



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD OF DIRECTORS MEETING

9:30 A.M. THURSDAY, MARCH 22, 2018

MAYO CIVIC CENTER - ROCHESTER



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, March 22, 2018

9:30 A.M.

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Please Note: Immediately following this meeting, two events are occurring at which a quorum of the DMCC Board may be present. Members of the public are welcome and encouraged to attend either or both events:

1. There will be a driverless bus on Peace Plaza for demonstration and for members of the DMCC Board and the public to ride. Peace Plaza is located on 1st Avenue SW and 1st Street SW.
2. The University of Minnesota Board of Regents will host a Downtown Development Conversation, located at the Bleu Duck Kitchen, 14 Fourth Street SW, Rochester, featuring an overview of the DMC Initiative.

DESTINATION MEDICAL CENTER CORPORATION (DMCC) BOARD MEETING

Thursday, November 2, 2017

9:30 A.M.

MINUTES

- I. Call to Order. Chair Tina Smith called the meeting to order at 9:33 a.m. at the Mayo Civic Center, Suite 101, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Tina Smith, Vice Chair R.T. Rybak, Council Member Mark Hickey, Jim Campbell, Commissioner Jim Bier, Susan Park Rani and Michael Dougherty.
- III. Approval of Agenda. Commissioner Bier moved approval of the agenda. Mr. Rybak seconded.

Ayes (7), Nays (0). Motion carried.
- IV. Approval of Minutes: July 27, 2017. Council Member Mark Hickey moved approval of the Minutes of the meeting held on July 27, 2017. Mr. Rybak seconded.

Ayes (7), Nays (0). Motion carried.
- V. Public Comment Period. Paula Hardin, Rochester resident, discussed affordable and accessible housing, tax-increment financing for affordable housing and the cooperative procurement of construction materials.

Candace Rasmussen, Rochester resident, commented on median wages in the DMC development district and about relocation expenses in the DMC law.

Nancy Adams, Rochester resident, spoke about affordable housing, and the need for many types of housing in the DMC development district.

Richard Olen, resident of Shoreview, MN, spoke about elevated rail and current transportation planning.

Steve Larson, Rochester resident, discussed the Communities United for Rochester Environment ("CURE") position on affordable housing.

Che Lopez, Rochester resident, a CURE organizer, also commented on affordable housing.
- VI. Chair's Report. Chair Smith stated that Board member Susan Park Rani will be resigning from the DMCC, effective with this meeting. Chair Smith noted that Ms. Park Rani brought an important perspective to the Board as a businesswoman, transportation professional, and community leader. Ms. Park Rani stated that it was a privilege and an honor to work with her Board colleagues, local citizens, Mayo Clinic, the City of Rochester, and others. She also noted her appreciation for the statewide engagement of small and minority owned businesses.
 - A. Resolution A: Commending Susan Park Rani. Commissioner Bier moved approval. Mr. Dougherty seconded.

Ayes (7), Nays (0). Motion carried.

Chair Smith also noted Mayor Ardele Brede's absence due to a medical procedure, welcomed new Rochester City Administrator Steve Rymer, and informed the Board of Assistant City Administrator Gary Neumann's expected retirement during the first quarter of 2018.

Chair Smith then highlighted the 2017 achievements, and discussed the Board's 2018 priorities. She said that the Board intends to continue to focus its attention on transportation, Heart of the City, and Discovery Square and noted that the Board will join the community in celebrating today's groundbreaking for the first new bioscience/research building in Discovery Square. She stated that the groundbreaking represents significant progress toward creating increased collaboration, entrepreneurial opportunity, and engagement with Mayo Clinic.

Chair Smith highlighted the significance of surpassing the \$200 million private investment threshold, especially considering the more than \$700 million in private development projects in various stages of design, development, and use throughout the DMC development district. She noted that this development interest and activity, with private projects being successfully pursued without direct DMC public investment, is a signal that the DMC strategy is working.

Chair Smith acknowledged that transportation has been a complex issue, and that the deliberative pace of transportation planning is the result of the Board's intention to design a system that complements city-wide and regional transportation networks and is adaptable to new technology. These considerations, as well as cost and other implementation factors, will inform the Board's decision-making in 2018.

Chair Smith commended the EDA for preparing metrics reports for the Board. She stated that "experience" and "housing" ought to be considered as additional priorities in 2018.

VII. Project Updates (City of Rochester, EDA). Steve Rymer, City Administrator, Gary Neumann and Terry Spaeth, Assistant City Administrators, Lisa Clarke, EDA Executive Director, and Patrick Seeb, EDA Economic Development and Placemaking Director, gave the report of project updates.

A. Status of Projects Receiving Prior Approval. Mr. Seeb noted that 19 projects were underway.

1. Titan Hilton. The \$125 million mixed-use and hotel development broke ground in December, 2016. Currently, there are more than 120 workers on site, with more than 300 daily workers expected in later stages. The construction of parking ramp #6, immediately adjacent to the Titan Hilton, is on schedule and expected to be completed in August, 2018.
2. Alatus Project. Demolition of existing site structures has begun. Financing and groundbreaking are expected in the near future.
3. Urban on First. Entitlements are complete and permitting is being finalized.
4. Mortenson at Discovery Square. Noting that the groundbreaking is today, Mr. Seeb stated that marketing and tenant recruitment efforts are in full swing.

B. Public Realm.

1. Heart of the City. Mr. Seeb reported that public realm design and development planning is being coordinated with the proposed or expected development activity at Chateau Theatre, the Wells Fargo building, and the former Michael's restaurant site. Next steps include ensuring that a public realm governance and programming model exists and identifying phasing and construction timetables, financing opportunities, and funding streams. The proposed 2018 Capital Improvement Program budget includes design funding. Mr. Rybak encouraged efforts to integrate public realm planning with adjacent development and stated that the DMCC should continue to advocate for public space and programming.
2. Chateau Theatre. Mr. Seeb reported that additional funding streams for Chateau Theatre renovations are being examined, and staff are also examining potential programming and governance options. The proposed 2018 Capital Improvement Program includes Chateau Theatre-related investments. Mr. Rybak stated that it may be possible to pursue a less capital-intensive renovation that also leverages the historic nature of the building. Mr. Neumann stated that the City has begun reviewing tax credit programs as a capital source and noted that any costs above and beyond the initial cost of the theatre acquisition will come back to the Board for review. Mr. Rybak stated that an interim and permanent programming plan ought to move in parallel to any capital improvement planning and indicated that he is willing to introduce similar venue operators and programming professionals.
3. Saint Marys Place. Mr. Seeb described the current state of the design concepts in Saint Mary Place, noting that some concepts are included in the proposed 2018 CIP budget.
4. Discovery Walk. Mr. Seeb reported that design planning will coincide with the redesign of Fourth Street SW. Mr. Rybak noted the importance of this public realm work, stating that such efforts can turn a building into a place.

C. Transportation Update. Beth Bartz of SRF Consulting gave a brief transportation update, and said that a more complete update will take place in early 2018. Ms. Bartz also stated that they are using complex models to assess parking, a transit system that serves multiple populations, street use,

the “city loop” and other issues. Ms. Bartz stated that once a recommendation is agreed upon, an implementation plan with phasing, cash flow, and funding scenarios will follow. Mr. Neumann noted that there is estimated funding for implementation planning in the proposed 2018 CIP. Mr. Rybak said that significant progress has been made and the Board has a much better grasp of transportation problems and opportunities, but stressed that Mayo Clinic should be involved in all travel demand management discussions. Mr. Rybak also noted that transportation is an opportunity to pursue a public-private partnership.

VIII. EDA Report.

- A. DMC Initiative Metrics. Ms. Clarke stated that the EDA is involved with several community organizations evaluating ways to address affordable housing. Commissioner Bier noted that the Olmsted County HRA recently held a retreat on affordable housing.

Ms. Clarke said that two dashboards exist, a high-level dashboard that reflects the progress of the DMC initiative against the five DMC goals, and a more comprehensive, community- and region-wide indicators dashboard maintained by Wilder Research. Mr. Rybak stated his appreciation for focusing on goals and stressed the importance of addressing workforce shortages. Ms. Clarke said that workforce recruitment and retention efforts could be added to the employment growth goal. Council Member Hickey expressed his appreciation for the goals and metrics dashboard specific to DMC.

IX. 2018 DMCC Funding Request to City. Chair Smith thanked Council Member Hickey, Mr. Dougherty, Mr. Campbell, and Commissioner Bier for leading the Board’s efforts to examine the draft budget and work plan strategy.

- A. DMCC Budget. Kathleen Lamb presented the DMCC budget, which was reduced by \$100,000 from its 2017 budget and includes costs related to insurance, legal counsel, audit services, and meeting operations.
- B. EDA Budget and Workplan. Ms. Clarke noted that the public funding for the EDA budget is decreased by 4.7% compared to the 2017 budget, and that Mayo Clinic increased its funding to the EDA by 36%. Council Member Hickey acknowledged that the budget is expected to support the achievement of several goals. Chair Smith thanked Mayo Clinic for its increased contribution and noted that operating costs are low compared to capital costs.
- C. Capital Improvement Plan. Mr. Seeb reported that transportation and infrastructure projects are the two major categories of CIP investments for 2018-2022. The 2018 projects include 31 initiatives totaling \$22 million in value.

Commissioner Bier noted that state funding is only made available based on a percentage of previously invested private development. Over the twenty year DMC initiative, private funding will lead any public investment. Mr. Dougherty noted that Mayo Clinic receives no public funding and that Mayo’s operating budget contribution was integral to funding the 2018 budget.

Ms. Park Rani stated that public infrastructure projects are necessary for growth and private investment. Mr. Neumann agreed and noted that with respect to sewers, the City would not be undertaking the work but for anticipated DMC development, and that some sewer infrastructure is being built to accommodate development that may not occur for several years, but that such investments are prudent and the result of good planning. Mr. Neumann stated that the City’s intention was to share the cost of several of these projects on a 50/50 basis. Mr. Neumann also said that some costs will count toward the City of Rochester’s DMC contribution.

- D. Working Capital Loan Extension. Commissioner Bier stated that the DMCC is requesting an increase in its working capital loan to \$1,000.00, correcting the amount stated in the materials. This was accepted by the Board as a friendly amendment.

Resolution B: Approving the 2018 DMCC Funding Request and Authorizing Transmittal.
Commissioner Bier moved to approve Resolution B. Mr. Dougherty seconded.

Ayes (6), Nays (0). Motion carried.

- X. DMCC Insurance: League of Minnesota Cities Insurance Trust (LMCIT) Waiver. Ms. Lamb described the annual insurance policy renewal, which requires the Board to select its tort liability coverage. Ms. Lamb recommended that the Board not waive its statutory protections.

Commissioner Bier moved that the DMCC elect not to waive the limit on coverage. Mr. Rybak seconded.

Ayes (6), Nays (0), Motion carried.

- XI. DMCC 2017 Budget: Year to Date Update. Commissioner Bier reported on the year to date budget.

- XII. DMCC 2018 Regular Meeting Schedule.

Resolution C: Approval of 2018 Regular Meeting Schedule. Mr. Rybak moved approval of Resolution C. Mr. Dougherty seconded.

Ayes (6), Nays (0), Motion carried.

- XIII. Meeting Schedule.

- A. Next Regular Meeting: March 22, 2018 at 9:30 A.M.
- B. Next Executive Committee Meeting: February 8, 2018 at 9:30 a.m.

- XIV. Adjournment. Mr. Rybak moved to adjourn the meeting. Mr. Dougherty seconded.

Ayes (6), Nays (0), Motion carried.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. __-2018

**Ratifying the Approval and Transmittal of the
Report to the Legislature Pursuant to Statute**

BACKGROUND RECITALS

A. Minnesota Laws, Chapter 143, Article 10 (the “Act”) provides that by February 15 of each year, the Destination Medical Center Corporation (“DMCC”) and the City of Rochester (the “City”) must jointly submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over local and state government operations, economic development, and taxes and to the Commissioners of Revenue and Employment and Economic Development, and to Olmsted County. The DMCC and the City must also submit the report as provided in Minnesota Statutes Section 3.195. The report must include the following specific elements:

- (1) the development plan and any proposed changes to the development plan;
- (2) progress of projects identified in the development plan;
- (3) actual costs and financing sources, including the amount paid with state aid under section 469.47, and required local contributions of projects completed in the previous two years by the corporation, city, county, and the medical business entity;
- (4) estimated costs and financing sources for projects to be stated in the next two years by the corporation, city, county, and the medical business entity; and
- (5) debt service schedules for all outstanding obligations of the city for debt issued for projects identified in the plan.

B. Pursuant to Executive Committee Resolution No. EC-4-2018, the Executive Committee of the DMCC approved and transmitted the report, which was due on February 15, 2018, and attached here as Exhibit A.

RESOLUTION

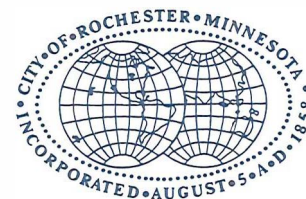
NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that the Board ratifies the Executive Committee action taken on February 1, 2018, and approves the report and its submission to the Minnesota Legislature as required by the Act.

EXHIBIT A



Mayor Ardell F. Brede
201 4th Street SE – Room 281
Rochester, MN 55904-3782
Phone: (507) 328-2700 Fax: (507) 328-2727

FIRST CLASS CITY • FIRST CLASS SERVICE



February 6, 2018

The Honorable Dan Hall
Chair, Local Government Committee
Minnesota State Senate
3111 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Tim O'Driscoll
Chair, Government Operations and Elections
Policy Committee
Minnesota House of Representatives
559 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Patricia Torres Ray
Local Government Committee
Minnesota State Senate
2225 Minnesota Senate Building
95 University Ave W
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The Honorable Michael Nelson
Government Operations and Elections Policy
Committee
Minnesota House of Representatives
351 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Jeremy Miller
Chair, Jobs and Economic Growth Finance
and Policy Committee
Minnesota State Senate
3107 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Patrick Garafolo
Chair, Job Growth and Energy Affordability
Policy and Finance Committee
Minnesota House of Representatives
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The Honorable Bobby Joe Champion
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The Honorable Tim Mahoney
Job Growth and Energy Affordability Policy
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The Honorable Julie Rosen
Chair, Finance Committee
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The Honorable Jim Knoblach
Chair, Ways and Means Committee
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The Honorable Richard Cohen
Finance Committee
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2301 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Roger Chamberlain
Chair, Taxes Committee
Minnesota State Senate
3225 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Ann Rest
Taxes Committee
Minnesota State Senate
2217 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

Commissioner Cynthia Bauerly
Minnesota Department of Revenue
600 North Robert Street
St. Paul, MN 55101

The Honorable Sheila Kiscaden
Chair, Olmsted County
Board of Commissioners
151 4th St SE
Rochester, MN 55904

The Honorable Lyndon Carlson Sr.
Ways and Means Committee
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St. Paul, MN 55155-1206

The Honorable Greg Davids
Chair, Taxes Committee
Minnesota House of Representatives
585 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Paul Marquart
Taxes Committee
Minnesota House of Representatives
261 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

Commissioner Shawntera Hardy
Minnesota Department of Employment and
Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351

Re: Destination Medical Center
February 15, 2018 Report

Dear Senators, Representatives, Commissioners and Chairs:

On behalf of the Destination Medical Center Corporation (the "DMCC") and the City of Rochester (the "City"), we are pleased to submit this report on the progress of the Destination Medical Center initiative, in accordance with Minnesota Statutes, Sections 469.40 – 469.47 (the "Act").

Since our last report, dated February 9, 2017, we can report that 2017 was a remarkable year for the Destination Medical Center ("DMC") initiative, as we reached and exceeded a major threshold. The Act required that private investment lead the way for this private-public model of partnership: over \$200,000,000 in private investment, combined with Mayo Clinic's certified expenditures, had to occur before any state funding would begin to flow. In 2017, we certified \$297,708,550 in private investments and Mayo Clinic investments. This cumulative total includes

more than \$239 million in capital expenditures by Mayo Clinic, and more than \$58 million in additional, non-Mayo private development. This early success clearly achieves the legislative intent to have the private investment lead the way for this initiative. Moreover, the City has contributed \$26,829,988 in certified expenditures from July 1, 2013, through December 31, 2016.

There are currently 21 projects either proposed, under construction, or completed, the majority of which are private investments with no DMC-provided public assistance. Approved DMC projects thus far are expected to generate over 1,000 construction jobs. This extraordinary combination of private investment, Mayo Clinic expenditures, City contributions and state funding are making Destination Medical Center a reality.

In 2017, many other important aspects of DMC planning and development were advanced:

Business Development: In addition to other private development occurring, construction began on the first phase of the Discovery Square bioscience research campus, a sixteen-block district that will serve as the space for new businesses and entrepreneurs to bring new innovations to market. This is a key job-creating initiative in the bio-science sector.

Public Realm Design Concepts: Design concepts were developed for the Heart of the City and Saint Marys Place districts.

Energy and Sustainability Goals: Efforts to achieve the energy and sustainability goals outlined in the Development Plan, including a twenty-five percent reduction in DMC Development District use by 2035, are underway.

Marketing Activities: Marketing activities were developed and implemented for state, national and international audiences.

Transportation Planning: Recommendations are expected in early 2018 with respect to preferred transportation and transit alternatives, which include analyses of street use, pedestrian trails, parking and transportation management, and public transit.

I. Destination Medical Center: Background.

A. Development Plan.

One of the primary goals of the Act was the adoption of a Development Plan. In September 2013, the DMCC established specific goals and objectives for the Development Plan: to create a comprehensive strategic plan, and over the life of the project, to stimulate over \$5 billion in private investment that will be supported by \$585 million in public funds, create 35,000-45,000 new jobs, generate \$7.5 billion to \$8.5 billion in net new tax revenue, and achieve the highest quality patient, visitor and resident experience.

The Development Plan is the strategic framework for the Destination Medical Center initiative, establishing a comprehensive business and economic development strategy. It addresses several items, including land use, transportation and infrastructure planning, market research, funding priorities, business and economic development and market strategies.

Upon making the findings set forth in the Act, including finding that the City had approved the Development Plan, the DMCC adopted the Development Plan on April 23, 2015. The Development Plan is posted on the DMCC website: www.dmc.mn.

B. Website.

The DMCC's website is: www.dmc.mn. The website contains the regular meeting schedule, meeting agendas, minutes and other information on DMCC activities, as well as project updates, investor and developer information, sub-district descriptions, market research, and ongoing activities of the Destination Medical Center Economic Development Agency ("DMC EDA"). The City's website, www.rochestermn.gov, also has a link to the DMCC website.

II. Specific Elements Required to Be Included in the Report.

The Act requires that certain elements be included in this annual report. Some of what is presented here has been referenced above.

A. "The Development Plan and any proposed changes to the Development Plan."

The Development Plan was initially adopted on April 23, 2015, and amended in 2016 to modify the Destination Medical Center Development District, the geographic area in the City of Rochester in which public infrastructure projects are implemented to support DMC. The Development Plan can be found at the DMCC website: www.dmc.mn.

B. "Progress of projects identified in the Development Plan."

According to the Act, a project must be approved by the DMCC before it is proposed to the City. The DMCC must review the project proposal for consistency with the adopted Development Plan. Since the adoption of the Development Plan on April 23, 2015, several projects have been approved by the DMCC.

The Historic Chateau Theatre: is located in the "Heart of the City" district as described in the Development Plan. The DMCC approved the acquisition of the Chateau Theatre by the City in the purchase price amount of \$6,000,000, of which Mayo Clinic contributed \$500,000. The acquisition of this historically-designated landmark is considered key to the planning and enhancement of the Heart of the City district. The City, DMCC and Mayo Clinic have agreed to work cooperatively to determine the best use of this building and a comprehensive planning process is currently underway.

The Titan Hilton Hotel: (formerly known as the "Broadway at Center" project), is located in the "Downtown Waterfront" district as described in the Development Plan. This mixed-use project includes a 264-room hotel, restaurants, retail space, a skyway connection, and a five level parking ramp with 630 spaces. The project is expected to generate approximately \$125 million in private investment and create 200-250 jobs, and is under construction. Completion of the hotel is expected in 2019.

The Alatus Project: is located on 2nd Street SW in the "Saint Marys" district as described in the Development Plan. This mixed-use project involves the construction of an approximately 350,628 square foot, thirteen-level commercial and residential complex. It will include 374

market-rate rental units, create 240 jobs, and is expected to generate \$115 million in private investment. Site work has begun, with project completion targeted for late 2019.

Urban on First: is located south of 4th Street SW between 1st Avenue SW and Broadway Avenue, and is in the “Discovery Square” district as described in the Development Plan. This approximately \$38 million mixed use project includes 156 market rate rental units and street level commercial and retail space. Groundbreaking is expected in early 2018.

Discovery Square Phase One Building by Mortenson: is on First Avenue SW in the “Discovery Square” district as described in the Development Plan. This approximately \$35 million bio-science building will be a center of innovation, and will house companies whose mission is to accelerate bio-science discoveries to market. The building will include laboratory, office, collaborative and retail space. As noted above, this project is the first phase of achieving a key component of the Development Plan: providing jobs in the bio-science sector. Groundbreaking occurred in November, 2017, and construction is underway.

Finally, there are several other projects underway in the initial stages of planning, and are expected to come to fruition in 2018. The status of these projects will be reported in a future annual report.

In addition to the approved projects noted above, the DMCC and the City have approved a Capital Improvement Plan (“CIP”) for public infrastructure projects for 2016-2018. Projects identified in the CIP include the following:

1. 3rd Street SW Reconstruct/Design
2. Titan Hotel Ramp
3. Parking and Travel Demand Study
4. City Loop Plan
5. Transit/Transportation/Infrastructure Management
6. Transit Circulator Study
7. Heart of the City Design
8. Chateau Theatre Re-Use Study
9. Downtown Street Use and Operations Study
10. Public Utility Upgrades to Support DMC Development
11. Street Improvement Projects to Support DMC Development
12. Sanitary Sewer Projects to Support DMC Development
13. St. Marys Place Public Realm Study
14. Discovery Walk Study

C. "Actual costs and financing sources, including the amount paid under Minnesota Statutes Section 469.47, and required local contributions of projects completed in the previous two years by the DMCC, City, Olmsted County and Mayo."

The Act requires that an annual certification of private investment by Mayo Clinic or other private investors be made to DEED by April 1 of each year, and DEED must certify that \$200,000,000 of private investment has been made before any state funding may be paid. In 2017, the cumulative amount of private and Mayo Clinic certified investments was \$297,708,550, thus exceeding the statutory threshold.

In compliance with Minnesota Statutes Section 469.47, attached is the annual certification of Mayo Clinic and other private investment that was submitted to DEED on March 23, 2017, and the annual certification of City expenditures, that was submitted to DEED on March 28, 2017 (Exhibit A). DEED then conducted its own audit process of the certified expenditures, and approved them. The DEED certifications, dated June 27, 2017, are also attached (Exhibit B).

In addition, we offer the following information:

1. Through December 31, 2017, State Infrastructure Aid in the amount of \$2,686,985.13 has been received. No State Transit Aid has been received.
2. Actual costs paid by the City from commencement through December 31, 2017 have totaled \$26,029,988, based on year-end unaudited costs. The funding source has been City internal borrowing, which will be repaid by the City's 0.25% DMC sales tax. Just as the Mayo Clinic investments and other private investments have underscored the commitment to DMC, so too have the City contributions.
3. Through December 31, 2017, Olmsted County has contributed \$4,500,000.
4. The 2018 combined operating and capital improvements budget for the DMCC totals \$22,191,908. Of this amount \$3,000,000 will be provided by Olmsted County from its 0.25% DMC sales tax. The remaining \$19,191,908 is to be provided by the City of Rochester from a variety of City funding sources. In addition, Mayo Clinic has pledged financial and in-kind funding to the DMC EDA in the amount of \$1,272,220, which represents an increase of \$337,800 from the \$934,420 provided by Mayo in 2017.

D. "Estimated costs and financing sources for projects to be started in the next two years by the DMCC, City, Olmsted County and Mayo."

The Development Plan sets forth a framework and examples of projects that may be considered for funding in the next several years. Each project will be approved on an individual basis. See also the response to "B" and "C," above.

E. "Debt service schedules for all outstanding obligations of the City for debt issued for projects identified in the plan."

The City has provided the funding required for approved projects thus far, and no debt has been issued as yet.

CONCLUSION

Thank you for your consideration of this annual report. On behalf of both the DMCC and the City, we welcome your comments or questions. We look forward to continued progress on the Destination Medical Center initiative in 2018.



RT Rybak, Vice Chair
Destination Medical Center Corporation



Ardell F. Brede, Mayor
City of Rochester

Enclosures

cc: Legislative Reference Library

1070307-7.DOC

EXHIBIT A

Annual Certification of Mayo Clinic and Other Private Investment Submitted to DEED
on March 23, 2017

and

Annual Certification of City Contributions to DEED on March 28, 2017

EXHIBIT A

DESTINATION MEDICAL CENTER CORPORATION
201 4th St. SE.
Rochester, Minnesota 55904

March 23, 2017

Shawntera Hardy
Commissioner
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite F-200
Saint Paul MN 55101

Dear Commissioner Hardy:

On behalf of the Destination Medical Center Corporation ("DMCC") and Mayo Clinic, I am pleased to forward the following materials for the April 1, 2017 certification, pursuant to Minnesota Statutes Section 469.47, Subdivision 2:

1. DMCC Certification: I enclose the DMCC certification of expenditures made by an individual or entity, other than Mayo Clinic, for the period ending on December 31, 2016. The City of Rochester, Minnesota, assisted with the compilation of this report. The amount of expenditures set forth in this report is \$38,089,951.

2. Mayo Clinic Certification: I enclose correspondence and accompanying materials from Jeffrey W. Bolton, Vice President of Administration at Mayo Clinic, dated March 23, 2017. Mayo Clinic is certifying expenditures for the period of January 1, 2016 through December 31, 2016 in the amount of \$107,211,567.

3. Summary of Expenditures: The summary page, entitled, "Certification of Expenditures, Destination Medical Center" is enclosed, setting forth total cumulative expenditures through December 31, 2016, in the amount of \$297,708,550.

Thank you for your consideration, and please do not hesitate to contact either DMCC or Mayo Clinic if you need further information. We look forward to continuing to

Commissioner Shawntera Hardy
March 23, 2017
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work with the State of Minnesota, City of Rochester, Olmsted County, Mayo Clinic, and our other partners on the Destination Medical Center initiative.

Sincerely,


Tina F. Smith
Chair
Destination Medical Center Corporation

Encl.

cc: Destination Medical Center Corp Board of Directors
Jeffrey W. Bolton, Mayo Clinic

874762.DOC

Attachment 1

Building Permits within DMC Boundary

(Does not include Mayo Projects)

Year	Completed
2013	\$ 8,500.00
2014	\$ 3,500.00
2015	\$ 5,537,282.00
2016	\$ 1,330,873.00
TOTAL	\$ 6,880,155.00

2016 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2016
		Partial Completed Work Claimed
1st Avenue Flats	400 NW 1 Avenue	\$ 4,976,244.00
Lofts at Mayo Park	123 SE 6 Avenue	\$ 6,347,552.97
501 on First	501 SW 1 Avenue	\$ 12,534,186.96
Flats on 4th (Buckeye)	412 SE 3 Avenue	\$ 8,906,937.40

Total for 2016 \$ **32,764,921.33**
Dollar Value of building permits finaled in 2016 \$ **1,555,125.00**
Dollar amount submitted for partial work in 2016 \$ **31,209,796.33**

TOTAL \$ 38,089,951.33

2013 Building Permits (Entire Year)
COMPLETED BUILDING PERMITS (completed since the 2013 reports but prior to 12/31/2016)
 (Within DMC Boundary, does not include Mayo Projects)

	Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Owner	2016 Permit Status	2016 Permit Status Date	Current Permit Status	Current Permit Status Date
1	Residential Bldg	Alteration	R13-1658RB	12/31/2013	005091	818 SW 1 ST, ROCHESTER, MN 55902	\$8,500	10 replacement windows in bedrooms on 2nd and 3rd floor. Removing existing fire escape.	CREEKWOOD CONSTRUCTION RYAN SCHULTZ 9491 CREEKWOOD CT SE ROCHESTER, MN 55904	WOMEN'S SHELTER INC PO BOX 457 ROCHESTER, MN 55903	Issued	12/31/2013	Failed	02/24/2014 (did not show up prior because of a bar of issue)

\$8,500

2014 Building Permits (Entire Year)
COMPLETED BUILDING PERMITS (completed since the 2013 reports but prior to 12/31/2014)
 (Within DMJ Boundary, does not include Mayo Projects)

	Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Owner	2014 Permit Status	2014 Permit Status Date	Current Permit Status	Current Permit Status Date
1	Demolition	Commercial	R14-0004D	5/7/2014	012844	723 SW 2 ST, ROCHESTER, MN 55902	\$2,500	Demo of Melissa's on 2nd	OWNER	SCHUSTER, CURTIS J 48855 STATE HWY 108 EASTON, MN 56025	Issued	5/7/2014	Finalized	1/25/2016
2	Sign	Business	R14-0078S	6/5/2014	014315	4 SW 3 ST, ROCHESTER, MN 55902	\$1,000	Projecting sign (Santitas Restaurant)	OWNER	Leung, Teresa 720 NORTHERN HILLS DR NE ROCHESTER, MN 55906	Issued	6/5/2014	Finalized	2/17/2016

\$3,500

2015 Building Permits (ENTIRE YEAR)
COMPLETED BUILDING PERMITS
 (Completed since the 2015 reports but prior to 12/31/2016)
 (Within DMC Boundary, does not include Mayo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Owner	2016 Permit Status	2016 Permit Status Date	Current Permit Status	Current Permit Status Date	
2	Commercial Bldg	Alteration	R14-0451CB	12/1/2015	014315	4 SW 3 ST, ROCHESTER, MN 55902	\$128,482	Alterations to existing restaurant to include a brewery and bar (Grand Rounds Brew Pub)	KRAUS-ANDERSON CONSTRUCTION CO John Prokash 418 S BROADWAY ROCHESTER, MN 55904	INDIGO FUSION HOLDINGS LLC 720 NORTHERN HILLS OR NE ROCHESTER, MN 55908	Issued	4/22/2015	C of O Issued	2/24/2016
3	Commercial Bldg	Alteration	R14-0251CB	1/21/2015	017865	101 E CENTER ST, ROCHESTER, MN 55904	\$60,000	Alterations for three new rooms on main level and one in the lower level. Update past violations as per letters of investigation. Adding showers in 18 rooms and existing plumbing alterations for 32 other rooms (Center Street Hotel).	OWNER	Andrew Fredericks 10817 110 S Chaffield, MN 55923	Issued	1/21/2015	C of O Issued	9/15/2016
4	Commercial Bldg	Alteration	R15-0322CB	12/14/2015	025242	14 SW 4 ST, ROCHESTER, MN 55902	\$2,000,000	Restoration and change of use to existing building (Conley Building)	ALVIN E BENIKE, INC Mike E BENIKE 2800 W Hwy 14 ROCHESTER, MN 55901	CMO HOLDINGS LLC 2203 BAILLY HILLS DR SW ROCHESTER, MN 55902	Issued	12/14/2015	C of O Issued	9/16/2016
5	Multi-Family Bldg	Phased Partial Permit	R15-0036MFB	2/8/2015	017868	22 N BROADWAY AVE, ROCHESTER, MN 55908	\$4,800	Partial phase interior demolition for - Alterations of existing mechanical room, replace ceiling in commons (Park Towers)	HIMEC, INC Joe Beckel 1400 7 S INW ROCHESTER, MN 55901	Park Towers 22 North Broadway Rochester, MN 55908	Issued	2/8/2015	Phased	6/9/2016
6	Multi-Family Bldg	Alteration	R15-0005MFB	2/19/2015	017868	22 N BROADWAY AVE, ROCHESTER, MN 55908	\$250,000	Alterations of existing mechanical room, replace ceiling in commons (Park Towers)	HIMEC, INC Joe Beckel 1400 7 S INW ROCHESTER, MN 55901	Park Towers 22 North Broadway Rochester, MN 55908	Issued	2/19/2015	Phased	8/26/2016
7	Commercial Bldg	New	R15-0087CB	6/8/2015	012844	733 SW 2 ST, ROCHESTER, MN 55902	\$1,201,875	New dental office with 3 apartments (Almasat LLC)	TLS COMPANIES Todd Severson 1851 Kerry Dr NE	ALTAEAST LLC 1408 WOODLAND DR SW ROCHESTER, MN 55902	Issued	6/8/2015	C of O Issued	9/15/2016
8	Multi-Family Bldg	Phased Partial Permit	R15-0053MFB	8/3/2015	017890	501 SW 1 AVE, ROCHESTER, MN 55902	\$1,555,125	Partial phase footing and foundation, U.G plumbing and electrical only - 84 unit apartment with underground parking (501 on 1st Apartments)	KRAUS-ANDERSON CONSTRUCTION CO Adam Kramer 418 S BROADWAY ROCHESTER, MN 55904	MK DOWNTOWN LLC PO BOX 283 NEW HAMPTON, IA 50659	Issued	8/3/2015	Phased	9/2/2016
9	Commercial Bldg	Alteration	R15-0335CB	10/22/2015	014442	30 SE 3 ST 201, ROCHESTER, MN 55904	\$155,000	Alterations for office space (Carlson Capital Management - Historic on 3rd)	Bulkcorn Brian Moser 30 3 SISE Suite 600 Rochester, MN 55904	Carlson Capital Management 118 4 ST SE Hastings, MN 55033	Issued	10/22/2015	C of O Issued	3/23/2016
10	Commercial Bldg	Alteration	R15-0333CB	10/29/2015	081808	210 N BROADWAY AVE, ROCHESTER, MN 55908	\$12,500	Alterations to existing space for new tenant (G & A Signs)	Horizon Retail Construction, Inc. John Matthews 1500 Horizon Dr Sartrevent, WI 53177	Andy Anderson 2107 8 Ave ROCHESTER, MN 55902	Issued	10/29/2015	C of O Issued	4/20/2016
11	Commercial Bldg	Alteration	R15-0393CB	11/8/2015	017882	159 S BROADWAY AVE, ROCHESTER, MN 55904	\$48,000	Alterations to existing skyway restrooms (Doubletree Hotel)	SCHWAB LLC Mike Hansen 1530 Greenview Dr SW Ste 109 Rochester, MN 55902	Merquis Hospitality 150 South Broadway ROCHESTER, MN 55904	Issued	11/8/2015	Phased	2/29/2016
12	Demolition	Commercial	R15-0023D	12/4/2015	018477	411 N BROADWAY AVE, ROCHESTER, MN 55906	\$53,000	Removal of two story building		PRUETT, MICHAEL A 4312 5 PL NW ROCHESTER, MN 55901	Issued	12/4/2015	Closed	10/19/2016
13	Demolition	Commercial	R15-0024D	12/4/2015	081852	408 HWY 1 AVE, ROCHESTER, MN 55901	\$30,000	Demolition of one story building		INVERWOOD LLC 7845 LYNDALE AVE S MINNEAPOLIS, MN 55423	Issued	12/4/2015	Closed	10/16/2016
14	Demolition	Commercial	R15-0025D	12/4/2015	081852	410 HWY 1 AVE, ROCHESTER, MN 55901	\$30,000	Demolition of one story taxi building		INVERWOOD LLC 7845 LYNDALE AVE S MINNEAPOLIS, MN 55423	Issued	12/4/2015	Closed	10/16/2016
15	Sign	Business	R15-0150S	10/20/2015	025280	711 S BROADWAY AVE, ROCHESTER, MN 55904	\$9,500	Wall Signs "RUNNING ROOM LTD"	OWNER	TIM LO ALBERTA, CANADA, T8E6P3	Issued	10/20/2015	Phased	2/8/2016
16	Sign	Business	R15-0140S	11/24/2015	017773	18 SW 3 ST, ROCHESTER, MN 55902	\$4,000	Wall sign "blue sky DENTAL Cosmetic & Family Dentistry"	OWNER	LANGTON, DIANE	Issued	11/24/2015	Phased	2/8/2016

\$6,637,292

2016 Building Permits (Entire Year)
COMPLETED BUILDING PERMITS (Completed prior to 12/31/2016)
 (Within DMC Boundary, does not include Mayo Projects or City/County Projects)

	Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Owner	Current Permit Status	Current Permit Status
1	Commercial Bldg	Alteration	R16-0009CB	2/24/2016	078775	421 SW 1 AVE, ROCHESTER, MN 55902	\$40,000	Alterations for new conference room (Premier Bank)	ALVIN E BENIKE, INC Levi E Kaiser 2960 W Hwy 14 ROCHESTER, MN 55901	PREMIER BANK ROCHESTER 421 1 AVE SW # 100 ROCHESTER, MN 55902	Finalized	3/25/2016
2	Commercial Bldg	Alteration	R16-0073CB	3/11/2016	079692	300 SE 3 AVE, UNIT# 205, ROCHESTER, MN 55904	\$6,500	Alterations for existing office space (Robert Fleming offices - Ironwood Square Bldg)	R FLEMING CONSTRUCTION INC ROBERT FLEMING 2707 OAK VIEW LN NE ROCHESTER, MN 55908	Robert Fleming 2707 Oakview Ln NE ROCHESTER, MN 55906	Finalized	4/7/2016
3	Commercial Bldg	Alteration	R16-0007CB	3/11/2016	009274	512 SW 3 ST, ROCHESTER, MN 55902	\$55,000	Alterations to existing kitchen (First Presbyterian Church)	ROK Enterprises, LLC Ron Kleinberg 3833 Garnet Ridge Dr NE Rochester, MN 55906	FIRST PRESBYTERIAN CH 512 3 ST SW ROCHESTER, MN 55902	Finalized	8/24/2016
4	Commercial Bldg	Phased Partial Permit	R15-0445CB	3/16/2016	014310	313 S BROADWAY AVE, ROCHESTER, MN 55904	\$201,528	Partial phase whitebox for interior stairways and MEP, no tenant finishes (GKH2 Bldg - Paine)	CONSTRUCTION COLLABORATIVE Grant Michaelitz 320 S BROADWAY ROCHESTER, MN 55904	GKH2 HOLDINGS LLC 320 BROADWAY S ROCHESTER, MN 55904	Closed	10/17/2016
6	Commercial Bldg	Alteration	R15-0138CB	4/19/2016	079165	318 SW 1 AVE, ROCHESTER, MN 55902	\$36,414	Alterations to construct 2 spaces with walls (318 Comm one - UMR - 2)	STARR CONSTRUCTION INC. DBA CONSTRUCTION COLLABORATIVE Jerry Rutgers 320 S BROADWAY ROCHESTER, MN 55904	GH HOLDINGS LLC 320 SOUTH BROADWAY ROCHESTER, MN 55904	Finalized	8/22/2016
7	Commercial Bldg	Alteration	R16-0077CB	4/20/2016	061056	222 SW 6 AVE, ROCHESTER, MN 55902	\$250,000	Alterations to existing fellowship hall (Trinity Lutheran Church)	ALVIN E BENIKE, INC Mary E Kisilewski 2960 W Hwy 14 ROCHESTER, MN 55901	TRINITY EVANGELICAL LUTHERN CHURCH 222 6 AVESW ROCHESTER, MN 55902	C of O Issued	8/30/2016
8	Commercial Bldg	Alteration	R16-0116CB	4/22/2016	017867	216 SW 1 AVE, ROCHESTER, MN 55902	\$1,000	Exterior support for a new type 1 kitchen hood and duct (City Café)	SUPERIOR MECHANICAL, INC Mike Nordstrom 1244 60 Ave NW Suite C Rochester, MN 55901	Creative Cuisine 212 1 AVE SW ROCHESTER, MN 55902	Finalized	5/20/2016
9	Commercial Bldg	Alteration	R16-0072CB	4/26/2016	014310	313 S BROADWAY AVE, ROCHESTER, MN 55904	\$102,134	Second floor tenant finish for facility offices (U of M - Payne Bldg)	CONSTRUCTION COLLABORATIVE Grant Michaelitz 320 S BROADWAY ROCHESTER, MN 55904	GKH2 HOLDINGS LLC 320 BROADWAY S ROCHESTER, MN 55904	C of O Issued	10/19/2016
10	Commercial Bldg	Addition	R16-0068CB	4/26/2016	014310	313 S BROADWAY AVE, ROCHESTER, MN 55904	\$212,097	Installation of a skyway from 313 South Broadway to 318 1 Ave SW Building (GKH2 Bldg - Paine)	CONSTRUCTION COLLABORATIVE Grant Michaelitz 320 S BROADWAY ROCHESTER, MN 55904	GKH2 HOLDINGS LLC 320 BROADWAY S ROCHESTER, MN 55904	Finalized	10/17/2016
11	Commercial Bldg	Phased Partial Permit	R16-0202CB	6/9/2016	078776	421 SW 1 AVE, ROCHESTER, MN 55902	\$5,000	Interior demolition - Alterations to existing office space (Dunham Engineering)	RELIABLE CONTRACTORS, INC GARY NORDINE 6851 10 Ave SW ROCHESTER, MN 55902	Jay Rohkohl 18 3 St SW ROCHESTER, MN 55902	Closed	7/14/2016
12	Commercial Bldg	Alteration	R16-0201CB	6/15/2016	078775	421 SW 1 AVE 201, ROCHESTER, MN 55902	\$51,000	Alterations to existing office space (Dunham Engineering)	RELIABLE CONTRACTORS, INC GARY NORDINE 6851 10 Ave SW ROCHESTER, MN 55902	Jay Rohkohl 18 3 St SW ROCHESTER, MN 55902	C of O Issued	7/15/2016
13	Commercial Bldg	Alteration	R16-0281CB	8/26/2016	081707	20 SW 2 AVE 172, ROCHESTER, MN 55902	\$25,000	Alterations for an eye care office space (Huber Eye Care - Kahler Grand Hotel)	TLS COMPANIES Spencer Holman 1951 Kerry Dr NE Rochester, MN 55906	KAH 202ND AVENUE LLC 20 2 AVESW ROCHESTER, MN 55902	C of O Issued	10/24/2016

2016 Building Permits (Entire Year)
COMPLETED BUILDING PERMITS (Completed prior to 12/31/2016)

14	Commercial Bldg	Alteration	R16-0242CB	9/12/2016	080419	519 SW 1 AVE, ROCHESTER, MN 55902	\$70,000	Alterations from meeting room to retail space (Peoples COOP - Metro Marketplace)	WIESER BROTHERS GENERAL CONTRACTOR, INC. Todd Hase 200 TWILITE ST LA CRESCENT, WI 55947	METROPOLITAN MARKET PLACE LLC 420 5 AVE S SUITE A LACROSSE, 54601	Finalized	11/15/2016
15	Commercial Bldg	Alteration	R16-0297CB	9/15/2016	025249	400 S BROADWAY AVE, ROCHESTER, MN 55902	\$275,000	Alterations for third level tenant space (Winona State University - Riverside Building)	ALVIN E BENIKE, INC Travis E Lange 2960 W Hwy 14 ROCHESTER, MN 55901	Winona State University 659 30 Ave SE ROCHESTER, MN 55904	C of O Issued	12/23/2016
16	Residential Bldg	Alteration	R16-1136RB	7/26/2016	005859	403 NW 5 AVE, ROCHESTER, MN 55901	\$200	Alterations - Egress window replacements, main floor 36" x 42 " casement single unit (Rental)	OWNER	PROW, THOMAS (TRUSTEE) 403 5 AVE NW ROCHESTER, MN 55901	Finalized	7/27/2016

\$1,330,873

Attachment 2



200 First Street SW
Rochester, Minnesota 55905
507-284-2511
mayoclinic.org

March 23, 2017

Shawntera Hardy
Commissioner
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E-200
Saint Paul, MN, 55101-1351

Dear Commissioner Hardy:

Attached with this letter is Mayo Clinic's certification of qualified expenditures of the medical business entity for the Destination Medical Center (DMC) initiative for the period starting January 1, 2016 and ending December 31, 2016. The amount of qualified investment is approximately \$107.2 million.

Overall, Mayo Clinic expended more than \$240.0 million on capital projects and equipment in Rochester in 2016. Major projects included: Saint Marys East Bed Tower Expansion and Modernization, Precision Medicine and Saint Marys Radiology Consolidation. Again, Mayo Clinic is taking a conservative approach this year when counting eligible investments and expenditures for purposes of meeting the DMC investment goals.

We look forward to working with the State of Minnesota, City of Rochester, Olmsted County, and other stakeholders to strengthen our economy and further strengthen Minnesota's position as the world's premier destination medical center.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bolton", written over a horizontal line.

Jeffrey W. Bolton
Vice President, Administration
Mayo Clinic

cc: Kevin McKinnon, Deputy Commissioner Economic Development,
Minnesota Department of Employment and Economic Development

Permitted Expenditures from July 1, 2013 to December 31, 2016

Approval Date	Project/Req Number	Project/Equipment Name	Total Expenditures reported for 2016	Total Spent as of December 31st 2016
02/18/11	7R100580	Mary Brigh East Expansion	5,455.79	2,015,230.89
11/09/12	7R110910	Dermatology Remodel	-	9,123,648.24
11/09/12	7R121480	Sports Medicine Center	-	5,666,939.49
07/03/13	7R121370	2915 Warehouse Infrastructure	-	693,219.52
07/10/13	7R130470	Core 200 SMH Operating Room Renovation	-	1,411,411.46
07/10/13	7R100320	Anatomic Pathology Office Remodel	-	476,041.94
07/10/13	7R121490	Psychiatry and Psychology Master Plan, Phase 1A - Generose Main	-	1,213,985.91
07/11/13	7R120570	Development Remodel	-	2,679,274.32
08/01/13	7R130980/7R130981	Bed Tower Modernization MB east	23,246,729.42	38,086,427.33
08/01/13	7R130990/7R130991	Domitilla 3 Modernization	1,184,304.29	7,751,953.95
08/14/13	7R130650	Remodeling laboratory space on Guggenheim 5.	-	265,065.75
08/29/13	7R130810	Saint Marys Hospital Chiller Addition	1,517,071.81	4,482,004.12
09/25/13	7R130180	Institute Hills Chiller Replacement	-	441,903.16
11/06/13	7R130820	Radiation Oncology Room "E" Linear Accelerator Replacement	-	188,793.94
12/11/13	7R110200	DLMP Phlebotomy Remodel	11,512.22	1,615,648.60
02/05/14	7R120870	Mary Brigh Electrical Upgrades (Phase 3)	118,429.78	2,002,781.62
02/21/14	7R121420	SDSC Expansion Construction Only	244,255.29	21,175,162.03
02/26/14	7R121080	Creation of the consolidated freezer and BAP facility at the 2915 Warehouse	-	4,006,693.46
02/26/14	7R130690	Remodeling of multiple laboratories on Guggenheim 8	-	774,090.58
03/19/14	7R131440	Four Operating Rooms Off Core 700	-	3,082,756.73
04/23/14	7R131300	Remodeling within the Metabolomics Core on Alfred 5	4,509.00	616,212.48
2Q2014	R2007523 / 7R131300	Thermo TSQ Triple Quadrupole MS (assets 147506 & 145344)	-	596,292.00
04/23/14	7R131420	Remodeling within Opus 1 to accommodate space for a new CT machine.	-	480,162.90
04/30/14	7R131270	Employee and Community Health Southeast Clinic	-	4,326,200.60
04/30/14	7R120690	Cardiac Catheterization Procedure Room 103 Remodel - Saint Marys, Mary Brigh 4	-	412,584.91
06/04/14	7R140130	Gonda 5, 5th PET/CT Installation & Uptake	-	301,874.69
06/18/14	7R140540	Executive, Development and International Program Expansion - Mayo East 5	(45.48)	1,389,522.23
07/02/14	7R131400	DOM 3/4 Infrastructure Revisions for Remodeling	84,726.60	2,044,173.65
07/23/14	7R130760	Clinical Genome Sequencing, Lab Expansion	-	296,600.82
08/14/14	CPC2010723 / 7R130820	Varian Medical Systems (asset 145374)	-	3,334,879.00
08/20/14	7R140480	CMCT and Prev. Med. Relocation Gonda 18 to Mayo East 17	-	358,383.16
03/04/15	7R140790	Cancer Center Station Eisenberg 4-3	532,186.23	891,708.54
03/18/15	7R140780	CT Simulator I Replacement Charlton S-259, S-261	6,258.38	191,170.81
11/13/14	CPC2010473/7R140780	CT Scanner - 5yr (Asset 162815)	-	687,812.80
04/29/15	7R150070	Charlton 2 Incremental 3T Body Scanner	730,551.93	807,129.85
04/29/15	CPC2015146/7R150070	3T Siemens Skyra MRI (asset 166875, 167065-167082)	1,637,261.00	1,637,261.00
05/13/15	7R150080	SMC, Mary Brigh Main NH, MR-MCR 1.5T Replacement Scanner	203,886.23	444,248.23
05/13/15	CPC2015438/7R150080	GE; 1.5T Optima MR450W (asset 165084, 165346-165359)	1,130,292.00	1,130,292.00
05/13/15	7R150090	SMC, Mary Brigh Main NH, MR-MCR 1.5T Replacement Scanner	523,684.25	558,862.68
05/13/15	CPC2015436/7R150090	DISCOVERY MRI Mary Brigh (assets 169437, 171643, 171651, 171661-171672)	1,513,704.55	1,513,704.55
07/22/15	7R130230	Renovation Mary Brigh Main, PACU - Phase 4	3,670,059.65	3,914,875.81
05/14/15	7R140390	SMH Mary Brigh East Corridor Relocation	5,177,804.87	5,428,497.83
02/25/15	7R140970	Dr. Lee Diamond Reactor Lab Remodel on Med Sci SL	7,021.36	226,408.57
7/23/2014	7R131280	MR-RO-CN-1-MR/PET installation	21,262.34	781,558.09
3rd qtr 2014	CPC2007008/7R131280	GE; DISCOVERY MR750 PET (Assets 149876, 150145-150157, 150668-150670)	-	3,698,538.02
8/20/2014	7R140140	CT Scanner Replacements (3L, 3Z & 4J) - somatom - CH 2	179,211.37	561,057.62
3rd qtr 2014	CPC2010196/7R140140	Somatom Force CT (Asset 157628)	-	1,831,372.00
12/11/2014	7R140770	Linear Acc Replace Rm "C"	-	185,937.00
08/14/14	CPC2010723/7R140770	VARATHON MEDICAL; TRUE BEAM (Asset 162800)	-	2,895,908.00
08/14/14	CPC2010184/7R140770	SIEMENS; CT EDGE (Asset 163463)	-	856,459.02
08/14/14	CPC2010189/7R140770	SIEMENS; SOMATOM DEFINITION (Asset 164325)	-	862,578.20
10/9/2014	7R140160	Incremental MRI Body Scanner	2,970.00	603,049.87
08/14/14	CPC2010068/7R140160	SIEMENS; SKYRA 3TMRI (Asset 157191, 157322-157339)	-	1,859,239.00
12/12/2013	7R121290	GO3 Build 2 CT Bays	1,095.00	656,293.35
11/13/14	CPC2010188/7R121290	SIEMENS; SOMATOM FORCE CT (Asset 149843)	-	1,750,000.00
05/08/14	CPC2008778/7R120690	PHILIPS; XPER FD20 (Assets 147302, 147339, 147392)	-	1,649,213.30
1/9/2015	7R140090	Neurology Renovation, Mayo 8	1,291,836.43	5,056,333.46
8/21/2014	7R140220	Mayo 8 - Lobby Remodel	526,465.74	1,024,865.07
4/28/2015	7R140700	Vascular OR Core 801 SMH	355,373.77	1,016,450.36
5/30/2014	7R140170	Rad Vascular Imaging Ste 90	-	144,461.29
5/8/2014	CPC2008468/7R140170	SIEMENS MEDICAL; ARTIS ZEE (Asset 146871, 146872)	-	985,408.00
2/4/2014	7R130050	CT MBM Incremental Interventional CT	17,509.31	1,268,114.01
8/1/2013	CPC2002220/7R130050	SIEMENS; DEFINITION EDGE CT (Asset 148622, 148623)	-	1,315,697.00
10/15/2014	7R140150	CH N Neuro Scanner CNI-119C	(28,365.98)	561,796.54
8/14/2014	CPC2010082/7R140150	SIEMENS; PRISMA 3T MRI and Accessories (Asset 157677, 157935-157946)	-	2,241,875.00
		USPS Building Purchase (Asset 156757, 156758)	-	2,185,017.25
12/11/14		Land for Ronald McDonald House (Asset 147588, 147589)	-	1,000,203.16
8/14/2014	CPC2007616/7R140130	GE; DISCOVERY 710 PET Scanner (Asset 148389)	-	2,103,046.58
2/17/2016	7R151530	Fixed Wing Building	533,262.51	533,262.51
5/25/2016	7R151390	Hematopathology Consolidation, Hilton Building 7th Floor	182,846.09	182,846.09
6/29/2016	7R150870	Vacate Ei 7-1/7-2 Dermatology Phototherapy Phototherapy Relocation	400,071.64	400,071.64
8/31/2016	7R160520	Relocation of Respiratory Care Unit	47,364.42	47,364.42
3/31/2016	7R151490	Linen Service Depot-3939 Building	1,636,649.12	1,636,649.12
6/30/2016	7R150740	Media On Demand Replacement Project	425,929.66	425,929.66
7/8/2016	7R151570	Temporal Bone Lab remodel (original \$600K)	13,936.90	13,936.90
4/27/2016	7R150760	Dr. Misra Laboratory, Gugg 6	177,303.69	177,303.69
6/8/2016	7R160650	Lab Remodel Gugg 17 and 18	28,413.05	28,413.05
9/14/2016	7R160340	Space assignment for Dr. Burns and Dr. Scarisbrick surgery - Guggenheim 6	39,068.41	39,068.41

Permitted Expenditures from July 1, 2013 to December 31, 2016

Approval Date	Project/Req Number	Project/Equipment Name	Total Expenditures reported for 2016	Total Spent as of December 31st 2016
9/28/2016	7R151450	Guggenheim 13 Space Remodel	30,325.06	30,325.06
6/30/2016	7R140810	Charlton Desk R Lobby Remodel	128,690.67	128,690.67
11/1/2015	7R151060, 7R15106E	Jacobson Building Operating Rooms	983,662.71	983,662.71
2/17/2016	7R150100	Charlton 1 PET/CT (DRX- 1 Replacement) E-3006	16,670.07	16,670.07
May 2016	7R150010	Gastroenterology & Hepatology Renovation	535,775.84	535,775.84
Aug 2016	7R160670	7T MRI Scanner	45,420.51	45,420.51
2/1/2014	7R140100	SMH Campus Radiology Consolidation	14,855,292.49	14,855,292.49
11/1/2015	7R150830	Mary Brigh East Tower Additional Floors	13,047,032.20	13,047,032.20
	7R150670	Eisenberg 7-1 and 7-2	722,930.77	722,930.77
12/1/2015	7R150970	Pre Post Expansion on Gonda 2 Gonda 2-467	266,028.69	266,028.69
11/19/2015	7R131510	Franklin Heating Station Chiller #4 Replacement	327,251.66	327,251.66
11/4/2015	7R141050	Mary Brigh 4, Room 106 Heart Rhythm Services Remodeling	475,304.78	475,304.78
5/5/2016	CPC2023942/7R141050	Siemens - Fluoroscopy 106 (Asset 172294)	1,508,299.00	1,508,299.00
11/4/2015	7R141060	Mary Brigh 4, Room 111 Heart Rhythm for Equipment Replacement	52,249.31	52,249.31
11/4/2015	7R150850	Charlton North MR-MCR NU 3T Replacement Scanner	346,848.81	346,848.81
	CPC2019384/5/7R150850	MAGNETOM Prisma 3T (asset 173601)	2,184,842.00	2,184,842.00
11/4/2015	7R150840	Charlton North MR-MCR NT 1.5 Replacement Scanner	584,533.06	584,533.06
	CPC2019387/7R150840	SIEMENS; 1.5T OPEN 70CM (assets 169436,171642,171650,171652-171660)	1,188,732.00	1,188,732.00
5/1/2015	7R141150	Research Biplane Angiography System Replacement	78,970.28	78,970.28
5/1/2015	R2017007/7R141150	SIEMENS; ARTIS ZEE BIPLANE (asset 165045-165046)	1,158,442.00	1,158,442.00
		41st Street Professional Complex	9,831,862.38	9,831,862.38
May-16	7R160100, 7R160101, 7R160102, 7R160103	Precision Medicine Initiative	1,636,857.55	1,636,857.55
2Q16	R2025131/7R160100	Motoman (PO 20026936)	2,516,220.00	2,516,220.00
2Q16	R2025134/7R160100	Autogen (Assets 175437-175447)	1,992,857.97	1,992,857.97
2Q16	R2025138/7R160100	Hamilton Star (Assets 171685, 172326)	440,763.20	440,763.20
2Q16	R2025143/7R160100	Hamilton Bios Freezer	2,503,726.93	2,503,726.93
2Q16	R2025249/7R160100	PerkinElmer Spectrophotometer	39,920.00	39,920.00
3Q16	R2026730/7R160100	Hamilton Robotic Upgrades	45,951.00	45,951.00
4Q16	R2027700/7R160100	Hamilton Tube Handler - REQ# 2027700	34,358.20	34,358.20
3Q16	R2026141/7R160100	Verso M2 - REQ# R2026141	340,609.88	340,609.88
11/1/2015	7R150570, 7R15057A-7R15057D	Mary Brigh East Operating Rooms	621,741.12	621,741.12
12/1/2015	7R151460	Gonda 14 Radiographic Room DR Conversion E153011 RAD-MCR-GO14-R	15,040.23	15,040.23
12/1/2015	7R151470	Gonda 14-158 Duo DR Replacement, E15-3014 RAD-MCR-GO14-158	153,017.27	153,017.27
12/1/2015	7R150980	West Pre/Post Remodel, Mary Brigh Main	12,363.15	12,363.15
8/19/2015	7R150650	Radiology - Charlton 1, VG6 Replacement E15-3003	138,704.91	138,704.91
8/19/2015	CPC2015772/7R150650	GE; DISCOVERY 670 PRO	948,408.45	948,408.45
			102,211,096.79	239,130,912.00

Attachment 3

Certification of Expenditures Destination Medical Center

For Calendar Year 2016

Due to Commissioner of Employment and Economic Development (DEED) by April 1

Pursuant to Minnesota Statutes, Section 469.47, the Medical Business Entity and the Destination Medical Center Corporation (DMCC) Board of Directors (assisted by the City of Rochester) respectively submit to the Department of Employment and Economic Development (DEED) the following expenditures that relate to the Destination Medical Center (DMC) Development for the calendar year 2016, and the information required to support the approved methodology provided in the City of Rochester/Commissioner of Employment and Economic Development State Infrastructure Aid Agreement (State Infrastructure Aid Agreement).

Expenditures Reported This Year

Total Expenditure Reported for 2016 by Medical Business Entity ¹	\$107,211,567
Total Expenditure Reported for 2016 for individuals and other private entities ^{1,2}	\$38,089,951
TOTAL Expenditures for This Year	\$145,301,518

Cumulative Expenditures

Cumulative Previous Expenditures	\$152,407,032
Previous Qualified Expenditures (Cumulative Previous Expenditures less \$200,000,000 Required Initial Investment)	\$(47,592,968)
TOTAL Expenditures This Year (from above)	\$145,301,518
Cumulative Qualified Expenditures as of 12/31/16	\$297,708,550

State Aid Qualified for this Year (local government match also required)

General State Infrastructure Aid Qualified for (Cumulative Qualified Expenditures less \$200,000,000 Required Initial Investment multiplied by .0275)	\$2,686,985
State Transit Aid Qualified for (Cumulative Qualified Expenditures less \$200,000,000 Required Initial Investment multiplied by .0075)	\$732,814

By providing my signature below, I certify that the information state herein, to the best of my knowledge, is accurate, true, and complies with the provisions of Minnesota Statutes, Section 469.47 and the approved methodology as outlined in the State Infrastructure Aid Agreement.

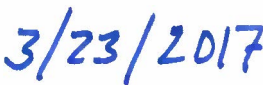
For Expenditures by the Medical Business Entity:


 Mayo Clinic Chief Financial Officer


 Date

For all other Expenditures:


 Destination Medical Center Corporation


 Date

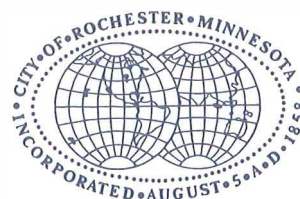
¹ Expenditures need to be after June 30, 2013.

² Private expenditures for the period of July 1, 2013 – December 31, 2016, after adoption of the Development Plan. Certain additional expenditures for this time period are currently under discussion with DEED, and may be included in the certification for calendar year 2017.



Mayor Ardell F. Brede
201 4th Street SE – Room 281
Rochester, MN 55904-3782
Phone: (507) 328-2700 Fax: (507) 328-2727

FIRST CLASS CITY • FIRST CLASS SERVICE



March 28, 2017

Shawnterra Hardy
Commissioner
Minnesota Department of Employment and Economic Development
Economic Development Division
1st National Bank Building
332 Minnesota Street Suite E200
St Paul, MN 55101-1351

RE: City of Rochester DMC Certificate of Contributions for January 1, 2016 through
December 31, 2016

Dear Commissioner Hardy:

The City of Rochester is hereby certifying local contributions of \$2,960,428.54 for calendar year 2016 towards the local matching contributions for the Destination Medical Center development. This amount is in addition to the City's previous certification of \$9,846,771.68 for the period from June 30, 2013 through December 31, 2015. This brings the total amount for the period from June 30, 2013, to December 31, 2016, to \$12,807,199.22. This certification is pursuant to the executed agreement between DEED and the City of Rochester. The certification is made based on unaudited numbers. Pursuant to that agreement, the City may revise this certification based on adjustments made prior to June 1 of this year.

The City looks forward to working with your staff to review this information and to provide any explanations or documentation that they should require.

The City sincerely appreciates the assistance that has been and continues to be provided to us from you and your staff as we undertake this important DMC Development for Minnesota.

Sincerely,

Ardell F. Brede, Mayor
City of Rochester

c: Kevin McKinnon
Jeremy Lacroix
Tina Smith, Chair DMC Corporation
Stevan Kvenvold
Lisa Clarke

Gary Neumann
Brent Svenby
Kathleen Lamb
Dale Martinson
Eric Theuer

Certification of Contributions
City of Rochester

For Calendar Year 2016

Due to Commissioner of Employment and Economic Development (DEED) by April 1

The City of Rochester hereby submits to the Department of Employment and Economic Development (DEED) the following report for Contributions that relate to the Destination Medical Center (DMC) Development for the calendar year 2016, as required by the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement. The city may revise this certification based on audit adjustments prior to June 1.

GENERAL STATE AID

General Aid Contributions Reported this Year

TOTAL Contributions Reported This Year by the City of Rochester¹ \$2,960,428.00 1

General State Aid Qualified for this Year (Medical Entity/DMCC match also required)

General State Infrastructure Aid Qualified for (Annual Exp. multiplied by \$2.55) \$7,549,091.00 2

Cumulative City General Aid Contributions

Cumulative Previous Contributions \$9,846,771.00 3

Contributions This Year \$2,960,428.00 4

Cumulative Contributions as of 12/31/16 \$12,807,199.00 5

Cumulative State Aid Qualified for as of 12/31/16 \$32,658,357.00 6

State GSIA expended this year 0 7

TRANSIT AID

Transit Aid Contributions Reported this Year

Transit Aid Contributions Reported This Year by the City of Rochester^{1,2} 0 8

Transit State Aid Qualified for this Year (Medical Entity/DMCC match also required)

State Transit Aid Aid Qualified for 0 9

Cumulative City Transit Aid Contributions

Cumulative Previous Contributions 0 10

Contributions This Year 0 11

Cumulative Contributions as of 12/31/___ 0 12

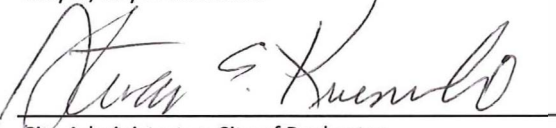
Cumulative State Aid Qualified for as of 12/31/___ 0 13

State Transit Aid expended this year 0 14

By providing my signature below, I am hereby certifying the information stated herein is accurate, true and complies with the provisions of Statute 469.47 of the State of Minnesota and the approved methodology as outlined in the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.


Mayor, City of Rochester

March 28, 2017
Date


City Administrator, City of Rochester

3/28/17
Date

¹ Funds expended need to be after June 30, 2013

² Transit Aid match may come from the City or Olmsted County

EXHIBIT B

DEED Certifications Dated June 27, 2017



June 27, 2017

EXHIBIT B

Tina Smith, Chair
Destination Medical Center Corporation
4720 West Lake Harriet Parkway
Minneapolis, MN 55410

Jeff Bolton, Chief Administrative Officer
Mayo Clinic
200 First Street SW
Rochester, MN 55905

Dear Ms. Smith and Mr. Bolton:

Thank you for submitting the 2016 Certification of Expenditures for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

Your certification listed \$107,211,567 in Mayo Clinic expenditures and \$38,089,951 in other expenditures. The Mayo Clinic provided DEED with information on all invoices and payments to account for their certification amount. They also provided an independent third party report from RSM US LLP stating the law and procedures for certifying expenditures which are being followed properly. Additionally, DEED staff reviewed invoices and payments in your certification. We selected 96 of your listed expenditures totaling more than \$24.3 million. We selected one expenditure from each of the 72 projects listed. All invoices for the selected expenditures were on file and payments were made in a timely fashion. DEED staff also confirmed that projects had building permits after June 30, 2013. DEED acknowledges the expenses and payments met guidelines and the internal accounting and auditing system the Mayo Clinic has in place is sufficient.

Additionally, the DMCC and the City of Rochester provided DEED with a list of 32 completed projects for \$6,880,155 in expenditures. DEED randomly selected 16 permits and was provided the permit application, permit, project closeout, and map of projects. From this information, DEED confirmed the projects' values, dates, eligibility, and completion. The city also approved \$31,209,796 in expenditures on four projects that are partially completed. DMCC contracted with Clifton Larson Allen (CLA) to complete a review on its Certification to insure it is correct. CLA issued an opinion that the amount of the DMCC certification process was correct.

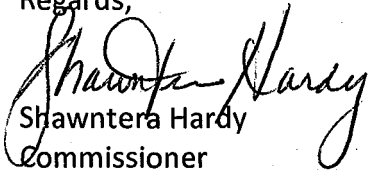
Economic Development Division

1st National Bank Building ■ 332 Minnesota Street ■ E200 ■ Saint Paul, MN 55101-1351
651-259-7432 PHONE ■ 800-657-3858 TOLL FREE ■ 651-296-5287 Fax ■ www.mn.gov/deed

As required by law, I have determined that the amount of 2016 Destination Medical Center expenditures is \$145,301,518 as you certified. DMC cumulative expenditures are now \$297,708,550. The \$200 million cumulative expenditure threshold has been met and Qualified Expenditures have been determined to be \$97,708,550. Based on this figure and adequate general aid contributions from the city, I have determined the City of Rochester has qualified for \$2,686,985.13 of General State Infrastructure Aid in 2016. As per state statute, this payment will be made prior to September 1.

Thank you again for your efforts on this groundbreaking economic development effort.

Regards,



Shawntera Hardy
Commissioner

C: Patricia Simmons, Chair of Economic Development Agency Board of Directors
Lisa Clarke, Economic Development Agency Executive Director
Gary Neumann, City of Rochester



EMPLOYMENT AND ECONOMIC DEVELOPMENT

June 27, 2017

Ardell F. Brede, Mayor
City of Rochester
201 4th Street SE – Room 281
Rochester, MN 55904-3782

Dear Mayor Brede:

Thank you for submitting the 2016 Certification of Contributions for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

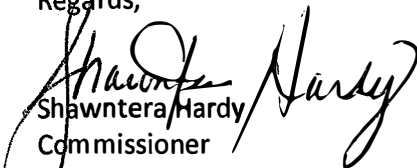
Your revised 2016 Certification listed \$3,586,223 in city contributions between July 1, 2013 and December 31, 2016. You provided a detailed listing of 946 expenditures. These expenditures consisted of direct DMC expenses paid by the city as well as DMC Corporation and DMC Economic Development Authority expenses paid for by the city. From that list, DEED randomly selected 29 expenses for review. We reviewed invoices, payments and city payroll files for accuracy and eligibility.

Additionally, the city provided DEED with an independent third party report from Clifton Larson Allen stating the law and procedures for certifying contributions are being followed properly.

The amount of your contributions qualifies you for \$34,143,763.05 million of general aid, however expenditures from Mayo Clinic and others were \$297,708,550. These expenditures reduced the amount of general aid to the city to \$2,686,985.13. Your excess contributions will be credited towards future years. We will be providing payment of \$2,686,985.13 to you prior to September 1 as mandated by statute.

Thank you again for your efforts on this groundbreaking economic development effort.

Regards,


Shawntera Hardy
Commissioner

C: Tina Smith, Chair of Destination Medical Center Corporation
Jeff Bolton, Chief Administrative Officer Mayo Clinic
Patricia Simmons, Chair of Economic Development Agency Board of Directors
Lisa Clarke, Economic Development Agency Executive Director

Economic Development Division

1st National Bank Building ■ 332 Minnesota Street ■ E200 ■ Saint Paul, MN 55101-1351
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AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2018

Authorizing April 1 Report to DEED Pursuant to Statute

BACKGROUND RECITALS

A. Minnesota Statutes, Section 469.47, provides that by April 1 of each year, the medical business entity (Mayo Clinic) must certify to the Commissioner of the Department of Employment and Economic Development (“DEED”) the amount of expenditures made by Mayo Clinic in the preceding year. For expenditures made by an individual or entity other than Mayo Clinic, the Destination Medical Center Corporation (“DMCC”) must compile the information on the expenditures and may certify the amount to DEED. The certification to DEED must be in the form prescribed by DEED and include any documentation and supporting information regarding the expenditures that DEED requires. By August 1 of each year, DEED must determine the amount of expenditures for the previous year.

B. Staff from the City of Rochester and the Destination Medical Center Economic Development Agency (“EDA”) have prepared the draft report, due on April 1, 2018, attached hereto as Exhibit A.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that the Chair or Treasurer of the DMCC is authorized to execute and submit the report to the Minnesota Department of Employment and Economic Development as required by Minnesota Statutes, Section 469.47, in form similar to the form attached hereto as Exhibit A, as may be modified through further discussions with Mayo Clinic or the City of Rochester, and to take such other actions as are necessary and appropriate to effectuate the timely submission of the report to DEED.

DESTINATION MEDICAL CENTER CORPORATION**RESOLUTION NO. ____-2018****Commending Tina Smith and Expressing Gratitude for Her Service to the Destination Medical Center Corporation****BACKGROUND RECITALS**

Whereas, Tina Smith was appointed by Governor Mark Dayton to serve as one of the inaugural members on the newly established Destination Medical Center Corporation Board of Directors (the “Board”), and reappointed in 2017; and

Whereas, at the first meeting of the Board on August 9, 2013, Ms. Smith was elected to chair the Board by unanimous vote; and

Whereas, from the first meeting of the Board, Ms. Smith has been extremely engaged in the establishment of Board policies and procedures, the Articles of Incorporation and the Bylaws, with a particular focus on good governance and best practices for the Board; and

Whereas, by virtue of Ms. Smith’s rich background and experiences, including her participation in the framing of the original legislation creating the Destination Medical Center, as Chief of Staff to Governor Mark Dayton, and her service to the State of Minnesota, most recently in the role of Lieutenant Governor; and her participation in so many other civic and lifetime activities, Ms. Smith has offered to the Board a valuable perspective on leadership, public service and stewardship; and

Whereas, Ms. Smith has been instrumental in the deliberations and refinement of the Development Plan for the Destination Medical Center initiative, and in framing the Board’s priorities in these areas: Discovery Square, Heart of the City, and transportation initiatives; and

Whereas, the Board has relied on Ms. Smith’s business acumen and policy expertise with respect to the formulation of budgets and in its discussions and expectations with respect to appropriate measurement standards; and

Whereas, Ms. Smith’s commitment to the citizens of Rochester and to the State of Minnesota has been steadfast and illuminated in her service to the Board, and her stewardship of the Board’s mission and purpose has been unwavering; and

Whereas, no individual has been more central to the success of this project than Tina Smith.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that it commends Tina Smith for her service to the Board, to the community, and to the State of Minnesota.

BE IT FURTHER RESOLVED, that the Board expresses its gratitude to Ms. Smith for her devotion of time and energy to the formation of the Board, for her leadership in helping to establish priorities for the Board, for her engagement on issues and willingness to share expertise, and for her resolute determination to make Rochester, Minnesota, America's City for Health.

1076378-3.DOCX

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2018

**Commending Gary Neumann 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 make Mayo Clinic, and the City of Rochester, Minnesota (the “City”), a destination medical center; and

WHEREAS, since its inception, the DMCC has worked closely with the City to accomplish the goals of the law; and

WHEREAS, Gary Neumann has served as Assistant City Administrator for the City and has been an integral partner in the close cooperation between the DMCC and the City; and

WHEREAS, Mr. Neumann offered a unique perspective to the DMCC, by virtue of his over 35 years of public service to the City, during which time he was involved with numerous projects which enhanced the expertise he offered to the DMCC, including sales tax issues, transportation initiatives and the Mayo Civic Center expansion project; and

WHEREAS, Mr. Neumann has been instrumental in the formation and early years of the destination medical center initiative and extraordinarily helpful to the DMCC; and

WHEREAS, Mr. Neumann had been unwavering in his stewardship of the City and in his commitment to the citizens of Rochester, as well as in his service to the DMCC and the destination medical center initiative.

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors, that it commends Gary Neumann for his service to the City of Rochester, his work to advance the destination medical center initiative, and his cooperation with the Board.

BE IT FURTHER RESOLVED, that the Board expresses its gratitude and appreciation to Mr. Neumann for his willingness to share his significant expertise and experience with the DMCC, in its goal to make Rochester, Minnesota, America’s City for Health.

Status of Private Development Projects Receiving Prior Approval

Titan Hilton Hotel (Approved as Broadway at Center Project)

Alatus (Approved as Alatus 2nd Street Development)

Titan/Opus (Approved as Rochester 1st Avenue Mixed-Use Project)

Mortenson Phase I (Approved as Discovery Square- Phase I)

Titan Hilton Hotel

To: DMCC Board of Directors
From: DMC EDA Staff
Date: March 15, 2018



Overview:

After being one of the first two projects approved for DMC funding in spring 2015, the Titan Hilton hotel broke ground in December 2016. The 19-story structure will including retail and dining amenities and be anchored by a Hilton hotel.

On January 31, 2018 a topping off ceremony took place with the community. The final structural beam was placed in the building. Currently, 130 on-site workers are on the project site and that is anticipated to increase.

Next Steps:

Project construction continues, with an expected hotel opening in 2019.

Alatus



To: DMCC Board of Directors
From: DMC EDA Staff
Date: March 15, 2018

Overview:

The Alatus 2nd Street Development includes construction of an approximately 327,965 square foot, thirteen-level commercial and residential complex. The City of Rochester property assessor has estimated that the proposed building will be worth approximately \$67,230,000 upon completion.

In December 2016, the DMC EDA Board of Directors acted unanimously in recommending the Alatus LLC project to the DMCC as a Public Infrastructure Project, consistent with the DMC Development Plan. It further recommended support in the amount of \$10.5 million in city Tax Increment Financing.

Demolition of existing buildings on the site took place in December of 2017. Financing closed in early February 2018 and construction has begun.

Next Steps:

A ground breaking ceremony is anticipated to take place on May 2, 2018. Project is expected to be completed in late 2019.

Titan/Opus



To: DMCC Board of Directors
From: DMC EDA Staff
Date: March 15, 2018

Overview:

The Rochester 1st Ave Mixed-Use Development includes construction of an approximately 238,717 square foot, six-story podium commercial and residential complex.

On January 12, 2017, the DMC EDA Board of Directors acted unanimously in recommending the Titan-OPUS project to the DMCC as a Public Infrastructure Project, consistent with the DMC Development Plan. It further recommended support in the amount of \$3.8 million in city Tax Increment Financing.

At its January 2017 meeting, the DMCC approved the funding request upon the condition that proof of financing be provided to the DMCC board of directors.

Next Steps:

Titan/Opus expects to close on its financing on March 22nd and commence construction on March 26, 2018.

Mortenson Phase I



To: DMCC Board of Directors
From: DMC EDA Staff
Date: March 15, 2018

Overview:

The Mortenson Phase I development is a 90,000 gross square foot building with lab and office space that will cater to the life science economy.

Mortenson submitted a Joint Funding Application on May 15, 2017. The DMC EDA report and recommendation for Joint Funding was brought forward and approved by both the DMC EDA Board and the DMC Corporation Board in July, 2017. The project was approved at City Council on August 7, 2017.

Mortenson and DMC hosted a ground breaking event and community celebration around Discovery Square on November 2, 2017. Schematic design has been completed and construction is underway.

Next Steps:

Marketing and tenant recruitment will continue.

Heart of the City

To: DMCC Board of Directors
From: DMC EDA Staff
Date: March 15, 2018



Proposed Action Item:

Authorize the use of prior approved 2018 CIP funds in the amount of \$350,000 to advance design of Heart of the City public realm, focusing on 1st Avenue and the east end of Peace Plaza.

Overview:

The RSP-led design team completed the Schematic Design for Heart of the City in 2017. It was received by the Community Advisory Group, DMC EDA, DMCC, and City Council.

Subsequent discussion has focused on

- Questions about project phasing, financing, on-going management and operations
- Integration of project design with Chateau Theatre, Wells Fargo, and Titan/Harbor Bay
- Determine project priorities/phasing, and construction timetable
- Identify and secure funding streams and financing strategy
- Develop governance, management, and operations program

Based on the opportunity associated with the redevelopment of the Wells Fargo building and activation of Chateau Theatre, DMC EDA recommends focusing on two portions of the Heart of the City public realm: 1st Ave and the east end of Peace Plaza. To proceed in a timely manner, DMCC authorization for the use of CIP funds for this purpose is required.

To: Acting Chair R.T. Rybak and members of Destination Medical Center Corporation board of directors

From: Jeff Bolton, President, DMC EDA
Lisa Clarke, Executive Director, DMC EDA

Date: March 16, 2018

Re: Heart of the City

The DMC EDA board acted unanimously in recommending the expenditure of prior approved 2018 CIP funds for improvements to Chateau Theatre to a) secure and protect the building from further deterioration, b) make modifications necessary for eventual restoration, and c) ensure code compliance so that the facility can be used for assembly purposes.

This recommendation aligns with the City of Rochester's recommendation and is consistent with the direction provided by the DMCC board at its November 2017 meeting.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. __-2018

Providing Final Approval for the Expenditure of Funds from the 2018 CIP Budget for the Heart of the City Project

BACKGROUND RECITALS

A. The Development Plan was adopted by the Destination Medical Center Corporation (“DMCC”) on April 23, 2015, and contains a subdistrict known as “Heart of the City”.

B. Substantial work has been done since the adoption of the Development Plan to envision and begin design of Peace Plaza and the public realm space located within the Heart of the City subdistrict, led by the staff of the City of Rochester (the “City”) and the Destination Medical Center Economic Development Agency (“EDA”) and their consultants. Program and design concepts have been presented and discussed with respect to schematic design, community workshops have been held and feedback from the public and stakeholders has been collected and received.

C. In the 2018 Five Year Capital Improvements Plan, (the “2018 CIP”) approved by the DMCC on November 2, 2017, the DMCC preliminarily approved the next steps of the design of the Heart of the City public realm work in the amount of \$350,000, and found that the Heart of the City and other projects itemized in the CIP were public infrastructure projects, consistent with the Development Plan. The DMCC reserved the right to grant final approval of funding of certain projects, including the Heart of the City, upon final determination of scope, costs and availability of funds.

D. Staff for the City and Destination Medical Center Economic Development Agency (“EDA”) now request that the DMCC give final approval of an amount not to exceed \$350,000 from the 2018 CIP budget to continue the design development, planning, phasing, integration of project design with adjacent properties, identifying and securing funds, and the development of a governance, maintenance and operation plan, with a specific focus on the areas of 1st Avenue and the east end of Peace Plaza; such request as set forth in Exhibit A, attached.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that the continuing design development and associated planning and analyses and studies related to the next phase of work on the Heart of the City is a public infrastructure project and is hereby approved in an amount not to exceed \$350,000.

BE IT FURTHER RESOLVED, that the Board requests the City and EDA staff for regular updates with respect to this next phase of work on the Heart of the City public realm development.

1076977-3.DOCX

EXHIBIT A



TO: Destination Medical Center Corporation Board of Directors

**From: Patrick Seeb, DMC EDA Director of Economic Development and Placemaking
Aaron Parrish, City of Rochester Assistant City Administrator II**

RE: Heart of the City Public Realm

Date: March 15, 2018

Overview

Heart of the City is one of the three top priorities for the DMCC board. With this in mind, DMC and City of Rochester undertook a schematic design process for the public realm of the district.

2015:

1. DMC Development Plan presents a conceptual framework for the Heart of the City, including the public space.
2. DMCC identifies Heart of the City redevelopment as one of three priorities, which also include Discovery Square and Transportation.
3. DMCC authorize the purchase of Chateau Theatre, with the intent of redeveloping it as a central feature of Heart of the City.

2016:

1. DMCC commit financial and staff resources to support schematic design of Heart of the City public space.
2. City and DMC co-chair a Community Advisory Group to help guide the selection of a design team and provide guidance for the overall design process.
3. A design team led by RSP Architects is retain and commences work in October 2016.

2017:

1. The RSP-led design team completed the Schematic Design for Heart of the City in 2017. It was received by the Community Advisory Group, DMC EDA, DMCC, and City Council.
2. Subsequent discussion has focused on
 - Questions about project phasing, financing, on-going management and operations
 - Integration of project design with Chateau Theatre, Wells Fargo, and Titan/Harbor Bay
 - Determine project priorities/phasing, and construction timetable
 - Identify and secure funding streams and financing strategy
 - Develop governance, management, and operations program

Based on the opportunity associated with the redevelopment of the Wells Fargo building and activation of Chateau Theatre, DMC EDA and City of Rochester recommends focusing on two portions of the Heart of the City public realm: 1st Ave and the east end of Peace Plaza. To proceed in a timely manner, DMCC authorization for the use of CIP funds for this purpose is required.

Chateau Theatre

To: DMCC Board of Directors

From: DMC EDA Staff

Date: March 15, 2018



Proposed Action Item:

- Authorize the use of 2018 CIP funds, not to exceed \$1 million, for design costs and capital improvements to Chateau Theatre to a) secure and protect the building; b) bring it up to code so that it can be used for “assembly” purposes; and c) design eventual integration with Peace Plaza and Wells Fargo building.

Additional Next Steps:

- Continue active engagement with Ryan for integration of Chateau with Wells Fargo redevelopment (inclusive of major building tenants)
- Develop interim use programming and management model
- Engage architect on alternative design options, less capital intensive

Background:

2015:

1. DMCC approved acquisition of Chateau Theatre as “public infrastructure project.”
2. City Council authorizes purchase of Chateau Theatre
3. Mayor forms Chateau Theatre Reuse Committee

2016:

1. City finalizes purchase
2. Task Force organizes its work around three milestone recommendations
 - Reuse
 - Design
 - Management and Governance
3. Consultant team of Miller Dunwiddie and Webb Management retained
4. Task Force conclusions:
 - Reuse as a multipurpose performing arts center
 - Redesigned within current footprint of the building and under the alleyway
 - \$23+ million cost estimate
 - Management and programming by City Music Department, with ongoing operation loss
5. City Council received report and asked for the following:
 - Further discussion with adjacent property owners to explore opportunities
 - Consideration of alternative sources of funding, inclusive and in addition to DMC funds
 - Further study of the business plan, avoiding ongoing operating loss

2017:

1. City staff modified proposed operating income and expense model, still resulting in on-going operating loss
2. Ryan Companies agreed to consider incorporating Chateau facilities in the redeveloped Wells Fargo building, pending overall project plans
3. Task Force recommends inclusion of the Chateau costs in the future CIP budget, for presentation to DMCC
4. DMCC Report and Recommendation, November 2017
 - Advance Chateau Theatre as a multiuse performing arts center, but consider a less capital intensive restoration model
 - Develop a strategy to diversify capital funding sources
 - Ensure a sustainable ongoing management, programming, and operations plan
 - Build relationships to adjacent development
 - Consider ideas for interim use and activation
 - Preliminary CIP authorization
5. Discussion at DMCC meeting and subsequent discussion with Acting DMCC Chair:
 - Would like to see an alternative to the plan currently on the table
 - Specifically, less capital intensive and alternative management/programming model

2018:

Current Status:

- Less Capital Intensive Option:
 - Miller Dunwiddie is preparing a less capital intensive redesign option, which will include potential implications on funding sources, programming uses, and operating revenues/costs.
 - Expect to see this report by early April
- Develop sustainable management, programming, and operating model:
 - Under consideration, led by City Administration
- Strategy to diversify capital funding sources:
 - Presently studying opportunity for use of Historic and New Markets Tax Credit programs and exploring options for philanthropic and sponsorship support
- Relationship with adjacent development:
 - Active collaboration with Wells Fargo, Mayo Clinic, Ryan, and Heart of the City public realm. Ryan Companies, which is purchasing and redeveloping the Wells Fargo building has been working closely with the Chateau team, in collaboration of with their primary tenants to create a joint redevelopment plan (which includes the public space of Heart of the City)
- Interim use and activation:
 - Miller Dunwiddie has prepared an analysis of the minimum costs to make the Chateau Theatre code compliant and functional for “assembly events” such as concerts, presentations, lunches/dinners.

To: Acting Chair R.T. Rybak and members of Destination Medical Center Corporation board of directors

From: Jeff Bolton, President, DMC EDA
Lisa Clarke, Executive Director, DMC EDA

Date: March 16, 2018

Re: Chateau Theatre

The DMC EDA board acted unanimously in recommending the expenditure of prior approved 2018 CIP funds to advance the design of certain portions of Heart of the City public realm. The focus of this work will be on 1st Avenue and the east end of Peace Plaza. Timing of this project coincides with the anticipated redevelopment of adjacent properties.

This recommendation aligns with the City of Rochester's recommendation and is consistent with the direction provided by the DMCC board at its November 2017 meeting.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. __-2018

Providing Final Approval for the Expenditure of Funds from the 2018 CIP Budget for the Chateau Theatre

BACKGROUND RECITALS

A. By Resolution No. 31-2015, the Destination Medical Center Corporation (“DMCC”) Board of Directors approved the acquisition of the Chateau Theatre for a purchase price of \$6,000,000, upon making findings that: 1) the acquisition of the Chateau Theatre was within the development district boundaries, as identified in the Development Plan, adopted on April 23, 2015, as amended; 2) the acquisition was a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, subdivision 11; and 3) that the acquisition was consistent with the Development Plan.

B. Resolution No. 31-2015 also commended the City of Rochester (the “City”) and Mayo Clinic for their cooperative work and initiative in the proposed acquisition of the Chateau Theatre building, and the DMCC pledged its commitment to work with the City and Mayo Clinic to determine the best use of the building.

C. The City subsequently approved the acquisition of the Chateau Theatre and acquired the building in 2016.

D. A Chateau Theatre Reuse Committee was established and consultants were engaged to consider the re-use, design and governance of the Chateau Theatre and to make recommendations. The committee met for over a year, and in September, 2017, formally recommended that the DMCC approve the renovation of the Chateau Theatre as a multipurpose performing arts center.

E. The DMCC received the Chateau Theatre Reuse Committee’s recommendation, and further recommended that continuing work be done to resolve issues related to diversification of capital funding sources, creation of a sustainable management, operations and programming plan, the relationship to adjacent development and plans for interim use and activation.

F. In the 2018 Five Year Capital Improvements Plan, (the “2018 CIP”) approved by the DMCC on November 2, 2017, the DMCC preliminarily approved the next steps of the design of the Chateau Theatre in the amount of \$2,640,002, and found that the Chateau Theatre and other projects itemized in the CIP were public infrastructure projects, consistent with the Development Plan. The DMCC reserved the right to grant final approval of funding of certain projects, including the Chateau Theatre, upon final determination of scope, costs and availability of funds.

G. Staff for the City and Destination Medical Center Economic Development Agency (“EDA”) now request that the DMCC give final approval of an amount not to exceed \$1,000,000 from the 2018 CIP budget for the design, repairs, and capital improvements to the Chateau Theatre, to include work such as securing and protecting the building, repairing it to code and continued study and analyses with respect to design and development; such request as set forth in Exhibit A, attached.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that the ongoing design, repairs, capital improvements and studies related to the next phase of work on the re-use of the Chateau Theatre is a public infrastructure project and is hereby approved in an amount not to exceed \$1,000,000.

BE IT FURTHER RESOLVED, that the Board requests the City and EDA staff for regular updates with respect to this next phase of work on the Chateau Theatre.

BE IT FURTHER RESOLVED, that the Board reserves the discretion to grant final approval for the balance of the funds remaining in the 2018 CIP budget for the Chateau Theatre upon completion of this phase of the work and upon recommendation of the City and EDA staff.



**TO: Destination Medical Center Corporation Board of Directors
City of Rochester Mayor and City Council
Chateau Theatre Reuse Committee**

**From: Patrick Seeb, DMC EDA Director of Economic Development and Placemaking
Aaron Parrish, City of Rochester Assistant City Administrator II**

RE: Chateau Theatre Interim Use and Long Term Restoration

Overview

The reuse of the Chateau Theatre has been identified as a strategic priority of the DMC, City, and many other stakeholders. Below is an overview of key activities to date:

2015:

1. DMCC approved acquisition of Chateau Theatre as "public infrastructure project."
2. City Council authorizes purchase of Chateau Theatre
3. Mayor forms Chateau Theatre Reuse Committee

2016:

1. City finalizes purchase
2. Task Force organizes its work around three milestone recommendations include Reuse, Design, and Management and Governance
3. Consultant team of Miller Dunwiddie and Webb Management retained
4. Overall Task Force conclusions include:
 - a. Reuse as a multipurpose performing arts center
 - b. Redesigned within current footprint of the building and under the alleyway
 - c. \$23+ million cost estimate
 - d. Management and programming by City Music Department, with ongoing operation loss
5. City Council received report and asked for the following:
 - a. Further discussion with adjacent property owners to explore opportunities
 - b. Consideration of alternative sources of funding, inclusive and in addition to DMC funds
 - c. Further study of the business plan, avoiding ongoing operating loss

2017:

1. City staff modified proposed operating income and expense model, still resulting in on-going operating loss
2. Ryan Companies agreed to consider incorporating Chateau facilities in the redeveloped Wells Fargo building, pending overall project plans
3. Task Force recommends inclusion of the Chateau costs in the future CIP budget, for presentation to DMCC
4. DMCC Report and Recommendation, November 2017



- a. Advance Chateau Theatre as a multiuse performing arts center, but consider a less capital intensive restoration model
- b. Develop a strategy to diversify capital funding sources
- c. Ensure a sustainable ongoing management, programming, and operations plan
- d. Build relationships to adjacent development
- e. Consider ideas for interim use and activation
- f. Preliminary CIP authorization

In the context of the policy feedback outlined above, over the past few months DMC EDA and City staff have been discussing the potential for interim use of the Chateau Theatre. The focus was to assess what improvements would be necessary for some assembly occupancy that would help to build support and enthusiasm for the overall vision. Our architectural partner, Miller Dunwiddie, was asked to complete this evaluation and to provide recommendations on improvements that would be necessary to stabilize the building until the full renovation could be completed. Attached is a copy of their review.

Interim Use Recommendation

While the Interim Use **Enhanced B1 Option** is the most expensive of the three options, the investment for interim activation does not materially change in this option. This option includes additional costs for roof and window work will ensure that the building is protected from further deterioration. Moreover, removal of the escalator and second floor, costs that will be incurred at some point, will significantly enhance the functionality of the first floor for interim use. Based on the Miller Dunwiddie Report the estimated cost for this work is **\$887,200**. Below is a summary of construction costs for the project:

INTERIM USE B1 ENHANCED USE COST SUMMARY	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	
	\$178,500+			Items from A1 minus escalator enclosure
	\$100,000			Total Cost Associated with Interim Use only
		\$15,100		Items from A1
			\$193,600	Total Cost associated to remove escalator and infill floor
	SUBTOTAL COST = \$487,200			B1 for Enhanced Interim Use and Building Maintenance / Future Scope
	+\$217,000			Add for option to replace roof in lieu of repair – saves on expense of \$45,000 in repairs
	+\$34,000			Add for option to restore windows in lieu of repair – saves on expense of \$6,000 in repairs
	TOTAL COST WITH ADDED OPTIONS			Subtotal above plus options to replace roof and restore windows
	\$738,200			
	\$75,000			Arch/Engineer Services
	\$74,000			10% Owner Contingency
	TOTAL COST INTERIM USE B1			This is for construction and design services only. All other operational costs would be in addition to this total.
	\$887,200			



Operations would be consistent with the occupancy limitations of the building. Some limited funding would be needed to make the facility operational. The goal during this interim activation will be for operational costs to sustain itself with the rental income generated for events. Interim operations could be provided by the City Music Department or in connection with a community partner.

The types of uses these improvements will allow include music and entertainment; public speakers, education programs, video presentations; and breakfast, lunch, and dinner events. It will accommodate audiences up to 390 people. This is consistent with the infrequent uses allowed to date and the many requests that have been received by city administration and DMC.

It is the staff recommendation that the City and DMCC authorize the use of CIP funds for capital improvements to Chateau Theatre to a) secure and protect the building and to b) bring it up to code so that it can be used for "assembly" purposes.

If the DMCC Board approves the project it would be considered by the City Council for approval as well. Below is an approximate schedule for the project:

Proposed Schedule – Option B1

Initial SHPO conversation related to scope	
Documentation	4 weeks
City Review	1 week
HPC Review	2 weeks
Bidding	4 weeks
Permitting	2 weeks
Construction	6 – 8 weeks

Next Steps

In addition to evaluating the reuse activities, staff has been in discussions on alternative approaches for advancing the long term redevelopment of the Chateau, including opportunities for financing the project. New Markets Tax Credits, State Historic Tax Credits, and Federal Historic Tax Credits all have the potential to provide significant capital investment into the project. However, both options take time and a development partner that can benefit from the credits. By way of example, the recently completed Norshor Theatre renovation in Duluth was successfully renovated using the following investment strategy:

- \$7 million State Bonding (took two legislative sessions to get approved)
- \$4 million public fund raising (still underway)
- \$20 million (combination of NMTC, HTC, and \$2 million gift)
- \$31 million total financing (plus \$2 million original acquisition)

Staff would recommend that we continue to pursue these funding sources to best leverage the local funds needed to successfully renovate the Chateau Theatre. In order to do that, it is suggested that a



Request for Proposal be developed to determine if there is a development partner that could help facilitate the best overall project. Their expertise in construction, design, developing operational partnerships, and financing would be a strong asset to the overall project.

In addition, we will continue to engage with the activity occurring in the Wells Fargo Building and Heart of the City to make sure that all of the activities are mutually beneficial and reinforcing.

INTERIM USE OUTLINE

Date:	Updated March 15, 2018
Project:	Chateau Theatre
	Miller Dunwiddie Project No.ROC1601
RE:	Preliminary Review of Options for Interim Use
From:	Denita Lemmon, AIA

The City of Rochester requested a review of the Chateau Theatre to determine if the building can be used for assembly functions in the interim, prior to any future work to restore the Chateau to a Performance Arts Space. Use of both floors was considered, as was removal of the second floor and escalator that was added for the book store, to restore the two story volume. The use of the main floor only with the escalator still in the space is described as Interim Base A1 – Option 1. The use of the main floor with the escalator removed is described as Interim Base A2 – Option 2. The use of the main floor with both the escalator and second floor removed to restore the volume of the two story space is described as Interim Enhanced B1. The use of the second floor has a number of considerations that are not resolved within this scope, these include; exiting into the skyway system which would require renewed agreements with the adjacent buildings, increased toilet fixture count and access to the toilet rooms on the main level.

The Miller Dunwiddie design team looked at the existing physical space and noted the following considerations if the space is used in the interim prior to the complete restoration. The following items were identified:

- Life Safety - egress width, egress doors, egress lighting, egress signage, 2nd floor access/egress
- Toilet Rooms – fixture count, plumbing function, accessible/equitable accommodations
- Mechanical – air exchange/ventilation, distribution, sprinkler
- Electrical – service, distribution, lighting, alarms/strobes
- Accessibility – access, accommodations, assisted listening
- Envelope – doors, windows, masonry, roof
- Interior - finishes

A description of scope and associated costs for each of the areas above are outlined in the table starting on page 3 and the drawings starting on page 9.

Beyond the code compliance and condition of the physical space, use of the space will require operational considerations including staffing and fixtures/furniture/equipment. Below is a list of staffing or other possible expenses. These expenses are not included in the table below but need to be considered.

Staffing Needs:

- Custodial staffing
- Programming/booking/coordination staffing
- Maintenance staffing
- Security staffing
- Event host or usher staffing
- Catering or beverage service staffing

Operational considerations will include the need for fixture/furniture and possible equipment rental. These costs may be able to be passed on to the user but need to be assigned. Below is a minimum list of fixture/furniture and equipment needs based on possible use:

Seated event – at tables

- Tables
- Chairs
- Linens
- Catering tables
- Accent or other lighting

Seated event – lecture or other

- Chairs
- Stage or podium
- Speakers and Mic
- Accent or other lighting
- Assisted listening system

Standing event – concert or other

- Stage
- Speakers and Mic
- Accent or other lighting
- Assisted listening system

It is anticipated and has been confirmed that the work will be publicly bid as a design/bid/build. This will require complete construction documents. Miller Dunwiddie and Michaud Cooley Erickson will support completion of these documents, bidding and construction administration. All work will be designed and reviewed to meet the intent of the Secretary of the Interior Standards. Reviews by both SHPO and Rochester HPC are anticipated. Miller Dunwiddie will provide a contract if this scope is acceptable. We can proceed upon receipt of signed contract. The fee is broken down as follows:

Construction Documents

Architectural - Miller Dunwiddie	\$30,000
Electrical/Mechanical Plumbing - Michaud Cooley Erickson	\$25,000

Bidding and Construction Administration – assumes 10 site visits to review for completion of construction per Secretary of Interior Standards and Construction Documentation

Miller Dunwiddie	\$15,000
Michaud Cooley Erickson	\$5,000

TOTAL \$75,000

The following table summarizes the outcome of this review and required work scope. The work scope items are designated as follows:

Interim only – This is work that needs to be completed for the interim use but would be replaced or removed for the future renovation/performance use scope of work.

**Building
Maintenance /
Future Restoration**

Scope – This work is identified and needs to be completed for both the interim scope and the future restoration. This work is associated with building maintenance. If this work is completed now it will not have to be completed as part of the future work.

Enhance

Interim Use – This is work that has been identified to preserve the building. These items are included under Interim Use A1 Option 1 and B.

INTERIM USE A1 Option 1 - MAIN FLOOR REVIEW	Meets intent of code no work scope	Required work scope value – Interim Only	Required work scope value – Building Maint./ Future Restoration Scope	Enhance Interim Use	Notes – Required scope of work
Life Safety					
Egress width	X				Assembly use requires 2 exits and a minimum width requirement. The exit doors meet this requirement.
Egress doors			\$5,100		Exit door into alley should be replaced to assure function and update to egress panic hardware on both leaves of double door.
Egress lighting		\$300			Egress lighting is powered by battery supplies. Review all emergency fixtures and replace batteries as required. These supplies need to be checked on an ongoing basis.
Egress signage	X				Existing signage meets intent of code
2 ND floor access		\$34,390			No access to second floor other than maintenance. No use for storage or other programming. Provide enclosure with door around escalator.
Toilet Rooms					
Fixture count	X				Meets intent of code if number of building occupants is limited to 390
Plumbing function		\$6,000+			Lines need to be scoped from basement clean out to street. There have been past scenarios where toilet drainage is an issue for functional use of facilities. Cost does not include work if issue is discovered during scoping.

INTERIM USE A1 Option 1- cont.	Meets intent of code	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	Notes – Required scope of work
Toilet Rooms – cont.					
Accessible Accommodation					Does not meet intent of current code. These can be used 'as is' until future work scope is implemented for building restoration and upgrade.
Mechanical					
Air exchange	X				Meets intent of code if number of building occupants is limited to 390
Distribution		\$12,000			Adjustments needed to balance system
Electrical					
Service	X				Service is adequate for use
Distribution		\$3,600			Function requires multiple locations distributed throughout room into receptacles to eliminate cable solutions that could contribute to trip hazards – provide 6 new distribution locations around perimeter of room with wire mold.
Lighting	X	\$13,000			Meets intent of code. May not meet use or function dimming or other requirements. Provide multi-zone switching control of existing fixtures to create several scenes for different uses of the space. Supplemental lighting may be required for some events.
Accessibility					
Access	X				Building meets requirements for access
Accommodations					See toilet rooms- above. Building does not meet current code. Upgrade to current code would require full upgrade of existing facilities and addition of fixtures and companion facilities
Envelope					
Doors				\$10,000	Other than exiting noted above this is not a code issue. All doors should be repaired/maintained to assure function and operation. Cost represents material and labor to repair door and hardware.

INTERIM USE A1 Option 1- cont.	Meets intent of code	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	Notes – Required scope of work
Envelope – cont.					
Windows		\$6,000	<i>\$40,000 option</i>		Windows at front of building continue to leak. These should be maintained or replaced to protect asset of historic materials. Range of costs from repair to replacement.
Masonry		\$45,000	<i>\$262,000+ option</i>		No scope identified or required at this time
Roof		\$45,000	<i>\$262,000+ option</i>		Roof is actively leaking. This requires more assertive maintenance or full replacement. Cost represents removal of roof units and replacement with membrane. Additional cost of \$100,000 would add replica pavers over membrane to simulate historic appearance. Additional cost of \$160,000 would remove, salvage and reattach historic roof units.
Interior					
Finishes		\$84,000			Floor replacement and finishes need repair to minimize possible trip or other hazards. Replace carpet at first floor. Infill 160 sf to a depth of 1/2" within lobby space and carpet with entry walk off modular carpet. Provide painted wood covering at multiple locates equaling approximately 75 sf. Add 20 lf of stain finished wood trim at column base. Paint doors and frames at 5 locations.

INTERIM USE A1 Option 1- COST SUMMARY	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	
	\$204,290+			Total Cost Associated with Interim Use only
		\$15,100		Total Cost associated with building maintenance
	TOTAL COST = \$219,390+			A1 Option1 for Interim Use and Building Maintenance / Future Scope + if additional plumbing repairs/replacement are required based on scoping findings
	+\$217,000			Add for option to replace roof in lieu of repair – saves on expense of \$45,000 in repairs
	+\$34,000			Add for option to restore windows in lieu of repair – saves on expense of \$6,000 in repairs

INTERIM USE A2 Option 2 - MAIN FLOOR REVIEW	Meets intent of code - no work scope	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	Notes – Required scope of work
Life Safety					
All items noted in A1 – plus items below					
2ND floor access				\$86,800	Remove escalator. Provide rail at second floor. No access other than maintenance.
Toilet Rooms					
All items noted in A1					
Mechanical					
All items noted in A1					
Electrical					
All items noted in A1					
Accessibility					
All items noted in A1					
Envelope					
All items noted in A1					
Interior					
All items noted in A1					
Finishes		\$8,600			Increased carpet area, floor repair at removed escalator location.

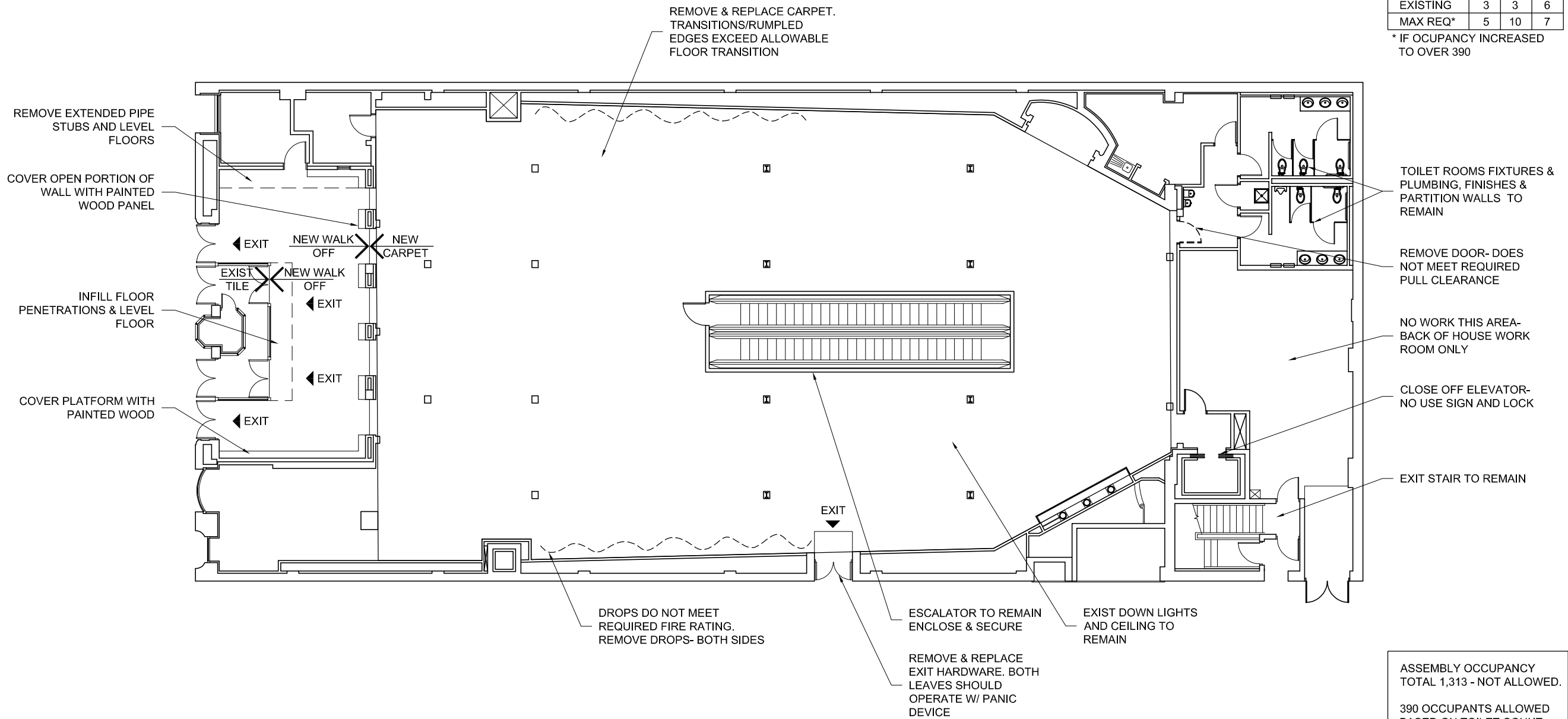
INTERIM USE A2 Option 2- COST SUMMARY	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	
	\$178,500+			Items from A1 minus escalator enclosure
	\$8,600			Total Cost Associated with Interim Use only
		\$15,100		Items from A1
			\$86,800	Total Cost associated to remove escalator
TOTAL COST = \$280,000				A2 Option 2 for Interim Use and Building Maintenance / Future Scope
See A1 for add options for roof and windows				

INTERIM USE B1 ENHANCED USE 2 Story volume	Meets intent of code – no work scope	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	Notes – Required scope of work
Life Safety					
All items noted in A1 – plus items below					
2ND floor access				\$193,600	Remove escalator and second floor structure including ceiling, lighting, sprinkler and mechanical. Provide rail at second floor from stage house. No access other than maintenance.
Toilet Rooms					
All items noted in A1					
Mechanical					
All items noted in A1 – plus items below					
Air exchange	X	\$38,600			Requires modification to distribution of mechanical. Provide exposed duct and vents to supply 2 volume space. Assume 40 lf of vertical and 30lf of horizontal duct runs. Location of ducts and mounting needs to be reviewed to minimize damage to existing wall and ceiling plaster.
Distribution		\$12,000			Adjustments needed to balance system
Electrical					
All items noted in A1					
Lighting	X	\$47,000			Requires fixture/lamp upgrade at existing locations of second floor ceiling (historic theatre ceiling) to assure lighting to main floor from second floor ceiling above. May not meet use or function dimming or other. Provide multi-zone switching control of existing fixtures to create several scenes for different uses of the space. Supplemental lighting may be required for some events.
Accessibility					
All items noted in A1					
Envelope					
All items noted in A1					
Interior					
All items noted in A1					
Finishes		\$2,400			Remove flaking plaster at approximately 200 sf.

INTERIM USE B1 ENHANCED USE COST SUMMARY	Interim Only	Building Maint./ Future Restoration Scope	Enhance Interim Use	
	\$178,500+			Items from A1 minus escalator enclosure
	\$100,000			Total Cost Associated with Interim Use only
		\$15,100		Items from A1
			\$193,600	Total Cost associated to remove escalator and infill floor
	SUBTOTAL COST = \$487,200			B1 for Enhanced Interim Use and Building Maintenance / Future Scope
	+\$217,000			Add for option to replace roof in lieu of repair – saves on expense of \$45,000 in repairs
	+\$34,000			Add for option to restore windows in lieu of repair – saves on expense of \$6,000 in repairs
	TOTAL COST WITH ADDED OPTIONS \$738,200			Subtotal above plus options to replace roof and restore windows
	\$75,000			Arch/Engineer Services
	\$74,000			10% Owner Contingency
	TOTAL COST INTERIM USE B1 \$887,200			This is for construction and design services only. All other operational costs would be in addition to this total.

Proposed Schedule – Option B1

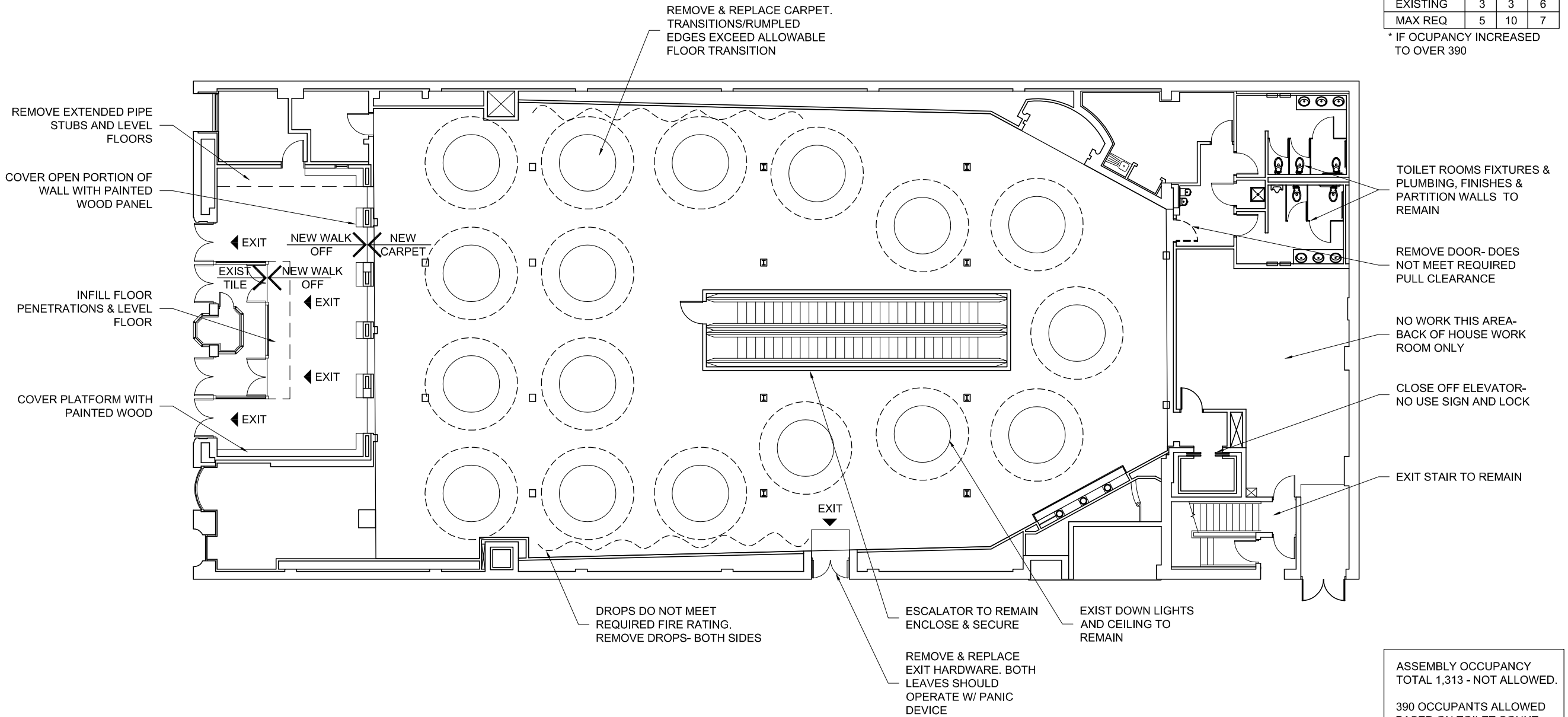
Initial SHPO conversation related to scope	
Documentation	4 weeks
City Review	1 week
HPC Review	2 weeks
Bidding	4 weeks
Permitting	2 weeks
Construction	6 – 8 weeks



ASSEMBLY TOILET COUNT			
	M	F	LV
EXISTING	3	3	6
MAX REQ*	5	10	7

* IF OCCUPANCY INCREASED TO OVER 390

ASSEMBLY OCCUPANCY TOTAL 1,313 - NOT ALLOWED.	
390 OCCUPANTS ALLOWED BASED ON TOILET COUNT.	
STANDING ONLY	390
SEATED ROWS	308
SEATED AT TABLES	170



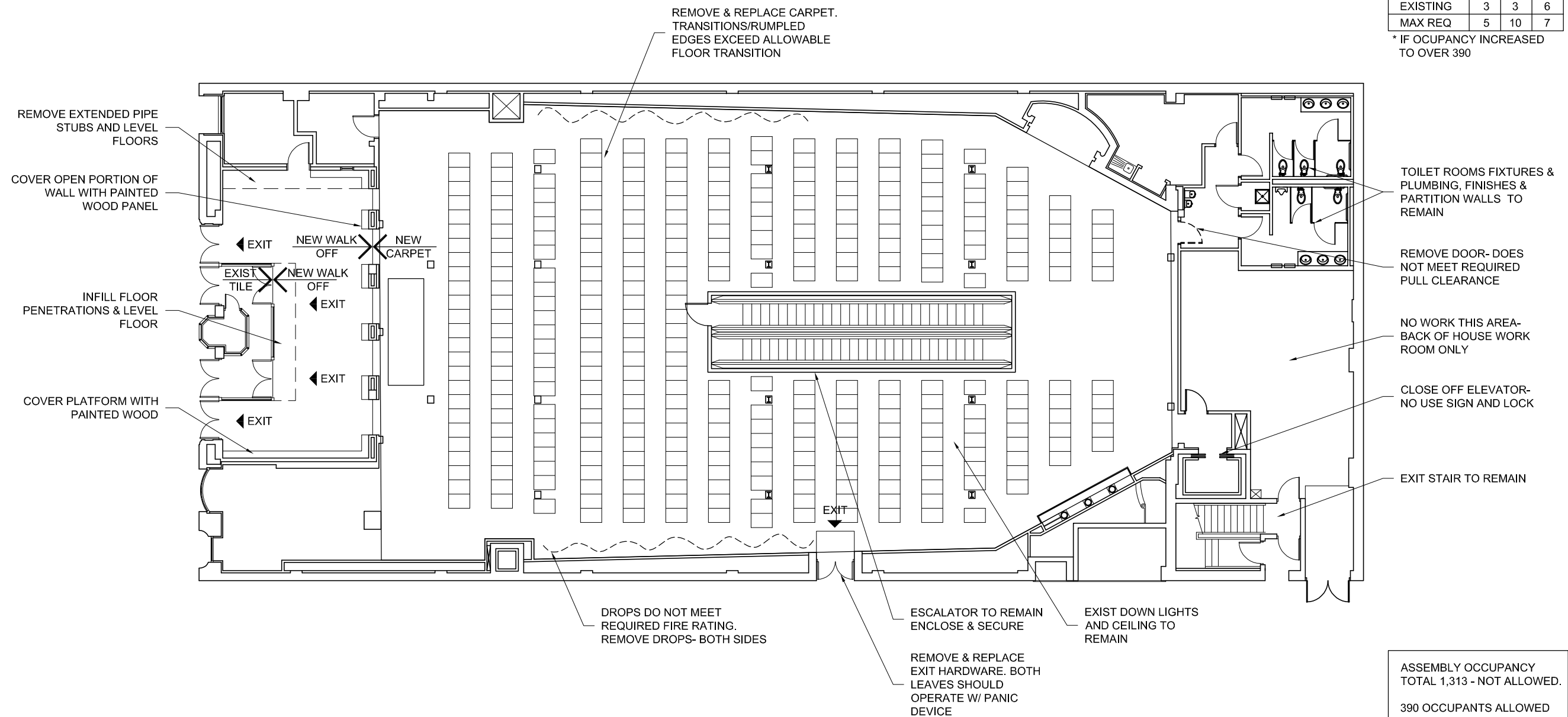
ASSEMBLY TOILET COUNT			
	M	F	LV
EXISTING	3	3	6
MAX REQ	5	10	7

* IF OCCUPANCY INCREASED TO OVER 390

ASSEMBLY OCCUPANCY TOTAL 1,313 - NOT ALLOWED. 390 OCCUPANTS ALLOWED BASED ON TOILET COUNT.	
STANDING ONLY	390
SEATED ROWS	308
SEATED AT TABLES	170

ASSEMBLY TOILET COUNT			
	M	F	LV
EXISTING	3	3	6
MAX REQ	5	10	7

* IF OCUPANCY INCREASED
TO OVER 390



REMOVE EXTENDED PIPE
STUBS AND LEVEL
FLOORS

COVER OPEN PORTION OF
WALL WITH PAINTED
WOOD PANEL

INFILL FLOOR
PENETRATIONS & LEVEL
FLOOR

COVER PLATFORM WITH
PAINTED WOOD

TOILET ROOMS FIXTURES &
PLUMBING, FINISHES &
PARTITION WALLS TO
REMAIN

REMOVE DOOR- DOES
NOT MEET REQUIRED
PULL CLEARANCE

NO WORK THIS AREA-
— BACK OF HOUSE WORK
ROOM ONLY

CLOSE OFF ELEVATOR-
NO USE SIGN AND LOCK

— EXIT STAIR TO REMAIN

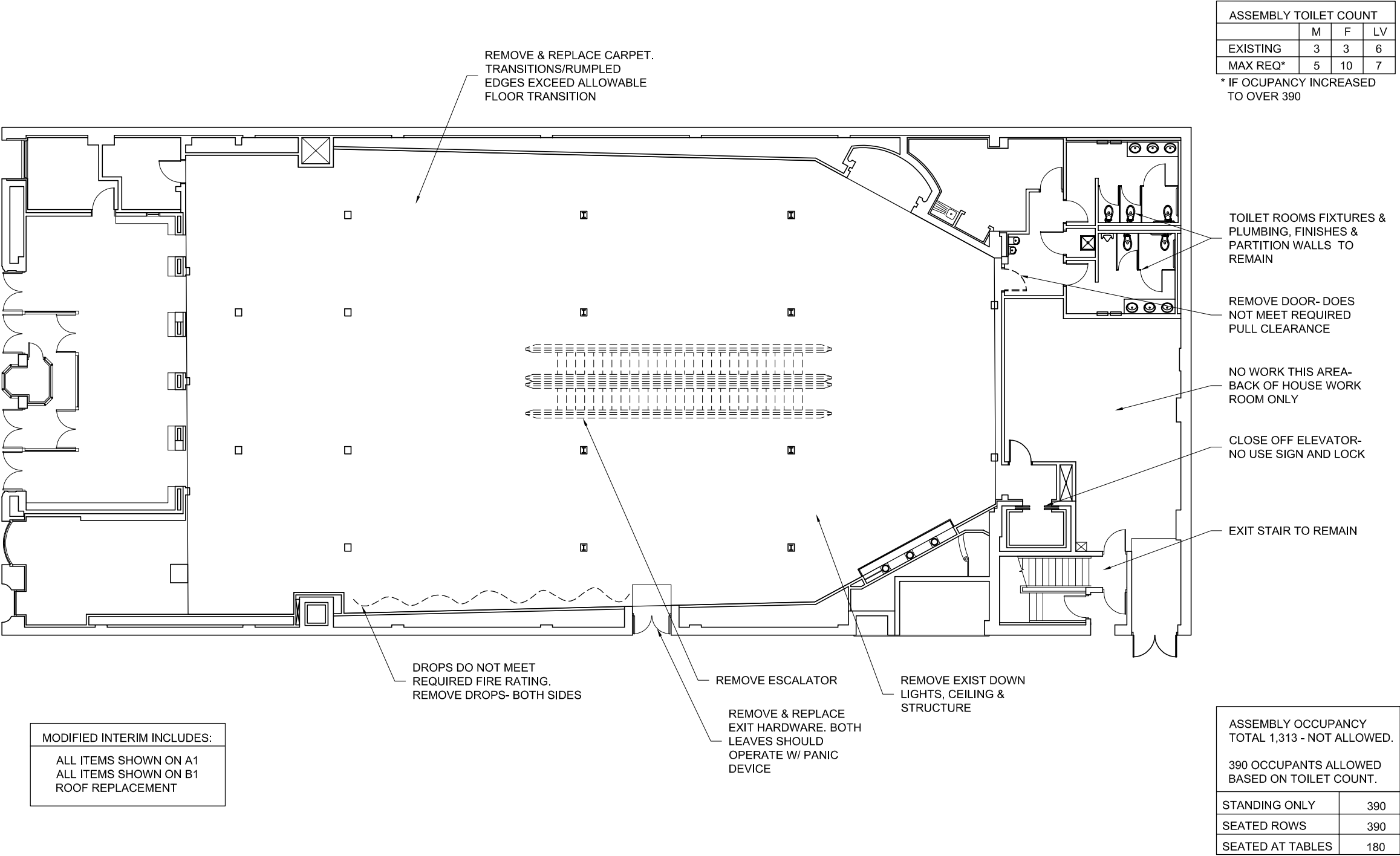
DROPS DO NOT MEET
— REQUIRED FIRE RATING.
REMOVE DROPS- BOTH SIDES

ESCALATOR TO REMAIN
ENCLOSE & SECURE

EXIST DOWN LIGHTS
— AND CEILING TO
REMAIN

REMOVE & REPLACE
EXIT HARDWARE. BOTH
— LEAVES SHOULD
OPERATE W/ PANIC
DEVICE

ASSEMBLY OCCUPANCY TOTAL 1,313 - NOT ALLOWED. 390 OCCUPANTS ALLOWED BASED ON TOILET COUNT.	
STANDING ONLY	390
SEATED ROWS	308
SEATED AT TABLES	170

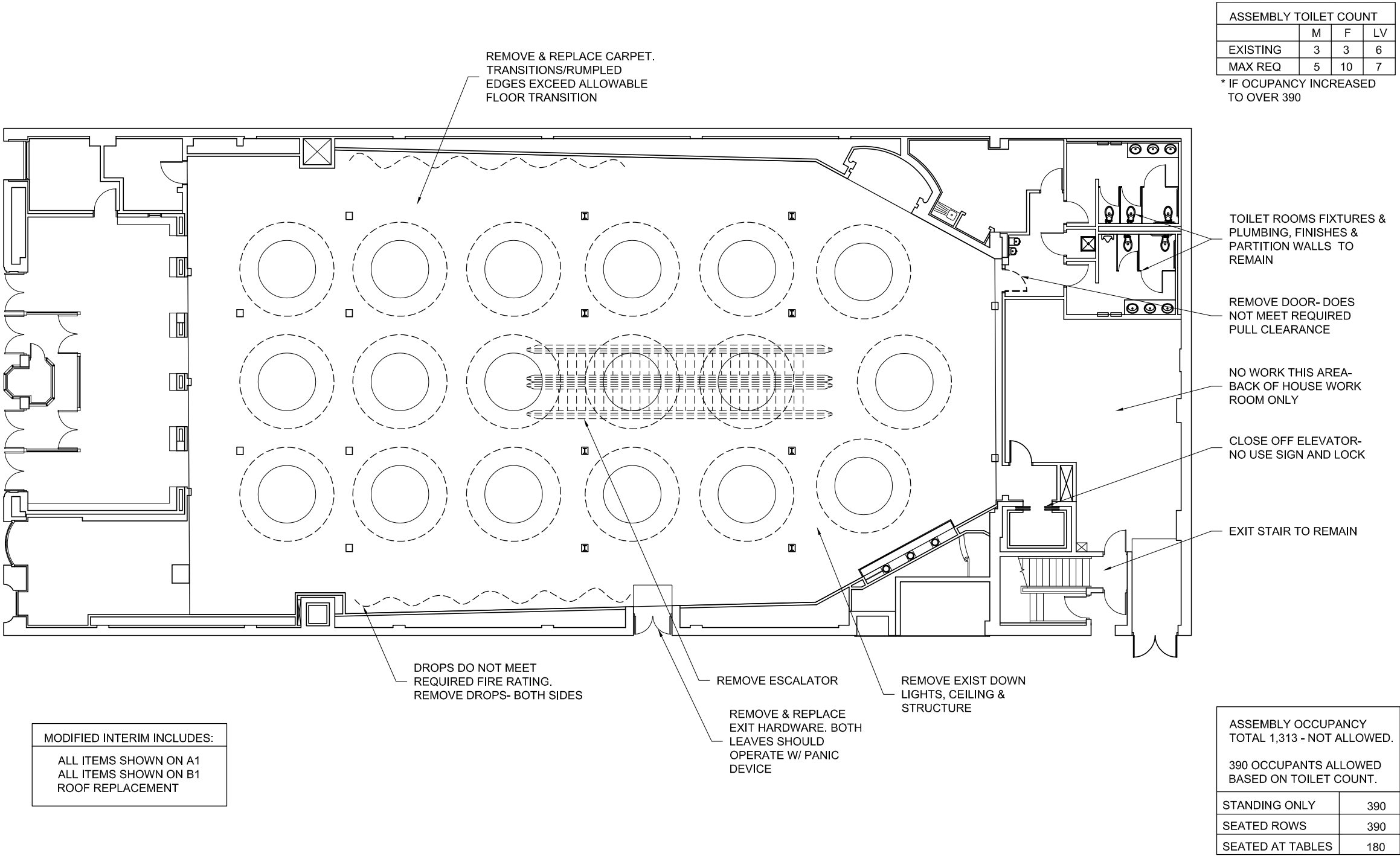


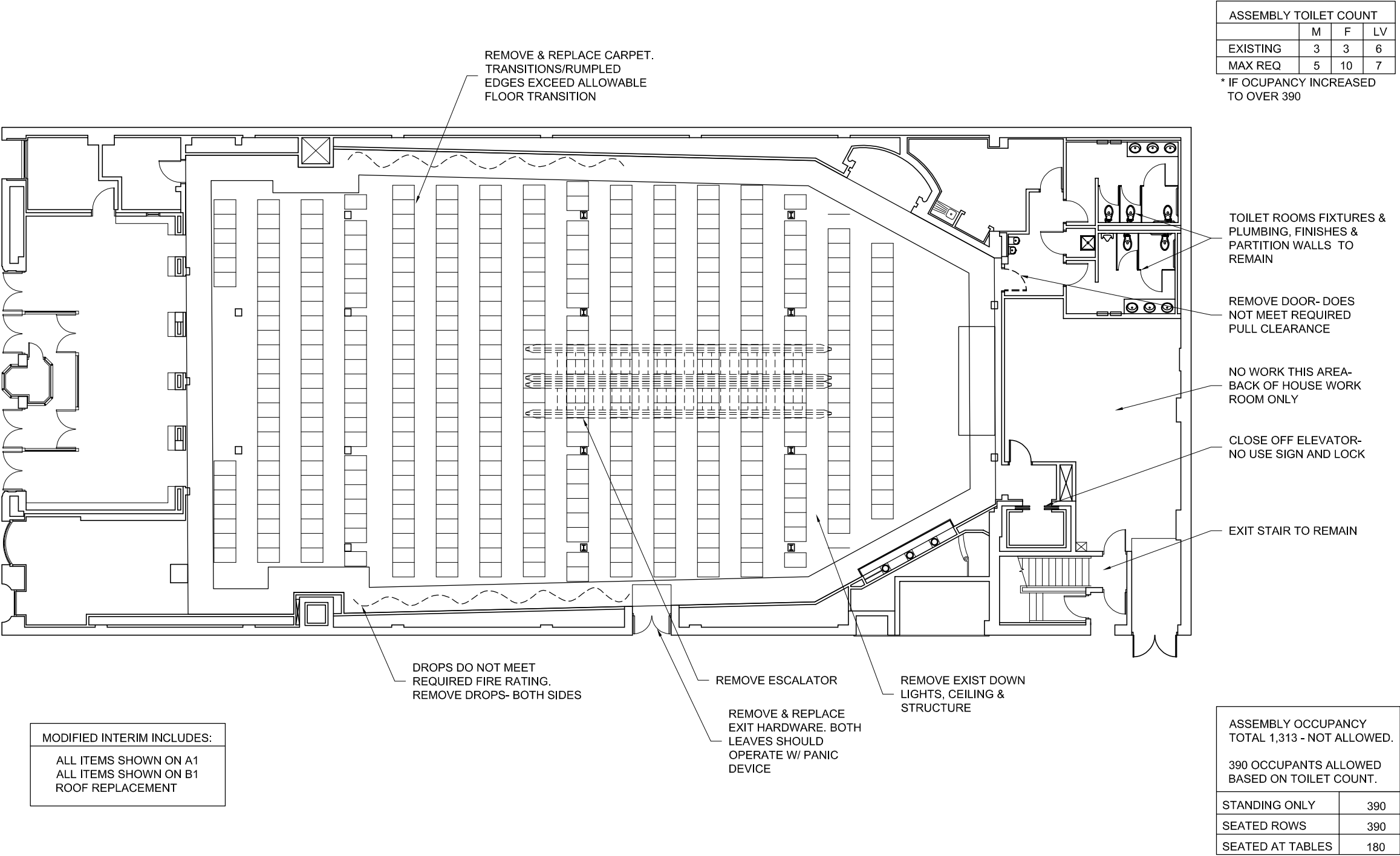
ASSEMBLY TOILET COUNT			
	M	F	LV
EXISTING	3	3	6
MAX REQ*	5	10	7

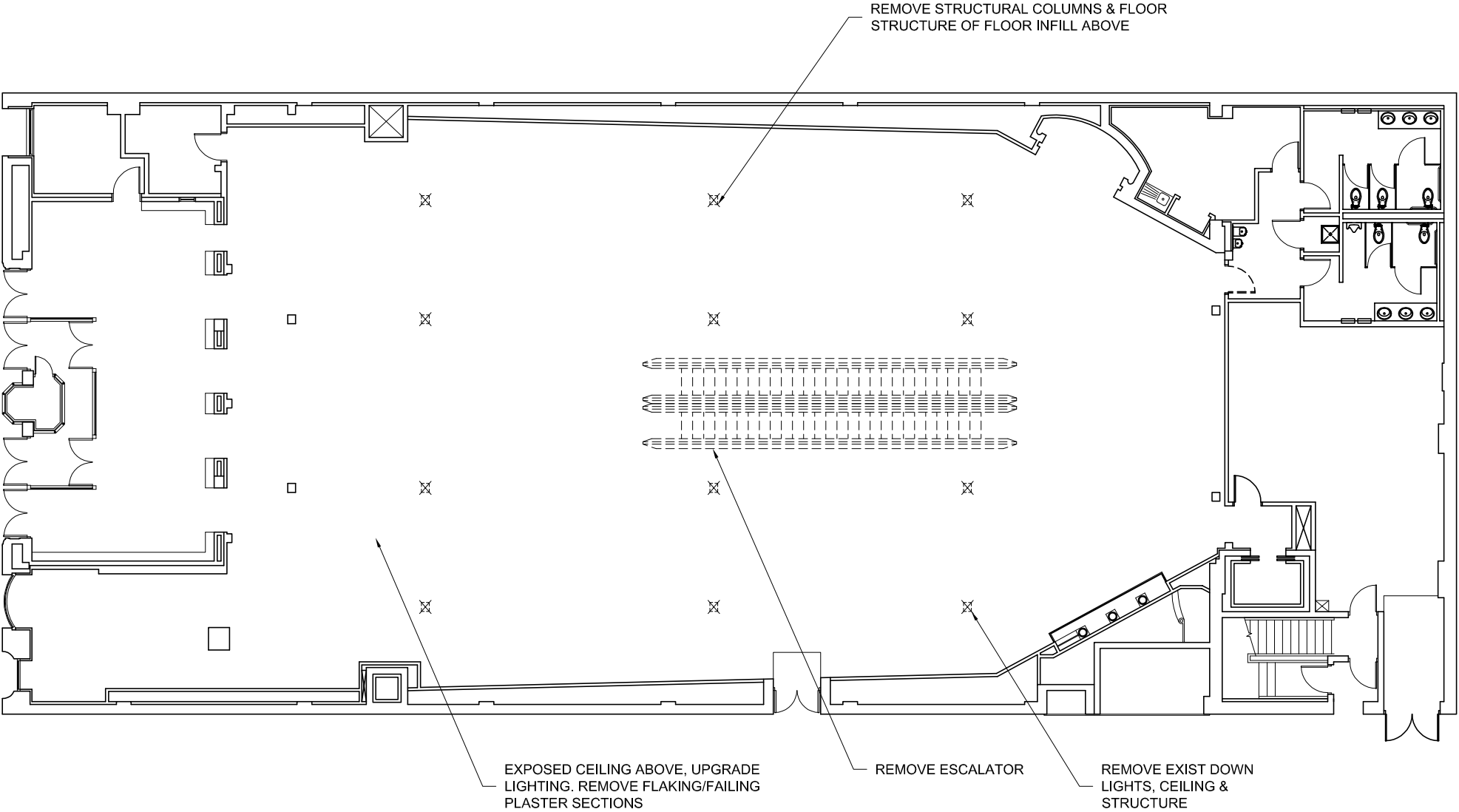
* IF OCCUPANCY INCREASED TO OVER 390

ASSEMBLY OCCUPANCY TOTAL 1,313 - NOT ALLOWED. 390 OCCUPANTS ALLOWED BASED ON TOILET COUNT.	
STANDING ONLY	390
SEATED ROWS	390
SEATED AT TABLES	180

MODIFIED INTERIM INCLUDES:
ALL ITEMS SHOWN ON A1
ALL ITEMS SHOWN ON B1
ROOF REPLACEMENT

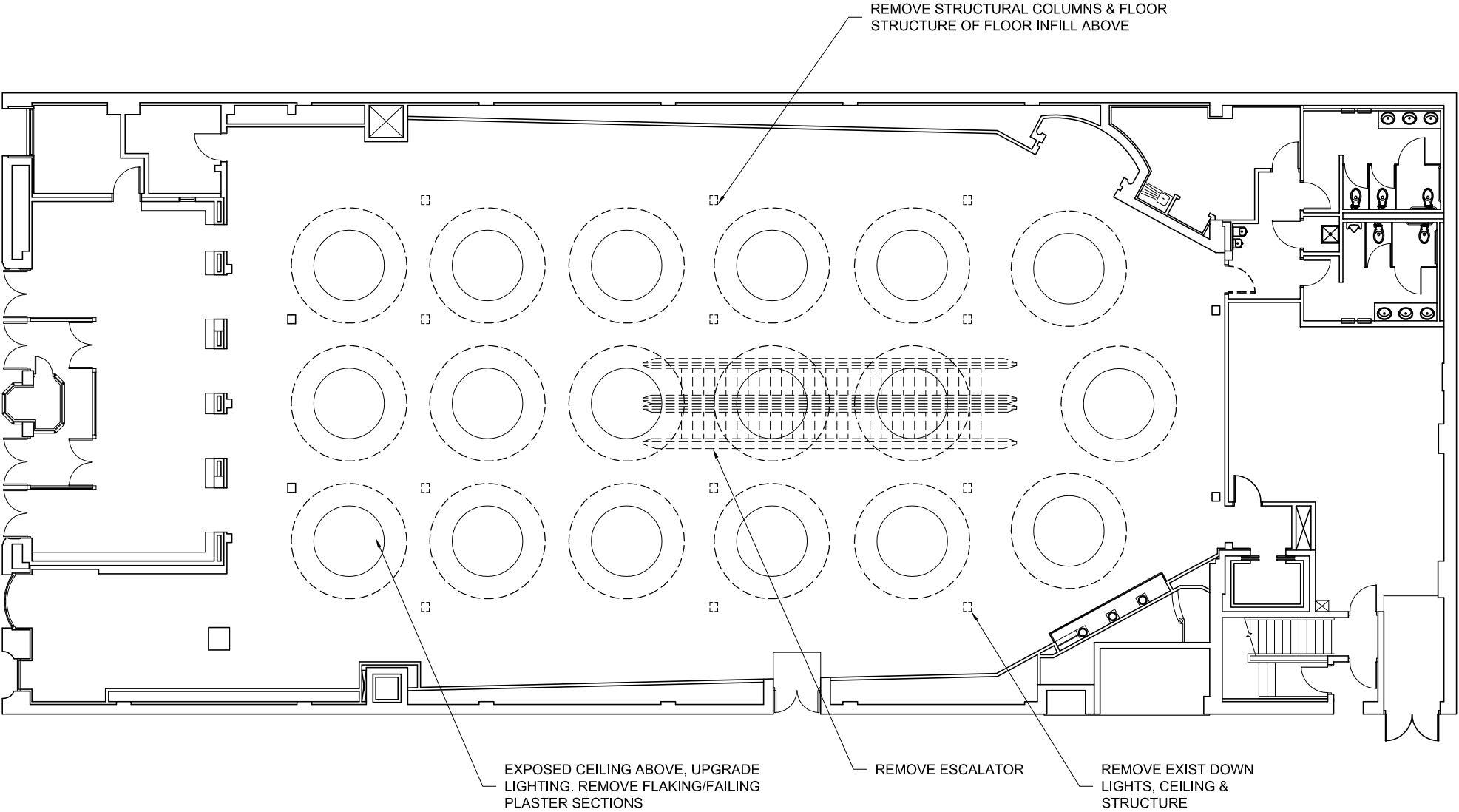






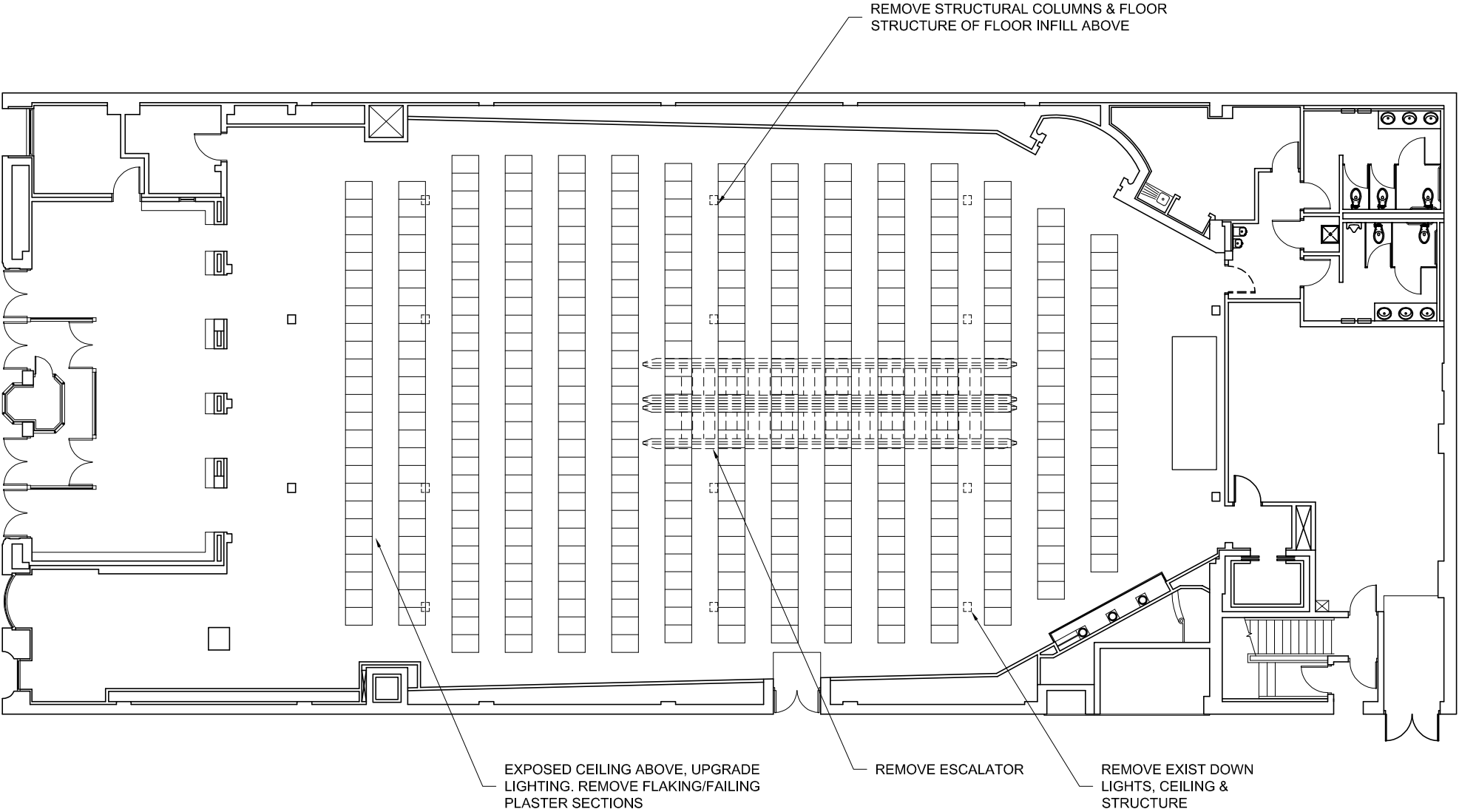
MODIFIED INTERIM INCLUDES:
ALL ITEMS SHOWN ON A1
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ROOF REPLACEMENT

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SEATED AT TABLES	180



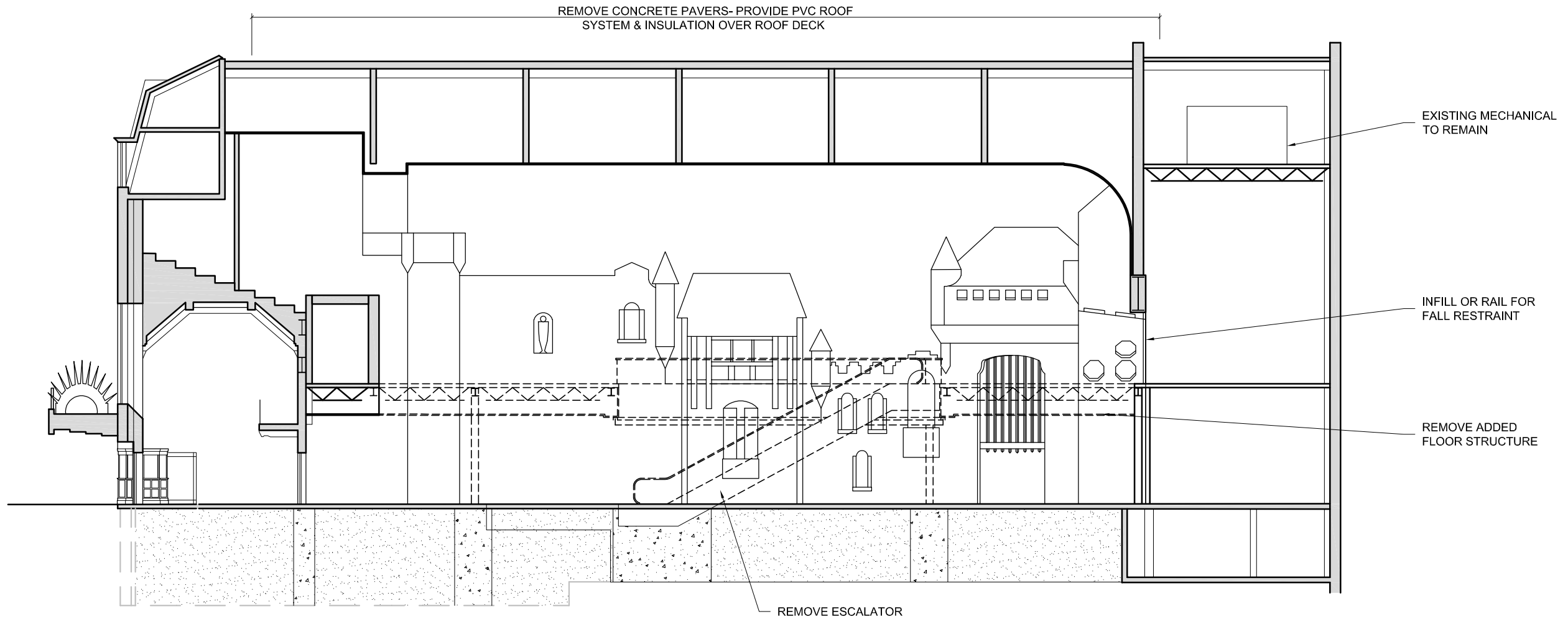
MODIFIED INTERIM INCLUDES:
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ROOF REPLACEMENT

ASSEMBLY OCCUPANCY TOTAL 1,313 - NOT ALLOWED.	
390 OCCUPANTS ALLOWED BASED ON TOILET COUNT.	
STANDING ONLY	390
SEATED ROWS	390
SEATED AT TABLES	180



Discovery Walk

To: DMCC Board of Directors

From: DMC EDA Staff

Date: March 15, 2018



Overview:

The RSP-led design team has been retained to design Discovery Walk, which is the public realm along the 2nd Avenue corridor from 2nd Street south to 6th Street (Soldiers Field).

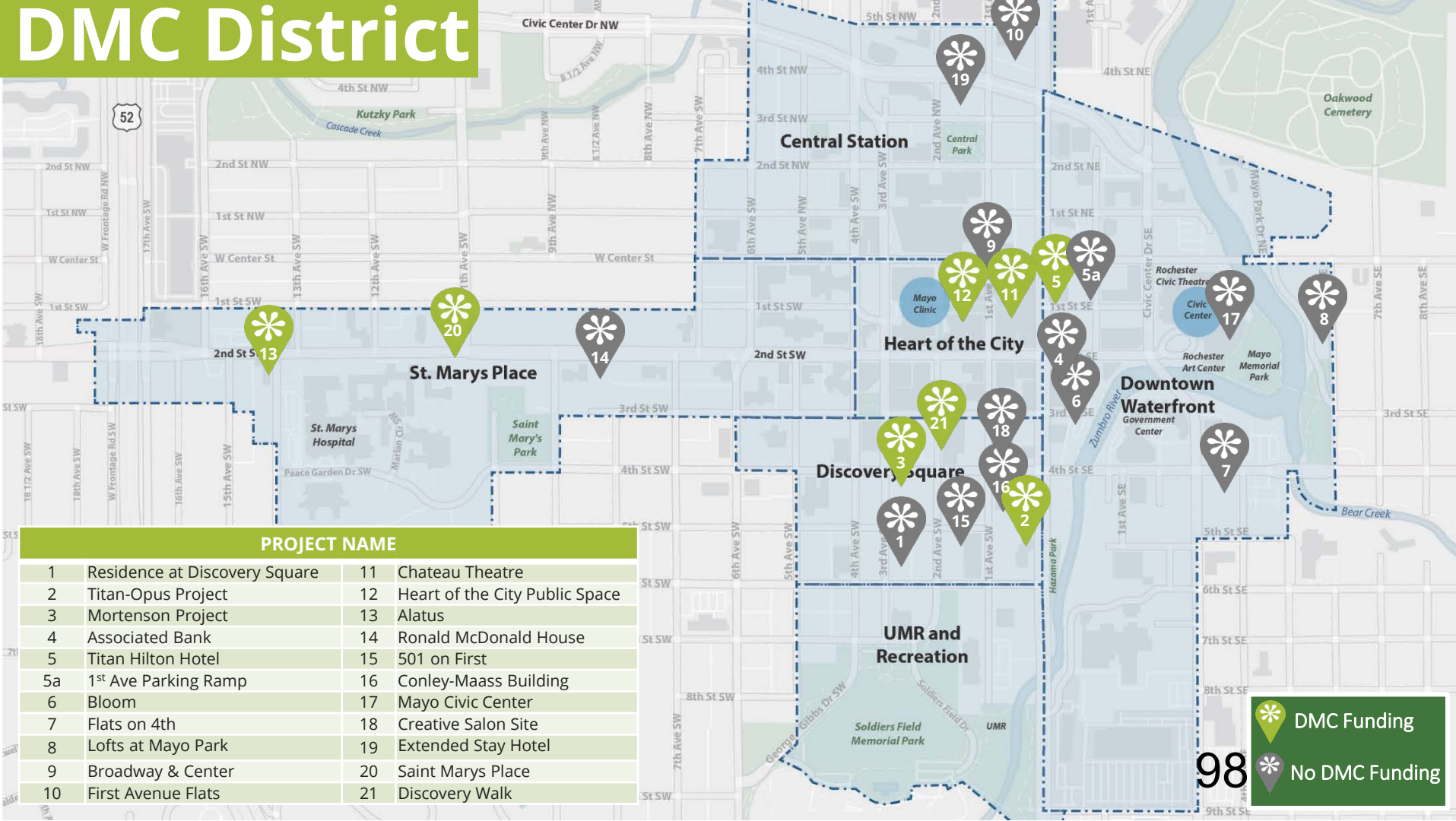
Next Steps:

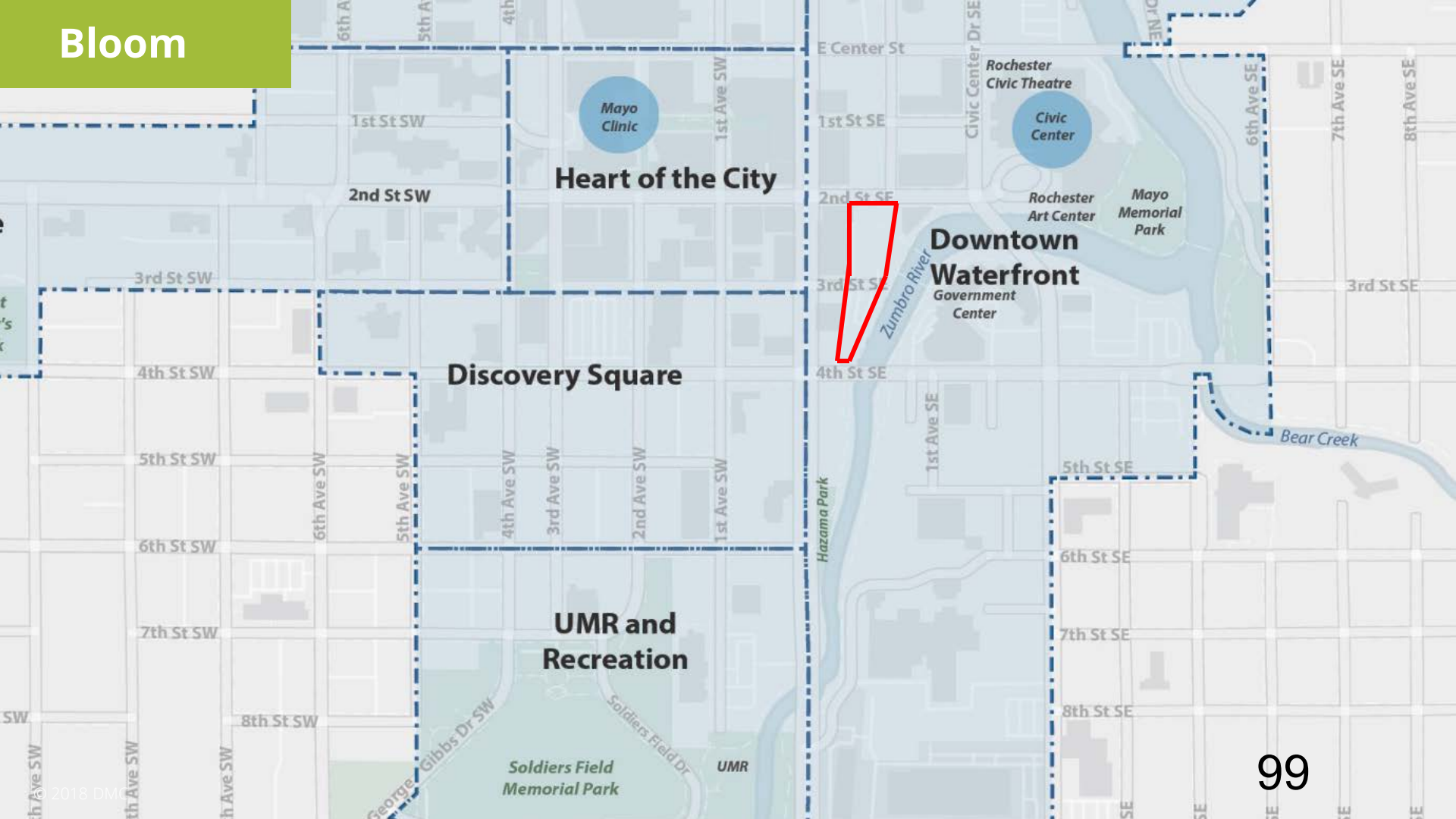
- Schematic design phase is complete
- Presentations to City, Mayo, Community, DMC EDA, DMCC, and City Council underway
- Final report will be completed by May 1, 2018
- Impact on CIP TBD



Project Previews

DMC District







DEVELOPMENT UPDATE

Bloom Waterfront

Downtown Waterfront

MIXED USE BUILDINGS



PROJECT DETAILS

2 Towers; 215 Senior Living Units; 181 Hotel Rooms; 132 Condo Apartment Units; 498 Enclosed Parking Spaces (Public and Private)



CAPITAL INVESTMENT \$180 MILLION

Property tax increase from \$222,596 to \$2,588,733 per year. \$20M requested Tax Increment Financing.



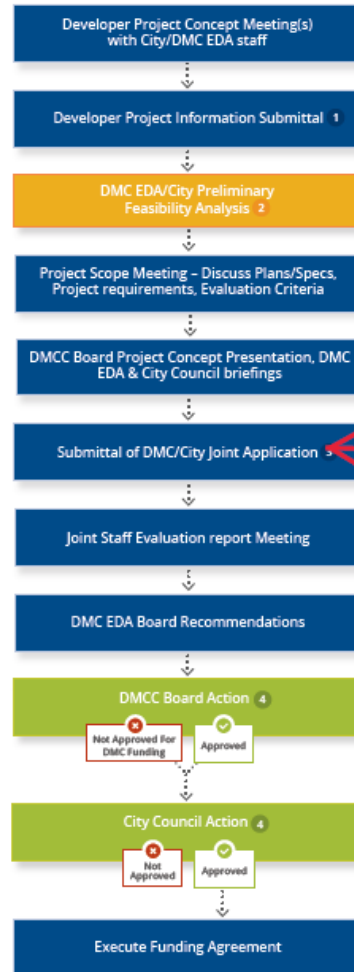
COMMUNITY ACTIVATION

34,468 sq. ft. of Food and Beverage; 6,963 sq. ft. of Retail; River Walk, Ice Skating Rink/Dry Foundation; Seating Terraces; Board Walk; Winter Garden; Public Art

100

Bloom Waterfront

DMC/CITY PROJECT FINANCING PROCESS



CITY LAND USE PROCESS

(Example: Incentive or Restricted Development)

*May be concurrent with financing process



March 5th



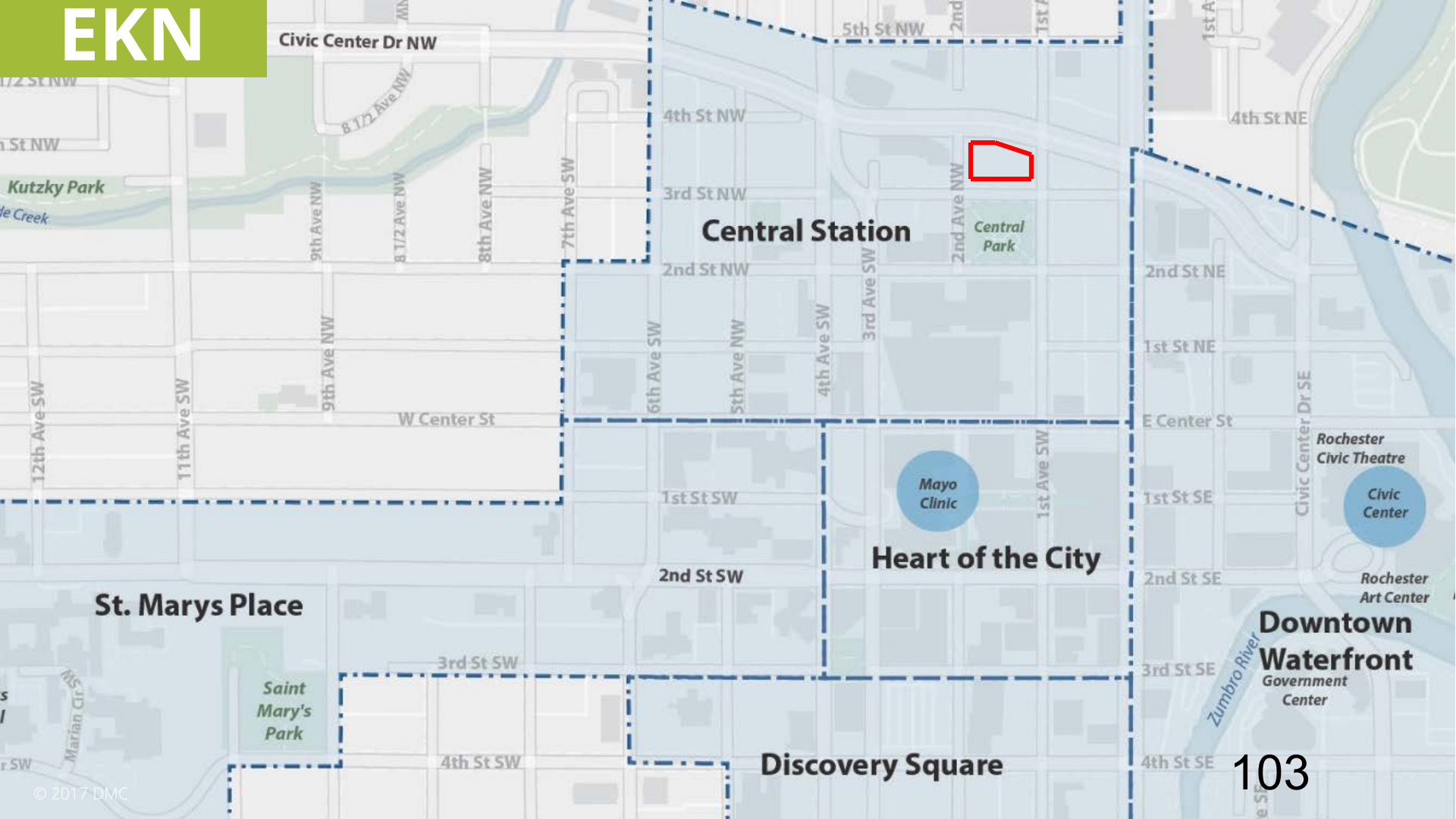
Bloom Waterfront

Downtown Waterfront

NEXT STEPS

- DMC staff continue to review DMC Joint Funding Application and may come to boards in June 2018 for action
- Bloom to submit final Land Use/Zoning Application

DEVELOPMENT UPDATE





EKN (American Legion Site)

Central Station

Extended Stay Hotel



PROJECT DETAILS

175 Hotel Rooms; 6 Story Hotel; 95 Enclosed Parking Spaces; with Meeting Room Space



CAPITAL INVESTMENT \$45 MILLION

Property tax will increase but is unknown at this time.

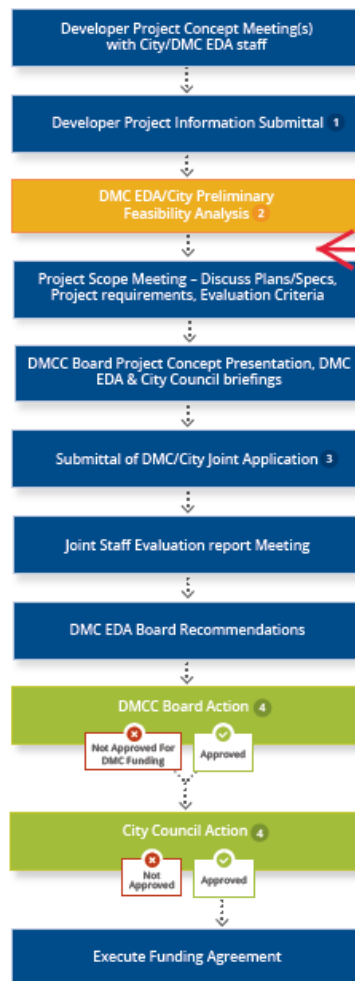
DEVELOPMENT UPDATE

104

EKN

(American Legion Site)

DMC/CITY PROJECT FINANCING PROCESS



CITY LAND USE PROCESS

(Example: Incentive or Restricted Development)

*May be concurrent with financing process





EKN (American Legion Site)

Central Station

FURTHER ACTION

- Awaiting anticipated DMC Joint Funding Application
- Private negotiations regarding the sale of the property are underway
- EKN to submit final Land Use/Zoning Application

DEVELOPMENT UPDATE

Wells Fargo



Central Station

Central Park

Mayo Clinic

Heart of the City

St. Marys Place

Saint Mary's Park

Discovery Square

Rochester Civic Theatre

Civic Center

Rochester Art Center

Downtown Waterfront
Government Center

107



Wells Fargo Building Redevelopment

Heart of the City



PROJECT DETAILS

105,000 sq. of building; Ryan Companies to purchase building; Wells Fargo will remain in building; Branch bank relocation to 1st Ave; Facade improvements



CAPITAL INVESTMENT

Significant capital will be invested into the property including Subway/Plaza/Skyway access, floor reconfiguration, and extensive exterior improvements



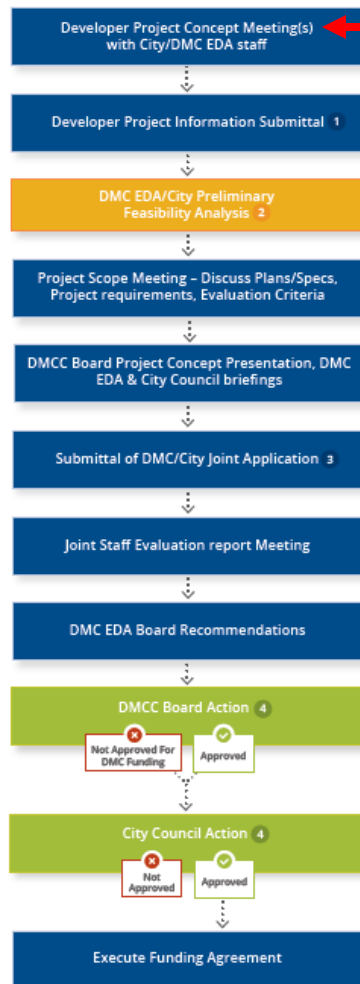
COMMUNITY ACTIVATION

Public facing to Peace Plaza; Improved access to subway and skyway; New indoor space integrated with Peace Plaza; Integration with Chateau Theatre redevelopment

DEVELOPMENT UPDATE

Wells Fargo

DMC/CITY PROJECT FINANCING PROCESS



CITY LAND USE PROCESS

(Example: Incentive or Restricted Development)

*May be concurrent with financing process





Wells Fargo Building Redevelopment

Heart of the City

NEXT STEPS

- Integration with the Chateau Theatre redevelopment
- Integration with Peace Plaza and 1st Avenue
- Work with Ryan to secure Wells Fargo retail presence on 1st Avenue, ensuring a public facing use on Peace Plaza

DEVELOPMENT UPDATE

110

PROJECTED GROWTH THROUGH 2040

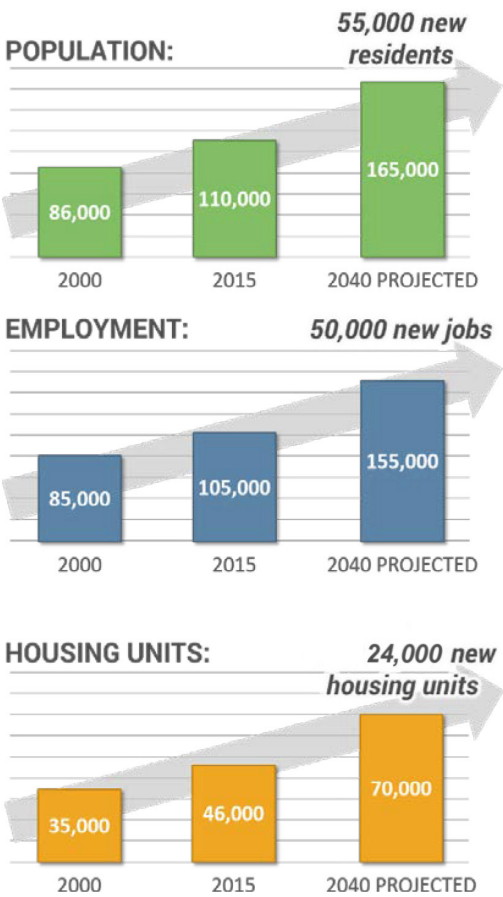
ROCHESTER

Growth over approximately the next 25 years

55,000 Additional People
50,000 Additional Jobs
24,000 Additional Housing Units
160,000 Total Downtown Daytime Population
3 Million Annual Visitors - 2/3 Mayo Related

Source: Planning 2 Succeed 2040, Draft Comprehensive Plan

This level of growth will have significant impacts on the city's land use, transportation, neighborhoods, infrastructure, natural resources, municipal facilities and services, health, and budget.



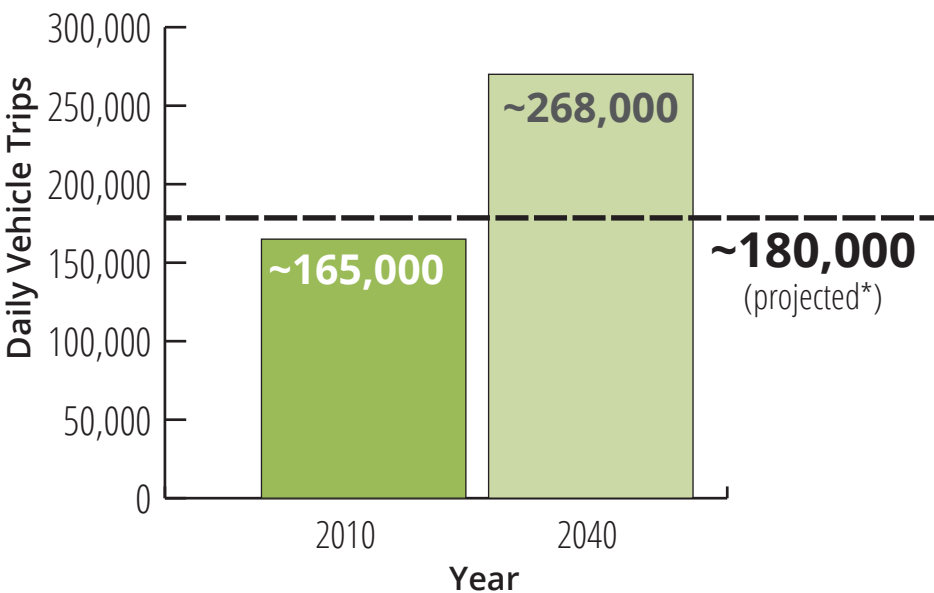
Source: Planning 2 Succeed 2040, Draft Comprehensive Plan

DMC DISTRICT

~30,000
new workers
60,000+
Total workers

~6,000
new residents
~10,000
Total residents

PRIVATE VEHICLE TRIPS IN/OUT OF DMC DISTRICT



*Projected vehicle trips in 2040 assuming implementation of DMC and Comprehensive Plan transit and land use programs.

"While more residential opportunities are expected to be developed in and around the downtown area, allowing more persons to walk to work, the great majority of the workforce will still be commuting to downtown."

- Planning 2 Succeed 2040, Draft Comprehensive Plan

Make it **easy, affordable, and convenient** for people from southeast Minnesota and around the World to get to downtown Rochester

Build **shared-parking** prioritized for economic development

Create an exceptional place for **healthy, human-powered transportation**

Invest in sustainable transportation infrastructure and programs that **reduce the ecological footprint** of the City

Bring **30%** of the workforce to downtown Rochester on **transit** by 2035

10

TRANSPORTATION PRINCIPLES

Source: DMC Development Plan

Use DMC funding to **leverage public and private** transportation infrastructure funding

Create a **park-once downtown** environment connected by a frequent downtown circulator

Create world-class **streets, designed for people**

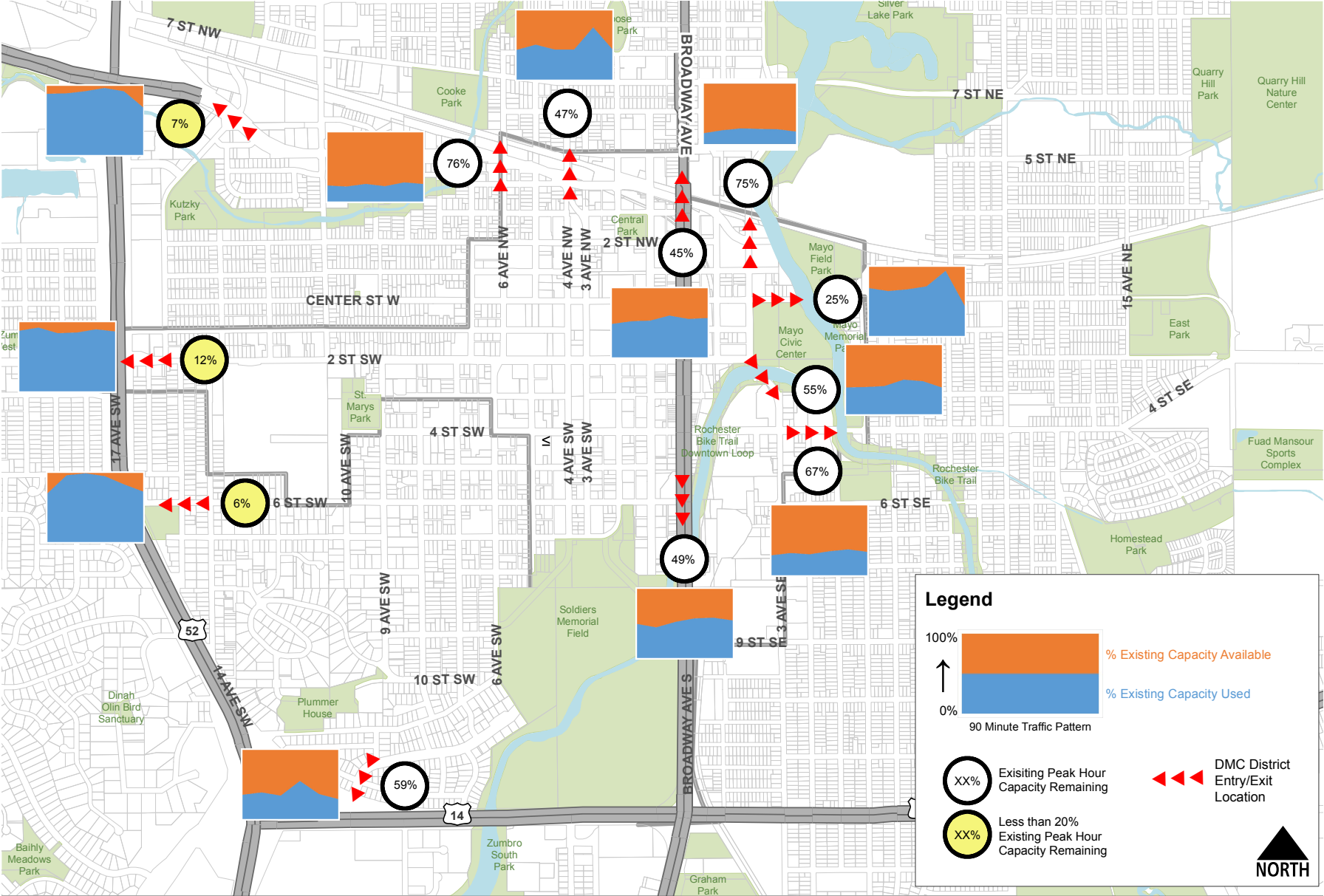
Form a downtown **Rochester Access Authority**

Establish and maintain a transportation network that is accessible and **inclusive to people of all ages, abilities, and states of wellness**

PARKING DEMAND AND VEHICLE TRIPS IN/OUT CAPACITY



Meeting parking needs within the district would require a significant footprint and limit land available for other types of development



EXISTING DMC VEHICLE TRIPS IN/OUT CAPACITY: PM PEAK PERIOD ANALYSIS

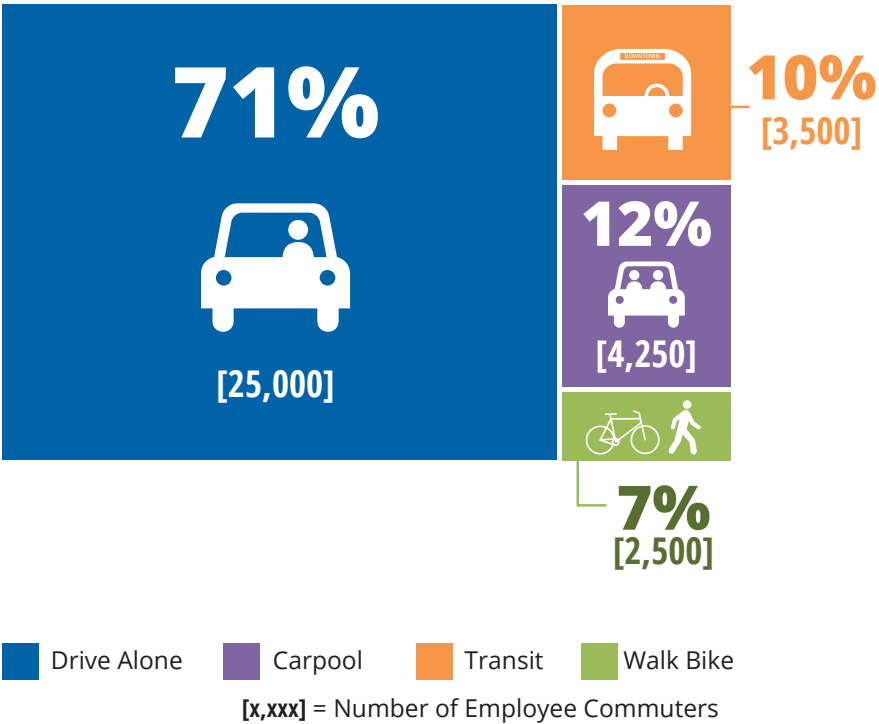
- Existing PM Peak Hour (Fall 2016)
- Number of additional vehicles that can leave downtown during the PM Peak (90 minutes) by roadway
 - Limited number of future vehicles can be accommodated on roadways (Civic Center Drive, 2nd Street SW and 6th Street SW) accessing US 52

NO BUILD 2040 PM PEAK OPERATIONS

- Year 2040 – PM Peak
- Traffic conditions if parking approach and single-occupant driver percentage (70%) maintain current trends
 - Poor operations/over-capacity conditions on roadways (Civic Center Drive, 2nd Street SW and 6th Street SW) accessing US 52
 - Downtown would be more congested than today including some roadway segments that would operate poorly

COMMUTER TRAVEL CHOICES

EXISTING CONDITIONS



71% Single Occupant Vehicles create congestion and limit roadway portal capacity

~24,000 parking spaces demanded within DMC District (current congestion issues)

Mayo Clinic employee parking policies contribute significantly to current transit mode split

HOW CAN THE MODE SHIFT TARGET BE ACHIEVED?

PROVIDE OPTIONS

- New bus service/circulator
- Expand Park-and-Ride
- Improved bike facilities

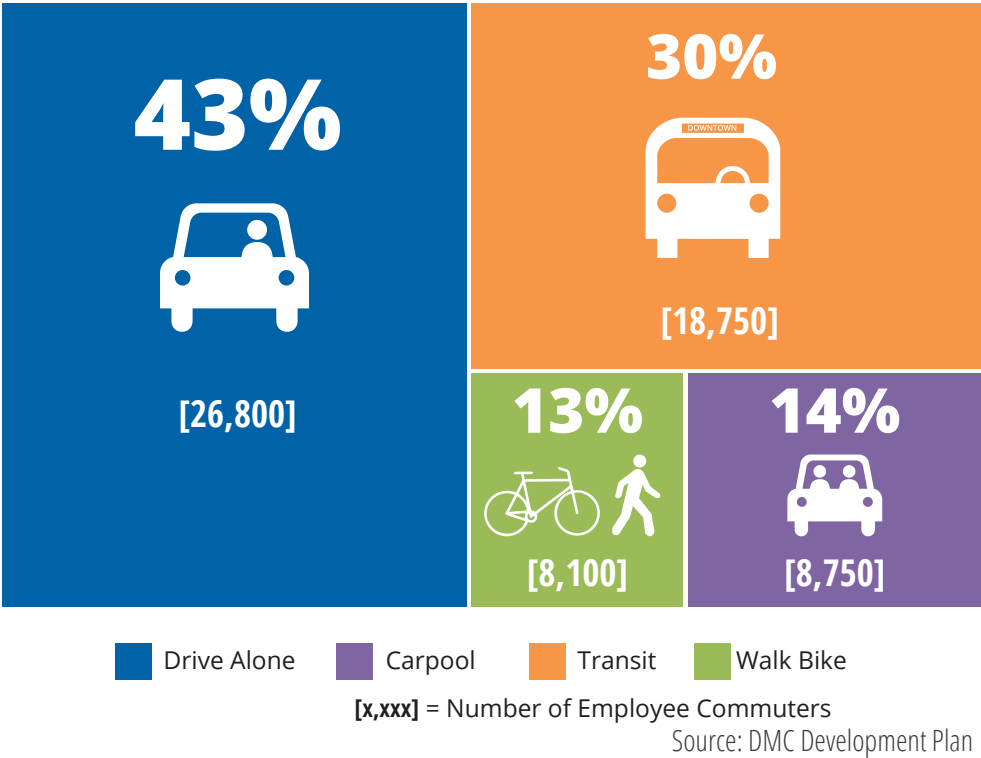
MANAGE PARKING DEMAND

- Limit employee cars downtown
- Incentivize alternate trips
- Pricing strategies

ADD DENSITY DOWNTOWN

- Housing options
- Mixed use development
- Streets designed for people

2040 TARGET CONDITIONS

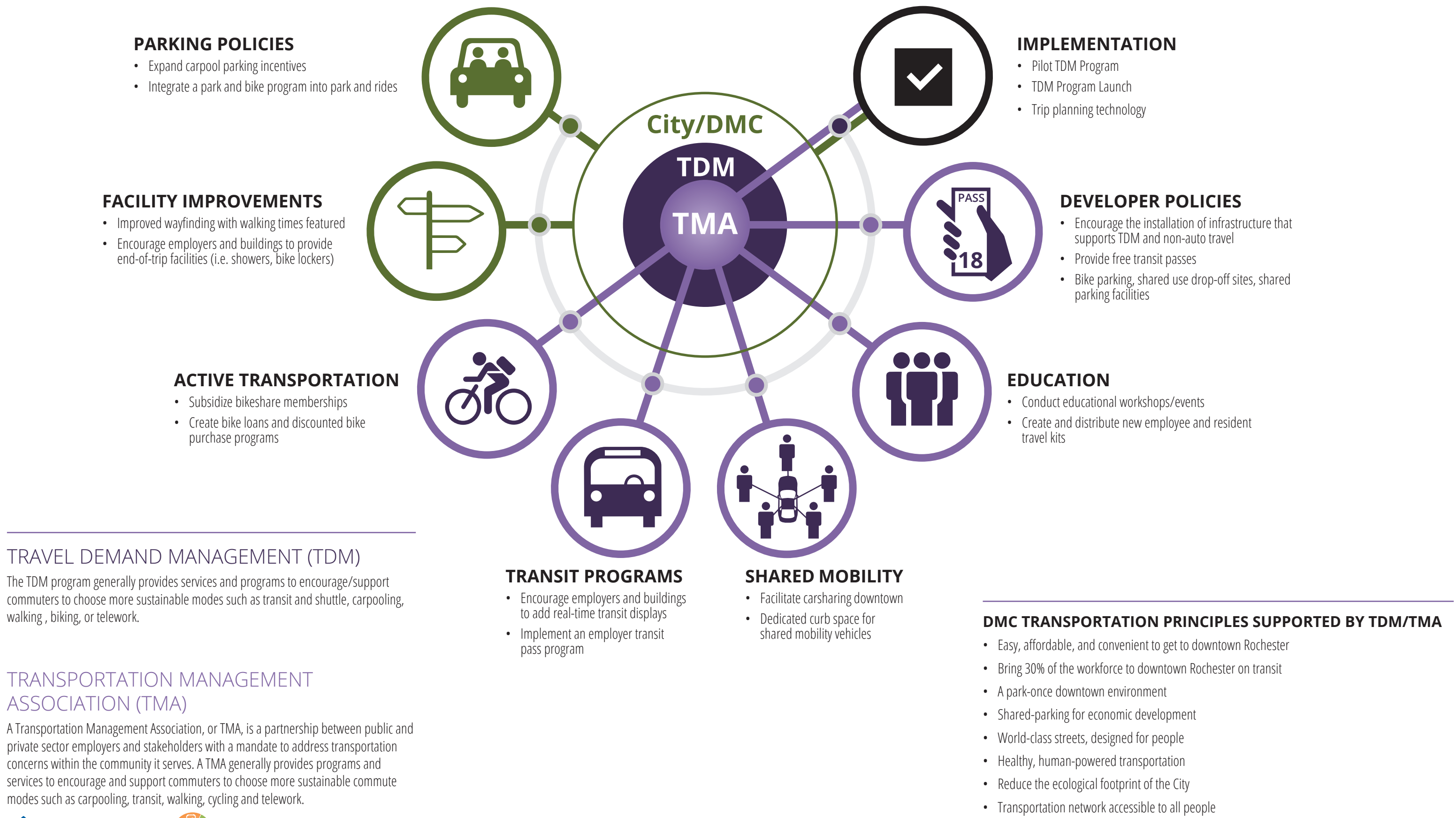


~40,000 parking spaces demanded within the DMC District under future full development conditions

New Mayo employees make up **40%** of new parking demand

Employees overall make up > **50%** of new parking demand

TRAVEL DEMAND MANAGEMENT (TDM)

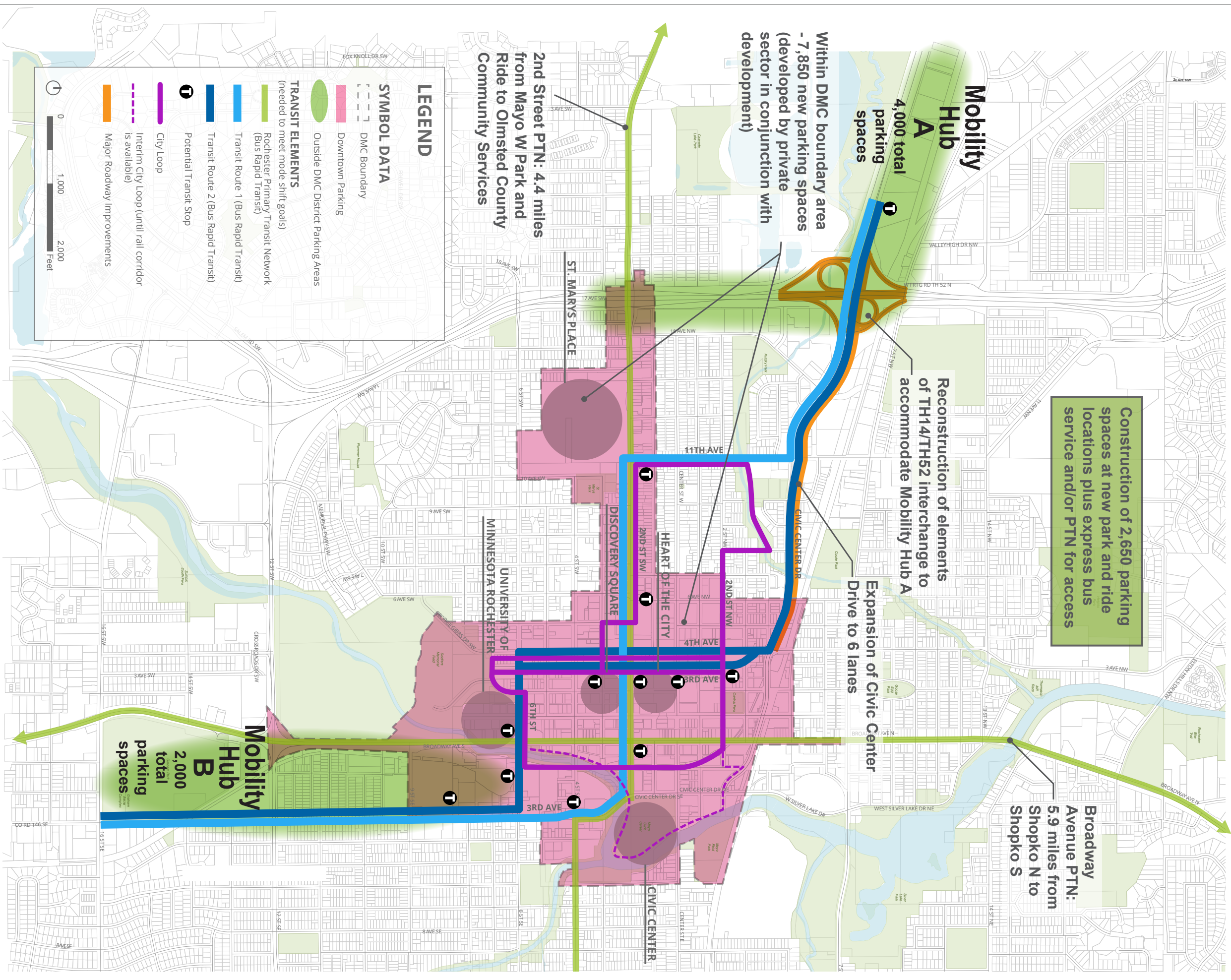


TRAVEL DEMAND MANAGEMENT (TDM)

The TDM program generally provides services and programs to encourage/support commuters to choose more sustainable modes such as transit and shuttle, carpooling, walking, biking, or telework.

TRANSPORTATION MANAGEMENT ASSOCIATION (TMA)

A Transportation Management Association, or TMA, is a partnership between public and private sector employers and stakeholders with a mandate to address transportation concerns within the community it serves. A TMA generally provides programs and services to encourage and support commuters to choose more sustainable commute modes such as carpooling, transit, walking, cycling and telework.



INTEGRATED TRANSIT STUDY: PREFERRED SOLUTIONS

Downtown Rochester Integrated Transit Studies

~2,650
additional parking
spaces at park-and-
ride locations



~8,000

New parking spaces
downtown serving
patients, visitors,
shoppers, and residents

~6,000

new employee parking
spaces located at

2

mobility hubs

**2 New transit
circulator routes**

connecting mobility hubs
with key employment
destinations

22,000+

daily rides will be served
by the transit circulator



New BRT Stations
to access PTN and transit circulator

12

**2 New BRT
PTN Routes**

providing frequent all-day
service on 2nd Street and
Broadway Avenue

18

Hours of Service
BRT: reliable service every
10 minutes



190

blocks of
pedestrian
enhancements

4 phases

of implementation

20 years

to build

\$1.2

billion to construct

1+ miles

of Civic Center Drive
expanded to 6 lanes

Reconstructed

14/52

interchange to provide
easy parking access



Approximately

3 miles

of City Loop Connecting
St. Marys Place, Heart
of the City, Discovery
Square, University of
MN Rochester, and the
Downtown Waterfront

PREFERRED SOLUTIONS:

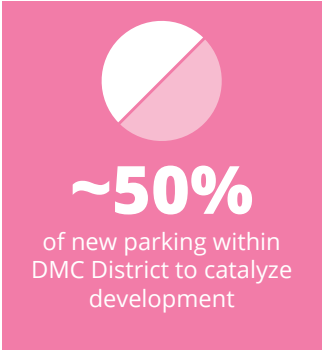
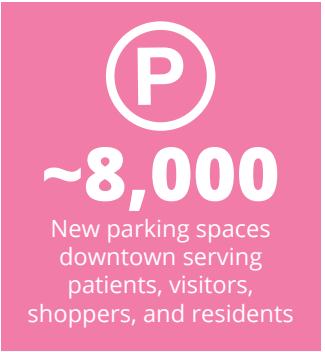
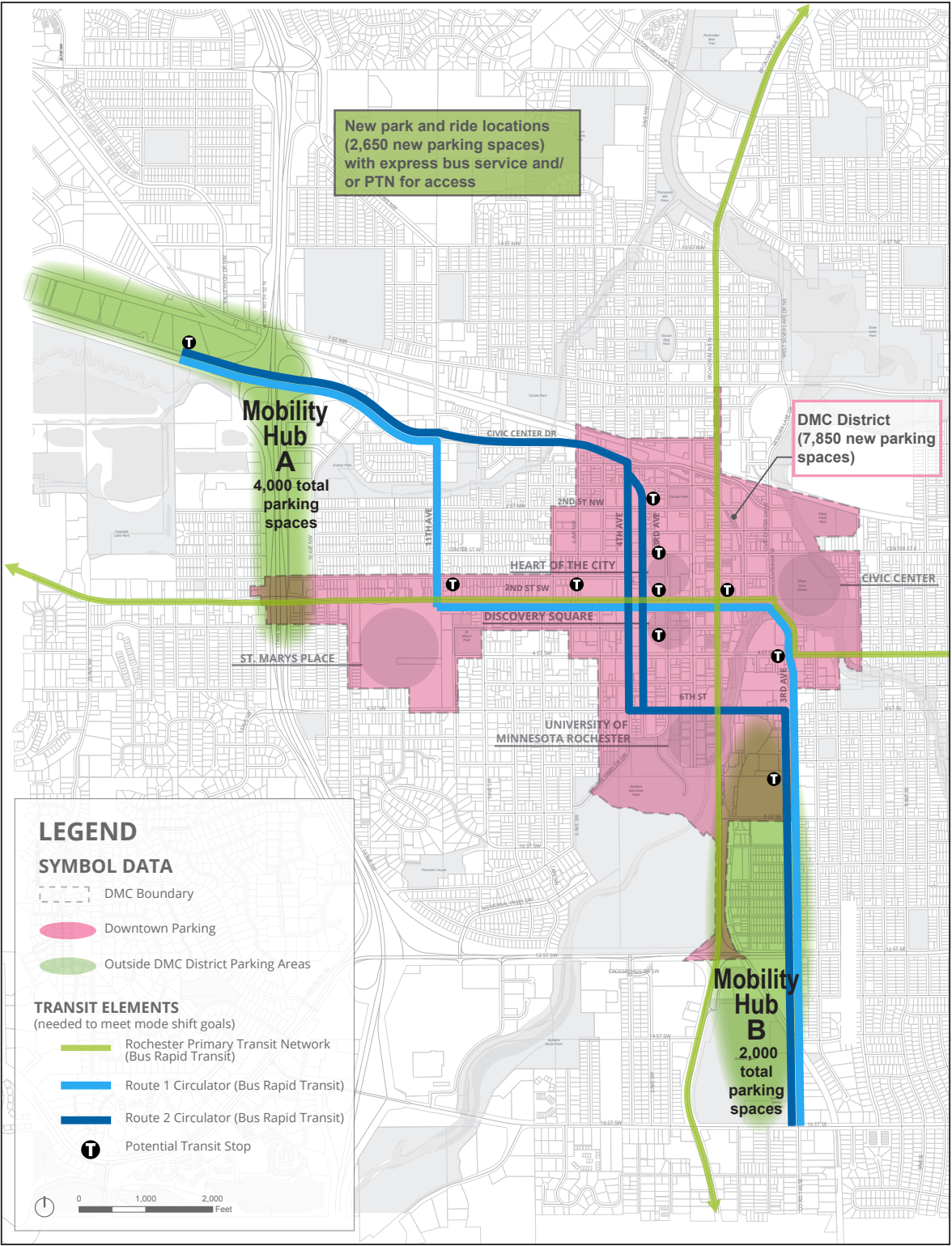
BY THE NUMBERS

38 blocks

of protected bikeways

A PARKING STRATEGY FOR DOWNTOWN ROCHESTER

PARKING AND TRANSIT IMPLEMENTATION



PROJECTED DEMAND FOR NEW PARKING SPACES THROUGH 2035
(BASED ON BALANCED DMC DEVELOPMENT PROGRAM)

User Type	Parking Demand	Preferred Location
Mayo Patient/Visitors	1,700	Within DMC District
Downtown Visitors	2,400	Within DMC District
UMR Students	400	Within DMC District
Downtown Residents	3,300	Within DMC District
Mayo Employees	6,500	Outside DMC District
Non-Mayo Employees	2,200	Outside DMC District
Total	16,500	

TIMING OF NEW PARKING DEMAND
(BASED ON BALANCED DMC DEVELOPMENT PROGRAM)

	Within DMC District	Outside DMC District	Outside District Preferred Location
Phase 1 Years 2017-19	1,440	1,250	Remote Park and Rides
Phase 2 Years 2020-24	2,180	1,960	Remote Park and Rides, Mobility Hub B
Phase 3 Years 2025-29	2,410	2,600	Mobility Hub B, then A
Phase 4 Years 2030-34	1,820	2,840	Mobility Hub A
Total	7,850	8,650	
	16,500		

DMC TRANSPORTATION PRINCIPLES SUPPORTED BY PARKING

- A park-once downtown environment
- Shared-parking for economic development

TRANSIT STRATEGY FOR DOWNTOWN ROCHESTER

BUS RAPID TRANSIT (BRT)

CONVENIENT AND RELIABLE

- Frequent, all-day BRT service- no need for a schedule
- Transit enhancements to ensure consistent travel times
- Uniquely branded buses and stations making BRT easily identifiable

COMFORTABLE

- High amenity branded stations including:
 - Well designed, weather protected shelters
 - Real-time bus arrival information
 - Off-Board Fare Collection
- Easy boarding and alighting for all passengers
 - BRT vehicles with multiple doors
 - Near-level boarding

COST-EFFECTIVE AND FLEXIBLE

- Same quality of service a lower cost than rail
- Greater flexibility for implementation including phasing and extensions
- Flexibility to evolve to autonomous bus technology in the future

EMERGING TECHNOLOGY

- The current BRT approach can accommodate autonomous vehicle and tram technology advances in the future.



Note: While BRT service is depicted here as running in the center of the street, center running versus side running BRT is to be determined.



[VIDEO] Scan to watch BRT recommendation visualization or visit

DMC Animation:
<https://vimeo.com/254512374>



BRT DMC Simulation:
<https://vimeo.com/254521883>

Password required for both videos:
SRF2018DMC (all caps)

2 New transit circulator routes

connecting mobility hubs with key employment destinations



12 New BRT Stations
to access PTN and transit circulator

2 New BRT PTN Routes

providing frequent all-day service on 2nd Street and Broadway Avenue

18 Hours of Service
BRT: reliable service every 10 minutes

22,000+

daily rides will be served by the transit Circulator

CIRCULATOR SERVICE

The Rochester Downtown Transit Circulator will provide a high quality bus rapid transit service for residents, commuters, businesses, patients, students, and visitors, supporting City of Rochester and DMC economic development and livability as well as livability goals. The BRT Transit Circulator will operate on two coordinated routes.

PRIMARY TRANSIT NETWORK (PTN) - PHASE 2 STRATEGY 2020-2024

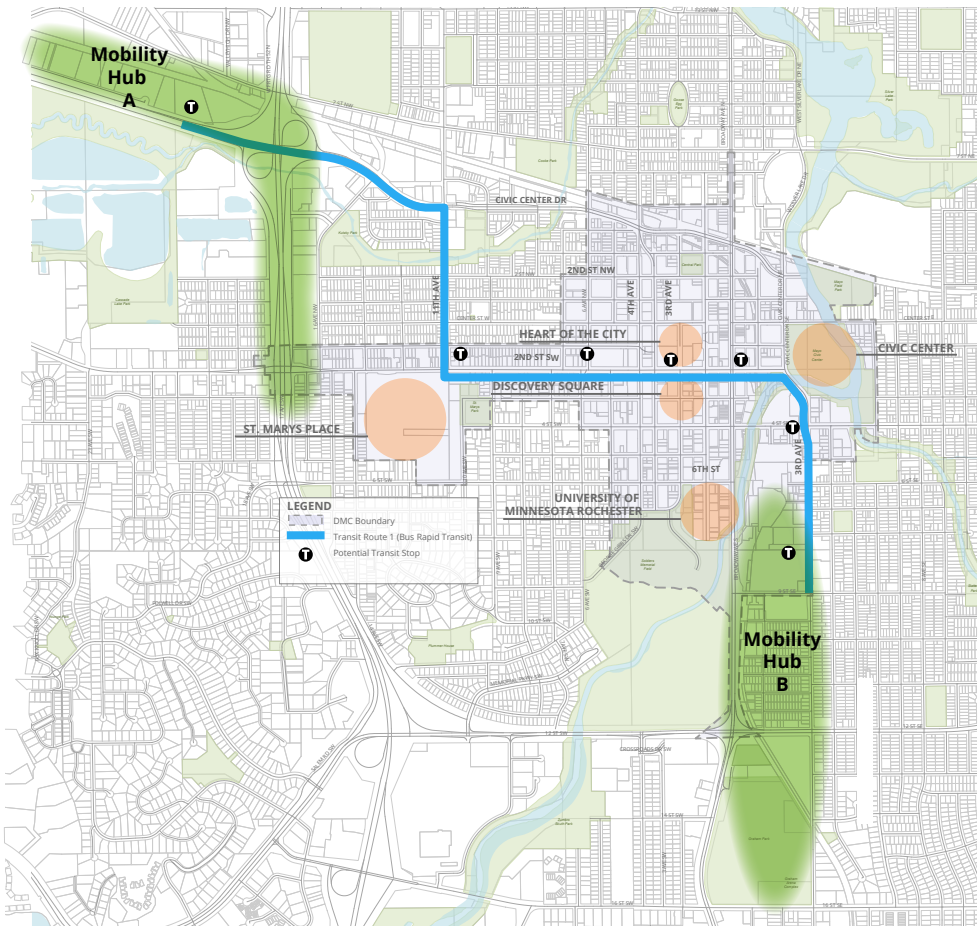
The PTN combines a high frequency transit network on Broadway Avenue and 2nd Street SW/4th Street SE/Collegeview Rd E with easy connection to downtown supporting employment recruiting and reducing the need for downtown parking. PTN service includes:

- Convenient 15 to 20 minutes service to minimize waits and reduce schedule dependence
- Speed and Reliability: service is on-time and competitive with the private automobile in connecting key destinations
- Pre-boarding purchase or payment, which encourages quick station boarding
- PTN will supplement Peak Hour express service from remote park and ride lots as well as mid-day and evening service to park and rides

DMC TRANSPORTATION PRINCIPLES SUPPORTED BY TRANSIT

- Bring 30% of the workforce to downtown Rochester on transit
- A park-once downtown environment
- Transportation network accessible to all people

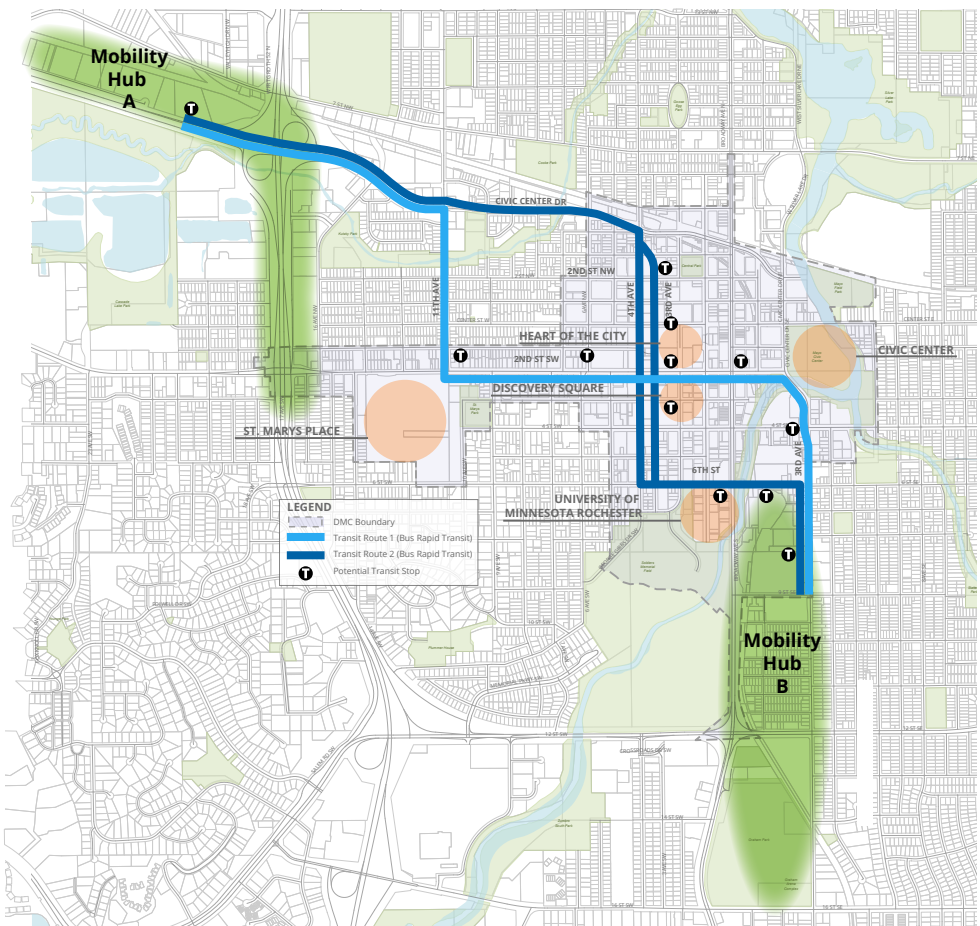
DOWNTOWN TRANSIT CIRCULATOR ROUTES



ROUTE 1

Phase 1

- Provides frequent all day, all week service from Mobility Hub A to St Marys, downtown Rochester, Government Center to Mobility Hub B.

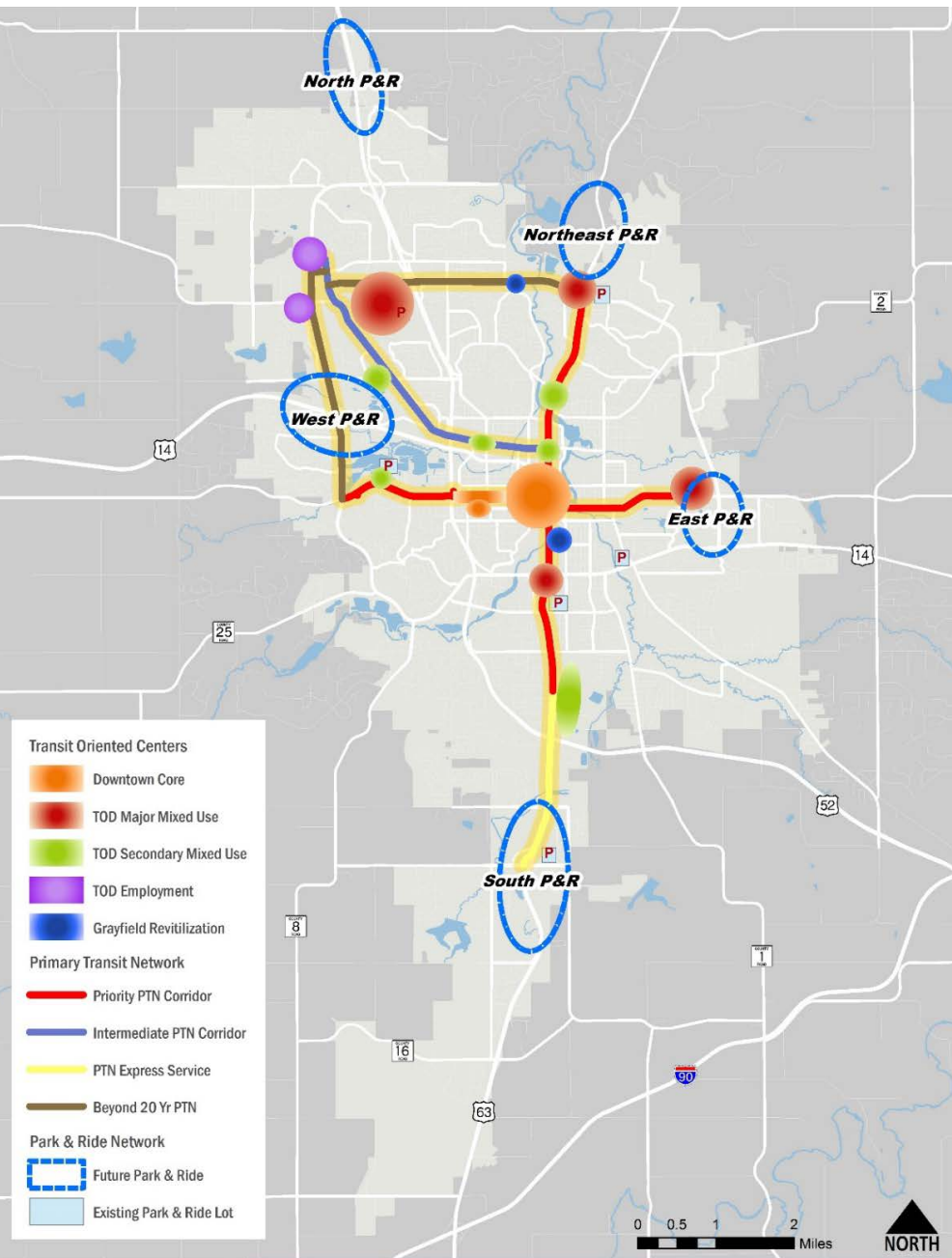


ROUTE 2

Phase 2

- Provides direct access to the Gonda Building from Mobility Hubs A and B and will reduce the number of buses on 2nd Street.
- Provides direct access to Methodist Hospital and the future location of the University of Minnesota Rochester and other locations along 3rd/4th Avenue north/south corridor.

DMC DISTRICT SUPPORTED BY TRANSIT NETWORKS



Proposed Primary Transit Network and Transit-Oriented Development Centers

PRIMARY TRANSIT NETWORK

In order to provide Rochester residents better access to the DMC district, a Primary Transit Network (PTN) is proposed. The PTN will utilize a Bus Rapid Transit (BRT) system of enhanced infrastructure and integrate with the City's overall transit system. Along the PTN corridors, land use and development policy and public infrastructure investment will be coordinated to create conditions favorable to transit oriented and mixed use development, resulting in conditions supportive of sustainable high frequency transit service. The PTN concept is further described in the City's Comprehensive Plan, with phased construction of improvements expected to begin in 2019 with the reconstruction of North Broadway Avenue.

ENHANCED LOCAL SERVICE

Rochester Public Transit will expand service to a growing system of park and ride lots which circle Rochester. Local, fixed route service will look to grow ridership by adding new routes, expanding hours of service, and increasing, where wanted, the frequency of service. Local transit will supplement Bus Rapid Transit (BRT) service on the Primary Transit Network (PTN) to create a high frequency service spine that will facilitate travel to the DMC district and support the introduction of new crosstown connections or neighborhood circulator routes.

REGIONAL COMMUTER SERVICE

Motor coach service from surrounding communities will grow as demand is driven higher by as the DMC district workforce grows and talent is drawn to Rochester from greater distances. Private operators will invest in current routes and expand to new communities to meet the demand. Transportation demand management polices, and a newly formed Transportation Management Association (TMA) will incentivize use of this highly efficient mode.

AN IMPROVED STREET NETWORK FOR ALL USERS

Neighborhood Streets: Streets are designed for low volumes of slow moving traffic and are comfortable and inviting for play and leisure uses.



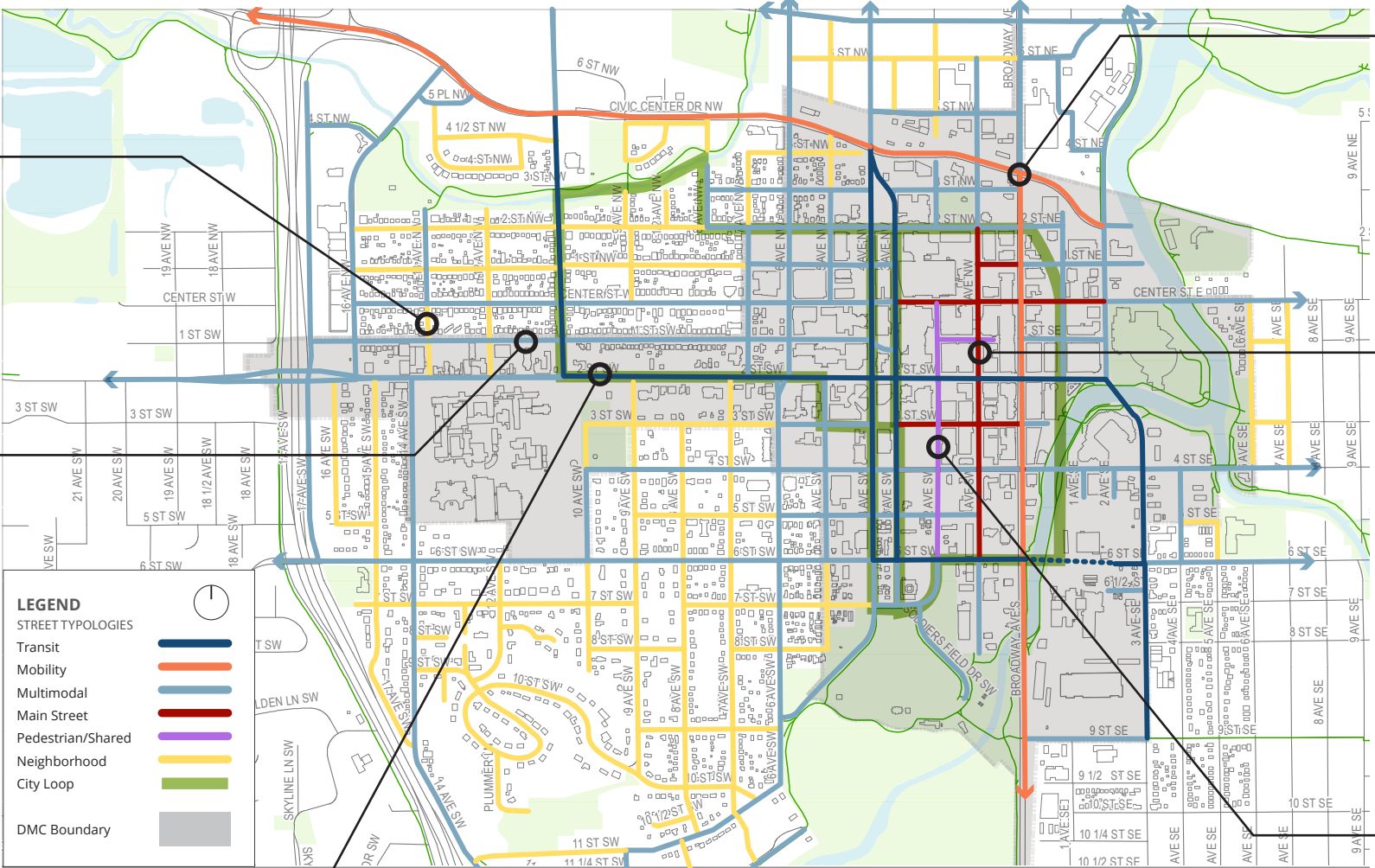
Multimodal Streets: Design features do not prioritize one mode over another, but strive to accommodate a variety of modes.



Transit Priority Streets: Design elements and modal priorities are transit-oriented, while also being pedestrian-friendly.



DMC STREET TYPES: PREFERRED SOLUTIONS



Street types set priorities for movement of people, not just vehicles, and ensures that transit, cyclists and pedestrians are all provided safe and convenient access to and circulation through downtown. - Downtown Rochester Master Plan, 2010

DMC TRANSPORTATION PRINCIPLES SUPPORTED BY STREET TYPOLOGY

- Bring 30% of the workforce to downtown Rochester on transit
- World-class streets, designed for people
- Healthy, human-powered transportation
- Transportation network accessible to all people

Mobility Streets: Design features accommodate high volumes of vehicles while still providing facilities for other modes.



Main Streets: Streets cater to pedestrian movement and amenities while also accommodating automobiles.



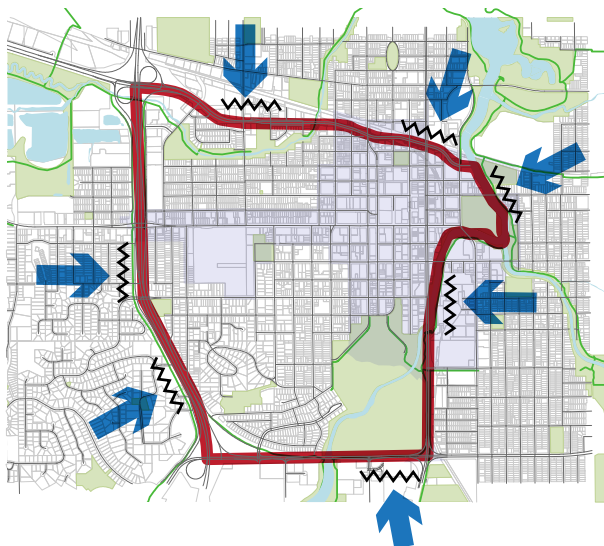
Pedestrian-only & Shared Streets: The curbsless design and cohesive paving materials allow for flexible usage ultimately catering to pedestrians and bicyclists.



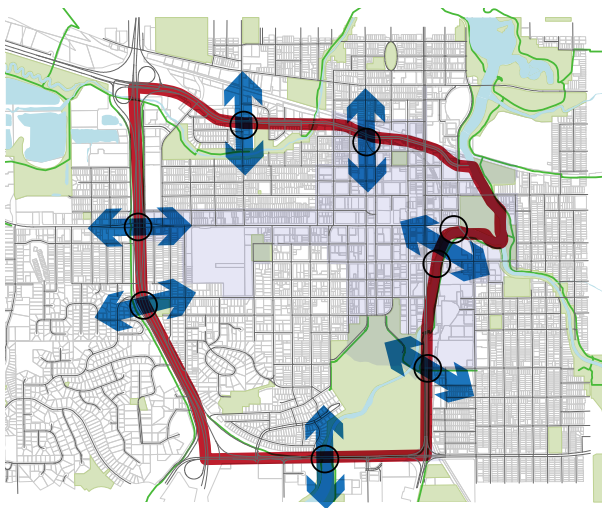
AN IMPROVED BICYCLE NETWORK

BICYCLE PORTALS IMPROVE DOWNTOWN ACCESS

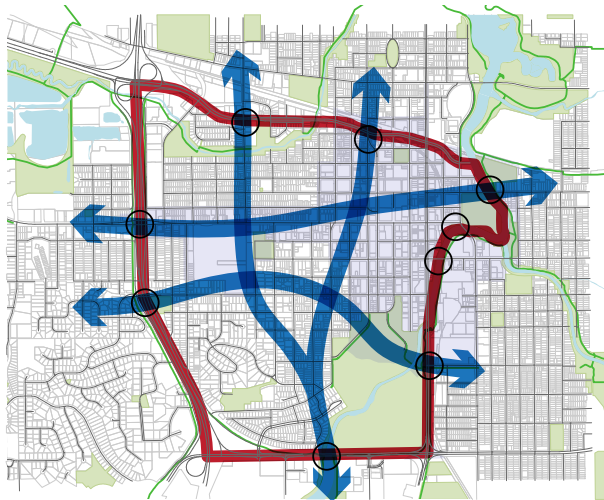
Major roadways and Zumbro River are a significant barrier (red line) that limit access to downtown.



Downtown Rochester is ringed by significant barriers that inhibit bicycle (and pedestrian) connectivity into and through downtown from surrounding areas.



Access to downtown is limited to a set of portals (entryways) that cross the barriers created by high volume, high speed roads, and the Zumbro River.



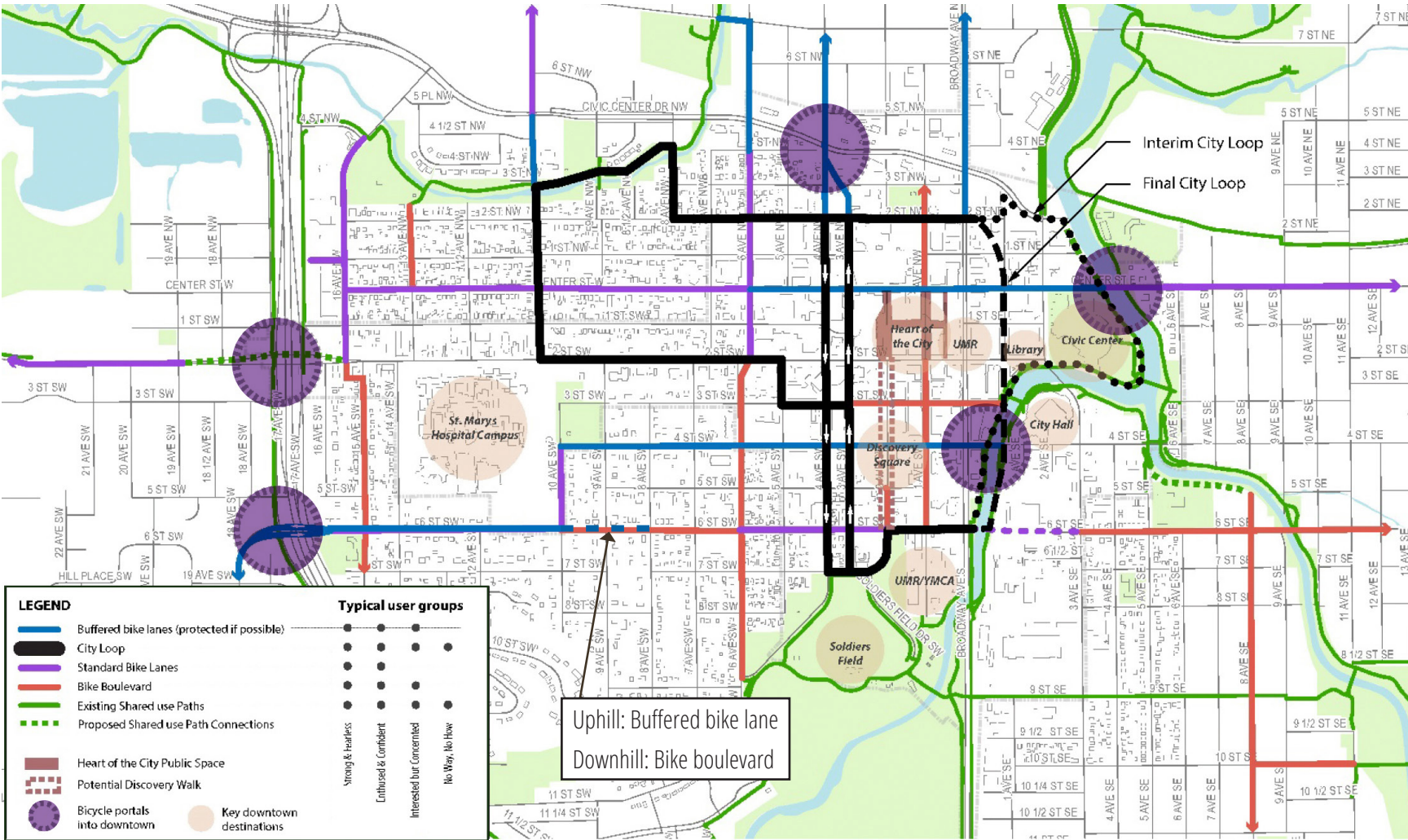
Connecting portals (entryways) with high quality pedestrian and bicycle corridors will enhance access into and across downtown.

DMC TRANSPORTATION PRINCIPLES SUPPORTED BY IMPROVED BICYCLE NETWORK

- World-class streets, designed for people
- Healthy, human-powered transportation
- Reduce the ecological footprint of the City

A BICYCLE NETWORK FOR ALL AGES AND ABILITIES

The bikeway network will connect bicyclists to downtown Rochester safely and comfortably from the City's established shared use path network and other existing and planned bikeways outside of downtown. Both north-south and east-west bikeways through downtown will provide access to major downtown destinations.

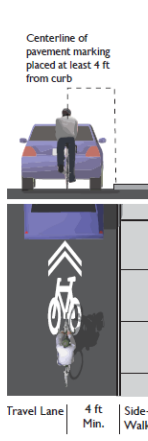


BIKEWAY FACILITY CONTINUUM

least protected

most protected

SHARED LANE MARKING
Bike Boulevard



Travel Lane 4 ft Min. Side-Walk

BIKE LANE
Standard



Travel Lane 5-6 ft Side-Walk

BUFFERED BIKE LANE



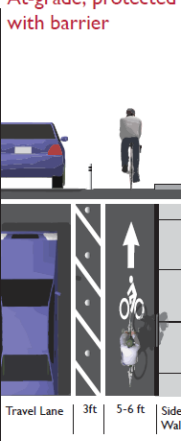
Travel Lane 1.5-3 ft 5-6 ft Side-Walk

PROTECTED BIKE LANE:
At-grade, protected with parking



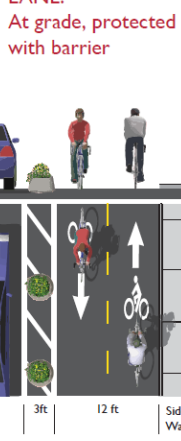
Parking Lane 3ft 5-6 ft Side-Walk

PROTECTED BIKE LANE:
At-grade, protected with barrier



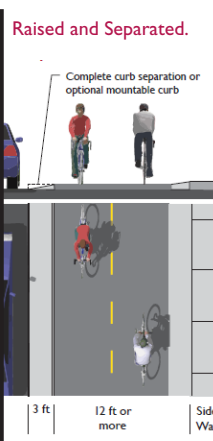
Travel Lane 3ft 5-6 ft Side-Walk

TWO WAY PROTECTED BIKE LANE:
At grade, protected with barrier



3ft 12 ft Side-Walk

TWO WAY OR ONE WAY PROTECTED BIKE LANE
Raised and Separated.



3 ft 12 ft or more Side-Walk

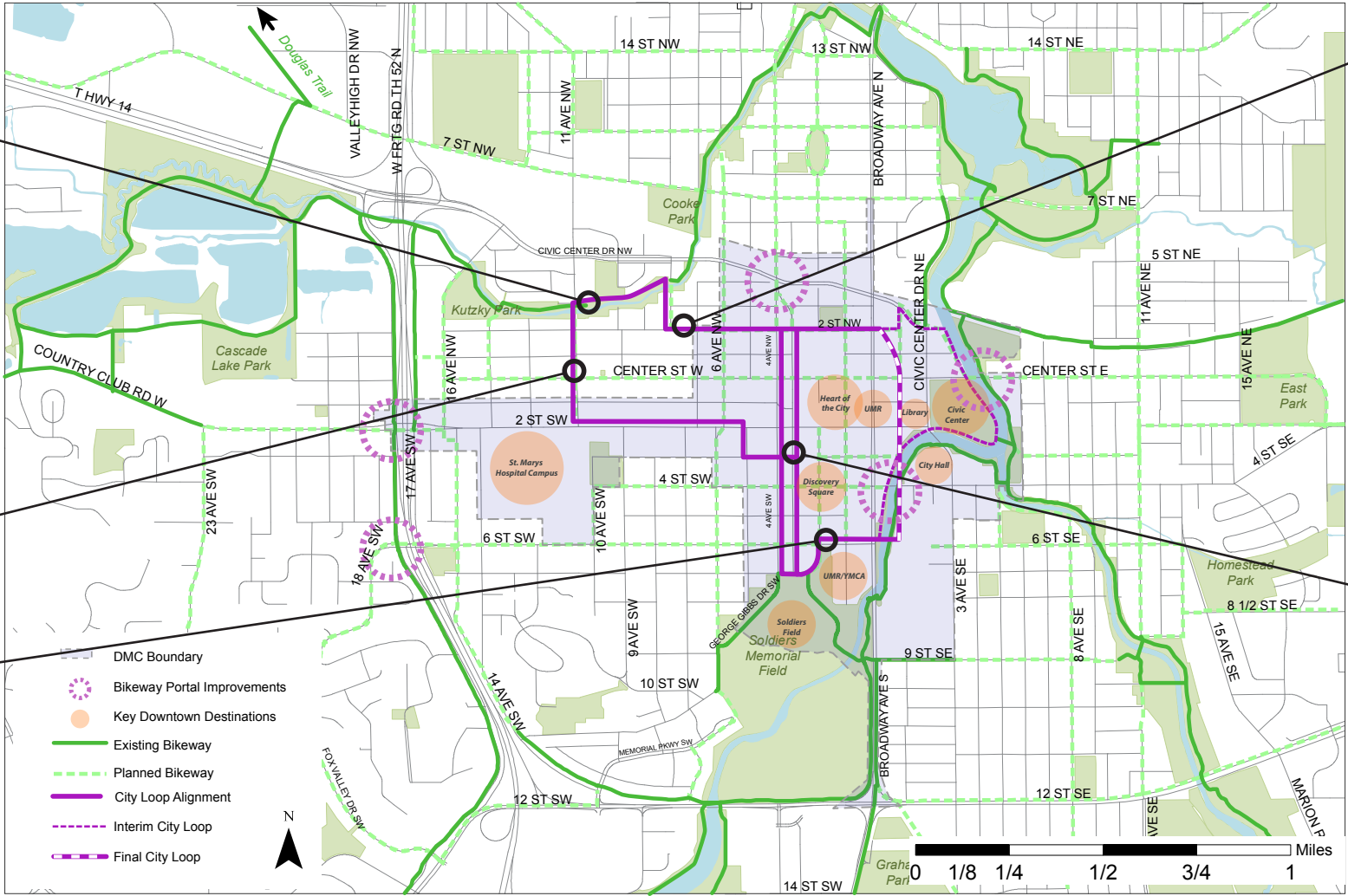
NOT PROPOSED

Higher degrees of user separation result in more comfortable facilities accessible to a broader category of people interested in bicycling.

CITY LOOP: A WORLD-CLASS PEDESTRIAN & BICYCLE URBAN TRAIL

CITY LOOP

A safe, healthy and enjoyable way to move to and through the DMC.



Kutzky Park - East Facing:

This City Loop segment transforms a portion of the existing park trail running along the north side of Cascade Creek into a branded, high amenity dual walking and cycling facility.



11th Avenue NW - North Facing:

The City Loop runs through the Kutzky Park neighborhood as it connects Kutzky Park with 2nd St. SW and St. Marys Place.



6th Street SW - West Facing:

The 6th St. SW segment provides access to Soldier's Field park and trail facilities, the proposed University of Minnesota's Rochester campus expansion and existing Zumbro River trails.



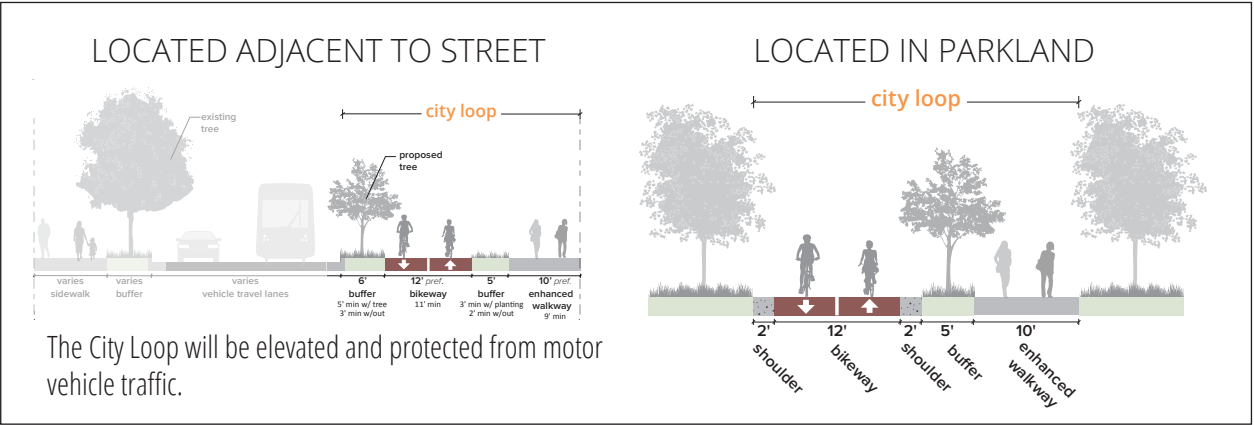
2nd Street NW - West Facing:

The western portion of the City Loop's 2nd Street NW segment travels through the Kutzky Park neighborhood as it provides connections between the DMC's Heart of the City District, Kutzky Park and the Cascade Lake trail loop west of HWY 52.



3rd Avenue SW - North Facing:

As the City Loop travels along 3rd Avenue it runs through the DMC's Heart of the City and Discovery Square districts and connects Mayo Clinic facilities to landscaped open spaces, including Central Park to the north and Soldier's Field to the south.

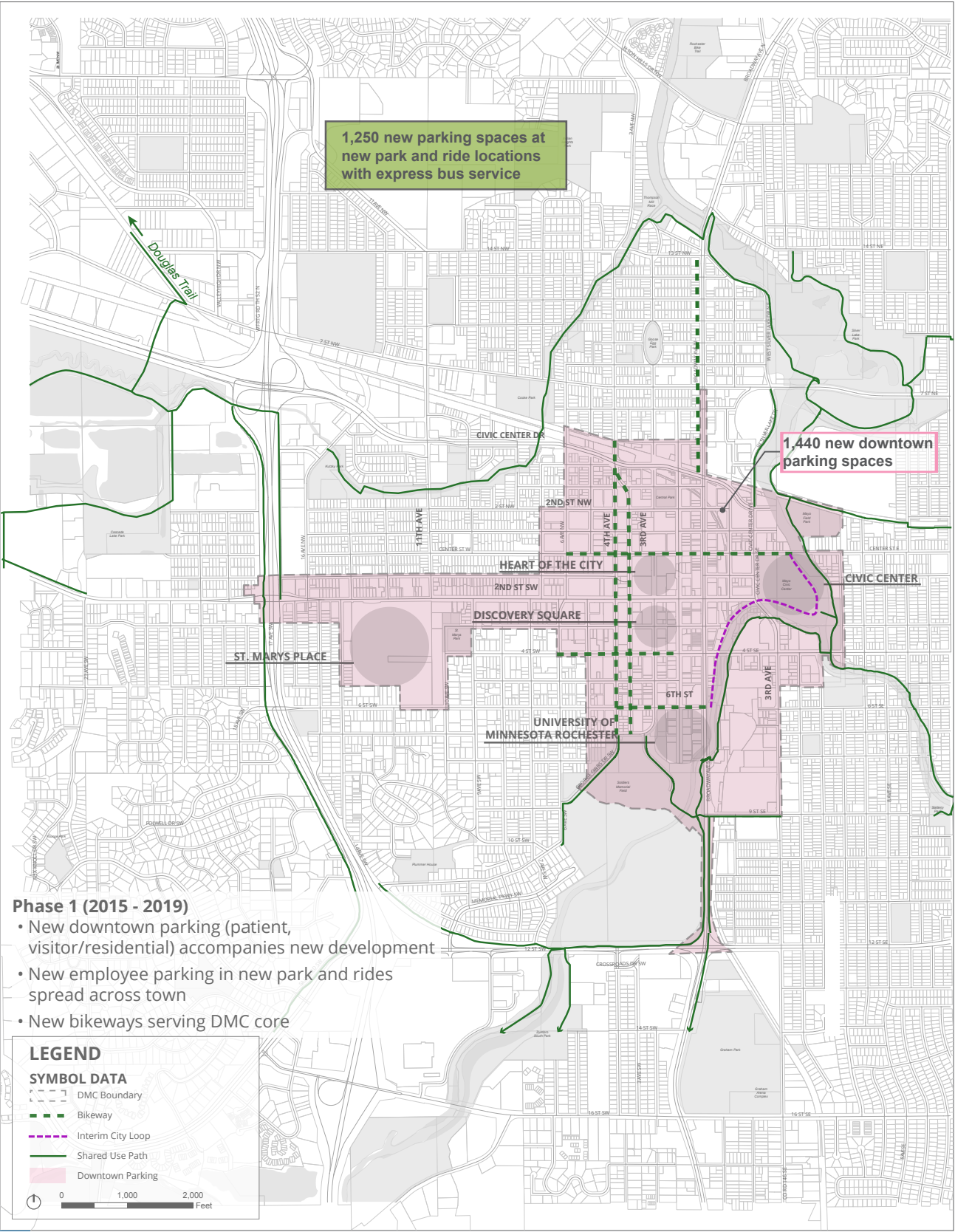


DMC TRANSPORTATION PRINCIPLES SUPPORTED BY CITY LOOP

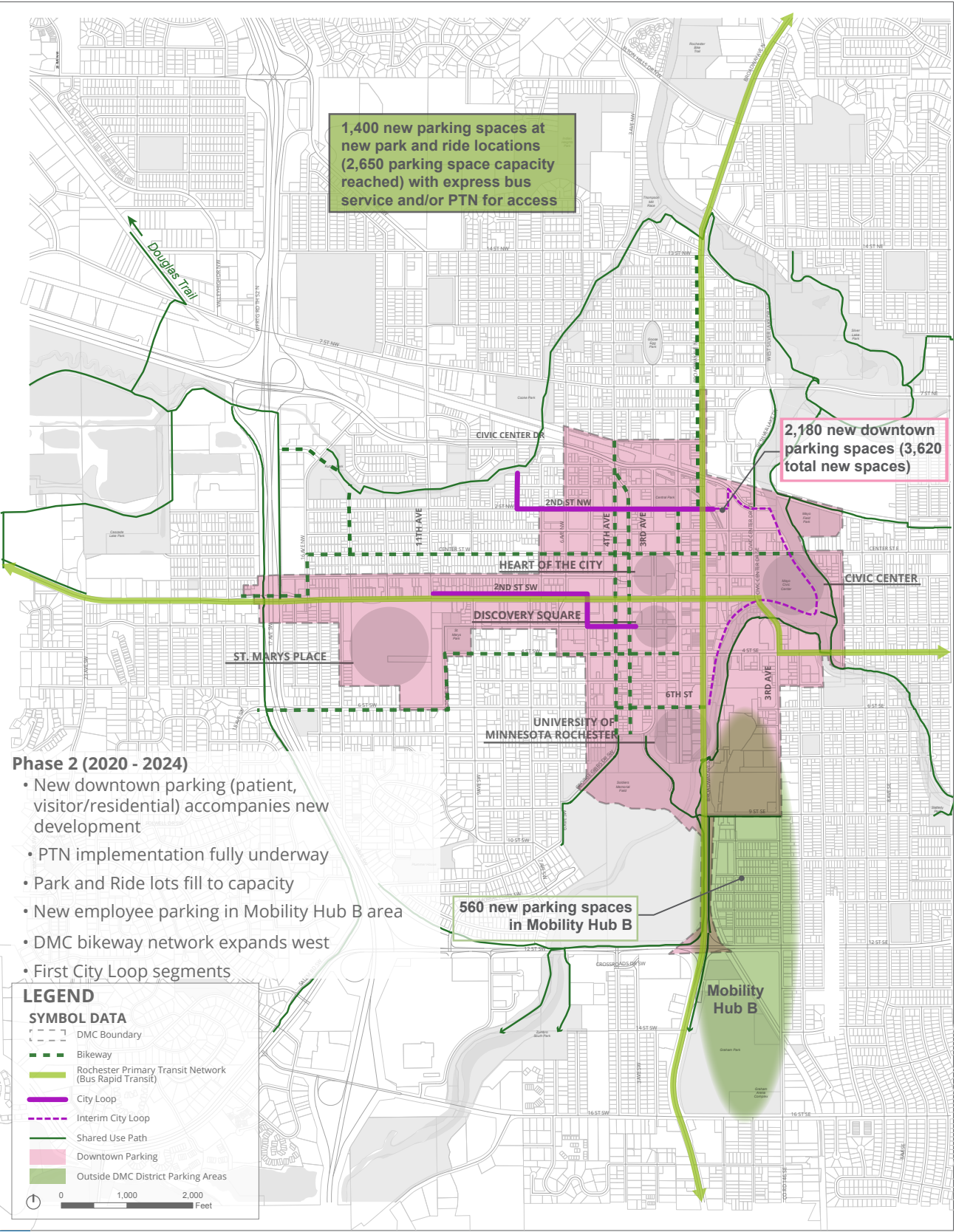
- World-class streets, designed for people
- Healthy, human-powered transportation
- Reduce the ecological footprint of the City
- Transportation network accessible to all people

INTEGRATED TRANSIT STUDIES: PHASES 1-2

INTEGRATED TRANSIT STUDIES - PHASE 1

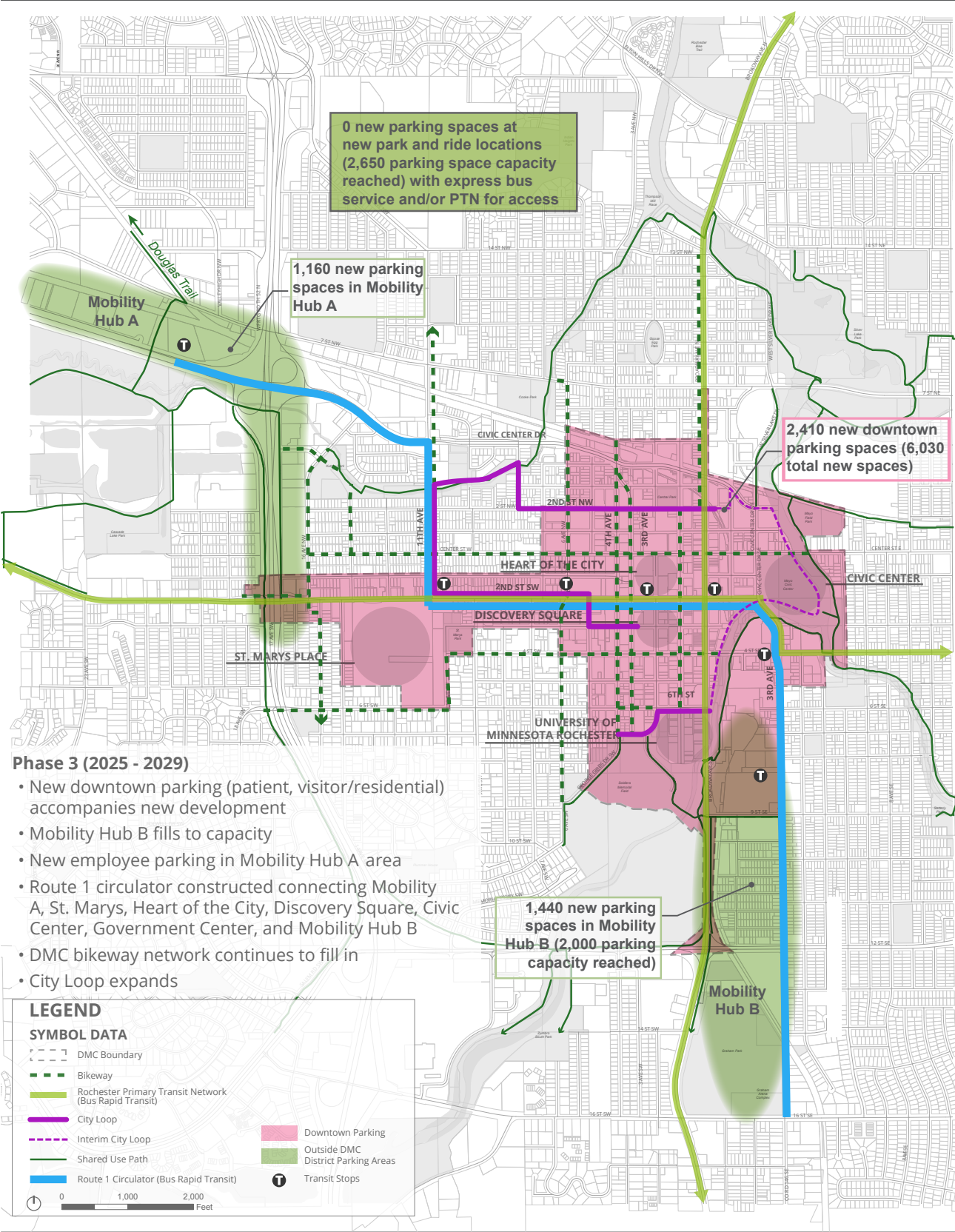


INTEGRATED TRANSIT STUDIES - PHASE 2

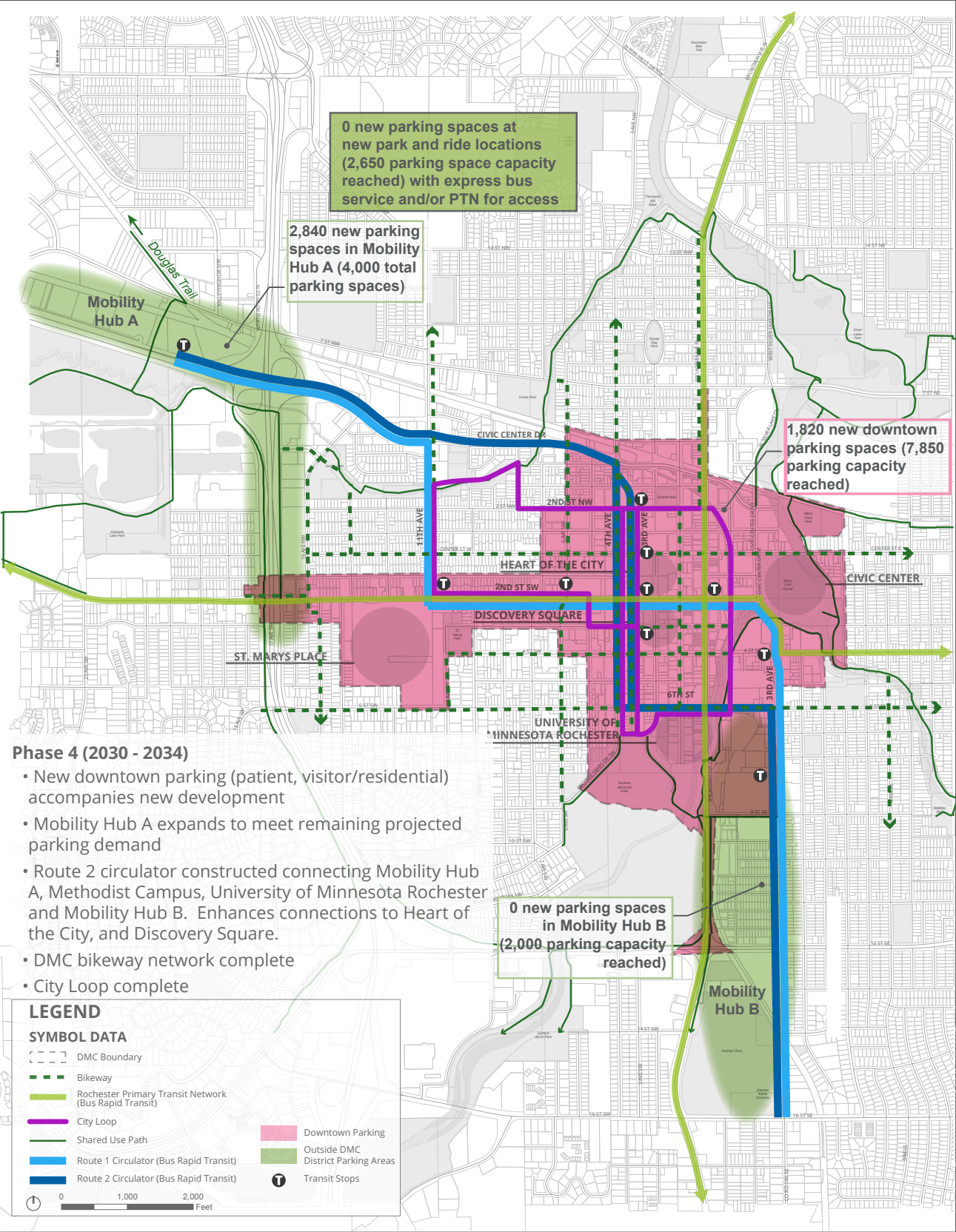


INTEGRATED TRANSIT STUDIES: PHASES 3-4

INTEGRATED TRANSIT STUDIES - PHASE 3



INTEGRATED TRANSIT STUDIES - PHASE 4





DMC Transportation Plan

March 2018

Status Report & Next Steps

DMC Mission & Vision



DMC Mission

With Mayo Clinic at its heart, the Destination Medical Center (DMC) initiative will be the catalyst to position Rochester, Minnesota as the world's premier destination center for health and wellness; attracting people, investment and jobs to America's city for health and supporting the economic growth of Minnesota and its biosciences sector.

DMC Vision

To create the highest quality patient, companion, visitor and community resident experience.



DMC Priorities

Heart of the City



Discovery Square



Transportation

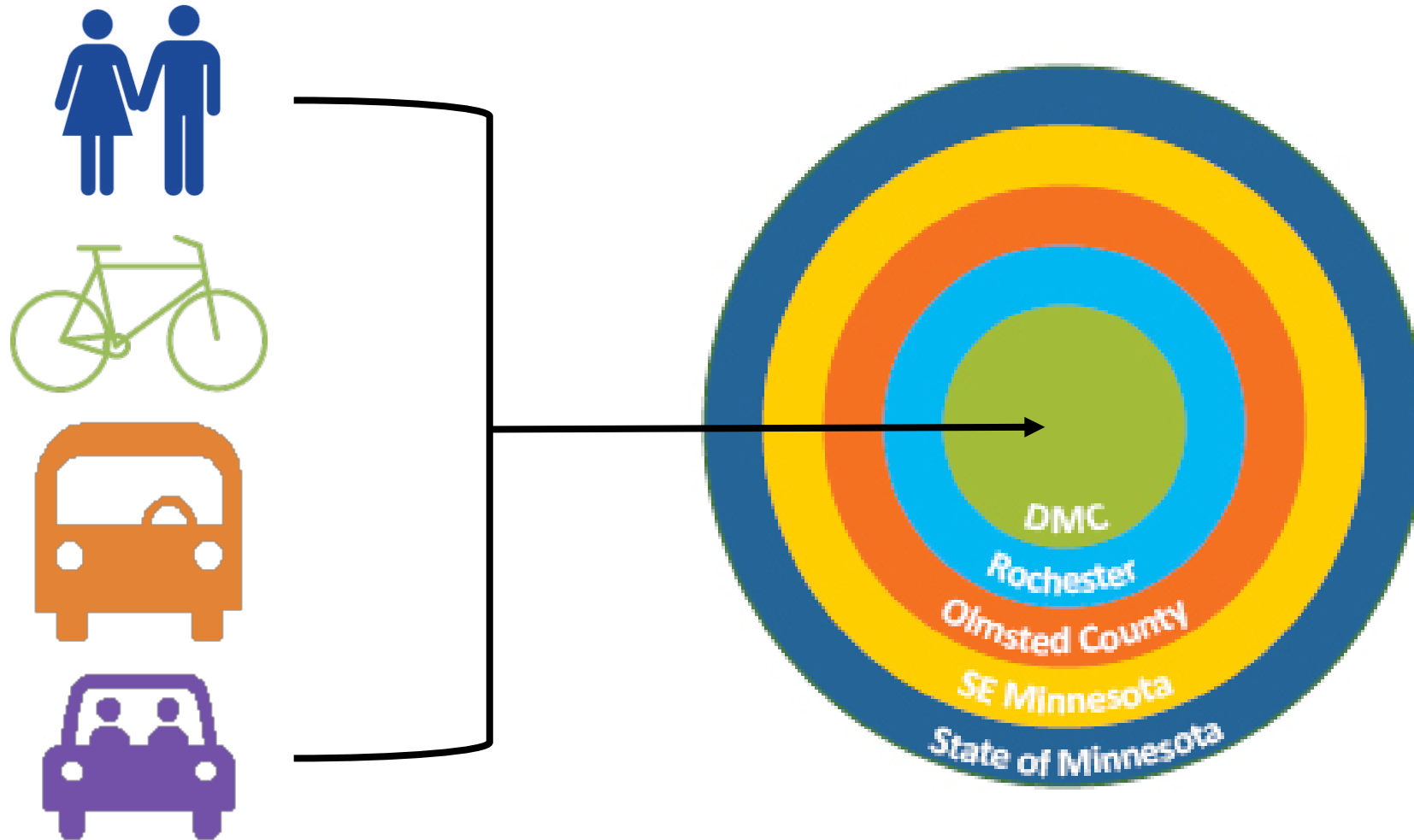


Purpose of the Studies

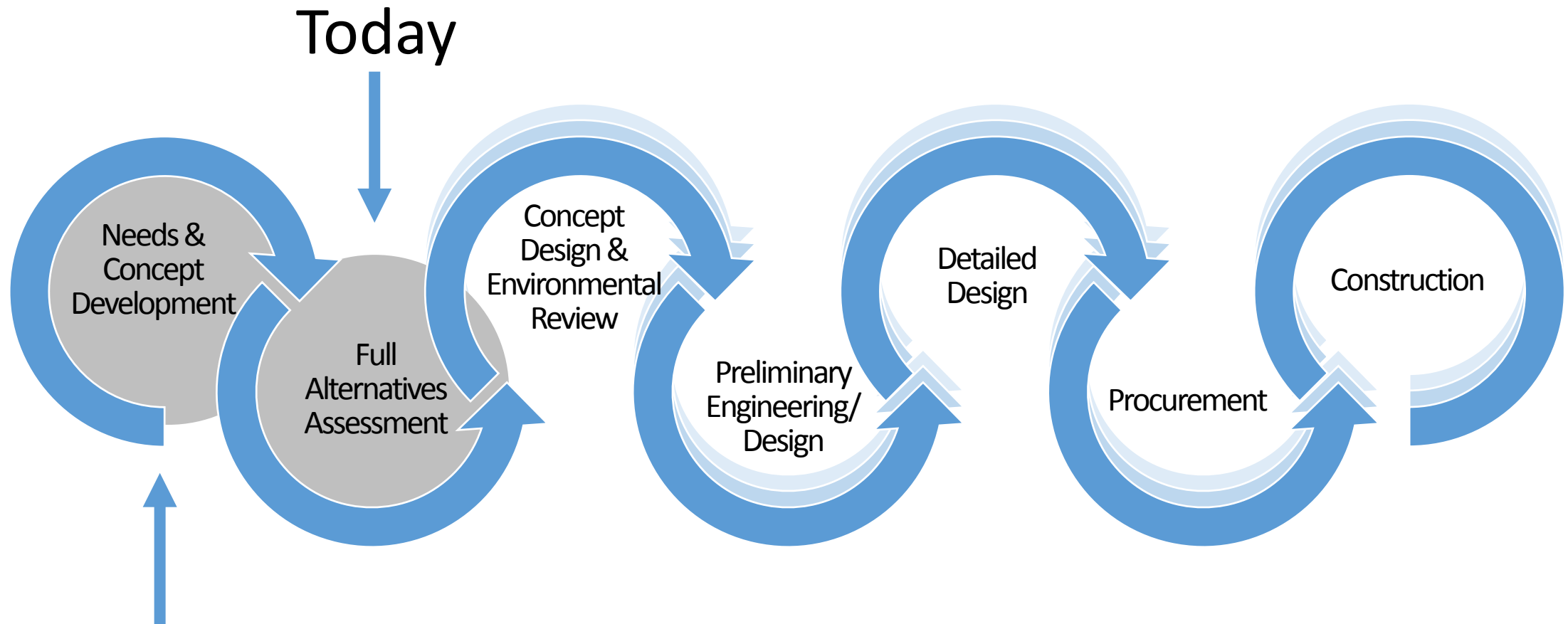
- Refine the vision of the DMC Transportation Plan
- Rigorous study of the alternatives
- Answer key questions:
 - What will fit in the available space?
 - Best, most cost-effective use of public dollars?
 - Public supportive of significant change?
- Prepare for design, procurement, and access to state & federal funds



Scope



Where We Are



DMC Development Plan
April 2015



Key Findings

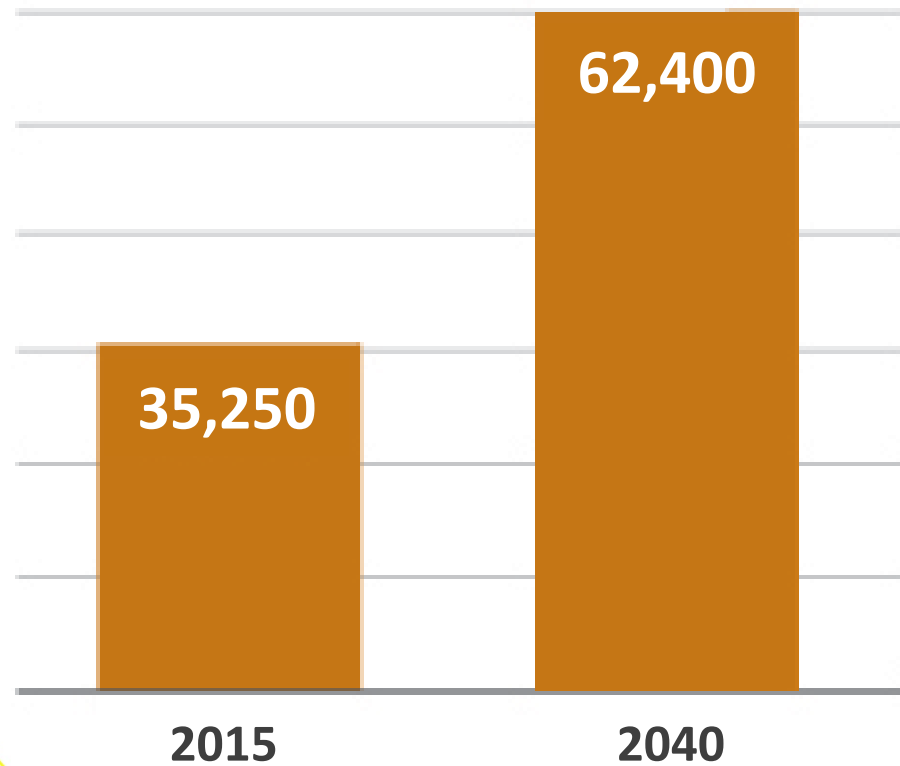
- There is a need for a new transportation solution
- Best solution is an integrated one
- A combination of infrastructure and policies, programs, and incentives
- Phased approach based on measurable demand triggers
- Diverse funding is required



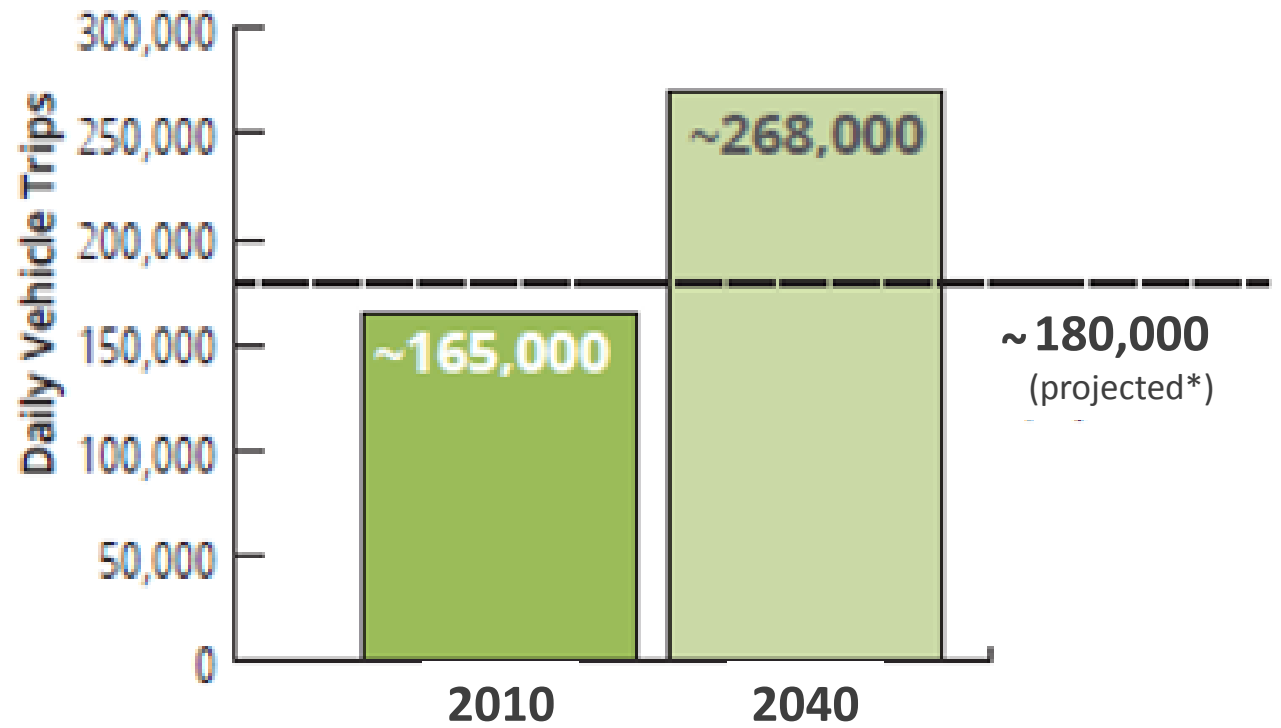
There is a Need

Growth in the DMC District

EMPLOYMENT:



VEHICLE TRIPS IN/OUT OF DMC DISTRICT

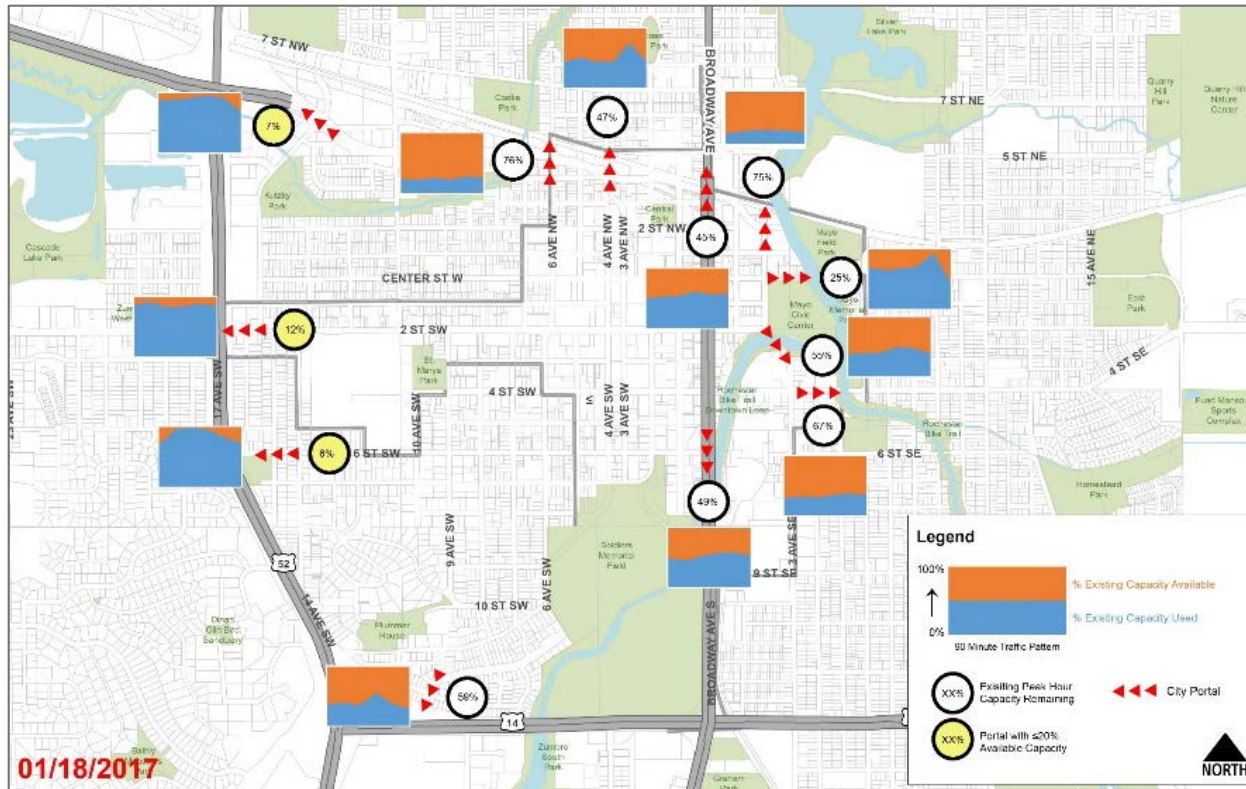


**Projected vehicle trips in 2040 assuming implementation of DMC and Comprehensive Plan transit and land use programs.*

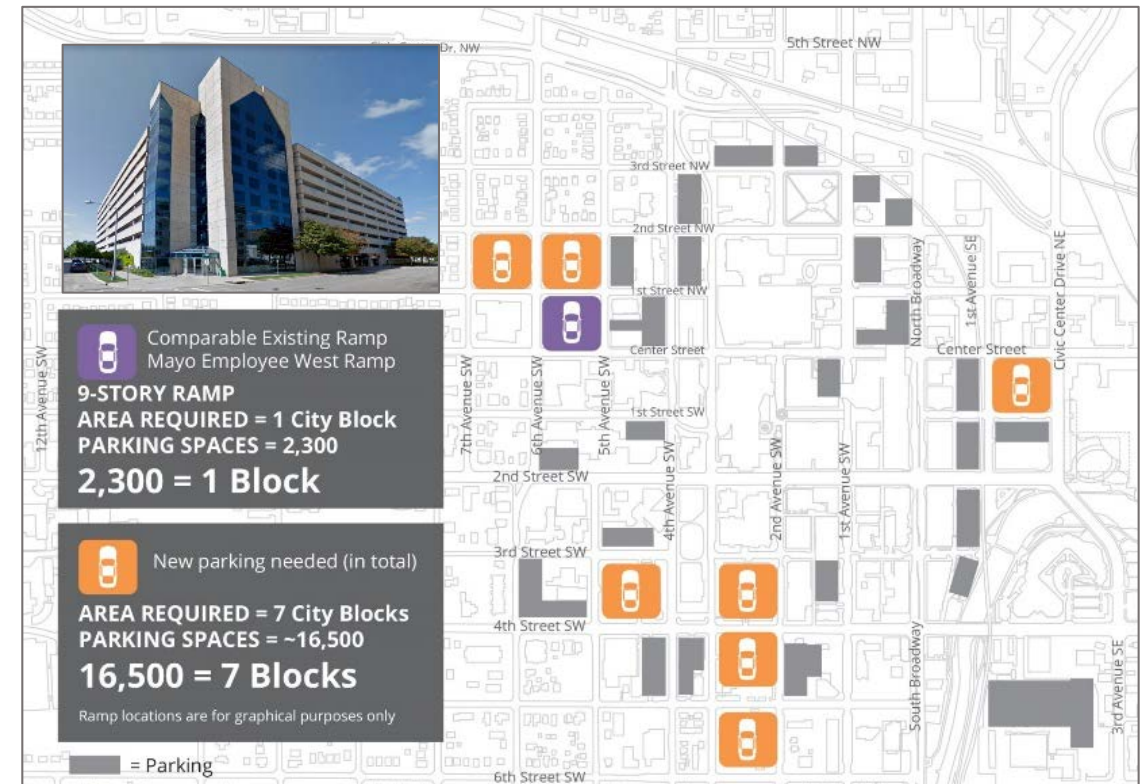


There is a Need

Limited street capacity



Higher land use priorities



There is a Need

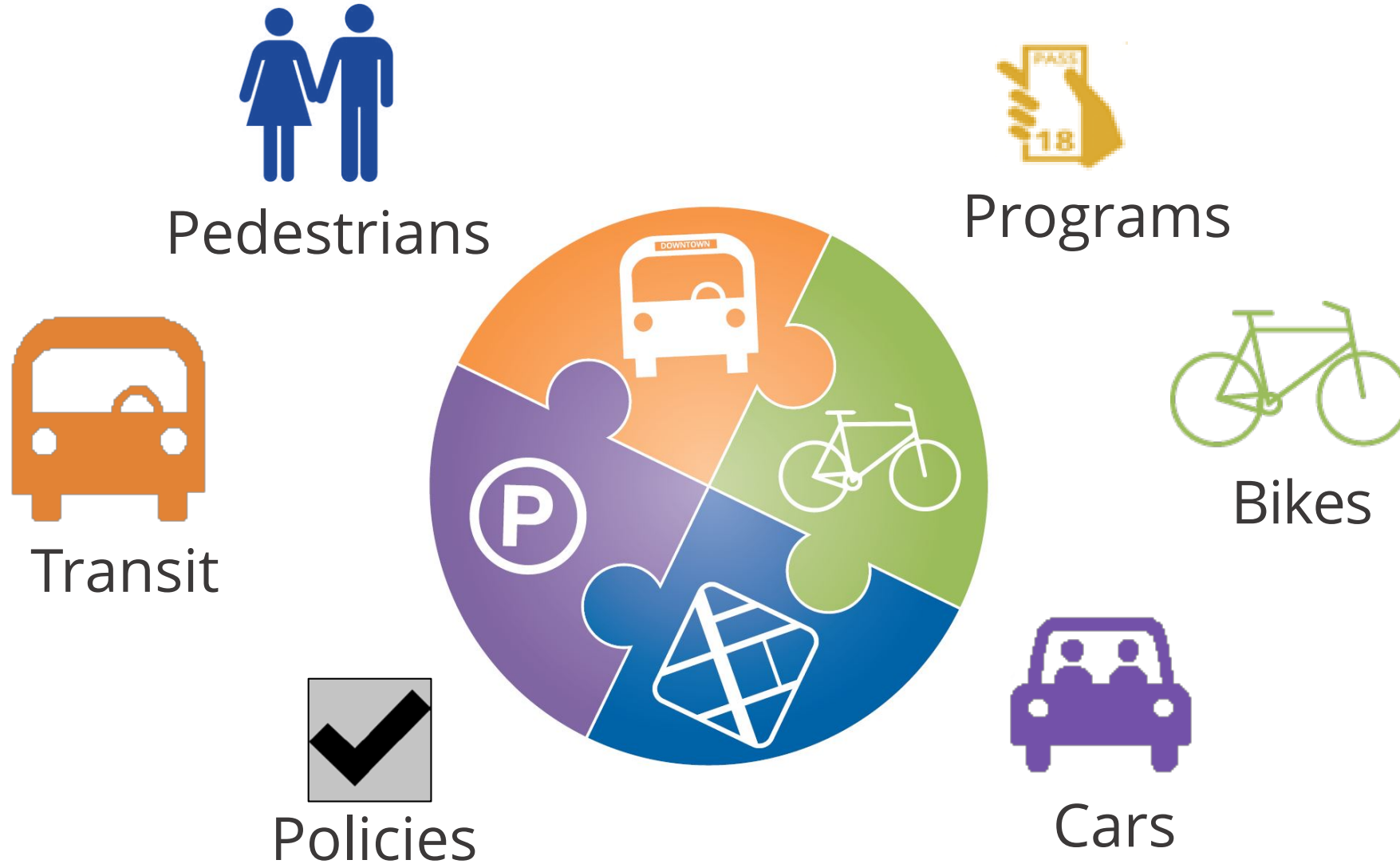
Do we agree...

1. Population and employment growth
2. Limited street capacity
3. Higher land use priorities

Warrant a new transportation solution?

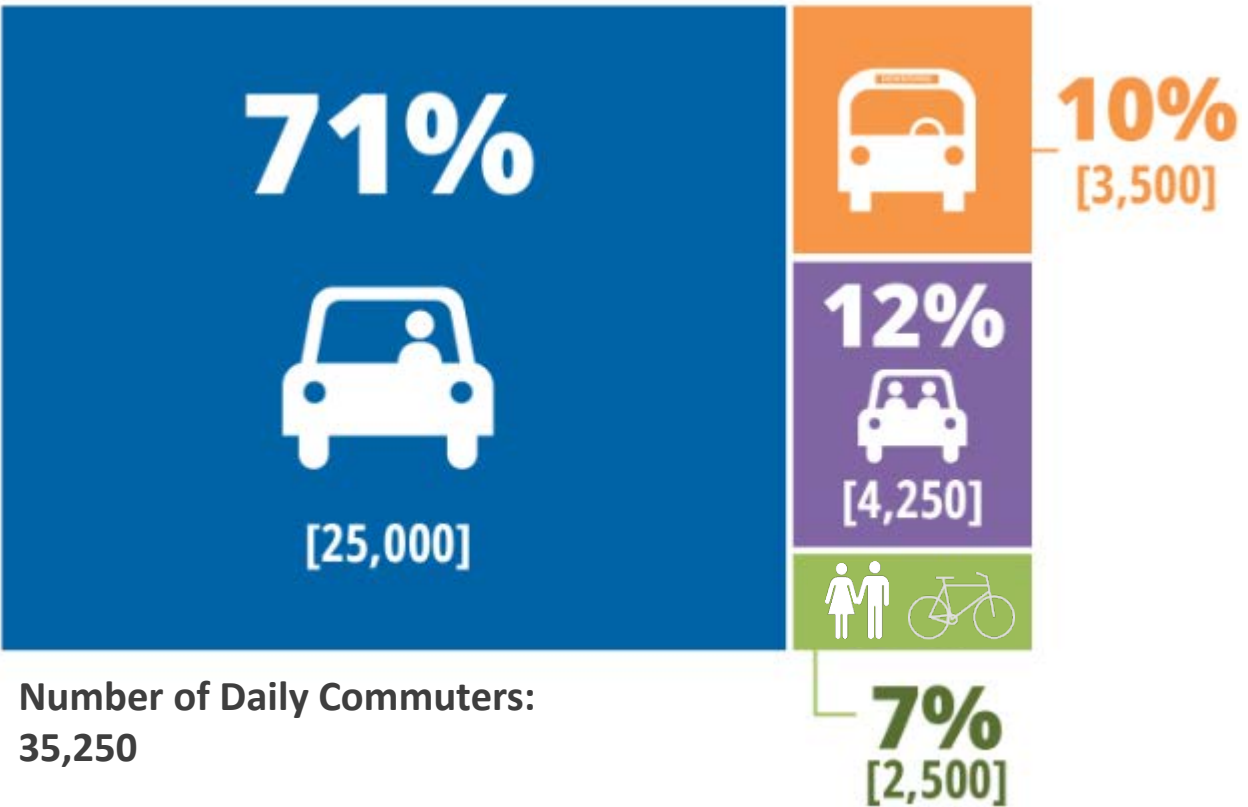


Best Solution is an Integrated Solution



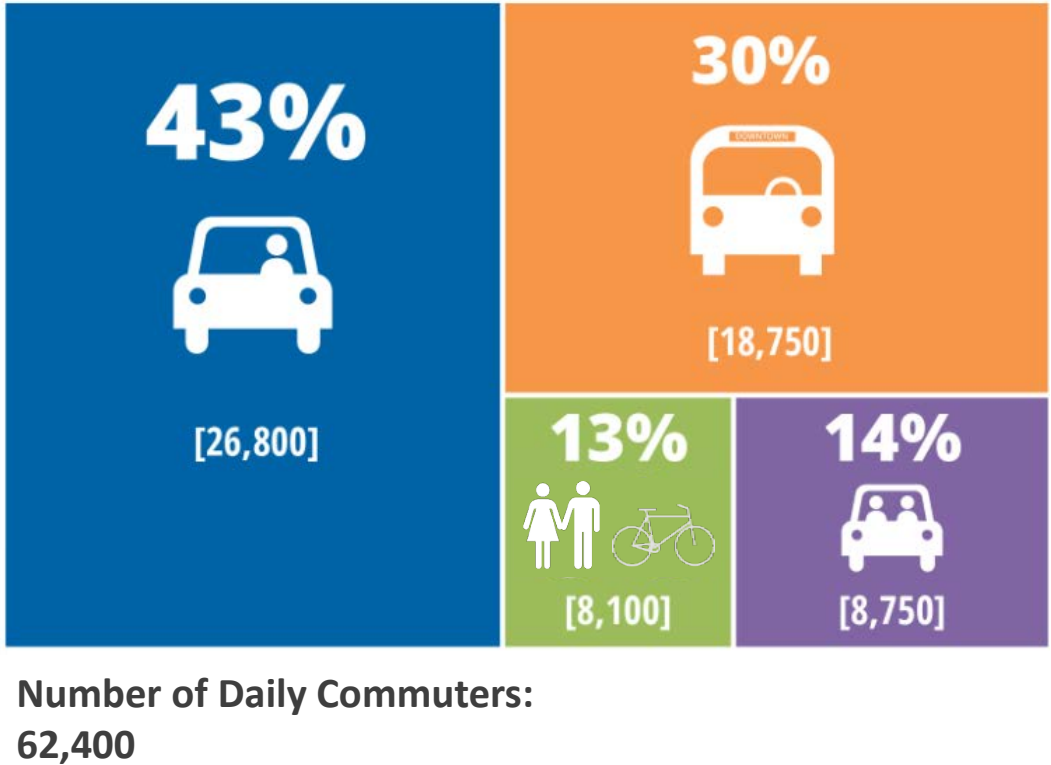
Best Solution is an Integrated Solution

TODAY



Number of Daily Commuters:
35,250

2040 TARGET



Number of Daily Commuters:
62,400



Policies and Infrastructure

Policies, programs, and incentives

Parking policies

Facility improvements

Active transportation

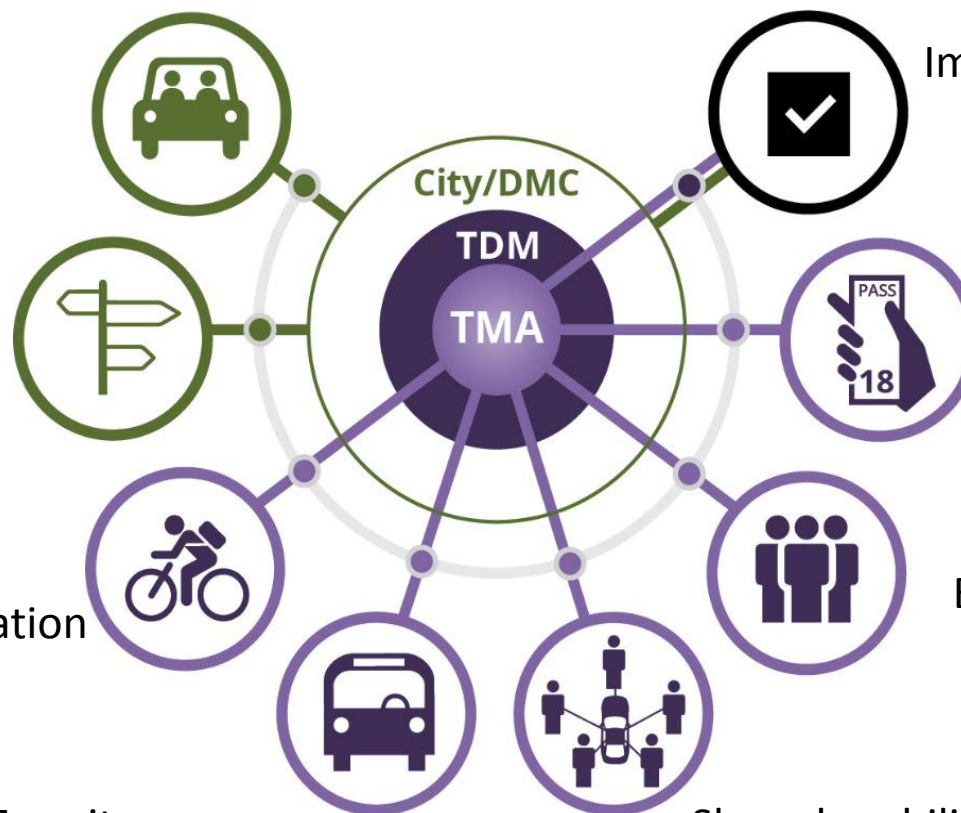
Transit programs

Shared mobility

Implementation

Developer policies

Education



Examples may include:

- Improved wayfinding
- Free transit passes
- Trip planning & ride matching
- On-site showers & bike parking
- Guaranteed ride home

**A Transportation Management Association (TMA) is an organized body that facilitates and encourages alternate modes of transportation that are defined in a Transportation Demand Management (TDM) strategy.*

Policies and Infrastructure

Infrastructure

New Transit Services



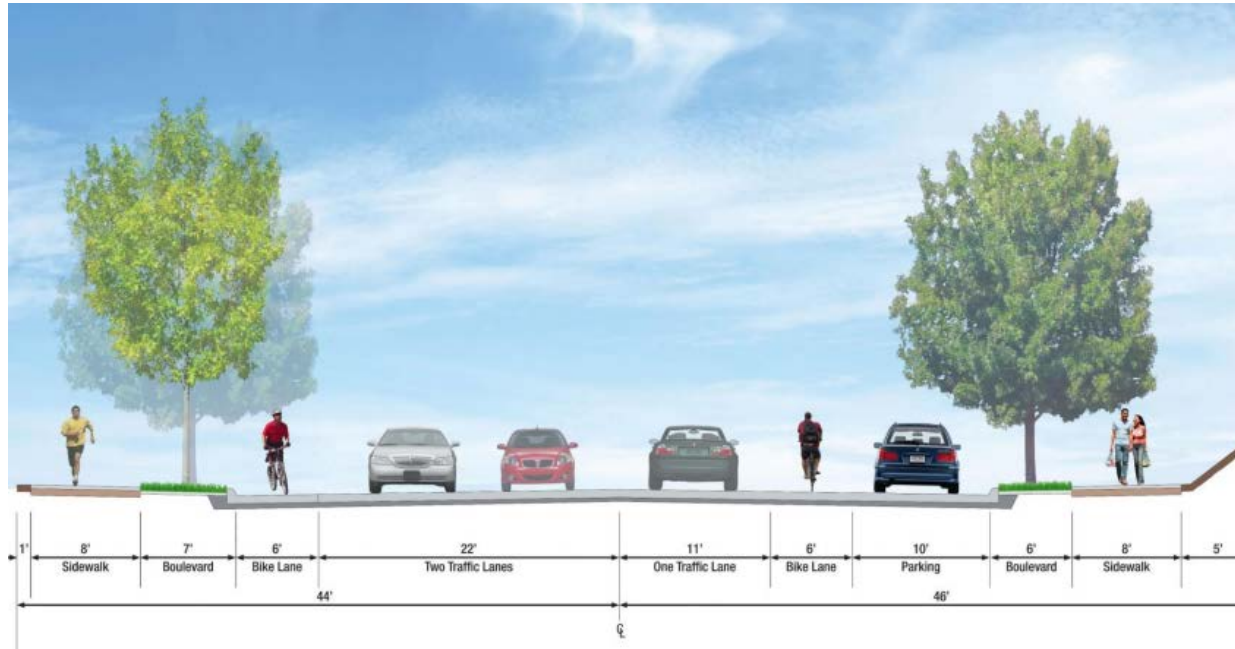
Integrated Mixed Use Park & Ride Facilities



Policies and Infrastructure

Infrastructure

Street Improvements



New Walking & Biking Facilities



Do we agree...

1. Infrastructure alone won't cause a mode shift
2. We should launch a TMA in Rochester
3. All types of users and modes should be accommodated
4. Increase bike and pedestrian network without reducing traffic lanes
5. Transit should be at grade, rubber-tired, and Bus Rapid Transit

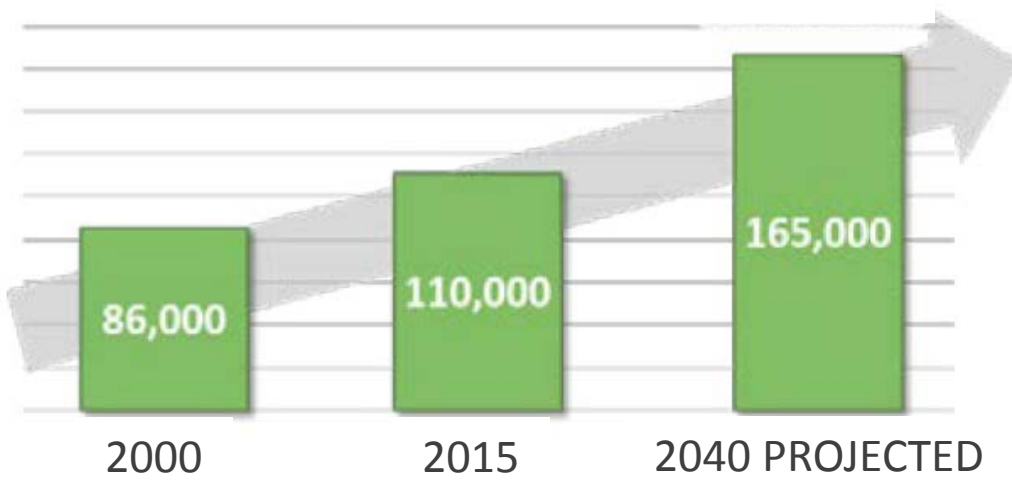
A combination of infrastructure and policies, programs, and incentives is required?



Phased Approach Based on Demand

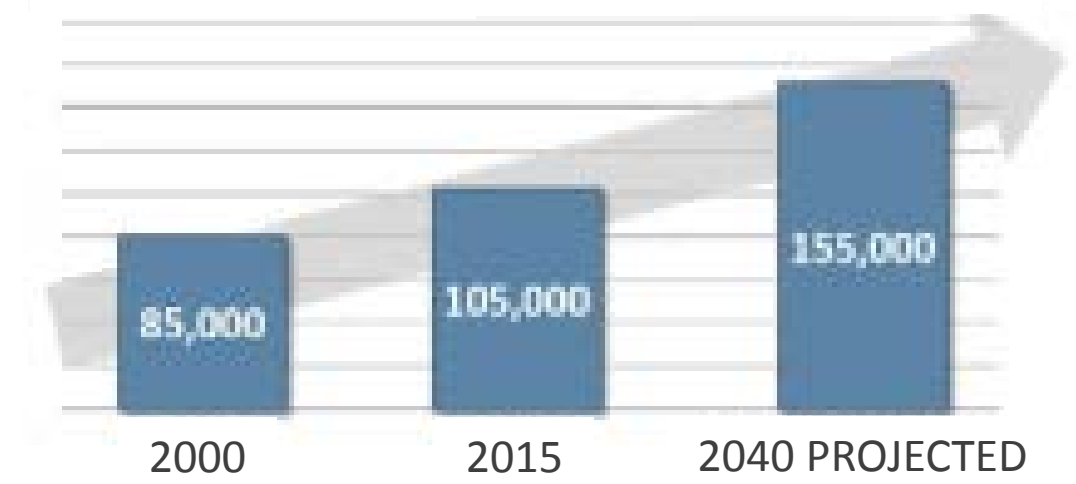
POPULATION:

55,000 new residents

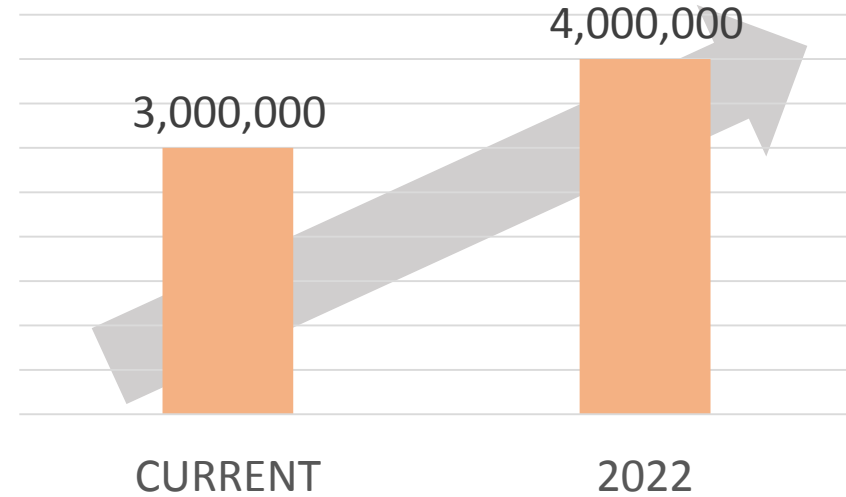


EMPLOYMENT:

50,000 new jobs



VISITORS:



Phased Approach Based on Demand

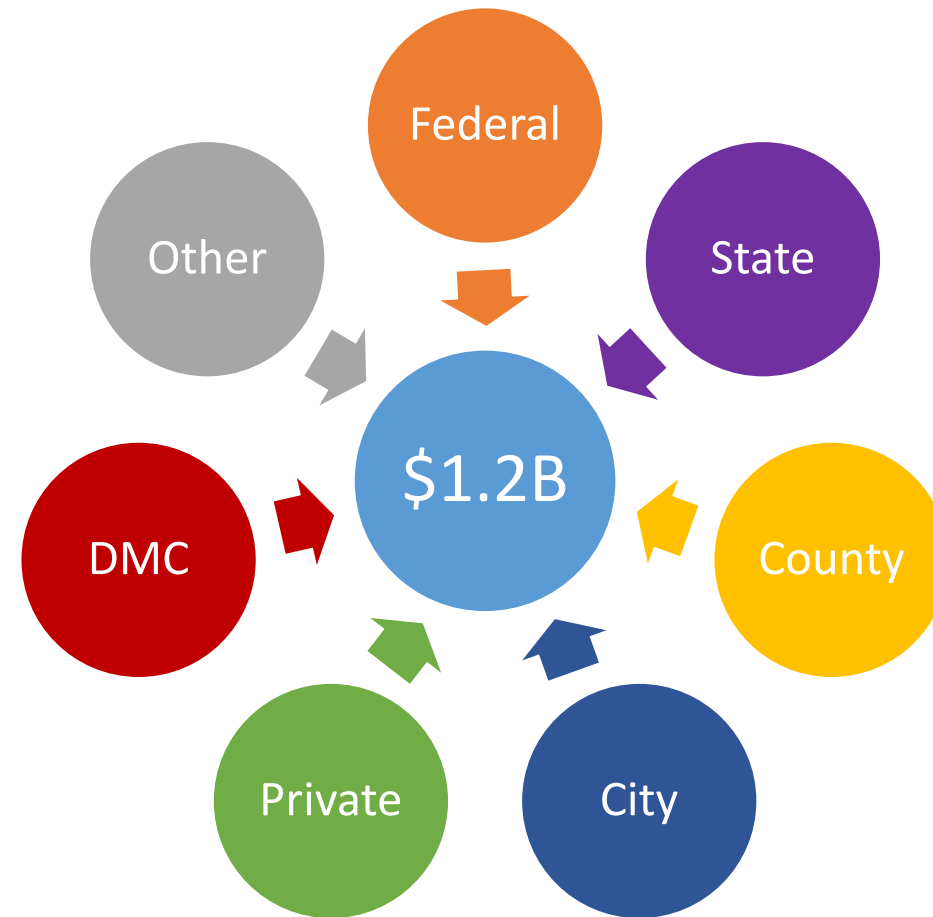
Do we agree...

1. That transportation program should be phased
2. That phasing metrics are based on population, employment, and visitor growth
3. Initial phasing and prioritization should be determined in 2018

A phased approach should be based on measurable demand triggers?



Diverse Funding is Required



Diverse Funding is Required

Do we agree...

1. Multiple sources of funding will be needed
2. We should develop a plan that allows us to pursue federal and state funding
3. We should engage with potential funders/developers at this stage of the project

Diverse funding is required?



Key Findings

1. There is a need for a new transportation solution
2. Best solution is an integrated one
3. A combination of infrastructure and policies, programs, and incentives
4. Phased approach based on measurable demand triggers
5. Diverse funding is required

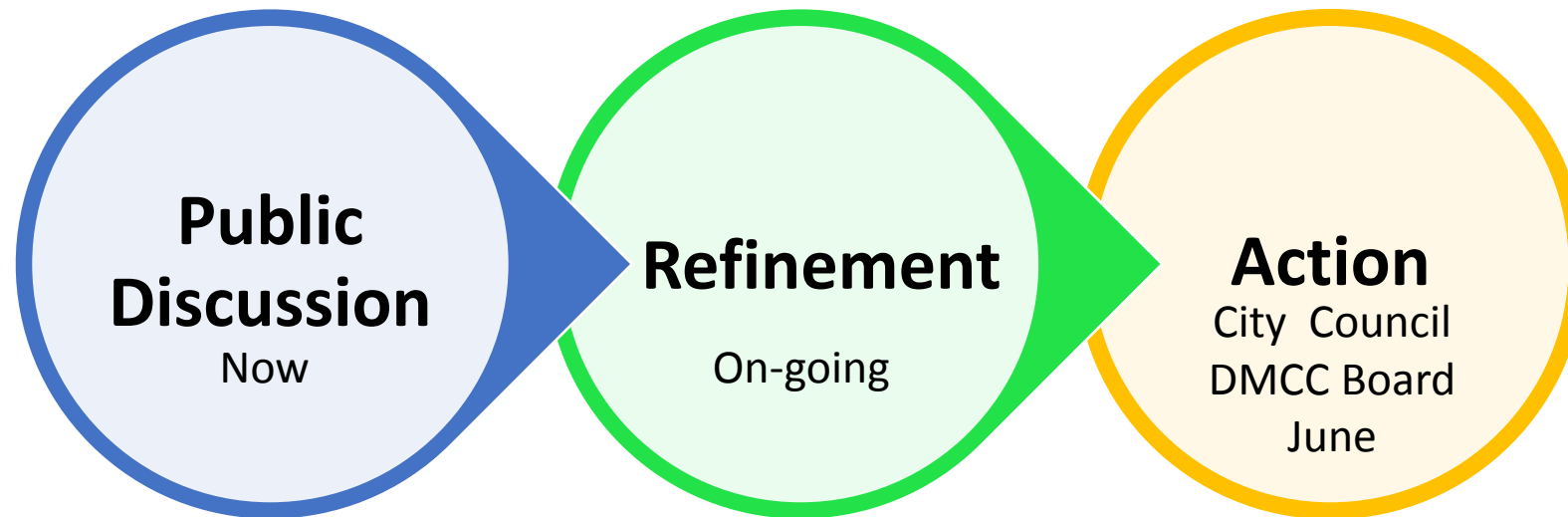


Moving Forward

1. All types of users and modes accommodated
2. Launch a TMA in Rochester
3. Increase bike and pedestrian network without reducing traffic lanes
4. Transit at-grade, rubber-tired, and Bus Rapid Transit
5. Initial phasing and prioritization determined in 2018
6. Engage with potential funders/developers at this stage of the project



Next Steps





Metrics Dashboard

DMC Development Plan Goals



Create a comprehensive strategic plan



Leverage the public investment of \$585 million



Create approximately 30,000 new jobs



Generate approximately \$7.5 - \$8.0 billion in new net tax revenue



Achieve the highest quality patient, companion, visitor, employee, and resident experience

Goal 1. Create a comprehensive strategic plan.

2014-2015

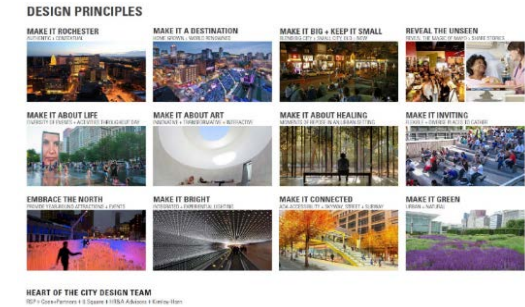
- ✓ DMC Development Plan
- ✓ UMR Campus Master Plan
- ✓ Sustainable Energy Options

2016

- ✓ Discovery Square Project Plan
- ✓ Mayo Clinic Five-Year Plan
- ✓ Chateau Theatre proposal

2017

- ✓ DMC District Design Guidelines
- ✓ Heart of the City Public Realm
- ✓ Saint Marys Place Public Realm



Goal 2. Leverage the public investment to attract more than \$5 billion in private investment.

\$585 Million
Public



\$5.5 Billion
Private

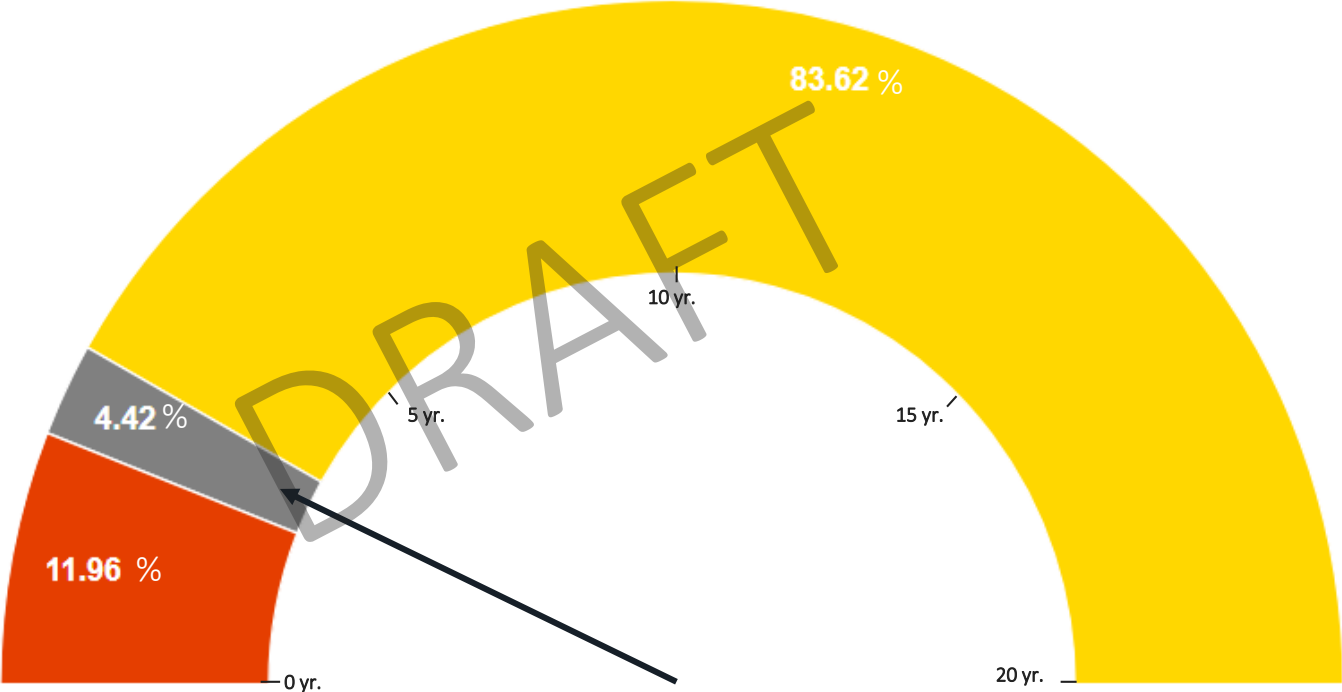
DRAFT
Approximately 1:10 Ratio

2015-2035

Goal 2. Continued

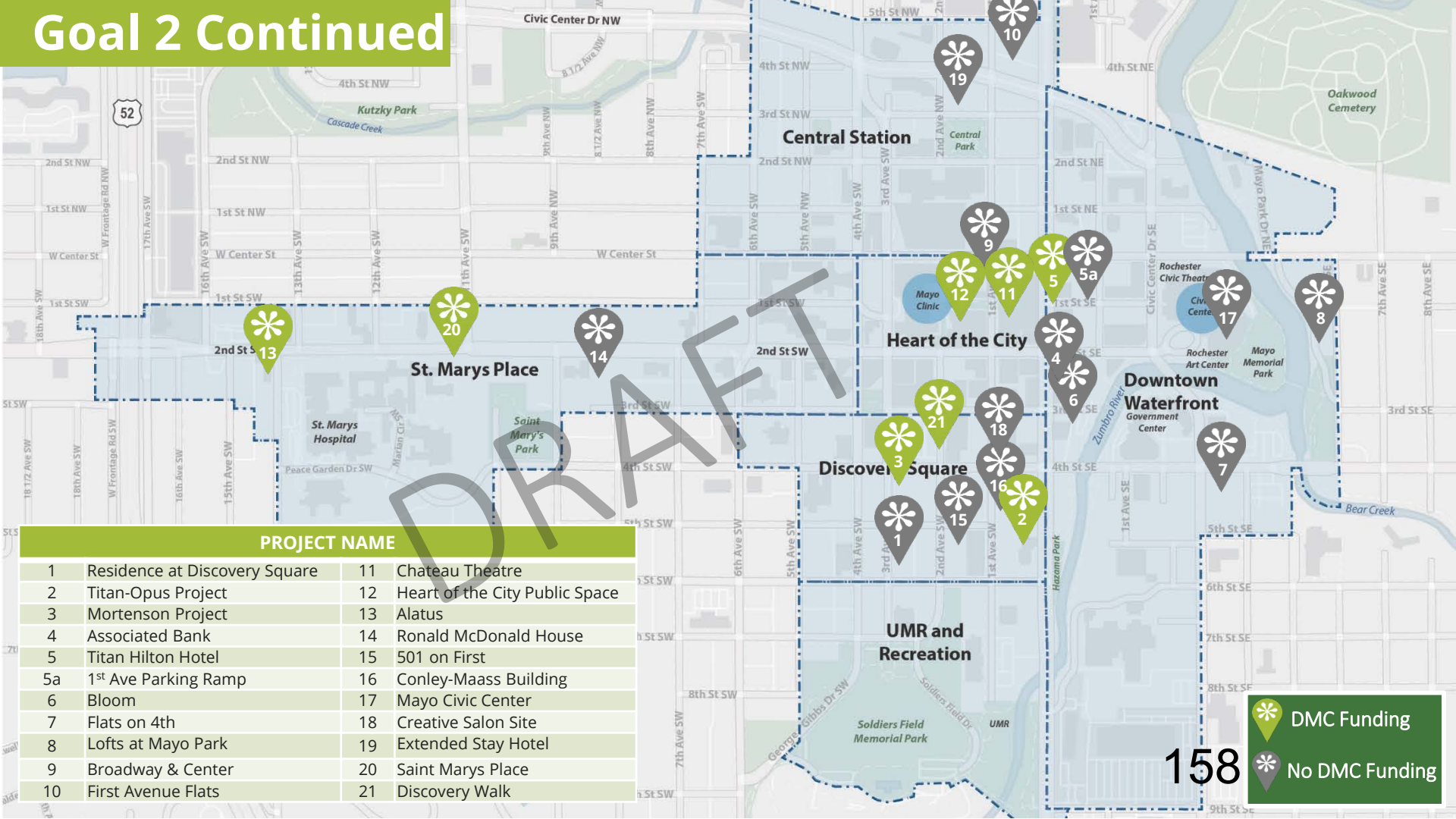
Development Projects Totaling \$5.5 Billion

● Secured Projects ● Pipeline Projects ● Yet To Be Determined



● Secured Projects- approved, under construction or completed.

Goal 2 Continued



PROJECT NAME

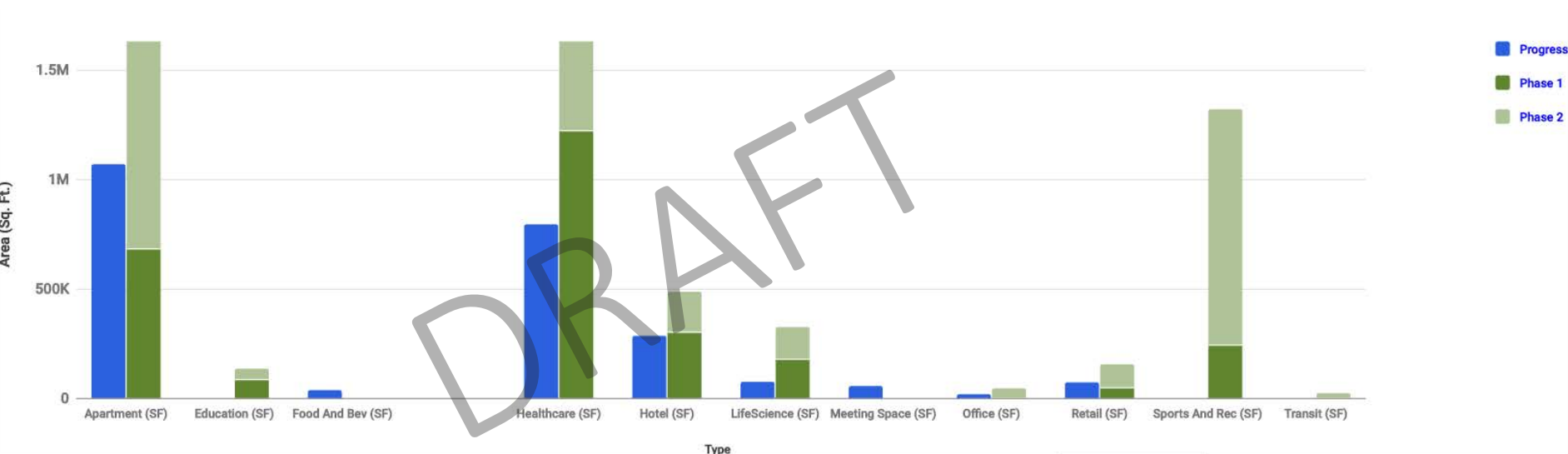
1	Residence at Discovery Square	11	Chateau Theatre
2	Titan-Opus Project	12	Heart of the City Public Space
3	Mortenson Project	13	Alatus
4	Associated Bank	14	Ronald McDonald House
5	Titan Hilton Hotel	15	501 on First
5a	1st Ave Parking Ramp	16	Conley-Maass Building
6	Bloom	17	Mayo Civic Center
7	Flats on 4th	18	Creative Salon Site
8	Lofts at Mayo Park	19	Extended Stay Hotel
9	Broadway & Center	20	Saint Marys Place
10	First Avenue Flats	21	Discovery Walk

DMC Funding
 No DMC Funding

158

Goal 2. Continued

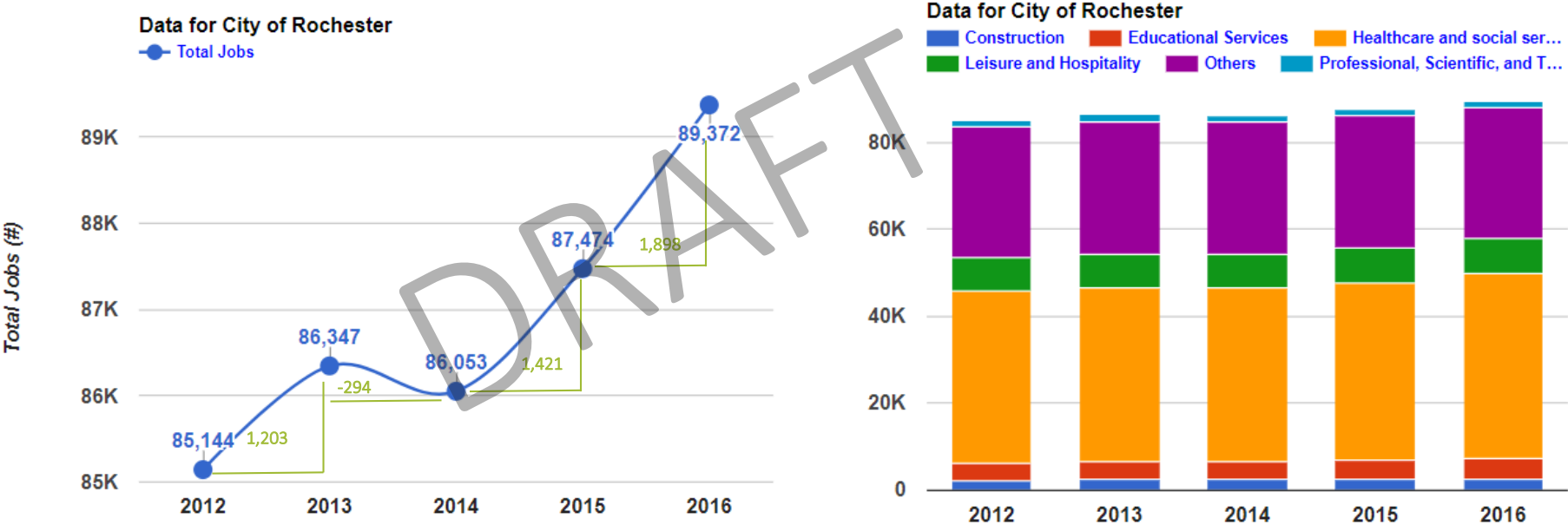
Private Development Progress Comparison to Anticipated Market Demand



**All progress represents projects that have been approved, under construction or completed.*

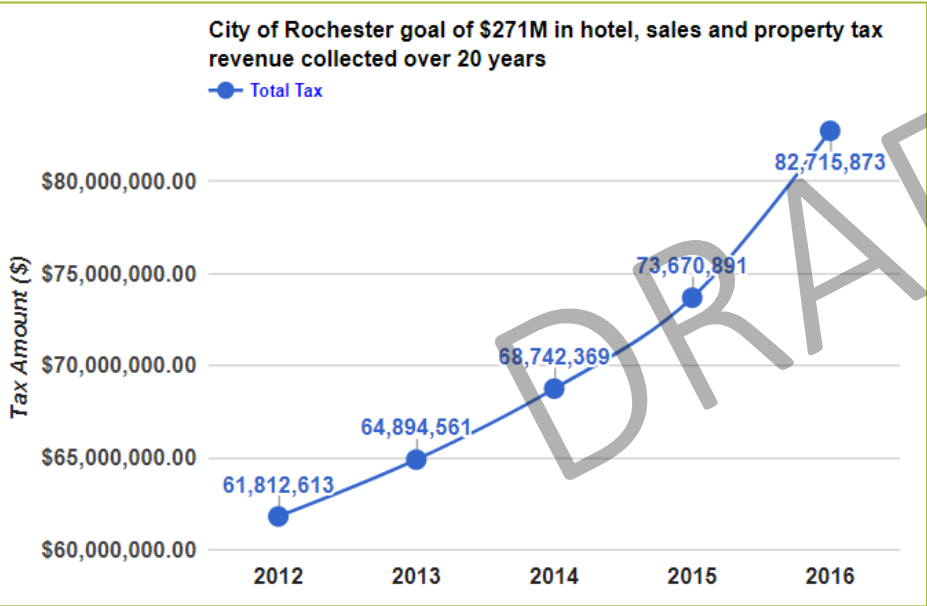
[Download Report](#)

Goal 3. Create approximately 30,000 new jobs. (1,500 jobs/year)

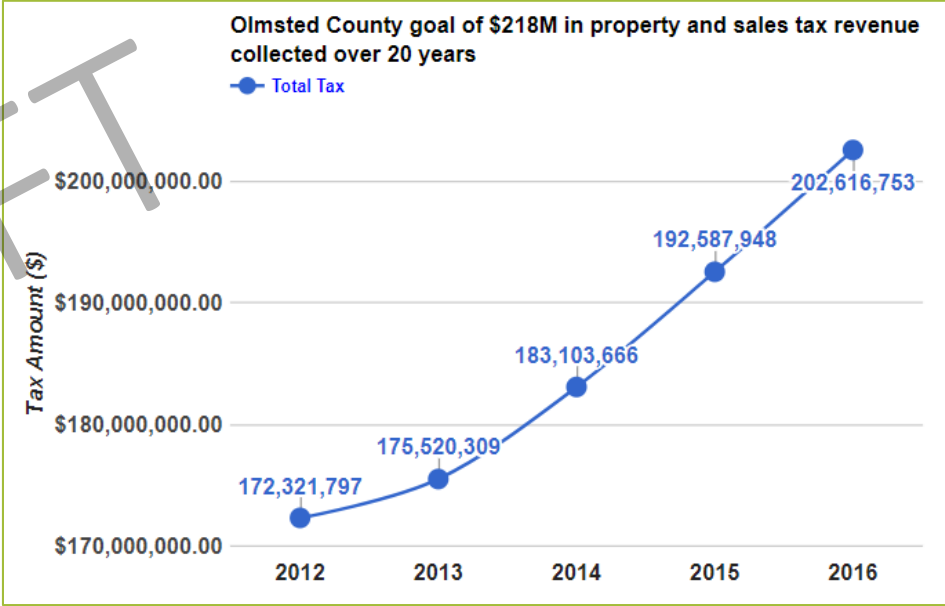


Sources: DEED, Quarterly Census of Employment & Wages, Longitudinal Employer-Household Dynamics, U.S. Census Bureau

Goal 4. Generate approximately \$7.5 - \$8.0 billion in new net tax revenue.

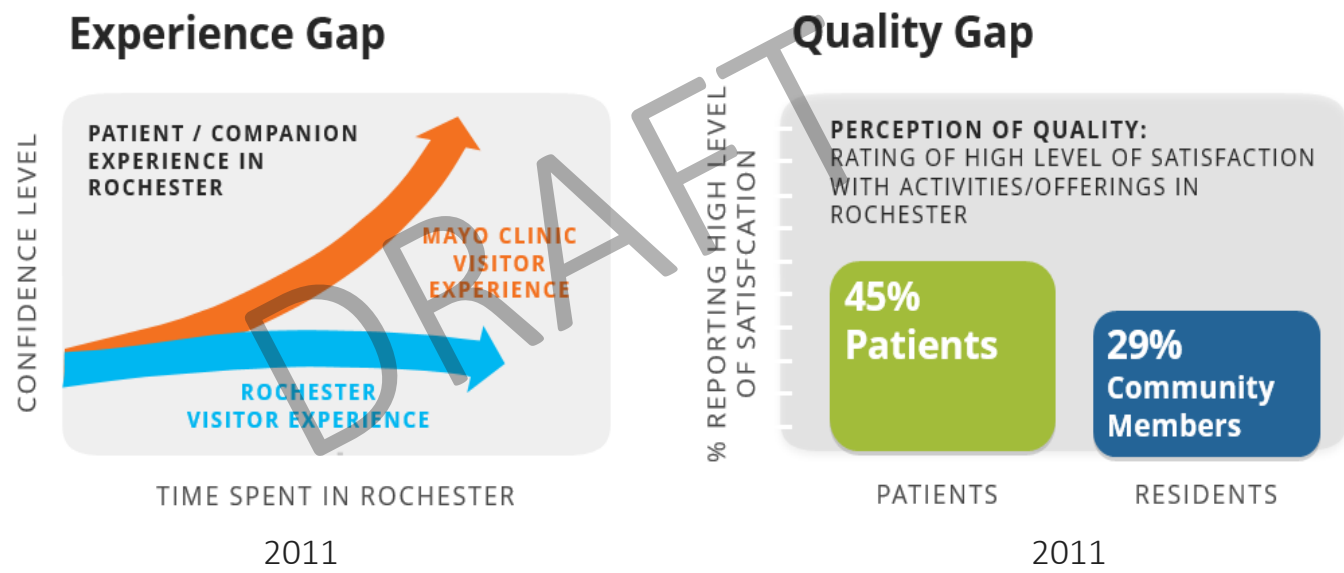


\$42.8M in net tax revenue has been collected since 2012. This is approximately 16% of our 20 year goal to net increase tax revenue to \$271M.



\$64.5M in net tax revenue has been collected since 2012. This is approximately 30% of our 20 year goal to increase net tax revenue to \$218M.

Goal 5. Achieve the highest quality patient, companion, visitor, employee, and resident experience.



Goal 5. Continued

Tools and programs designed to elevate the patient, companion, visitor, employee, and resident experience. Examples include:

Tool / Program	Partner (s)	Audience
Experience Accreditation Program	RCVB	Visitors
Rochester Now App	Mayo Clinic & RCVB	Visitors & Residents
Prototyping the Public Realm Qualitative/ Quantitative Approach	RDA, RAC	Community
Entrepreneur Experience	RAEDI, Collider, Mayo Clinic	Entrepreneurs

Sustainability Update

To: DMCC Board of Directors
From: DMC EDA Staff
Date: March 15, 2018



Overview:

Kevin Bright, DMC EDA's new Energy and Sustainability Director, started on March 6, 2017. His position is split between the DMC EDA and the City of Rochester where 80% of his time is with the EDA and the remaining 20% with the City. Over the past year, he has continued to meet with the City, community partners, environmental organizations and the Energy Integration Committee (EIC) on a variety of topics outlined below.

Progress To-Date:

- o Individual Development Projects
 - In order to clearly outline the expected environmental and energy outcomes of DMC projects, a draft Sustainable Building Policy has been drafted and reviewed with key stakeholders at the City, developers, EIC, and local and state-wide environmental organizations. As part of an update to the DMC Application, the environmental and energy outcomes expected for projects will be added.
- o DMC District
 - District Energy – A draft process document has been created for individual projects to inquire about connecting to a downtown district energy system.
 - Voluntary Commercial Energy Benchmarking – The EIC is moving forward with the launch of a voluntary commercial energy benchmarking program with several partners in the City and County. The City and County have combined their benchmarking data and the landing page for the program is being established. This program would be open to buildings both inside and outside the DMC District.
- o Culture of Sustainability
 - In collaboration with local environmental and government commissions, the DMC launched a Sustainability Series in late 2017 meant to convene interested parties to learn more about a variety of environmental topics over lunch, once a month. This Lunch and Learn concept is meant to accomplish a few items: (1) connect those in the community working on environmental topics; (2) share best practices across disciplines; (3) cultivate new working relationships and collaborations; and (4) grow environmental awareness throughout the community. Thus far, presentations have covered the DMC sustainability goals, net zero building design in Minnesota, and Mayo's methods to achieving their energy reduction goal.



Marketing & Communications Q4 2017 Update/2018 Preview

2017 DMC Marketing Plan Objectives:

- Build awareness, gain national attention market to investors and developers and possible discovery square tenants
- Demonstrate continued momentum
- Drive traffic to DMC.mn - Build interest in life sciences and real estate developers/investor audiences
- In Q4, in addition to brand awareness advertising, DMC allocated resources to test lead generation with a LinkedIn advertising campaign

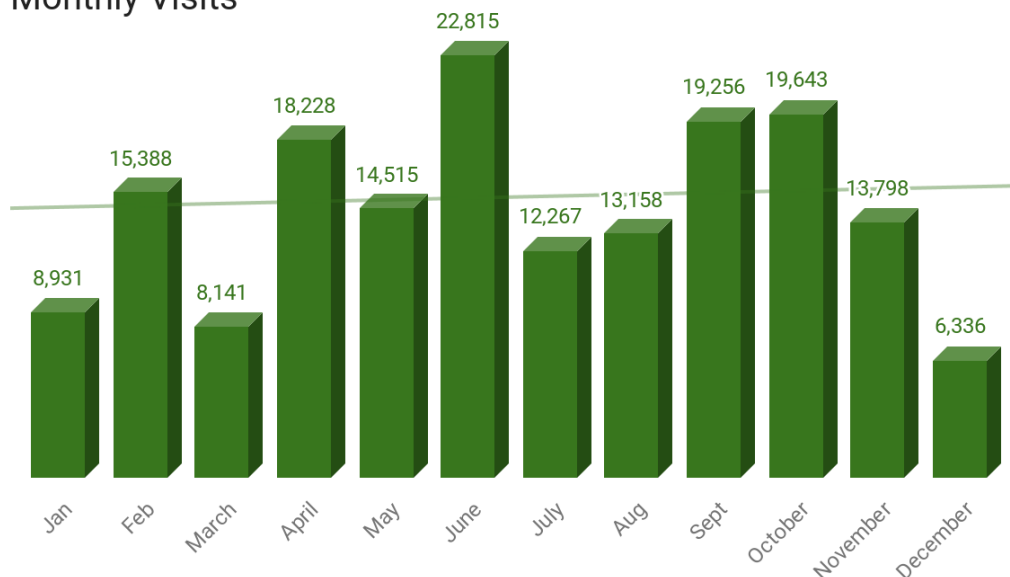
2018 Objectives:

2018 goals: Support DMC development by driving qualified investor/developer, entrepreneur and life science leads through hyper-targeted digital strategies; keep DMC top-of-mind with key influencers and stakeholders. Target audiences include: investors, healthcare innovators, commercial real estate and life science professionals. Target markets include upper Midwest and select national markets.

Website Sessions (Visit)

Description	Target Metric	Current Metric
Website sessions	Q1-Q4 30,000-50,000/quarter or 10,000-15,000/month. 2018: Shifting to a targeted (qualified) audience of investors/developers/Discovery Square tenant prospects.	Q1: 32,460 sessions Q2: 55,558 sessions Q3: 44,681 sessions Q4: 39,777 sessions

Monthly Visits



DMC.mn blogs/eNewsletters

During Q4, 18 blogs were published on the DMC website.

The blogs were also included in DMC's six bi-monthly e-newsletters, which are sent to more than 3,000 email addresses.

Earned media

Q4 DMC-related media stories totaled 580 with an estimated media value of \$2.98 million and estimated reach (impressions) of 332 million.

Highlights for Q4 include: Discovery Square, Tina Smith, Look Ahead, Sustainability Series

From Jan. 1, 2017 through Dec. 31, 2017, 2070 DMC-related media stories were tracked with an estimated media value of \$8.22 million and estimated reach (impressions) of 889 million

Source: Meltwater News Media Monitoring

GEOGRAPHIC REACH

Goal: Drive national traffic to DMC.mn by diversifying and growing audiences beyond Rochester and state of Minnesota

Success Metric: Geographic reach

Description	Target Metric	Current Metric
Geographic reach beyond Rochester	80% beyond Rochester	Q1 = 79% Q2 = 85% Q3 = 86% Q4 = 84%
Geographic reach beyond Minnesota	67% beyond Minnesota	Q1 = 76% Q2 = 81% Q3 = 80% Q4 = 80%

Marketing efforts to audiences beyond Rochester and Minnesota had great results in 2017. There is a need to reach out to investors/developers and possible Discovery Square tenants nationwide. Minnesota, specifically the Twin Cities, is also an important market. Current geographic reach includes about 75 cities across U.S. 2017 metrics show 80% of traffic is from beyond Minnesota compared to 70% in 2016.

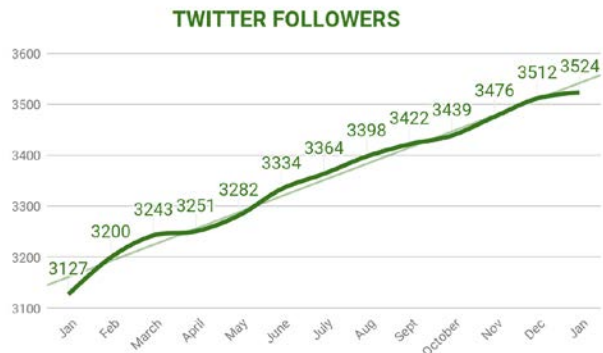
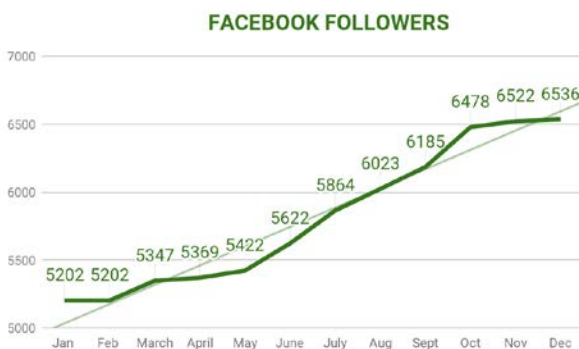
Top cities beyond Rochester in order of visits include: New York, Chicago, Minneapolis, Phoenix, Omaha, Atlanta, Charlotte, LA, Dallas, Philadelphia, Houston, San Francisco, Washington DC, Boston, St. Paul, Detroit, Denver, Seattle, Orlando, San Jose.

Interest from these top 20 cities is likely due to targeted storytelling through blogs, social media and lead generation efforts

SOCIAL MEDIA

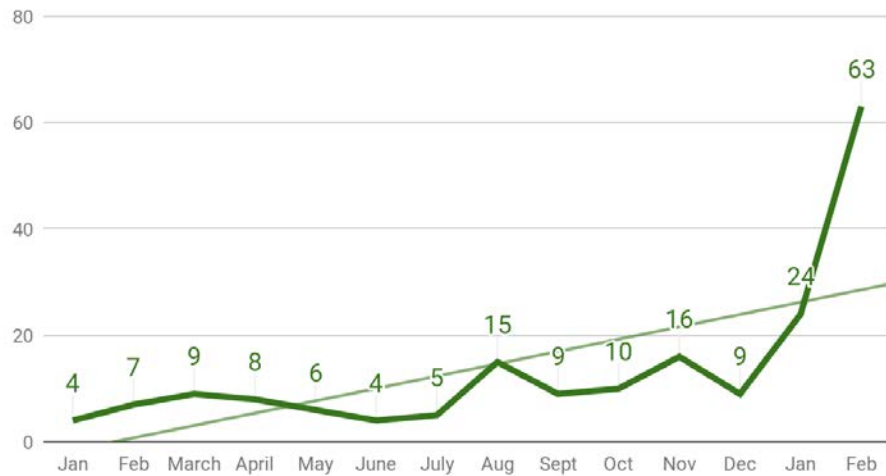
Goal: Gain social media followers

Metrics: Followers, Engagement



Organic growth continues to occur. A strategy is in place to post often and frequently.

LINKEDIN FOLLOWERS GAINED



- LinkedIn followers are growing rapidly. During Q4, DMC executed an investor lead generating campaign with impressive results:
 - o 0.80% click through rate-twice the industry benchmark
 - o 56 leads were generated, this was a rate of 11.05%-10x the industry average.

DMC in the Community



Rochester Area Builders Home Show



Titan Hilton Topping Off



Discovery Walk Interview



Social Ice Branding

TO: Jim Bier, Treasurer
Kathleen Lamb, Attorney

FR: Dale Martinson, Assistant Treasurer

Date: March 14, 2018

RE: December 2017 and February 2018 Budget Summaries



The attached summary for December 2017 reflects unaudited year-end expenditures totaling \$2,563,907 out of the 2017 total budget of \$3,224,870. The total remaining 2017 budget represents 20% of the original budget remaining. Subsequent to year end, DMC EDA staff requested and received approval of a budget carryover encumbrance of \$111,868.49 representing open contracts at year-end on projects not yet completed.

The second page of the December summary provides a listing of DMCC authorized projects managed by the City of Rochester. A total of \$15.5 million was spent on these projects in 2017 with the largest share going to the construction of the Broadway @ Center Parking Ramp.

The February 2018 summary is also provided following the December report with \$175,898 spent to date with 94% of the total DMCC budget remaining.

The February listing of DMCC projects managed by the City is also provided and reflects \$838,613 spent to date in 2018. Again, much of this is spend on the ramp project with Transit and Street Use studies following close behind.

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

Destination Medical Center Corporation
Financial Budget Summary
December 2017
(Unaudited)

[illegible]

DMCC Projects
Managed by the City of Rochester
As of December 31, 2017

	YTD Expenditures	Project Budget	Life To Date Expenditures
DMC Projects (BU# 8600)			
8611C- - Sn/S12AvSW/NW<2StSW>2StNW	99,440.70	2,850,000.00	107,631.07
8612C- - WZmbrRvrSn/SRIfLin<CookPk>CCDr	17,943.20	950,000.00	37,957.20
8613C- - ChateauTheatrePre-OccupancyM&O	79,031.51	686,800.00	198,506.13
8614C- - DMCTransit&InfrastrctrPgrmMgmt	521,067.95	1,100,000.00	1,144,161.13
8617C- - Broadway @ Center Parking Ramp	8,990,774.95	10,500,000.00	9,423,818.82
8618C- - SharedParkngStudy&PrgmDevlpmnt	821,824.55	1,811,854.00	1,273,658.38
8620C- - City Loop Plan	555,245.11	959,938.00	720,821.09
8621C- - Transit Circulator Study	939,557.99	1,991,532.00	1,298,008.99
8623C- - DMCC Street Use Study	1,536,027.12	2,867,708.00	2,095,695.57
8624C- - ChateauTheatreBldgImprov/Purch	118,929.69		6,748,528.51
8625C- - Heart of the City	427,431.25	598,940.00	598,936.42
8626C- - Sn/SUsize1Av&3AvSE<4StS>1StN	1,401,166.82	2,500,000.00	1,441,486.50
Total DMC Projects (BU# 8600)			
Grand Total	15,508,440.84	26,816,772.00	25,089,209.81

Destination Medical Center Corporation
Financial Budget Summary
February 2018

	2018 Approved Approved Budget	Curent Month Feb 2018	Feb 2018 Year To Date	Amount Remaining	Percent Remaining
General Administrative Expenses	41,200	2	7,924	33,276	81%
Professional Services	294,500			294,500	100%
Insurance and Bonds	20,000	11,041	11,041	8,959	45%
City Support Expenses		-	-	-	#DIV/0!
Subtotal DMCC	355,700	11,043	18,965	336,735	95%
Third Party Costs - DMC EDA *					
Payroll, Staff, Administration & Benefits-EDA	724,740	52,809	93,462	631,278	87%
Operating Expenses	30,220	12,875	22,862	7,358	17%
Operational Costs - Contracted	43,880	1,179	1,179	42,701	6%
Economic Development Outreach & Support	760,672	11,018	11,018	749,654	99%
Professional Services	871,894	28,412	28,412	843,482	97%
Miscellaneous Expenses	65,000			65,000	100%
Subtotal EDA	2,496,406	106,294	156,933	2,339,473	94%
Total DMCC 2018	2,852,106	117,336	175,898	2,676,208	94%
2017 Budget Carryover - Encubered Contracts	111,868.49		-	111,868.49	
** An additional MAP request in the amount of \$130,394.33 was received in March for February expenses					
		DMCC	Working Capital Note	1,000	
		EDA	Working Capital Note	50,000	

DMCC Projects
Managed by the City of Rochester
As of February 28, 2018

	YTD Expenditures	Project Budget	Life To Date Expenditures
DMC Projects (BU# 8600)			
8611C- - Sn/S12AvSW/NW<2StSW>2StNW	1,470.15	2,850,000.00	109,101.22
8612C- - WZmbrRvrSn/SRIfLin<CookPk>CCDr		950,000.00	37,957.20
8613C- - ChateauTheatrePre-OccupancyM&O	8,276.35	3,326,802.00	206,782.48
8614C- - DMCTransit&InfrastrctrPgrmMgmt	62,549.19	1,800,000.00	1,206,710.32
8617C- - Broadway @ Center Parking Ramp	342,268.00	10,500,000.00	9,766,086.82
8618C- - SharedParkngStudy&PrgmDevlpmnt	66,683.96	2,061,854.00	1,340,342.34
8620C- - City Loop Plan	59,640.80	1,209,938.00	780,461.89
8621C- - Transit Circulator Study	89,939.73	2,241,532.00	1,387,948.72
8623C- - DMCC Street Use Study	206,962.58	3,117,708.00	2,302,658.15
8624C- - ChateauTheatreBldgImprov/Purch			6,748,528.51
8625C- - Heart of the City		948,940.00	598,936.42
8626C- - Sn/SUsize1Av&3AvSE<4StS>1StN	822.46	5,000,000.00	1,442,308.96
Total DMC Projects (BU# 8600)			
Grand Total	838,613.22	34,006,774.00	25,927,823.03