



CASE STUDY

# Destination Medical Center

**Healthcare Innovation Hub**  
20-year Economic  
Development Initiative

City	<b>Rochester, Minnesota</b>
Population	<b>121,465 (2021)</b>
Country	<b>United States of America</b>
Region	<b>North America</b>



Less than a decade into the Destination Medical Center initiative, the model is a proven success, addressing the long-term infrastructure necessary to prepare Rochester for its innovative future as a global destination for health and wellness.

Kim Norton, Mayor of the City of Rochester, Minnesota, USA

Destination Medical Center (DMC) is a 20-year economic development initiative that aims to transform the City of Rochester in the US State of Minnesota into a global destination for healthcare, innovation and research. It is the largest public-private collaboration in the state of Minnesota.

By aligning public and private interests for urban revitalization – and engaging the community through an award-winning co-design approach – the initiative has resulted in thousands of new jobs created, more than \$1.5 billion of new private investment and the creation of dozens of life science start-ups. Future projects will focus on supporting existing local businesses, creatively reusing excess real estate and diversifying the economy.







## Overview

Launched in 2013, the Destination Medical Center (DMC) is a \$5.6 billion, 20-year economic development initiative that aims to transform the City of Rochester into a [global destination for healthcare](#), innovation and research. As home to the world-renowned Mayo Clinic – a leading healthcare provider in the United States and the largest private employer in the State of Minnesota – the public-private collaboration employed an “infrastructure-first” approach to redevelopment.

The DMC oversees the public-private collaboration, combining private development by the Mayo Clinic, as well as public funding from the City of Rochester, Olmsted County and the State of Minnesota, to facilitate and support public infrastructure. The main goals of the initiative are to make the city a health and wellness hub, attract private investment and create jobs.

Within DMC’s first five years, the city of Rochester added approximately [7,700 new positions](#), with continuing efforts to

create more than [30,000 new jobs](#) by 2035. While projects are still underway, DMC registered a [growing cohort of health and science-related businesses](#), contributing to the long-term [goal](#) of attracting more than \$5 billion in private investments to Rochester. [Future projects](#) will focus on supporting existing local businesses, diversifying the economy and prioritizing public infrastructure, including improvements to roads, transit and other public amenities.

The DMC developed an award-winning [co-design approach](#) that prioritizes community engagement, including the involvement of historically marginalized people, in the transformation process. This process has ensured that the needs of the community are better represented in DMC projects while also tapping into the creativity of the region and the artistry of community members. Initial outcomes of this process include Discovery Walk and Peace Plaza in the heart of the city.



# Key decisions and tactics

## 1 Align on a shared vision that endures over time.

The DMC initiative is exceptional in its commitment to a timeline spanning 20 years, extending beyond the tenures of different legislators, board members and assigned participants. A common vision with a strong commitment from all parties allows the project to continue regardless of changes in leadership.

## 2 Balance decision-making power structures.

Addressing [disproportionate power structures for decision-making](#) enables shared responsibility and reinforces the importance of diverse stakeholders. While the DMC board needs to approve decisions, the City of Rochester has the final vote. Voices of community members must not only be heard but be reflected in the design.

## 3 Follow an infrastructure-first approach.

Modern facilities and technology [attract collaboration with private partners](#) (e.g. Google, Boston Scientific) that lead to [enhancements and innovations](#). Building out (green) infrastructure prior to demand enables traffic flow, sufficient water and sewer systems, large digital capacity, and healthy air quality.

## 4 Communicate early and intentionally.

Involving all stakeholders early in the process is key for buy-in and support. Whereas public announcements and meetings reach a broad mass, individual conversations through personal relationships, NGOs and community volunteers are essential, as is transparency through reporting and updates.

## 5 Bring unconventional ideas to the forefront.

The [iterative design process](#) has engaged community members deeply and led to innovative city-specific solutions (e.g. a sidewalk snowmelt system to improve wintertime accessibility for wheelchairs, adapted food options for Muslims, wind protection in public spaces) that reflect community needs.

## 6 Manage disruptions and future trends.

Throughout the duration of the initiative, new disruptions, such as market conditions, technological advancements, or societal expectations, will inevitably emerge. Amid developing real estate, hospitality and new businesses, DMC struggled with a rapid decrease in tourism, patients, visitors and business developers due to COVID-19. The initiative adapted to the change by shifting the project focus to public infrastructure. This flexibility allows the DMC to respond to setbacks and redirect the project toward future-oriented design.





## Best practices

The following describes three best practices of what has been uniquely developed or done exceptionally well to make the public-private collaboration a success:

- Use the community co-design approach for an effective and equitable engagement of the community and to meet their needs
- Leverage the local context and city identity to maximize existing assets and infrastructure (e.g. anchor institutions) to stay true to its associations
- Lean into bold sustainability goals to achieve public and private targets and foster innovation



## What did the public sector offer?

Comprised of the State of Minnesota, Olmsted County and the City of Rochester:

- Adaptation of policies in accordance with development
- Public investment of \$184 million as of 2022 (total commitment: \$585 million, consisting of state: \$410 million, Olmsted County: \$47 million, City of Rochester: \$128 million)
- Strong relationships with community members and local organizations



## What did the private sector offer?

Comprised of the Mayo Clinic and other private developers:

- Health and research expertise that attracts talent and private developers
- Private investments of \$1.3 billion as of 2022 (total commitment: \$5 billion)
- Entrepreneurial spirit and innovation potential



## Impact

**Affordable living.** Built new housing opportunities that consider the cost of rent and expenses (e.g. lower utility costs due to improved energy conservation).

**Improved public spaces.** Created accessible, inclusive and welcoming public spaces (e.g. Discovery Walk) through engaging with co-designers.

**Boosted business experience.** Enhanced private development experience by prioritizing the needs of businesses in the area of construction and mitigating negative effects.

**Equity in development.** Fostered prosperity for women and minority business enterprises through prevailing wage, workforce participation and targeted business contracting goals.

**Advanced sustainability.** Established a model for sustainable urban environment through applying the principals of ecological urban design (e.g. green spaces, density use) and building practices, such as clean energy, energy efficiency.



## Replicability

**Create an ecosystem.**

Initiative's diverse project portfolio allows the DMC to respond to changes in requirements and fluctuations in demand.

**Establish a separate entity.**

A stand-alone entity and board that oversees the implementation of the initiative, agrees on decisions and manages public and private interests.

**Build on local skills and culture.**

Integrate art from the beginning. The design of public spaces reflects community needs and incorporates local art and architecture.

## Contributors

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## For more information

→ **Official DMC website:** <https://dmc.mn>

→ **Destination Medical Center map:** <https://dmc.mn/maps>

→ **Community co-design tool-kit:** [https://dmc.mn/wp-content/uploads/2022/01/Community\\_CoDesign\\_Booklet.pdf](https://dmc.mn/wp-content/uploads/2022/01/Community_CoDesign_Booklet.pdf)

→ **Innovation District Literature:** [The Rise of Innovation Districts: A New Geography of Innovation in America](#)

→ **Twitter:** <https://twitter.com/DMCMN>

→ **YouTube Channel:** [https://www.youtube.com/@DestinationMedicalCenter/featuredPort's Autonomous Heavy Truck Project](https://www.youtube.com/@DestinationMedicalCenter/featuredPort's%20Autonomous%20Heavy%20Truck%20Project)