiative exceeds **\$1.26B**
- State of Minnesota DMC investment through 2022 totals **\$97.6M**
- City of Rochester DMC investment totals **\$79M**
- Olmsted County investment totals **\$16.5M**

*\*2022 private investment will be reported in March 2023*





A Global Destination  
for Health & Healing

# Annual Report to the Minnesota State Legislature