DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 196-2026

A RESOLUTION REVOKING APPROVAL OF THE SAINT MARYS PLACE SUBDISTRICT PUBLIC REALM PLAN, REALLOCATING FUNDS, AND AMENDING THE 2026-2027 FIVE YEAR CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR NEAR TERM IMPROVEMENTS AND TECHNICAL ANALYSIS

The following Resolution was offered by Kristin Beckmann, seconded by Paul Williams.

BACKGROUND RECITALS

A. The Development Plan was adopted by the Destination Medical Center Corporation ("**DMCC**") on April 23, 2015, as amended (the "**Development Plan**"), and includes the "Heart of the City" as a subdistrict.

B. In 2021, construction was substantially completed on Peace Plaza and First Avenue Southwest. This public realm project entailed renovating the eastern elements of the plaza and surrounding areas, including universal design elements, sustainability features, integrated art and improved infrastructure, and a catenary lighting system.

C. Pursuant to Resolution No. 141-2023, on September 28, 2023, the DMCC adopted the 2024 Five Year Capital Improvement Plan (the "**2024 CIP**").

D. The 2024 CIP included an approval of $500,000.00 in funding for the implementation of a Saint Marys Place subdistrict public realm plan (the "**Saint Marys Project**").

E. The Saint Marys Project will not proceed to implementation, and the DMCC hereby determines that it is in the best interests of the DMCC to de-authorize the Saint Marys Project and rescind the prior approval thereof.

F. The DMCC desires to reallocate $334,000.00 of the $500,000.00 originally approved for the Saint Marys Project in the 2024 CIP to the 2026-2027 CIP to fund other capital projects.

G. Pursuant to Resolution No. 164-2025, the DMCC approved the request from the DMC EDA to increase the 2025 CIP in the amount of $175,000 to fund increasing the amount of smooth pavers in East Peace Plaza and provide additional technical analysis of the Heart of the City area.

H. The DMCC adopted the 2026-2027 Five Year Capital Improvement Plan (the "**2026-2027 CIP**") on September 25, 2025 per Resolution No. 178-2025.

I. Since completion of the construction of Peace Plaza, and the additional authorization pursuant to Resolution No. 164-2025, the Destination Medical Center Economic Development Agency ("**EDA**") has continued to review the design of certain components of Peace Plaza and has given consideration to improvements that would create a more equitable experience within the plaza, as further detailed in the attached **Exhibit A**, not included within the 2026-2027 CIP (the "**Capital Project**").

J. The EDA requests that the DMCC amend the 2026-2027 CIP to incorporate the reallocation of $500,000.00 from the 2024 CIP, to add the Capital Project to the 2026-2027 CIP, and to allocate $334,000.00 of the $500,000.00 to the Capital Project.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the prior approval of the Saint Marys Project as set forth in the 2024 CIP and Resolution No. 141-2023 is hereby de-authorized and rescinded, and the $500,000.00 originally approved for the Saint Marys Project is hereby reallocated from the 2024 CIP to the 2026-2027 CIP to fund other capital projects as approved by the DMCC.

BE IT FURTHER RESOLVED, that the DMCC approves an amendment to the 2026-2027 CIP to incorporate the addition of the Capital Project and to allocate $334,000.00 from the $500,000.00 originally approved for the Saint Marys Project under the 2024 CIP to the Capital Project, and that the DMCC hereby approves the Capital Project as a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, Subdivision 11, and consistent with the Development Plan; provided that:

1. The scope of approval for the Capital Project is set forth in the attached **Exhibit A**;

2. Any material deviation from the scope of approval for the Capital Project will be subject to subsequent approval by the DMCC, which approval shall be based upon final determination and review of scope, costs, and availability of funds; and

3. The EDA and City are directed to provide the DMCC Board of Directors with regular updates with respect to the scope and costs of the Capital Project.

BE IT FURTHER RESOLVED, that the Chair and Treasurer are hereby authorized and directed to transmit this Resolution to the City and to take such actions as are necessary or convenient to effectuate this amendment to the 2026-2027 CIP.

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The question was on the adoption of the Resolution and there were __5__ YEAS and __2__ NAYS, as follows:

BOARD OF DIRECTORS
Destination Medical Center Corporation

	YEA	NAY	OTHER
Douglas M. Baker, Jr.	X		
Kristin Beckmann	X		
Kim Norton	X		
Randy Schubring	X		
Mark Thein		X	
Pamela Wheelock	X		
Paul D. Williams		X	

RESOLUTION ADOPTED on May 21, 2026.



ATTEST: _____
Pamela Wheelock, Chair
Destination Medical Center Corporation

EXHIBIT A

HEART OF THE CITY

MAY 2026

TO: DMC CORPORATION BOARD OF DIRECTORS
FROM: DMC ECONOMIC DEVELOPMENT AGENCY

Request of the Board

Adopt the recommended amendment of the 2026-2027 DMC Capital Improvement Plan (CIP) to provide up to $334,000 in DMC General State Infrastructure Aid (GSIA) to support near-term improvements to the 1st Avenue SW pedestrian experience along with undertaking additional technical analysis and a subgrade assessment of the Heart of the City project limits. If approved, the funding required for this expenditure would be reallocated from the $500,000 funding previously allocated to Saint Marys Place public realm planning and implementation.

In February 2025 the DMCC Board of Directors approved $175,000 in funding to support increasing the amount of smooth pavers in East Peace Plaza and additional technical analysis of the Heart of the City area.

This funding request addresses recommended next steps based on results of the now complete engineering design and construction work. If approved, DMC funding will be used to execute two simultaneous streams of work:

- Improve the subsurface foundations and reset the pavers immediately adjacent to 64 tree wells along 1st Avenue between W. Center Street and 2nd Street SW. This proposed work will include excavating the tree wells, pouring concrete to raise the height of the tree well walls and installing a horizontal steel plate to provide more durable support of the pavers immediately surrounding the tree well. This improved design has been piloted for over a year, and no noticeable settlement has occurred since its installation. This work will be completed as soon as bid documents can be created and competitive bids can be solicited. Construction work is scheduled to commence in mid-summer 2026.

- Conduct subgrade assessments through physical testing measures to identify sources of soil material loss ultimately resulting in further paver settlement. Testing and engineering measures will be used to inspect for offset pipe joints that may be contributing to continued paver settlement in isolated spots and to look for leaks in the Heart of the City hydronic snow melt system that is allowing glycol to escape from the snowmelt piping network. Release of snowmelt system liquids can saturate subsoils and become the cause of isolated paver settlement. This proposed work is expected to be completed during late summer 2026 and would inform any future capital improvements considered by the DMCC and Rochester City Council.

Approved Project or Program Baseline

The Heart of the City initiative represents a key component of the DMC public realm development program, focused on transforming Peace Plaza and the 1st Avenue corridor into a welcoming civic and commercial space. Originally identified in the 2015 DMC Development Plan and approved by the DMCC Board that year as a priority capital project, the City of Rochester was designated as the implementing entity. Funding commitments were incorporated into the 2016 and 2017 City Capital Improvement Plans, enabling design development and early preconstruction work. Construction began in 2019 after final design approval and funding authorization from the DMCC Board, with substantial completion achieved in 2021.

The project included full reconstruction of East Peace Plaza, 1st Avenue streetscape enhancements, public art installations, upgraded utilities, and improved stormwater management. Following three years of heavy year-round use, a proactive maintenance assessment identified localized paver settling and joint deterioration in East Peace Plaza. To maintain long-term accessibility and durability, the DMC EDA and City recommended, and the DMCC Board approved, a $175,000 project budget amendment to support targeted paver resetting and surface smoothing treatment work in 2025.

During the summer of 2025 East Peace Plaza underwent modifications to enlarge and improve the walking surface experience for those with impaired mobility and create a more welcoming environment for all users of the space. Specifically, some of the pavers with raised letters were removed and flat surfaced pavers were reinstalled along with adding tree grates to the tree wells in East Peace Plaza. City staff worked with artist Anne Hamilton who created the “A Song for Water” artwork on the plaza pavers. In working with Ann, each row of pavers was analyzed before converting pavers with words into smooth surface pavers to ensure the core meaning of the artwork’s poem remained intact. The City conduct community member interviews after smooth surface paver installation.

Through the modifications to the paver surface and adjustments to the tree wells around the water feature, the City has enhanced the plaza’s environment to provide more confidence for those with impaired mobility to utilize the space when it is activated while also widen the ADA pedestrian access route which improves ease of navigating during hosted events hosted in the plaza.

Current Status

City of Rochester staff have continued to evaluate the functionality and pedestrian experience within Heart of the City. The tree well foundations along 1st Avenue have been slowly settling since their initial installation. This has resulted in creating an

undesirable paver surface adjacent to the tree wells that is becoming a slowly growing trip hazard.
In early 2025 one revised tree well design was installed and has been monitored for the past 12 months and has shown no new paver settlement since installation. In addition, for the past several winter seasons the hydronic snow melt system has needed a measurable volume of fluid upon winter start up each fall. It is clear that the system is leaking and city staff are proposing to undertake non-destructive testing to identify the leak location(s) so that a repair can be completed on the system.

Additionally:

- The initial paver resetting and tree well grates portion of the project has been completed.
- The enhanced wayfinding signage and sound system installation portions of the project will be completed during the summer of 2026.
- Update and amend the Peace Plaza Ordinance to create an ADA Pedestrian Access Route that remains an obstruction free walking zone at all times.

Risks to Scope, Budget, Timeline, or Delivery

None at this time.

Upcoming Requests or Decision Points

Decision to fund, or not, any portion of the repairs of any substantial defects discovered through the subgrade assessment work.

DMC Alignment

This project directly supports DMC strategic priority of designing for well-being by imbedding spaces that promote health and wellness in the downtown through the promotion of social interaction and physical activity. East Peace Plaza is a space where the broader Rochester community can gather, dine outdoors, and play. The City and DMC work in partnership with the Rochester Downtown Alliance to activate and program this space to enhance the experience.

Attachments / Exhibits

- None.