



# **DMC Corporation Board of Directors Meeting**

**Thursday, September 25, 2025**

**9:30 A.M.**





*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

Destination Medical Center Corporation

September 2025

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# Form 990 Overview – Key Areas



## Part III – Mission and Program Service Accomplishments

- The Form 990 is the annual tax return filed with the IRS for organizations that have been granted tax-exempt status
  - It tells the organization's story (mission, financial, leadership, funders, and community it serves)
- Part III – Question 1: (page 3) – statement of DMCC's organizational purpose
- Part III – Question 4a: (page 3) – annual program service accomplishments
  - Narrative can be updated each year to list what activities were conducted.
  - Can go into specifics (number of projects, communities service, etc.)



## Part VI – Governance, Management, and Disclosure

- Section A & B (page 7) – describes what type of governance the organization has, and oversight conducted
  - Question 11a/b – describes the process for board review of the 990 prior to submission
  - Question 12a/b/c – describes the organization’s conflict of interest policy and how that is monitored



## Part VII – Board Listing & Independent Contractors

- Section A (page 8) – lists all board members that served in a voting board member capacity during 2024
  - No individual was compensated for their time as a board member
- Section B (page 9) – lists any independent contractor that was paid more than \$100,000 for services during 2024



## Part VIII, IX and X – Financial Information

- Part VIII (page 10) – Statement of Revenue
- Part IX (page 11) – Statement of Functional Expenses
  - Program expenses = 94.3%
  - Management expenses = 5.7%
- Part X (page 12) – Balance Sheet



## Schedule A – Public Support Test & Schedule B – Contributor Information

- Schedule A, Part II (page 14) – shows the organization’s support from the public over a 5 year historic period
  - Public Support Percentage test for 2024 (line 14) = 100%
    - must be at least 33% to pass test
  - Other revenue minimal (line 9) – interest income
- Schedule B, Part I (page 22) – lists revenue received from donors
  - DMCC is 100% supported by funds from the City of Rochester
  - Historical context – creation of DMCC/funding process



## Schedule O – Narratives to Form 990

- Schedule O – continuation of narratives from questions throughout Form 990
  - Examples:
    - How the executive committee is comprised
    - How the board of directors are appointed
    - How the board reviews a draft of the 990



## Schedule R – Related Organizations

- Schedule R, Part II – lists the related organization to DMCC: Destination Medical Center Economic Development Agency
- Schedule R, Part V – lists the types of transactions between DMCC & DMCEDA



## IRS Form 990 - Summary

- Filing deadline is November 17, 2025
- Once board approves, CLA will gather signatures and electronically file the 990 with the IRS



## Minnesota Charitable Organization Annual Report

- Page 1, Line 6 – no changes to tax exempt status
- Page 1, Line 7 – no changes to purpose or programs
- Page 2, Line 8 – no changes in ability to solicit contributions
- Page 2, Line 11 – no compensation paid in excess of \$100,000
- Page 3, Line 13 – new in 2024 – organizations are required to disclose all banks where funds are deposited



## Minnesota Charitable Organization Annual Report - Summary

- Filing deadline is November 17, 2025
- Once board approves, signatures needed on page 5 of the report, and then organization to submit (paper) & pay \$25 registration fee



# Minnesota Secretary of State – Annual Renewal

- Filed online with Minnesota Secretary of State
- In good standing through December 31, 2025
- Annual renewal to be filed (online) for 2026

Minnesota Business Name Destination Medical Center Corporation	
<b>Business Type</b> Nonprofit Corporation (Domestic)	<b>MN Statute</b> 317A
<b>File Number</b> 682686400038	<b>Home Jurisdiction</b> Minnesota
<b>Filing Date</b> 7/23/2013	<b>Status</b> Active / In Good Standing
<b>Renewal Due Date</b> 12/31/2025	<b>Registered Office Address</b> 201 4th Str SE Rochester, MN 55904 USA
<b>Registered Agent(s)</b> (Optional) Currently No Agent	<b>President</b> Pamela Wheelock DESTINATION MEDICAL CENTER CORPORATION 201 4TH ST SE ROCHESTER, MN 55904-3708 USA



## THANK YOU

*Craig Popenhagen, CPA*

*Principal*

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*507-280-2327*

*Katherine Lutzke, CPA*

*Director*

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# DMC DISTRICT BOUNDARY MODIFICATION



DMC

Destination Medical Center  
Rochester, MN

# Background and Recommended Modifications

- State DMC statutes authorize creation of the DMC development district and define process for modification
- District has been modified before to incorporate entirety of Berkman Apartments parcels and West Transit Village + corridor
- Recommended modifications would:
  - Incorporate easements for LINK BRT infrastructure
  - Incorporate additional property into WTV, allowing for infrastructure improvements
  - Allow for construction of an off-site BRT vehicle maintenance facility
- Costs associated with these modifications and capital improvements are funded through the approved Link BRT project budget.



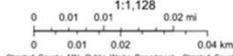
# West Transit Village

Property Adjacent to West Transit Village



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- Centerlines
- <all other values>
- City Street
- County Road



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0 0.01 0.02 0.04 km

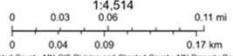
Web AppBuilder for ArcGIS  
Olmsted County, MN is not responsible for errors or omissions contained herein. If errors or discrepancies are found, please contact Olmsted County Planning Dept. at 507-328-7100.

City Property Adjacent to West Transit Village



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- Centerlines
- <all other values>
- City Street
- County Road

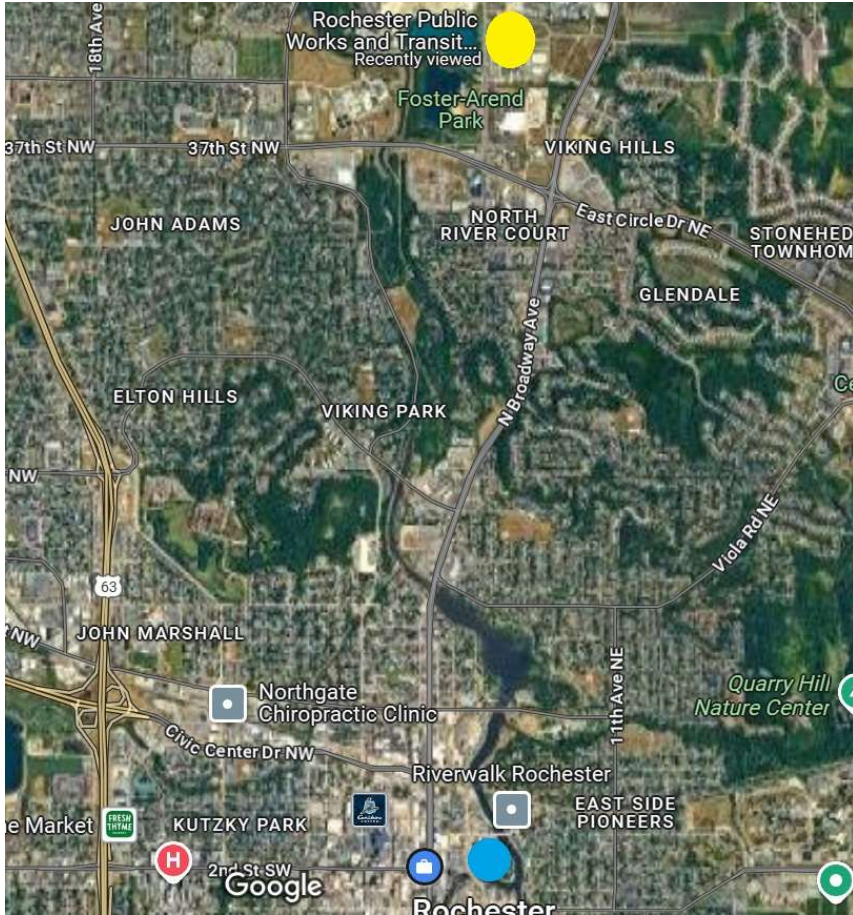


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Olmsted County, MN is not responsible for omissions or errors contained herein. If discrepancies are found within this application, please notify the Olmsted County GIS Division at 507-328-7100.



# Public Works and Transit Operations Center





# DMC

Destination  
Medical Center

AMERICA'S CITY FOR  
HEALTH

September 25, 2025



# Why DMC?



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# Creating a world-class city

Attracting private investment

One and Two Discovery Square



Before

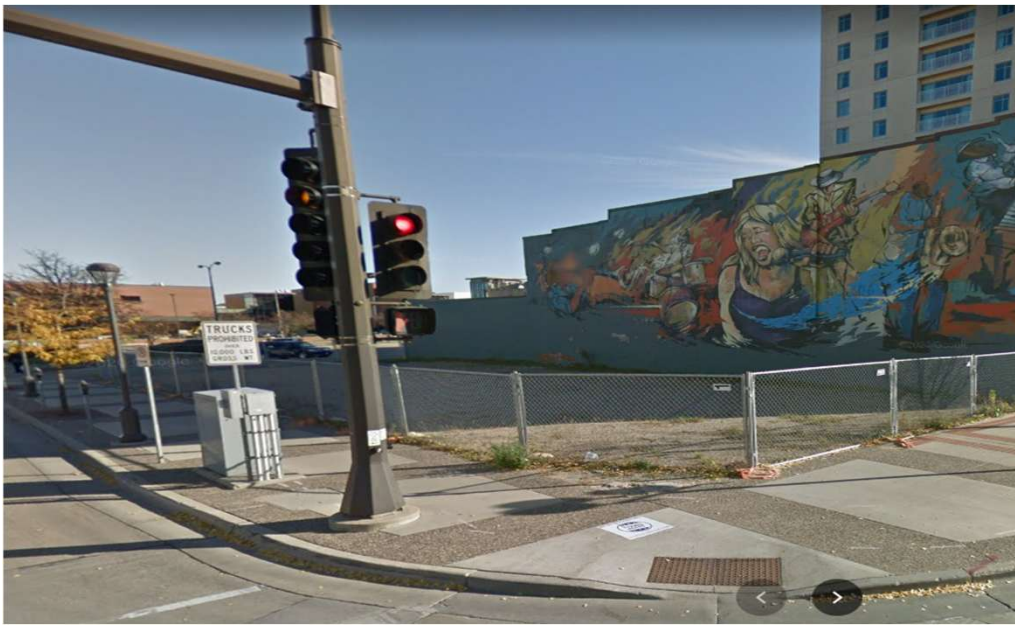


After

# Creating a world-class city

Attracting private investment

Hilton Hotel Mayo Clinic Area



Before

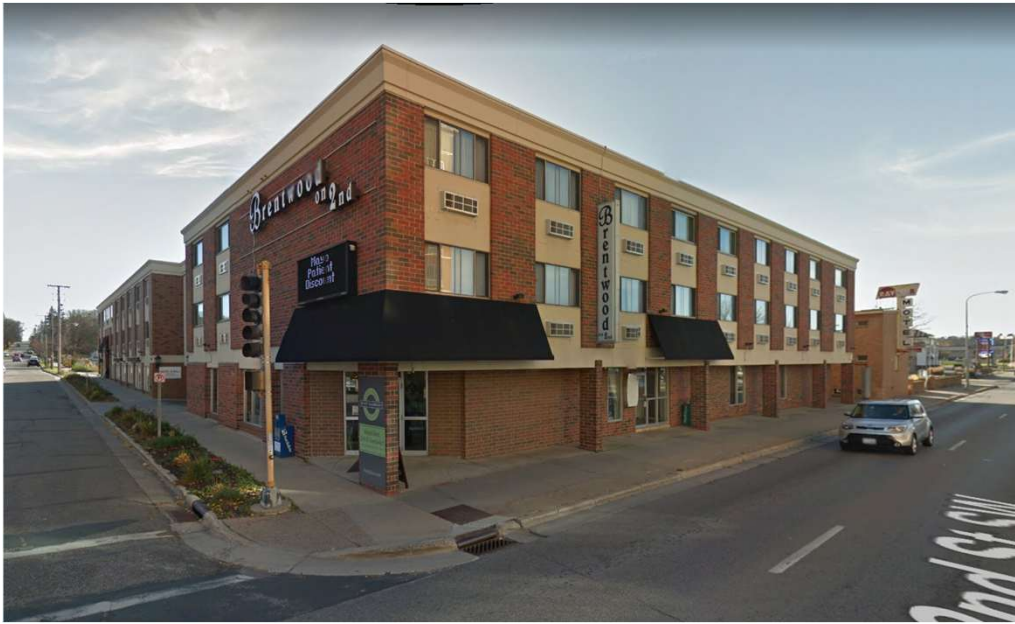


After

# Creating a world-class city

Attracting private investment

Berkman Apartments



Before



After

# Creating a world-class city

Attracting private investment

Bryk Apartments



Before

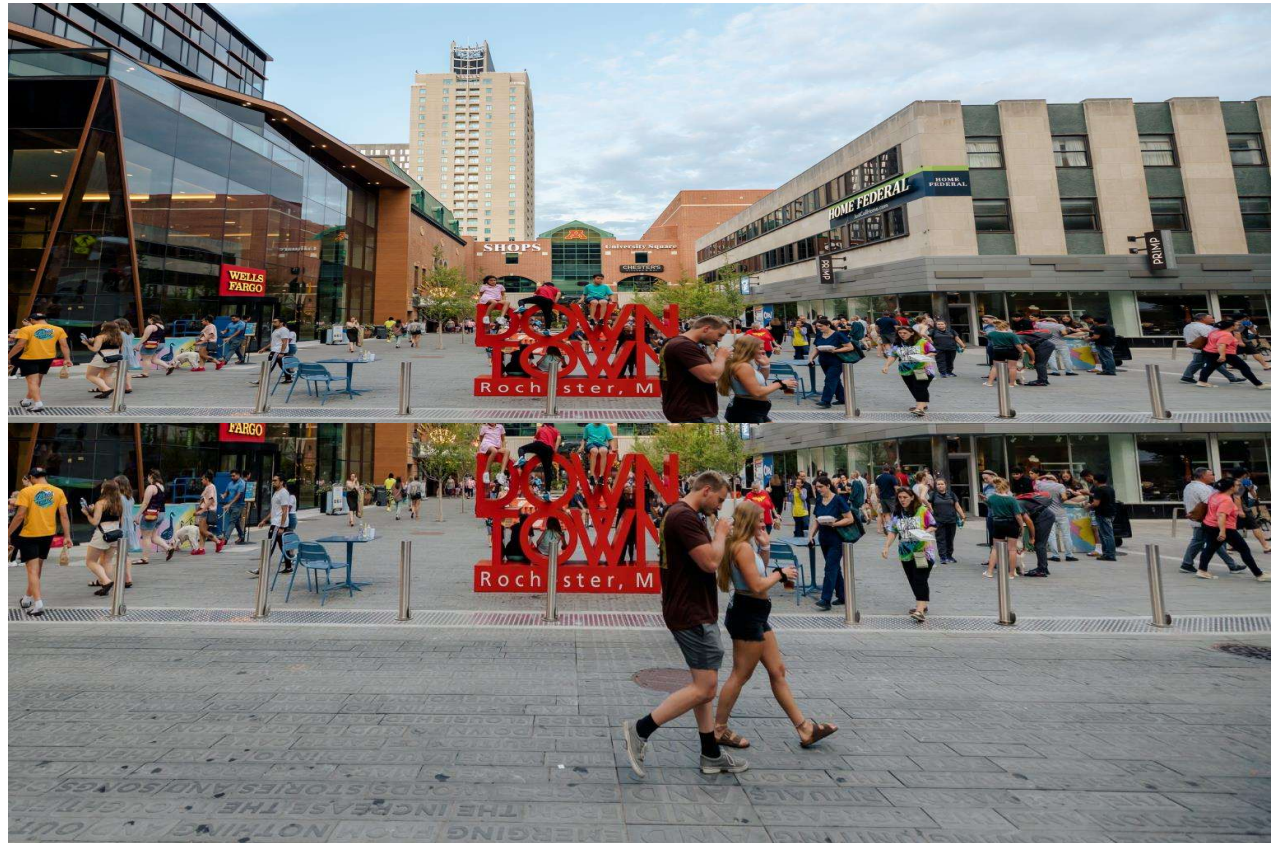


After

# Creating a world-class city

Modernizing public infrastructure

## Heart of the City



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# Creating a world-class city

Modernizing public infrastructure



## Discovery Walk

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# Creating a world-class city

Modernizing public infrastructure

## Soldiers Field



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# Creating a world-class city

Modernizing public infrastructure

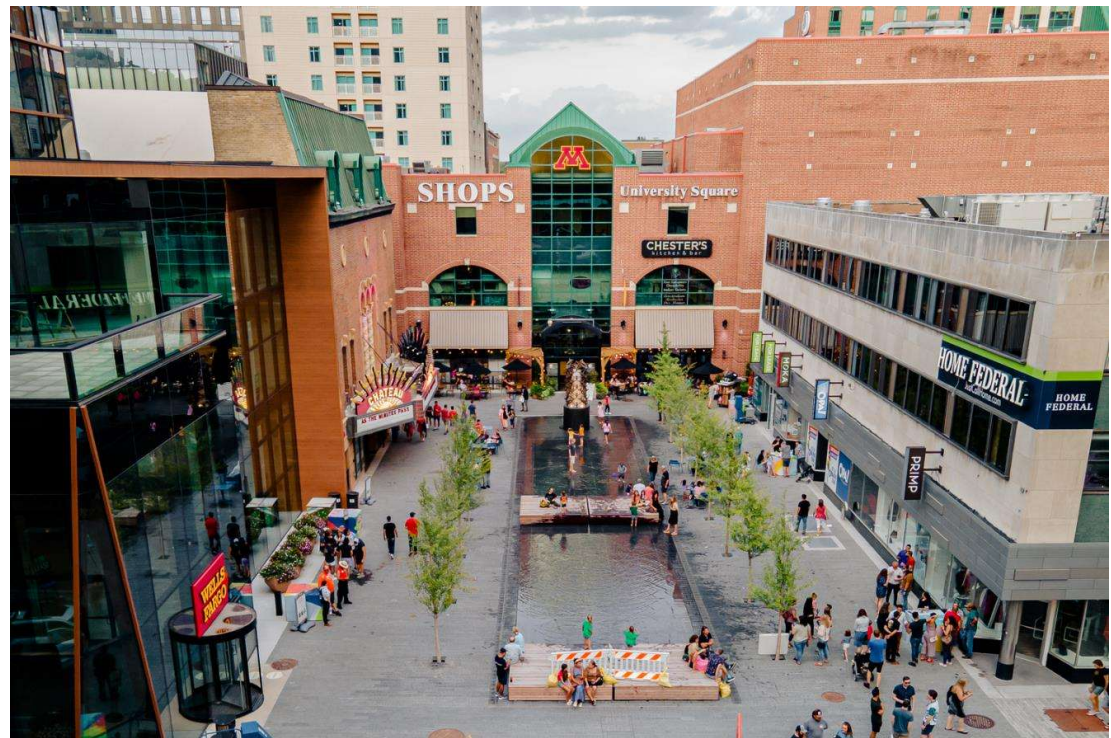


## Link Bus Rapid Transit

# Creating a world-class city

Modernizing public infrastructure

## University of Minnesota Rochester



# What's next for DMC and Mayo Clinic?



# THANK YOU



DMC  
Destination  
Medical Center

[dmcmn.org](http://dmcmn.org)

# DESTINATION MEDICAL CENTER

DMC DEVELOPMENT PLAN

## 5-year update

September 11, 2025

SMITHGROUP JLP+D







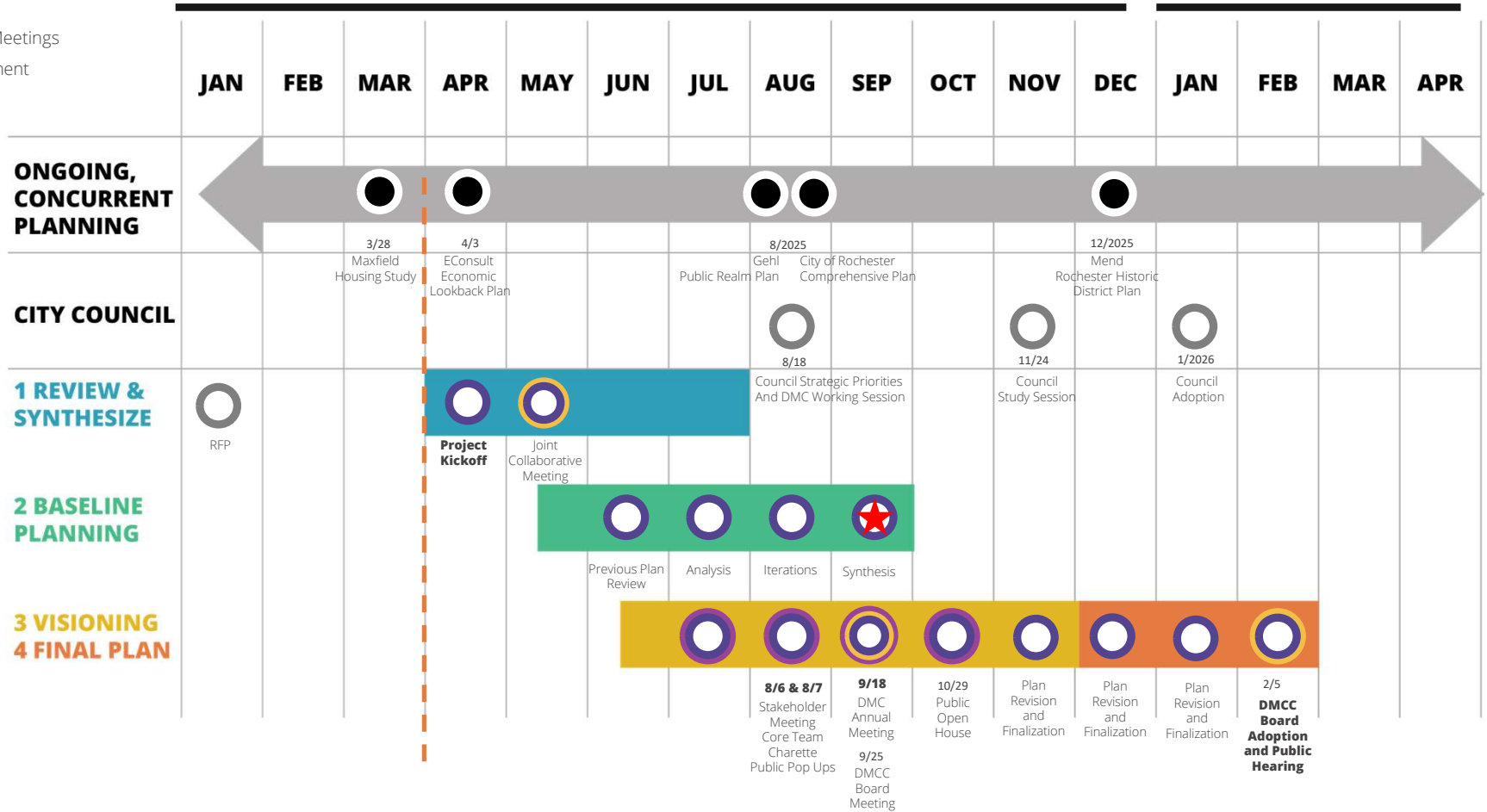
DMC PLAN UPDATE

# 2025 PLANNING PROCESS

2025

2026

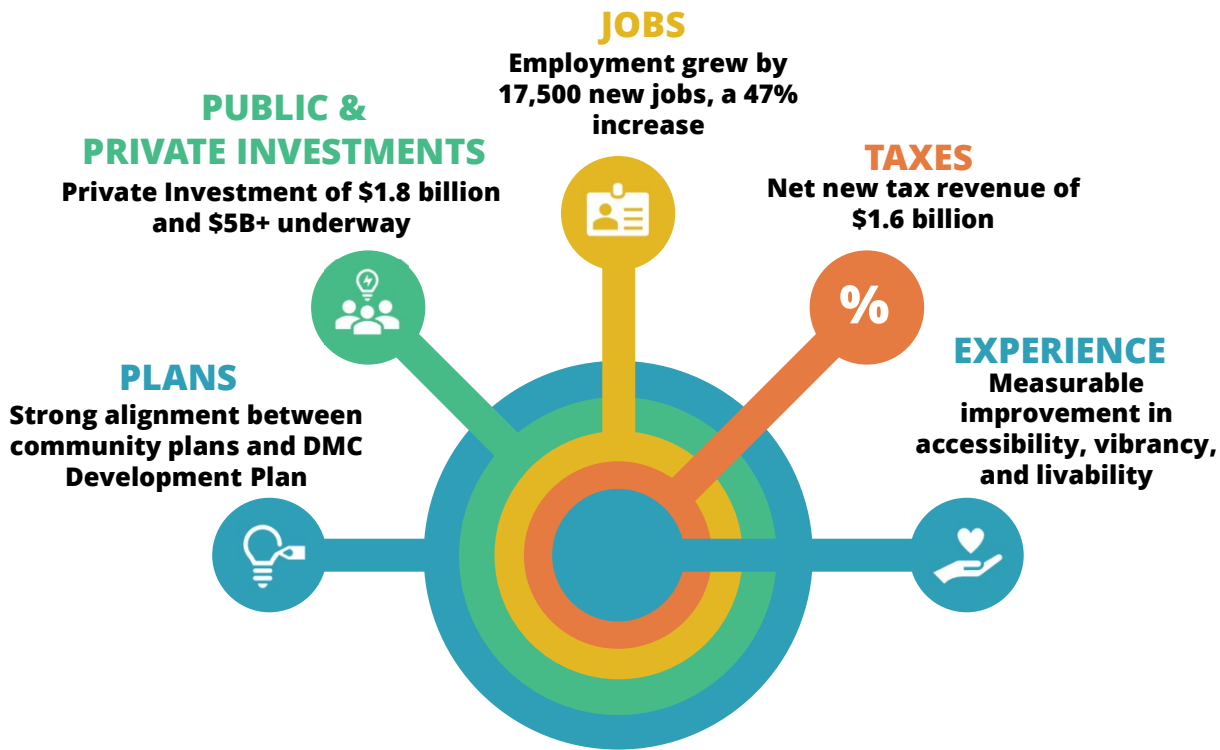
-  DMC EDA Working Meetings
-  Community Engagement
-  DMCC Engagement
-  You Are Here



Week of 7/7  
Stakeholder Focus Groups  
Public Launch

# 10 YEAR LOOKBACK

## PROGRESS AGAINST DMC GOALS



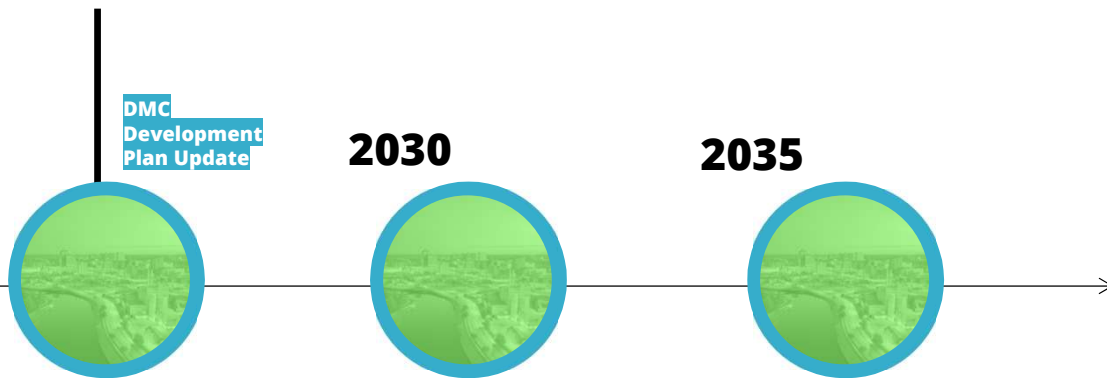
- 15 vacant or underutilized blocks developed
- 391,000 SF of new research and innovation space
- \$1.6 billion in net new state and local tax revenue
- 100% increase in downtown residents

# Looking forward an inflection point



## 2025 Plan Update Goals

- Meet and exceed state requirements
- Build off existing momentum
- Confirm Strategic Priorities
- Discuss Annual Commitment Considerations
- Start planning for post-2035



- A moment to sharpen our focus as we look to the future
- Start thinking post-2035

DMC PLAN UPDATE

# A BOLD VISION

## AMERICA'S CITY FOR HEALTH: FROM TAGLINE TO COMPETITIVE STRATEGY

2015

### DMC Development Plan



"With Mayo Clinic at its heart, the Destination Medical Center (DMC) initiative will be the catalyst to position Rochester, Minnesota as **the world's premier destination center for health and wellness; attracting people, investment and jobs to America's City for Health** and supporting the economic growth of Minnesota and its biosciences sector."

2020

### DMC Development Plan Update



DMC's first **5-year update to our 20-year development plan** was completed during the COVID pandemic, This was the first opportunity to reflect and analyze the investments and growth that occurred just as the DMC was beginning implementation. Priority themes around **Heart of the City, Discovery Square and the BRT corridor** emerged.

2025

### DMC Development Plan Update



DMC's second **5-year update to our 20-year development plan** leans into to our commitment to be **America's City for Health**, not as a tagline but as a **competitive strategy**. It is through this lens that we will shape the future of our city, utilizing these drivers as our guide:

- **Health innovation as an economic engine**
- **Health excellence as an attractor**
- **Health in the built environment**

DMC PLAN UPDATE

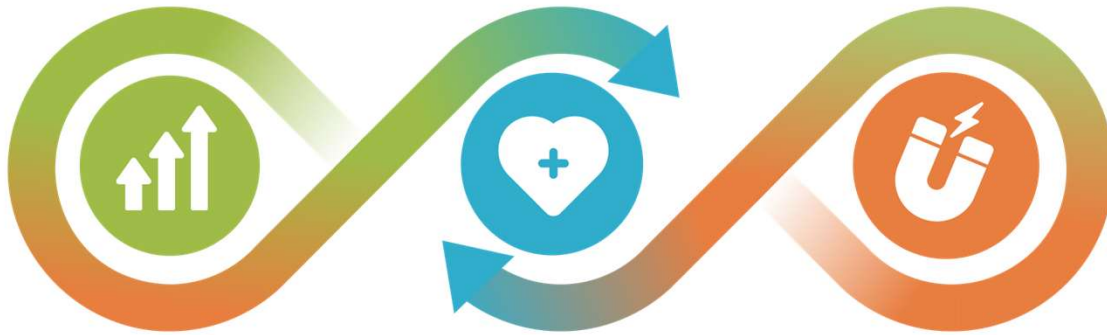
# ONLY IN ROCHESTER

## FOCUS ON UNIQUE ATTRIBUTES

- World's #1 Hospital
- Mayo research capacity
- 3 million visitors annually
- DMC Initiative
- UMR
- Community

## A bold vision

Plan update drivers



### Health Innovation as an Economic Engine

We will leverage our unique scale and Mayo Clinic adjacencies and lean-in on health tech to **drive innovation and economic growth**— by supporting new ideas, businesses, and careers that improve lives and strengthen our economy.

### Health in the Built Environment

We will invest in infrastructure projects that **inventively center physical and mental well-being** and create safe, healthy, and sustainable places for all people.

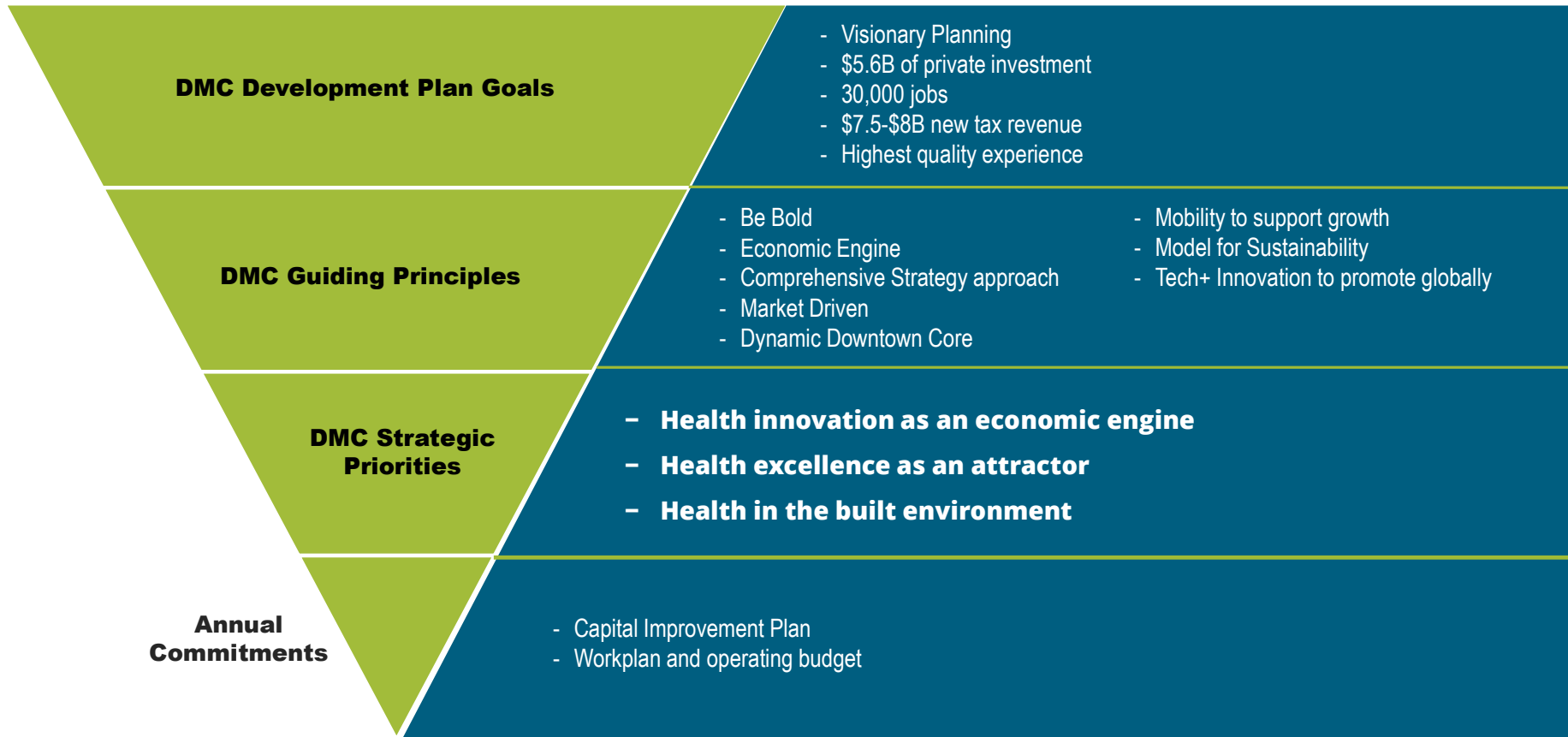
### Health Excellence as an Attractor

We will emphasize proximity to health excellence as a **reason people choose to live in, work in, and visit** Rochester by strengthening our reputation as America's City for Health, wellness, community, and quality of life.

# Only in Rochester

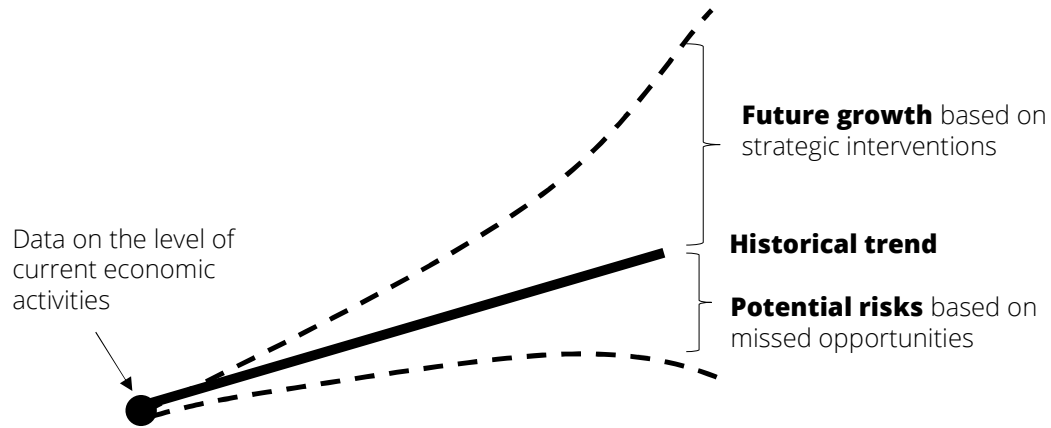
# A BOLD VISION

## PRIORITIZING DMC RESOURCES



# ANALYSIS METHODOLOGY

## Step 1: Understanding potential



## Step 2: Interventions to unlock higher growth



Strategic Development



21st century Infrastructure



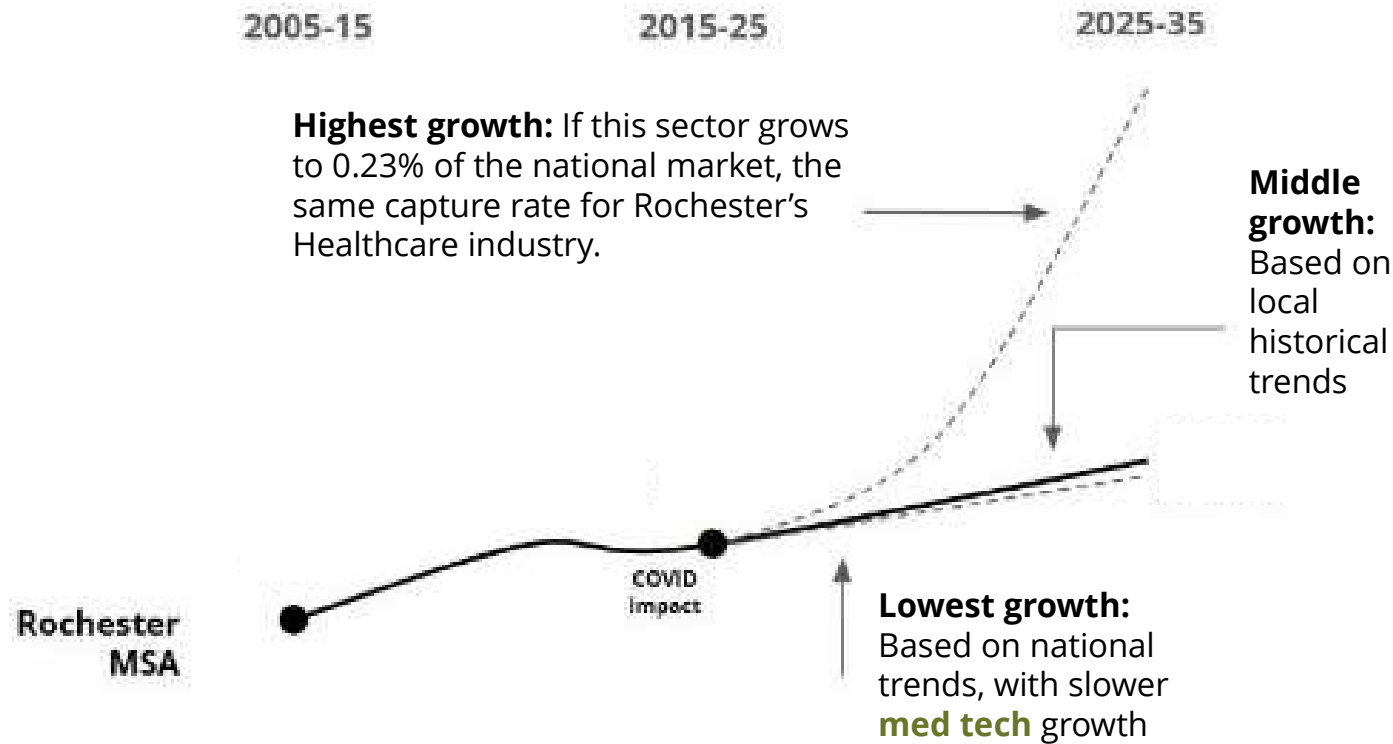
Policies



Programs

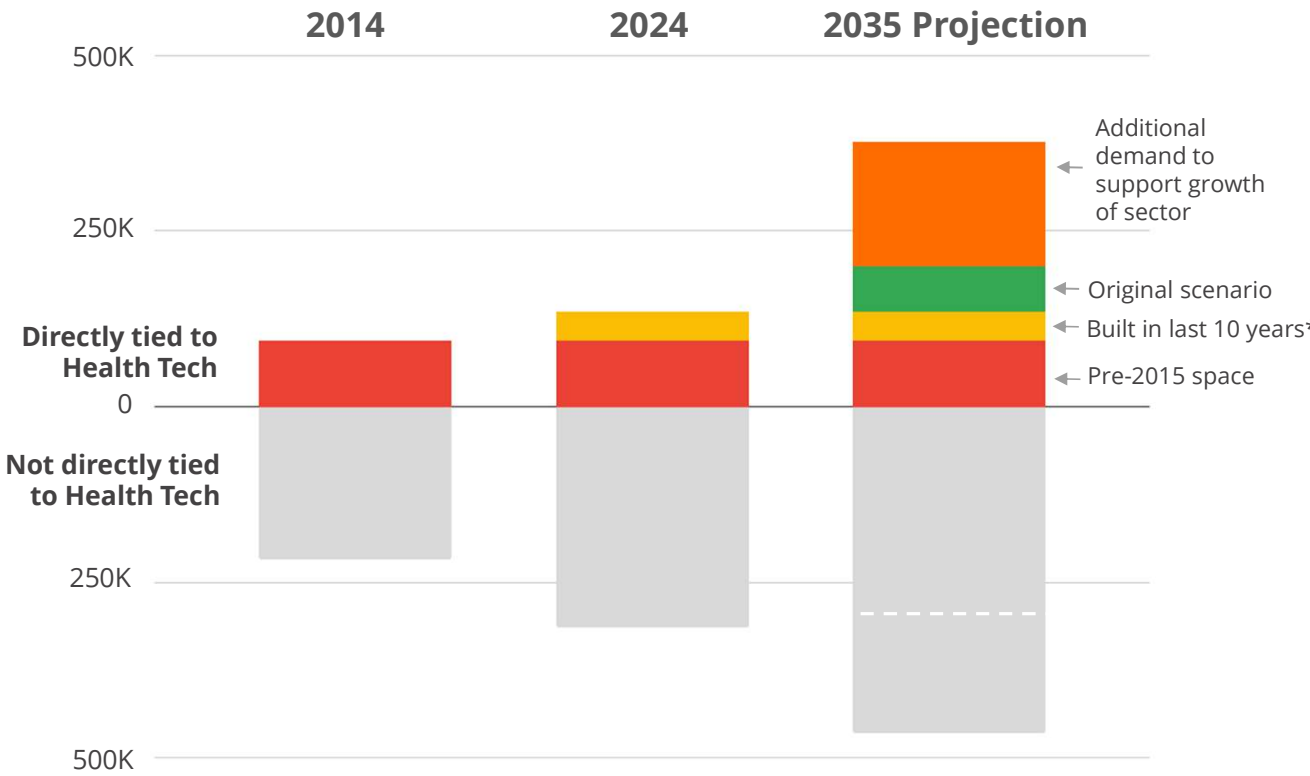
## EXAMPLE ANALYSIS METHODOLOGY: RESEARCH & TECHNOLOGY SECTOR

### Step 1: Understanding potential of market growth



# ANALYSIS METHODOLOGY

## Step 2: Educational space demand as Example intervention to unlock growth



## Step 2: Interventions to unlock higher growth

 Strategic Development

 21st century Infrastructure

 Policies

 Programs

# HEALTH INNOVATION AS AN ECONOMIC ENGINE

## SUCCESS METRICS

We will leverage our unique scale and Mayo Clinic adjacencies and lean-in on health tech to **drive innovation and economic growth**— by supporting new ideas, businesses, and careers that improve lives and strengthen our economy.



<b>New Intellectual Property</b>	<b>New Innovation Companies</b>	<b>New Capital</b>	<b>Scale Companies</b>	<b>Exits</b>
----------------------------------	---------------------------------	--------------------	------------------------	--------------

Sustainability & Equity Considerations: Creating an equitable and resilient workforce and entrepreneurial ecosystem by supporting educational programs, inclusive hiring practices, and strategies for diverse talent retention to foster an inclusive economy in Rochester.

# HEALTH EXCELLENCE AS AN ATTRACTOR

## SUCCESS METRICS



We will emphasize proximity to health excellence as a **reason people choose to live in, work in, and visit** Rochester by strengthening our reputation as America's City for Health, wellness, community, and quality of life.

<b>Improve Housing Ecosystem</b>	<b>Enhance Rochester's Authentic Characteristics</b>	<b>Drive New Health Tourism</b>	<b>Support Health Education Opportunities</b>	<b>Contribute to Health Workforce</b>
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Sustainability & Equity Considerations: Housing accessibility and access to opportunity across educational, cultural, tourism, and workforce programs. Centering planetary and human health in investments, policy and programming.

# HEALTH IN THE BUILT ENVIRONMENT

## SUCCESS METRICS

We will invest in infrastructure projects that **inventively center physical and mental well-being** and create safe, healthy, and sustainable places for all people.



<b>Improves Livability</b>	<b>Increases Infrastructure for Mobility</b>	<b>Improves Environmental Health</b>	<b>Strengthens Social Cohesion</b>	<b>Leadership in Climate Resilience</b>
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DRAFT

Sustainability & Equity Considerations: Targeted workforce and targeted business goals for all infrastructure projects, updated sustainability standards for physical investments that center both planetary and human health.

## PLAN UPDATE DRIVERS

### NEXT STEPS

- September 18: DMC Annual Meeting
- September 25: DMCC 3Q Board Meeting
- November 17: Publication of Draft of Update
- November 20: DMC EDA 4Q Board meeting
- November 24: City Council Study Session
- December 10: DMCC Board Meeting
- January 2026: City Council Plan Approval
- January 21, 2026: DMC EDA Board Meeting
- February 5, 2026: DMCC Board Adoption

# 2026-2027 DMC CAPITAL AND OPERATING BUDGETS AND WORK PLANS

September 2025



**DMC**

Destination Medical Center  
Rochester, MN

# Today's Discussion



Review + recommend 2026-2027  
funding request





# ANNUAL CAPITAL + WORK PLANS

Includes:

- Capital Improvement Program
- DMCC operations
- DMC EDA workplan and operating budget
- City DMC Project Management team
- Working capital loan renewals



# DMC BOARD DIRECTION 2026 CAPITAL PLAN

- Complete current projects
- Sufficiently support infrastructure adjacent to Bold. Forward. Unbound.
- Preserve resources for 5-year update priorities



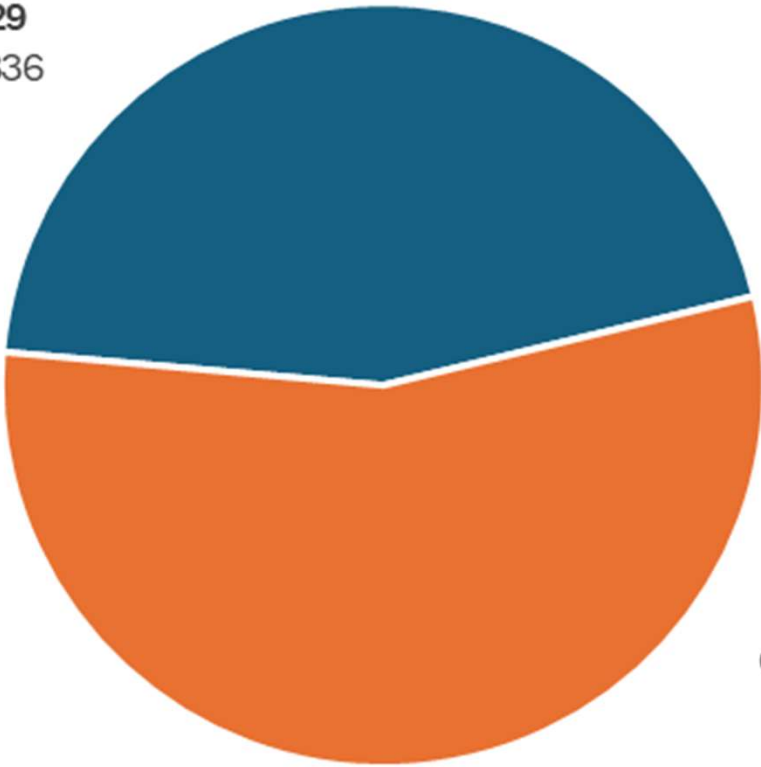
# DMC FUNDING BALANCE

Source	Original Available	Spent or Committed	Remaining
General State Infrastructure Aid	\$327,000,000	\$145,505,664	\$181,494,336
City DMC Aid	\$128,000,000	\$72,455,051	\$55,544,949
State Transit Aid	\$69,600,000	\$50,189,198	\$19,410,802
County Transit Aid	\$46,400,000	\$45,730,059	\$669,941
State Sales Tax Exemption	\$14,000,000	\$14,000,000	\$0
<b>TOTAL</b>	<b>\$585,000,000</b>		<b>\$257,120,028</b>



# Budget Allocation

GSIA Available  
2026-2029  
\$81,361,336



GSIA Preserved  
For 2030-2034  
\$100,000,000

*On average, the DMCC and City Council could direct \$20.3 Million to capital projects each year between now and 2030 without impacting existing capital and programmatic commitments.*



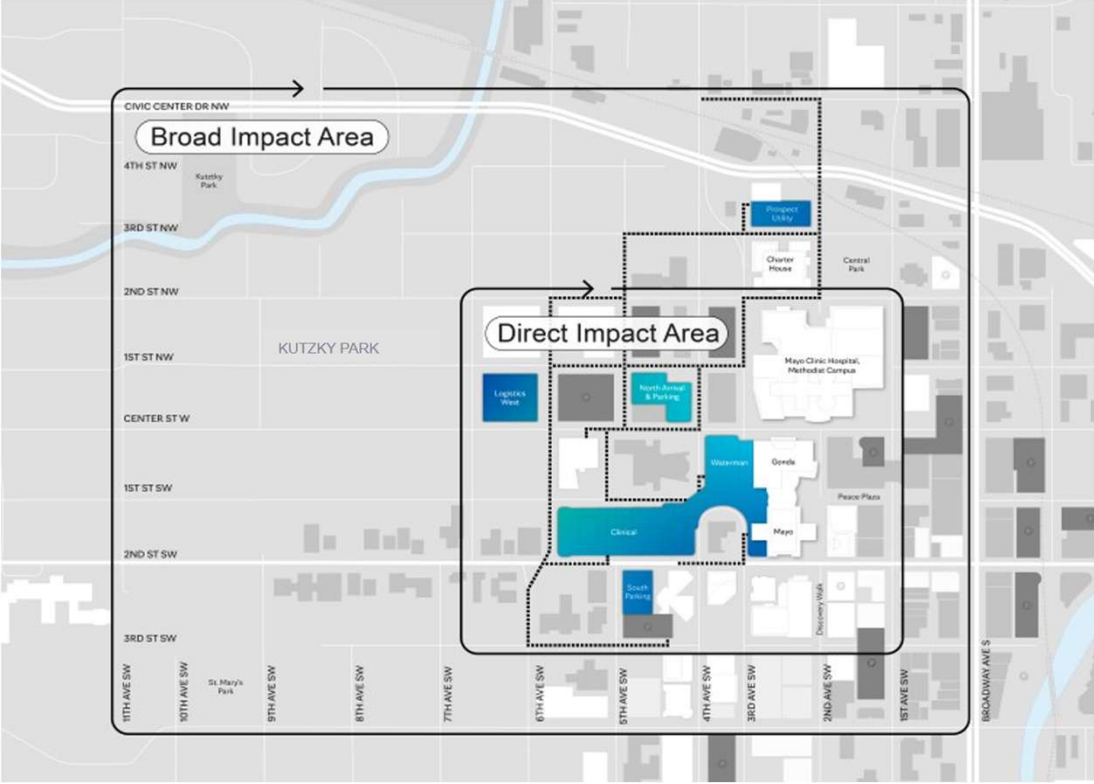
# Proposed 2026-2027 DMC Capital Plan

	2026	2027	Source
<b>New Infrastructure Projects</b>			
1 Downtown Public-Private Infrastructure Investment Alignment	\$ 19,185,500	\$ 19,185,500	DMC GSIA
2 Interim Wayfinding - Downtown Construction	\$ 100,000	\$ 100,000	DMC GSIA
3 Strategic Development*	\$ 3,000,000	\$ 3,000,000	DMC GSIA
<b>Subtotal</b>	<b>\$ 22,285,500</b>	<b>\$ 22,285,500</b>	
<b>Prior-Approved Infrastructure Projects</b>			
4 6th Street Bridge + Connectivity	\$ 2,500,000		DMC GSIA
<b>Subtotal</b>	<b>\$ 2,500,000</b>	<b>\$ -</b>	
<b>Prior-Approved Transit Projects</b>			
5 ITS Implementation: Rapid Transit (Includes 2nd Street Recon & Streetscape)	\$ 8,608,226	\$ 17,230,059	DMC CTA
	\$ 2,456,003		DMC STA
<b>Subtotal</b>	<b>\$ 11,064,229</b>	<b>\$ 17,230,059</b>	
<b>Operations</b>			
6 Contributions to DMC Corporation for DMCC expenses	\$ 229,566	\$ 230,066	City DMC Aid
7 Contributions to DMC Corporation for EDA expenses	\$ 3,133,864	\$ 3,290,557	City DMC Aid
8 City Project Management expenses	\$ 1,548,610	\$ 1,631,069	City DMC Aid
9 City of Rochester Administrative costs for DMC projects	\$ 100,000	\$ 100,000	City DMC Aid
<b>Subtotal</b>	<b>\$ 5,012,040</b>	<b>\$ 5,251,692</b>	
<b>TOTAL</b>	<b>\$ 40,861,769</b>	<b>\$ 44,767,251</b>	
<b>Total City DMC Aid</b>	<b>\$ 5,012,040</b>	<b>\$ 5,251,692</b>	
<b>Total DMC GSIA</b>	<b>\$ 24,785,500</b>	<b>\$ 22,285,500</b>	
<b>Total DMC County Transit Aid</b>	<b>\$ 8,608,226</b>	<b>\$ 17,230,059</b>	
<b>Total DMC State Transit Aid</b>	<b>\$ 2,456,003</b>		
<b>*Examples: Specialized housing, HealthTech Ecosystem, Destination demand-drivers</b>			



# Downtown Public-Private Infrastructure Investment Alignment

- **2026-2027 Request:**
  - 2026: \$19.185M
  - 2027: \$19.185M
- **What Will Come:**
  - DMC investment in extraordinary public infrastructure adjacent to Mayo Clinic's private \$5.5B investment



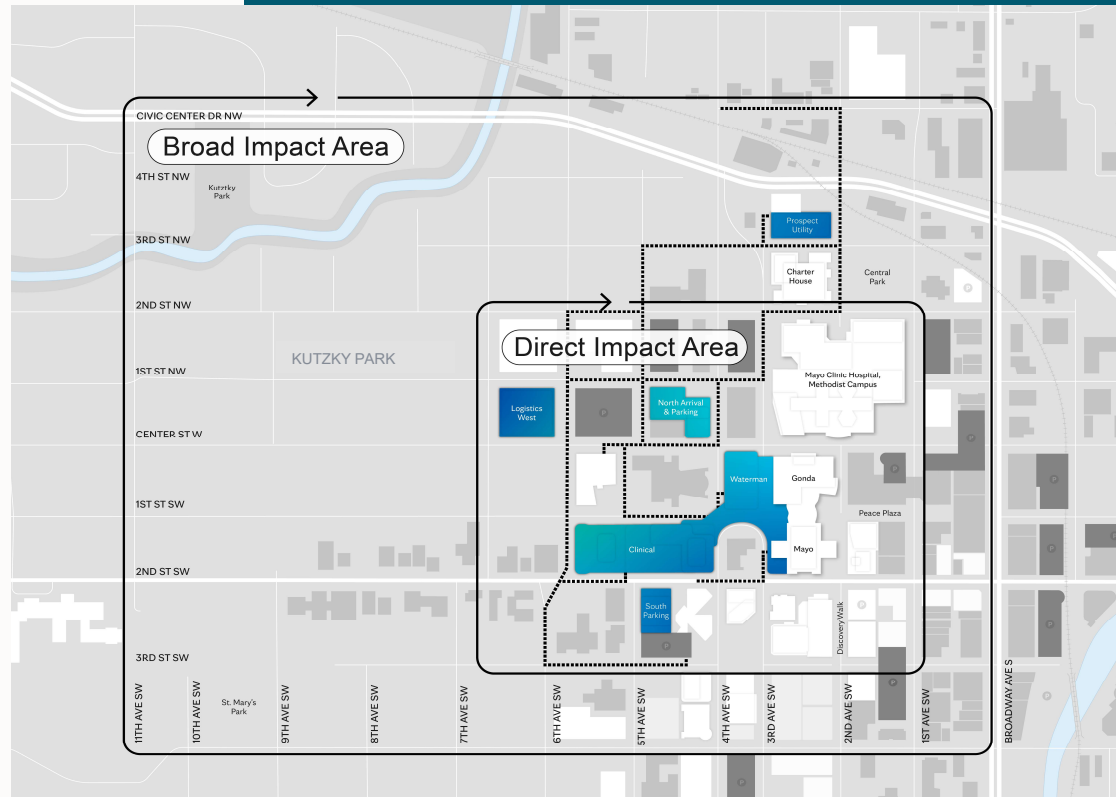
# SUPPORTING DOWNTOWN AREA INFRASTRUCTURE

September 2025



### Unprecedented & Accelerated Growth

- Geographically constrained area of development
- 35 square block area along main travel corridors
- Heart of downtown commercial corridor and historic district
- Adjacent to neighborhoods (Kutzky, Folwell, Lowertown, Pill Hill, East Side, Slatterly)



# Opportunity for Neighborhood Connectivity

Catalytic  
Development

Neighborhood  
Identity

Different People with  
Different Needs

America's City  
for Health

The Time  
Is Now



Beloved community center –  
United Way of Southeast Minnesota



Incredible connections to  
Cascade Creek trail system

“  
Kutzky Park is a place  
where **you know your  
neighbors.**”  
— Kutzky Park resident



Contextual density for  
multifamily buildings



Neighbory Porchfest with performance from  
neighborhood stoops, porches, and driveways



Homes with consistent architectural  
character and social front porches

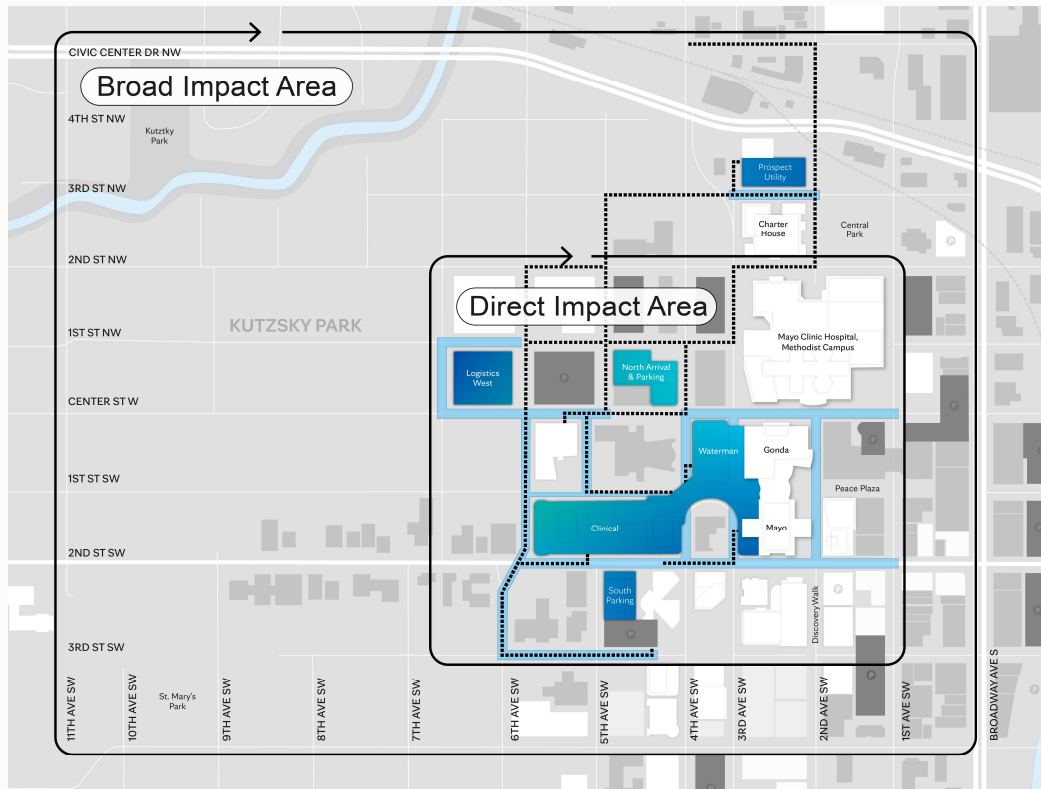


Heading into the Mayo Clinic core, the ground floor  
is less active with larger, institutional buildings

# Downtown Area Infrastructure: Mayo Clinic Investment

Infrastructure Investment: ~\$75 Million

Overall Investment: \$5 Billion

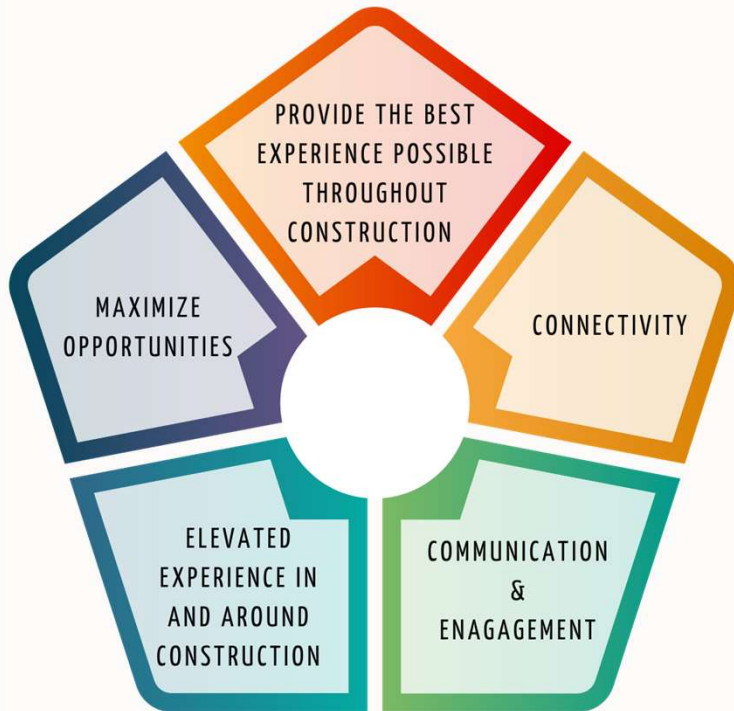


- Infrastructure Improvements
- Mayo Clinic Planned Investment



August 2024 rendering courtesy of Mayo Clinic

# Guiding Principles



## Provide the best experience possible throughout construction.

- **Optimize** and **align** schedules across projects to minimize disruption.
- Manage road closures.
- **Intuitive** wayfinding and approach to movement during construction between Mayo Clinic, downtown and surrounding neighborhoods.
- Application of **Business Forward** model.
- A **solution-oriented** approach that balances project needs with safety, quality, and community standards with an eye toward the future.

## Maximize opportunities.

- **Dig once** - Make infrastructure investments to avoid future disruption with a goal not disrupting impacted streets for preservation work for the next 15 years and replacement work for 50 years.
- Plan infrastructure that **supports current and future development** and emerging technologies.
- **Maximize the opportunity** and economic impact presented by these significant investments to the benefit of the community.

## Connectivity.

- Improve **connections** to neighborhoods and downtown.
- Below grade and at-grade systems (including wayfinding, walking/biking, and other infrastructure).
- Wayfinding/connectivity - **Integrated** and connected to the rest of the community.
- Takes advantage of technology to improve wayfinding and **experience**.

## Elevated experience in and around development.

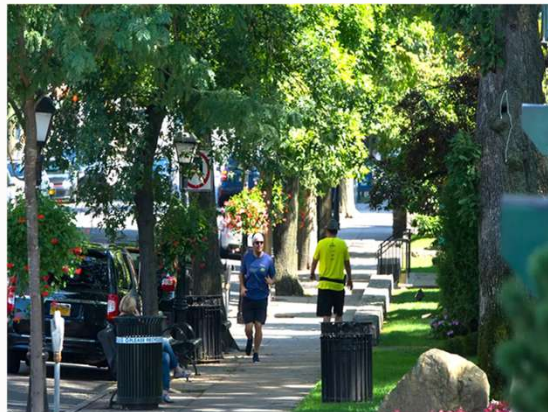
- **Thoughtful** approaches to downtown and neighborhood gateway corridors.
- Use of landscaping, plantings and art.
- **People-first approach** including focus on neighboring properties, downtown businesses and surrounding neighborhoods.

## Communication and engagement.

- Timely, actionable and coordinated communications.
- Communicate about the now (short-term) and the future.
- Ongoing **community engagement** to inform approach to public spaces.
- Convey **meaningful impact** of utility improvements.



# Downtown Area Infrastructure: Improved Experience

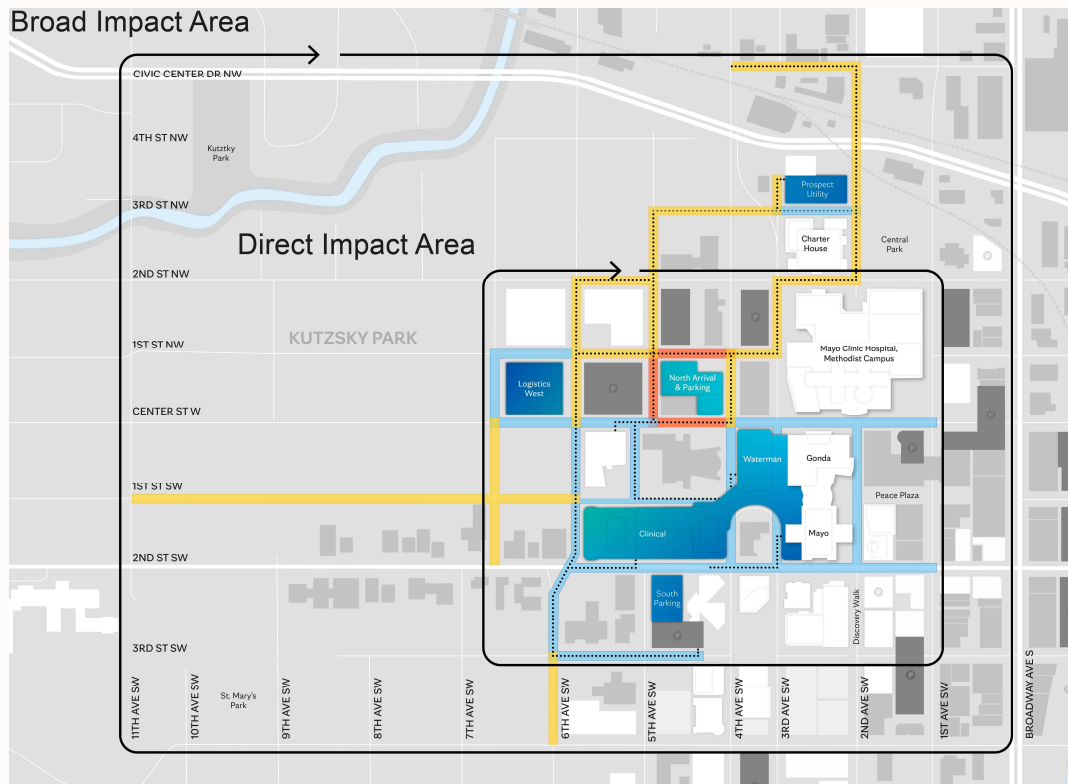






Public Realm Priorities: Kutzy Park and Downtown Area

# Downtown Area Infrastructure: Option 1

\$18.6 Million

Broad Impact Area



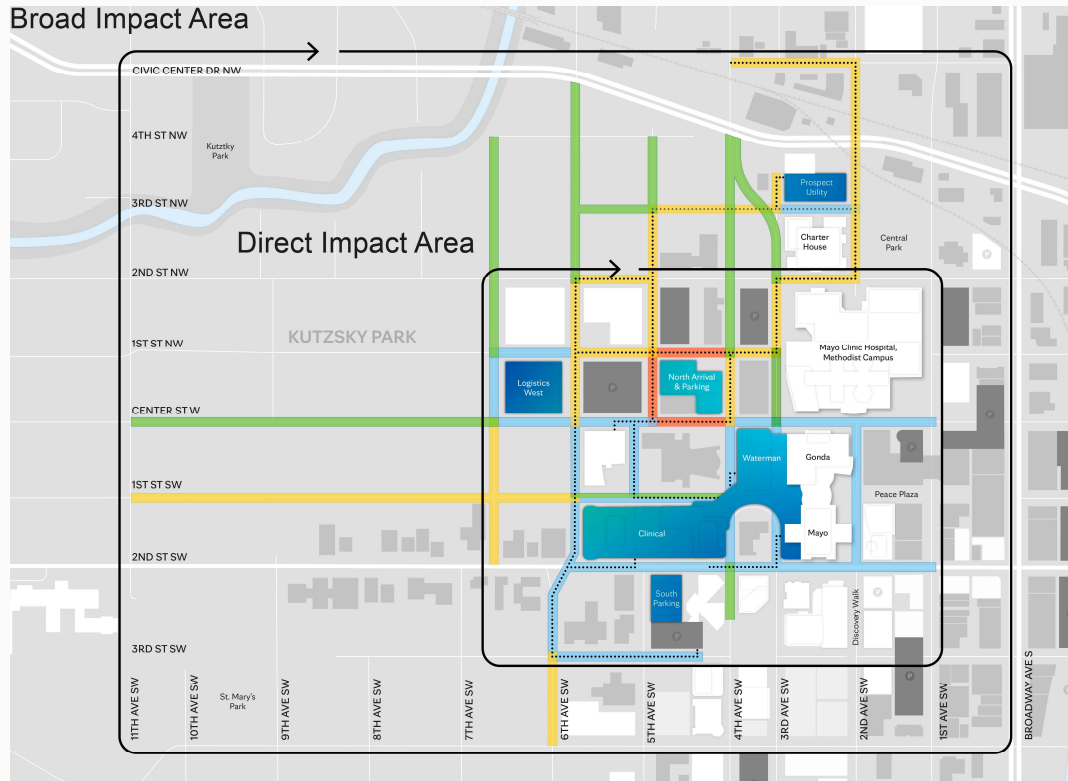
-  Infrastructure Improvements
-  Mayo Clinic Planned Investment
-  Approved Improvement
-  Option 1








# Downtown and Kutzky Area Infrastructure: Option 2

\$38.37 Million (Inclusive of Option 1)

Broad Impact Area

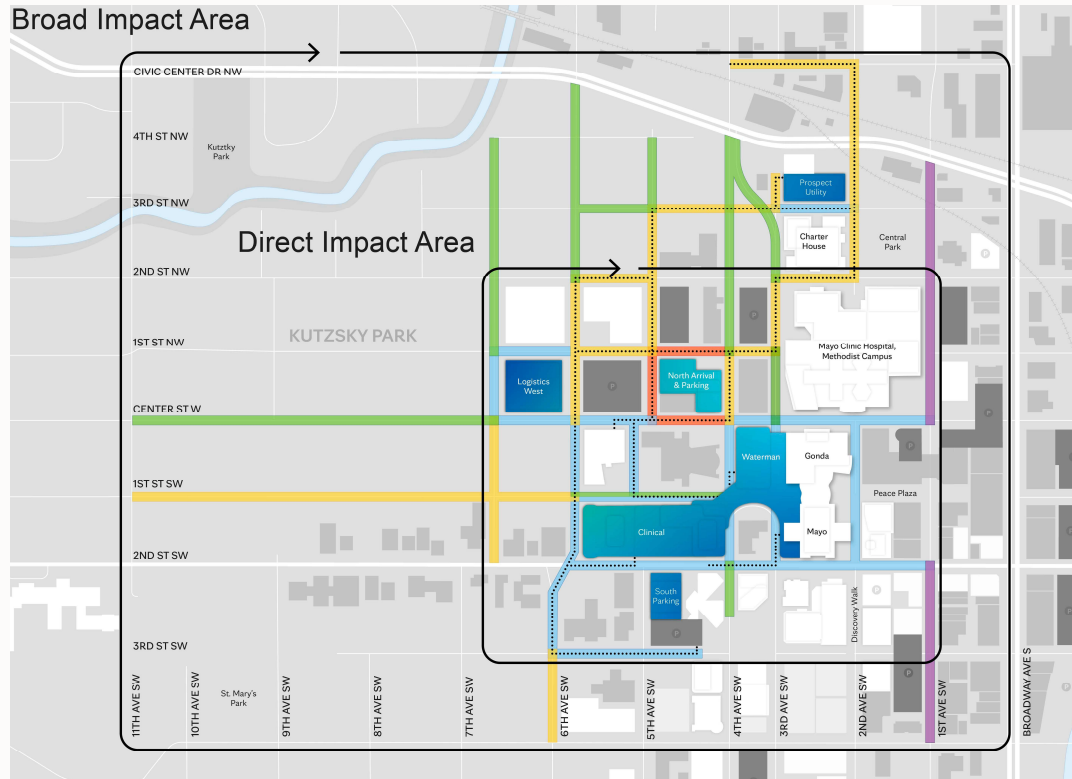








-  Infrastructure Improvements
-  Mayo Clinic Planned Investment
-  Approved Improvement
-  Option 1
-  Option 2

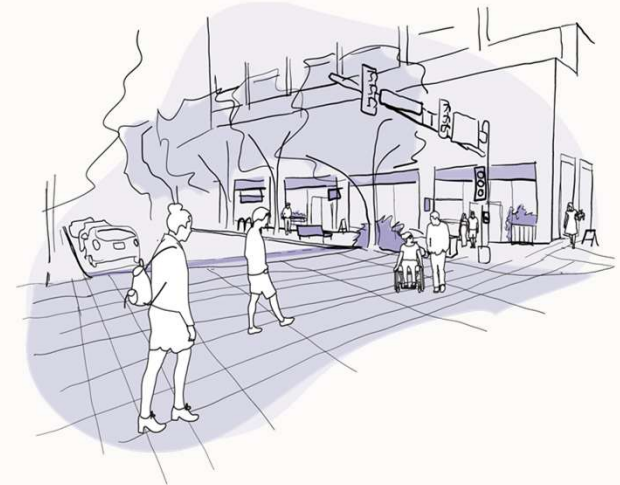


# Downtown Area Infrastructure: Option 3

\$45.87 Million (Inclusive of Option 2)

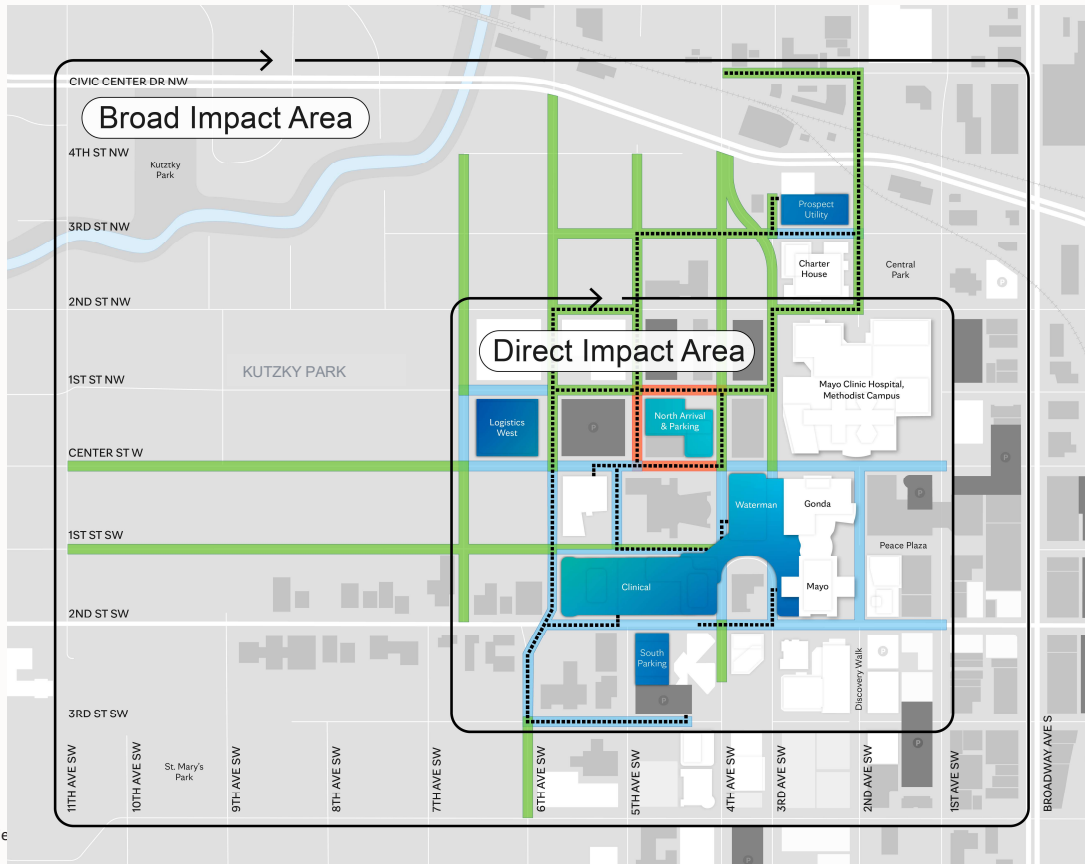


-  Infrastructure Improvements
-  Mayo Clinic Planned Investment
-  Approved Improvement
-  Option 1
-  Option 2
-  Option 3



# Downtown Area Infrastructure: Recommendation

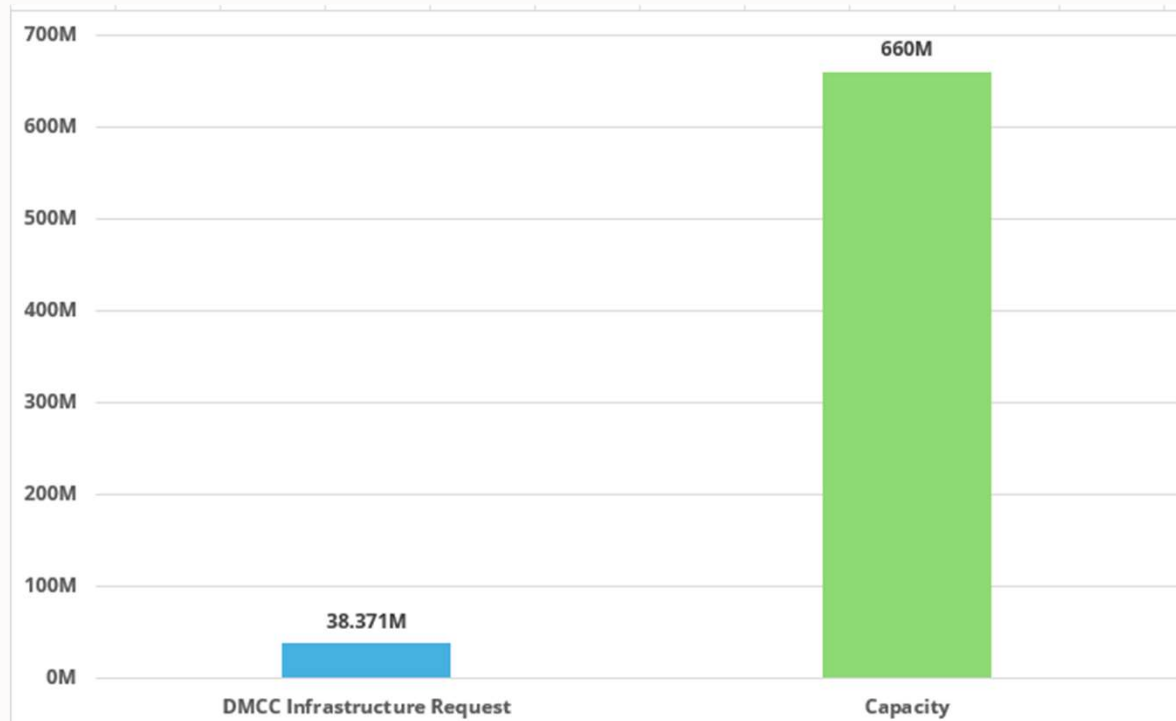
Proposed - \$38.371 Million (Option 2)



## Guiding Principles:

- Maximizes Opportunity: Leverages Mayo investment to update below and above ground infrastructure across downtown in corridors of higher density.
- Connectivity: Connects public realm and utilities to surrounding neighborhoods and broader region.
- Elevated Experience: Improves experience in key entry points and corridors across modes of transport.
- Communications and Engagement: Approach grounded in broad community engagement.

# Development Capacity



- Housing Units: 1,300-2,000
- Hotel Room Keys: 200-400
- New Commercial Space: 100,000 Sq. Ft.
- Property Tax Before Development: \$1m
- Property Tax After Development: \$11m

# Downtown Area and Kutzky Park Experience Improvements



Public Realm Priorities: Kutzky Park and Downtown Area

# Infrastructure Investments:



**75th Street Park & Ride**  
\$3.19M



**Water Reclamation Plant Upgrades**  
\$91M



**North Broadway Park & Ride**  
\$12M



**Downtown Building Energy Transition Public District Energy**  
\$23M



**Airport Safety and Runway Improvements**  
\$79M



**RPU Advance Metering Infrastructure**  
\$28M



**Airport Expansion and De-carbonization Plan**  
\$16M



**West Zumbro Sewer Investment**  
\$10.8M



**City of Rochester Maintenance Service Center**  
\$40M



**North Broadway Reconstruction**  
\$34M

*The city successfully renewed a **\$205M** Local Sales Tax in 2023 to invest in infrastructure and transformation*

# Transformational Investments:



**Link Bus Rapid Transit**  
\$175M



**West Transit Village**  
\$350M



**4th Street SE & 19th Avenue SE Roundabout**  
\$3.6M



**6th Street Riverfront, Bridge and Neighborhood Safety Improvements**  
\$35M



**McQuillan Splash Pad**  
\$615,000



**Soldiers Field Park Improvements**  
\$22M



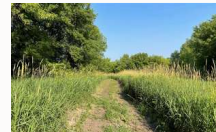
**Silver Lake Park Improvements**  
\$7M



**Rev. Dr. Martin Luther King Jr. Park Enhancements**  
\$2M



**Riverfront Reimagined**  
\$46.55M



**Willow Creek Trail & Safety Connection**  
\$3M

*The city has applied for and received **over \$167M** in outside funding since 2020 for transformational projects*

Thank you

*Always stay focused, then watch yourself bloom like a lotus.*



# Interim Wayfinding

- **2026-2027 Request:**
  - 2026: \$100,000
  - 2027: \$100,000
- **What Might Come:**
  - Additional wayfinding resources may be required throughout the duration of major construction
  - Addresses wayfinding not already covered through construction contracts



# Strategic Development

- **2026-2027 Request:**
  - 2026: \$3M
  - 2027: \$3M
- **What Might Come:**
  - Examples: innovative HealthTech-enabled housing, life science ecosystem, destination demand drivers
  - Depending on project timing & scale, these funds will allow the DMCC and City Council to be responsive to this market interest



# Sixth St. Connectivity

- **2026-2027 Request:**
  - 2026: \$2.5M for design and construction
  - Not \*new\* funding
- **What Will Come:**
  - 2026 funding will count toward the \$10M grant match



# Mobility: LINK BRT, including Second St SW Reconstruction

- **2026-2027 Request:**
  - 2026: \$11.06M of existing authorization; not \*new\* funding
  - 2027: \$17.23M of existing authorization; not \*new\* funding
- **What Will Come:**
  - Regular project reporting



# **Prior-Approved Capital Commitments**

## **Funding remains available to advance approved projects**

- **St. Marys Place**
- **Historic District**
- **Riverfront Interim Action**



# DMC EDA WORK PLAN

- **Business + Real Estate Development**  
(Infrastructure, Awareness, Ecosystem, Recruitment, Project Review, etc.)
- **Strategic Infrastructure + Experience**  
(Business Forward, Equitable Economic Development, Sustainability, etc.)
- **Marketing, Communications, and PR**  
(Community engagement, marketing DMC as an investment opportunity, championing successes, etc.)
- **Operations**  
(Payroll, legal, accounting, etc.)
- 



# 2026 BUSINESS DEVELOPMENT PROGRAM

September 2025



**DMC**

Destination Medical Center  
Rochester, MN

# AN INTEGRATED BUSINESS DEVELOPMENT STRATEGY

## 1. BUILD AWARENESS

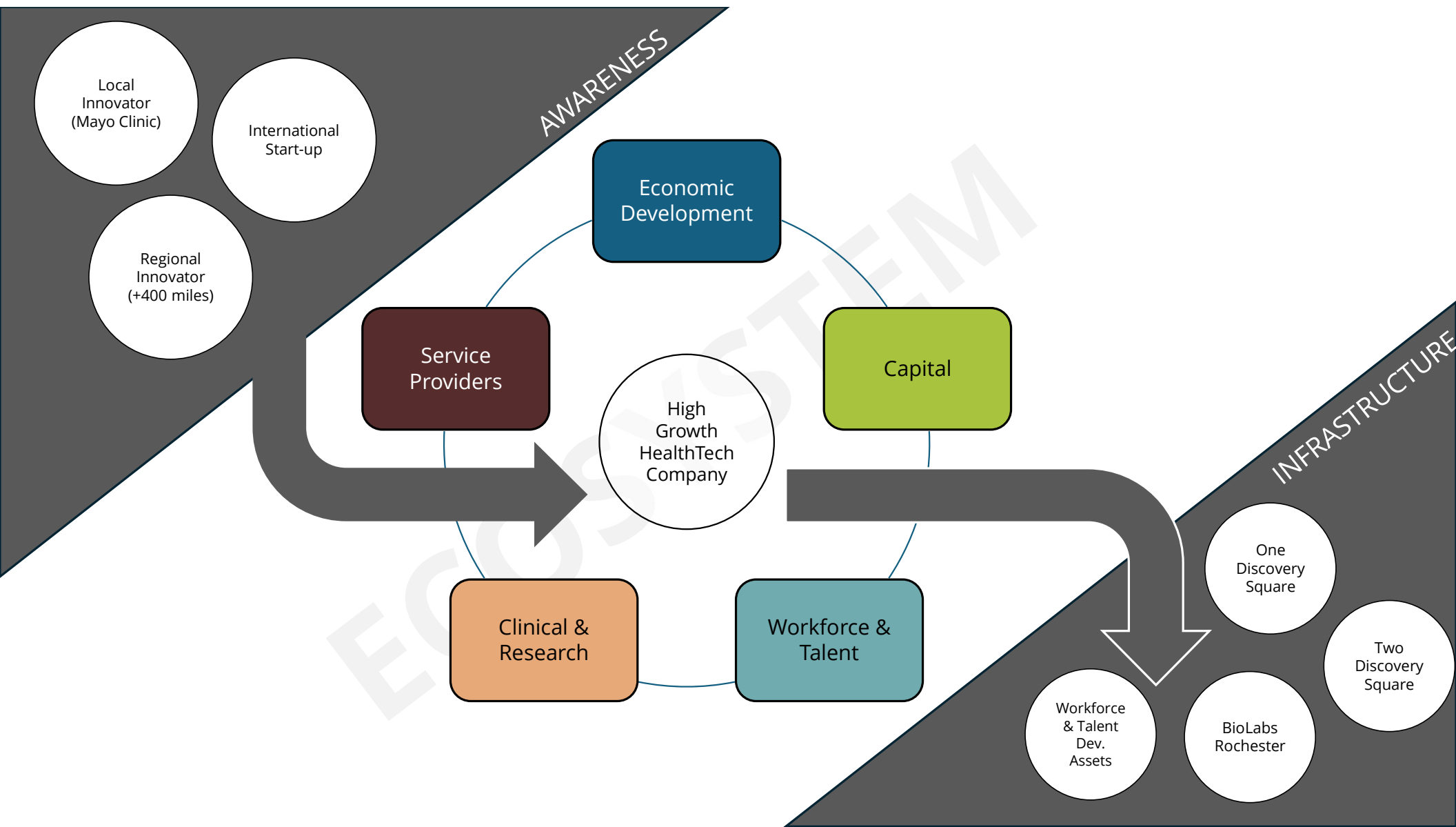
- HealthTech Industry Lead Generation
- Housing/Retail

## 2. BUILD ECOSYSTEM

- Workforce & Talent
- Trade Authorities & Global Economic Development

## 3. BUILD INFRASTRUCTURE

- Discovery Square Innovation District
- Shared Lab
- Workforce Development



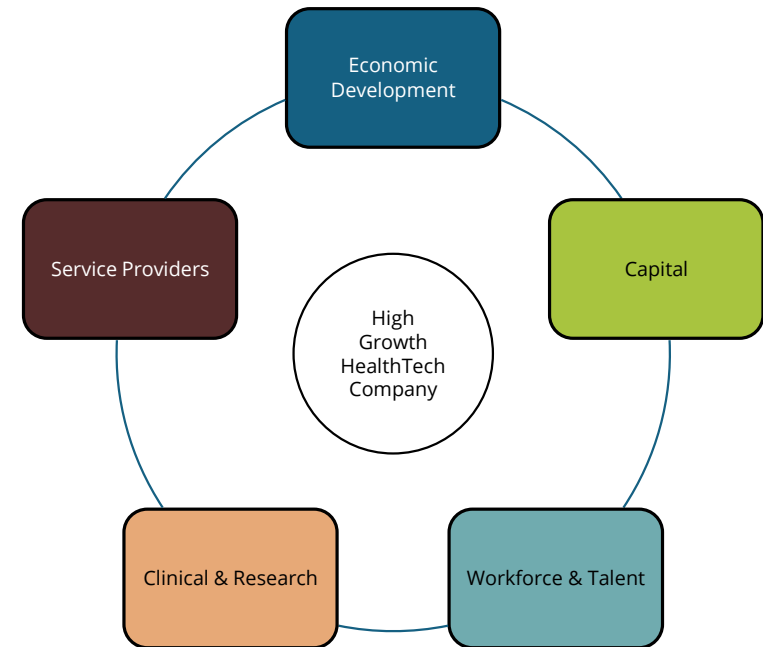
# 2026 AWARENESS PROGRAM HIGHLIGHTS

- Lead generation program focused on early stage, high growth HealthTech companies
- Integrated approach with BioLabs and Mayo Clinic Business Development
- International focus (50% of total activity)
- Diagnostics, biotech, healthcare AI, radiopharma, medical device, robotics & automation, and cell therapy
- Begin the shift from targeted lead generation to high-level brand building and Innovation District story telling

Metrics include total outreach, company pitches, leads, and ecosystem referrals

# 2026 ECOSYSTEM PROGRAM HIGHLIGHTS

- “Node Strategy” focused on areas where DMC can add value
  - HealthTech Companies and Innovators
  - Workforce and Talent
  - Capital
  - Trade Authorities and Global Economic Development
  - Service Providers
  - Clinical and Research
- Expanded collaborations with Mayo Clinic
- Focus on extending our ecosystem into the Twin Cities



Metrics for each Node around outreach, programming, and engagement

# 2026 INFRASTRUCTURE PROGRAM HIGHLIGHTS

- Elevating Discovery Square Innovation District
- BioLabs should be operational by 4Q2026
- Future workforce development infrastructure options need to be defined
- Three Discovery Square is on the horizon



# ADDITIONAL 2026 PROGRAM HIGHLIGHTS

- Launch an expanded pop-up retail support strategy focused on our downtown Historic District
- 2026 Real Estate Summit collaboration with the Real Estate Journals
  - Continue our innovation theme from 2025
- Continue our support of the Tech Enabled Aging-In-Place housing projects
- Complete our Global Institute on Innovation District best practices work
- Update collateral to reflect new “Discovery Square Innovation District” brand and messaging
- More focused marketing effort around story telling and brand building within the innovation district

# 2026 - 2027 STRATEGIC INFRASTRUCTURE & PUBLIC EXPERIENCE

September 2025



**DMC**

Destination Medical Center  
Rochester, MN

# **STRATEGIC INFRASTRUCTURE and PUBLIC EXPERIENCE STRATEGY: Goals**

- 1.Ensure infrastructure meets unique needs of community, patients, and visitors
- 2.Achieve transportation mode shift goals
- 3.Accelerate Downtown Historic District revitalization
- 4.Meet targeted workforce and business goals for women and minority participation in DMC-funded projects

## **Goal: Ensure infrastructure meets unique needs of community, patients, and visitors**

- Implement next steps for infrastructure and public realm improvements in Kutzky Park neighborhood and downtown area.
- Develop strategy for core neighborhoods.
- Standardize tools and processes.
- Activate public spaces.
- Inform DMC-supported projects: 6th Bridge, Link, BRT, Riverfront, etc.
- Host training programs related to energy goals.

## **Goal: Achieve transportation mode shift goals**

- Identify, prototype, and recommend data-informed design changes.
- Implement community programs and events.
- Inform City-led active transportation planning and implementation.

# Goal: Accelerate Downtown Historic District revitalization

With City, RDA, and others, implement eight focus areas to revitalize Historic District including:



## **Goal: Meet targeted workforce and business goals for women and minority participation in DMC-funded projects**

- Create opportunities to build capacity for WMBE businesses and individuals seeking jobs in construction/built environment.
- Monitor progress towards goals and adapt approach based on progress.
  - Women Workforce Participation: 7%
  - Minority Workforce Participation: 15%
  - Targeted Business Goal: 7%
  - Heavy Construction Targeted Business Goal: 4%

# City Project Management Team

- **Project support**
  - Link Rapid Transit
  - 6th Street Connectivity
  - West Transit Village development
  - Heart of City
  - Riverfront Development
  - Supporting transformation
  - Bold. Forward. Unbound.
- **Program support**
  - Targeted business/workforce utilization
  - Downtown Task Force
  - Historic District
  - Active Transportation
  - Business Forward
- **Technical support**
  - Targeted business and workforce utilization compliance tracking



# Proposed 2026-2027 DMC Capital Plan

	2026	2027	Source
<b>New Infrastructure Projects</b>			
1 Downtown Public-Private Infrastructure Investment Alignment	\$ 19,185,500	\$ 19,185,500	DMC GSIA
2 Interim Wayfinding - Downtown Construction	\$ 100,000	\$ 100,000	DMC GSIA
3 Strategic Development*	\$ 3,000,000	\$ 3,000,000	DMC GSIA
<b>Subtotal</b>	<b>\$ 22,285,500</b>	<b>\$ 22,285,500</b>	
<b>Prior-Approved Infrastructure Projects</b>			
4 6th Street Bridge + Connectivity	\$ 2,500,000		DMC GSIA
<b>Subtotal</b>	<b>\$ 2,500,000</b>	<b>\$ -</b>	
<b>Prior-Approved Transit Projects</b>			
5 ITS Implementation: Rapid Transit (Includes 2nd Street Recon & Streetscape)	\$ 8,608,226	\$ 17,230,059	DMC CTA
	\$ 2,456,003		DMC STA
<b>Subtotal</b>	<b>\$ 11,064,229</b>	<b>\$ 17,230,059</b>	
<b>Operations</b>			
6 Contributions to DMC Corporation for DMCC expenses	\$ 229,566	\$ 230,066	City DMC Aid
7 Contributions to DMC Corporation for EDA expenses	\$ 3,133,864	\$ 3,290,557	City DMC Aid
8 City Project Management expenses	\$ 1,548,610	\$ 1,631,069	City DMC Aid
9 City of Rochester Administrative costs for DMC projects	\$ 100,000	\$ 100,000	City DMC Aid
<b>Subtotal</b>	<b>\$ 5,012,040</b>	<b>\$ 5,251,692</b>	
<b>TOTAL</b>	<b>\$ 40,861,769</b>	<b>\$ 44,767,251</b>	
<b>Total City DMC Aid</b>	<b>\$ 5,012,040</b>	<b>\$ 5,251,692</b>	
<b>Total DMC GSIA</b>	<b>\$ 24,785,500</b>	<b>\$ 22,285,500</b>	
<b>Total DMC County Transit Aid</b>	<b>\$ 8,608,226</b>	<b>\$ 17,230,059</b>	
<b>Total DMC State Transit Aid</b>	<b>\$ 2,456,003</b>		
<b>*Examples: Specialized housing, HealthTech Ecosystem, Destination demand-drivers</b>			





# TIMELINE

- **May 22, 2025:** DMCC board direction
- **May-August 2025:** Workplan and budget prep
- **September 25, 2025:** DMCC board consideration
- **October 6, 2025:** Rochester City Council consideration



# SHARED LAB UPDATE

September 2025



**DMC**

Destination Medical Center  
Rochester, MN

# CURRENT STATUS

## 1. Development Agreement

- City of Rochester and Mortenson
- \$8M to underwrite the construction of the shared lab infrastructure
- Working on final adjustments to language around performance, remedy, and cost allocation

## 2. Lease Agreement

- Mortenson and BioLabs-Rochester
- Initial three-year lease on 16,000 sf of shared lab
- Final stages, terms largely agreed to, working on documents

## 3. Operating Agreement

- Mayo Clinic and BioLabs-Rochester
- Informs a variety of criteria on how the lab will operate day-to-day
- Most major issues have been resolved



## NEXT STEPS

- **September 25:** DMCC Board meeting
- **October 6:** Rochester City Council meeting for DAA approval
- **Mid-October:** Joint signing ceremony with state and local leaders (date/location TBD)
- **November 21:** European launch event with BioLabs Charité, Mayo Clinic, and Governor Walz
- **November 2025:** Final design and construction commences
- **Fall 2026:** Substantial construction completion
- **Late 2026:** Opening of BioLabs-Rochester





# DMC Historic District Infrastructure Investment Requests

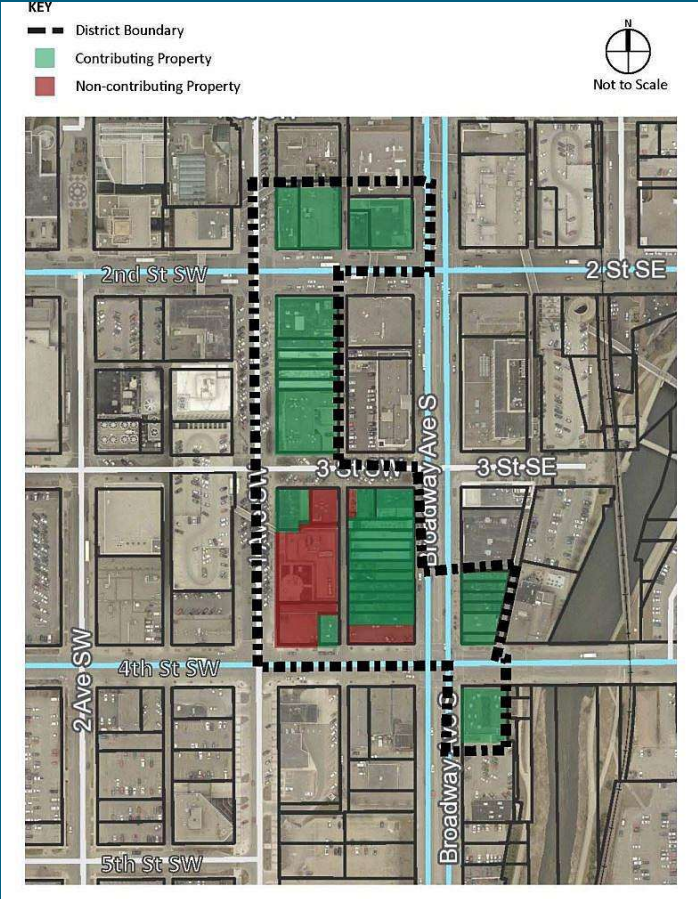
September 2025



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Rochester, MN

# Rochester Historic District



## — Funding Applications

Address	Commonly Known As	Project Description	Category of Investment	Total Project Cost	Recommended DMC Funding
319 Broadway Ave S	N/A	Mechanical replacement	Building Safety & Preservation	\$28,000	\$14,000
317 Broadway Ave S	Bach Music (Old Art Heads)	Facade improvement and mechanical replacement	Building Safety & Preservation + Building System Upgrades	\$247,522	\$123,761
TOTAL				\$275,522	\$137,761

# LINK BRT Proposed Contingency Criteria



DMC

Destination Medical Center  
Rochester, MN

# Requested Action



Request DMCC board approval of Contingency use guidelines for Link BRT



# Project by the Numbers



2.8-mile route with 7 stations.



Weekday service every 5 minutes from 6 – 9 a.m. and 3 – 6 p.m.



Service every 10 minutes other times, including weekends.



Travel time of less than 20 minutes from West Transit Village to Downtown Waterfront Southeast station.



Anticipated opening day ridership (2026): 11,000.



Weekday service: 5 a.m. – 12 a.m.



Weekend service: 8 a.m. – 12 a.m.



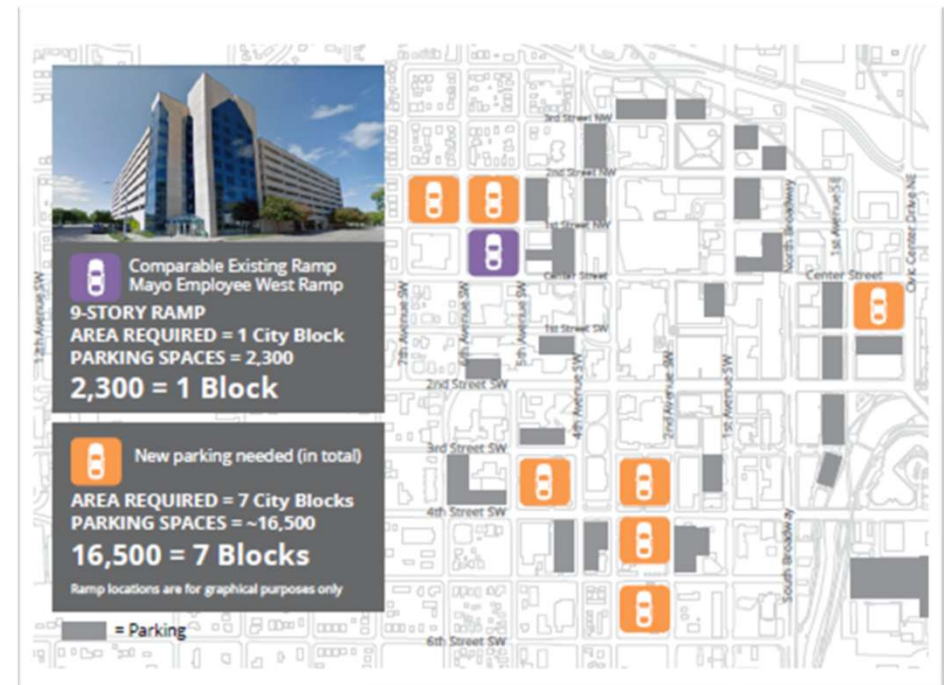
Operations and maintenance: \$5.42 million annually.



# 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

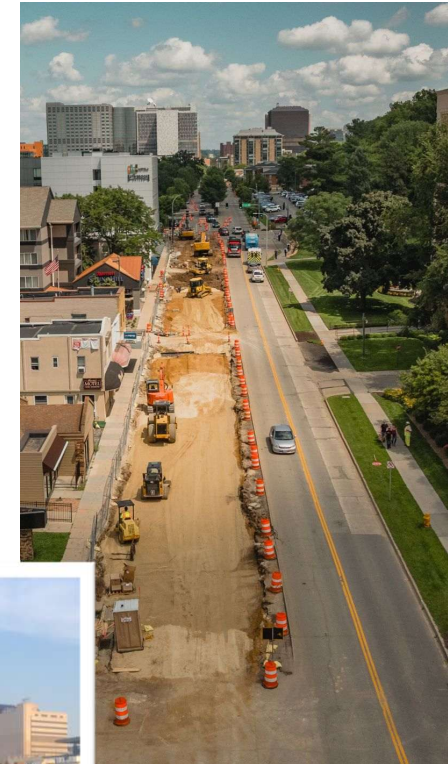


# Project Budget



Total Project Estimate           \$173,981,836

Budgeted Contingency           \$ 22,752,072



# Contingency Criteria - Proposed



## Criteria 1 – Emergency or Unforeseen

Project elements that are deemed **an emergency or unforeseen condition**. City staff will be authorized to approve change orders following the previously adopted construction change order approval policy.

## Criteria 2 - Necessary

Project elements that are deemed **necessary for the project to continue**. Not to exceed limit of \$350,000 per occurrence.

## Criteria 3 – Business Forward

Serve to mitigate the impacts of construction through implementing "**Business Forward**" strategies. Aggregate total not to exceed \$300,000.



# **DMC Corporation Board of Directors Meeting**

**Thursday, September 25, 2025**

**9:30 A.M.**

