



DMC Corporation Board of Directors Meeting

Thursday, December 5, 2024



DMC HISTORIC PROPERTY SUPPORT

December 2024



DMC

Destination Medical Center
Rochester, MN

Discussion & Action ...

Consider Historic District infrastructure funding request



Recap



— Impact of DMC Investment

	Average Cost	DMC Amount	Number of Projects	Approx. DMC
Adaptive Reuse	\$1M	\$500K	5 - 8	\$2.5 - 4M
Building System Upgrades	\$100K	\$50K	12 - 16	\$600 - 800K
Building Safety + Preservation	\$50K	\$25K	12 - 16	\$300 - 400K
Code Modernization	\$50K	\$25K	7 - 12	\$175 - 300K



330 Broadway Ave. S
Apartment, Marrow Restaurant



212 1st Ave. SW
City Market and other commercial space

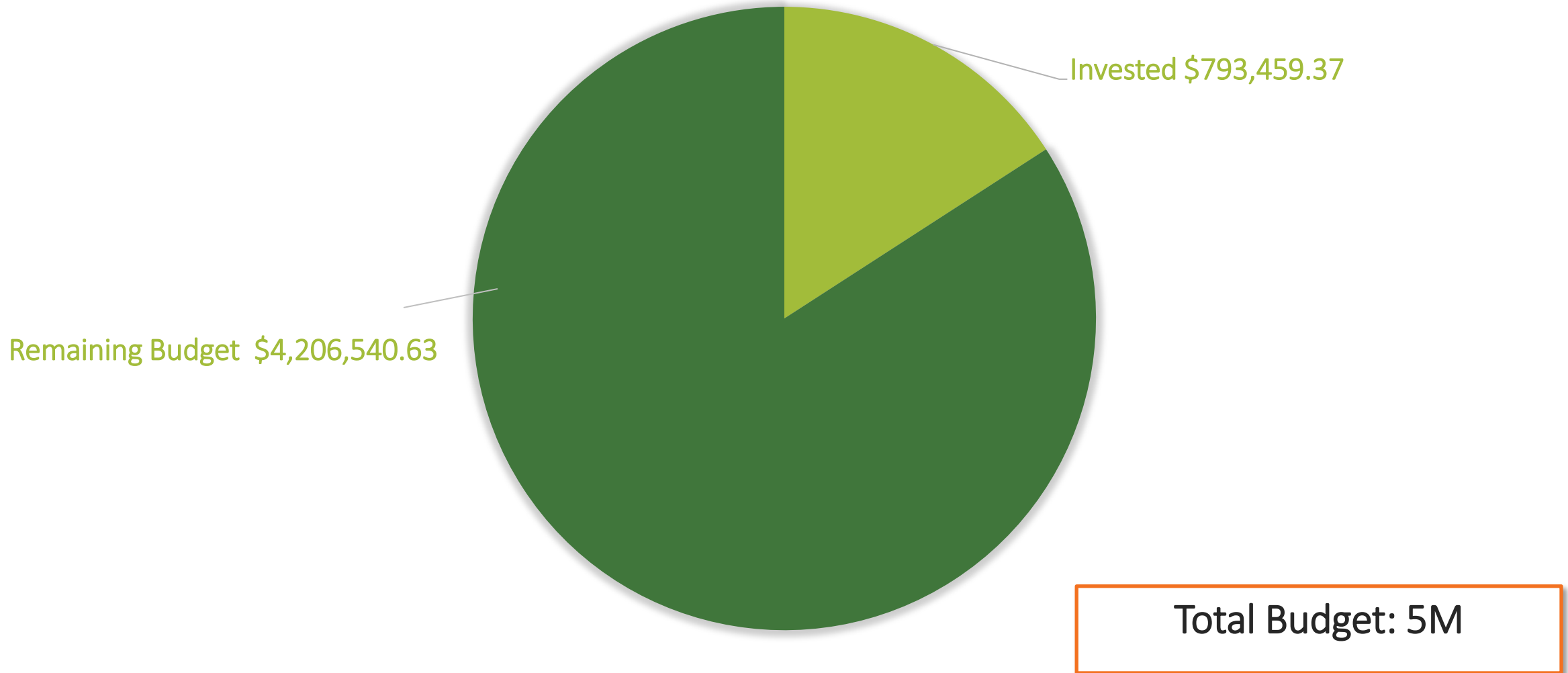


400 Broadway Ave. S
Historic Riverside Building

Funding Applications

Address	Total Project Cost	Recommended DMC Funding	Categories of Investment	Project Description
330 Broadway Ave S	\$250,576.09	\$125,288.04	Adaptive Reuse	Development of second-story housing
400 Broadway Ave S	\$404,549.67	\$202,274.33	Building Safety & Preservation	Roof replacement, brick tuck-pointing, interior bathroom renovation
212 1 st Ave SW	\$761,970.00	\$380,985.00	Building Safety & Preservation Building System Upgrades	Roof & trusses replacement, mechanical upgrades

IF APPROVED - TOTAL DMC INVESTMENT IN HISTORIC DISTRICT



Discussion & Action ...

Consider Historic District infrastructure funding request



LINK BRT CONTINGENCY

DECEMBER 2024



DMC

Destination Medical Center
Rochester, MN

REQUESTED ACTION

- Consider criteria for use of Link BRT contingency funding



2025 DMC Capital Plan

PROJECT	RECOMMENDED FUNDING	SOURCE
Interim Wayfinding	\$100,000	General State Infra. Aid
Strategic Development	\$3,000,000	General State Infra. Aid
Chateau Theatre	\$100,000	General State Infra. Aid
Sixth Street Connectivity	\$2,500,000	General State Infra. Aid
Aligning Infrastructure, Unbound	\$1,000,000	General State Infra. Aid
Aligning Infrastructure, WTV	\$1,000,000	General State Infra. Aid
Link BRT	\$12,370,729	State, County Transit Aid
FTA-required BRT contingency	\$13,740,000	State Transit Aid
City of Rochester Admin. Support	\$100,000	City DMC Aid
DMC Corp. Operations	\$229,887	City DMC Aid
City DMC Project Management	\$1,361,141	City DMC Aid
DMC EDA	\$2,984,632	City DMC Aid
TOTAL	\$38,486,389	



CRITERIA

Proposed criteria address:

Preservation and use of funds

Approval of fund use

Anticipated expenditures

Reporting



REQUESTED ACTION

- Approve criteria for use of Link BRT contingency
- funding



ALIGNING INFRASTRUCTURE: BOLD. FORWARD. UNBOUND.

DECEMBER 2024



DMC

Destination Medical Center
Rochester, MN

REQUESTED ACTION

- Consider additional 2025 CIP investment of \$1.6 Million

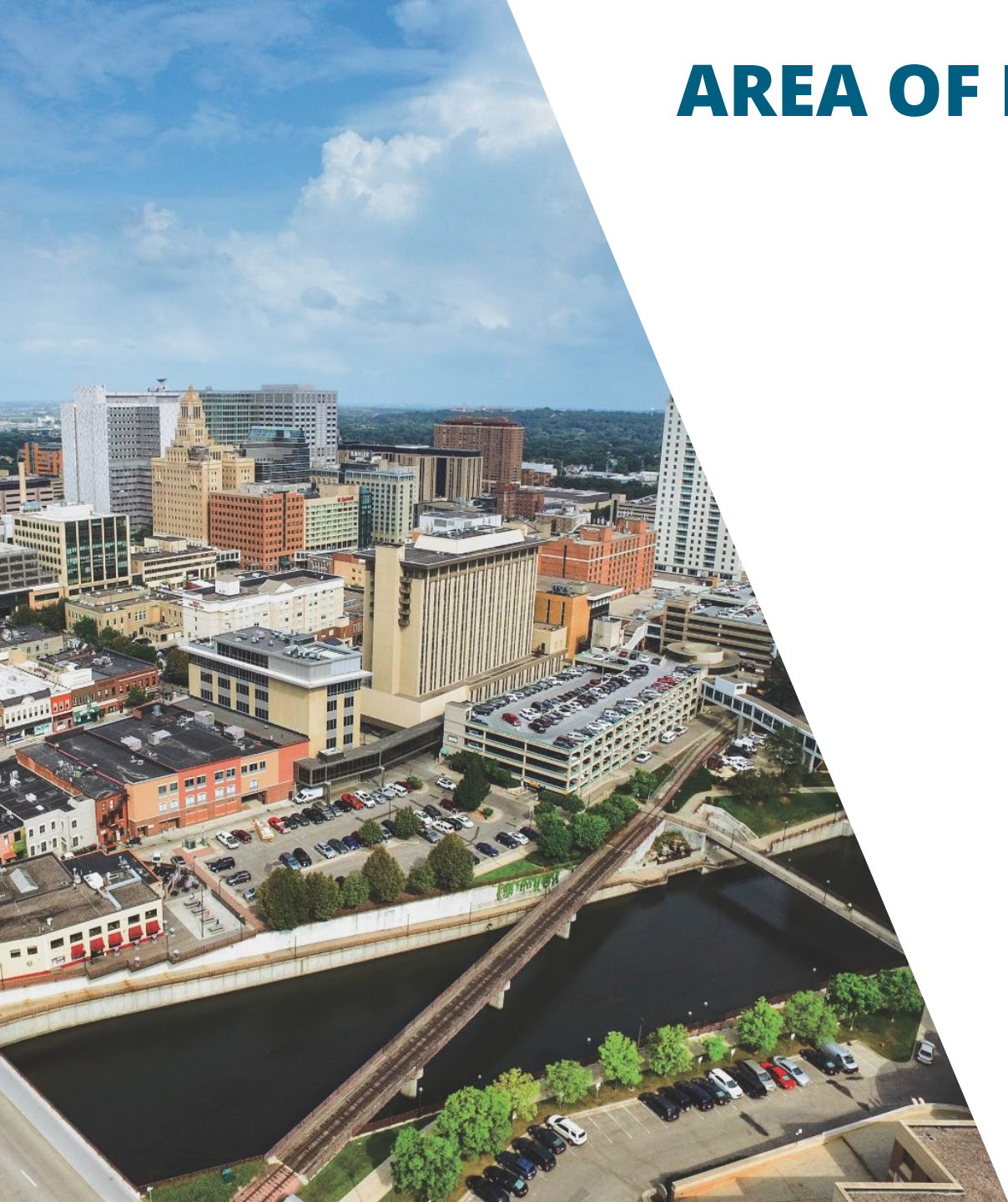


2025 DMC Capital Plan

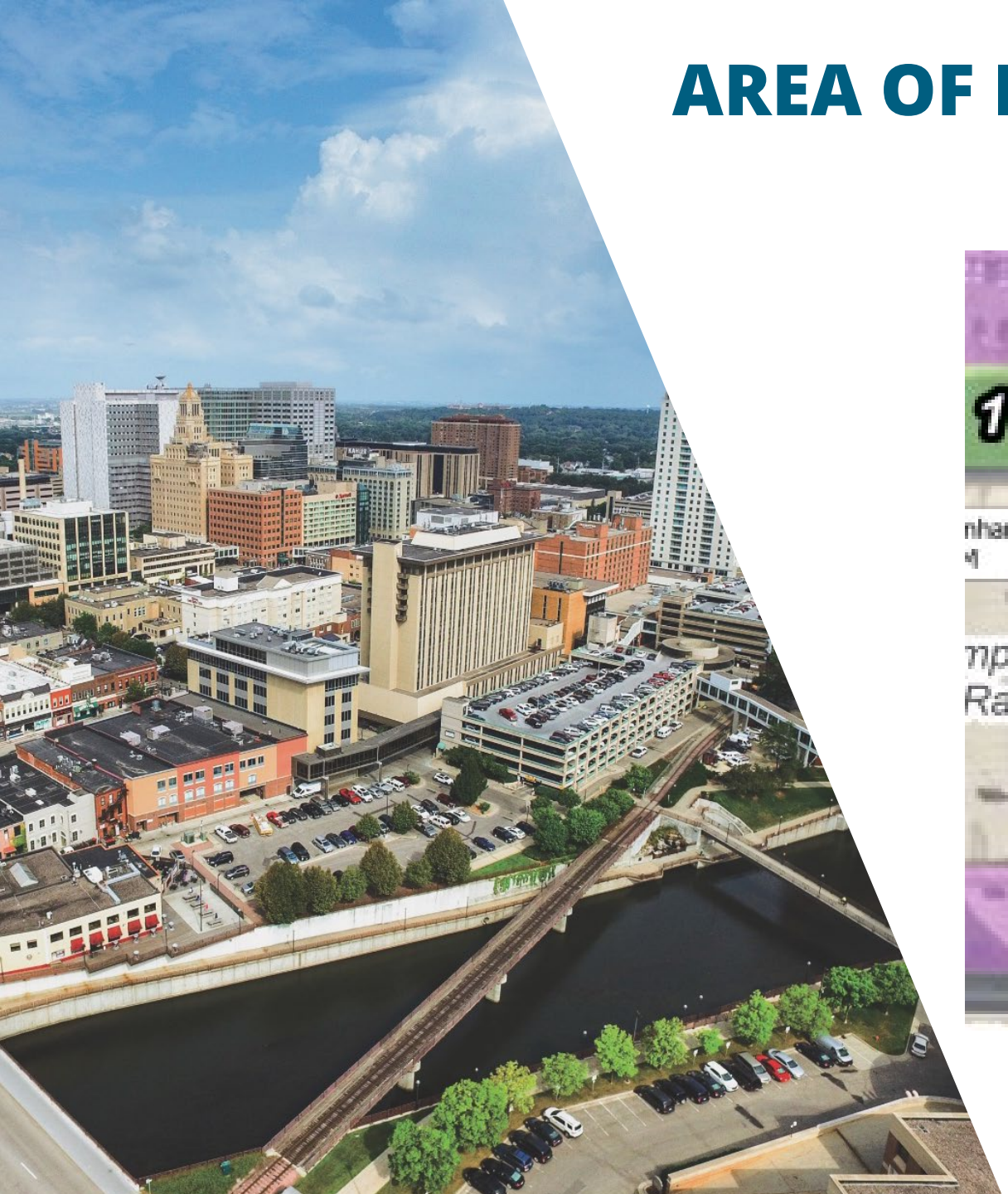
PROJECT	RECOMMENDED FUNDING	SOURCE
Interim Wayfinding	\$100,000	General State Infra. Aid
Strategic Development	\$3,000,000	General State Infra. Aid
Chateau Theatre	\$100,000	General State Infra. Aid
Sixth Street Connectivity	\$2,500,000	General State Infra. Aid
Aligning Infrastructure, Unbound	\$1,000,000	General State Infra. Aid
Aligning Infrastructure, WTV	\$1,000,000	General State Infra. Aid
Link BRT	\$12,370,729	State, County Transit Aid
FTA-required BRT contingency	\$13,740,000	State Transit Aid
City of Rochester Admin. Support	\$100,000	City DMC Aid
DMC Corp. Operations	\$229,887	City DMC Aid
City DMC Project Management	\$1,361,141	City DMC Aid
DMC EDA	\$2,984,632	City DMC Aid
TOTAL	\$38,486,389	



AREA OF INVESTMENT



AREA OF INVESTMENT



An aerial photograph of a city skyline, likely Minneapolis, showing a river, a bridge, and various buildings. The image is partially obscured by a white diagonal shape that contains the text.

FUNDING DETAILS

**Modernizes and upsizes sanitary
and storm sewer lines**

**Adds bicycle trail network
connectivity**

**Work is time-sensitive
(would begin Q1 2025)**

\$1.6M in DMC GSIA

Project complete in 2025/2026



NEXT STEPS

- **Additional analysis of downtown infrastructure needs (\$1M budgeted in 2025 DMC CIP)**
- **Future capital investment discussions and recommendations**



REQUESTED ACTION

- Consider additional 2025 CIP investment of \$1.6 Million



DMC Metrics

Second 5-year update

December 2024



DMC

Destination Medical Center
Rochester, MN

DMC Metrics



Create a comprehensive strategic plan



Leverage the public investment of \$585 million to attract \$5.6B



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



Today's Discussion

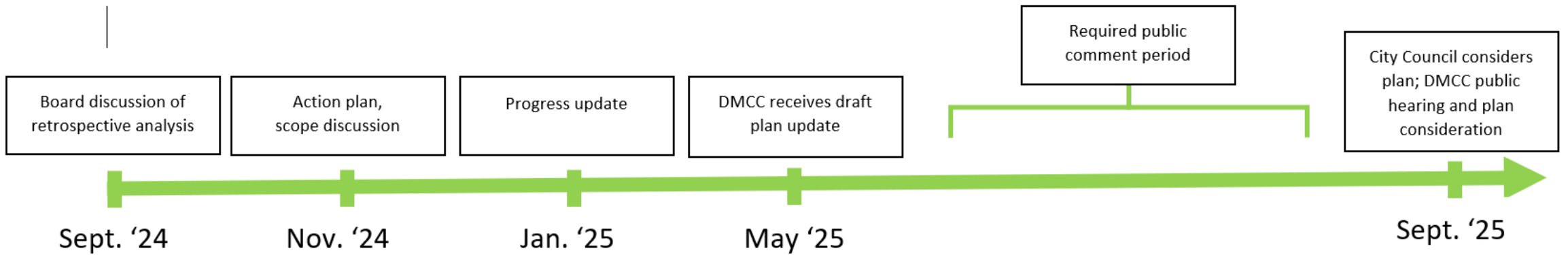
- Legislative requirements
- Timeline
- Scope of Retrospective Analysis
- Next Steps



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

Timeline



10-Year Progress Report

- **Documentation of progress (2015-2024)**
- **Measured against stated goals:**
 - State and local tax impacts
 - Public and private investments
 - Job growth
 - Patient, visitor, and resident experience
- **Staff to retain external support**

Public Infrastructure + Private Development

December 2024



DMC

Destination Medical Center
Rochester, MN

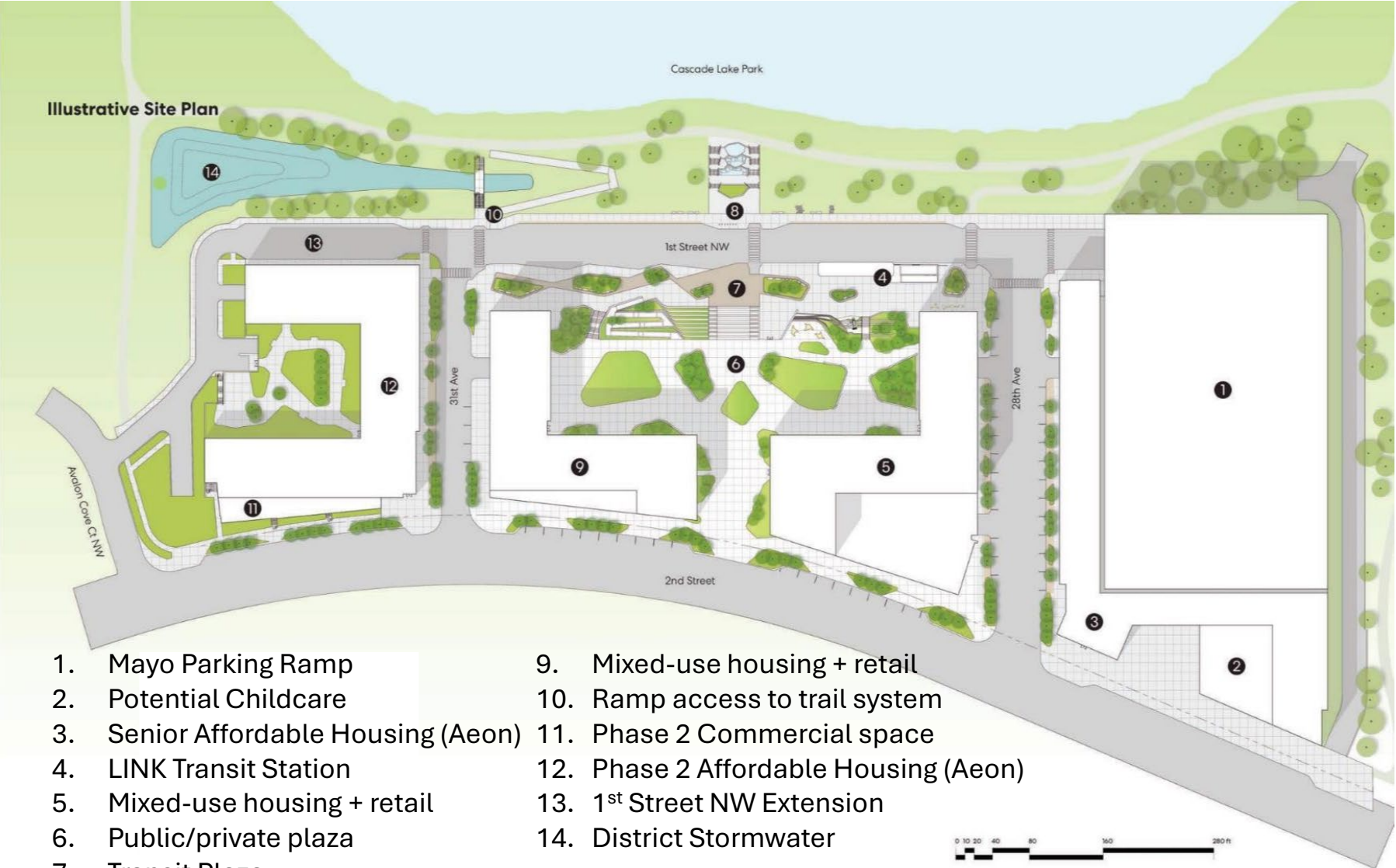
Today's Discussion

Progress + Preview

- West Transit Village (WTV)
- Gerrard Project



West Transit Village: Private Development Update

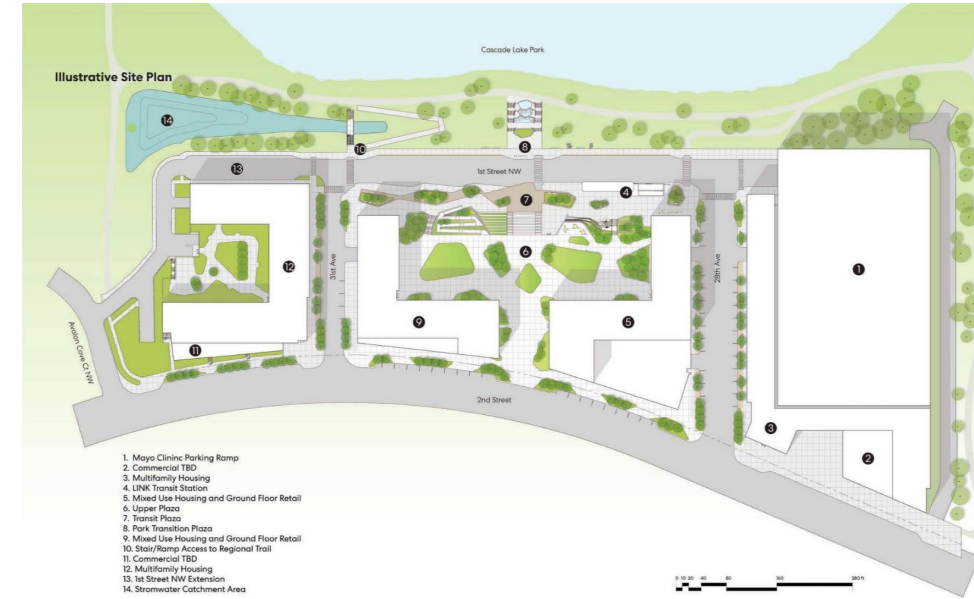


- 1. Mayo Parking Ramp
- 2. Potential Childcare
- 3. Senior Affordable Housing (Aeon)
- 4. LINK Transit Station
- 5. Mixed-use housing + retail
- 6. Public/private plaza
- 7. Transit Plaza
- 8. Park connection
- 9. Mixed-use housing + retail
- 10. Ramp access to trail system
- 11. Phase 2 Commercial space
- 12. Phase 2 Affordable Housing (Aeon)
- 13. 1st Street NW Extension
- 14. District Stormwater



West Transit Village: Progress

- LINK FTA Funding received
- BRT Construction RFP issued
- City Council approved the development agreement between the City and Mayo Clinic
- Design progressing on various site elements



West Transit Village: Next Steps

- Establish TIF district
- Construction commencement in March 2025
- Additional site infrastructure needs



Gerrard Project

Project

Redevelopment of largely vacant site on BRT corridor

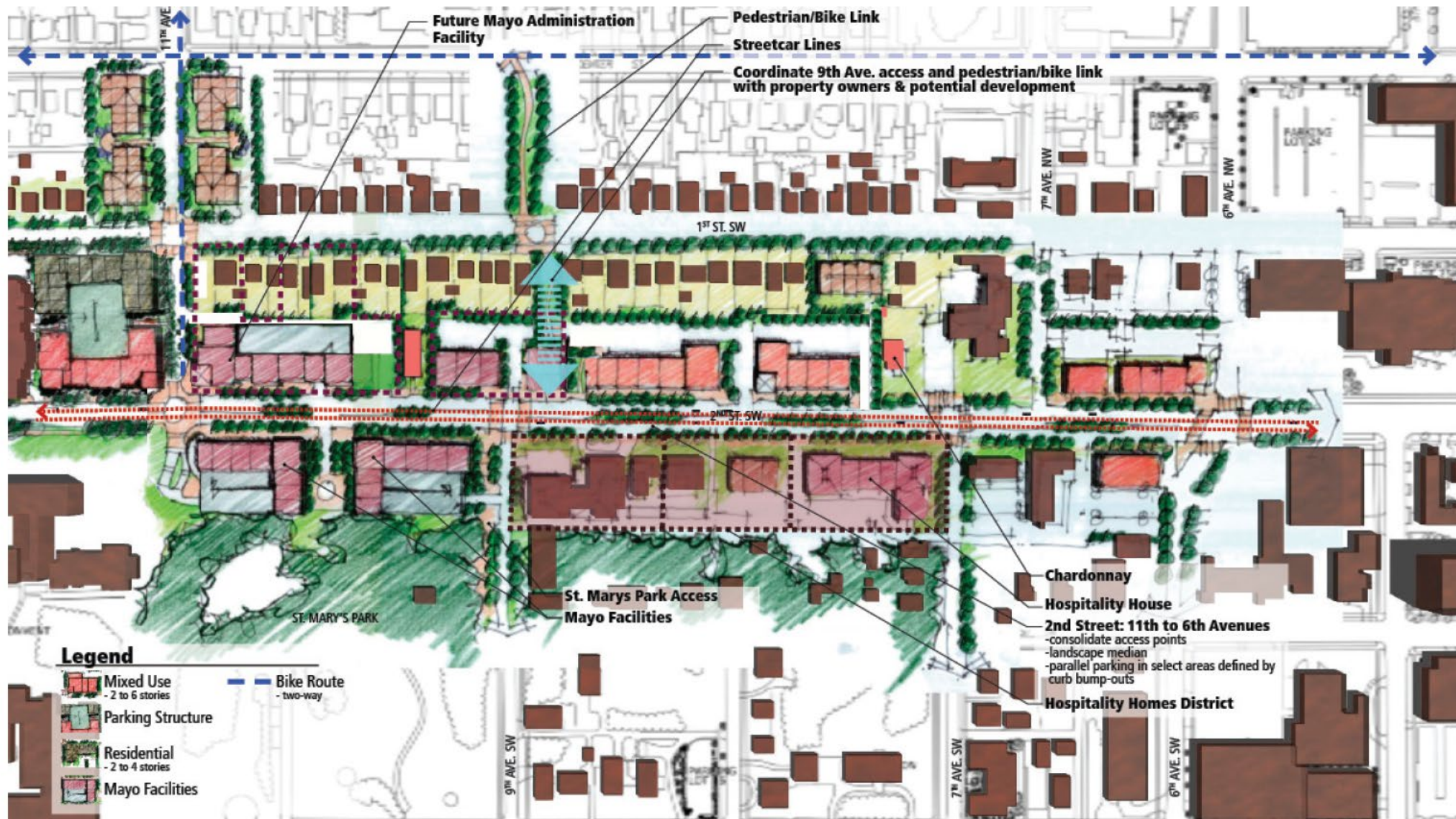
Includes

- Mid-block public realm passageway
- Privately maintained public space
- 4-unit for-sale prototype workforce condo
- 133-unit market rate apartment
- Small ground floor retail component



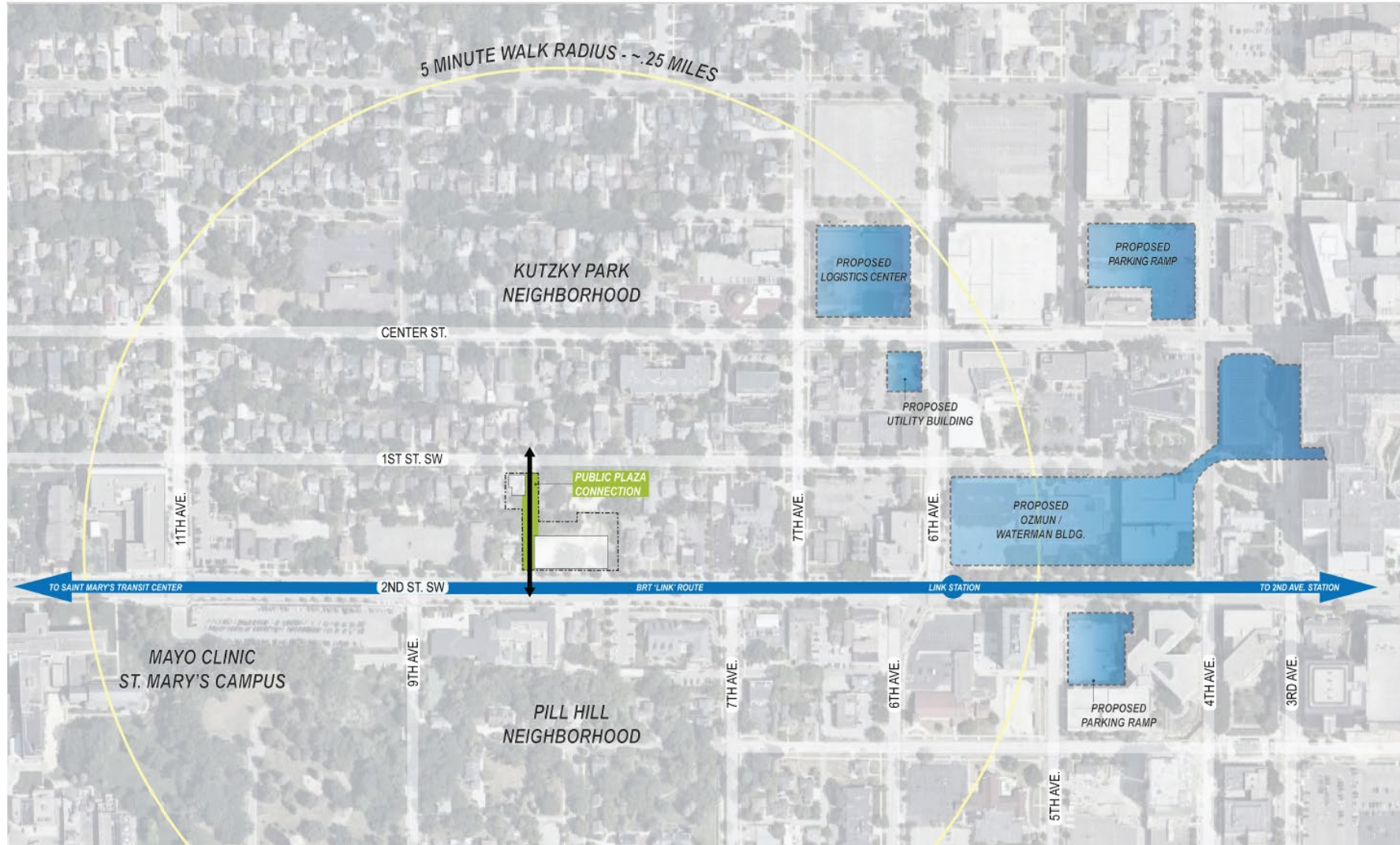
2nd Street Corridor

Opportunities for public realm connected to BRT infrastructure

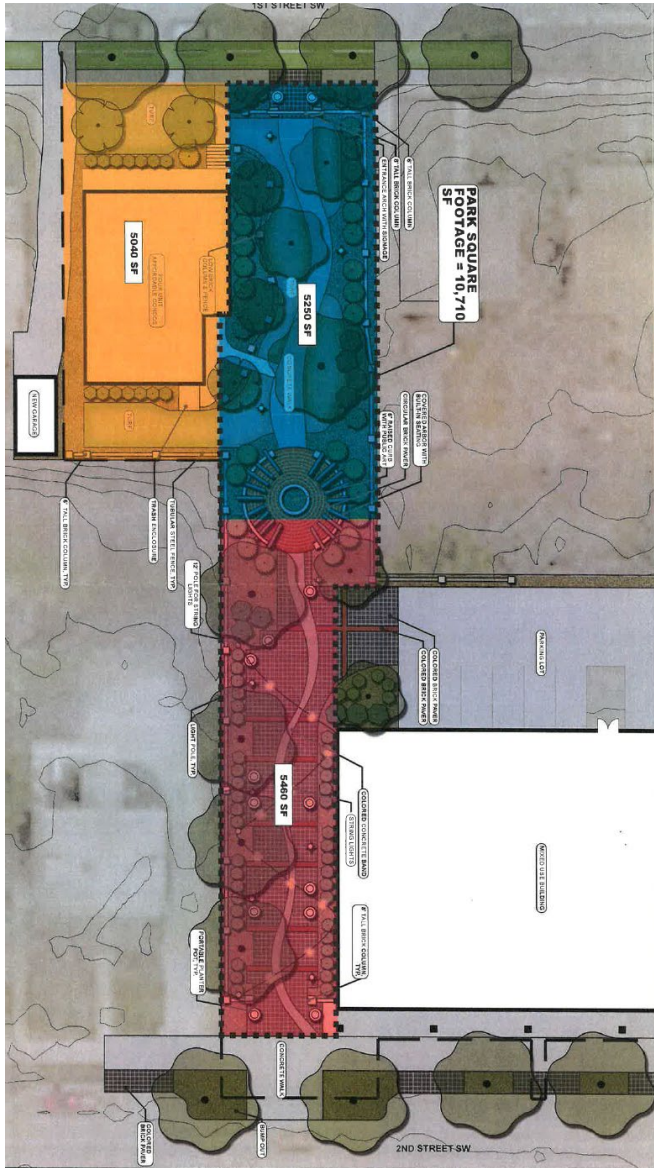






Gerrard Project

Location and existing conditions: empty lot and two single family homes on superblock)



Gerrard Project



-  = land under proposed 4-unit workforce housing (up to 80% AMI) for sale condo. Proposal is for DMC funds to purchase and transfer land to the Community Land Trust. First Home would be the partner, Gerrard would be turn-key developer and transfer these units to First Homes upon completion. First Homes has secured a \$500,000 grant to “buy down” the cost of the units before selling to owners.
-  = Northpark property. Gerrard would turnkey construct and deliver this and deed to City along with 20-year Maintenance & Ops agreement (for Gerrard to privately maintain).
-  = Southpark property. Gerrard would turnkey construct and deliver this and deed to City along with 20-year Maintenance & Ops agreement (for Gerrard to privately maintain).
-  = 133 unit market rate apartment building without any TIF or DMC funds, no obligations to use prevailing wage or hitting sustainability goals. Small “corner store” convenience retail on ground floor.



Shared Lab Update



DMC

Destination Medical Center
Rochester, MN

INFRASTRUCTURE: TURN-KEY LAB NEEDS ASSESSMENT

Market Informed Assessment

Types of Spaces

- Shared lab
- Private lab
- Shared equipment
- Data center
- Shared office
- Private office
- Validation suite
- Training space

Key Customer Groups

- Mayo Clinic Innovator or Start-up
- International Innovator or Start-up
- Regional Innovator or Start-up
- Life Science/MedTech Amplifier
- Strategic Acquirer

Stage of Company

- 2-10 FTE
- Non-dilutive funding to Series A
- Minimal clinical research

Technology Focus

- Regenerative Medicine
- Diagnostics
- Medical Device
- Drug Discovery
- Healthcare Automation

Success Metrics

- Innovators or Start-ups in residence (40)
- Annual percent tenant churn (20%)
- Total site employment (80)
- Total annual fundraising of tenants (\$2M)

Key Mayo Clinic Partners

- MC Innovation Exchange
- MC Business Development
- MC Research
- MC Advanced Diagnostics
- Mayo Clinic Center for Reg Bio

Geographies of Interest

- UK/Ireland
- Canada
- France/Belgium/Switzerland and
- South Korea/Japan
- Germany
- Norway/Sweden/Finland
- Australia
- Singapore

INFRASTRUCTURE: SHARED LAB UPDATE

Pursuing Three Options

	Local Solution	National Solution	Revisit the Market
Size	~15,000 sq ft (approx. half floor)	TBD – likely full floor	
Leasing Model	Direct lease via building owner (\$300-\$3,000+)	Third party lease holder contracts with operator	
Property Management	Building managed	Operator managed	
Pros	<ul style="list-style-type: none"> • TI cost • Speed-to-market (mid-2026 delivery) • Vested interests 	<ul style="list-style-type: none"> • World-class operator • World-class programming • Global network 	
Cons	<ul style="list-style-type: none"> • Self perform programming • No national network 	<ul style="list-style-type: none"> • TI and management costs likely higher • Time to deliver likely longer 	



UNIVERSITY OF MINNESOTA ROCHESTER



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

A collage of buildings in Rochester, Minnesota. The central focus is a brick building with the University of Minnesota logo and name. To its right is a Marriott hotel. In the background, there's a historic ornate building and a modern glass skyscraper. A semi-transparent dark red banner with a yellow horizontal line above it is overlaid across the middle of the image.

UMR: In the middle of it all...





DMC

Destination Medical Center



UNIVERSITY OF MINNESOTA
ROCHESTER





"As the University of Minnesota moves into a season of strategic planning, we'll be focused on enhancing the health of our state. Given that aspiration, I'm enthused about the distinctive opportunities of the Rochester context, and envision a continued expansion of UMR's contributions in that dynamic setting."

- President Cunningham





PLANNING PRINCIPLES

- Flexibility & Adaptability
- Proximity & Connection
- Inclusivity & Welcoming
- Optimization & Climate Action



IMMEDIATE ACTIONS: Next 3 years

UMR Initiatives

- Learning spaces (classrooms and labs)
- Campus life
 - Heart of the Campus
 - Internship and Career Center
 - Academic House
 - Integrated faculty and staff spaces for work & student interaction (see 318 for model)



BIG IDEA #1



HEART OF THE CAMPUS



WELL-LIT STUDY SPACES



TRANSPARENT WALLS FOR INTERIOR CLASSROOMS



IMMEDIATE ACTIONS: Next 3 years

Partnership Initiatives

- Immersion learning lab (high tech, research on learning)
- Recreation - Gym
- Childcare
- Campus safety
- Biotech ecosystem - Cooperative ventures
- Resilience & flourishing support



The University of Minnesota's Start-Up Campus





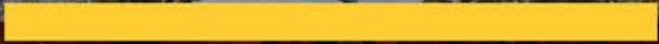
UMR will inspire transformation in higher education through innovations that empower our graduates to solve the grand health challenges of the 21st century.



FACILITIES & PROGRAM EXPANSION: Strategic Investment

- State Investment – UofM Health Sciences Plan
- Local Investment
- Partner Projects
- Philanthropy
- Federal Investment





UNPRECEDENTED OPPORTUNITY



A photograph of two young women sitting at a table in a bright room with large windows. They are both wearing maroon hoodies. The woman on the left is holding a small molecular model with black, white, and red spheres. The woman on the right is pointing at the model. The background shows a cityscape with tall buildings under a clear blue sky. A dark red horizontal bar is overlaid across the middle of the image, containing the text 'UNBOUND LEARNING' in white. A yellow horizontal bar is positioned above the text.

UNBOUND LEARNING

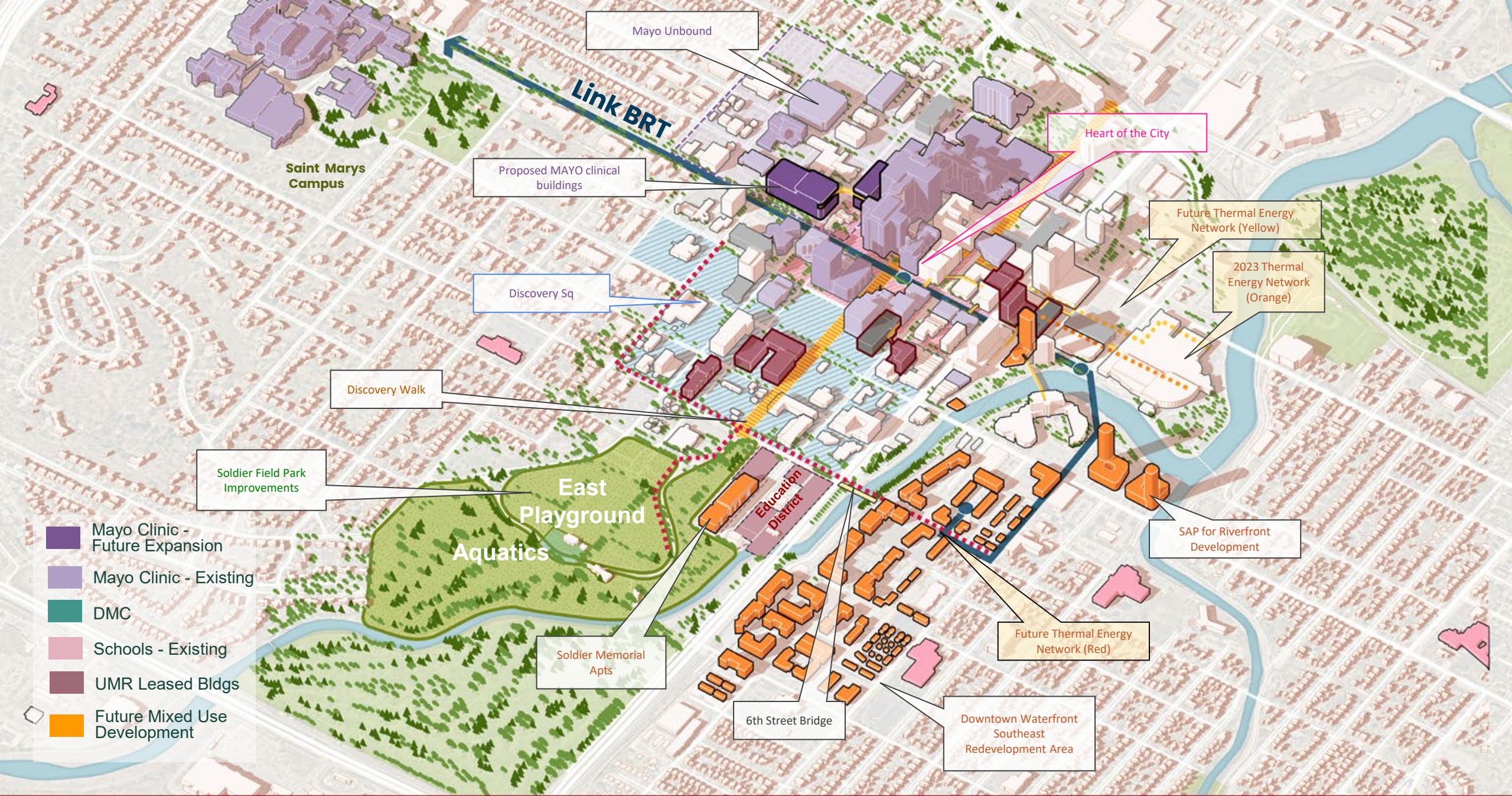




UNIVERSITY OF MINNESOTA ROCHESTER



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM







DMC Corporation Board of Directors Meeting

Thursday, December 5, 2024

