



DMC Corporation Board of Directors Meeting

Thursday, February 6, 2025

9:30 A.M.





DMC

Destination Medical Center

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**
- **Submitted to:**
 - Legislative and State Agency Leadership
 - Chair of the Olmsted County Board
- State law outlines **required report elements**



Required Elements of the Report

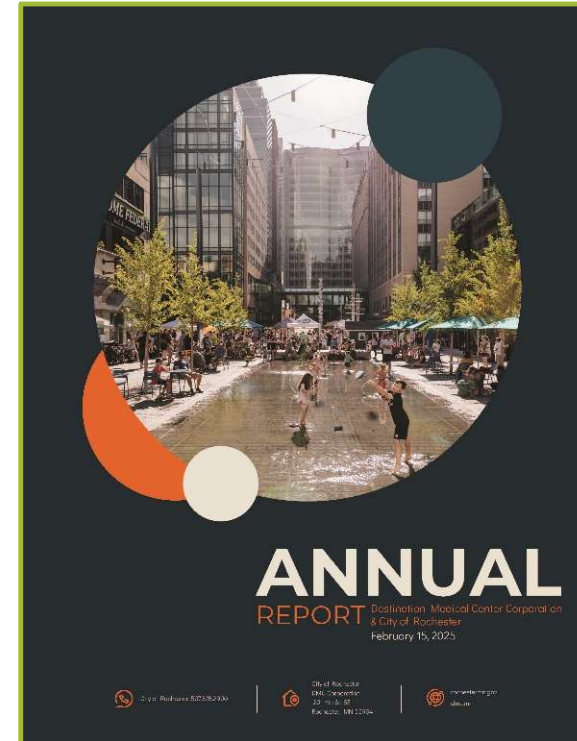
Development plan

Progress of projects

Actual project costs and financing

Estimated costs and financing sources for projects to be started in the next two years

Debt service schedules for all City debt issued for DMC projects



Report Highlights

Mayo Clinic Bold. Forward. Unbound.

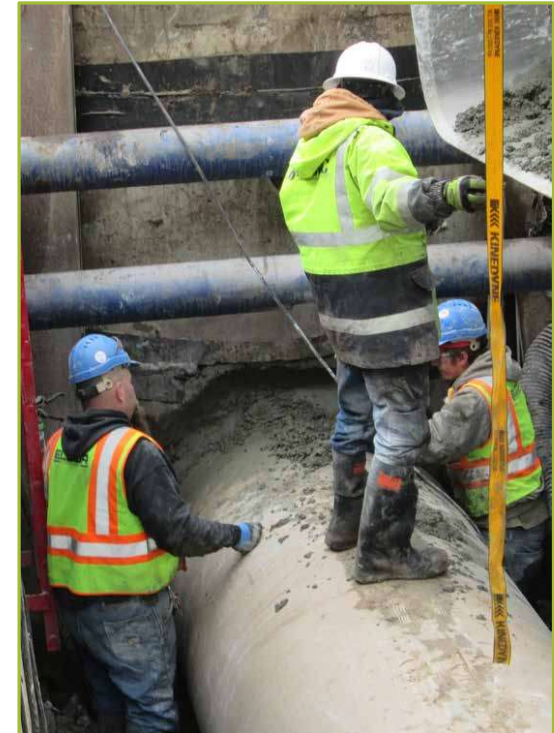
- \$5 billion investment
- 2.4 million square feet of new space

DMC investments in

- Mobility
- Public Space
- Historic Preservation
- Bio-med-tech
- Workforce Housing

Private Investment

- Through 2023, Mayo Clinic Investment exceeds \$1B
- Through 2023, non-Mayo investment exceeds \$530M
- 2024 Investment announced in March 2025





DMC

Destination Medical Center

Annual Report to the Minnesota State Legislature

METRICS: Measuring a decade of DMC

February 2025



DMC

Destination Medical Center
Rochester, MN

DMC GOALS

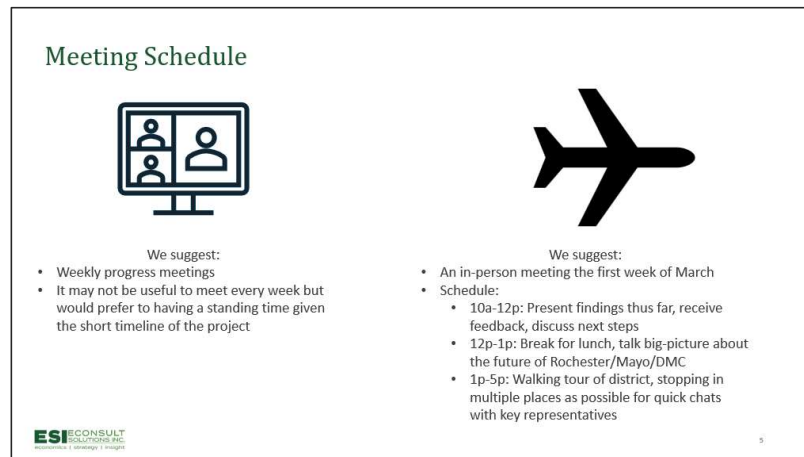
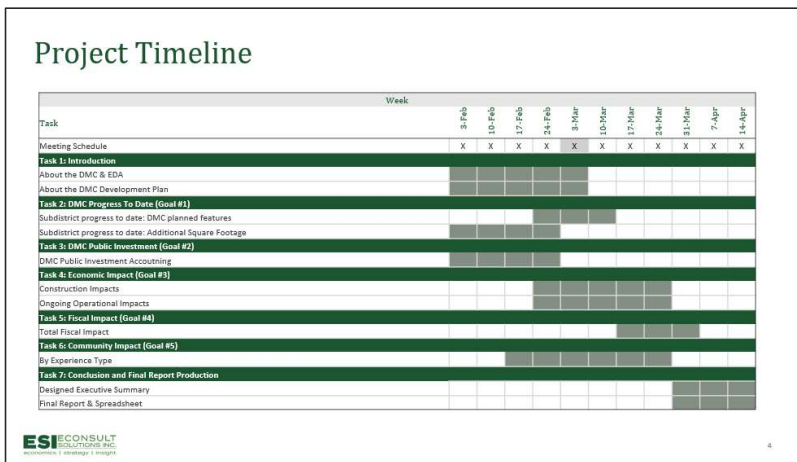
1. **COMPREHENSIVE STRATEGIC PLAN:** comprehensive and compelling vision
2. **ATTRACT PRIVATE INVESTMENT:** \$5 billion +
3. **CREATE JOBS:** 25,000 - 30,000 new jobs
4. **GENERATE ADDITIONAL NET TAX REVENUE:** \$7.5–\$8.0 billion in 35 years
5. **BECOME THE DESTINATION FOR HEALTH & WELLNESS:** Achieve the highest quality experience



2025 PLAN UPDATE

2015-2024 LOOKBACK ANALYSIS

1. Consultant team retained: ESI + Ninigret Partners
2. Analysis Underway
3. Work to be completed by May 2025



The DMC Development Plan

One DMC District

Five Goals:

- #1: Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire community
- #2: Leverage the public investment to attract more than \$5 billion in private investment to Rochester and the region
- #3: Create approximately 35,000 – 45,000 new jobs, with workforce development strategies that support that growth
- #4: Generate approximately \$7.5 - \$8.0 billion in new net tax revenue over 35 years
- #5: Achieve the highest quality patient, companion, visitor, employee, and resident experience, now and in the future

Six Subdistricts:

- 1. The Heart of the City
- 2. Discovery Square
- 3. Downtown Waterfront
- 4. Central Station
- 5. St. Mary's Place
- 6. UMR/Recreation

Eight Core Areas:

- 1. Health and Wellness
- 2. Commercial Research and Technology
- 3. Retail, Dining, Entertainment, Arts, and Culture
- 4. Sports and Recreation
- 5. Livable City
- 6. Learning Environment
- 7. Hospitality and Conventions
- 8. Transportation

Five User Experiences:

- 1. Patient Experience
- 2. Companion Experience
- 3. Visitor Experience
- 4. Employee Experience
- 5. Resident Experience

79 Proposed Metrics (Exhibit B of the RFP)

Purpose of Study

- Measure DMC's progress towards the five goals from 2015 through 2024
- Do so by:
 - Accounting growth in the district by comparing actual-to-assumed growth across:
 - Subdistricts
 - Core Areas
 - User Experience
- Key considerations:
 - Building on existing DMC planning and tracking efforts (e.g. the 2020 update)

Table of Contents

1. Introduction: About the DMC and DMC Development Plan
2. DMC Progress to Date (Goal #1)
3. DMC Private + Public Investment (Goal #2)
4. Job Growth + Economic Impact (Goal #3)
 - Construction Impact
 - Ongoing Operations Impacts
5. Fiscal Impacts (Goal #4)
6. Community Impact (Goal #5)
7. Conclusion

Deliverables

- **Report Presentation: May 2025**
- **Executive Summary**
- **Report**
- **Data Appendix**

METRICS: Measuring a decade of DMC

February 2025



DMC

Destination Medical Center
Rochester, MN

2025 DMC Plan Update

February 2025



DMC

Destination Medical Center
Rochester, MN



REQUESTED ACTION

Approve proposed:

- Approach to the 2025 Update
- Criteria for selecting consultant team
- Authorize DMC EDA to contract



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



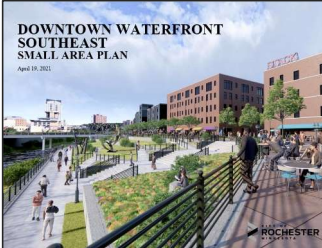
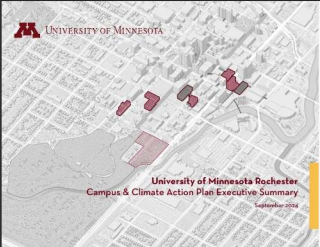
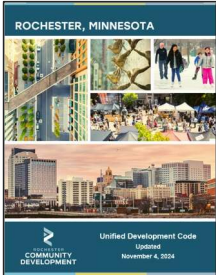
CONTINUOUS + ONGOING PLANNING

Guiding Document for DMC 20-year vision



First 5-year update to the 20-year Plan

Sample 2020-2024 Strategic Planning



LOOK AHEAD: ANTICIPATED SCOPE

Review of all past work

Synthesize and **playback** the results with stakeholders and public

Re-articulate a Shared, Actionable, Vision of DMC that tells the story of transformation

Out of that shared vision, a set of potential **projects are identified**, along with **framework for viability that centers people and place**

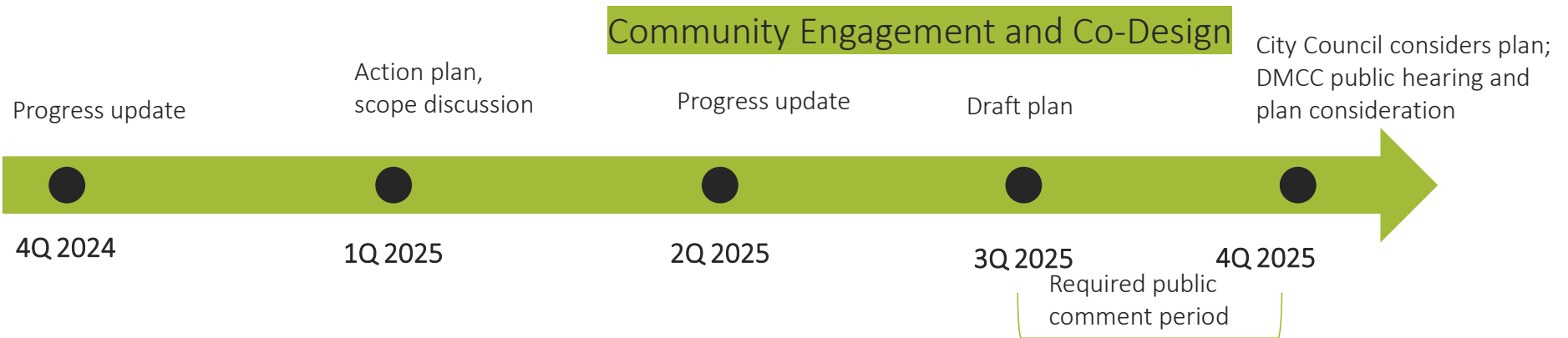


CONSULTANT CRITERIA

1. Proven track record of projects of similar scale and complexity
2. Team composition and availability, consistent with project scope
3. Commitment to community engagement and communications
4. Demonstrated creative/innovative approaches to data collection, synthesis, presentation



Timeline





REQUESTED ACTION

Approve proposed:

- Approach to the 2025 Update
- Criteria for selecting consultant team
- Authorize DMC EDA to contract



2025 DMC Plan Update

February 2025



DMC

Destination Medical Center
Rochester, MN

2nd Street SW Public Realm Enhancement

February 2025



DMC

Destination Medical Center
Rochester, MN

Today's Request for Action

**Authorize City request for
\$2.3M funding for land
acquisition and associated
park infrastructure
improvements**

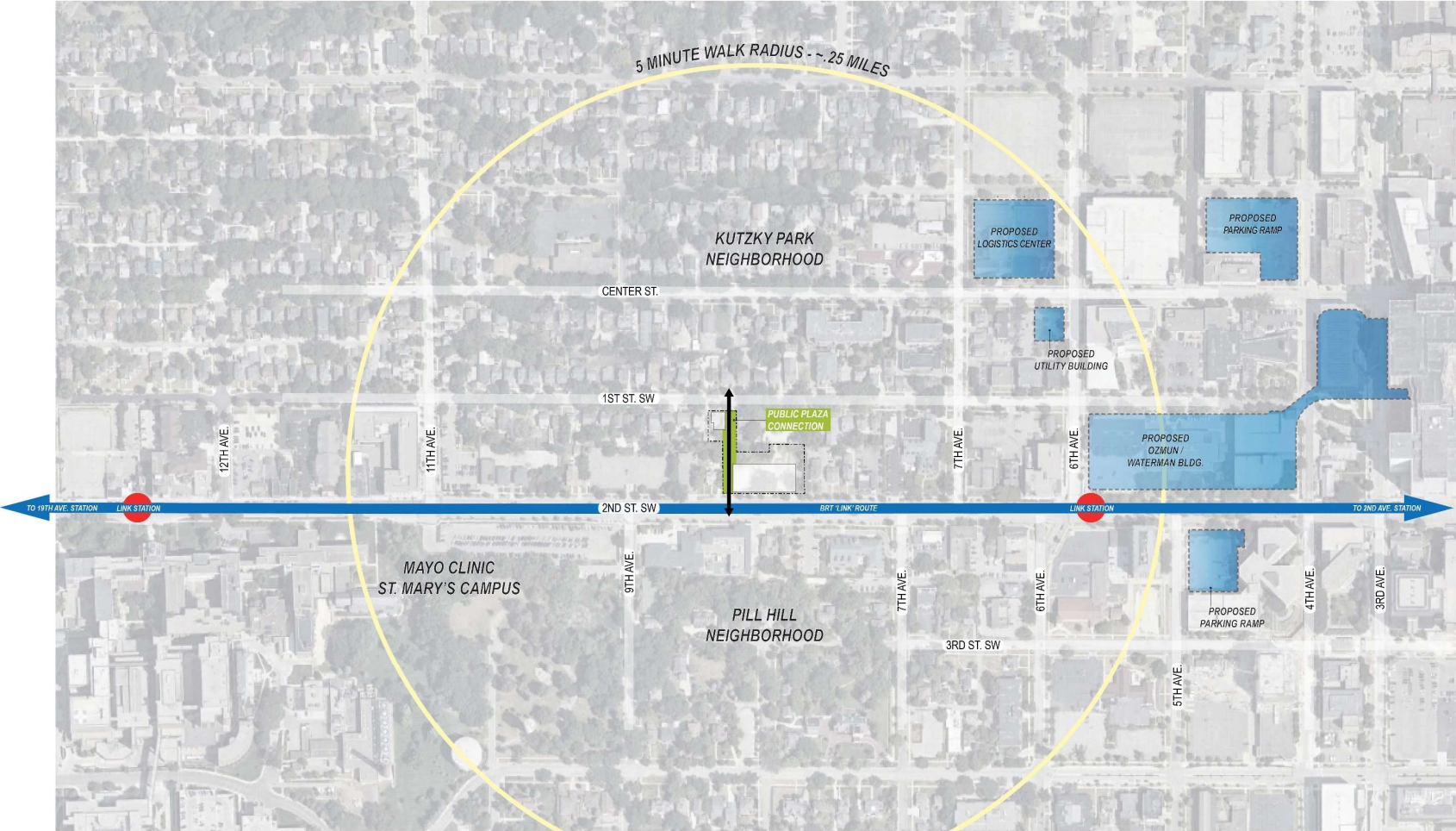


2nd Street Corridor

Opportunities for public realm connected to BRT infrastructure



Mid-block opportunity

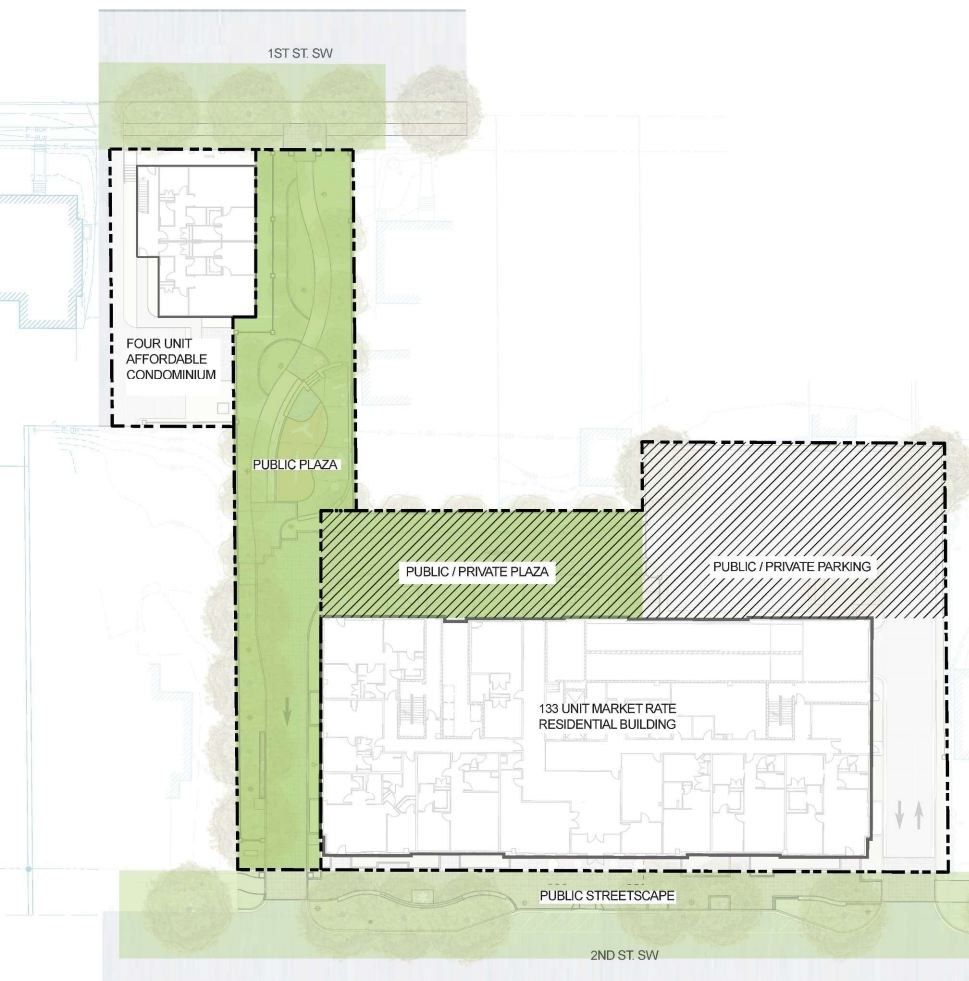


2nd Street mid-block public connection

Property Acquisition

A property owner, Gerrard, has expressed a willingness to make their land available for public space and condo development, if fairly compensated.

- Property acquisition, based appraised value and market comps would be **\$1,442,672**
- Cost to complete the public improvements would be **\$929,828**
- Current property owner will agree to maintain and operate this publicly-owned space for as long as the apartment building exists.



Gerrard/Mayflower Project

Public Connection Benefits:

- Mid-block Pedestrian Connection identified in city and neighborhood plans
- Connection to BRT
- High amenity pocket park to enhance public realm in Kutzky Park Neighborhood
- Coffee and Café to serve the neighborhood



Adjacent private investment



- 130-unit market rate rental building (on 2nd Street)
- Ground floor retail shops (2)
- 4-unit for-sale affordable condo (on 1st Street) in partnership with First Homes



Source of Funds

- DMC Strategic Development, first established in 2021
- Purpose of the fund: Proactively support housing, med-tech, and downtown property improvement.
- Prior Approved Uses (total pool available: \$26M)
 - Bryk on Broadway: \$2.2M
 - Historic District Infrastructure: \$5M
 - Civic Center North Housing: \$3M
 - WTV Senior Affordable Housing: \$3.9M
- Pending today's action, remaining balance: **\$9.5M**



Gerrard/Mayflower Project

Summary:

Allocation of \$2,372,500 of prior approved Strategic Development fund for:

- Acquisition 10,700sf of land for the use of a mid-block public connection
- Purchase of land to support the creation of four-units of affordable, for-sale, condo units.
- Improvements to construct a high-quality public space, connecting Kutzky Park neighborhood to 2nd Street.
- Seller will:
 - develop 130-unit market rate housing, without additional DMC and City funding;
 - manage new public space;
 - develop 4 units of for-sale affordable housing.



Today's Request for Action

**Authorize City request for
\$2.3M funding for land
acquisition and associated
park infrastructure
improvements**



2nd Street SW Public Realm Enhancement

February 2025



DMC

Destination Medical Center
Rochester, MN

Public Infrastructure + Private Development

February 2025



DMC

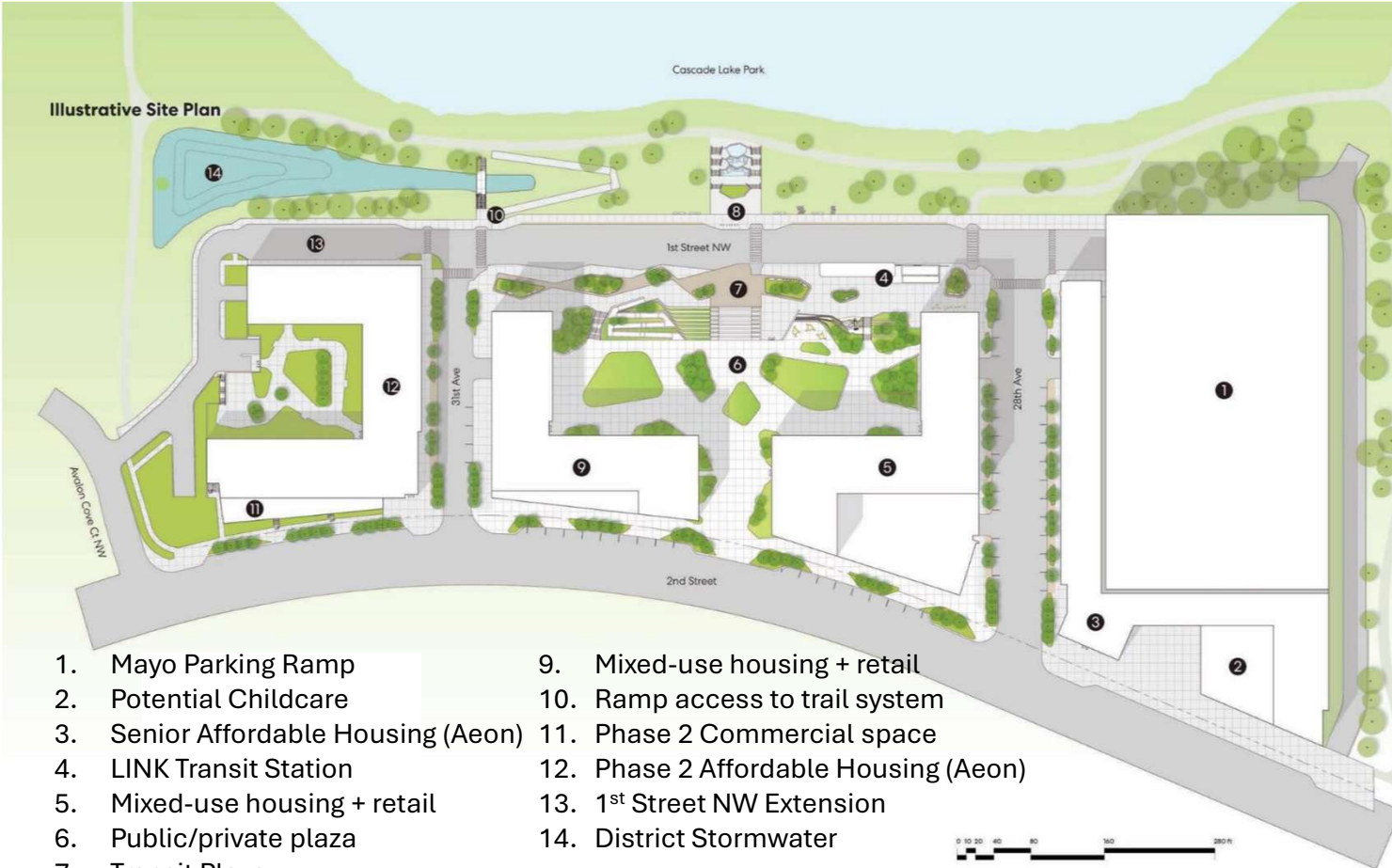
Destination Medical Center
Rochester, MN

Today's Request

Authorize use of DMC TIF
at West Transit Village



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



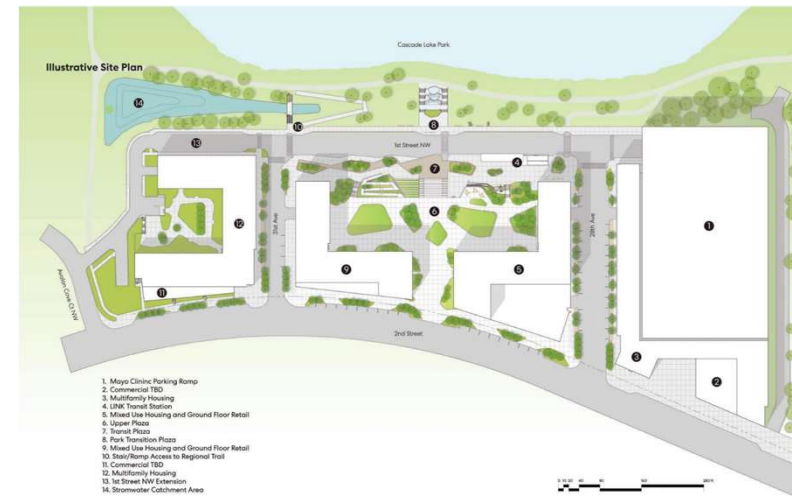
West Transit Village: Progress

- LINK FTA Funding received
- Awaiting BRT Construction RFP responses
- 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
- Determine additional site infrastructure needs
- DMC and City Council to review, prioritize, and approve use of TIF proceeds.



Today's Request

Authorize use of DMC TIF
at West Transit Village



Public Infrastructure + Private Development

February 2025



DMC

Destination Medical Center
Rochester, MN

DMC HISTORIC PROPERTY SUPPORT

February 2025



DMC

Destination Medical Center
Rochester, MN

Recap



— Projected 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

Total: \$3.6 – 5.5M

Projects Supported To-Date

1



3



2



4



Requested Action



224 First Ave SW

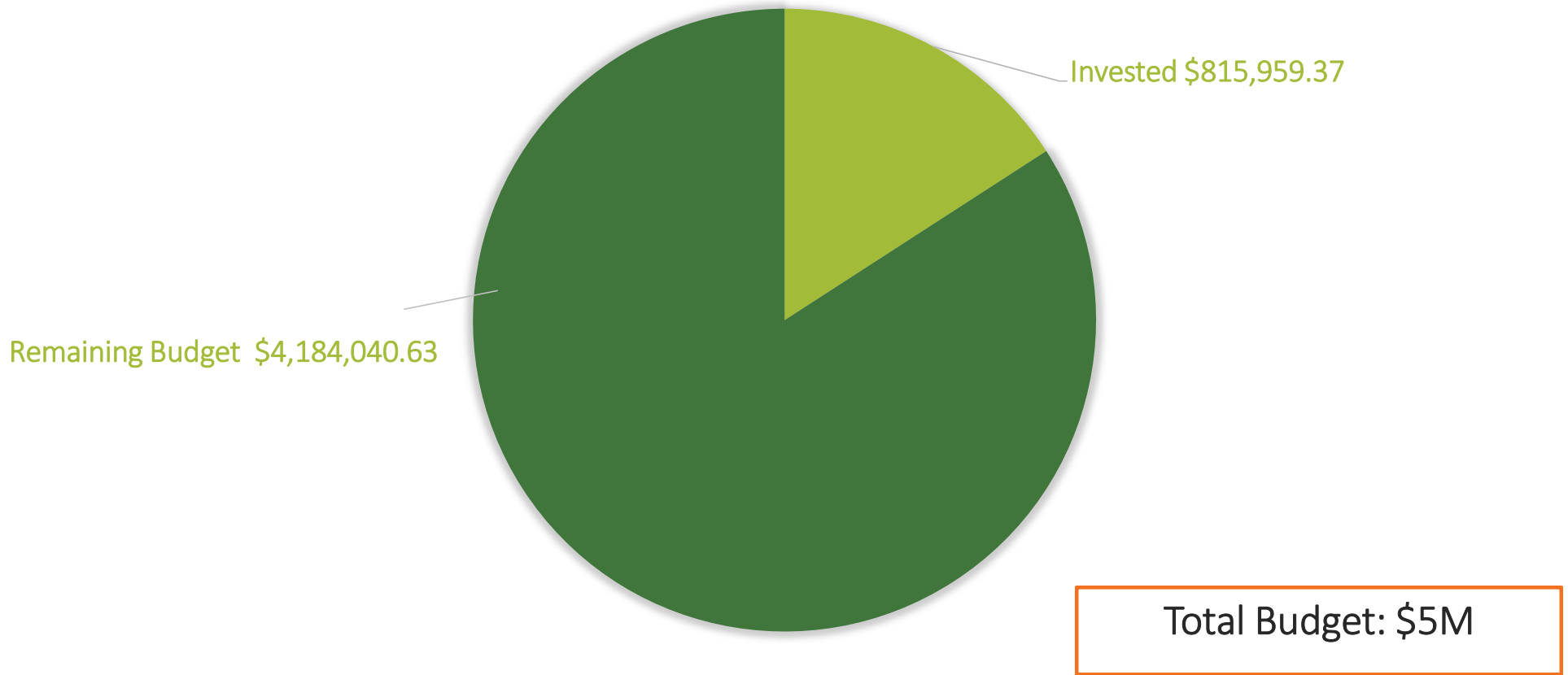
Old City Hall - 1931



Funding Applications

Address	Recommended DMC Funding	Total Project Cost	Category of Investment	Project Description
224 First Ave SW	\$22,500	\$45,000	Building System Upgrades	Electrical code upgrades in rental units and the building

IF APPROVED - TOTAL DMC INVESTMENT IN HISTORIC DISTRICT



Discussion & Action ...

Consider approving the Downtown Historic District
Infrastructure Project funding request.



DMC HISTORIC PROPERTY SUPPORT

February 2025



DMC

Destination Medical Center
Rochester, MN



Heart of the City

Peace Plaza Improvements

DMCC Board Meeting
February 06, 2025



Discussion + Action

Consider amending the 2025 DMC Capital Improvement Plan (CIP) to provide up to \$175,000 in DMC General State Infrastructure Aid (GSIA) to support near-term improvements to the pedestrian experience, and to provide additional technical analysis of, Peace Plaza and 1st Ave. SW.





ROCHESTER

Rochester's redesigned Peace Plaza raises accessibility concerns

Pavers on the plaza present safety risks for the city's most vulnerable visitors, disability advocates say.

By Sean Baker
The Minnesota Star Tribune
JULY 22, 2024 AT 6:36AM



Chris Mathews, who is legally blind, points out safety hazards at the Peace Plaza in Rochester. (Ayrton Breckenridge/The Minnesota Star Tribune)

From: Regina Mustafa <reginamustafa@gmail.com>
Date: October 31, 2023 at 10:01:37 AM CDT
Subject: Peace Plaza raised letter pavers

Hi Patrick,

As I stated in Messenger, I am reaching out regarding the possible updates to the Peace Plaza raised letter pavers. Will any changes include the input and perspectives of people with sensory and physical disabilities? I am not sure if any such input was garnered during the initial decision making of the Peace Plaza remodel. But since you indicated during your KROC interview that changes are being considered, I felt compelled to reach out to stress the importance of including these voices before any modifications are made. As you may be aware, I am visually impaired/legally blind. I become anxious every time I'm walking in the Peace Plaza area, since I'm not quite sure where the lettering begins and how I should step accordingly. In addition, I have heard several complaints regarding observations of people with walkers struggling across these pavers. It is only logical that the Destination Medical Center be designed with accessibility of people with physical and sensory disabilities.

I would love to be involved in any way I can to help with this issue. I would highly recommend the DMC team also consult with people who use wheelchairs, both manual and electric.

Thank you for your time.

Sincerely,

Regina Mustafa, Ed.D, M.S., LADC



KROC-AM
Downtown Rochester Peace Plaza P...



KTTC
Peace Plaza pavers ...



201 4th Street SE, Rochester, MN 55904

www.rochestermn.gov

Community Member Interviews

Key Themes

- The artwork and its message are inspiring, but accessibility challenges for some users
- Raised lettering affects mobility and comfort
- Navigating accessible routes and vehicular areas is often unclear.
- Special events further complicate traversing the space
- Limited communication about ongoing work causes confusion and frustration



Enhancing Accessibility in Peace Plaza

Goal: To enhance Peace Plaza by creating walkways that prioritize clear, accessible walking areas, ensuring an inclusive experience for all community members and visitors.



To achieve this, we will create a wider, more uniform surface through the plaza in areas with concentrated pedestrian movement.



Example: Discovery Walk



Pavers

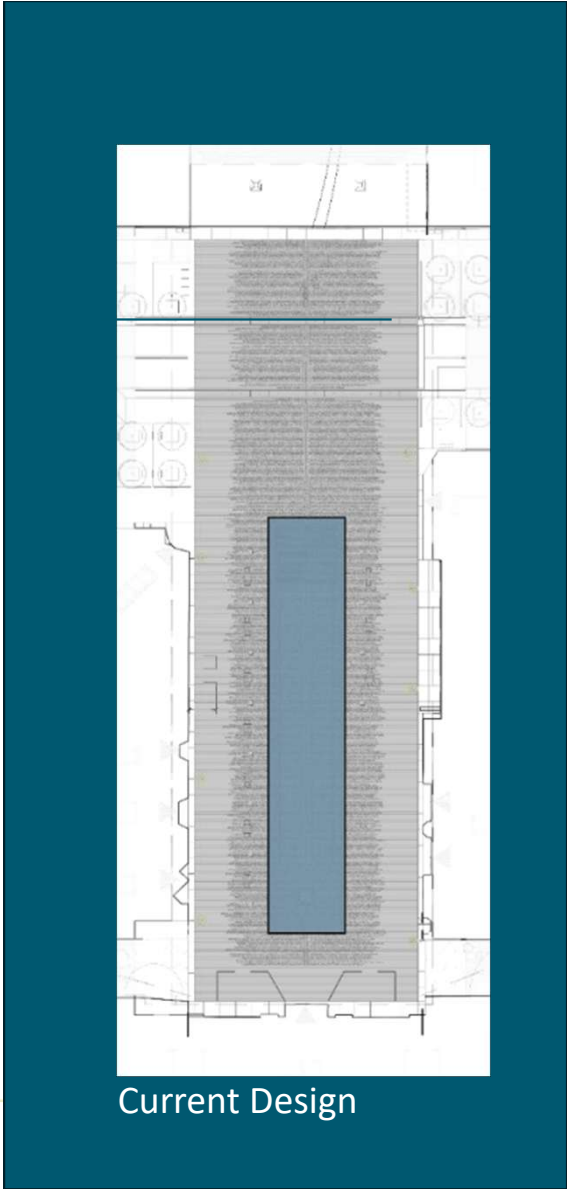
Smooth
Surface



Advancing Design



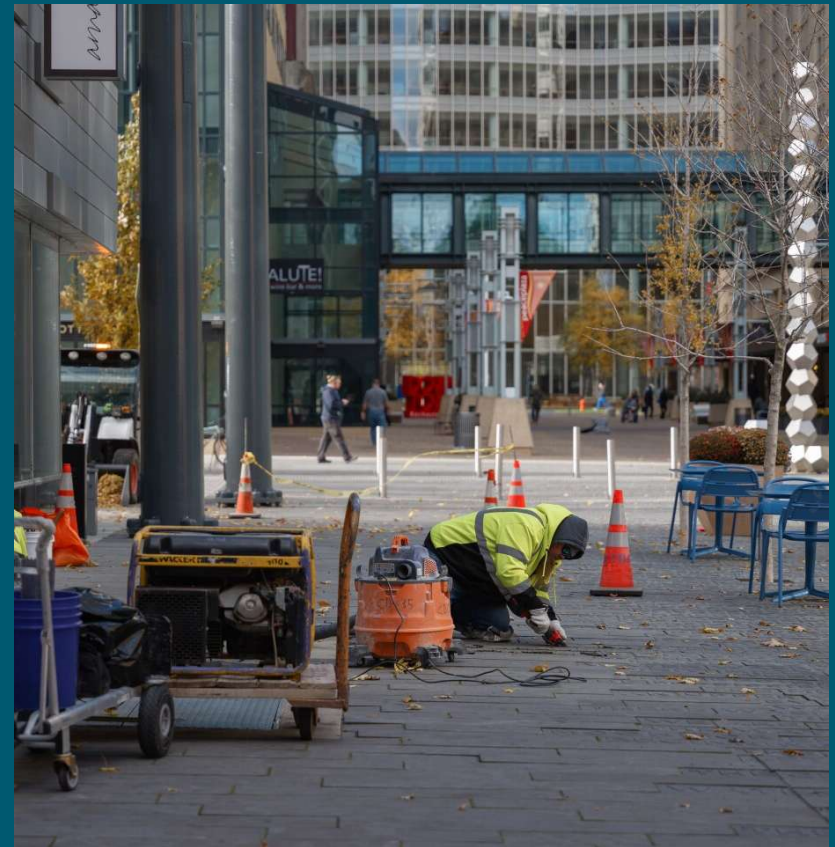
Proposed Improvement



Current Design

Action Steps

- Signage to distinguish walk zones
- Reset/adjust pavers to achieve smooth walk area
- Enhance daily maintenance protocols
- Conduct engineering evaluations
- Additional stakeholder participation



Discussion + Action

Consider amending the 2025 DMC Capital Improvement Plan (CIP) to provide up to \$175,000 in DMC General State Infrastructure Aid (GSIA) to support near-term improvements to the pedestrian experience, and to provide additional technical analysis of, Peace Plaza and 1st Ave. SW.





Heart of the City

Peace Plaza Improvements

DMCC Board Meeting
February 06, 2025



City/Mayo/DMC Collaboration

February 2025



DMC

Destination Medical Center
Rochester, MN

Today's Discussion

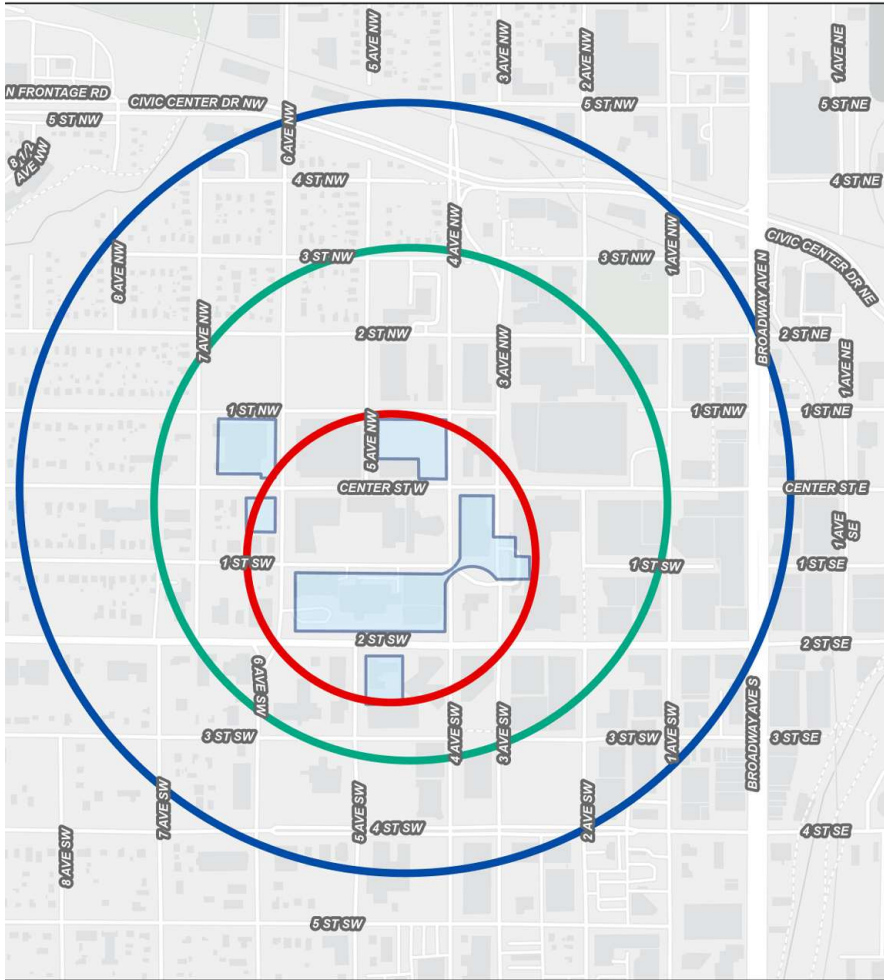


Shared Goals and Guiding Principles

Projects already advanced

Projects in progress

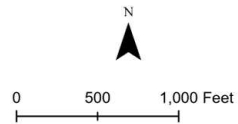




Project Impact Areas



- Area of Significant Impact
- Area of Integration
- Area of Opportunity
- Mayo Proposed Buildings



Last Update: 2/5/2025

Opportunity:

- Multi-generational investment
- 35+/- City Blocks
- Underground utilities
- Street-level experience
- Advance City for Health brand
- Funding and Execution Partners (Mayo/City/DMC)



Shared Goals and Principles

Optimize experience

“Dig once”

Connectivity

Elevated Experience

Communication and Engagement





Projects

Already advanced:

BFUIR: Lourdes site

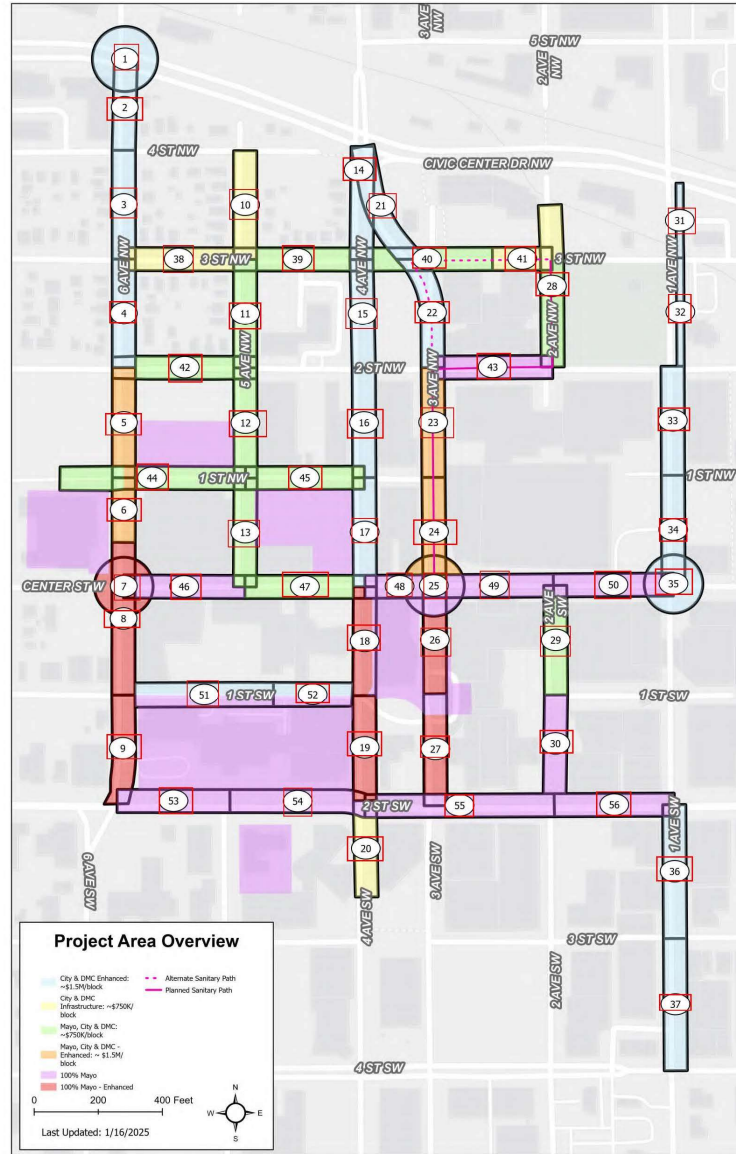
WTV: Aeon housing, Mayo parking, land appraisal, infrastructure

Saint Marys: Campus connection to LINK BRT

In process:

BFUIR: Street vacations, utility upgrades, multi-modal mobility, sewers, pedestrian access







DMC Corporation Board of Directors Meeting

Thursday, February 6, 2025

