



DMC
Destination
Medical Center

Destination Medical Center Corporation
Board of Directors Meeting

Wednesday, December 10, 2025
9:30 A.M.

DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, December 10, 2025
9:30 A.M.

Mayo Civic Center, 30 Civic Center Dr SE, Rochester, MN

To View the Meeting Remotely: <https://www.youtube.com/destinationmedicalcenter>

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1. Discovery Square Ecosystem and Awareness
2. Energy and Sustainability
3. Equitable Economic Development
4. Targeted Business and Workforce Utilization

XV. Meeting Schedule

- A. Next Regular Meeting: February 5, 2026 at 9:30 A.M. at Mayo Civic Center

XVI. Adjournment

DESTINATION MEDICAL CENTER CORPORATION (DMCC)
BOARD OF DIRECTORS MEETING

Thursday, September 25, 2025
Mayo Civic Center, Rochester, Minnesota

MINUTES

- I. **Call to Order.** Chair Pamela Wheelock called the meeting to order at 9:30 a.m.
- II. **Roll Call.** Doug Baker, Jim Campbell, Mayor Kim Norton, Council President Randy Schubring, Commissioner Mark Thein, Pamela Wheelock, and Paul Williams were present. Mr. Baker and Mr. Campbell participated via Zoom due to scheduling conflicts. All votes were taken by roll call.
- III. **Approval of Agenda.** Mr. Williams moved approval of the agenda. Commissioner Thein seconded the motion.

Ayes: 7, Nays: 0. Motion approved.
- IV. **Approval of Minutes.** Council President Schubring moved approval of the minutes of the May 22, 2025 Regular Meeting, the May 22, 2025 Special Meeting (Collaborative Session), and the July 22, 2025 Special Meeting. Mayor Norton seconded the motion.

Ayes: 7, Nays: 0. Motion approved.
- V. **Public Comment.** Michael Wojcik, Executive Director of the Bicycle Alliance of Minnesota, discussed bicycle routes. Nick Mueller, CEO of the Rochester-based Ronald McDonald House, highlighted the need for sidewalks, ADA accessibility, and wayfinding. Robin Solinsky, attendee of the recent “Pitchfest” at Discovery Square, encouraged continuing the event. Inetta Reddell, United Way Board member advocated for “people-first” streets and gathering spaces. Brenda Quaye, local developer, described an 80-unit workforce housing project south of Two Discovery Square. Andy Thilges, Area Director of Sales for North Rock Hospitality spoke in support of neighborhood safety.
- VI. **Chair’s Report.** Chair Wheelock congratulated the DMC EDA on its successful annual meeting and encouraged public engagement with the DMC Development Plan update.
- VII. **Consent Agenda.** Mayor Norton moved approval of the consent agenda. Commissioner Thein seconded the motion.

Ayes: 7, Nays: 0. Motion approved.
- VIII. **DMCC Form 990; Minnesota Charitable Organization Report.** Mr. Williams moved to approve the 2024 IRS Form 990 and the Minnesota Annual Charitable Organization Report, subject to final review and approval by DMCC legal counsel. Mayor Norton seconded the motion.

Ayes: 7, Nays: 0. Motion approved.

- IX. Public Hearing – Modification of DMC Development District.** No members of the public addressed the board during the public hearing. Council President Schubring moved approval of the resolution. Commissioner Thein seconded the motion.

Ayes: 7, Nays: 0. Motion approved.

- X. EDA Board President Comments.** Dr. Clark Otley, DMC EDA Board President, emphasized the importance of the Discovery Square shared lab and reflected on DMC's first ten years of transformation.

- XI. Metrics: DMC Development Plan.** Patrick Seeb, DMC EDA Executive Director, and Catherine Malmberg, DMC EDA Director of Public Infrastructure & Development Strategy previewed a draft framework for the 2025 update to the DMC Development Plan. Chair Wheelock directed staff to make copies of the update available as required by state law.

XII. Action Items.

- A. 2026-2027 DMC Work Plan and Budget.** Mr. Williams moved approval of the resolution. Council President Schubring seconded the motion.

Ayes: 7, Nays: 0. Motion approved.

- B. Discovery Square Infrastructure: Shared Lab.** Council President Schubring moved approval of the resolution. Mayor Norton seconded the motion.

Ayes: 7, Nays: 0. Motion approved.

- C. Downtown Historic District Infrastructure Project Requests.** Commissioner Thein moved approval of the resolution. Mayor Norton seconded the motion.

Ayes: 7, Nays: 0. Motion approved.

- D. LINK BRT Contingency Funding Criteria.** Mr. Williams moved approval of the resolution. Commissioner Thein seconded the motion.

Ayes: 7, Nays: 0. Motion approved.

- VIII. Adjournment.** Commissioner Thein moved to adjourn the meeting. Mayor Norton seconded the motion.

Ayes: 7, Nays: 0. Meeting adjourned.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2025

**COMMENDING JAMES R. CAMPBELL AND EXPRESSING
GRATITUDE AND APPRECIATION FOR HIS SERVICE TO THE
DESTINATION MEDICAL CENTER CORPORATION**

BACKGROUND RECITALS

WHEREAS, the Destination Medical Center Corporation (“**DMCC**”) was established by law in 2013 to exercise oversight, adopt plans, and approve projects as part of an initiative by the State of Minnesota to sustain Mayo Clinic, and the City of Rochester, Minnesota, as the world’s premier destination medical center; and

WHEREAS, James R. Campbell has served as a director of the DMCC since his appointment by Governor Mark Dayton in 2013, providing steadfast leadership and invaluable guidance in shaping the vision and execution of this unprecedented public-private partnership; and

WHEREAS, Mr. Campbell has evidenced a profound commitment to the mission of the DMCC, Mayo Clinic, and other community, non-profit, and educational organizations throughout Minnesota, including the University of Minnesota, Greater Twin Cities United Way, Abbott-Northwestern Hospital, the Itasca Project, the Minneapolis Institute of Art, the Minneapolis Foundation, UnitedHealth Foundation, and the Minnesota Ballpark Authority, among others; and

WHEREAS, in addition to this non-profit and public service experience, Mr. Campbell’s extensive understanding of economic and community development has played a crucial role in steering DMC strategies, ensuring the DMCC fulfills its mission to drive economic growth, enhance Rochester’s global standing as a medical destination, and improve the quality of life for residents and visitors alike; and

WHEREAS, Mr. Campbell has been a steadfast and enthusiastic champion of DMC strategies to promote business development and recruitment, catalyze private investment, redevelop the downtown riverfront, reimagine the community public realm and mobility experience, and encourage widespread economic opportunity; and

WHEREAS, Mr. Campbell’s experience and expertise have contributed to the ongoing success of the DMC initiative, including thousands of new jobs and nearly \$1.8 billion in private investment, and left a lasting impact on the DMC initiative and broader community.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors (the “**Board**”), that it commends James R. Campbell for his service to DMCC and the residents of and visitors to the city of Rochester, Olmsted County, the state of Minnesota, and Mayo Clinic.

BE IT FURTHER RESOLVED, that the Board expresses its gratitude and appreciation for his invaluable service to this transformative effort to sustain Rochester, Minnesota as America’s City for Health.

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December 3, 2025

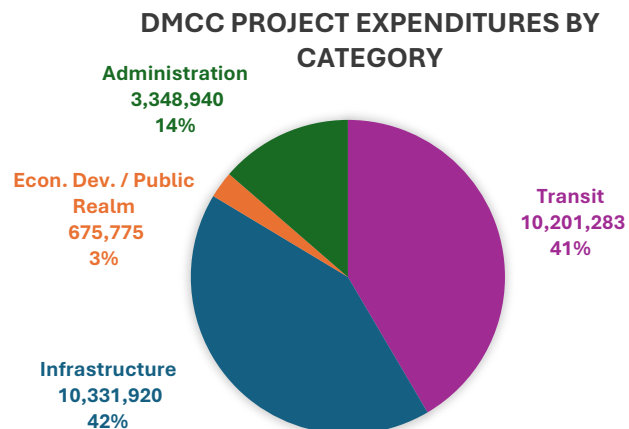
Re: December 2025 DMCC Budget Summary

Dear Mr. Mark Thein, DMC Treasurer,

The attached Financial Budget Summary through October 2025 reflects the DMCC operating expenditures totaling \$3,380,351 of its \$4,608,643 budget for 2025. Thus far, the remaining unspent amount is 27% of the total budget, which appears to be on track given usual timing issues for certain categories.

The second page provides an outline of the DMCC Projects by Category managed by the City of Rochester and categorized by program budgets. Approximately \$24,557,918 has been spent on these projects in 2025 while \$6,298,091 has been received in revenue. The remaining amount of \$18,259,827 is budgeted and accounted for but has yet to be received due to timing and receipt of grant funding.

The graph on the right outlines that 41% of the total expense this year has been spent on Transit while 3% has been spent on Economic Development/Public Realm, and 42% being spent on Infrastructure. Total Life-to-Date expenditures for all projects are approximately \$221,678,402.



Please note that we have removed the completed projects to consolidate and focus our attention on the current projects.

Please feel free to contact me with any questions or concerns.

Brian J. Anderson

Director of Finance
City of Rochester

Destination Medical Center Corporation
Financial Budget Summary
October 31, 2025

BUDGET ENTITY	AUGUST EXPENSES	SEPTEMBER EXPENSES	OCTOBER EXPENSES	2025 YTD	APPROVED BUDGET	AMOUNT REMAINING	PERCENT REMAINING
DMCC Corporation:							
Rents and Leases	\$ 5,901	\$ 4,935	\$ 1,251	\$ 40,892	\$ 36,607	\$ (4,285)	-12%
Professional Services	10,386	387	12,487	104,797	166,000	61,203	37%
Travel/Training	-	-	563	1,121	6,000	4,879	81%
Insurance and Bonds	-	-	11,103	19,507	11,323	(8,184)	-72%
Interest / Other Administrative	3	3	3	33	-	(33)	
Subtotal DMCC	16,290	5,325	25,408	166,349	219,930	53,581	24%
DMC EDA - Third Party Costs							
Employee Services	141,766	137,015	201,937	1,424,039	2,034,578	610,539	30%
Operating Expenses	35,043	5,604	38,349	205,367	82,312	(123,055)	-149%
Economic Development Outreach & Support	34,001	10,000	154,577	253,836	576,752	322,916	56%
Professional Services	17,228	26,875	19,285	226,017	234,008	7,991	3%
Miscellaneous Expenses	17,510	-	-	134,745	56,492	(78,253)	-139%
Subtotal DMC EDA	245,547	179,494	414,148	2,244,004	2,984,142	740,138	25%
City of Rochester Project Management Budget - Third Party Costs							
Employee Services	73,575	81,130	131,962	917,439	1,304,032	386,593	30%
Contractual Maint and Repair	-	-	-	300	38,760	38,460	99%
Expert and Professional Services	-	-	4,804	5,039	8,405	3,366	40%
Travel/Training/Memberships	652	146	1,774	4,316	18,277	13,961	76%
Operations Expenses	627	118	264	21,644	17,434	(4,210)	-24%
Miscellaneous/Other	4,718	240	195	21,259	17,663	(3,596)	-20%
Subtotal City Project Management	79,573	81,635	138,999	969,998	1,404,571	434,573	31%
Total DMCC Operations	\$ 341,410	\$ 266,454	\$ 578,555	\$ 3,380,351	\$ 4,608,643	\$ 1,228,292	27%

City of Rochester, MN DMCC Projects by Category Through October 31, 2025									
PROJECT	AUGUST		SEPTEMBER		OCTOBER		YTD REVENUES	YTD EXPENSES	LTD EXPENSES
	REVENUE	EXPENSES	REVENUE	EXPENSES	REVENUE	EXPENSES			
Administration									
C.8601 - COR Administrative Costs-DMCC	4,066	-	21,143	-	26,167	223,867	240,787	837,575	\$ 5,393,264
C.8602 - Contributions to DMC Corporatn	-	229,372	-	218,280	-	439,857	-	2,387,931	34,230,262
C.8606 - City Staff Costs-DMCC	1,455	1,455	2,131	2,131	2,124	2,124	8,083	8,083	460,231
C.8629 - Development Plan Update	-	6,410	-	-	-	1,709	-	115,352	270,312
Total Administration	5,521	237,237	23,274	220,411	28,290	667,557	248,869	3,348,940	42,140,988
Econ Development/Public Realm									
C.8624 - Chateau Theatre Building Improvement Purchase	(745)	-	-	17,637	-	-	(745)	178,935	11,797,336
C.8625 - Heart of the City	-	1,209	-	263	-	161,455	35,585	270,276	22,012,725
C.8633 - Strategic Development	-	3,095	-	23,562	-	13,889	-	43,670	2,243,670
C.8634 - Riverfront Reimagined	-	656	-	161	-	7,124	-	56,441	1,106,709
C.8904 - Discovery Walk	-	3,000	-	1,000	-	7,205	-	126,452	18,459,298
C.8905 - CnstrctSnSwCpBys3AveSWfr2StSW	-	-	-	-	-	-	-	-	27,132
Total Econ Development/Public Realm	(745)	7,961	-	42,623	-	189,673	34,840	675,775	56,187,964
Infrastructure									
C.7318 - Reconsruct North Broadway	-	-	-	-	-	-	-	73	22,674,123
C.1037 - Steam Replace/District Energy	-	983,882	1,914,977	324,554	-	2,170,413	1,914,977	8,814,980	22,201,865
C.8908 - Reconstruct 6th Ave W < 2nd St SW > Civic Center Dr NW	-	-	-	-	-	45,025	-	45,025	45,025
C.8711 - Private District Energy Pilot	-	-	-	-	-	1,500	-	11,130	93,746
C.7344 - Reconstruct 3rd Avenue NW Between 4th St. SW and 5th St SW	-	-	-	-	-	-	-	-	406,077
C.7919 - 6th Street Bridge over Zumbro River	-	275	220,000	272,670	-	278,911	220,000	1,460,712	2,942,875
Total Infrastructure	-	984,157	2,134,977	597,224	-	2,495,849	2,134,977	10,331,920	83,459,578
Transit									
C.8707 - Rapid Transit Projects	616,789	2,415,445	642,532	1,957,017	1,586,195	2,773,421	3,879,405	10,201,283	39,889,876
Total Transit	616,789	2,415,445	642,532	1,957,017	1,586,195	2,773,421	3,879,405	10,201,283	39,889,876
Total Project Costs	\$ 621,565	\$ 3,644,800	\$ 2,800,783	\$ 2,817,275	\$ 1,614,485	\$ 6,126,499	\$ 6,298,091	\$ 24,557,918	\$ 221,678,406

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2025

**A RESOLUTION APPROVING AMENDMENT TO RESOLUTION NO. 161-2025 IN
CONNECTION WITH 2ND STREET PUBLIC REALM ENHANCEMENT**

BACKGROUND RECITALS

A. Pursuant to Resolution No. 161-2025, the Destination Medical Center Corporation (the “**DMCC**”) approved an allocation of funds in an amount not to exceed \$2,372,500 from the Strategic Development Fund (the “**Approval**”) to support the development of the 2nd Street public real enhancements, as further described in Resolution No. 161-2025 (the “**Proposed Project**”).

B. The Approval set forth various conditions that the Proposed Project must satisfy (the “**Project Conditions**”), including, without limitation, a requirement that the Approval be contingent upon the commencement of the Proposed Project on or before December 31, 2025 (the “**Funding Contingency**”).

C. Gerrard Corporation has requested an extension of the Funding Contingency until May 31, 2026, contingent upon satisfaction of all of the Project Conditions (the “**Request**”).

D. As originally set forth in Resolution 161-2025, the Proposed Project continues to sufficiently advance the goals of the Development Plan (as defined in Resolution 161-2025).

E. The Destination Medical Center Economic Development Agency has recommended approval of the Request based on the summary and recommendation attached as **Exhibit A** and the DMCC must now act on the request.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the DMCC approves amending the Approval to authorize the Request, subject to compliance with the following conditions:

1. The Approval, as amended pursuant to the Request, remains subject to all requirements set forth in the Project Conditions.
2. The scope of the amendment to the Approval is as set forth in this Resolution.
3. Any further modification to the Approval will be subject to subsequent approval by the DMCC.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized to transmit this Resolution to the City, and to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

EXHIBIT A

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2ND STREET SW PUBLIC REALM ENHANCEMENT (GERRARD)

DECEMBER 2025

Requested Board Action

Authorize an extension of the \$2.3725 million GSIA allocation to this project until May 31, 2026, contingent upon all the same project components as the original approval.

Highlights & Key Considerations

- DMC funding of \$2.3725 million was granted to support a mid-block pedestrian public realm connection and support the land value for the prototype workforce for-sale condominium component of this mixed use project.
- The City of Rochester has been negotiating the Development Assistance Agreement (DAA) with the developer and is anticipating bring forward a final version of that agreement to City Council on January 5, 2026.
- The DMC approval of this project is contingent on this project commencing before year-end 2025.

Background

At the February 6, 2025 meeting the DMCC Board (and City Council and its subsequent meeting) voted to authorize the use of \$2,372,500 of General State Infrastructure Aid (GSIA) to support this project. The following timeline is what is being pursued in the development agreement:

- 4-unit workforce for-sale Condo Project in partnership with First Homes – timely commence construction such that it can be placed in service to comply with First Homes other financing from the state of Minnesota.
- Market Rate Apartment building with corner retail space on mid-block passageway – timely commencement of construction such that it can be placed in service by approximately March 31, 2027.
- Public Realm – completed by June 1, 2027.

The Second Street corridor is a critical E-W connection in the DMC District and will be home to the first major transportation investment with LINK Bus Rapid Transit running down Second Street with high-frequency service. It is anticipated that the transportation investment will have a transformative effect along the corridor and the neighborhoods that fall within the walkshed of the BRT line.

Since at least 2009, there have been City- and community-led plans that call out opportunities to build public realm spaces to better connect neighborhoods to Second Street (see below from 2009 Second Street Corridor study).



One of the more significant components of these plans is to create mid-block pedestrian passageways to break up the long “superblocks” that exist along the corridor and bring a more human-scaled dimension back to the street grid. The creation of these mid-block passageways is not possible without the participation of willing landowners. The City of Rochester has identified a developer and landowner that is interested in participating in the creation of this type of public space in conjunction with a plan to develop market rate housing on adjacent parcels also under the same ownership. The creation of these mid-block passageways is not possible without the participation of willing landowners. The City of Rochester has identified a developer and land owner that is interested in participating in the creation of this type of public space in conjunction with a plan to develop market rate housing on adjacent parcels also under the same ownership.



Attachments / Exhibits

Letter from the project developer requesting an extension.

To:

Catherine Malberg
Destination Medical Center Economic Development Agency
195 South Broadway
Rochester, MN 55904
Cc: Brent Svenby – City of Rochester, Josh Johnsen – City of Rochester

From:

Peter T Gerrard

Subject: Request for Extension of GSIA Funding Timeline -- Mayflower Project (2nd Street Mid-Block Connection)

Peter T Gerrard respectfully submits this memorandum requesting an extension of the General State Infrastructure Aid ("GSIA") funding timeline for the Mayflower Project. This request pertains solely to the commencement-of-development schedule established under prior approval by the Destination Medical Center Board of Directors and does not modify any other element of the project, its approved scope, or its public benefits.

The development team appreciates the continued partnership of the Destination Medical Center Corporation ("DMCC"), the DMC Economic Development Agency ("DMC EDA"), and the City of Rochester ("COR"). We remain fully committed to delivering all elements previously reviewed and approved by the DMC Board of Directors and the City of Rochester.

Project Background and Current Status

The Mayflower Project is a transformative mixed-use development located along the 2nd Street corridor, a key East-West link to the DMC District and the future home of the LINK Bus Rapid Transit (BRT) service. The project includes 133 market-rate housing units, a four-unit affordable workforce condo development, neighborhood-focused retail space, and critically, the creation of a mid-block pedestrian passageway and public plaza encompassing approximately 10,700 square feet.

This mid-block connection has been a central element in City and community planning since the 2009 "Rochester 2nd Street Corridor Plan" and will break up the long "superblocks" along 2nd Street, improving human-scale design and neighborhood connectivity. The project remains fully consistent with all previously approved terms, conditions, and public benefits. The scope and design of this project have not changed—only the commencement dates have been affected.

All approved commitments remain intact, including:

- Mid-block pedestrian passageway and public plaza (approximately 10,700 square feet) to be constructed by the developer and maintained for the life of the building, with City ownership of the land
- Four-unit affordable workforce condo development with units sold to income-qualified buyers and placed in the Community Land Trust managed by First Homes to preserve long-term affordability
- 133 market-rate housing units requiring no direct public funding assistance
- Neighborhood-focused ground-floor retail space intended for public-serving uses, enhancing amenities for the Kutzky Park Neighborhood and neighboring properties including the Ronald McDonald House
- Enhanced pedestrian-level activation and improved streetscape interface connecting neighborhoods to the 2nd Street corridor and BRT walkshed
- Publicly accessible mid-block connection and open-space elements supporting corridor connectivity and walkability
- Mobility amenities supporting transit-oriented development goals along the future LINK BRT corridor

Approved DMC Strategic Redevelopment Funding:

The DMCC Board approved \$2,372,500 in DMC Strategic Redevelopment funds at their February 6, 2025 meeting, allocated as follows:

- Land Acquisition: \$1,442,672
- Construction of Public Improvements (mid-block connection and plaza): \$929,828
- **Total Assistance: \$2,372,500**

Additional project financing includes \$124,500 per unit in affordability gap funding from Rochester First Homes through a Minnesota Housing Finance Agency (MHFA) grant for the four-unit affordable condo component.

Since approval, the development team has:

- Maintained site control
- Advanced design and construction documents for all project components
- Completed required engineering, energy, and environmental analyses
- Continued coordination with the City and partner agencies on infrastructure, right-of-way, and utility planning
- Worked to resolve infrastructure and easement matters with Rochester Public Utility

Basis for Extension Request

Due to unforeseen infrastructure and easement issues with Rochester Public Utility, the Mayflower Project is no longer able to commence construction this year as originally

anticipated. These utility-related challenges have necessitated additional coordination and resolution efforts that extend beyond the project team's control.

The revised project timeline is as follows:

- **Mayflower Project (133 market-rate units + public realm improvements):** Construction commencement no later than **July 1, 2026**
- **Four-unit affordable workforce condo project:** Construction commencement **April 1, 2026**
- **Park Plaza:** Construction to start and complete according to the draft developer's agreement

This extension ensures the DMC's GSIA investment remains aligned with the project's infrastructure coordination requirements and resolution of utility matters. No changes are proposed to the approved design, affordability commitments, public benefits, retail components, or public realm improvements.

Continuing Alignment with DMC and City Goals

The Mayflower Project continues to advance DMC Development Plan objectives by:

- Creating the mid-block pedestrian connection central to the 2009 "Rochester 2nd Street Corridor Plan" and essential to breaking up superblocks along the corridor
- Connecting the Kutzky Park Neighborhood to the 2nd Street corridor and future LINK BRT service, optimizing transit investment
- Providing four affordable workforce condos (2-bedroom, 2-bathroom units at \$324,500 construction cost per unit) with long-term affordability preservation through the Community Land Trust
- Delivering 133 market-rate housing units with no direct public funding, demonstrating efficient use of DMC resources
- Providing neighborhood-focused retail amenities serving local residents and neighboring institutions
- Activating the public realm through a publicly accessible plaza and mid-block connection that enhances walkability and human-scale design
- Supporting transit-oriented development goals along the future BRT corridor
- Demonstrating how public-private partnerships can achieve community connectivity, housing affordability, and economic vitality goals

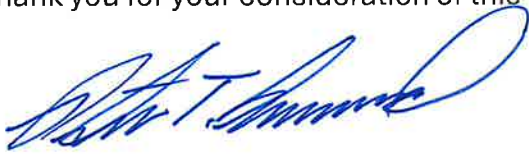
Request

Peter T Gerrard respectfully requests that the Destination Medical Center Economic Development Agency and the City of Rochester support an extension of the GSIA funding timeline for the Mayflower Project to accommodate a construction commencement date no later than **July 1, 2026** for the market-rate housing and public realm components, and

April 1, 2026 for the four-unit affordable condo component. This adjustment will allow for the resolution of infrastructure and easement matters with Rochester Public Utility and ensure efficient deployment of the \$2,372,500 in approved DMC Strategic Redevelopment funds.

We sincerely appreciate the collaborative engagement and continued support of DMCC, DMC EDA, and City staff in advancing shared goals of neighborhood connectivity, housing affordability, transit-oriented development, and inclusive economic development. We look forward to continued partnership as the Mayflower Project progresses toward implementation.

Thank you for your consideration of this request.



PETER T. GERRARD

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. _____-2025

**A RESOLUTION APPROVING DOWNTOWN HISTORIC DISTRICT
INFRASTRUCTURE PROJECT REQUESTS**

BACKGROUND RECITALS

A. The Destination Medical Center Corporation (“**DMCC**”) established five long-term goals for the Destination Medical Center (“**DMC**”) initiative, including creating a comprehensive and strategic plan, new jobs, tax revenues, and achieving the highest quality patient, companion, visitor, employee, and resident experience.

B. The DMCC has long recognized the important role of historic preservation to achieve these goals. The Development Plan adopted by the DMCC on April 23, 2015, as amended (the “**Development Plan**”) recommended strategies and programs to encourage preservation efforts: “The preservation of historic landmarks and districts is an important part of a City’s historic fabric. . . . As the DMC implementation process moves forward, we recommend the EDA work with federal agencies, state agencies and local organizations to evolve strategies and programs to incent historic preservation [in the] DMC District.”

C. On January 22, 2024, the City of Rochester (the “**City**”) established a downtown commercial historic district of thirty-two properties (the “**Commercial Historic District**”) located within the development district boundaries as adopted in the Development Plan (the “**Development District**”).

D. On May 23, 2024 the DMCC established a downtown property preservation program (the “**Program**”). The Program provides an application and general state infrastructure aid funding process for public infrastructure projects within the Commercial Historic District.

E. The Program provides an opportunity of funding up to 50% of a capital improvement project (not to exceed \$500,000 per property) within the Commercial Historic District if such project (i) meets the definition of a “public infrastructure project” (as defined in Minnesota Statutes, Section 469.40, subdivision 11); (ii) lies within the Development District and is defined as a “contributing property” within the Commercial Historic District; (iii) is consistent with the Development Plan; (iv) achieves a capital improvement that is intended to be a permanent asset of the Commercial Historic District; and (v) satisfies certain statutory requirements, including prevailing wages and use of American-made structural steel, as well as local requirements, such as sustainable building standard, women- and minority-owned construction contracting, and workforce development (collectively, the “**Program Requirements**”).

F. The following project has been submitted for funding consideration under the Program: the owner of the property located at 326/328 Broadway Ave S has requested funding for a project involving elevator design and installation (the “**Proposed Project**”).

G. The Destination Medical Center Economic Development Agency has recommended approval of the Proposed Project based on the summary and recommendation attached as **Exhibit A** and DMCC must now act on the request.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the DMCC approves the Proposed Project costs based on the following findings:

1. The Proposed Project is a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11.
2. The Proposed Project lies within the Development District and is defined as a contributing property within the Commercial Historic District.
3. The Proposed Project is consistent with the Development Plan.
4. The Proposed Project achieves a capital improvement that is intended to be a permanent asset of the Commercial Historic District.
5. The Proposed Project will satisfy the necessary statutory and local requirements set forth in the Program.

BE IT FURTHER RESOLVED, that the approval of the Proposed Project is expressly subject to the following conditions:

1. The Proposed Project must meet all City requirements.
2. The Proposed Project must meet all conditions set forth in **Exhibit A**.
3. The final payment will be based on the actual costs and will not exceed 50% of the cost of the Proposed Project.
4. The funds provided to the Proposed Project must satisfy the terms and conditions of this Resolution, including, but not limited to, the parameters of the Program and the Program Requirements as set forth in the Recitals, which are incorporated herein.
5. The recipient of the funds must provide certification that the Program requirements have been satisfied, including but not limited to the statutory and local requirements of the Program.
6. The DMCC Board shall receive an annual report concerning Program updates, expenditures, metrics to evaluate the success of the Program, and recommendations concerning future funding in the capital improvement plan.

BE IT FURTHER RESOLVED, that DMCC Resolution No. 51-2017 is incorporated fully herein by reference.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized to transmit this Resolution to the City of Rochester, and to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

41265415v1

EXHIBIT A

DOWNTOWN HISTORIC DISTRICT INFRASTRUCTURE REQUESTS

DECEMBER 2025

Requested Board Action

- Review downtown property preservation program funding request.
- Approve the funding recommendation of \$76,495.

The DMC EDA recommends the project for funding under the DMC Downtown Property Preservation Program. This recommendation follows the review and evaluation of the project funding request. Note that this project is also approved for a \$4,500 Pre-Renovation Grant from the City of Rochester.

Specifically, the DMC EDA advises the DMCC and City to:

- Designate the proposed project(s) as a DMC “public infrastructure project”
- Approve the recommended project(s) as consistent with the DMC Development Plan
- Allocate DMC funding to the project(s) and in the amount(s) described in the table below

Address	Commonly Known As	Project Description	Category of Investment	Total Project Cost	Recommended DMC Funding
326/328 S Broadway	N/A	Elevator design and installation	Building Safety & Preservation	\$161,990	\$76,495
TOTAL				\$161,990	\$76,495

Highlights & Key Considerations

Staff have also completed a Year 1 program evaluation report (a board meeting discussion item).

Background

In response to both the DMCC board and City Council supporting the Downtown Commercial Historic District, DMC and City staff prepared funding applications, webpages and marketing materials, and created shared processes to administer this program. In partnership with the City of Rochester, the Downtown Historic District preservation program was launched on July 1, 2024. Since that time, City and DMC EDA staff have engaged with the property owners and tenants of eligible properties to inform them of the various historic district property preservation programs.

When the DMCC board of directors approved the historic district property preservation program, it did so with the following conditions, to which staff adhere:

Approval conditions:

- Meet the DMC statutory definition of “public infrastructure project”
- Proposed projects must result in a capital improvement that is intended to be a permanent asset of the downtown historic district
- Proposed projects must occur at a contributing property of the current City of Rochester downtown commercial historic district, excluding properties owned by a public or Mayo Clinic entity

Funding guidelines:

- DMC funding covers up to 50% of any eligible expenditure.
- DMC funding be limited to a maximum of \$500,000 per property, as determined by the parcel identification number (PIN)
- To allow property owners and tenants maximum opportunity to prioritize capital investments, funding may be applied for and received more than once, subject to the \$500,000 maximum described above
- To align historic district construction activity with other major downtown improvements, including Link BRT and Bold. Forward. Unbound. in Rochester., program funding will remain available for request through December 31, 2029 or until rescinded by action of the DMCC.

Reporting and program evaluation categories:

- Adaptive Reuse: Conversion of property use, such as office to retail or restaurant, or renovating vacant second-story space for housing or commerce, etc.
- Building System Upgrades: HVAC, electrical, plumbing, etc.
- Building Safety and Preservation: Exterior envelope sealing, accessibility improvements, etc.
- Code Modernization: Improvements made to legacy properties in relation to ADA or other regulatory compliance, preparation of reuse, future reinvestment, sale, etc.

Public Realm Update:

After an in-depth stakeholder engagement process, Mend Collaborative is currently working with the City of Rochester and DMC to draft their recommendations for improvements to the public realm in the Downtown Historic District. to lead the Public Realm focus area in partnership with DMC. The “Case for Action” and “Summary of Engagement” can be found on the project [website](#).

Attachments / Exhibits

None at this time.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2025

**A RESOLUTION APPROVING AMENDMENT TO RESOLUTION NO. 167-2025 IN
CONNECTION WITH REQUEST FOR PRIVATE DEVELOPMENT FUNDING
(LOOM APARTMENTS PROJECT)**

BACKGROUND RECITALS

A. Pursuant to Resolution No. 167-2025, the Destination Medical Center Corporation (the “**DMCC**”) approved a joint funding application and allocation of funds in an amount not to exceed \$4,000,000 from the Strategic Development Fund (the “**Approval**”) to support the development of the Loom Apartments Project, as further described in Resolution No. 167-2025 (the “**Proposed Project**”).

B. The Approval set forth various conditions that the Proposed Project must satisfy (the “**Project Conditions**”), including, without limitation, a requirement that the Approval be contingent upon the commencement of the Proposed Project on or before December 31, 2025 (the “**Funding Contingency**”).

C. Onward Investors LLC has requested an extension of the Funding Contingency until August 15, 2026, contingent upon satisfaction of all of the Project Conditions (the “**Request**”).

D. As originally set forth in Resolution 167-2025, the Proposed Project continues to sufficiently advance the goals of the Development Plan (as defined in Resolution 167-2025) and satisfy the Evaluation Criteria (as defined in Resolution 167-2025).

E. The Destination Medical Center Economic Development Agency has recommended approval of the Request based on the summary and recommendation attached as **Exhibit A** and the DMCC must now act on the request.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the DMCC approves amending the Approval to authorize the Request, subject to compliance with the following conditions:

1. The Approval, as amended pursuant to the Request, remains subject to all requirements set forth in the Project Conditions.
2. The scope of the amendment to the Approval is as set forth in this Resolution.
3. Any further modification to the Approval will be subject to subsequent approval by the DMCC.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized to transmit this Resolution to the City, and to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

41202681v2

EXHIBIT A

LOOM APARTMENTS (ONWARD)

DECEMBER 2025

Requested Board Action

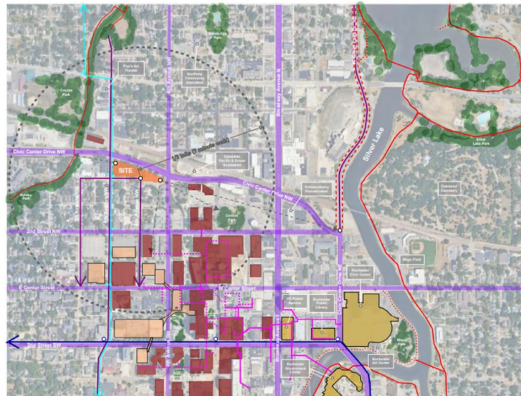
Authorize an extension of the \$4 million GSIA allocation to this project until August 15, 2026, contingent upon the same project components as the original approval.

Highlights & Key Considerations

- \$4 million of GSIA funding was granted to this project in May 2025 to support the development of 141 units of affordable housing (100% of the units are income restricted to those earning at or below 50% AMI).
- That funding was contingent on project commencement before year-end 2025.
- The developer's bonding strategy did not work out to be able to stack everything together for a 2025 project and the next round of bonding allocations is not until January 2026, thus the developer is seeking a 270 day extension in order to close and commence the project construction after the bond issuance in January 2026.

Background

The Loom Apartments project is a 100% affordable housing development on a Gateway corridor location into the DMC District (515 4th Street NW, along Civic Center Drive) that will provide 141 homes in the downtown at 50% of Area Median Income (AMI) rents. This project is poised to serve as a key component in the region's commitment to sustainable, affordable housing solutions as it would be the first private development to utilize on-site geothermal wells to support heating and cooling. Loom Apartments will serve as Phase I of a two-phase affordable housing initiative, and includes activation of the ground floor including biking amenities and community-oriented commercial space.



- Number of Units: 141 deeply affordable housing units at 50% AMI.
- Funding Request: \$5.5 million to leverage over \$4.5 million in enhanced Low-Income Housing Tax Credit (LIHTC) equity.
- Affordable Housing Financing: The project will utilize a combination of \$24.7 million in Multifamily Housing Revenue Bonds and \$24 million in low-income housing tax credits, investment tax credits, and solar tax credits. The development will also seek gap funding from local and state sources to bridge the financing gap.
- Development Timeline: The project must commence before the expiration of the Qualified Census Tract (QCT) designation, which is tied to securing critical federal tax incentives and equity funding.

Attachments / Exhibits

Letter from Onward Investments requesting the extension.



To:

Catherine Malberg
Destination Medical Center Economic Development Agency
195 South Broadway
Rochester, MN 55904
Cc: Brent Svenby – City of Rochester, Josh Johnsen – City of Rochester

From:

Chris Osmundson
Director – Housing Development
Onward Investors, LLC

Subject: Request for Extension of GSIA Funding Timeline – Loom Apartments

Onward Investors respectfully submits this memorandum requesting a 270-day extension of the General State Infrastructure Aid (“GSIA”) funding timeline for the Loom Apartments project in Rochester, Minnesota. This request pertains solely to the commencement-of-development schedule established under the Destination Medical Center Board of Directors May 22, 2025, approval and does not modify any other element of the project, its approved scope, or its public benefits.

The development team remains deeply appreciative of the continued partnership of the Destination Medical Center Corporation (“DMCC”), the DMC Economic Development Agency (the “DMC” and “DMC EDA”), and the City of Rochester (“COR”) in advancing this transformative, sustainability-forward affordable housing community. We remain fully committed to delivering every element previously reviewed and approved by the DMC Board of Directors and the City of Rochester.

Project Background and Current Status:

Loom Apartments will deliver 141 units of deeply affordable housing at 50% area median income (“AMI”), located at approximately 515 4th Street NW along the Civic Center Drive Gateway Corridor. The project represents the first phase of a proposed two-phase affordable housing initiative, both low-income housing tax credit real estate development projects (“LIHTC”) and remains fully consistent with all terms approved under DMCC Resolution – May 22, 2025, and the City of Rochester’s supporting staff recommendation.

All approved features and conditions remain intact, including:

- Community-oriented ground-floor commercial/retail space (~2,100 sqft) offered at below-market rent
- Enhanced ground-floor activation and walk-up housing along Civic Center Drive and 6th Avenue NW
- A publicly accessible mid-block breezeway connecting the Kutzky Park neighborhood to the downtown core
- Public EV charging, biking amenities, and a resident e-cargo bike library



- A closed-loop geothermal heating and cooling system paired with a rooftop solar array, targeting LEED Silver certification and compliance with Minnesota SB 2030 energy performance standards

Since approval, Onward Investors has:

- Maintained full site control across all necessary parcels (under contract through April 30, 2026)
- Advanced construction drawings to approximately 30 percent construction-ready architectural documents
- Completed the Energy Design Assistance (“EDA”) report with Rochester Public Utilities and Minnesota Energy Resources
- Undertaken value-engineering refinements yielding cost savings while preserving all sustainability features
- Continued coordination with the COR and Olmsted County on right-of-way design, transformer relocation, and bicycle/pedestrian improvements

Basis for Extension Request:

The requested 270-day extension is intended to align the proposed GSIA funding schedule with the State of Minnesota’s tax-exempt bond allocation and closing calendar administered by Minnesota Management and Budget (“MMB”), as well as Minnesota Housing Finance Agency’s (“MHFA”) LIHTC process.

- The project will post required bond deposits in December 2025, with MMB allocations anticipated in January 2026
- Receipt of those bonds will trigger an 180-day closing window, leading to financial close and construction commencement by July 2026
- Construction is estimated to require 15–16 months, reaching substantial completion in Q4 2027 and full lease-up by early 2028.

This extension ensures that the Destination Medical Center’s \$4 million GSIA investment remains actively positioned for deployment once the project closes on its permanent financing. No changes are proposed to the approved design, affordability commitments, or sustainability measures. The extension will also preserve vital eligibility for key federal incentives, including the designated qualified census tract (“QCT”) and energy-related tax credits (investment tax credits for both geothermal and solar voltaic rooftop arrays), that underpin the project’s financial feasibility and deliver the public benefits contemplated in the Board of Directors’ approval.



Continuing Alignment with DMC and City Goals:

Loom Apartments continues to exemplify the Destination Medical Center's Development Plan goals of:

- Providing affordable, workforce-proximate housing in a transit-oriented setting
- Advancing sustainability and innovation through geothermal, solar, and energy-efficient design
- Activating the public realm along a critical downtown corridor with mixed-use and multimodal investments
- Serving as a model project demonstrating how public infrastructure partnerships can achieve climate and equity outcomes simultaneously

These outcomes directly fulfill the Evaluation Criteria cited in the DMC EDA's May 2025 Evaluation Report and remain unchanged in both scope and intent.

Onward Investors respectfully requests that the Destination Medical Center Economic Development Agency and the City of Rochester support a 270-day extension of the GSIA funding timeline for Loom Apartments. This modest adjustment will allow full coordination with state financing processes and ensure that public funds are deployed efficiently toward the delivery of this high-impact, community-oriented development. Onward Investors sincerely appreciate the thoughtful engagement and steadfast support from Destination Medical Center Corporation and City of Rochester staff in advancing Rochester's shared goals of housing affordability, sustainability, and inclusive economic growth. We look forward to continued collaboration as Loom Apartments progresses toward groundbreaking.

Respectfully submitted,

Christian "Chris" Osmundson
Director – Housing Development
Onward Investors, LLC
cosmundson@onwardinvestors.com
(612) 201-8487

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. _____-2025

A RESOLUTION APPROVING AMENDMENTS TO REFLECT BIENNIAL BUDGET

BACKGROUND RECITALS

A. The Destination Medical Center Corporation (“**DMCC**”) has historically operated under an annual budgeting framework, preparing, approving, and administering its budget on a fiscal-year basis; and

B. DMCC has determined that transitioning from an annual budget to a biennial budget is in its best interests to align with the biennial budgeting process followed by the City of Rochester; and

C. In order to effectuate the transition to a biennial budget, DMCC has caused a review of its governing documents, and other agreements, including applicable loan documents, relating to or referencing such annual budget to identify all provisions referencing or relying upon an annual budget cycle; and

D. Though this review, DMCC determined that the Amended and Restated Articles of Incorporation, the Bylaws, the Agreement for Destination Medical Center Services, the Agreement for DMCC Funding and Support, the Working Capital Loan Agreement (DMCC – EDA), and the Working Capital Loan Agreement (DMCC-City) (collectively, the “**Budget Documents**”) each contain references to, or requirements for, an annual budget and therefore must be amended to reflect the adoption of a biennial budgeting process; and

E. To implement the biennial budget framework, DMCC has prepared, reviewed, and desires to formally adopt, in substantially similar forms to what was presented to and reviewed by the Board at the duly held meeting, the following amended Budget Documents: (1) First Amendment to Amended and Restated Articles of Incorporation of Destination Medical Center Corporation (“**Articles Amendment**”), (2) First Amendment to Bylaws of Destination Medical Center Corporation (“**Bylaws Amendment**”); (3) First Amendment to Agreement for Destination Medical Center Services (“**DMC Service Agreement Amendment**”); (4) First Amendment to Agreement for DMCC Funding and Support (“**Funding Amendment**”); (5) Second Amendment to the Working Capital Loan Agreement (DMCC-EDA) (“**EDA Loan Amendment**”); and (6) Second Amendment to the Working Capital Loan Agreement (DMCC-City) (“**City Loan Amendment**”) (collectively, the “**Budget Amendments**”).

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the requisite vote of the DMCC Board of Directors, that the Budget Amendments be, and hereby are, ratified and approved, conditioned upon receiving requisite further approvals from the City or counter-parties to the Budget Documents, as applicable and where required by the terms of the applicable Budget Documents.

BE IT FURTHER RESOLVED, that the Chair or Treasurer of the DMCC is hereby authorized and directed to transmit this Resolution to the City of Rochester and other necessary counter-parties and to take such actions as are necessary or convenient to effectuate and carry out the foregoing resolutions.

41201721v4

TALENT AS INFRASTRUCTURE: UNIVERSITY OF MINNESOTA UPDATE

DECEMBER 2025

Requested Board Action

Gain a deeper understanding of the University of Minnesota's plan for growth of the Rochester campus and discuss alignment with DMC workforce development strategies.

Background

Rochester's next phase of economic development requires treating talent as a form of infrastructure, vital to the ongoing economic expansion and capital investment occurring in downtown Rochester. The 2016 Discovery Square Master Plan and the 2022 DMC Life Science Industry Awareness and Perception Study both identify talent availability as the defining factor for Discovery Square's long-term growth, tenant success, and competitiveness. As BioLabs Rochester comes online in 2026, demand for specialized HealthTech talent will accelerate, and meeting that demand will determine whether companies stay and scale in our district. This is where our colleagues in higher education are essential.

The DMC EDA has been working with Mayo Clinic, Rochester Community and Technical College, Rochester Public Schools, Winona State University, Luther College and other education partners to construct a talent pipeline that supports business recruitment, strengthens global positioning, and builds the skilled workforce required for Rochester to grow as a nationally competitive innovation hub.

Today's Discussion

As a purpose-built health sciences institution located in the heart of Discovery Square serving a diverse student population and aligning its programs to the bioscience and digital health roles our industry ecosystem needs most, the University of Minnesota Rochester is uniquely positioned to substantially contribute to meeting this growing talent demand.

The DMCC board of directors will be joined by members of the University of Minnesota's senior leadership, including Dr. Rebecca Cunningham, President of the University of Minnesota, and Dr. Lori Carrell, Chancellor of the University of Minnesota Rochester.

Attachments / Exhibits

See the attached "Vision for Facilities Expansion".



UNIVERSITY OF MINNESOTA ROCHESTER

Vision for Facilities Expansion

To: DMCC Board Members
From: University of Minnesota
Date: December 10, 2025

Information for the Destination Medical Center Corporation (DMCC) Board of Directors

- The University of Minnesota plans to expand its Rochester campus facilities in multiple DMC subdistricts to accommodate continued enrollment growth, given pressing workforce needs in the sectors served by its graduates.
- These facilities will be designed for well-being, as described in the [UMN Rochester Campus and Climate Action Plan](#) approved by the University's Board of Regents.
- With partners, the UMN Rochester campus plans to offer additional academic programs and credentials directly aligned with the evolving life sciences ecosystem in Discovery Square.
 - UMN Rochester's strategic educational partners in this expansion will include other campuses and schools within the University of Minnesota, Rochester Public Schools, Mayo Clinic School of Health Sciences and other local higher education institutions.

UMN Rochester Background

- After decades of advocacy from Rochester citizens, Mayo Clinic, IBM and others, the Rochester campus of the University of Minnesota was approved by the Legislature in 2006 and opened its doors to students in 2009.
- Specializing in preparing students for a wide range of health and life sciences careers, the Rochester campus vision is "to transform higher education through innovations that empower graduates to solve the grand health challenges of the 21st century."
- The citizens of Rochester further supported this new public university campus through sales tax dollars, an unusual local investment that has been critical to this early phase of start-up and growth.
- As educational entrepreneurs and innovators, the campus has not only received attention from national media and Congress, it has experienced exponential growth. The first graduating class had 52 students in 2013; this fall, the campus is serving over 1,100 students. Most of these students live, learn, work and play in DMC subdistricts as campus facilities have been strategically leased in walkable proximity to internships and other work-based learning experiences.

- This start-up University of Minnesota campus has been agile, working closely with employers to develop efficient and customized academic programs to meet local and state workforce needs.
- In 2025, the campus was designated an “[Opportunity University](#)” by Carnegie and the American Council on Education based on the salaries and varied backgrounds of its graduates; only 15% of US campuses received this national recognition.
- “The University of Minnesota Rochester is a vital economic driver for Rochester and southeastern Minnesota, generating an estimated \$89.9 million in total economic impact in FY24,” according to the [University’s 2024 Economic & Community Impact Study](#) (p. 24).
- Continued enrollment growth for this campus of the state’s land grant University is needed given dire workforce needs. That growth in the talent pipeline can happen only with facilities expansion.

DMC and UMN Strategic Alignment for UMN Rochester Expansion

The expansion of UMN Rochester is a critical win-win for DMC and the University of Minnesota, directly addressing mutual goals for economic development, talent pipeline growth, learning innovation, sustainability and wellbeing. The expansion of UMN Rochester provides mutual benefits, directly addressing the core goals of the [Draft 2025 DMC Development Plan Update](#) and the [UMN Elevate Extraordinary 2030 Strategic Roadmap](#).

Alignment Theme	Key Reason for Expansion	How it Meets Both DMC and UMN Priorities
Talent & Workforce	Directly Grows the Healthcare Pipeline	DMC: Strengthens the predictable, high-skill talent pipeline required to attract and retain companies in the HealthTech sectors. Reinforces Discovery Square as the southern anchor of Medical Alley by aligning education pathways with industry demand, an insight confirmed in the 2022 Awareness & Perception Study that talent availability is the #1 site selection driver. UMN: Fulfills the imperative to expand the health workforce and prepare students to address Minnesota's needs.
Economic Engine	Accelerates Regional Economic Growth	DMC: Supports the dual pillars of DMC’s business development strategy: ecosystem building and targeted corporate recruitment. UMN: Serves communities including Rochester to drive economic impact and workforce development. UMR provides research capacity, talent and partnerships that amplify the Discovery Square Innovation District and increase Rochester’s competitiveness for high-growth companies.



Innovation & Learning	Leads in Research including the Future of Learning	DMC: Reinforces Discovery Square’s design as a living lab where clinicians, researchers, students and companies co-develop new technologies. Supports the DMC strategy to “build infrastructure, build ecosystem and build awareness.” UMN: Integrates the imperative to "innovate to transform the future of learning" by piloting new academic models and leading in learning and healthcare research.
Experiential Learning	Provides Unparalleled Student Immersion	DMC: Helps build a talent environment where companies find not only experienced workers but also students embedded in labs, startups, clinical environments and employer-sponsored research. UMN: Achieves the goal of providing exceptional experiential learning and career preparation through strategic adjacencies, intentional student support and co-design with employer-partners.
Built Environment & Health	Creates a Model for Sustainable, Healthy Facilities	DMC: Directly advances the “Design for Well-Being” district priority and strengthens the urban core of the Discovery Square and UMR/Recreation subdistricts. Supports creation of interconnected innovation spaces, vibrant streetscapes and shared facilities. UMN: Advances the imperative to find sustainable solutions through building design that reflects the University’s research.
Community Vibrancy	Enhances Quality of Life & Attractiveness	DMC: Enhances Rochester’s competitiveness by creating the type of environment companies consistently seek: walkable, vibrant, mixed-use and connected. Supports the Discovery Walk corridor, downtown activation and the creation of an environment that retains talent. UMN: Strengthens and expands the University's commitment to community well-being.

UMN Rochester Facilities Development: A Community Campus Model

The Rochester campus of the University of Minnesota has developed its physical presence through a unique "Community Campus" strategy, integrating with the downtown core rather than building a traditional, separate campus. UMN Rochester's facilities footprint has been an intentional process of repurposing existing urban assets through strategic leasing and renovation, viewing the entire downtown area as its campus. This model ensures UMN Rochester's facilities are directly tied to the infrastructure and vision of the Destination Medical Center Economic Development Initiative, supporting the goal to optimize the City as a center for health and innovation.



Key Characteristics of UMN Rochester Facilities Creation to Date

Strategy	Description	Key Facilities & Outcomes
Distributed Footprint	UMR chose a model of leased, repurposed space within existing downtown buildings rather than constructing a conventional campus. This maximizes cost efficiency, student immersion in the health and life sciences context and urban integration.	Initial spaces were established in the University Square building in the heart of downtown and the campus now also leases space in the Student Life Center, 318 Commons, One Discovery Square, Two Discovery Square and Residence at Discovery Square.
Vertical Integration	Academic, administrative and student life spaces are often vertically integrated across multiple floors of mixed-use buildings.	Classrooms and administrative offices are intertwined with the city's patient visitors, health and science professionals, entertainment and commercial life.
Skyway Connectivity	Almost the entire campus footprint is linked by the Rochester skyway system, ensuring students can move safely and efficiently among academic spaces, housing and key partners year-round.	This skyway system and Discovery Walk serve students well by ensuring walkability to the spaces in which they live, learn, work and play.
Strategic Partnerships for Experiential & Immersive Learning	Facilities are co-located or physically integrated with core strategic partners to enhance student learning and research opportunities.	Learning spaces are secured within the Discovery Square life-science innovation district, immersing students in the growing biotech ecosystem.
Student Life Assets	Recent investments have focused on renovating existing structures to centralize key student services.	The Student Life Center (SLC) was created through the renovation of a former hotel, providing first-year housing, dining and fitness facilities. All locations were selected based on proximity to other elements of the Rochester experience.



UMN Rochester Three-Part Facilities Expansion Plan

1. Discovery Square Labs & Classrooms

- **Focus:** Expansion and consolidation of lab and specialized classroom space.
- **Location:** Discovery Square, with adjacency to BioLabs.
- **Timeline:** Anticipated ribbon cutting in time for the Fall 2027 semester, subject to approvals and investment.
- **Strategic Goal:** To deepen integration with the life science innovation ecosystem and provide state-of-the-art facilities for scientific learning.

2. Academic Building (The Heart of Campus)

- **Focus:** A dedicated academic building designed as the "heart of the campus."
- **Features:** Will include high-tech, active learning classrooms, multiple academic houses, staff spaces and a learning research and innovation center. The design will support health for people and the planet.
- **Timeline:** The University expects to issue a Request for Proposal (RFP) in 2026.
- **Location:** To be determined.
- **Strategic Goal:** To centralize and significantly expand core academic functions, student support and gathering spaces.

3. Student Residential & Recreational District (Living & Wellness)

- **Focus:** Development of student housing and recreational facilities via a public-private partnership (P3).
- **Location:** University-owned land near Soldiers Memorial Field.
- **Timeline:** The University expects to issue an RFP in 2026.
- **Strategic Goal:** To provide essential housing capacity and enhance student well-being through dedicated recreational space to support the growing student body.

Near-Term Mitigation and Context

- **Temporary Space (2026-2027):** UMR will secure temporary space for Fall 2026 and 2027 to sustain instructional quality and employee well-being while the three major projects are underway.
- **Contextual Reminder:** All expansion plans are subject to Regential approvals, investment and partnership, acknowledging past realities (like the COVID-19 impact on the planned YMCA partnership building) and external uncertainties.

Additional Materials

- [The Kettle](#) -UMN Rochester 2025 Alumni Magazine
- [UMN Rochester Website](#)



DOWNTOWN HISTORIC DISTRICT INFRASTRUCTURE REPORT AND RECOMMENDATION

DECEMBER 2025

Requested Board Action

Approve resolution entitled “Approving Amendment to Resolution No. 149-2024 Establishing a Downtown Property Preservation Program to Address Public Infrastructure Projects within the City of Rochester’s Downtown Commercial Historic District.”

Highlights & Key Considerations

After a full year of administering the DMC historic district property preservation program, staff recommend amending the list of eligible project expenses as well as non-eligible project expenses for the adaptive reuse category of funding. In short, eligible expenses relate to any improvements needed to the “core and shell” in order to prepare the building for adaptive reuse but stop short of covering costs of interior fit regardless of purpose.

Eligible Project Expenses:

- Restoration, rehabilitation, and preservation work that support structural fitness of the historic building. Examples: foundations, site drainage, roofs, interior framing, rafters, floor and roof support, wall structures (including masonry repointing, ceramic and structural glass repair/replacing).
- Projects that require additional approval due to being in the historic district. Examples: storefront reconstruction/replacement/repair, exterior window/door replacement, awnings, exterior lighting fixtures, reconstruction of exterior historic architectural features such as cornices, parapets, balconies, entryways, and porches.
- Mechanical and plumbing systems. Examples: furnaces, air conditioners, fire and flood suppression (pumps), solar panels/systems, vent/exhaust systems.
- Building and energy compliance. Examples: Weatherization, insulation, electrical repairs/replacement.
- Accessibility and safety projects. Examples: stairways, ramps, mechanical lifts/elevators, railings, mechanical door openers.
- Existing Materials Repair/Restoration/Preservation. Examples: painting or sealing wood/porous elements, and interior plaster repair, interior woodwork or flooring repair.

*All funded projects must also still meet any/all code requirements and (if otherwise required) be approved through the City Certificate of Appropriateness process.

Non-Eligible Project Expenses:

- Building additions to add usable interior space, unless required as part of an eligible project.



- Interior fit-out projects. Examples: Interior floorplan alterations, partition walls, kitchens, bathrooms (unless required by code), new finishes, and furnishings (FF&E).
- Interior additions or alterations purely for the purpose of changing the use of the property.

Background

The DMCC board of directors and Rochester City Council initially approved this program in mid-2024.

Attachments / Exhibits

See the attached “Downtown Commercial District Year 1 Review”.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2025

**A RESOLUTION APPROVING AMENDMENT TO RESOLUTION NO. 149-2024
ESTABLISHING A DOWNTOWN PROPERTY PRESERVATION PROGRAM TO
ADDRESS PUBLIC INFRASTRUCTURE PROJECTS WITHIN THE CITY OF
ROCHESTER'S DOWNTOWN COMMERCIAL HISTORIC DISTRICT**

BACKGROUND RECITALS

A. Pursuant to Resolution No. 149-2024, the Destination Medical Center Corporation (the “**DMCC**”) approved (the “**Approval**”) the creation of the Downtown Property Preservation Program (the “**Program**”) to aid public infrastructure projects within the City of Rochester’s (the “**City**”) Commercial Historic District. The Approval set forth various conditions that the Program must adhere to which were set forth in Exhibit A to Resolution 149-2024 (the “**Project Conditions**”).

B. Following the establishment of the Program, the Destination Medical Center Economic Development Agency (the “**EDA**”) and the City have further reviewed the Project Conditions and recommend revisions to the Project Conditions, as set forth on **Exhibit A** attached hereto (the “**Amended Project Conditions**”), to better achieve the intended benefit of the Program.

C. The EDA requests that the DMCC approve the Amended Project Conditions.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the DMCC approve the Amended Project Conditions based on the following conditions:

1. The scope of approval of the Amended Project Conditions is set forth in the attached **Exhibit A**.

2. Any modification to the Amended Project Conditions will be subject to subsequent approval by the DMCC.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized and directed to transmit this Resolution to the City and to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

EXHIBIT A

Downtown Commercial Historic District Year 1 Review

December 2025

CONTEXT

DESCRIPTION OF DOWNTOWN COMMERCIAL HISTORIC DISTRICT

Rochester's Downtown Commercial Historic District is a unique corridor within the Destination Medical Center (DMC) development area that celebrates the city's architectural heritage, small-scale urban fabric, and the layered stories of its growth. The district includes a rich collection of early- to mid-20th-century commercial buildings and upper-story spaces, many of which are ripe for adaptive reuse.

In 2024, the City of Rochester, Minnesota designated the Downtown Commercial Historic District as a local historic landmark. This decision followed a public hearing and an updated study that highlighted the area's historical significance. The district includes about three city blocks, bounded roughly by South Broadway Avenue on the east, 1st Avenue Southwest on the west, 2nd Street Southwest to the north, and 4th Street Southwest to the south. Within this area, there are 33 properties, 28 of which contribute to the historic character of the district (Figure 1).

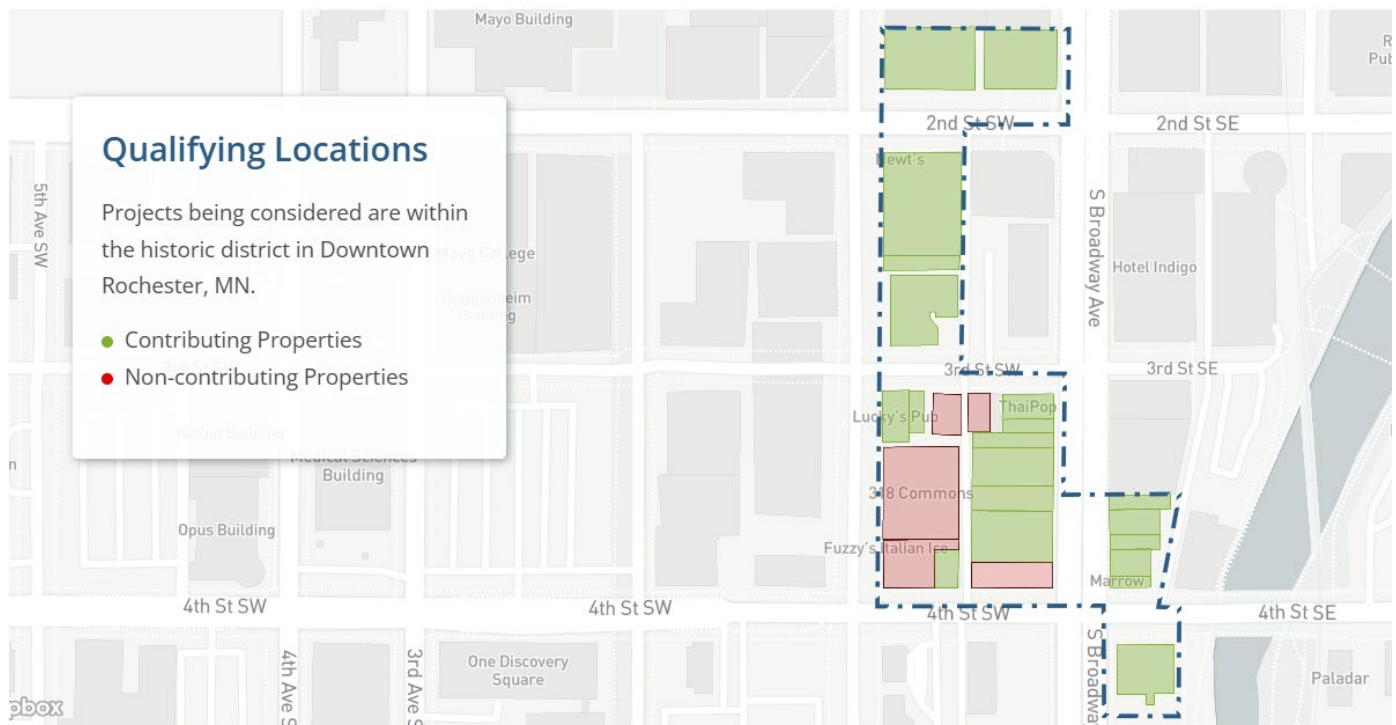


Figure 1. Map of Historic District and Contributing Properties

Although the designated area represents only a portion of Rochester's original commercial core, it contains the most intact grouping of historic buildings from the district's period of significance, which spans from 1870 to 1962. Many other historic buildings were lost in the late 20th and early 21st centuries due to redevelopment. While architectural styles of the buildings vary greatly, this pattern is by no means distinct to Rochester, and the buildings in the district are united by a physical development pattern that is typical of Midwestern commercial centers. Characterized by street-facing primary facades, zero lot line construction, and rectangular block plats, the streetscape reflects a longstanding pattern of civic and commercial development in Rochester.

This shared historic context and spatial organization are what qualified the area as a cohesive historic district. The district plays a critical role in the city's identity and economic strategy, offering walkable streetscapes, locally-owned businesses, and human-scale development. However, many properties within the district face challenges such as deferred maintenance, underutilized upper stories, and regulatory hurdles. Strategic investment is necessary to activate these spaces for modern use while preserving their historic integrity.

Heritage Preservation Overlay District

The City's local designation was enabled by the Heritage Preservation Overlay District in the Unified Development Code (UDC). The designation is **intended to identify and safeguard properties that have historic value to the community** and to:

- Encourage the preservation of properties and districts that reflect elements of the City's cultural, social, economic, political, visual, or architectural history;
- Enhance the City's appeal and attraction to residents, visitors, and tourists while promoting its economic viability through the protection and promotion of its unique character as related to its history and heritage;
- Enhance the visual and aesthetic character, diversity, and interest in the City through attention to historic properties;
- Foster civic pride in the beauty and notable accomplishments of the past;
- Promote the preservation and continued use of historic properties for the education and general welfare of the people of the City; and
- Promote the environmental benefits of adapting and reusing buildings.

HISTORIC PRESERVATION DISTRICT INITIATIVE

OVERVIEW

As the Rochester City Council considered designating the area as a historic landmark district, policymakers acknowledged the need for public support to achieve the goals outlined in the UDC. City Council requested that staff from DMC and the City research best practices and engage historic district building owners and tenants to develop a multi-pronged approach for public investment. Based on this robust process, staff recommended creating the Historic Preservation District Initiative consisting of eight focus areas. City Council adopted the initiative in 2024.

The eight focus areas (Figure 2) are intended to be a collective effort across partner organizations including the City, DMC, Rochester Downtown Alliance (RDA), and others. DMC is considered the lead in two focus areas: Financial and Recruitment and Retention.



Figure 2. Historic District Preservation Initiative Focus Areas (DMC in green)

CURRENT EFFORTS IN FOCUS AREAS

The City, DMC, and RDA are advancing work across multiple focus areas. The focus of this report is on the Financial focus area. However, more in-depth information about the progress in each area is available through the City and RDA. The following highlights a few examples of how the organizations are working together to ensure a comprehensive approach.

Mobility, Branding and Marketing

With support from Mayo Clinic, RDA is developing and testing a temporary wayfinding strategy specifically intended to enhance the Mayo Clinic patient experience by providing intuitive, clearly branded signage that encourages confident exploration of Downtown Rochester while ensuring a seamless return to the Mayo Clinic campus. The *draft* maps below illustrate a color-coded approach to distinguishing between distinct areas of downtown. The Historic District is identified in purple consistently across the materials in the campaign. This work will continue to be finalized in partnership with Mayo and the City.

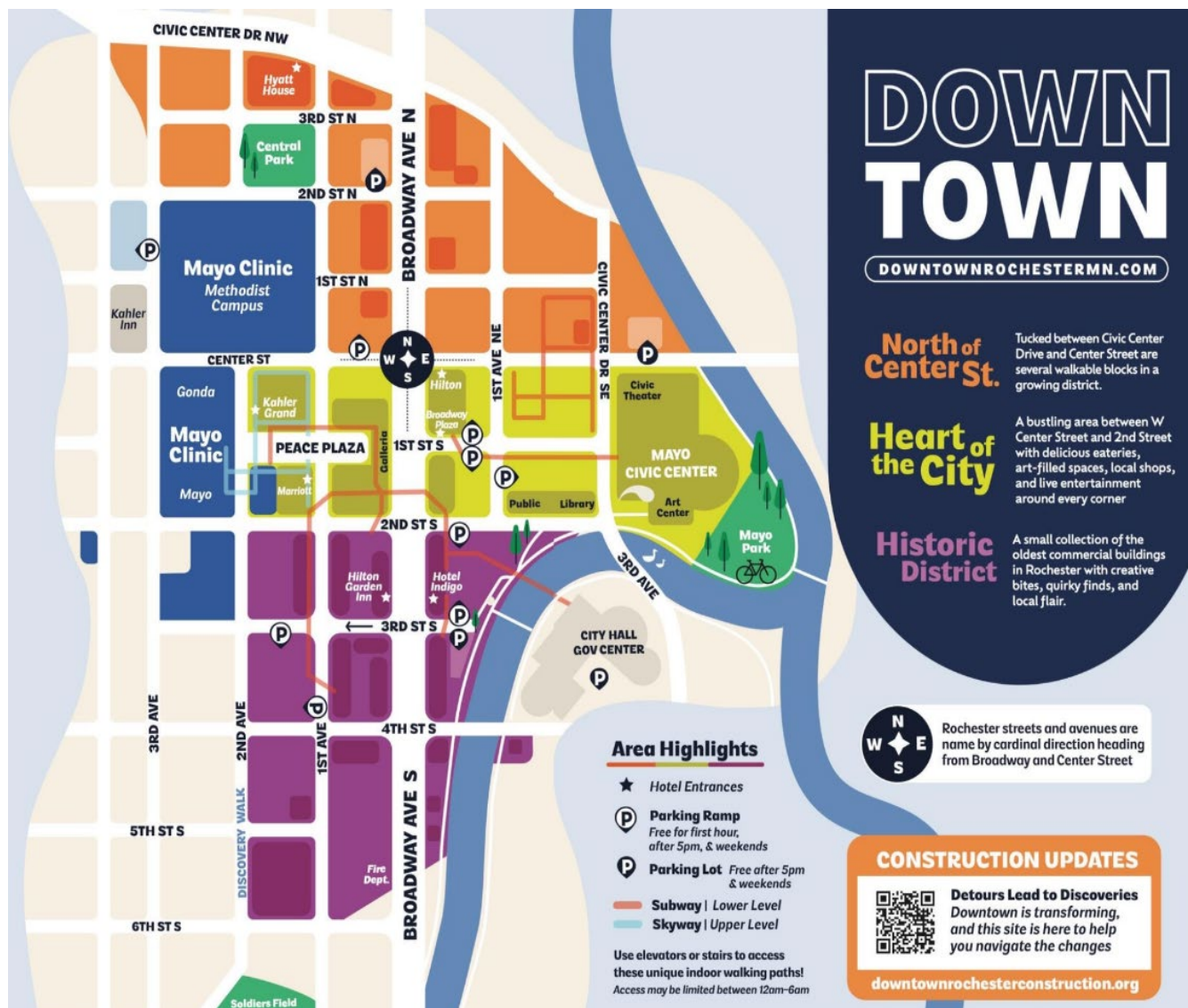


Figure 3. Draft Wayfinding Campaign Map

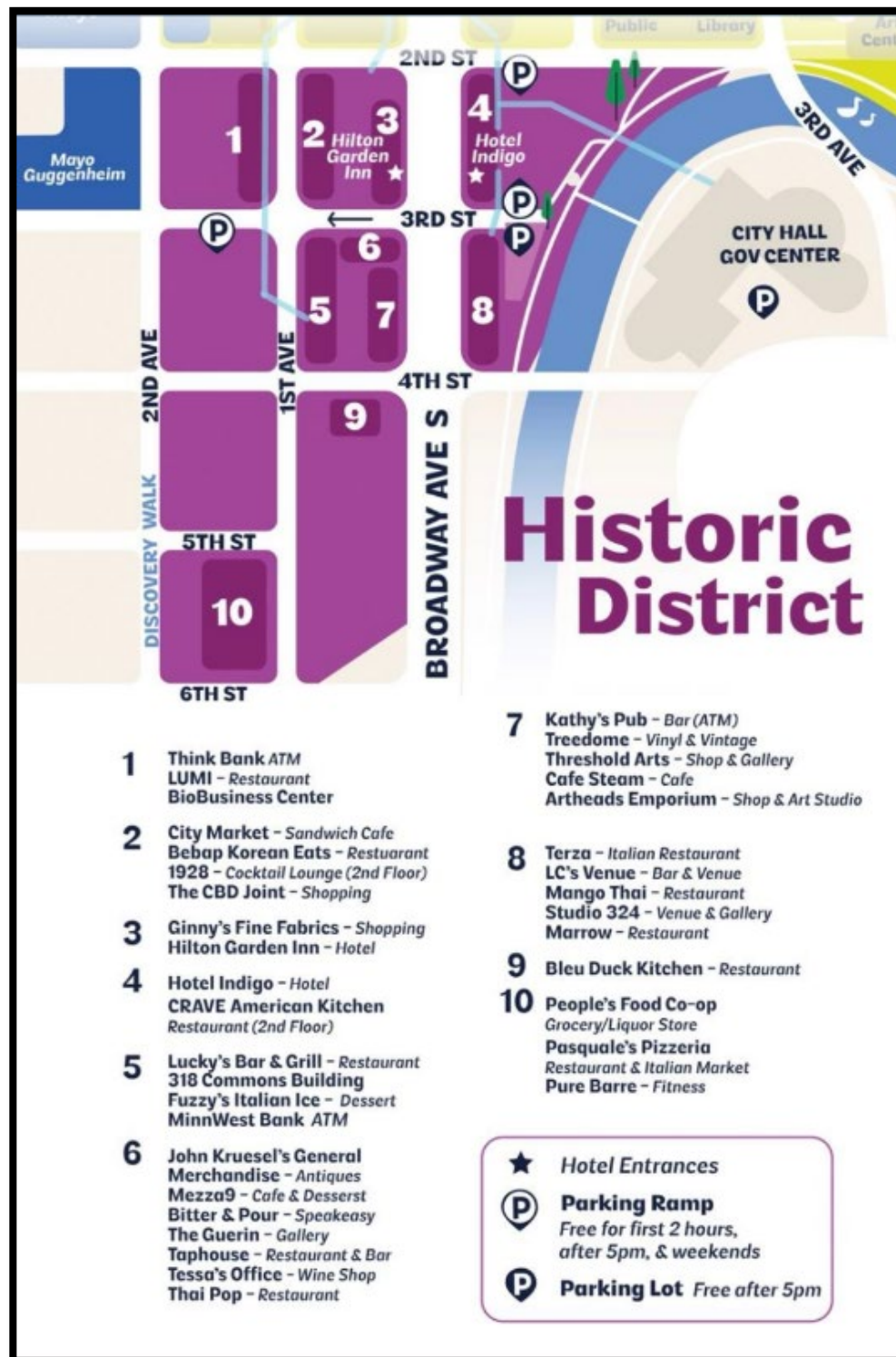


Figure 4. Draft Historic District Wayfinding Map

Public Realm

With City Council support, the City of Rochester selected Mend Collective to lead the Public Realm focus area in partnership with DMC. This initiative will result in a set of recommendations and strategies aimed at creating a cohesive, high-quality public realm that strengthens the identity and character of the Historic District. The scope may include wayfinding signage, interpretive historic markers, lighting enhancements, and consistent standards for street furniture. Achievements thus far include a publicly available [website](#) highlighting a “Case for Action” as well as significant community engagement. DMC staff are actively collaborating with the City as part of the project team.

Retention and Recruitment, Activation

DMC has worked with Krueger Real Estate Advisors on these focus areas. Lee Krueger, based in Minneapolis, brings decades of experience in commercial real estate, strategic consulting, and placemaking. Since 1985, Krueger has led Krueger Real Estate Advisors, where he and his team specialize in creative and adaptive real estate solutions, helping clients fill in the final, often most complex, “puzzle pieces” to advance ambitious development goals.

In 2023 and 2024, Krueger and his team were engaged by DMC to raise awareness of the Rochester market and support the recruitment of dining, retail, and entertainment tenants within the broader DMC initiative. More recently, focus has shifted to partnering with DMC and the Rochester Downtown Alliance (RDA) to develop a pop-up retail program located within the Historic District, aligning economic activation with historic preservation.

FINANCIAL FOCUS AREA: FUNDING PROGRAM OVERVIEW

Historic districts are economic and cultural anchors. When well-maintained and active, they enhance tourism, small business success, and civic pride. The justification for financial investment is grounded in this as well as the idea that public investment in historic buildings is a catalyst; every dollar in public incentive often unlocks multiple dollars in private reinvestment and contributes to outcomes valued by the broader community. The following logic model illustrates how the investment of public funds into Rochester’s Downtown Commercial Historic District can contribute to achieving these goals.

Table 1. Funding Program Logic Model

Input	Activities	Outputs	Outcomes	Impacts
City Investment • Pre-renovation Grant (City) • Revolving Loan DMC Investment: Infrastructure Investment Fund	• Inform property and business owners about funding opportunities. • Review applications and recommend eligible projects for funding. • Fund building projects that stabilize structures; adapt structures for new or on-going uses; beautify (historically) exteriors; and provide economic and environmental sustainability. • Support funded properties during projects.	• Information shared quarterly about available funding programs for downtown businesses and property owners. • Funding distributed to historic properties. • Report provided annually on progress toward program metrics.	• Funded projects completed. • Improved quality of environment in district with strong historic integrity. • Safeguarded properties with historic value. • New uses of historic buildings. • Enhanced appeal of city and downtown to residents and visitors.	• Increased civic pride (residents). • Increased visitors and new residents in DMC district. • Increased money spent in district and downtown. • Decreased demolition to landfill and carbon footprint from new construction.

The program developed by the City and DMC is designed to stimulate adaptive reuse, promote downtown housing, and strengthen the district as a vibrant cultural and economic hub. It offers property and business owners within the district access to financial support aimed at improving and maintaining the historic and architectural integrity and sustainable usefulness of their buildings.

A building sitting vacant might seem like a problem for only the property owner. But a vacant building means that a business wasn't operating, paychecks were not written, sales taxes were not collected, and utility bills were not paid. That lack of economic activity is also part of the cost of an empty building. - North Carolina Report by Place Economics

Three key financial tools comprise the program: *a revolving loan fund for building improvements, a pre-renovation grant, and a historic infrastructure investment program*. The goal of these tools is to facilitate thoughtful rehabilitation and upgrades that honor the past while ensuring a vibrant future for the district. All improvements funded through this program must be in compliance with all applicable codes and meet adopted City heritage preservation alterations requirements. The three tools include:

Revolving Loan Fund

The Revolving Loan Fund is designed to reduce financial barriers for renovation, code compliance, and structural improvements to eligible historic buildings. Details include:

- Funder: City of Rochester
- Allocation: \$1,000,000
 - Project Funding: Applicants can apply to receive a deferred, 0% interest loan of up to \$200,000 to make improvements to properties within the district.
 - Term: Loan carries a term of 10 years.
 - Timeline: Until funds are exhausted or December 31, 2029, whichever occurs first.
- Typically layered with DMC funding to maximize investment outcomes.
- Eligible Uses:
 - General preservation of historic components of the property.
 - Interior and exterior rehabilitation, restoration, and/or preservation of (for example): tuck pointing, masonry repair, windows, doors, painting, roof, foundations, and structural work, façade improvements, additions, and addressing code deficiencies.
 - Adaptive reuse.
 - Creation of upper-level residential units.

Pre-Renovation Grants

Pre-Renovation Grants are designed to cover soft cost activities like design, financial studies, project impact analyses, historic structure and re-use reports, and other activities related to pre-development costs.

- Funder: City of Rochester
- Allocation: \$125,000
 - Project Funding: Applicants can apply to receive a reimbursement of up to \$20,000 per project.
 - Match: Applicants must provide matching funds of at least 50% if the grant awarded is over \$10,000.
 - Timeline: Available until December 31, 2029.

Historic Infrastructure Investment Program

The Infrastructure Investment Program is designed to catalyze high-impact adaptive reuse, facade improvements, and second-story housing in the historic district.

- Funder: DMC Economic Development Agency administered in partnership with the City of Rochester.
- Allocation: \$5,000,000
 - Project Funding: Up to \$500,000 per contributing property.
 - Match: Matching funds of at least 50% by other non-DMC funds.
 - Approval: By the DMCC Board and Rochester City Council.
 - Timeline: Available until 12/31/2029 or until funds are exhausted or re-allocated.

- **Eligible Expenses:** Permanent physical improvements to the building that meet DMC definition of “public infrastructure project” divided into four categories:
 - **Adaptive Reuse:** Conversion of property use, such as office to retail or restaurant, or renovating vacant second-story space for housing or commerce, etc.
 - **Building System Upgrades:** HVAC, electrical, plumbing, etc.
 - **Building Safety and Preservation:** Exterior envelope sealing, accessibility improvements, etc.
 - **Code Modernization:** Improvements made to legacy properties in relation to ADA or other regulatory compliance, preparation of reuse, future reinvestment, sale, etc.

These tools together make Rochester’s historic district one of the most robustly supported redevelopment zones in the region, especially for small and mid-sized property owners.

FINANCIAL FOCUS AREA: FUNDING PROGRAM PROGRESS TO DATE

As of August 2025, nine projects were approved by DMCC Board and City Council for Historic Infrastructure Investment funding totaling **\$1,494,229 resulting in a total shared public and private investment of \$3,026,700**. Additionally, six of the nine projects used the Revolving Loan funding as a match to the DMC funds and two of the projects utilized Pre-renovation Grants. While the Infrastructure Investment funding has used less than one-third of the amount allocated, more than three-quarters of the allocated Revolving Loan and Pre-renovation Grant funds were utilized in the first year.

Funds remaining for future projects by category:

- Revolving Loan: \$229,836
- Pre-renovation: \$101,875
- Historic Infrastructure Investment: \$3,505,771

The table and figures below provide greater detail about the awarded projects and the remaining funds across the three-pronged funding program. One additional project request for \$76,495 of DMC support will be considered for funding during the late 2025 board meetings.

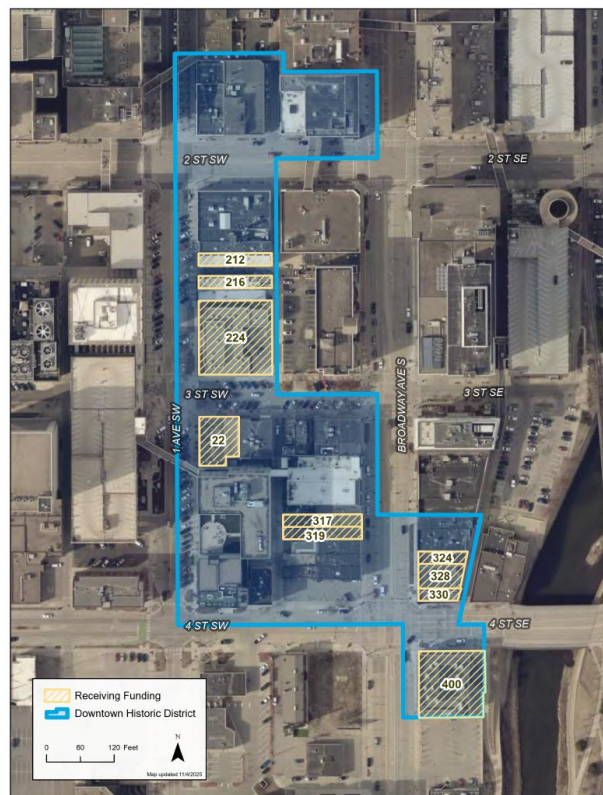


Figure 5. DMC Funding Projects through August 2025

Table 2. Detailed Overview of Historic District Funding through October 2025

Agreement Signed	Date Approved	Address	Property Name	Project Category and Description	Approved Funds				
					DMC	Loan	Other Match	Pre-Reno Grant	Total Project
6/2/2025	10.7.24	216 1st Ave SW	Bebap Restaurant	Building Safety & Preservation: Roof	\$84,912.00	\$84,912.00			\$169,824.00
5/15/2025	1.6.25	330 Broadway Ave S	Above Marrow Restaurant	Adaptive Reuse: 2nd story apartment	\$125,288.04	\$20,000.00	\$105,288.05		\$250,576.09
Sent to Owner 1/17/2025	1.6.25	400 Broadway Ave S	Riverside Building	Building Safety & Preservation: Roof, tuck-pointing, bathroom reno	\$202,274.33		\$202,275.34		\$404,549.67
6/2/2025	1.6.25	212 1st Ave SW	City Market	Building Safety & Preservation; System Upgrades: Roof, electrical system, HVAC	\$380,985.00	\$200,000.00	\$219,225.00	\$20,000.00	\$800,210.00
5/19/2025	2.19.25	224 First Ave SW	Old City Hall	Building System Upgrades: Electrical	\$22,500.00		\$22,500.00		\$45,000.00
9/5/2025	6.2.25	324 S Broadway	Fagan Studios	Adaptive Reuse: 2nd story apartment design				\$3,125.00	
6/2/2025	6.2.25	216 First Ave	Bebap Restaurant	Building System Upgrades: HVAC, exhaust, ductwork	\$161,535.00	\$115,088.00	\$46,447.00		\$323,070.00
9/5/2025	6.2.25	324 S Broadway	Fagan Studios	Adaptive Reuse: 2nd story apartment	\$245,185.00	\$200,000.00	\$45,185.00		\$490,370.00
Sent to owner 9/18/25	6.2.25	22 3rd St SW	Kruesel's	Building Safety & Preservation: Roof, tuck-pointing	\$127,039.00	\$127,039.00			\$254,078.00
8/20/2025	6.2.25	326-328 S Broadway	DB Studios	Building Safety & Preservation: Foundation re-pointing	\$6,750.00		\$6,750.00		\$13,500.00
Signed by owner 11/12/2025	10.6.25	319 Broadway Ave S	JLB	Building System Upgrades: Mechanical	\$14,000		\$14,000		\$28,000
10/13/2025	10.6.25	317 Broadway Ave S	Bach Music	Building Safety & Preservation; System Upgrades: Façade, mechanical	\$123,761.00		\$123,761.00		\$247,522.00
				Sub-totals	\$1,494,229.37	\$747,039.00	\$785,431.39	\$23,125.00	\$3,026,699.76
				Remaining Funds	\$3,505,770.63	\$252,961.00		\$101,875.00	
				Total Committed	\$5,000,000.00	\$1,000,000.00		\$125,000.00	

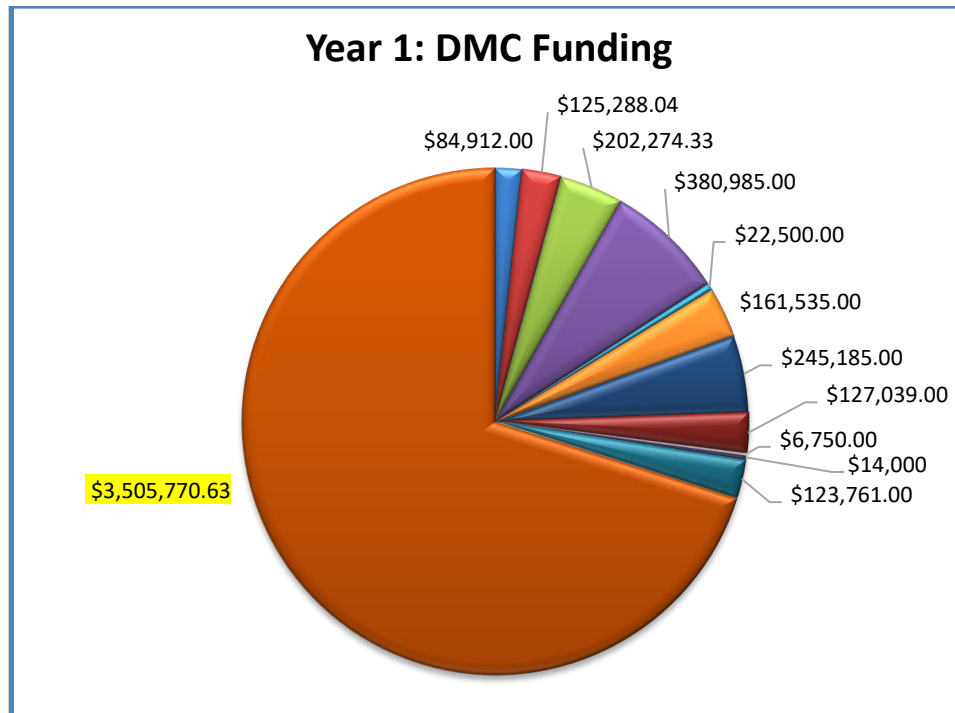


Figure 6. DMC Year 1 Funding through October 2025 (dark orange indicates remaining funds)

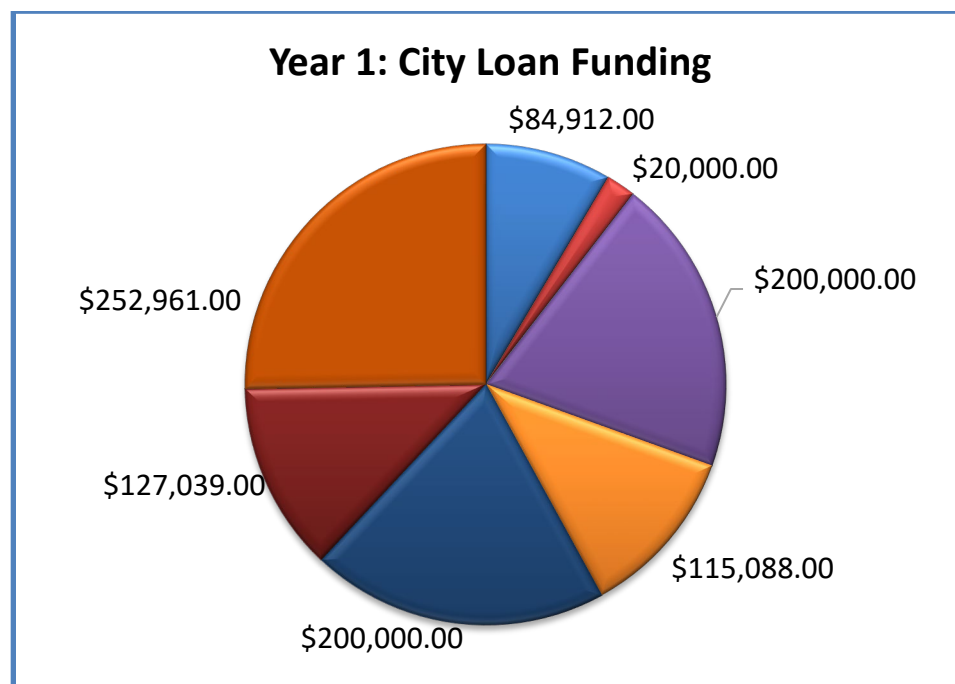


Figure 7. Year 1 City Funding (dark orange indicates remaining funds)

Anticipated Impact

Through October 2025, nearly 40% of contributing properties in the district have received funding. As noted in the table above, many projects are still getting underway and have yet to realize their potential impact. However, when asked to describe the anticipated impact the funding, the businesses and property owners who have received funding shared that they would not have been able to proceed with their building improvements without the DMC and City investment. They felt that the resources:

- Help them advance their business goals, increase property value, and continue to preserve the historic nature of their buildings.
- Improve restoration timelines and efficiencies.
- Enable more compliance with current code.
- Impact resident and visitor experience with context to Rochester's history.
- Demonstrate commitment to the properties and district by the City and DMC.

As one property owner said, *"This is a fantastic incentive."* Also, in a 2024 Minnesota StarTribune [article](#), Bucky Beeman, owner of the Kelley Building above Marrow and co-owner of the Riverside Building, shared this message on the new program's value for small business:

"I hope people can recognize that historic buildings can be a great place for business to thrive... they truly can become a place for small businesses to grow, and now there is a use case that it does actually work."

More evaluation of project impact will be available after Year 2.

FINANCIAL FOCUS AREA: REFLECTING ON YEAR 1 TO IMPROVE YEAR 2

Both the DMCC Board and City Council enthusiastically supported the projects requesting Infrastructure Investment funding. However, further discussion and some concerns arose regarding the adaptive reuse category for DMC-funded projects. These two projects, both focused on adding units of second story housing, were determined to meet program guidelines and ultimately adopted through majority votes. They did prompt a request by the DMCC for staff to review the first year of funding and consider potential refinements – including the use of adaptive reuse funding for housing and other commercial purposes.

Concerns

The concerns articulated by some DMC EDA, DMCC Board, and City Council members regarding the use of infrastructure investment program funds for adaptive reuse included:

- Alignment with original intent of legislation for funding housing projects with DMC funds.
- Amount of funding requested per unit of housing compared to previous multi-unit housing projects as well as other public resources available throughout the city.
- Type of housing generated will not be affordable and will be accessible to people who are able to afford housing elsewhere downtown.
- Wealth generation for property owners due to increased property value and rents regardless of the new use.
- Advantage for businesses located in the Historic District compared to other locations downtown.

As the DMC discusses how best and whether to refine the program, a few important notes.

Alignment with Legislation: There are approaches to adapt properties that meet adopted standards and there are those that do not. **Rehabilitation** is the term used for the approach to adaptive reuse that meets the City's requirements. Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values. **Subd. 11.a.(2) of the DMC legislation states that a project may "demolish, repair, or rehabilitate buildings"**. Given this, DMC's adopted definition of adaptive reuse does meet the definition of allowed use of funds outlined in legislation.

Benefits of Adaptive Reuse

Adaptive reuse of historic buildings offers significant **environmental, economic, and social benefits** by transforming underutilized structures for modern needs while preserving their unique character. Cities with notable support for adaptive reuse include Los Angeles, San Francisco, Baltimore, Chicago, Detroit, Philadelphia, Alexandria (VA), Cincinnati, and Northfield (MN). While the programs vary in the incentives they offer, they are grounded in these well-supported benefits.

Environmental Benefits

- **Conserves resources:** Reusing existing materials reduces the demand for new materials and the associated environmental impact.
- **Reduces waste:** It minimizes landfill waste that comes from demolition and new construction.
- **Lowers carbon footprint:** By avoiding demolition and the production of new building materials, adaptive reuse significantly lowers a project's carbon footprint.

Renovating an existing building typically reduces labor costs due to less site preparation and labor needed, making it a more efficient choice. The scope of work typically involves refurbishing and upgrading the existing conditions, allowing for a streamlined process and saving time and resources.

Economic Benefits

- **Revitalizes the economy:** It generates new uses for vacant or underutilized structures, which can spur new business development.
- **Reduces costs:** Developers can save on demolition costs and construction timelines.
- **Increases market value:** The unique architectural features of historic buildings, such as high ceilings and brickwork, can make them more desirable and increase their value.

National expert, Place Economics, measured the positive impact on the broader downtown economy that each additional unit of downtown housing contributes. For instance, someone paying \$1,000/month in rent may contribute \$12,000/year in rent to the property owner, but they contribute significantly more than that when living there (estimated at \$40k/yr) that benefits nearby businesses and sales tax.

Cultural and Social Benefits

- **Preserves history:** It maintains the unique historical and cultural character of a community by renovating rather than demolishing buildings.
- **Creates vibrant neighborhoods:** It revitalizes urban centers, encourages mixed-use development, and makes downtown more walkable and community oriented.
- **Fosters pride:** Engaging community members in the process helps create a sense of ownership and pride in the revitalized spaces, ensuring they meet local needs.

An article published by National League of Cities titled, "Why Housing is Key to Main Street Success," details how housing revitalizes main streets primarily through increased foot traffic. Residents living near commercial areas naturally frequent local shops, restaurants, and services. The convenience of amenities within walking distance encourages residents to spend more time and money locally, which benefits local businesses and entrepreneurs.

Many buildings remain vacant in urban areas, often in neighborhoods that would benefit from revitalization. These spaces represent missed opportunities for economic growth and community engagement. Adaptive reuse offers a solution by transforming these buildings into vibrant hubs that meet the needs of residents and visitors while introducing new functions in downtown. This intentional transformation creates a ripple effect, positively influencing the urban planning of the surrounding area (Congress on the New Urbanism).

FINANCIAL FOCUS AREA: LOOKING AHEAD

The City sent property and business owners in the district a survey to gauge future interest in improving their properties and understand how the City and DMC team can better support them. Beyond the 11 projects approved through October 2025, property and business owners have expressed interest in at least five additional projects. City and DMC staff will continue to conduct outreach to understand upcoming project needs, interests, and timing.

Rochester's Historic District is uniquely positioned to model how cities can preserve character and meet modern needs through both public and private investment. However, there is a need to clarify the best use of public funds as the program progresses into its second year. In recognition of the feedback articulated by several members of the three governing bodies, staff recommend modifying the eligible expenses under the adaptive reuse category.

Proposed

The following is a list of eligible project expenses as well as non-eligible project expenses for the adaptive reuse category of funding. In short, eligible expenses relate to any improvements needed to the "core and shell" in order to prepare the building for adaptive reuse but stop short of covering costs of interior fit regardless of purpose.

Eligible Project Expenses*

- Restoration, rehabilitation, and preservation work that support structural fitness of the historic building. Examples: foundations, site drainage, roofs, interior framing, rafters, floor and roof support, wall structures (including masonry repointing, ceramic and structural glass repair/replacing).
- Projects that require additional approval due to being in the historic district. Examples: storefront reconstruction/replacement/repair, exterior window/door replacement, awnings, exterior lighting fixtures, reconstruction of exterior historic architectural features such as cornices, parapets, balconies, entryways, and porches.
- Mechanical and plumbing systems. Examples: furnaces, air conditioners, fire and flood suppression (pumps), solar panels/systems, vent/exhaust systems.
- Building and energy compliance. Examples: Weatherization, insulation, electrical repairs/replacement.
- Accessibility and safety projects. Examples: stairways, ramps, mechanical lifts/elevators, railings, mechanical door openers.
- Existing Materials Repair/Restoration/Preservation. Examples: painting or sealing wood/porous elements, and interior plaster repair, interior woodwork or flooring repair.

* All funded projects must also still meet any/all code requirements and (if otherwise required) be approved through the City Certificate of Appropriateness process.

Non-Eligible Project Expenses

- Building additions to add usable interior space, unless required as part of an eligible project.
- Interior fit-out projects. Examples: Interior floorplan alterations, partition walls, kitchens, bathrooms (unless required by code), new finishes, and furnishings (FF&E).
- Interior additions or alterations purely for the purpose of changing the use of the property.

The DMC EDA recommends these refinements to the Downtown Commercial Historic District Investment Program to the DMCC Board for discussion and approval.

LINK BRT STATUS + CONTINGENCY USE REPORT

DECEMBER 2025

Requested Board Action

Authorize the use of unallocated Link BRT contingency funding per the Link BRT Contingency Use Criteria.

Highlights & Key Considerations

- The City of Rochester has completed bidding four of the five contracts for the Link BRT Project.
- The City Link BRT project team hosted a tour for the Federal Transit Administration's Project Management Oversight consultant of the Link construction site in October as part of the quarterly FTA update meeting. No issues of concern were identified by the consultant.
- Business Forward construction mitigation strategies continue (more details below).

Background

Vehicles:

The city received the first Link bus from New Flyer in August. An in-depth inspection is currently being completed by city staff and the acceptance process is ongoing. The 11 remaining buses are scheduled to enter the production line in early April 2026 with delivery to Rochester between June and August 2026. Per the existing production schedule, all 12 Link buses should arrive in Rochester by mid-August 2026.

Property Acquisitions:

While the city has already procured all property rights needed to execute the project, city staff continue negotiations with a few remaining property owners in an attempt to reach voluntary settlement agreements in order to avoid having to use the full eminent domain process. To date negotiations are continuing with four remaining property owners involving seven parcels. Negotiations are ongoing with the remaining property owners.

Construction:

- Final design for the West Transit Village Restrooms will be completed by Spring of 2026, with an anticipated start of construction by Summer of 2026.
- A weekly Link construction update emails are being distributed to the public and Link project updates are available at the following website <https://linkrapidtransit-rpu.hub.arcgis.com/> There are over 300 subscribers who receive the weekly email update.

- **Volume A – West Transit Village:** The total value of this contract \$7,687,422 and includes constructing the new roadway at the western terminus of the Link project. The contractor has completed the sanitary sewer main relocation required for construction of the new Mayo Parking Ramp. Link underground infrastructure work will continue through the fall of 2025 with an anticipated project completion date of November 2026.
- **Volume B – Streets and Utilities:** The total value of contract is \$21,952,671 and includes roadway reconstruction, traffic signals, and utility work. To date underground utility and road construction continues to proceed between 11th Ave SW and east of 14th Ave SW on 2nd Street SW. Construction between 11th Ave SW and 12th Ave SW has been completed and has reopened to traffic. Crews have been micro-phasing the project to ensure adequate sidewalk openings are available to the public and that access to businesses and the St Marys campus is maintained. Roadway construction work is also taking place at the 6th St SE and 3rd Ave SE intersection and on the new 6th Street SE road segment. Current work includes underground utility infrastructure, sidewalks, traffic signal installation, Rochester Public Utility (RPU) electric powerline relocation, and new roadway pavement.
- **Volume C – Platforms and Tunnel:** The total value of this contract is \$75,339,925 and includes construction of 12 station platforms, the transit center at St. Marys which includes a pedestrian tunnel, and adjacent pavement reconstruction disturbed by constructing the platforms. This contract was executed on July 21, 2025. The contractor is focused on preparing for the start of the pedestrian tunnel. Numerous contract submittals and shop drawings have been provided by the contractor and are either in review by the construction management team or have been approved. The contractor continues work on the BRT platform at 19th Ave SW and the local transit platform at 23rd Ave SW both on 2nd Street SW.
- **Volume D – Bus Maintenance Bay Addition:** The total value of this contract is \$4,592,000 and includes construction of a maintenance facility addition to support the operations of Link BRT buses located at the Public Works Transportation Operations Center. Regular construction meetings have commenced between the contractor and the construction management team. The contractor is currently procuring materials for the project. The contractor plans to start construction work on Volume D in March of 2026.
- **Business Forward Construction Mitigation:** The project team continues to prioritize businesses impacted by Link BRT construction through ongoing implementation of the Business Forward strategy. Team members remain in close communication with affected stakeholders—addressing concerns, coordinating solutions, and adding signage to ensure clear business access.

To further support businesses, particularly near the St. Marys campus, the team has partnered with Rochester-owned firms Rochester Local and Neighborly Gifts to promote businesses in this immediate area through targeted social media and marketing campaigns.

Additionally, Storefront Mastery a subconsultant to the city's construction management consultant, is finalizing individualized business accelerator reports offering participating impacted small businesses practical tools to strengthen operations, visibility, and long-term resilience.

As part of these efforts, the team hosted “**Link or Treat**” on October 21—a community Halloween event that drew more than 50 attendees and featured food and beverages from five Second Street businesses. The event encouraged local business support, offered the chance to meet the Link project team, and included tours of one of the new Link buses to increase visibility of the project.

Several ongoing communication tools developed in response to business feedback continue to help ensure consistent information sharing and access:

- A weekly Link BRT Newsletter, with more than 350 subscribers, that is also shared by Mayo Clinic with their employees and patients.
- Informational banners with QR codes on project construction fencing, linking directly to real-time travel updates at downtownrochesterconstruction.org.
- Custom pedestrian-scale wayfinding signage providing clear route descriptions to local businesses and key destinations.



Risks to On-Time Completion:

There are currently no risks jeopardizing the on-time completion of the project.

Upcoming Project Major Milestones:

- Volume A:
 - Stormwater and watermain utility installation.
 - Mass grading of the site for the roadway.
- Volume B:
 - Interim reopening of 2nd Street SW between 11th Ave SW and 12th Ave SW prior to the start of tunnel construction.
 - Completion of the 3rd Ave SE and 6th Street SE intersection reconstruction.

- Volume C:
 - Start of construction on the pedestrian tunnel and north vertical circulator at St. Marys Hospital.
 - Start of construction on the station.
- Volume D:
 - Start of Construction – March 2026

Risks to On-Time Completion:

- There are currently no risks jeopardizing the on-time completion of the project.

Upcoming Project Major Milestones:

- Volume A:
 - Stormwater and watermain utility installation.
 - Mass grading of the site for the roadway.
- Volume B:
 - Interim reopening of 2nd Street SW between 11th Ave SW and 12th Ave SW prior to the start of tunnel construction .
 - Completion of the 3rd Ave SE and 6th Street SE intersection reconstruction.
- Volume C:
 - Start of construction on the pedestrian tunnel and north vertical circulator at St. Marys Hospital
 - Start of construction on the station
- Volume D:
 - Start of Construction – March 2026

Factors Impacting the on Budget Completion of the Project:

- Anticipated and normally expected change orders related to making necessary field adjustments have occurred to achieve the previously approved project scope and meet city infrastructure technical design standards. These adjustments are detailed in the change order summary section below.
- A conflict was discovered with the pedestrian tunnels south vertical circulator construction and an existing high voltage Rochester Public Utilities underground electrical feeder line. A specialty high voltage electric line engineer-design firm has been hired and is in the process of designing a new route for the electric feeder line. The final reroute design is expected to be completed by January 2026. The current design work has not progressed far enough to provide an accurate estimate for this future change order.

- Volume A Contract

Change Order#	Change Order Name	Description & Action Steps	Impact to Cost
CO A001	Tree Clearing	Additional Clearing and Grubbing added from Volume B and C to complete removals according to federal regulations in month of March.	\$131,238.00
CO A002	Storm Sewer Revisions	Utility Updates and Plan Revisions for Storm Sewer	-\$51,748.98
CO A003	WTV Charger Updates	The on-route chargers require updated foundations and configuration to meet the manufactures recommendations	Pending
CO A004	Delete Camera	Subgrade Excavation and sub-cut replacement recommendations for 11th-12th Ave	-\$22,550.00
		TOTAL SPENT	\$56,940.00

- Volume B Contract

Change Orders - Volume B (as of November 1, 2025)			Link
Change Order#	Change Order Name	Description & Action Steps	Impact to Cost
CO B001	Sanitary and Water Updates	These are the true 'extras', meaning there is no unit pricing in the contract to capture the costs for tracking. 14 th Ave to 6 th Street SW	Pending
CO B002	Revised Field Office	Modified Specifications of Line Items 4 Field Office (\$220,018) bid to owner provided facility and upgrades required.	-\$97,505.00
CO B003	Sub Cut and Break Rock	Subgrade Excavation and sub-cut replacement required for 11th - 12 th Ave	\$36,000.00
CO B004	Missing Bid Items	Add missing bid items: 1" Corp Stops, Hay Bales, Cat 30 Blanket, Culvert End Protection, 3" minus stabilization rock, Ultra High Early Concrete, Aggregate Base	\$11,550.00
CO B005	Contaminated Soils	Contaminated Soils Testing, Hauling and Disposal	\$3,591.60
CO B006	Revised Traffic Signal	Revised signal pole location due to existing unforeseen utilities	\$2,424.96
CO B007	Connection to 6 ½ Street	Connect Existing Parking Lot to egress at 6 ½ Street SE	\$3,600.00
CO B009	J-Barrier with Fence	Additional barricades 11th Ave to 12th Ave for pedestrian safety	\$95,000.00
CO B010	Electrical Conduit/ Conductors	Changes to conduit for traffic signals require larger conductor.	\$105,080.18
CO B011	Storm Structure 680	Eliminated a storm structure, restocking fee applied. This will be a net savings	-\$30,021.95
CO B012	6th Street Changes	Multi-use Trail revisions to align with 6 th Street Bridge Project design	Pending
CO B013	Retaining Wall Modifications	Changes to the retaining wall were required to install the fence and cap stone on the retaining wall located at 3 rd Ave and 6 th Street SE	\$28,823.00
		TOTAL SPENT	\$158,543.49

- Volume C Contract

Change Orders - Volume C (as of November 1, 2025)			Link
Change Order#	Change Order Name	Description & Action Steps	Impact to Cost
CO C001	Owner Supplied Materials	These items are related to the Saint Marys Transit Center and Maintenance Bay that may provide a cost savings to the project by the City supplying the materials. The City did not proceed with owner provided materials as no cost savings was presented. The materials necessary for the work are included in the project.	\$0
CO C002	Electrical duct bank and utility conduit	Unforeseen conflict at Saint Marys Transit Center east bound vertical circulator building and tunnel	Pending
CO C003	SMTC Building Permit Changes	Plan revisions include items such as plumbing, radon system additions.	Pending
CO C004	SMTC Radon Gas System	Achieving the B3 certification requires radon gas system to be installed	\$100,000
CO C005	Asbestos in Building Demolition	Additional Asbestos in Building Demolition was discovered in debris of the building demolition. It was separated and hauled to a specialized landfill	\$10,757.82
CO C006	Snowmelt Junction Box Locations	Design changes were required to install the electrical feeds to the junction boxes for each station	Pending
		TOTAL SPENT	\$110,757.82

Vehicles Contract

The City was notified by New Flyer that the tariffs will impact on our bus build price which such adjustment is allowed by the City-New Flyer Contract. Tariffs are an ongoing topic of conversation between the City of Rochester and New Flyer. Additional tariff fees are billed separately from the bus and is reflected in the table below.

Change Orders - Vehicles (as of November 1, 2025)			Link
Change Order#	Change Order Name	Description & Action Steps	Impact to Cost
CO V002	Tariff Increases	Tariff Cost increase implemented by New Flyer	\$ 200,000
		TOTAL SPENT	\$200,000.00

Project Funding

Project Budget		Link
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2024 Small Starts updated November 1, 2025

SCC#	SCC Description	Budget	Expenditures to Date
10	Guideway & Track Elements	\$4,818,000	\$1,082,232
20	Stations, Stops, Terminals, Intermodal	\$60,382,000	\$137,031.96
30	Support Facilities: Yards, Shops, Admin. Bldgs	\$7,106,114	-
40	Sitework & Special Conditions	\$33,652,018	\$3,972,104.38
50	Systems	\$6,128,000	\$169,935.17
	<i>Subtotal 10-50</i>	<u>\$112,086,132</u>	
60	ROW, Land, Existing Improvements	\$12,256,132	\$12,202,925.20
70	Vehicles	\$21,726,404	\$899,775.96
80	Professional Services	\$27,925,000	\$20,014,838.31
	<i>Subtotal 10-80</i>	<u>\$173,993,668</u>	
90	Unallocated contingency	\$22,752,072	\$526,241.31
	Total	\$196,745,740	\$39,005,084.29

Attachments / Exhibits

None at this time.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. _____-2025

**A RESOLUTION AUTHORIZING USE OF UNALLOCATED LINK BRT PROJECT
CONTINGENCY FUNDING**

BACKGROUND RECITALS

A. Pursuant to Resolution No. 156-2024, the Destination Medical Center Corporation (the “**DMCC**”) approved general contingency funding (the “**Contingency Funding**”) for the Link Bus Rapid Transit project and criteria for the preservation and use, approval, and reporting of the Contingency Funding (the “**Original BRT Contingency Criteria**”).

B. Subsequently, the DMCC approved an increase in the Contingency Funding pursuant to Resolution No. 174-2025 and approved revisions to the Original BRT Contingency Criteria (the “**BRT Contingency Criteria**”) pursuant to Resolution No. 181-2025.

C. The Destination Medical Center Economic Development Agency (the “**EDA**”) and the City of Rochester (the “**City**”) staff recommend authorization for the use of unallocated Contingency Funding, pursuant to the BRT Contingency Criteria, in such amount and subject to the requirements set forth in the change order request attached hereto as **Exhibit A** (the “**Contingency Funding Use Request**”).

D. The Staff of the City and the EDA requests that the DMCC approve the Contingency Funding Use Request.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the DMCC approve the Contingency Funding Use Request based on the following conditions:

1. Use of the Contingency Funding shall be in strict compliance with all requirements set forth in the BRT Contingency Criteria.
2. The scope of approval of the Contingency Funding Use Request is limited to that set forth in the Contingency Funding Use Request attached hereto as **Exhibit A**.
3. Any modification to the Contingency Funding Use Request will be subject to subsequent approval by the DMCC.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized and directed to transmit this Resolution to the City and to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

EXHIBIT A

EXHIBIT A



November 12, 2025

TO: Destination Medical Center Corporation

**From: Patrick Seeb, Executive Director, DMC Economic Development Agency
Cindy Steinhauser, Deputy Administrator, City of Rochester**

**RE: Approving Release of Unallocated Contingency Funding According to the
BRT Contingency Use Criteria**

Request of the Board of Directors:

It is requested that the Board authorize the use of \$975,000 from unallocated contingency within the DMC County and State Aid Transit Funds and the Federal Transit Administration Small Starts Grant, in accordance with the approved LINK BRT contingency use guidelines. Approval of this change order will permit the contractor to proceed with construction activities under winter work conditions, thereby improving the overall project schedule through modifications to the construction means and methods for the Saint Mary's Transit Center. This authorization will help maintain project momentum and mitigate potential schedule delays and cost increases associated with extended construction timelines.

Background:

The LINK BRT system is a transformative transportation investment designed to enhance mobility, reduce congestion, and support the continued growth of Rochester. The Volume C – Platforms and Tunnel contract was executed on July 21, 2025, in the amount of \$75,339,925. LINK BRT contractor Elcor Construction has been working for the past several months along 2nd Street SW in front of Saint Marys Hospital, completing utility and roadway construction. The project is now at a stage where tunnel construction could proceed. A construction duration of approximately 18 months is required to complete the Saint Marys Transit Center, however, two constraints are preventing advancement. Work on the north vertical circulator is paused pending the acquisition of additional temporary shoring and excavation easements. Work on the south vertical circulator is paused due to a recently identified conflict requiring the relocation of high-voltage underground electrical lines. For reference, the current schedule anticipates substantial

construction completion by June 17, 2027, revenue service commencement on August 19, 2027, and FTA grant closeout by March 19, 2028.

Change Order Justification:

The Contractor is now prepared to start work on the pedestrian tunnel. The following two scenarios provided schedule options to advance the project.

Scenario 1: Continue construction according to current means and methods, no change order authorization to modify means and methods or perform winter work. The following are considerations for continuing under Scenario 1.

- Construction of the Saint Marys Transit Center would not begin until April 1, 2026. The 120-day delay in the start of work is due to the need to use the eminent domain process to obtain the additional required temporary easements.
- This would push completion to October 1, 2027. System start-up and compliance testing would also be delayed, with final commissioning and commencement of service not occurring until November 1, 2027.
- The delayed service commencement would, in turn, postpone Final Project Closeout of the FTA Grant to May 2028, requiring an amendment to extend the project schedule under the Small Starts Grant Agreement with the Federal Transit Administration.
- Scenario 1 would also extend the closure of 2nd Street SW by approximately 16 weeks, as both the north and south vertical circulators would need to be constructed concurrently to minimize further schedule impacts.
- Performing construction on both the north and south vertical circulators concurrently would interfere with work at the 2nd Street SW and 14th Avenue SW intersection, restrict available traffic lanes, and negatively affect emergency room access from the east.

Scenario 2: Allow work on Saint Marys Transit Center to proceed immediately without delay by authorizing a change order to fund winter work conditions (\$350,000) and modifications to construction means and methods (\$625,000).

- The change order funding will be used to modify the earth shoring and retention system by enabling multiple installation setups, eliminating the need for easements to construct the north vertical circulator, and include provisions for heated and enclosed work areas during winter.
- The contractor will maintain one lane of traffic in each direction on 2nd Street SW and keeping a pedestrian route open on the south side of the roadway throughout the winter and will maintain at least one lane of traffic in one direction on 2nd Street SW at all times, ensuring improved emergency room access from the east.
- In May 2026, additional temporary pavement will be placed over the newly completed tunnel segment to shift vehicle and pedestrian routes to the north half of 2nd Street SW.

The contractor will then begin construction of the south vertical circulator building and the southern half of the tunnel.

- The construction duration for the Saint Marys Transit Center under this scenario is 18 months, beginning December 1, 2025, and concluding June 1, 2026. This schedule allows for system start-up and compliance testing to occur as originally planned, maintaining the operational service date and supporting the Link BRT opening in Q2 2027.

The City believes proceeding with Scenario 2 is the best option to maintain the project's overall schedule, provide better access to the traveling public, and improve emergency room access from the east and therefore is recommending approval of this change order. This would increase the total project cost to approximately \$176.1 million including previously approved change orders.

DMC DEVELOPMENT PLAN — 2025 FIVE-YEAR UPDATE

DECEMBER 2025

Requested Board Action

- Receive staff report on the released draft of the 2025 DMC Development Plan Update.
- Offer strategic feedback on framing, clarity, and emphasis as public comment and partner review continue.
- Provide direction to staff regarding presentation of the final plan update materials.

Highlights & Key Considerations

Funding

The DMCC Board and City Council have approved \$750,000 in the 2025 DMC Capital Improvement Plan to support the statutory update. Staff are tracking expenditures and milestones to ensure the update remains on schedule and within budget.

Alignment and Coordination

The update keeps Rochester's next decade of DMC investment and policy decisions coordinated among the City, County, Mayo Clinic, and community partners. It will align with the City's Comprehensive Plan 2040 update and Mayo Clinic's *Bold. Forward. Unbound. in Rochester.* strategy as well as many additional public plans that have been completed in the past 10 years.

The City Council received and discussed the draft update to the DMC Development Plan during its November 24, 2025 Study Session.

Risks and Mitigation

Delays or misalignment across jurisdictions could create uncertainty for investors, developers, entrepreneurs, and others. Staff integrated feedback from themes identified during the October 2025 Board Retreat.

Outcomes and Value

The update reaffirms DMC's statutory goals, documents measurable progress, and renews the vision positioning Rochester as America's City for Health. The process reinforces transparency, collaboration, and adaptability—core to sustaining DMC's momentum into its second decade.

Background

The Destination Medical Center initiative, authorized by the Minnesota Legislature in 2013, positions Rochester as a global center for health and innovation while enhancing quality of life for residents, workers, and visitors.

The 2015 DMC Development Plan established that framework: defining six subdistricts, five statutory goals (vision, investment, jobs, tax base, and experience), and the funding structure that leverages local and state investment to attract private development.

The 2020 five-year update documented early progress—nearly \$1 billion in private investment and 7,700 jobs—and introduced priorities including Discovery Walk, mobility and transit corridor planning, workforce housing, and the Heart of the City public realm. That update also incorporated emerging lessons from the COVID-19 pandemic, emphasizing resiliency and adaptability.

By 2025, the DMC initiative has surpassed \$1.8 billion in private investment, completed three signature public-realm projects, and begun Link Bus Rapid Transit implementation. The University of Minnesota Rochester has grown to more than 1,000 students, One and Two Discovery Square have matured into an active innovation district, and Rochester has earned designation as Minnesota’s first LEED Gold-certified city.

The 2025 update does not replace the original Development Plan; it refines it. The updated document interprets the DMC mission through three interlocking strategic lenses:

Accelerating Health Innovation

Expanding Discovery Square and the regional innovation ecosystem through entrepreneurship, education, and capital formation.

Design for Well Being

Embedding health, sustainability, and equity into infrastructure, urban design, and public investment.

Drive Purposeful Growth

Advancing Rochester’s livability, culture, and visitor experience to recruit and retain talent.

Attachments / Exhibits

Draft of the DMC Development Plan update.

CHATEAU THEATRE

DECEMBER 2025

Requested Board Action

None; intended for information only.

Highlights & Key Considerations

- The 2025 DMC CIP included \$100,000 for the preparation of an operations and capital improvement plan; City of Rochester staff are preparing a building integrity report and have partnered with the owner-operator of Minneapolis' Granada Theatre to prepare the operations plan.
- A significant number of events are planned for the rest of 2025. They include:
 - Recognition of the Chateau's 98th birthday
 - A variety of movies
- The entire schedule of events can be found here:
<https://www.yourchateau.org/events>.

Background

The City of Rochester purchased the historic Chateau Theatre, investing \$5.5 million of DMC funds in 2015. The theatre is intended to be an element of DMC's Heart of the City public realm experience strategy, and to serve as a catalyst for downtown visitation and commerce.

In recent years, the theatre has been managed and operated by Threshold Arts, a local non-profit organization. To support building improvements, the City was awarded a U.S. Economic Development Administration grant to make interior improvements, including to the restrooms. Other improvements, including to the HVAC system and marquee, have been undertaken with DMC funds. In 2024, the DMCC board and Rochester City Council made the most recent DMC investment in the Chateau Theatre, providing \$100,000 to prepare capital and operations plans for the facility. To date, these federal and DMC funds have been the primary sources of funding for theatre capital improvements. In total, DMC-approved Chateau Theatre funding totals \$8.8 million, with any further funding contingent on DMCC board review of the theatre operations and capital investment plan.

Attachments / Exhibits

- A quarterly report of events and activities follows this report.

Q1 2025 ACTIVATION REPORT

ACTIVATION: AT A GLANCE

41 events - and - 8, 402+ visitors

April: 14 events, 1,346 visitors

May: 16 events, 4,885 visitors

June: 11 events, 2,171 visitors

PROGRAM HIGHLIGHTS

Bike MN presents Evelyn Burnett

Bright Lights Poetry

Cardinal of MN Talent Show

Castle Con: Enter the Dungeon

Chamber Local Gov't Connect

Charlie Parr Concert

Downtown Art Walk

Downtown Business Celebration

Eleanor Sievers CD Release

Homeschool Prom

Jennifer Lyn & the Groove Revival

Madhouse Wrestling

Med City Marathon Expo

Med City Meander Rest Area

MPR's Bring the Sing

Night Moves Concert

RPL hosts J. Ryan Stradahl

SBDC KEP Conference

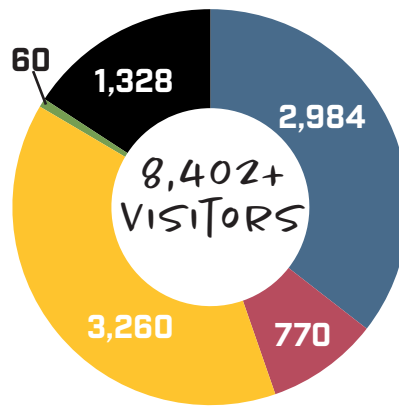
TPT Almanac

Trust the Hours Exhibition

USA Dance & Salsa Rueda

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- Public Event - Ticketed (39%)
- Public Event - Free (36%)
- Private Rental (9%)
- Walk-in Visitors (16%)
- Rehearsals (>1%)

LOOKING FORWARD

As Summer sets in, we look forward to increased daily traffic, thanks in part to RDA's Music Downtown series on Peace Plaza, an increased number of private events as community events are focused outdoors, and an opportunity. Construction in the area has moved Thursdays Downtown away from Peace Plaza, so we will focus on community outreach and promotion for fall and winter events at the Chateau.



CIVIC CENTER NORTH (SHERMAN)

NOVEMBER 2025

Requested Board Action

None; intended for information only.

Highlights & Key Considerations

- Archaeological exploration was completed on the site in October, no adverse findings.
- Developer anticipates closing on financing in February 2026 with planned construction commencement when ground thaws in spring, and not later than May 2026.

Background

The Civic Center North site, located between 1st Avenue SE and the Zumbro River, has long been identified as a priority redevelopment opportunity within the DMC district. The 2015 DMC Development Plan envisioned this area as a “northern gateway” that connects the Mayo Civic Center, riverfront, and surrounding neighborhoods through a mix of housing, lodging, and civic amenities.

The 2020 Development Plan Update reaffirmed the importance of the site as a catalyst for new residential density, improved pedestrian access to the Zumbro River, and activation of underutilized riverfront land.

Following a competitive selection process in 2022, Sherman Associates was chosen as the preferred developer. Concept plans emphasize a balance of market-rate and affordable housing, structured parking to support both residents and event activity, and high-quality public realm improvements that enhance the downtown experience.

As of late 2025, preliminary design and financial modeling have been completed. The project’s estimated \$138.5 million total investment leverages multiple funding tools, including tax increment financing, housing revenue bonds, and DMC/City public-realm support. Together, these tools close feasibility gaps typical in high-cost, mixed-income urban housing while ensuring strong architectural and environmental standards.

Attachments / Exhibits

None at this time.

DISCOVERY SQUARE INFRASTRUCTURE: BIOLABS IN ROCHESTER, MN

DECEMBER 2025

Requested Board Action

None; intended for information only.

Highlights & Key Considerations

- BioLabs, the premier international innovation platform and operator of shared laboratory spaces for life science startups, was officially welcomed to Rochester, Minnesota on October 15, 2025. The expansion into the Midwest marks BioLabs' first location in the region.
- The 16,000-square-foot facility will be located in Two Discovery Square, within Rochester's growing innovation district, and is slated to open in late 2026.
- DMC and the City of Rochester approved up to \$8 million in DMC Strategic Development GSIA funding for the project. Mayo Clinic is also making significant financial and operational contributions toward the facility's buildout and infrastructure.

Background

BioLabs Rochester represents a strategic infrastructure investment and a cornerstone of DMC's long-term business development strategy to attract, retain, and grow high-impact HealthTech companies. The project fulfills a core objective of the 2016 Discovery Square Master Plan, to create collaborative, multi-user lab environments that drive innovation, entrepreneurship, and commercialization and advances DMC's 20-year goal of creating 30,000 new jobs in Rochester.

The initiative also directly responds to insights from the 2022 Awareness and Perception Study, which found that awareness of Rochester as a life sciences destination was low, and that more than 90% of expanding life science companies did not consider Rochester when evaluating location decisions. The presence of BioLabs, a recognized global innovation brand, helps overcome these barriers by connecting Rochester to a trusted international network of research and startup hubs in the U.S., Europe, and Japan.

The BioLabs Rochester project is a collaboration among Mayo Clinic, Destination Medical Center, the City of Rochester, and Mortenson with Mission BioCapital providing private sector investment. Combined, these contributions represent a new model for public-private infrastructure development, aligning public investment with industry, academic, and real estate partners to create lasting economic and scientific value.

The BioLabs project also serves as a workforce catalyst for Rochester's growing life sciences ecosystem. Partnerships are being developed with a number of local educational institutions to align programs in STEM, digital health, and lab sciences with emerging career pathways. Students will gain access to internships, job shadowing, and applied learning opportunities within Discovery Square.

BioLabs Rochester will:

- Position Rochester as the Midwest center of gravity for life science startups, serving as the only BioLabs location in the region.
- Increase visibility and competitiveness of Rochester as a global innovation destination.
- Generate and diversify employment.
- Drive industry collaboration.
- Expand access to research infrastructure, accelerating discovery and commercialization.
- Strengthen talent retention and attraction, connecting local talent to high-growth health technology careers.

Next Steps:

- November 21, 2025: DMC, BioLabs, and Mayo Clinic will jointly highlight the Rochester project at BioLabs Charité in Berlin, during the Minnesota trade mission to Europe led by Governor Walz. Dr. Janani Reisenauer will join the Governor in remarks to European healthtech and medtech companies.
- Q1 2026: Completion of design and preconstruction planning for the Two Discovery Square site.
- Mid-2026: Start of construction on the BioLabs Rochester facility.
- September 2026: Targeted opening, with the first cohort of startup tenants beginning occupancy.

Attachments / Exhibits

None at this time.

DOWNTOWN INFRASTRUCTURE ALIGNMENT

DECEMBER 2025

Requested Board Action

None; intended for information only.

Highlights & Key Considerations

- Mayo Clinic Progress:
 - Ozmun Building demolition is now complete, clearing the site for future integrated medical facilities.
 - Damon Parking Ramp demolition and related site work are underway, with coordination between Mayo, the City, and DMC to manage traffic, noise, and access.
 - The Site Development Plan will be submitted soon for the West Logistics Center.
 - Utility relocation and sequencing continue, guided by joint City–Mayo–DMC coordination teams to minimize service and traffic disruption.
- Neighborhood Impact Study – 2025 Year-End Scoping
DMC EDA and Gehl Studio have established a set of key objectives for year-end work, including:
 - Defining the scope and priorities of a full 2026 Neighborhood Impact Study, including which impacts to measure and where.
 - Identifying key impact areas and data needs, such as employment, housing, mobility, and neighborhood livability.
 - Aligning engagement and pilot priorities—including tactical or temporary interventions that address near-term disruption and test long-term design strategies.
 - Clarifying roles and sequencing for DMC, City, and consultant teams leading into 2026.

Background

Mayo Clinic's *Bold. Forward. Unbound. in Rochester* represents one of the most significant private development efforts in Minnesota's history—a more than \$5 billion investment that will transform Mayo's Rochester campus over the next decade. The multi-phase plan includes the replacement of existing facilities, new clinical and logistics buildings, and substantial upgrades to public streets, utilities, and the pedestrian environment.

The Downtown Infrastructure Alignment program coordinates related public improvements within and surrounding the Mayo Clinic campus construction zone, including the adjacent neighborhoods.

- Continuity of mobility and access for patients, employees, and residents during construction;
- High-quality public realm design that reflects DMC's standards of experience and accessibility; and
- Long-term reinvestment in connections between Mayo's campus, Discovery Walk, and nearby neighborhoods.

Gehl Partnership and 2025 Scope
To complement engineering and capital planning work, the DMC EDA engaged Gehl Studio, Inc. in mid-2025 to help shape the *Downtown Infrastructure Alignment* vision and design framework. The Gehl scope focused on developing a set of public realm priorities for downtown and adjacent Kutzky Park neighborhood.

To complement engineering and capital planning work, the DMC EDA engaged Gehl Studio, Inc. in mid-2025 to help shape the *Downtown Infrastructure Alignment* vision and design framework. The Gehl scope focused on developing a set of public realm priorities for downtown and adjacent Kutzky Park neighborhood.

Attachments / Exhibits

This map illustrates the Kutzky Park area, highlighting the Broad Impact Area and the Direct Impact Area. The Broad Impact Area is outlined in green and includes the area around Kutzky Park, the Mayo Clinic Hospital, Methodist Campus, and the area around the Waterman Gonda. The Direct Impact Area is outlined in red and includes the area around the Charter House, the Logistics West, and the area around the St. Mary's Park. The map shows the following streets and landmarks:

- Streets:** CIVIC CENTER DR NW, 4TH ST NW, 3RD ST NW, 2ND ST NW, 1ST ST NW, 2ND ST SW, 3RD ST SW, 4TH AVE SW, 5TH AVE SW, 6TH AVE SW, 7TH AVE SW, 8TH AVE SW, 9TH AVE SW, 10TH AVE SW, 11TH AVE SW, BROADWAY AVE, CENTER ST W.
- Landmarks:** Kutzky Park, Mayo Clinic Hospital, Methodist Campus, Waterman Gonda, Clinical, South Parking, Discovery Walk, Peace Plaza, Mayo, Charter House, Logistics West, St. Mary's Park.
- Impact Areas:** Broad Impact Area (green outline), Direct Impact Area (red outline).

DOWNTOWN RIVERFRONT

DECEMBER 2025

Requested Board Action

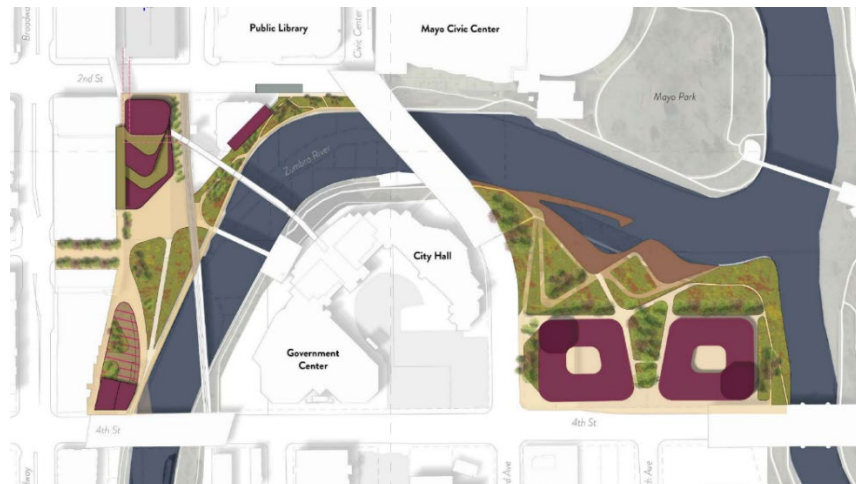
None; intended for information only.

Highlights & Key Considerations

- In August City of Rochester received a \$500,000 grant to build a new plaza on the Zumbro Riverfront trail.
- With Civic Center North expected to commence construction in spring 2026, additional development of a developer RFP for these sites is being contemplated by the City of Rochester.

Background

To create a bold vision for future use of the Riverfront Small Area Plan site, it will be essential to leverage both the east and west sites together. The east-side focus being higher density and the west-side focused on civic and community engagement.



The City of Rochester, in collaboration with Destination Medical Center, worked with Hunden Partners to complete preliminary market assessments and gather strategic feedback for the upcoming developer RFQ process for two city-owned riverfront parcels. Their analysis covered RFQ timing, current market conditions, financial feasibility, and potential economic impact.

The Rochester City Economic Development Authority recently approved a Development Assistance Agreement for the Civic Center North redevelopment—an earlier RFP-driven project.

With that project now advancing through entitlements and permitting, the City is preparing to issue a new RFQ for the riverfront sites. A draft RFQ has been completed and could be released in Q4 2025, with submissions due after the holiday season, followed by vetting and interviews based on interest received.

Several pre-development improvements are completed or underway, including:

- A mural on the south side of the 2nd Street Ramp, enhancing the visual appeal of the corridor.
- Decorative window wraps on the 3rd Street skyway, creating an eye-catching feature for people looking east toward the river and drawing more attention to the area.
- A new trash enclosure along the alley, painted with a mural that complements the ramp design for a cohesive look.
- The City of Rochester received a \$499,114.80 grant from the Minnesota Pollution Control Agency (MPCA) to build a new plaza on the Zumbro Riverfront Trail. The project includes a bike node, seating, a bike-fixit station, and a bio-filter area to manage stormwater. The grant falls under the MPCA's Community Resilience implementation grants to help communities prepare for climate change impacts like flooding and extreme weather.

Attachments / Exhibits

None at this time.

HEALTH-TECH ENABLED AGING-IN-PLACE HOUSING

DECEMBER 2025

Requested Board Action

None; intended for information only.

Highlights & Key Considerations

- The Home Innovation Lab (*ie test home*), a new research and demonstration project dedicated to advancing healthy aging and wellness through housing innovation, is proposed for development near Discovery Square.
- The project will be developed in partnership with the University of Minnesota Rochester (UMR) and co-led by Urbaneer, Delos, and the Well Living Lab. DMC is serving as an advisor and catalyst, aligning the project with community housing priorities and Rochester's identity as America's City for Health.
- The Home Innovation Lab will combine research, technology, and design to create and evaluate "tech-enabled age-in-place" living environments that improve health, comfort, and independence for older adults.

Background

The Tech-Enabled Housing Initiative is part of DMC's broader effort to address Rochester's housing supply and affordability challenges, particularly in attainable and senior housing segments. Research conducted in partnership with the Well Living Lab and Delos has identified a national opportunity to link housing innovation with public health outcomes.

The Home Innovation Lab's mission is to transform how living environments are designed, constructed, and occupied to support healthy aging and wellness. Its objectives include advancing research and innovation, defining new residential building guidelines for optimal age-in-place design, and bringing science-based, scalable solutions to market.

The proposed site, located near Discovery Square, will house two prototype residential units designed and built by Urbaneer using modular construction techniques. Each will integrate environmental sensors, digital health tools, and adaptive technologies to support real-time monitoring of indoor air quality, lighting, temperature, and occupant well-being.

The Home Innovation Lab will evaluate how intelligent housing design can enhance quality of life, reduce healthcare utilization, and extend independent living.

Timeline:

- Phase 1 (Q4 2025): Site selection and lease near Discovery Square; finalize design; launch Alliance model; convene first partner summit.
- Phase 2 (Q1–Q2 2026): Construction and installation of prototype units; dashboard and research guidelines development.
- Phase 3 (Q3–Q4 2026): Technology commissioning, testing, and public launch.
- Phase 4 (2027–2029): Research studies and data collection on aging-in-place outcomes.

Strategic Impact:

- Advances DMC's mission by linking housing, health, and innovation in a single, visible project near Discovery Square.
- Supports Rochester's housing goals, helping address a projected shortfall of 6,000 housing units for residents aged 55+ by 2030.
- Establishes a national model for tech-enabled residential design, supporting healthy aging and community well-being.
- Expands Rochester's innovation ecosystem through research collaboration with UMR, Mayo Clinic, and private-sector partners.

Next Steps:

- Finalize project site and partnership agreement with UMR.
- Complete design and prototype specifications by Q1 2026.
- Convene first Home Innovation Lab Alliance members and announce at the International Builders Show (Q1 2026).
- Begin construction and research activation in mid-2026.

Attachments / Exhibits

None at this time.

HEART OF THE CITY

DECEMBER 2025

Requested Board Action

None; intended for information only.

Highlights & Key Considerations

- The paver adjustments were wrapped up this summer with the flipping of some raised lettered pavers. This strategy was informed by community feedback.
- Activation and use of the space continue to grow. As an example, the recent Latino Fest saw a 50% increase in attendance.
- The Taco Shop recently opened in a vacant building on the plaza. Another restaurant is slated to open next year in the vacant Wells Fargo street level space.

Background

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.

In 2016, a design team led by RSP Architects and Coen+Partners was selected following a national design competition that emphasized pedestrian experience, public art, and activation potential. 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 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 the Peace Plaza. To maintain long-term accessibility and durability, the DMC EDA and City recommended—and the Board approved—a \$175,000 project budget amendment to support targeted paver resetting and surface treatment work in 2025.

In tandem, DMC and its partners advanced programming initiatives. These included coordinated seasonal events, public art installations, wellness and cultural activities, and collaborations with the Rochester Downtown Alliance, designed to sustain daily activation and reinforce DMC's investment in the downtown public realm.

The 2025 DMC EDA Work Plan emphasizes continued investment in downtown public-realm maintenance, activation, and design coordination—activities that build upon the Heart of the City’s successful framework and extend its principles into adjacent downtown corridors.

Attachments / Exhibits

None at this time.

6th Street Bridge, Neighborhood Safety & Riverfront Improvements

DECEMBER 2025

Requested Board Action

No action requested.

Highlights & Key Considerations

Shared Goals:

The 6th Street Bridge, Neighborhood Safety & Riverfront Improvements Project advances the community's shared goals for improved riverfront access and neighborhood connectivity, complementing DMC's broader focus on livability and infrastructure improvement. The bridge will provide a safe crossing and renewed access to the river while maintaining essential flood protection.

Funding:

The \$35.8 million project is funded through federal, state, and DMC sources:

- \$19.9 million from the U.S. Department of Transportation;
- \$10 million in DMC funds; and
- \$5.9 million from the Minnesota Department of Transportation (MNDOT).

Key focus areas for 2025–2026 include:

- Flood Protection and Permitting: Coordination with the U.S. Army Corps of Engineers (USACE) to ensure floodwall modifications maintain protection while enabling under-bridge trail connections.
- Property Acquisition and Environmental Review: Acquisition activities and NEPA / railroad approvals are underway.
- Public-Realm and Riverfront Design: Refinement of greenspace west of the former dairy site, native plant restoration, and under-bridge trail linkages consistent with community input prioritizing safety and access.
- Aesthetic Engagement: Public sessions this fall will address bridge architecture, lighting, and landscape design.

2026 DMC EDA Work Plan Alignment:

The project directly supports DMC EDA 2026 Work Plan priorities to:

- Advance mobility and riverfront connectivity;
- Integrate equitable and accessible design through co-design and engagement;
- Increase infrastructure along with Link BRT and West Transit Village improvements;
- Enhance downtown livability and reinvestment through public realm design.

Next Steps:

The design team is advancing from 60 percent to 100 percent design, with final plans anticipated by April 2026 and construction expected to begin in fall 2026, continuing throughout 2027. Current work focuses on refining design after fall 2025 engagement, permitting, and alignment with adjacent infrastructure initiatives and construction.

Background

In May 2025, the City of Rochester submitted the new bridge plan to MNDOT for approval following completion of 30 percent design, marking the transition from concept plans to detailed engineering plans.

The Sixth Street Bridge has long been identified as a key link in DMC's Downtown Waterfront and Connectivity Framework, which envisions continuous access and activation along the Zumbro River corridor.

Once complete, the bridge will:

- Reconnect east–west street networks divided by prior flood-control infrastructure;
- Establish pedestrian and bicycle facilities, separated from automobile traffic;
- Extend the downtown trail system; and
- Create new public open space supporting river-oriented recreation and gathering.

The bridge will feature divided traffic lanes, dedicated non-motorized paths, and underpass trail connections that expand safe river access. Public seating and landscape areas will draw on native plant species to maintain ecological integrity and support habitat for river wildlife.

Select river-edge access and park enhancements may advance in future phases as additional funding becomes available.

Attachments / Exhibits

None at this time.

WEST TRANSIT VILLAGE

NOVEMBER 2025

Requested Board Action

No action requested.

Highlights & Key Considerations

- Construction of the Phase 1 Mayo Parking Ramp is underway and expected to be complete by year-end 2026.
- Affordable housing developer Aeon's application to Minnesota Housing Finance Agency (MHFA) for funding the Phase 1 (Senior affordable housing) is being reviewed, selected projects are notified in mid-December.

Background

The DMC vision for the West Transit Village is to provide an authentic place for living, shopping and recreating (the “village”) in addition to the transit infrastructure that forms the western terminus of the BRT LINK corridor, which will leverage the opportunity to make the BRT journey better than a trip in a private single occupant vehicle.

A master plan has been developed by the development team in close coordination and partnership with Mayo Clinic, DMC, and the City of Rochester. To realize this vision will require additional infrastructure outside of the Federal BRT project scope as well as support for the phased housing components of the project.

At this juncture there are over 42 different major components of the site that need to come together to realize the above vision. Expected opening day of the BRT system in 1Q2027.



Attachments / Exhibits

None at this time.

DISCOVERY SQUARE AWARENESS

DECEMBER 2025

Requested Board Action

No action requested.

Highlights & Key Considerations

- During the third quarter of 2025, DMC advanced national and international awareness of Rochester's health innovation ecosystem through a coordinated set of activities that connected Rochester's story to leading global markets.
- Highlights included the Bullpen Pitchfest at Discovery Square, participation in Biotech Week Boston, and the Minnesota trade mission to Ireland. Together, these efforts strengthened Rochester's visibility as a hub for medical technology, research translation, and international collaboration.
- The quarter concluded with the announcement of BioLabs Rochester, a transformative public-private partnership that brings one of the world's leading innovation platforms for life science startups to Two Discovery Square.

Background

DMC's business development strategy emphasizes awareness, infrastructure, and ecosystem. Q3 programming focused on reinforcing each of these pillars through high-impact events and partnerships that position Rochester within the global innovation economy.

In August, DMC partnered with Bullpen, a national network of investors and startup executives, to host the Bullpen Pitchfest at One and Two Discovery Square. Nearly 200 participants, including startup founders, investors, clinicians, and researchers, gathered for three days of presentations and networking. More than 60 companies showcased new technologies across diagnostics, biopharma, medical devices, and digital health. Twenty investors participated, joined by over 30 Mayo Clinic representatives and numerous local startups. The event reflected DMC's ongoing commitment to build a pipeline of high-quality innovation activity within Discovery Square and strengthen the link between global entrepreneurs and Rochester's clinical and research capabilities.

In September, DMC joined Governor Tim Walz and the Minnesota Department of Employment and Economic Development (DEED) on a trade mission to Ireland, advancing Minnesota's reputation as a global leader in health technology and life sciences. The delegation included partners from Greater MSP and the Mayo Clinic Berg Innovation Exchange.

Meetings in Dublin and Galway with Enterprise Ireland, BioInnovate, and the Royal College of Surgeons Innovation Center underscored Minnesota's strong alignment with Ireland's medtech and startup ecosystems. Several Irish companies expressed interest in pursuing partnerships and U.S. market entry through Rochester and Discovery Square.

In Boston, DMC represented Minnesota at Biotech Week Boston, one of the industry's largest international gatherings. The event convened thousands of life science leaders, investors, and researchers from more than 35 countries. DMC's participation strengthened visibility for Rochester as an emerging U.S. location for biotechnology and precision medicine development. The week also provided valuable intelligence on industry trends—particularly in biomanufacturing, diagnostics, and translational research—areas where Mayo Clinic and DMC's innovation partners hold natural strengths.

In early Q4, the BioLabs Rochester expansion was announced and represents one of the most significant milestones achieved through DMC's awareness strategy. BioLabs will open a 16,000-square-foot facility in Two Discovery Square in late 2026, providing flexible wet lab and office space for up to 25 life science startups. The project was developed in collaboration with Mayo Clinic, DMC, the City of Rochester, and Mortenson. Its launch positions Rochester within a global network of BioLabs sites that includes Boston, New York, and Berlin, reinforcing Minnesota's competitive advantage within Medical Alley and the national health innovation economy.

Also in Q4, a new signature DMC event, "The Global HealthTech Innovation Summit" (GHTIS) convened global leaders in healthcare, technology, and investment in Rochester at Discovery Square Innovation District. The event featured panels, reverse pitches, and site tours showcasing Rochester's unique assets for clinical collaboration, research translation, and startup acceleration. For DMC, the summit served as a key business development platform to strengthen relationships, attract new partners, and showcase opportunities for HealthTech companies to engage with Mayo Clinic and the broader Minnesota ecosystem.

Finally, in November, DMC supported the State of Minnesota's trade mission to Switzerland and Germany, led by Governor Tim Walz and focused on strengthening international partnerships in health innovation, technology, and education. As part of this mission, DMC initiated and organized a major international event at the Berlin Institute of Health (BIH), Charité, on November 21. The event was conceived and developed by DMC in partnership with BioLabs, Charité, and the State of Minnesota, and is expected to draw more than 200 attendees, including many of Berlin's leading healthtech investors, entrepreneurs, and institutional leaders.

The program was opened by Prof. Dr. Heyo Kroemer, CEO of Charité, with Governor Walz delivering keynote remarks on Minnesota's innovation leadership, the role of DMC and Discovery Square, and the launch of BioLabs Rochester. DMC convened the participating stakeholders, shaped the agenda, and coordinated the involvement of senior Mayo Clinic representatives, including Dr. Janani Reisenauer and members of Mayo Clinic Business Development.

The event served as the global launch of BioLabs Rochester, opening in late 2026 within Discovery Square, and as a powerful platform to deepen relationships between Minnesota and Europe's most prominent medical innovation centers. Through this effort, DMC is strengthening Rochester's international visibility and positioning Discovery Square as a key global node in the network of health innovation.

Strategic Impact:

- Strengthened Rochester's reputation as a global destination for health innovation.
- Advanced Discovery Square's role as the center of collaboration between research, entrepreneurship, and clinical practice.
- Built new international connections that expand opportunities for investment, research, and commercialization partnerships.
- Reinforced the 2022 Awareness and Perception Study finding that awareness of DMC and Rochester is highest when communicated as part of Minnesota's broader innovation ecosystem.

Upcoming Activities:

- Expand investor engagement in Q4 and Q1 through events aligned with J.P. Morgan Week 2026 and CES, ensuring Rochester's continued presence on the national stage.
- Support site activation activities in Discovery Square, including early planning for the BioLabs Rochester opening in 2026.

Attachments / Exhibits

None at this time.

Business Development Quarterly Review



Our Activities

- ADLM, Chicago
- TEH-AP Visit to NC
- Bullpen Pitchfest in Rochester
- Boston Biotech Week
- DEED BD Mission, Ireland
- BioLabs Rochester, MN (October)



Photo: Key partners and stakeholders from DMC, City of Rochester, Mayo Clinic and the Governor at the BioLabs Reception

2025 Progress

	Current	Goal	Delta
Lead Gen Campaigns	19	15	+4
Industry Outreach & Events	24	30	6
Company Pitches	718	1,000	282
Leads Generated	137	250	113
Amplifier Pitches	118	100	+18
Ecosystem Connects	296	200	+96

BioLabs Expands to Rochester, Minnesota, Establishing Its First Midwest Location

Although technically announced in early Q4, this development marks one of the most significant milestones for Rochester's innovation ecosystem. BioLabs, the premier international network of shared laboratory spaces for life science startups, has officially announced its expansion into Minnesota.

The new 16,000-square-foot facility—**BioLabs Rochester, MN**—will open in late 2026 in Two Discovery Square, developed in collaboration with Mayo Clinic, Destination Medical Center (DMC), the City of Rochester, and Mortenson. The announcement was celebrated at a welcome reception in Discovery Square, underscoring Rochester's growing role as a national hub for health innovation.



Photo: Colleagues from DMC, City of Rochester, Mayo Clinic and the Governor at the BioLabs Reception

BioLabs Rochester will provide flexible, fully equipped lab and office space for early-stage biotech and health technology companies, enabling them to scale without large upfront infrastructure investments. Startups will gain access to state-of-the-art laboratory equipment, on-site support services, and a vibrant innovation community anchored by Mayo Clinic.

Located within walking distance of Mayo Clinic's flagship campus, BioLabs Rochester will connect regional startups to a global network of innovation and entrepreneurship. The project is expected to attract new companies, investors, and collaborations to Minnesota, reinforcing the state's leadership within Medical Alley, the world's most concentrated cluster of medical device and health innovation companies.

Bullpen Pitchfest Showcases Rochester's Growing Health Innovation Ecosystem



Photo: Michael Flynn Speaking at the Bullpen Event in Two Discovery Square

In August, Destination Medical Center (DMC) partnered with Bullpen, a volunteer-led community of life science investors and startup executives, to host the Bullpen Pitchfest at One and Two Discovery Square.

The three-day, invitation-only event convened nearly 200 participants, including startup founders, investors, clinicians, researchers, and service providers from across the United States and abroad. The goal was to strengthen Rochester's position as a national hub for health innovation by connecting emerging companies with the Mayo Clinic ecosystem and the broader Minnesota health technology community.

More than 60 companies presented their technologies across biopharma, diagnostics, medical devices, digital health, and artificial

intelligence. Over 20 investors participated, joined by approximately 30 representatives from Mayo Clinic and numerous local startups. Presentations from Mayo Clinic leaders, the University of Minnesota Rochester, Medical Alley, and Minnesota MedTech 3.0 further anchored the program. Networking dinners at seven downtown restaurants created meaningful opportunities for relationship building while generating measurable local economic impact.





Photo: Patrick Seeb speaking at Bullpen Pitchfest

The Bullpen Pitchfest demonstrated how DMC's strategy—building awareness, expanding infrastructure, and fostering connections—is producing tangible results. It advanced the vision set in the Discovery Square Master Plan: to create a place where research, education, and entrepreneurship come together to accelerate innovation and growth.

Building on this success, DMC will continue to expand its national and international partnerships through initiatives such as the Governor's trade mission to Germany and Switzerland and JPMorgan Week in San Francisco, promoting Rochester's Discovery Square Innovation District and its growing health technology ecosystem.

Minnesota Delegation Strengthens Global Health Innovation Ties in Ireland

During the week of September 29, Patrick Seeb joined Governor Tim Walz, the Minnesota Department of Employment and Economic Development (DEED), GreaterMSP, and the Mayo Clinic Berg Innovation Exchange on a trade mission to Ireland.

The visit to Dublin and Galway advanced a shared goal: to position Minnesota as a global leader in health innovation and to build enduring connections with Ireland's medtech and life science communities. The trip highlighted the collective strength of Minnesota's public and private partners working together—state leadership, regional economic organizations, and anchor institutions like Mayo Clinic—to grow global collaboration and investment.



Photo: Patrick Seeb at ATU Innovation Hubs in Ireland

Together, “Team Minnesota” delivered a unified message: innovation can reduce human suffering wherever it occurs, and Minnesota offers the environment where those innovations can thrive. This narrative—connecting mission, market, and place—reflects findings from DMC’s 2022 Awareness and Perception Study, which showed that awareness of Rochester and DMC is strongest when communicated as part of Minnesota’s broader innovation ecosystem.

While in Ireland, the delegation met with leading innovation organizations including the Guinness Enterprise Center, the Royal College of Surgeons Innovation Center, BioInnovate, Enterprise Ireland, Medtronic/University of Galway, and the Irish Business and Employers Confederation. Patrick co-led the University of Galway program alongside Commissioner Matt Varilek, Peter Frosch of GreaterMSP, and Dr. Charles Bruce of Mayo Clinic. The session highlighted Minnesota’s model of partnership between government, industry, and academia—an approach that resonated with Irish entrepreneurs exploring opportunities for U.S. collaboration.

The mission also strengthened existing relationships, including those established through the 2014 compact between Mayo Clinic and Enterprise Ireland. More than two dozen Irish startups expressed interest in exploring U.S. expansion, with several identifying Minnesota as a preferred destination for entry and growth.

DMC Continues to Build Awareness around Rochester at Boston BioTech Week

In Q3, we participated in **Biotech Week** in **Boston**, one of the premier global gatherings for the life sciences and biotechnology sectors. The event attracts thousands of industry leaders, investors, researchers, and innovators from more than 35 countries, offering unparalleled opportunities to connect with the broader biotech ecosystem. Our participation is a strategic move to position Rochester, Minnesota—and the Discovery Square Innovation District in particular—within this international network of life science collaborators, investors, and potential partners.

The Boston Biotech Week provided valuable insight into emerging trends across biomanufacturing, precision medicine, and translational research—all areas where Mayo Clinic and DMC’s innovation ecosystem have natural strengths. Being in places like this allowed us to highlight the assets of Rochester’s growing health innovation district, including proximity to Mayo Clinic’s clinical and research capabilities, new lab infrastructure, and the supportive public-private development framework that distinguishes DMC.

Sample Quarterly Pitches and Connects

Awareness

2123 Frontiers	Cerebriu	Famelia	InSitu Biologics	One Nucleus
23 Strands	Cern Corporation	Fen EP	INTE Securities	Ontologic
248 Bio	Chaanakya Capital	FH Munster University of Applied Sciences	IR Medtek	Oost NL
Abelia	Chemsafe	Florey Institute of Neuroscience and Mental Health	iRxReminder	Orrick
Ablevia	Choose Paris Region	Flyover Clinical	Jeeva Clinical Trials	OrthoSens
Actalent Services	CiRG Labs	Food for Health	Jiksak Bioengineering	Oterus Bio
Acurion Health	City of Plymouth	ForgeNorth	Jointech Labs	Paterna Bio
AirLabOne	Clinical Design (UTS)	FormaPath	Laerdal	Pathmaker Law
AKIGAI AS	CliniLink Corporation	Forta Bio	L-Base	Pebble Life Science
Allina Health Aetna	Cognogent	Fox Valley Metrology	Let's Talk Women	PERCY
Altheia	Collaborative Drug Discovery	Frenelle PBC	Ligron Bio	Pioneer Group
AMADIX	Community Mobilization Resource Coalition	Genoa Ventures	LITLab	Plakous Therapeutics
Ambr Institute	Conscio Group - Pharma	Genome Biologics	London & Partners	POM Limburg
AMS	Consulate General of Brazil in Chicago	Genomill	LongeVC	Portuguese Trade & Investment Agency
Angiowave	Consulate General of Hungary in Chicago	Global Health Impact Network & Funds	LumenAstra	Precision Quantomics
Annaida Technologies	Cortalix	Gloucester Ventures	M&A Executive Search	PrecisionLife
ApiCulture Medical	C-Ray Therapeutics	Gordian Surgical	m.zoro Consulting	Prendio
ARC Medical	CSC Leasing	GP Partners I	Macula Vision Systems	PrepMD
ArchCath	CureLab Health Pals	Groove LP	Malaysian Investment Development Authority (MIDA) Chicago	Pretika MedTech Corporation
Ardan Pharma	CzechTrade Chicago	GT&A Strategic Marketing	Meet ROI	Purelogics by Donaldson
Asher Informatics PBC	Danforth Advisors	GTM Global (Go to Market)	Meridius Bio Corporation	Qrono
Aspiro Therapeutics	DeepLook Medical	Hawk Biosystems	Microvitality	Rejuvenation Tech
Axithra	Demos Capital	Health Helper	Minnesota Medical Technologies	Repoxegen Therapeutics, Inc.
Baba Vision	DigitalDx Ventures	Helixomer	Mission BioCapital	Richi Foundation
Battelle	DigitCells	Higgs Insights	MNCup	Risk Strategies
BiliOnesie	DM Orthotics	Hiroshima Love Jaken Consortium (Sukijyaken)	Momease Solutions	Roddy Medical
Biometrica	DMG	Histofi	Myri Health	Sabiad
Biopsense	DropXcell	HM Venture Partners	Mzoro	Samyang Biopharm USA
BioReparia	EchoAI	Hong Kong Trade Development Council	Neobe Therapeutics	Scancell
Biosapien	eGlint Proteomics	HR Biotech Connect	New Phase	ScellBio
BlueInnovo Advisors	Elmstead Partners	Iguazu Partners	New Zealand Trade and Enterprise (NZTE)	Sensius Thermotherapy
Bridge Bank	Emmeline Ventures	Imma Health	NEXTBLUE	Shimadzu Ventures
Bridgewest Ventures	Endeavor Orthopaedics	Inato	Node Therapeutics	Signal Bioscience
CareChronicle	Eviive	Inomagen	Nucleic Sensing Systems (NS2)	
Cedars Sinai Accelerator	Fairmont Properties		Nu-Tek Biosciences	
Celerato				
CellPort Software				

ENERGY AND SUSTAINABILITY

DECEMBER 2025

Requested Board Action

No action requested.

Highlights and Key Considerations

Week Without Driving:

The City of Rochester and DMC co-hosted Week Without Driving (Sept. 29 – Oct. 5, 2025), inviting residents to navigate the city without a car to highlight accessibility, mobility choice, and transportation equity. Events such as Transit Training Day, Bike to Work Day, and Link Construction Tours drew strong media coverage, reinforcing public awareness of active and electric transportation options. A diverse set of community groups collaborated on events including BikeMN, Pata de Perro, We Bike Rochester, Region 10 Quality Council, Mayo, and several City of Rochester departments. These events helped advance Rochester's greenhouse-gas-reduction and mode-shift goals while underscoring DMC's role in promoting sustainable, connected urban growth.

Sustainability Integration Across Projects:

Staff coordination focuses on electrified transit infrastructure and multimodal connectivity, air quality monitoring, and energy initiatives related to efficiency and electrification. The Energy Integration Committee is currently developing an updated Action Plan, having completed all energy initiatives outline in the original plan leading up to 2025. The group is comprised of City, Olmsted County, Mayo, University of Minnesota Rochester, and Rochester Public Utilities. The Air Quality Alliance completed a series of workshops this summer, resulting in a Memorandum of Understanding between members as well as a 2026 work plan. Members include DMC, City, and Olmsted County. DMC and the City of Rochester continue their residential home electrification education with a fall series. These efforts demonstrate DMC's ongoing commitment to integrating environmental performance, resource efficiency, and equity into various initiatives.

2026 DMC EDA Work Plan Alignment:

The 2026 DMC EDA Work Plan advances innovative energy systems and storm-water-reuse planning, supporting the City's Sustainability & Resiliency Community Work Plan, while identifying scalable sustainability standards for DMC projects.

The Work Plan focuses on low-carbon transportation through supporting mode-shift infrastructure, first-/last-mile connection improvements, and collaboration with community partners on development of mode-shift pilot programs.

The plan also includes a Healthy Homes and Community Energy Navigators program to improve home energy efficiency and a green jobs workforce development initiative, both in partnership with the City of Rochester. Finally, the work plan emphasizes measurable performance tracking—covering energy efficiency, mode share, and greenhouse-gas reduction—to inform annual updates to both the DMCC Board and City Council.

Background

Since its adoption in 2015, the DMC Development Plan has identified sustainability and energy efficiency as central to Rochester’s economic and environmental future. The plan and its subsequent 2020 Update established goals to reduce greenhouse gas emissions, expand multimodal access, and promote compact, resource-efficient development patterns.

Over the past decade, DMC’s energy and sustainability program has advanced these goals through a series of public and private investments that integrate environmental stewardship into downtown growth.

Key achievements include:

- **District Infrastructure:** Planning and implementation of energy-efficient district systems, including ongoing work toward a district-energy network and storm-water reuse infrastructure designed to serve future development zones.
- **Sustainable Mobility:** Major commitments to electrified public transit through the Link Bus Rapid Transit project, coordinated bike and pedestrian connectivity improvements, and parking management strategies that support mode shift.
- **Public Realm and Resilience:** Incorporation of sustainable design features in projects such as Discovery Walk, Heart of the City, and Riverfront planning, emphasizing storm-water filtration, native plantings, and high-efficiency lighting.
- **Private Development Leadership:** Encouragement of LEED-certified and energy-efficient construction within DMC districts, including One and Two Discovery Square, and mixed-use projects that meet or exceed state energy-code standards.
- **Collaborative Innovation:** Partnership with Mayo Clinic, Rochester Public Utilities, and the City of Rochester to evaluate renewable-energy and carbon-reduction

opportunities, including electric-vehicle charging infrastructure and building-performance benchmarking.

Together, these initiatives demonstrate the DMC EDA's ongoing role in embedding sustainability and energy performance into the fabric of Rochester's growth. Looking ahead, future work will continue emphasizing measurable outcomes—reductions in energy use, emissions, and vehicle dependence—while supporting innovation that enhances Rochester's livability and competitiveness as a global destination for health and wellness.

Attachments / Exhibits

None at this time.

EQUITABLE ECONOMIC DEVELOPMENT

NOVEMBER 2025

Requested Board Action

No action requested.

Highlights & Key Consideration

Community Co-design Leadership Training:

In October 2025, DMC hosted the fifth cohort of the Community Co-design Leadership Training, with participants from public, private, and nonprofit organizations across Rochester and the region. The training strengthens leadership capacity by equipping participants with tools to advocate for and apply equitable engagement practices.

Equity Integration Across Projects:

Staff coordination advances community-wide learning through the Equity Alliance Equity Series, a monthly initiative with the City of Rochester. The series highlights successful equity practices from across the country, provides practical tools for local application, and is open to all community members, leaders, and educators. These efforts support inclusion, shared learning, and equitable practices throughout Rochester.

2026 DMC EDA Work Plan Alignment:

The 2026 DMC EDA Work Plan embeds equity by expanding engagement, strengthening leadership, and supporting inclusive practices. Staff coordination includes piloting new engagement tools, a Youth Summer Co-design Experience, leadership training, and the Equity Series. The plan continues collaboration with the Coalition for Rochester Area Housing to address housing disparities for underserved residents, including BIPOC communities and seniors, while applying equitable economic development principles to infrastructure and real estate projects.

Background

Equitable Economic Development remains at the heart of DMC's commitment to inclusive prosperity and shared growth. Building on earlier efforts supported by external grants, DMC EDA has continued to integrate equity and inclusion across all operations and project planning processes.

Our current work focuses on four key priorities:

- Expanding access to opportunity: DMC supports local entrepreneurship, small business growth, and developer readiness programs that help more people participate in Rochester's evolving economy.
- Continuing our partnership with the Coalition for Rochester Area Housing: Together, we are advancing projects that help close housing disparities for underserved and underrepresented communities, including BIPOC residents and seniors.
- Integrating equitable engagement and lived experience approaches: DMC's equitable engagement framework ensures that residents, workers, and community members most affected by projects are directly involved in shaping outcomes, from concept development through design and evaluation.
- Strengthening partnerships to advance equity learning and practice: Through the Equity Alliance Equity Series, DMC continues to partner with the City of Rochester to build community-wide best practices that contribute to a more vibrant and equitable Rochester.

In recent years, this work has grown from a grant-supported initiative into a core part of how DMC operates. Equitable engagement, inclusive procurement, and workforce diversity goals are now part of project management, communications, and capital investment planning. For example, the 2025 Development Plan Update engaged residents, students, and employers in conversations about how health, accessibility, and belonging can be reflected in future public spaces and mixed-use development. Looking ahead, the 2026 Work Plan will continue to build on this foundation by:

- Expanding developer readiness programs and outreach to increase participation in DMC-related development.
- Working closely with housing, workforce, and mobility partners to align investments with equitable access goals.
- Applying equitable engagement methods early in project planning to ensure community voices guide priorities and design.
- Tracking measurable outcomes such as workforce and business participation, developer diversity, and community satisfaction to evaluate progress toward our equity goals.

Equitable Economic Development is also a central focus of the 2025 Development Plan Update, which defines equity as both a guiding value and a measurable result, reflected in workforce participation, ownership diversity, and community satisfaction.



Through this ongoing work, DMC EDA continues to build a development model that connects economic growth with health, inclusion, and long-term community well-being, ensuring Rochester's transformation benefits everyone who lives and works here.

Attachments

None at this time.

TARGETED BUSINESS AND WORKFORCE UTILIZATION

DECEMBER 2025

Requested Board Action

No action requested.

Key Highlights

- **Federal update:** DOT's October 2025 Interim Final Rule suspends DBE goal setting nationwide and requires reevaluation of all certified firms under a race- and gender-neutral standard. These guidelines apply only to new DOT projects bid after October 3rd 2025.
- **Local impact:** Federal changes affect only federally funded transportation projects. DMC and City-funded projects can continue promoting small and underrepresented business participation.
- **City response:** Continue to apply City or DMC participation goals only to locally funded projects where no Federal DOT funding is used.
- **2026 Work Plan alignment:** Priorities include tracking participation, coordinating with partners on small business certification, and strengthening workforce development pipelines.

DMC Workforce and Targeted Business Participation

	Women (Goal)	Women (Actual)	Minority (Goal)	Minority (Actual)
Workforce Participation				
Downtown Building Energy Transition (DBET) Phase 2				
Workforce Participation (Q32025 Only)	9%	0%	15%	0.79%
Total Project (All Time)	9%	0%	15%	0.40%
West Transit Village Sewer Improvements No data reported yet.				
Workforce Participation (Q32025 Only)	9%	0.00%	15%	4.21%
Total Project (All Time)	9%	6.68%	15%	14.92%
Link BRT Civil Engineering Work				
Workforce Participation (Q32025 Only)	9%	27.77%	15%	10.92%
Total Project (All Time)	9%	29.72%	15%	11.13%
Saint Marys Transit Center				
Workforce Participation (Q32025 Only)	9%	N/A	15%	N/A
Total Project (All Time)	9%	N/A	15%	N/A
BRT Station Stops				
Workforce Participation (Q32025 Only)	9%	2.64%	15%	0.00%

Total Project (All Time)	9%	2.64%	15%	0.00%
Total DMC Projects	9%	13%	15%	9%
Targeted Business Utilization (Heavy/Highway Contracting)	<u>Goal</u>	<u>Actual</u>		
Downtown Building Energy Transition (DBET) Phase 2 No payments have been made yet.				
Targeted Business- Q3	4%	6.54%		
Total Project	4%	6.54%		
West Transit Village Sewer Improvement				
Targeted Business- Q3	4%			
Total Project	4%			
Link BRT Civil Engineering Work		12%		
Targeted Business- Q3	4%			
Total Project	4%			
Link BRT Architectural Work No payments have been made yet.				
Targeted Business- Q3				
Total Project				
Link BRT Land Acquisition				
Targeted Business- Q3	4%	N/A		
Total Project	4%	19.24%		
Targeted Business Utilization (Commercial Contracting)				
Link BRT Architectural Work No payments have been made yet.				
Targeted Business- Q3				
Total Project				
Total DMC Projects	7%	6%		
Professional Technical Services No data reported yet	<u>N/A</u>	<u>N/A</u>		

Current Goals--2025

Workforce Participation-Women	9%
Workforce Participation-Minorities	15%
Targeted Business-Commercial	7%
Targeted Business-Heavy/Highway	4%

Totals – All DMC Projects

- Workforce Participation:
 - Women: 13% (Goal: 9%)
 - Minorities: 9% (Goal: 15%)
- Targeted Business Participation:
 - Pending results on the following projects:
 - West Transit Village Sewer Improvement Highway Heavy and Commercial projects
 - 6th Street Design Professional Technical Services.

Background

DMC has integrated targeted business and workforce utilization since its inception to ensure that Rochester's growth benefits local and historically excluded firms and workers. Efforts include unbundling project scopes, proactive contractor outreach, and workforce initiatives. Q3 shows strong women workforce participation and is exceeding the goal (13% vs. 9%). Minority workforce participation remains below target (9% vs. 15%). Targeted business performance is mixed where it is strong in some areas (Volume B and Link Land Acquisition), and some areas missing to due to no payments being made yet.

The DMC EDA continues to monitor federal guidance, report participation outcomes, and adjust outreach strategies to sustain inclusive growth in line with the 2026 Work Plan.

Attachments

None at this time.