



Destination Medical Center

Creating the World's Leading Center for
Excellence in Health, Wellness and Medical Innovation.

DMC BUDGET OVERVIEW (2014)

Presented January 30, 2014



DEVELOPMENT PLAN OVERVIEW

DMCC ESTABLISHED GOALS & OBJECTIVES

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In September, 2013 The DMCC Board established certain goals and objectives for the project and the DMC Development Plan.





DEVELOPMENT PLAN OVERVIEW

SUMMARY OF SCOPE AND CONTENT OUTLINE

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The Development Plan will establish a comprehensive business and economic development strategy for the project. The scope and content of the plan addresses land use, transportation/infrastructure planning, market research, funding priorities, business/economic development and market strategies. The Development Plan establishes the strategic framework for the project over the next 20 years to leverage the \$585 million public investment to attract \$5 billion in investment to the market.

DEVELOPMENT PLAN – PRELIMINARY OUTLINE OF CONTENT

1.0 Introduction

2.0 Project Reports / Findings

- Current Project Status – Planned vs. Implemented
- Report on Investments, Targeted Employment & Economic-Fiscal Impacts Achieved
- Summary Report - Statement of Findings, with Evidence
 - Finding #1 - Sufficient to indicate relationship to state / local objectives
 - Finding #2 - Affords maximum opportunity for private sector investment
 - Finding #3 - Conforms to the City's general development & comprehensive plan
 - Finding #4 - Conforms to approved local / regional transportation plans
 - Finding #5 - Complementary to Mayo Clinic Strategic Plan / Master Plan

3.0 Summary of Strategic Priorities (Next 5 Years)

- Strategic Initiatives in 7 Core Focus Areas
 - Health & Wellness
 - Commercial, Research and Technology
 - Hotel and Hospitality
 - Residential / Livable City
 - Retail, Entertainment & Cultural
 - Learning Environment
 - Parks and Recreational

3.0 Summary of Strategic Priorities (Next 5 Years – Cont'd)

- Economic-Fiscal Impact Projections
- Jobs and Targeted Employment Projections
- Transformation Projects/Catalysts

4.0 Market Research

- Population and Demographic Analysis
- Visitation & Demand Analysis
- Market Research By Seven Core Focus Areas

5.0 Master Plan

- Planning Goals & Objectives
- Definition of Sub-Districts / Methodology for Selection
- Planning Criteria & Principles
- Land Use Assumptions
- Neighborhood & District Development Plans
- Environmental & Sustainability Targets
- Historic District & Preservation Planning
- Transportation & Transit Corridors
- Signage and Wayfinding Requirements
- Coordination with Infrastructure / Transit Plans



DEVELOPMENT PLAN

OUTLINE OF DEVELOPMENT PLAN DOCUMENT

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DEVELOPMENT PLAN – PRELIMINARY OUTLINE OF CONTENT (PAGE 2 OF 2)

6.0 District Infrastructure Master Plan (Non-Transportation)

- Planning Goals & Objectives
- Priority Investment Guidelines / Target Areas for Investment
- Summary of Conformance with City Comprehensive Plan / Other
- Planned Improvements, Requirements & Guidelines
- Projected Master Project Budget, Schedule & Phasing Plan
- Projected Annual Operations & Maintenance Budgets
- Parcel Development /Criteria

7.0 Transportation Plan

- Planning Goals & Objectives, including Boundaries and Requirements
- Overview of Transportation Management System Current vs. Planned
- Demand Analysis – Regional / Local
- Regional & District Improvements, Requirements & Guidelines
- Projected Development Budget / Phasing – 5 Years
- Projected Development Schedule / Phasing – 5 Years
- Projected Annual Operations & Maintenance Budgets

8.0 Finance Plan - Development & Investment Priorities

- Public Funding Priorities and Investment Objectives
- Detailed Sources and Uses of Funds Summary
- Consolidated Project Budget (Projected) – First 5 Years
- Finance Assumptions / Bond Rating Summary
- Investment Risk Analysis
- Guidelines & Requirements for Funding Applications
- Underwriting Criteria

9.0 DMCC Business Development Priorities & Strategies

- Establish Strategies, Including Priorities, Goals and Objectives
- Establish Criteria for Targeted Business / Work Force Development

10.0 Community Outreach & Programming Priorities & Strategies

- Establish Strategies, Including Priorities, Goals and Objectives for
- Establish Criteria for Review of Outreach, Programs and Services

11.0 Marketing & Communication Priorities & Strategies

- Establish Marketing Strategy, Including Priorities, Goals and Objectives
- Communications and PR Strategy, Including Priorities, Goals and Objectives
- Criteria for Evaluating Marketing Proposals

12.0 DMCC Operations Plan – 5 Years

- Operating Plan Summary
- Operating Budget & Reporting - 5 Years

13.0 Exhibits

- Evidence for Findings
- Form(s) and Procedures for Funding Applications
- Forms of Development and/or Grant Agreement for Project Funding
- Form(s) of Forgivable/Low-Interest Loan Agreement



PROPOSED DMC BUDGET (2014)



PROPOSED DMC BUDGET (2014)

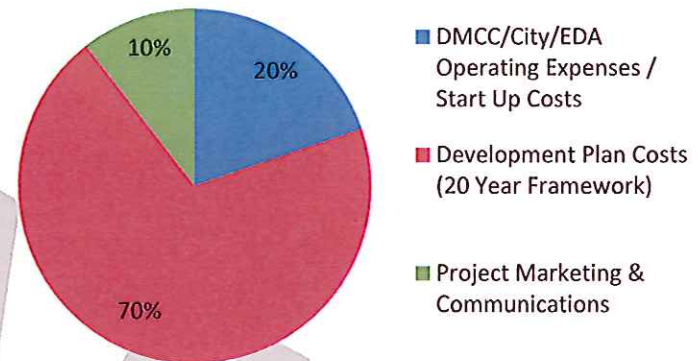
BUDGET OVERVIEW – KEY DRIVERS

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BUDGET OVERVIEW – KEY DRIVERS

- The 2014 budget is approximately \$8 million
- This budget is higher in this first year because it includes the costs associated with:
 - Initiating the project / finalizing structures
 - Costs to complete the Development Plan
 - Comprehensive strategic business plan
 - 20-year planning framework
 - A \$5 billion economic development strategy
 - Identify projects / funding priorities to achieve near-term and short-term goals
 - Costs to develop brand, marketing & communications strategies to:
 - Attract private investment in the market
 - Retain and grow new business/companies
 - Focus on growing opportunities for targeted business
- The operating budget for future years will be established as part of the Development Plan.

Budget Overview (2014)





PROPOSED DMC BUDEGT BUDGET

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The following includes the proposed budget for the completion of work in the 2014 calendar year.

ORGANIZATIONAL EXPENSES	BUDGET YE 2014
Destination Medical Center Corporation	
General Expenses (Board Per Diem, Reimbursable, etc.)	\$146,000
Professional Services	\$400,000
City Expenses	\$340,000
Economic Development Agency	
Payroll, Staff, Administration & Benefits	\$460,000
General Expenses	\$382,000
Subtotal Organizational Expenses	\$1,728,000
THIRD PARTY COSTS (RELATED TO DEVELOPMENT PLAN AND PROJECT START UP)	BUDGET YE 2014
Planning Services, Architecture, Engineering	\$2,431,000
Development & Legal Services	\$2,100,000
Financial, Accounting & Investment Services	\$675,000
Economic Analysis, Market Research, Reports	\$351,000
Communications, Marketing & PR	\$545,000
Public Relations & Communications	\$245,000
Other Professional Services & Project Costs	\$100,000
Reimbursable Expenses	\$30,000
Subtotal Third Party Costs & Reimbursable	\$6,477,000
TOTAL BUDGET	\$8,205,000



BUDGET OVERSIGHT AND PAYMENT PROCESS:

The oversight and management of the DMC budget will be coordinated between the DMCC, City of Rochester and EDA. The process will include:

- The EDA will manage its operations and the Development Plan consultants. Budget oversight includes:
 - The EDA will not have direct access to DMC funds or financing accounts
 - The EDA will be required to provide detailed monthly progress reports and payment applications to the DMCC Treasurer and City of Rochester
 - The EDA will be required to provide updates on the project and budgetary process to DMCC Board
- The DMCC and City will manage / oversee other funding / financings in an approved process:
 - DMCC/City budgets and payments will be managed by the DMCC Treasurer and City
 - Project financings will be managed by the City and DMCC Treasurer (and others if required)
- During implementation, the EDA, City and County will continue to coordinate work.



COMMUNITY INPUT PROCESS

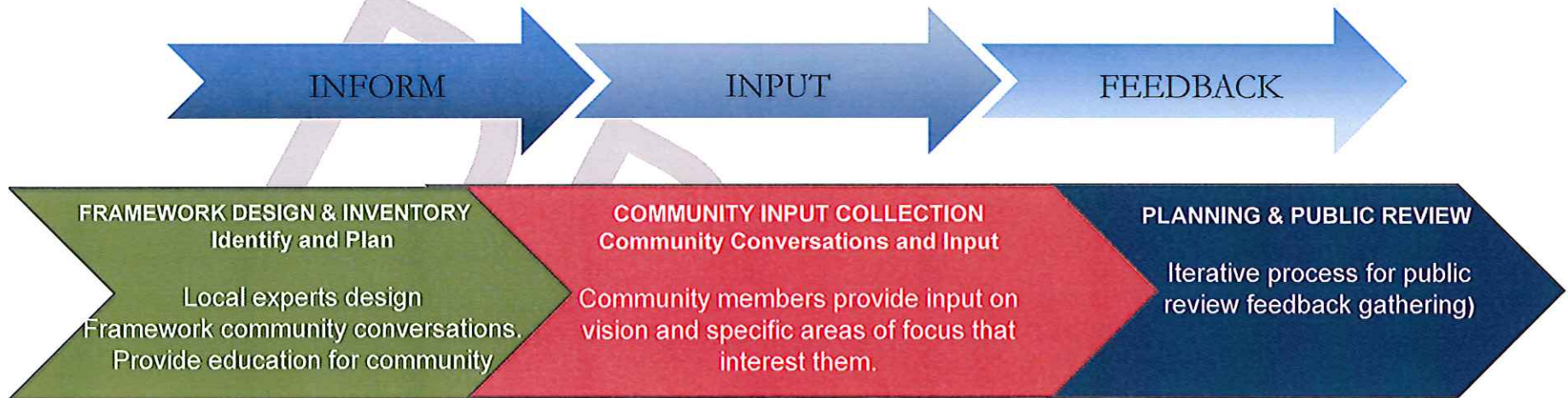


COMMUNITY INPUT PROCESS

PROCESS OVERVIEW

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Ensure all community members have the opportunity to contribute and give input



Drive participation across all eight core focus areas



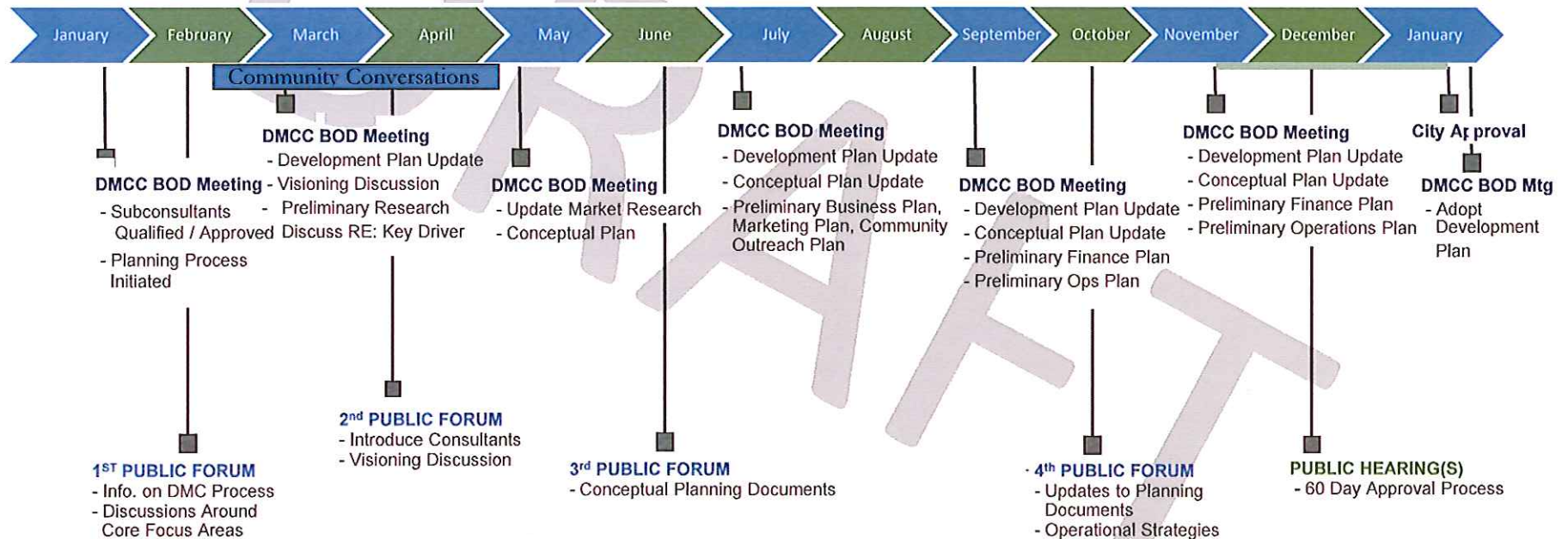


COMMUNITY INPUT PROCESS

PRELIMINARY SCHEDULE AND TIMING

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The following provides a preliminary schedule for the project, outlining the progress and reports to DMCC Board members and the process to gain public input on the process. Included with this schedule is an outline of the primary planning phases for the project. Please note, the information included herein is preliminary in nature and is subject to change as new information becomes available.



* Assumes the EDA initiates project planning and retains consultants in early February

COMMUNITY INPUT PROCESS SOCIAL MEDIA COMMUNICATIONS

DMC
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for Health & Living

Where are we in the DMC process?

1. Planning Phase | 2. Approval Phase | 3. Community Input Phase | 4. Construction Phase

Community Input Events

Since its inception, the Destination Action Center has been grounded in input and support from the local community. At its core, the DMC development process is a collaborative effort that will be shaped by the community.

LIVABLE CITY RETAIL/DINING	SPORTS & RECREATION	COMMUNITY & CONVENTION	TECHNOLOGY & INNOVATION
HEALTH AND WELLNESS	LEARNING AND EDUCATION	ARTS & RECREATION	TRANSPORTATION

Opportunities for Input

Starting in January, citizens will be invited to share their ideas - big and small - in each of these areas for DMC as it relates to the urban framework of our Rochester community. Input will be gathered in a community conversation sessions, public forums and social media for input to inform the DMC development plan.

- Ambassador meetings:** Join the conversations at the table through ambassador meetings to learn about DMC updates, share thoughts and ideas.
- Join a conversation group:** Email input@dmccity.com for information on how to participate. Requests must be received by Dec. 1, 2014.
- Social media:** Join conversations at DMC Live.

Learn more about the community input process at dmccity.com/input

DMC
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for Health & Living

Community input | What's DMC? | Home | Health | Living | Blog | Support Center

LIVABLE CITY RETAIL/DINING

Community conversations are happening now!

3. **What's DMC? (video)**

Learn more about what DMC is, why it's important, and how it will be developed. Watch the video to learn more about the vision for the city's future.

4. **Community input phase**

5. **Community input phase**

6. **Community input phase**

DMC Resources

- DMC Overview
- DMC FAQ
- Job Growth @ DMC
- DMC Comments



TARGETED EMPLOYMENT



TARGETED EMPLOYMENT STRATEGIES & PROCESS

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Increasing opportunities for the growth of targeted employment is a key strategy of the DMC Development Plan. The Development Plan will include strategies and will include reporting requirements to meet these goals.

