



# **City-County-DMC 2025 Collaborative Session**

**Thursday, May 22, 2025**





DMC  
Destination  
Medical Center

# 10-YEAR LOOK BACK

Preliminary Findings  
May 2025

# Our Project Team



Rebecca DeJoseph  
Econsult Solutions  
*Project Role:*  
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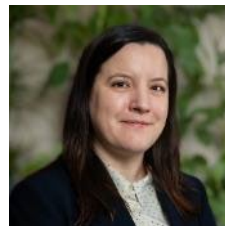
Rebecca DeJoseph is an expert in economics who applies critical economic thinking and analysis to complex projects in economic development, labor economics, and real estate. She has experience in a wide range of disciplines that she can apply to a variety of project types. Ms. DeJoseph is also an Assistant Professor of Economics and Statistics at the Community College of Philadelphia.



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*Project Role:*  
*Analysis Support*



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# Methodology & Timeframe

## METHODOLOGY

- Collect data from DMC EDA and partners
- Collect data from public sources such as Census Bureau, Costar, Lightcast, and others
- Analyze data and generate summary statistics by property type
- Model economic impacts using IMPLAN
- Produce report and present findings

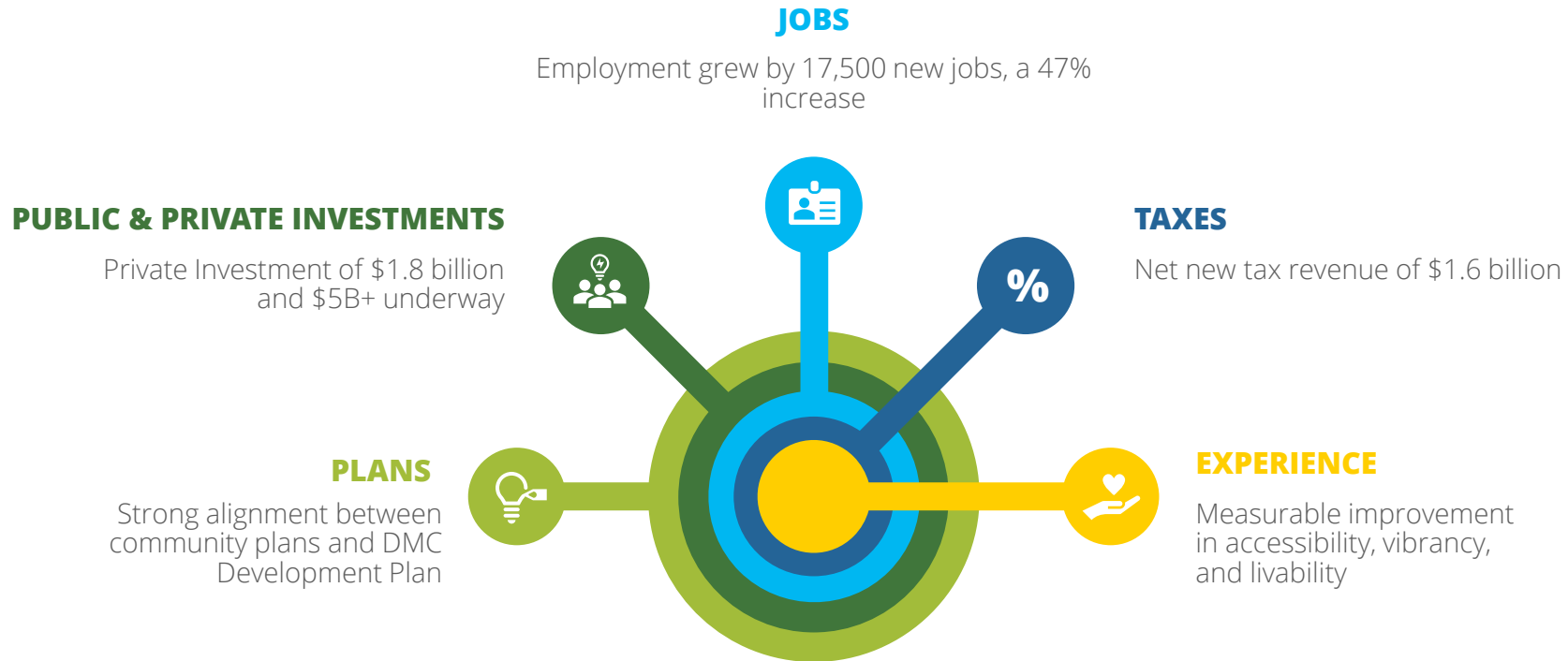
## TIMEFRAME

- Kickoff on January 29<sup>th</sup>
- Mid-project draft March 13<sup>th</sup>
- Draft findings May 22<sup>nd</sup>
- Executive summary June 2025

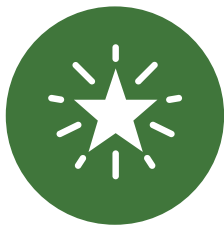


# FINDINGS OF THIS ANALYSIS

The analysis measured progress towards the DMC Initiative's five major goals: 2015 - 2024



**01**



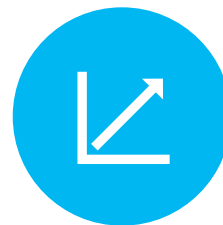
**Above Expected**

**02**



**On Target**

**03**



**Opportunities**

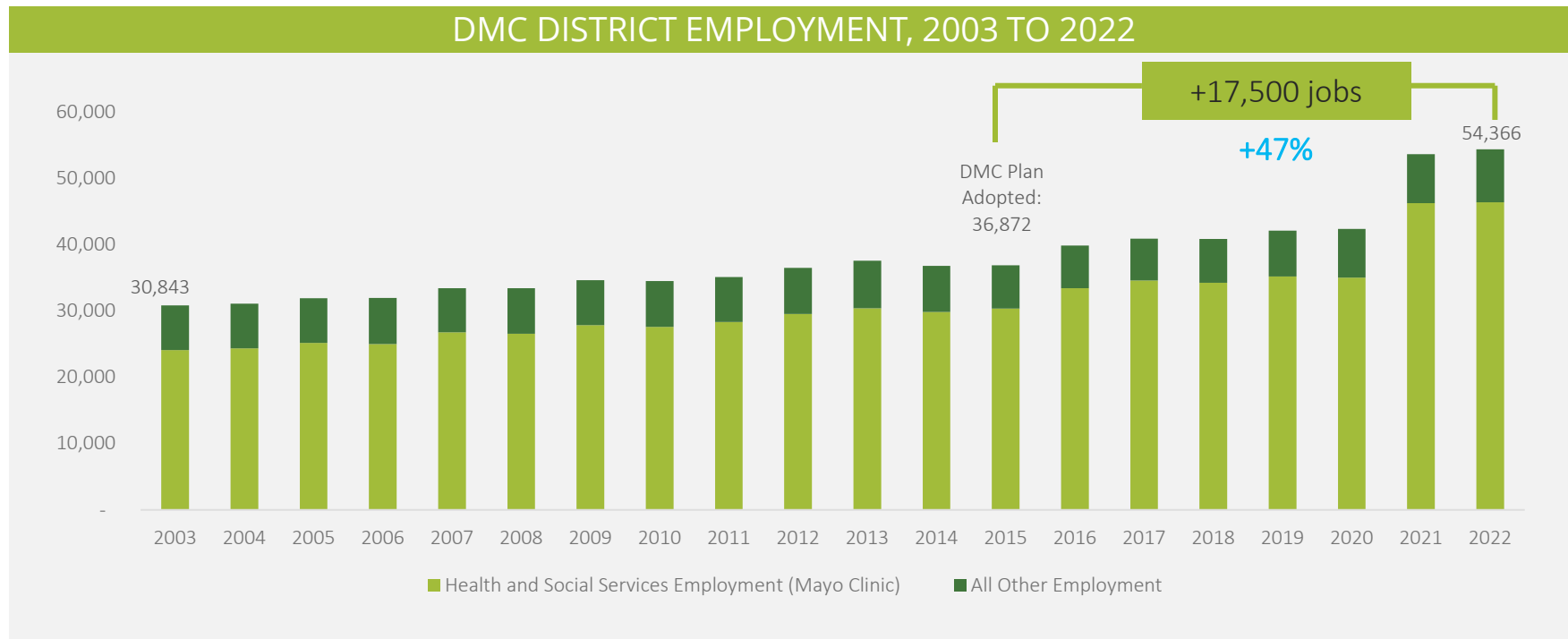


# **JOBS**

Employment Growth and  
Diversification

# JOB GROWTH

Since 2015, the DMC District added 17,500 new jobs. This is 50% of the 2035 goal.

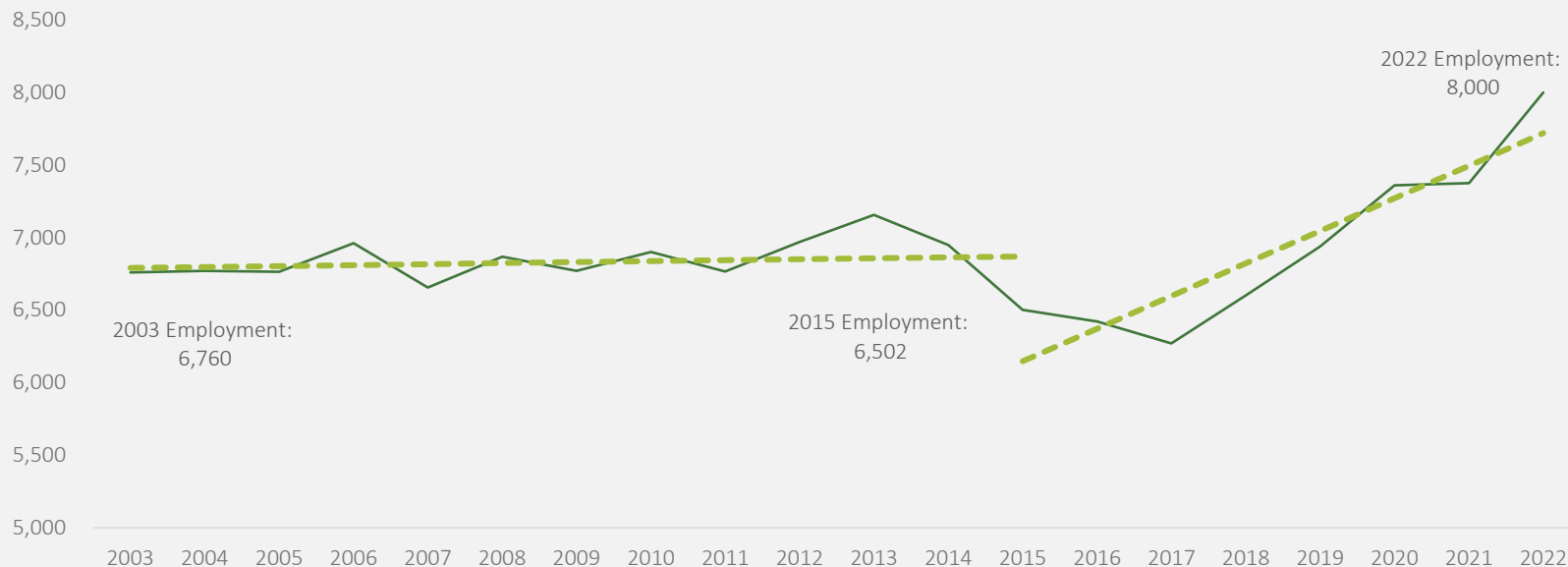




# NON-HEALTHCARE JOB GROWTH

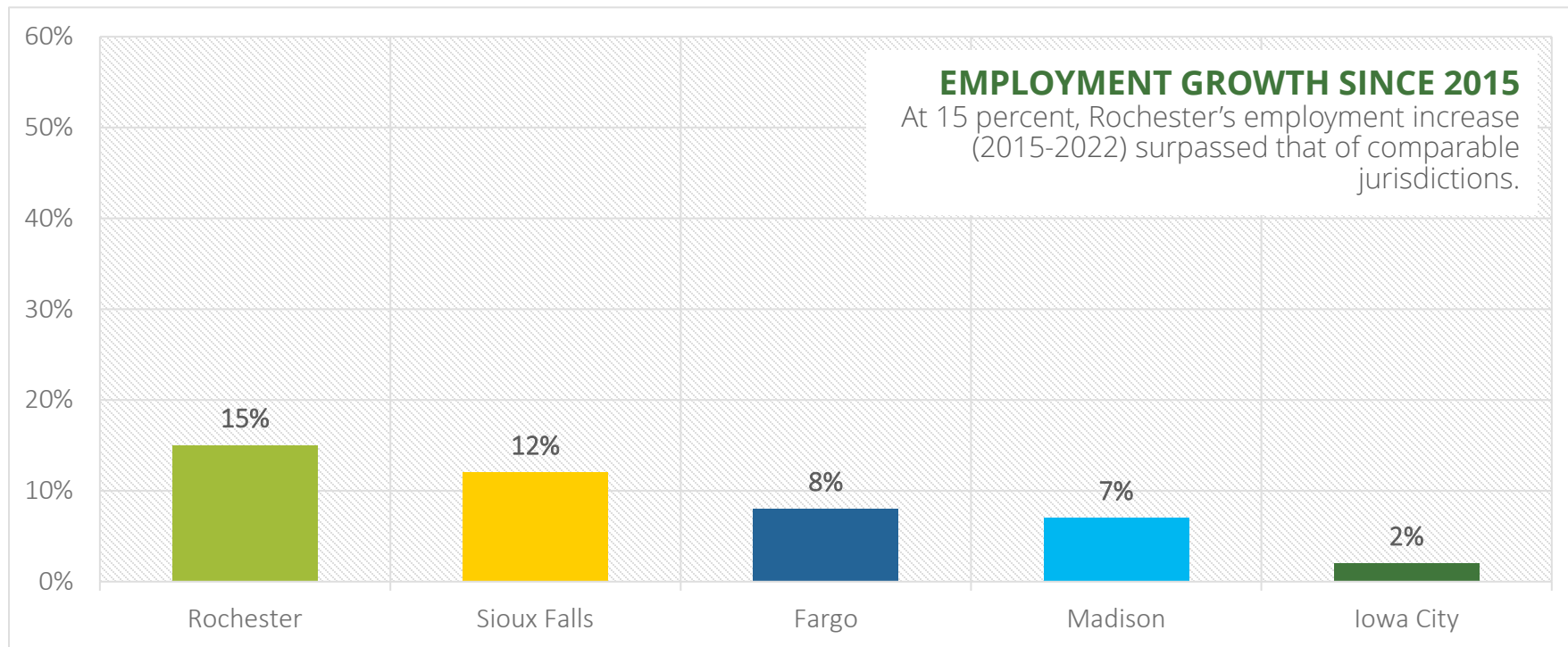
Non-healthcare classified jobs grew since 2017

## DMC DISTRICT NON-HEALTHCARE EMPLOYMENT, 2003 TO 2022



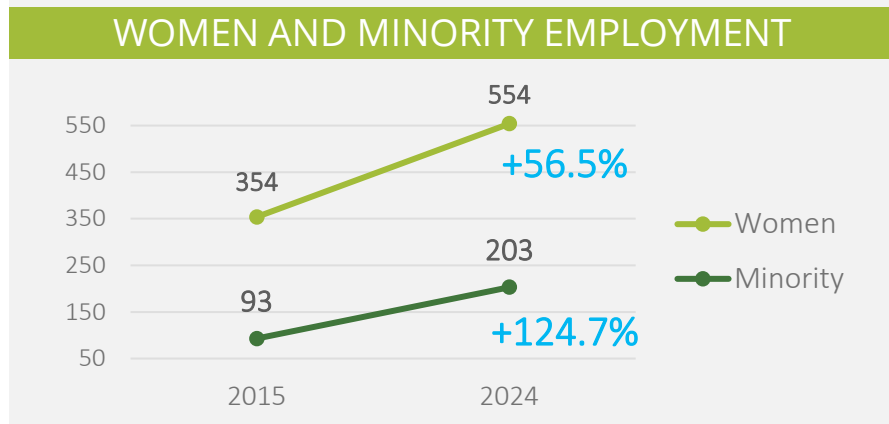
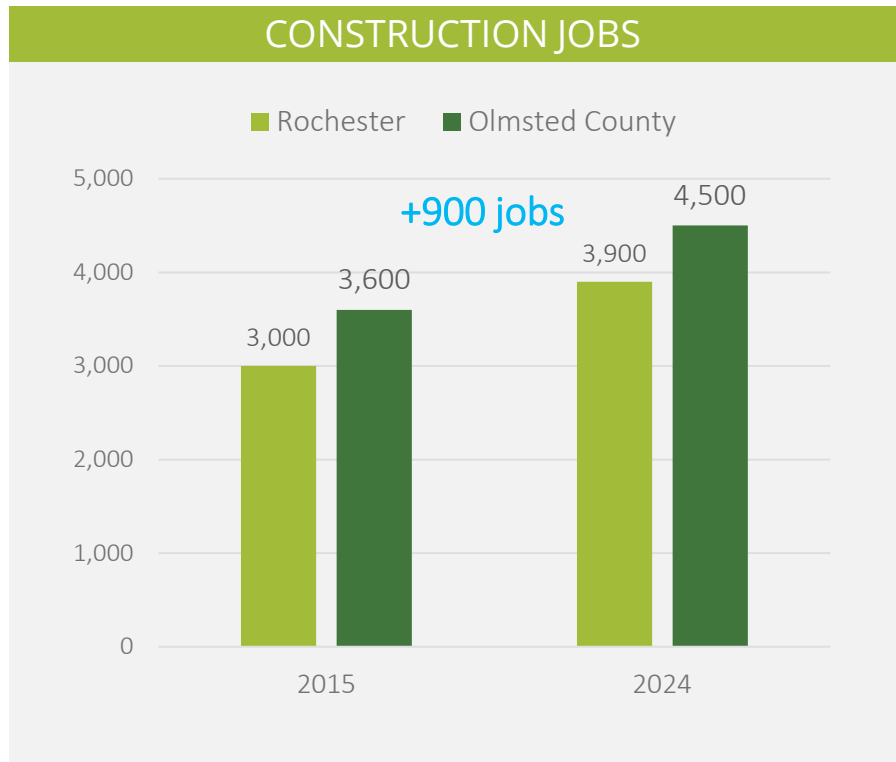
# EMPLOYMENT GROWTH

Rochester outpaced employment growth of peer cities.



# CONSTRUCTION JOBS

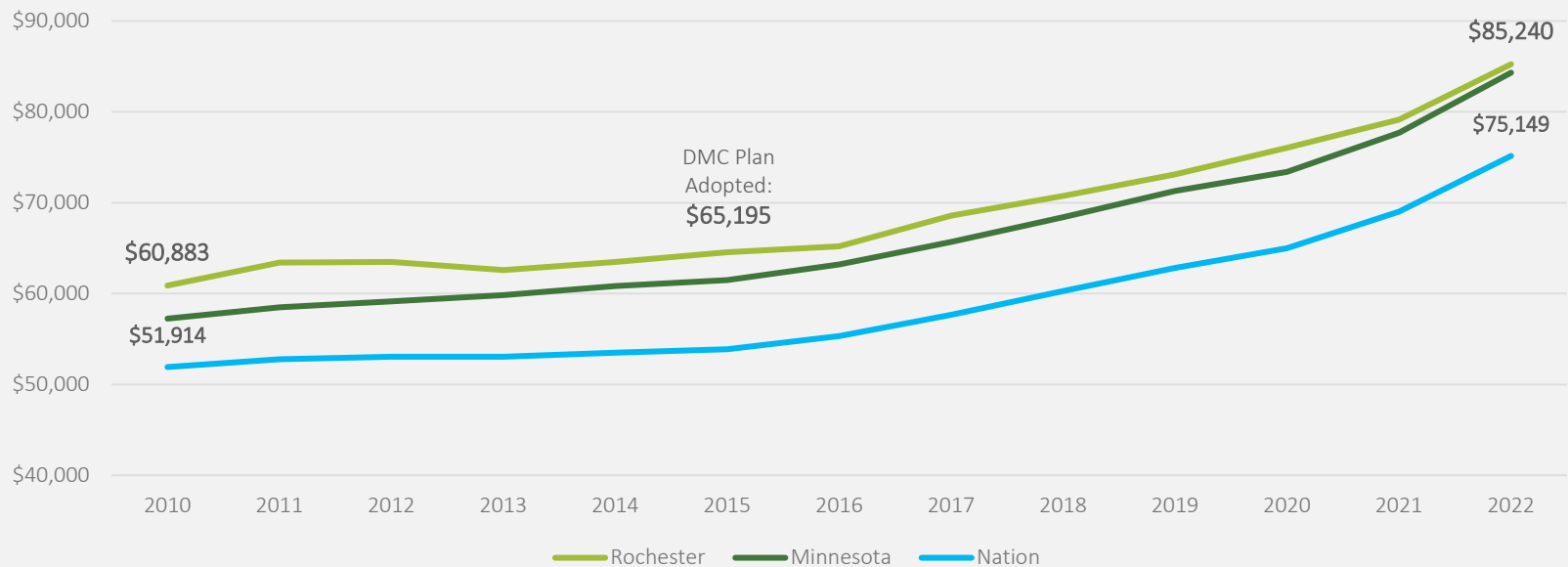
Rochester's construction jobs increase 30 percent since 2015.



# HOUSEHOLD INCOME GROWTH

Median household income grew at an annual average rate of 2.9% each year

## ROCHESTER CITY MEDIAN HOUSEHOLD INCOME, 2010 TO 2022



Source: U.S. Census American Community Survey (2010-2022)



# UNIQUE TOOLS DEVELOPED



# 10-YEAR PROGRESS: JOBS

01



## Above Expected

Comparative Job  
Growth to Minnesota  
and Peer Cities

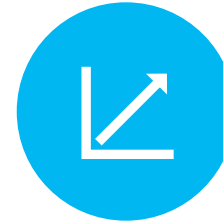
02



## On Target

Overall DMC Job  
Growth

03



## Opportunities

Employer diversification  
leveraging Rochester's  
natural strengths



# PRIVATE & PUBLIC INVESTMENT

Development and physical  
infrastructure





## Private Investment is Driving the District Forward

At the midpoint of the 20-year plan, the District has made considerable progress towards its overall \$5 billion target, and, in the process, has further stimulated the wider economy.

**\$1.8B**

36% of the goal as of 2024

Current Future Estimate: \$5B+  
exceeding the original 20-year  
goal by 2030

**\$1.8B** Invested

This direct spending has  
triggered an estimated  
**\$235 million** in annual  
economic impact to the  
City of Rochester.

2015

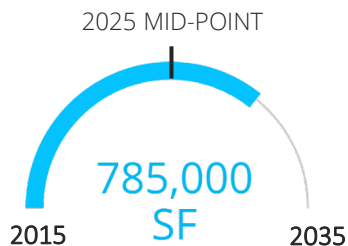
2025

2035

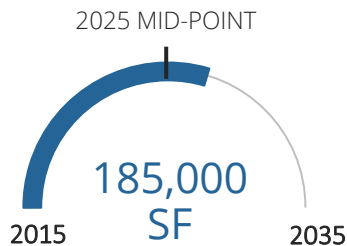


# BY THE NUMBERS

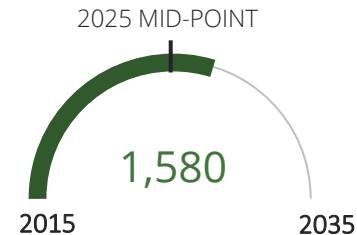
Realized Private Investment Totals as a Share of the District's 20-year Targets



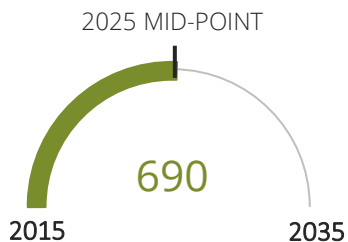
**Research**



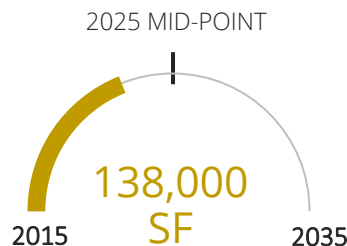
**Office**



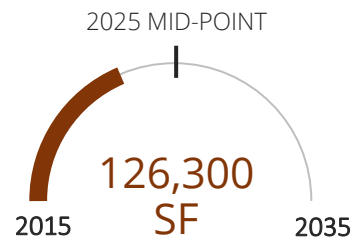
**Residential Units**



**Hotel Keys**



**Education**



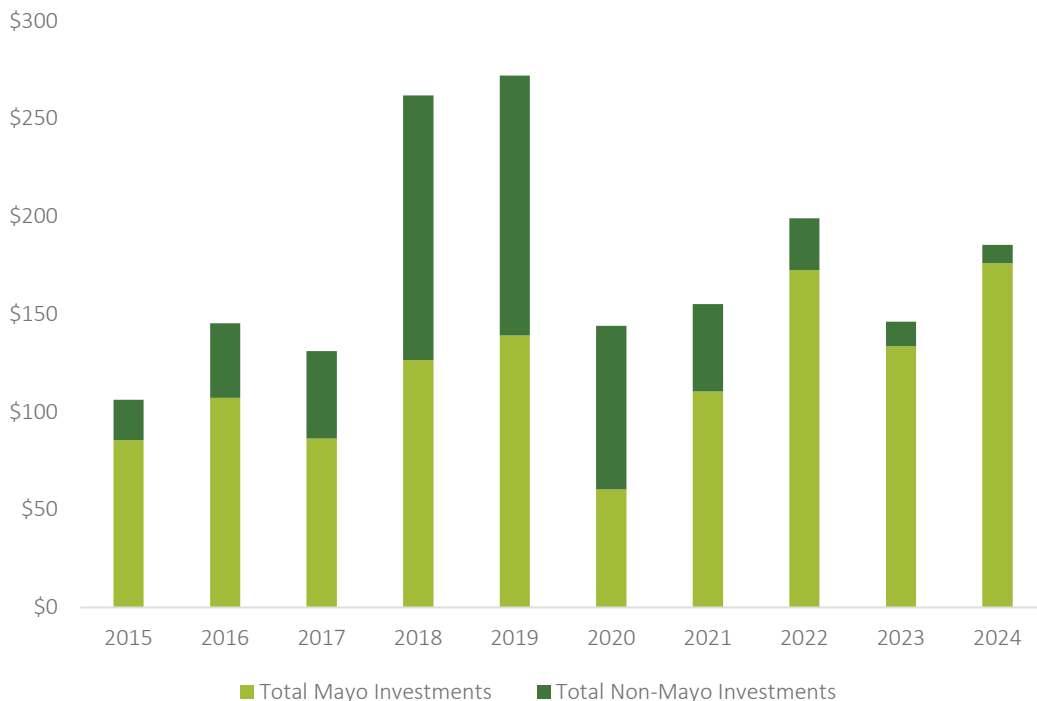
**Retail**

# BY THE NUMBERS

Almost \$549 million in non-Mayo investments certified from 2015 to 2024

These investments are in addition to Mayo's certified investments in the DMC District.

Includes new construction, demolition, and alterations to residential and commercial buildings.



Source: DMC EDA (2025)

# 10-YEAR PROGRESS: PRIVATE INVESTMENT

01



## Above Expected

Research and residential development above target

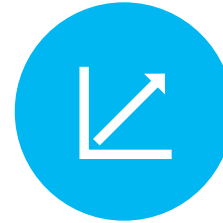
02



## On Target

Capital investment pace

03



## Opportunities

Reconsider office and retail strategies in a post-COVID environment

Amplify unique identity as America's City for Health

# A ROBUST FUNDING MODEL

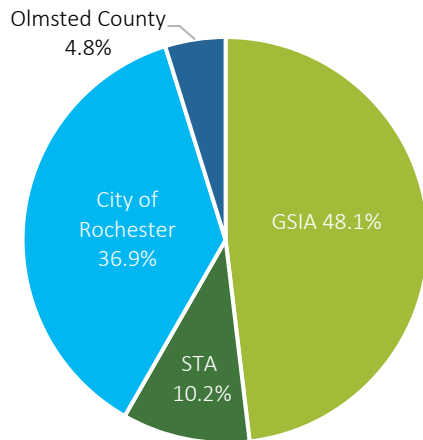
*Committed Public Dollars Kickstart Foundational Projects and Sustain Long term Development*

As it works to realize its goals, the District draws from a host of state and local public funding sources. These critical dollars have been applied to key projects in a balanced manner. Since 2015, the District has invested over 47 percent of the \$585 million public investment committed to the Plan.

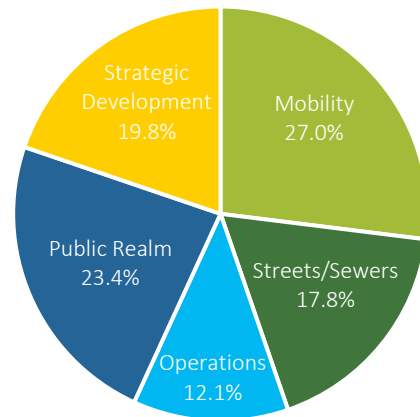
**\$277M**

DMC funds  
invested

## SOURCES



## USES



Source: DMC EDA (2025)



# UNIQUE TOOLS DEVELOPED



Main Street Grant



Increasing Funding  
from State, FTA



Historic District

# 10-YEAR PROGRESS: PUBLIC INVESTMENT

01



## Above Expected

Leveraged additional non-DMC funds to maximize impact

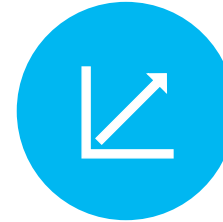
02



## On Target

Three of six public realm projects complete  
Link BRT project underway  
Multiple sanitary sewer upgrades

03



## Opportunities

Leverage remaining funds to prioritize catalytic impacts  
  
Refine priorities to enable both near-term progress and generational infrastructure



# TAXES

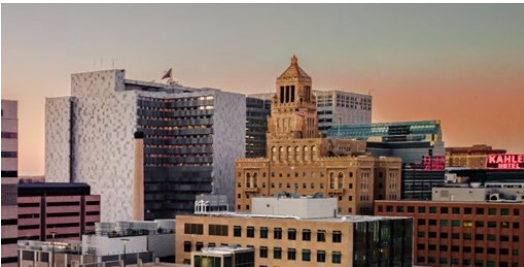
Fiscal Impact and Public  
Revenue Growth

# Increased Activity Generates Net New Tax Revenue

Public revenue growth over the past decade reflects the increased spending and earnings driven by development and expansion within the District.



**\$1.6B**  
Net New Tax  
Generated



21%

Over the next 25 years, the District will continue its pursuit of **\$7.5B+** in net new tax revenue.

2015

2050

# Diversified Revenue Generating Sources

Sustained growth within the District drives the state and local tax bases higher

## Business: \$244M

Business growth within the District added new taxable business income



## Personal Income: \$756M

Employment growth within the District is the leading source of net new revenue



## Sales & Use: \$374M

Taken together, taxes on everyday purchases collected at the city, county and state are the second leading source of revenue



## Capital Investment: \$76M

Private developers are also a growing component of the District's tax-generating base



## Property: \$136M

Combined, the District's landowners and Mayo's non-exempt holdings have contributed a large sum of new revenue



## Lodging: \$11M

On average, the hospitality industry has brought in over \$1 million in net new tax revenue per year



# 10-YEAR PROGRESS: TAXES

01



## Above Expected

Personal income tax  
impact generated by  
new employment

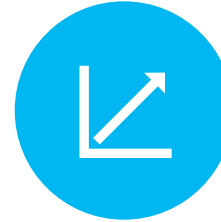
02



## On Target

Total tax revenue  
generation expanded  
at expected rate

03



## Opportunities

Continue and embellish  
job and business growth  
strategies





# EXPERIENCE

Enhancing Livability,  
Accessibility, and Vibrancy

# FIVE CORE USER GROUPS

All five groups guide public realm and infrastructure planning.



Employees

Healthcare workers, researchers, and service providers whose work environment shapes retention and satisfaction



Residents

Local community members whose daily quality of life depends on housing, mobility, and public spaces



Patients

Seeking comfort, accessibility, and support during their medical journey



Companions

Family and caregivers who require amenities, hospitality, and ease of movement

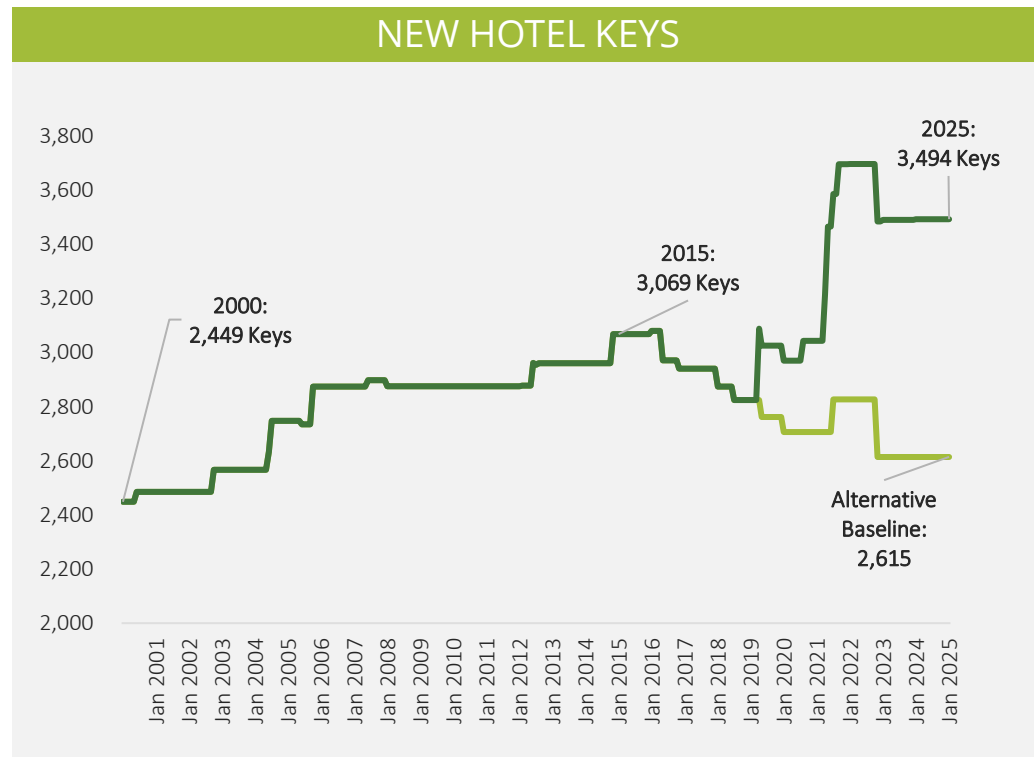


Visitors

Tourists, business travelers, and short-term guests who help sustain economic vitality through their spending and engagement

# PLACES TO STAY

The DMC District added new hotel options for different travelers and price points.

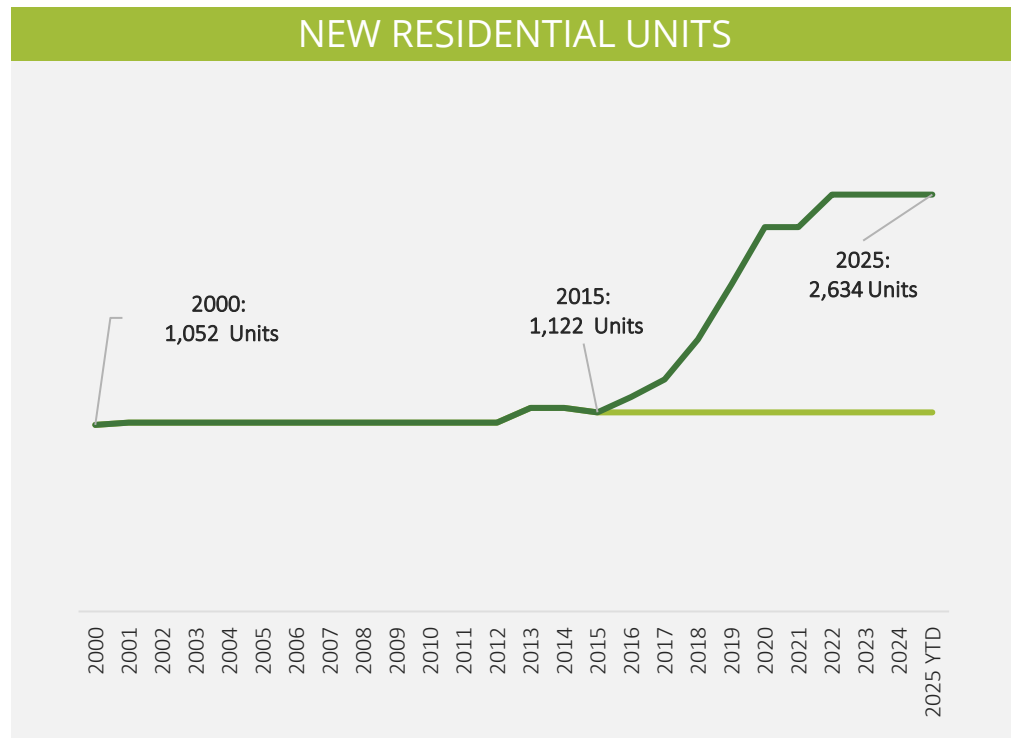


The DMC District has expanded Rochester's hospitality sector.

- Major developments include luxury accommodations like the Hilton and extended-stay properties such as Hyatt House and TownePlace Suites.
- Occupancy rates have rebounded to near pre-pandemic levels
- Newly constructed hotels are outperforming older properties with 1.3% higher occupancy rates and generating \$12 more in revenue per available room.

# PLACES TO LIVE

Downtown added new housing options with different unit types and price points.



The downtown has added approximately 1,580 new residential units including 229 student housing units, representing 55% of the 2035 goal of 2,850 units.

- Since DMC implementation, residential inventory has more than doubled to 2,634 units by 2025.
- Number of multi-family buildings increased from 27 to 38.
- Affordability: despite average housing costs rising from \$1,095 in 2015 to \$1,316 in 2024, the housing cost burden decreased from 16.4% to 12.8% of income due to wage growth outpacing housing costs.

# THINGS TO DO



## CHATEAU THEATRE

The renovation and reopening of the historic Chateau Theatre stands as a centerpiece achievement, hosting programming on 242 days annually and welcoming 36,450 visitors (57% attending free public events).



## PROGRAMMING

Continued success of events such as Thursdays Downtown and the Down by the Riverside summer concert series, along with new events and an expanding slate of culturally diverse events, which bring new energy downtown.



## ART

The district features over 70 pieces of public art that enhance the pedestrian experience.

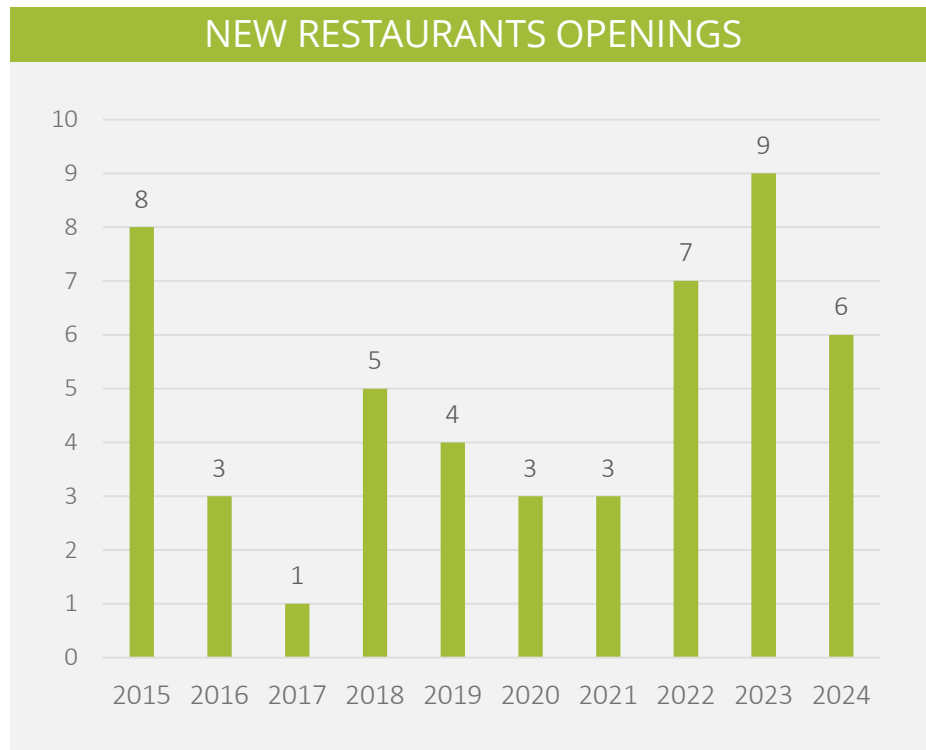


## ANCHOR VENUES

The Mayo Civic Center, Rochester Civic Theatre, Rochester Art Center and Rochester Public Library continue to host a mix of local events and touring performances, completing a rich ecosystem of activities transforming the downtown experience.

# PLACES TO EAT

DMC District added new options to its dining landscape.



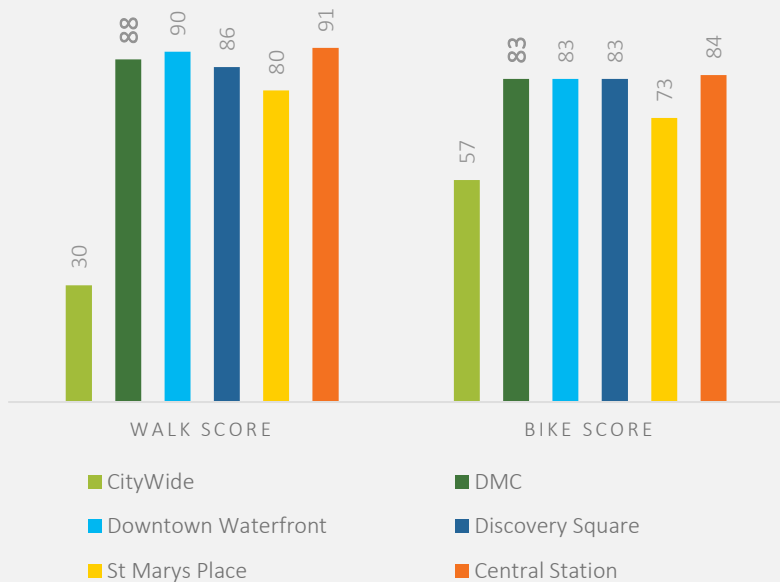
Since the implementation of the DMC plan in 2015, DMC District has seen a notable transformation in its dining landscape.

- 49 new restaurants opening, including expansions from Twin Cities establishments like Crave and Red Cow.
- This growth has been partially offset by 25 restaurant closures between 2020 and 2024.
- Increase in dining experience quality, evidenced by OpenTable data showing an increase from just 2 listed restaurants in 2012 to 15 establishments in 2025, with ratings improving from 4.3 to 4.7 and review volume growing from 144 to over 10,000 reviews.

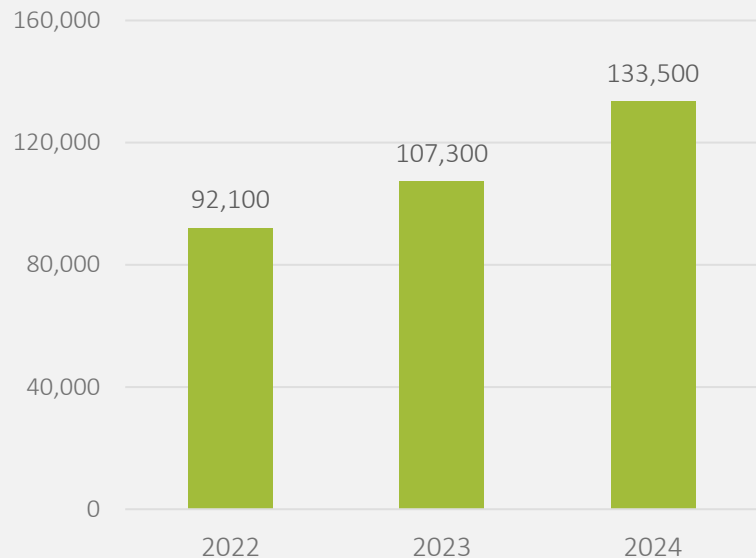
# GETTING AROUND

The DMC has strong walkability scores, which enhances the experience.

## WALK AND BIKE SCORE



## E-SCOOTER AND E-BIKE TRIPS



# LIVABILITY

Rochester ranks 4<sup>th</sup> in the AARP Livability Index, matched with St. Paul and Minneapolis.

Rank	Community	Livability Score	Crime Rate (per 10,000 people)
#1	Arlington, VA	67	180.2
#2	Cambridge, MA	66	136.7
#3	Madison, WI	66	235.4
#4	Rochester, MN	64	201.5
#5	St. Paul, MN	64	353.7
#6	Salt Lake City, UT	64	526.9
#7	Minneapolis, MN	64	335.8
#8	Alexandria, VA	64	207.0
#9	Lincoln, NE	64	336.9
#10	Boulder, CO	63	260.8

## POSITIVE DIFFERENTIAL CATEGORIES

Compared to the U.S. median, Rochester showed the largest positive differentials in the areas of health, engagement, safety, and neighborhood.

- In the *housing* category, Rochester benefits from lower monthly housing costs and a smaller housing cost burden as a percentage of household income.
- In the *health* category, Rochester stands out with no designated healthcare professional shortage areas and a patient satisfaction rate of **83 percent**, well above the national average of **69 percent**.
- In the *public safety* category, Rochester has the 3<sup>rd</sup> lowest crime rates among other livable cities.
- Finally, in the *opportunity* category, Rochester excels in workforce and educational indicators, including a high school graduation rate of 90.6 percent.



# PUBLIC SPACE

Public realm projects increased use of public spaces.



*Peace Plaza*

The Plaza is a central hub for community gatherings, daily activation, and cultural experiences.



*Discovery Walk*

Discovery Walk serves as both a pedestrian connection and a recreational space, improving access to and from Soldiers Field.



*Soldiers Field Park*

After a \$22 million renovation, Soldiers Field Memorial Park is the key recreational destination.

# 10-YEAR PROGRESS: EXPERIENCE

01



## Above Expected

Walkability and mobility  
enhancements

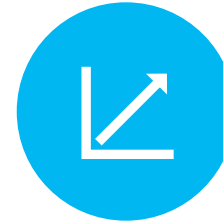
02



## On Target

Public realm  
improvements

03



## Opportunities

Bringing more visibility to  
connected retail, dining  
and entertainment

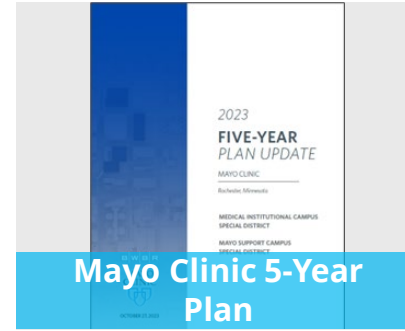


# STRATEGIC PLANS

The DMC Vision, Planning and  
Partnerships

# Plans Review

The DMC's original plan is complemented with numerous plans and studies.





# UNIQUE TOOLS DEVELOPED



Community  
Co-Design



Business Forward



Prototyping



Housing Coalition

# 10-YEAR PROGRESS

01



## Above Expected

Thoughtful plan integration across Mayo Clinic, UMR, and city initiatives

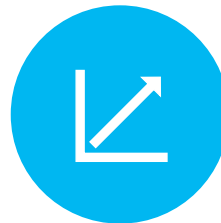
02



## On Target

Comprehensive planning frameworks established, and investments made in the DMC District that have spillover impacts to the city, county, and state

03



## Opportunities

Frameworks and investments that lean into Rochester's authentic brand as "America's City for Health"

# A 10-YEAR LOOKBACK

Summary of highlights and opportunities for each DMC goal.

## **JOBS**



Comparative Job Growth to Minnesota and Peer Cities



Employer diversification leveraging Rochester's natural strengths

## **PRIVATE INVESTMENT**



Research and residential development above target



Reconsider office and retail strategies in a post-COVID environment  
Amplify unique identity as America's City for Health

## **TAXES**



Personal income tax impact generated by new employment



Continue and embellish job and business growth strategies

## **EXPERIENCE**



Walkability and mobility enhancements



Bringing more visibility to connected retail, dining and entertainment

## **PLANS**



Thoughtful plan integration across Mayo Clinic, UMR, and city initiatives



Frameworks and investments that lean into Rochester's authentic brand as "America's City for Health"



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