

**DESTINATION MEDICAL CENTER CORPORATION  
BOARD OF DIRECTORS  
MEETING AGENDA  
SEPTEMBER 26, 2013; MEETING NO 3; 9:00 AM – 12:00 PM**

**1. APPROVAL OF CONSENT AGENDA**

- Approve meeting minutes from August 9, 2013 and September 20, 2013

**2. CHAIRS REPORT**

- Update on outside Legal Counsel

**3. REPORT FROM ECONOMIC DEVELOPMENT AGENCY**

- Dr. Patricia Simmons from Mayo Clinic to update on formation of Economic Development Agency

**4. DISCUSSION / ACTION ITEMS**

- Overview of Development Plan
- Approval of Resolution authorizing Board Chair to negotiate for Destination Medical Services with the Economic Development Agency for final approval by the Board
- Approval of Resolution authorizing Board Chair to negotiate an operating services contract with the City of Rochester for final approval by the Board

**5. OTHER BUSINESS**

- Approve DMCC Board meeting schedule through 2014
- Appointment of Secretary to DMCC

**(Unapproved)**  
**DESTINATION MEDICAL CENTER CORPORATION**  
**BOARD MEETING**

Meeting No. 1

August 9, 2013

Governor Mark Dayton called the meeting to order at 2:00 PM in the Mayo Civic Center Ballroom at 30 Civic Center Drive SE, Rochester, Minnesota. Members Present: James V. Bier, Ardell F. Brede, James R. Campbell, William George, Ed Hruska, Susan Park Rani, and Tina Smith. Absent: R.T. Rybak.

Governor Dayton expressed what a momentous day this is for Rochester and the entire State of Minnesota and also his gratitude to Dr. Noseworthy and the leadership of the Mayo Clinic for giving the State this phenomenal opportunity. He also thanked the leadership on the public side who assisted the State in taking advantage of this great opportunity and the legislators, both DFL and Republican, that worked to make this project a reality. It was a bipartisan bill. Also thanks to his Chief of Staff, Tina Smith who was instrumental in the legislative process and in pulling all this together. Governor Dayton thanked the Mayor and County Board Chairman and others present that assisted in getting this project approved and all those members of the public that supported the passage of this legislation.

The Governor noted that he first came to Mayo Clinic in 1954 when his little sister had her eyes corrected at Mayo. This gave her good vision for life and it that taught him from the beginning how important Mayo Clinic was for Rochester and Minnesota and what an enormous difference it makes in people's lives and how Mayo Clinic is known throughout the world. He recalled that when he was in the US Senate he was in Ahman, Jordan and the Foreign Minister was in attendance. Senator Dayton noted that he was from Minnesota and asked if he ever heard of it. The Foreign Minister, with a big smile, responded that he had spent several months in Rochester and that the Mayo Clinic had cured his father of cancer. That is the kind of good will to build throughout the world and that is why this project is so important in Rochester and so important for Minnesota. Mayo Clinic makes an enormous difference throughout the world. It is important that this pre-eminence of Mayo Clinic for health care continues and that it continues in Rochester, Minnesota. We will look back 20 years from now and whatever our scope of vision or imagination about the importance of this project and its importance for Minnesota and it will have been underestimated. The importance of this project and of Mayo Clinic is incalculable and I again want to thank Mayo for giving this great opportunity to the State.

Mayor Ardell F. Brede welcomed everyone present to this historic occasion of the first meeting of the Destination Medical Center Corporation (DMCC). Mayor Brede's Statement: Rochester is Minnesota's third largest city and a city of the First Class under State Statutes with a population of close to 110,000. Rochester is listed frequently in national publications as one of the most livable, best place to raise children, best place to grow old, best place to start a business, etc. It's a great City due to the wonderful people that live here, many whom are in this audience today. Governor Dayton, thank you for your leadership and your commitment to this initiative and not the least, thank you for assigning your Chief of Staff, Tina Smith, to the project. She greatly assisted in shepherding this initiative through the legislative process. To my colleagues on the DMCC, thank you for your willingness to serve, this is an awesome collection of individuals with a lot of expertise and I look forward to working with all of you. I want to thank our legislators for passing the biggest single economic development legislation for our state and

perhaps for our nation in one session. A special thanks to all our local legislators and especially to the lead bill authors, Representative Kim Norton and Senator Dave Senjem. DMC is a plan to secure Minnesota's, not only Rochester's, status as a global medical destination and in partnership with our friends at Mayo Clinic and with multiple community partners we will create unparalleled and meaningful experiences of hope, health and hospitality for every person every day. Dr. Charlie Mayo, Brother of Will, said: "There is no fun like work". So the fun starts now, thank you and welcome.

Jim Bier, Olmsted County Board of Commissioners Chairman, stated he is proud and honored to be on this board. It's an exciting time for Rochester and Olmsted County. We have a great workforce here and we would like to get things going. He agrees with the Mayor to get the fun started. He would like to thank Kim Norton and Dave Senjem for their work in getting this through the legislature.

Governor Dayton also recognized Senator Carla Nelson and Representative Tina Liebling as being very actively involved in the legislation action and thanked them for their assistance.

Dr. John Noseworthy, President and CEO of Mayo Clinic, Statement: Governor Dayton, Mr. Mayor, Mr. Chairman, Distinguished Members of the DMCC Board and members of the public, it's an honor to be with you today. On behalf of the Mayo Clinic family, welcome to the home of the Mayo Clinic. I would like to reflect for a moment on history. One hundred and fifty years ago, this summer, Dr. William Mayo accepted an appointment from President Abraham Lincoln to serve as the examining surgeon for the Union Army in Rochester, MN. Dr. Mayo and his wife, Louise, were seasoned travelers and lived in many places and traveled the world. They chose to make Rochester, MN their home and practice here because of the strong civic life, commerce and transportation. Dr. Mayo was very involved in civic life. He served as Mayor, in the State Legislature and other community positions and advocated for many community projects. The Statue of him in Mayo Family Park shows him in a frock coat, not a surgical gown. Many have been to the Plummer Building and seen the historic exhibits. The Mayo's, Father and brothers, received many honors from around the world, but have you noticed the bronze recognition plaque that is mounted outside the Library, where the Mayo Staff met year after year, decade after decade and indeed where the Nobel Prize was first announced. This bronze and most treasured plaque is from the Olmsted County Business Association for citizenship and community spirit. All of us who have followed in Dr. Mayo's and his sons footsteps appreciate that the vitality of Mayo Clinic and our community is intrinsically linked, our destinies go together. It's on this foundation that we move forward on this next great adventure. Welcome to you Governor Dayton, Mayor Brede, Chairman Bier, members of the Board and to the public gathered here today and thank you all.

Governor Dayton asked each Board Member to introduce themselves and comment on whatever else they would like to share.

Jim Campbell, Retired, Group Executive VP of Wells Fargo and Co. Mr. Campbell stated he was born at St. Mary's Hospital. He grew up in Byron, MN and graduated there with his wife. He spent thirty-eight years with what is now Wells Fargo and retired eleven years ago. He has been involved in many public and private sectors in Minnesota. He is honored to have been asked to be a part of this Board and is looking forward to being involved in this fantastic opportunity here in Rochester.

Bill George, Professor of Management Practices, Harvard Business School. Mr. George stated he was born in Michigan and came to Minnesota in 1970. He has been involved in the



Minnesota Medical Community for several decades and recently has served on the Mayo Planning Board of Directors as a public trustee. He has served as the CEO of Medtronic, Inc. for ten years in the Twin Cities and is now a Professor at Harvard Business School. He is excited about this project and thinks Mayo Clinic is a National treasure and a great job creator for all of Olmsted County. He stated these are well paying jobs, not minimum wage, and offer strong benefits with longevity in these positions. His hope is that this project will link Rochester and the Twin Cities more closely together to enhance the medical community between those two economic areas. He feels with Mayo Clinic as the crown jewel of the State, that Minnesota will become a health care mecca, not only for the nation but for the world. He feels people will come also for the many opportunities besides health care.

Ed Hruska, Rochester City Councilmember for 10 years and was born and raised in Rochester, MN. He is Executive Director of the Rochester Amateur Sports Commission which focuses on economic development and growth to help bring people to Rochester through sports. He appreciates all the support that helped bring the DMC to Rochester. Mayo Clinic is the life-blood of the community and he is looking forward to the future to see what positive things can be accomplished through Health care development and the DMC. He is honored to be working with this group of distinguished leaders and thanked everyone for their support.

Susan Park Rani, Founder of Rani Engineering, was born in Seoul, South Korea. Ms. Rani stated she is delighted to be included as part of this exciting initiative that combines research, development, education and the wonderful health and job development opportunities associated with Mayo Clinic, the State and Rochester. She came to the United States when she was eleven years old. She spoke no English, never held a fork or slept on a bed. She graduated eleven years later from the University of MN. She had received a scholarship from various agencies and is proud to say it has been paid back. She is excited to be a part of this venture for a world destination health program.

Jim Bier, Chairman for the Olmsted County Board of Commissioners. Mr. Bier stated he was born in Wisconsin but has lived in Rochester since 1979. He feels the County, City and State have a great opportunity here and that many other places would love to trade places with us. He is deeply invested in this opportunity and feels it will be good for the community and jobs. He is excited to be a part of this and thanked everyone involved in making it happen.

Ardell F. Brede, Mayor of the City of Rochester. Mayor Brede stated it's an honor to be a part of this prestigious group on the Board. Mayor Brede stated he is very supportive of the University of MN and every other year the University Marching Band comes to the Mayo Civic Center facility. He stated that he worked at Mayo Clinic for 43 years and has been the Rochester Mayor for eleven years. He is honored to represent the City of Rochester and it's a joy to be here for this endeavor. He welcomed everyone.

Tina Smith, Chief of Staff to Governor Mark Dayton and Lt. Governor Yvonne Prettner Solon. Ms. Smith thanked Governor Dayton for appointing her to this position and is very excited to continue the work started by the City of Rochester and Mayo Clinic. She stated that as a proud member of the Executive Branch of the State Government and working for Governor Dayton her work involves the implementation of legislation and programs. Ms. Smith wanted to acknowledge the colleagues with the City of Rochester especially Gary Neumann (Assistant City Administrator) who has helped with the whole development of the legislation and even now with helping to put the inaugural meeting together. She also wanted to thank the staff and leaders at the Mayo Clinic especially Lisa Clarke (Mayo Clinic Administrator) who has helped

keep the ball moving forward for the city and the clinic. Ms. Smith also thanked her Board colleagues.

Dr. John Noseworthy stated Mayo Clinic is completely committed to the strategic planning process for the DMC and the partnership between the City, County and State. Mayo Clinic intends to invest more than three and a half billion dollars over the next twenty years and will work with other stake holders to attract an additional two billions dollars in private investment for Rochester. Dr. Noseworthy stated that the Mayo Clinic has a powerful brand in medicine but it can't take anything for granted in this competitive age. Health Care is under attack for being too expensive and too inefficient. Americans spend too much money and struggle with medical bills because there is not an adequate, highly efficient health care system and the Mayo Clinic is leading the charge to change this. He stated the purpose or primary value of the Mayo Clinic is that the needs of the patient come first. Every decision made is for the betterment of the patient. He stated that they invest heavily in research and education for efficient care, safer care, higher quality care, and cutting edge care for patients and staff. The staff is the most precious resource and could not be successful in their work without the best health care staff. The cost of health care and research is going up and all of us struggle with this cost. Dr. Noseworthy presented a report showing patient care now and for the future and the how the Mayo Clinic plans to continue give the best care possible to all that come to the clinic for their health care needs. He stated that the Mayo Clinic strategy is to build information knowledge management systems. To take what Mayo Clinic knows about what is best for medical research practice and to share it with others that want to work with the Clinic. The Clinic is building a network around the country and internationally to share what Mayo Clinic knows so that people and the families everywhere will have access to that knowledge for the best possible health care. He showed there are twenty centers around the United States, Mexico City and Puerto Rico that have the highest, safest and quality hospital systems in America that are part of the Mayo Clinic care network. He presented a picture of a message written in chalk on the sidewalk outside of the Gonda Building saying "thank you Mayo for saving my Mom-Phil". This is a sign and symbol of the warm hospitality and care that is received from Rochester and the Clinic.

Dr. Bradley Narr, Medical Director for the DMC, stated that the DMC project itself is an economic development initiative for the State of Minnesota. It will be the responsibility of this Board to allocate the public resources that the Legislation has created. The Board is also responsible for the attraction of billions of dollars from the private investments.

Lisa Clarke, Administrator for the DMC. Ms. Clarke acknowledged and thanked all those that have supported this project. She explained how the DMCC will connect with the Economic Development Agency to fully execute the DMC Plan. The EDA is a group that the DMCC will contract with to provide services for the purpose of developing and marketing the DMC. The Primary Functions of the EDA are as follows:

- Facilitating private investment through development of a comprehensive marketing program to global interest.
- Developing and updating the criteria for evaluating and underwriting development proposals.
- Drafting and implementing the development plan, including soliciting and evaluating proposals for development and evaluating and making recommendation to the DMCC Board and the City regarding those proposals.
- Providing transactional services in connection with approved projects.
- Developing patient, visitor, and community outreach programs for a destination medical center development district.



- Working with the corporation to acquire and facilitate the sale, lease, or other transactions involving land and real property.
- Seeking financial support for the corporation, the city and a project.
- Partnering with other development agencies and organizations, the City and the County in joint efforts to promote economic development and establish a destination medical center.
- Supporting and administering the planning and development activities, required to implement the development plan.
- Preparing and supporting the marketing and promotion of the medical center development district.
- Preparing and implementing a program for community and public relations in support of the medical center development district.
- Assisting the corporation or city and others in applications for federal grants, tax credits, and other sources of funding to aid both private and public development.
- Making other general advisory recommendations to the DMCC and the City, as requested.

Ms. Clarke explained how the process will move forward. The DMCC Board will work with the EDA, then the EDA will plan strategies, coordinate with the City and the County and facilitate projects. The Development Plan is key to the success of the DMC. From the Development Plan will result public and private Projects. Project funding requests made for DMC funds will be approved by the DMCC and the City of Rochester. Public funding will start when the State confirms the private investments have been made, the City issues the Bonds and the County provides the transit funding. She stated that behind the DMCC and the EDA there will be a Comprehensive Work Plan. This will show the organization, administration, finance and funding, development plans, business planning, and community outreach. The Mayo Clinic is working now on structuring the EDA so there is confidence in the group behind the DMCC to move forward. She also presented the Vision Statement for the DMC: Together we will provide meaningful and unparalleled experiences of hope, health and hospitality for very person every day.

Senator Dayton asked the Board to nominate one of his four appointees for Chairperson of the Board.

Mayor Brede moved, Jim Bier seconded to nominate Tina Smith for the Chair of the DMCC. Ayes (7), Nays (0). Motion carried.

Governor Dayton stated, "that the Board has selected an outstanding Chair and a phenomenal public servant." He knows from his experience working with Tina Smith as his Chief of Staff that she has terrific integrity, intelligence, and skills that she developed working both in the private and public sectors. Mayor, I agree with you on getting high speed rail to Rochester even more now, so that Tina can more easily do both jobs.

Chairperson Smith accepted the position. She noted that we all feel the accountability for the DMCC to an open process that is inclusive of the community and we have several communities that we have to keep in mind, certainly the residents of Rochester and Olmsted County and the State of Minnesota, which is another important part of our community.

Chairperson Smith asked Terry Adkins, the City Attorney for his advice for what the Board process should be to consider retaining legal counsel. Mr. Adkins suggested the Board working

with the staff could prepare a request for proposals seeking independent legal counsel. The RFP could use several examples throughout the state that have similar authorities. The proposals received could be presented to the Board for their action.

James Campbell thanked the City Attorney's office and the City for putting together the Articles of Incorporation and By-laws for the Board's review. He was asked to serve on the Board by the Governor to represent the citizens of Minnesota and his perspective is that he wants to look at these documents broadly to ensure that the Board's actions are appropriate and consistent with the purpose of the DMC legislation. He stated he is in support of retaining outside legal counsel for the Board's representation. He would like the first order of business for the legal counsel to be to review the City's Articles and By-laws and propose any amendments to ensure that what we live by in the governance process is consistent with the intent of the DMC legislation.

James Campbell moved, Bill George seconded, to authorize Chairperson Smith to retain outside legal counsel through an RFP process.

Bill George wanted to clarify that it is his understanding that all of the Board members are public officials and are all here representing the State of Minnesota even though they were appointed in different ways. He asked if this is the correct understanding. He mentioned that it is his understanding that, even though in his case he was appointed by Mayo Clinic, his fiduciary obligation is to the State and not to Mayo and that the same would apply to Rochester. The Chair indicated that it was also her understanding that they all represent the State.

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

Chairperson Smith emphasized that the first order of business for the legal counsel would be the review of the Articles and Bylaws and noted the importance of these documents as the foundation for the Board as it moves forward. Chairperson Smith will follow through with the RFP process and communicate with the Board for the timeline to be presented and emphasize the importance of the independent counsel to address the Articles of Incorporation and By-Laws and suggest any changes to consider.

Chairperson Smith opened the floor for discussion regarding the process/timing for drafting policies and procedures.

James Bier feels the Board needs legal counsel before proceeding with this topic. There was a consensus to wait for legal counsel.

Terry Adkins, City Attorney, presented an overview of the Open Meetings Law for the State of Minnesota. Mr. Adkins stated that when the legislature passed the DMC law, the legislation provided that this Board was subject to the Open Records and Open Meetings Law. A public document is anything that is created, received, disseminated by any state agency or local government unit which includes this DMCC Board. He explained what "records" mean. It means that any correspondence between this board and anyone else is considered public data unless it is from your legal counsel. He also explained details of timeline for data requests and the cost of materials provided and what is exempt from public disclosure.

City Attorney Adkins stated that all meetings of the DMCC Board are open to the public. This means at least a 72 hour notice prior to the meeting unless there is a regularly scheduled meeting agenda published. He explained that the Board is considered a state agency and can conduct a telephone conference call and explained the details of conducting that type of

meeting. A quorum of six is considered a meeting of the DMCC Board. He warned that public data includes email correspondence. He advised the Board to avoid "replying to all" when discussing issues by email. He explained what the open meetings law does not require for the Board.

Chairperson Smith opened the floor to discuss a meeting schedule. The general consensus was that until there is feedback from the EDA and a legal counsel has been appointed there is not much work to do until that foundation is completed so there would be no need for a regular meeting schedule at this time. Chairperson Smith will proceed with the legal counsel RFP and report back to the Board to possibly set a meeting for the end of September.

Jim Biers moved, Bill George seconded to adjourn. The time was 3:20 PM.

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Valori Langseth, Deputy City Clerk  
City of Rochester



(unapproved)

**DESTINATION MEDICAL CENTER CORPORATION  
SPECIAL BOARD MEETING TO APPOINT COUNSEL**

**Meeting No. 2**

**September 20, 2013**

Members Present: Chairperson Tina Smith, James Bier, James Campbell, William George, RT Rybak, Susan Park Rani

Members Absent: Ardell Brede, Ed Hruska

Guests: Terry Atkins, Lynette Slater Crandall, Public and Press

Chairperson Smith called the meeting to order at 1:30 P.M.

Legal Counsel for DMCC

Chairperson Smith moved, Boardmember George seconded, to adopt Resolution No. 01-13 approving the appointment of McGrann Shea Carnival Staughn & Lamb to act as legal counsel for the Corporation. The resolution so stated below:

RESOLUTION NO. 01-13

*WHEREAS, Minnesota Statutes Section 469.40 et seq., provides for the Destination Medical Center; and*

*WHEREAS, pursuant to Minn. Stat. §469.41, the City of Rochester has established the Destination Medical Center Corporation and the appropriate entities have made the required appointments to the Corporation's Board of Directors; and,*

*WHEREAS, Minn. Stat. §469.41, subd. 12 states that the Corporation may contract for services and consultants, including legal counsel; and,*

*WHEREAS, the Chair of the Board of Directors has caused a request for proposals to be published seeking proposals from interested law firms to act as the Corporation's legal counsel and has assembled a group of stakeholders to interview those law firms which submitted proposals; and,*

*WHEREAS, following the interview process, the Chair and the interview team unanimously recommend the retention of the McGrann Shea Carnival Staughn & Lamb law firm of Minneapolis, Minnesota, to act as the legal counsel for the Corporation.*

*NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Destination Medical Center Corporation does hereby accept the Chair's and interview team's recommendation and, pursuant to Minn. Stat. §469.41, subd. 12, does hereby approve the appointment of the McGrann Shea Carnival Staughn & Lamb law firm of Minneapolis, Minnesota, to act as the legal counsel for the Corporation.*

*BE IT FURTHER RESOLVED that the Board Chair is authorized to execute any agreement needed to implement this resolution.*

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE DESTINATION MEDICAL CENTER CORPORATION THIS \_\_\_\_ DAY OF SEPTEMBER, 2013.

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*Tina Smith, Chair  
Destination Medical Center Corporation*

Chairperson Smith thanked Terry Atkins, City Attorney of Rochester; Lynette Slater Crandall, Dorsey & Whitney; and Peter Dugan, on behalf of Susan Park Rani, for participating in the interview process. Four Minnesota firms were interviewed for the position.

Chairperson Smith said McGrann Shea Carnival Staughn & Lamb have a distinguished and unique portfolio having worked extensively with public authorities, nonprofits, and open meeting laws. They have worked on complex economic developments including the Minnesota ballpark and the Midtown Exchange Project.

Discussion.

RT Rybak offered strong support for the firm having worked with them on many different projects. He feels Kathleen Lamb is an especially effective individual.

On voting for the motion: Ayes (6), Nays (0). Motion carried.

#### Adjourn

The next regularly scheduled DMCC Board Meeting will be held on Thursday, September 26, 2013, at 9:00 AM in Rochester City Hall, Room 104.

Having no further business, Boardmember Bier moved, Campbell seconded, to adjourn the meeting. Ayes (6), Nays (0). Motion carried.

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Tina Smith, Chairperson



# Destination Medical Center

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

DESTINATION MEDICAL CENTER CORPORATION (DMCC)  
DEVELOPMENT PLAN OVERVIEW

September 26, 2013





## DMC DEVELOPMENT PLAN OVERVIEW

September 26, 2013

The Destination Medical Center (DMC) Initiative is one of the largest economic development initiatives ever undertaken in the State of Minnesota. Our mission is to secure Rochester's and Minnesota's status as the world's premier destination medical center.

This bold initiative will be executed through a public-private partnership between the State of Minnesota, City of Rochester, Olmsted County and Mayo Clinic. The key to our success lies in our ability to create and implement a comprehensive economic development strategy that leverages \$585 million in public infrastructure funding to attract more than \$5 billion in private investment to Minnesota over a 20-year planning period.

The Development Plan describes our strategy for achieving this goal. After the Development Plan has been approved by the City of Rochester and adopted by the DMCC, it will provide the vision, investment guidelines, funding priorities and long-term economic development strategies (finance, business, marketing, operations, etc.) that will guide our work.

The following provides an overview of the DMC Development Plan goals, objectives and process for adopting the Development Plan. A complete list of next steps and requested actions of the DMCC Board of Directors is attached at the end of this package.



## DMC DEVELOPMENT PLAN OVERVIEW

### DMC STATEMENT OF PUBLIC PURPOSE

Minnesota has a national reputation for excellence in health care and medical innovation. The State of Minnesota has a history of making significant investments in medical research and education to stimulate economic activity and opportunity in our state. In 2013, Mayo Clinic - the state's largest private employer – with the City of Rochester, Olmsted County and other community stakeholders, brought forward the DMC proposal to secure Rochester's and Minnesota's future as a global medical destination. After careful deliberation, the Governor and the Minnesota Legislature concluded there was a compelling public interest for the state to assist in the development of the DMC and to create in state statute the financing tools and public governance structure necessary to realize this transformational development in Minnesota. During the legislative session, and through subsequent discussions with the DMCC Board of Directors, the mission, goals and objectives of the project have been identified as:

#### ***DMC Mission Statement:***

To secure Rochester's and Minnesota's status as the world's premiere destination medical center to attract and retain patients, visitors, employees, residents and businesses within the region and throughout the State of Minnesota.

#### ***DMC Goals***

- Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire community.
- Leverage the public investment to attract more than \$5 billion in private investment to Rochester and the region
- Create approximately 35,000 – 45,000 new jobs, with workforce development strategies that support of that growth
- Generate approximately \$7.5 - \$8.0 billion in new net tax revenue over 35 years
- Achieve the highest quality patient, companion, visitor, employee, and resident experience, now and in the future



## DMC DEVELOPMENT PLAN OVERVIEW

### KEYS TO SUCCESS

The DMC is a complex economic development initiative that will occur over 20 years. In order to manage the complexities of this endeavor, the enabling legislation describes a *unique public-private partnership*, with five strategies to guide planning and implementation of the DMC. These include:

- **Vision** – An economic development plan (Development Plan) must be established. This plan, developed in close collaboration with all DMCC partners, will weave together the interests of the City, State, County, Mayo Clinic and the broader Rochester and Southeast Minnesota region to create the world’s preeminent destination medical center.
- **Transformation** – World-class destinations require not only a vision, but disciplined planning and a strategy for execution. Transformational economic development projects on the scale we envision require a comprehensive strategy, including marketing, business development, finance, project oversight, community engagement and communications. Our goal is not to simply spend \$585 million in public resources, but to leverage that public investment to achieve an additional \$5 billion plus in private investment over 20 years.
- **Accountability** – The DMC legislation creates the Destination Medical Center Corporation (DMCC), established by the City of Rochester, as a public nonprofit. The DMCC’s job is to develop and approve the Development Plan, and then to make decisions about how best to invest public funds in order to maximize private investment and achieve the goals of the Development Plan. The DMCC is responsible for providing oversight, and ensuring that planning and implementation of the Destination Medical Center charge supports the legislative intent and public purpose as defined in state statute.
- **Focus On Execution** – The legislation mandates a private non-profit Economic Development Agency (EDA) be created by the Mayor Clinic for the purpose of developing and marketing the DMC. The EDA provides expertise in planning and executing this complex, multi-billion dollar development strategy. To encourage the cooperation essential to our success, the enabling legislation requires that the DMCC hire the EDA, and mandates that the EDA work in collaboration with the city, county and community.
- **Public Partners** – DMC legislation recognizes the central role of the City of Rochester, Olmsted County, and the state of Minnesota in this endeavor. The City that is home to the DMC provides financing for DMC public infrastructure projects and works closely with the DMCC on implementation. The city, state and county provide together \$585 million in public resources.





# DMC DEVELOPMENT PLAN OVERVIEW

## PURPOSE AND OBJECTIVES OF THE DEVELOPMENT PLAN

The Development Plan is a comprehensive planning document akin to a strategic business plan, that will guide the DMC initiative over the 20 year period. The Development Plan builds from the mission and goals of the DMC to set objectives for the project going forward.

### DMC GOALS

### DEVELOPMENT PLAN OBJECTIVES



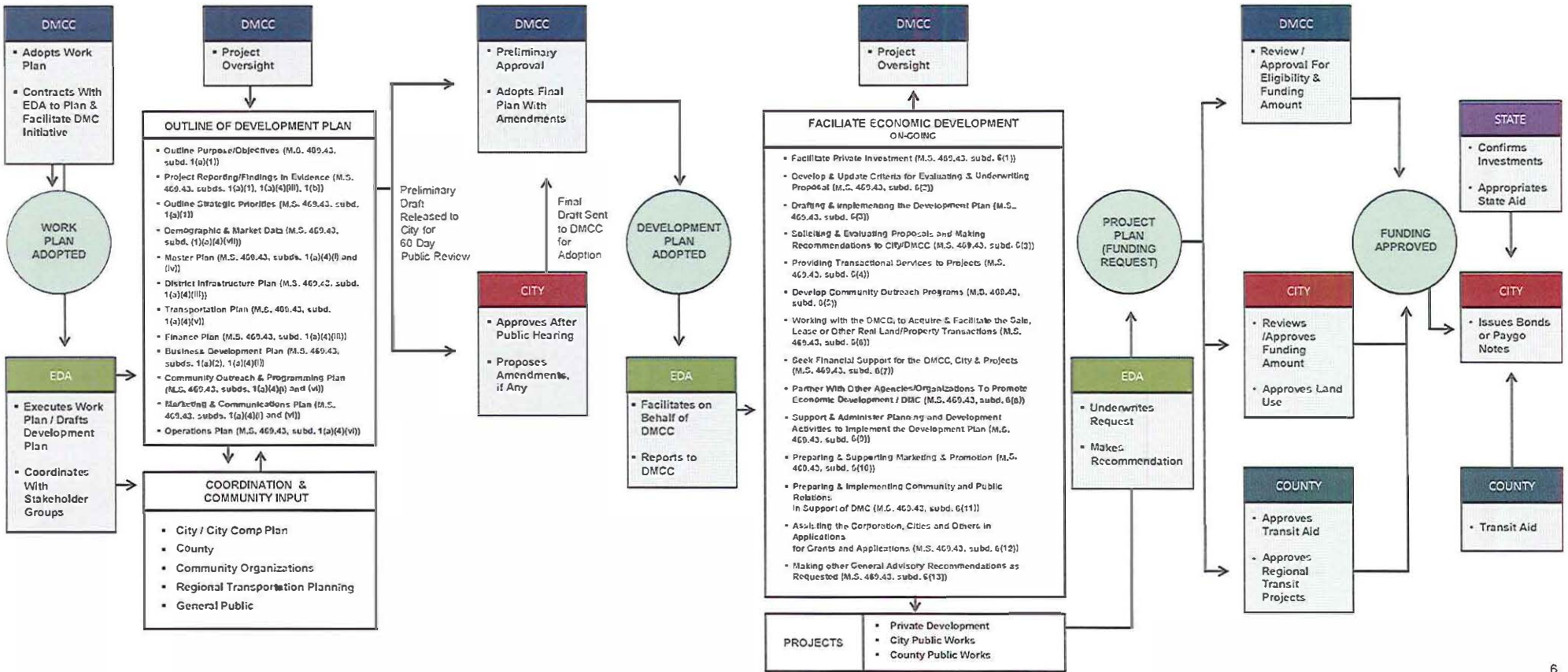


# DMC DEVELOPMENT PLAN OVERVIEW

## DEVELOPMENT PLAN & IMPLEMENTATION PROCESS

### PHASE I – DEVELOPMENT PLANNING PHASE (APPROXIMATELY 1 YEAR)

### PHASE 2 – IMPLEMENTATION PHASE (ON-GOING)







# DMC DEVELOPMENT PLAN OVERVIEW

## PRELIMINARY OUTLINE OF CONTENT FOR THE DEVELOPMENT PLAN

Following is a preliminary summary outline of the structure and content of the Development Plan. The Development Plan will be complementary to City, County and regional planning documents. This outline is preliminary in nature and the content of the Development Plan will be finalized through discussions with the DMCC, City and County and will be based on the budget approved by the DMCC Board of Directors.

### **DEVELOPMENT PLAN – PRELIMINARY OUTLINE OF CONTENT**

#### **1.0 Introduction**

#### **2.0 Project Reports / Findings**

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

#### **3.0 Summary of Strategic Priorities (Next 5 Years)**

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

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

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

#### **4.0 Market Research**

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

#### **5.0 Master Plan**

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





# DEVELOPMENT PLAN

## OUTLINE OF DEVELOPMENT PLAN DOCUMENT

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

#### ***6.0 District Infrastructure Master Plan (Non-Transportation)***

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

#### ***7.0 Transportation Plan***

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

#### ***8.0 Finance Plan - Development & Investment Priorities***

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

#### ***9.0 DMCC Business Development Priorities & Strategies***

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

#### ***10.0 Community Outreach & Programming Priorities & Strategies***

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

#### ***11.0 Marketing & Communication Priorities & Strategies***

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

#### ***12.0 DMCC Operations Plan – 5 Years***

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

#### ***13.0 Exhibits***

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



## DMC DEVELOPMENT PLAN OVERVIEW

### REQUESTED ACTIONS OF THE DMCC BOARD

Following is a list of the proposed actions that the DMCC Board of Directors will be asked to undertake to facilitate the start of the Development Plan process.

- Approve the goals and objectives for the Development Plan as outlined in this DMC Development Plan Overview . These will serve as the basis for creating the Development Plan going forward.
- Approve the timeline for completing the DMC Development Plan by October, 2014.
- Direct the Destination Medical Center Economic Development Agency (EDA) to move forward with the coordination and execution of the Development Plan on behalf of the DMCC in accordance with Section 469.43 of the Legislation, including specifically:
  - Begin the process of planning the Development Plan based on the content outlined in this DMC Overview
  - Identify the team of staff and consultants who will be responsible for creating the Development Plan
  - Lead the process to coordinate the Development Plan to be complementary with the City's General Plan, Comprehensive Plan and the City /County Regional Transportation Plans.
- Authorize the DMCC Board Chair to enter into negotiations of agreements for approval by the DMCC Board of Directors, including:
  - An agreement with the EDA, the scope of which shall be consistent with the legislation
  - An agreement with the City, the scope of which shall be consistent with the legislation
- Request the EDA to provide an update report to the DMCC Board in November which will include:
  - A detailed outline of the work to be undertaken in the Development Plan process
  - An update on the process related to the selection of consultants
  - A report on the process and activities which will be undertaken to gain community input in the Development Plan

RESOLUTION NO. 01-2013

WHEREAS, the board of directors (the "Board") of the Destination Medical Center Corporation, a Minnesota nonprofit corporation created pursuant to Minnesota Statutes, Chapter 317A and Minnesota Statutes, Section 469.41 (the "Corporation"), desires to establish goals, objectives and an outline for the content of the development plan, consistent with the requirements in Minnesota Statutes, Section 469.43, subdivision 1, as shown in the Development Plan Overview, attached hereto as Exhibit A (the "Development Plan Overview"); and

WHEREAS, the Board is required by Minnesota Statutes, Section 469.43 to engage the Economic Development Agency (the "EDA") to assist the Corporation in preparing the development plan and to provide specific services as outlined in Minnesota Statutes, Section 469.43, subdivision 6;

NOW THEREFORE, BE IT RESOLVED, that the Chairperson of the Board and counsel to the corporation is authorized and empowered, in the name and on behalf of the Corporation, to negotiate an Agreement for Destination Medical Center Services with the EDA based on the parameters of Minnesota Statutes, Section 469.43, subdivision 6 and provide a final draft of the contract to the Board for comment and approval.

BE IT FURTHER RESOLVED, that while the Agreement for Destination Medical Services is negotiated, the EDA (i) begin the process of planning the development plan based on the Development Plan Overview, (ii) begin coordinating the scope of work of its staff and consultants to develop the development plan, and (iii) lead the process to coordinate with the City of Rochester and Olmsted County to ensure the development plan is complementary to the City of Rochester's Comprehensive Plan and regional transportation plans.

BE IT FURTHER RESOLVED, that the Board desires to adopt a final development plan, as described in Minnesota Statutes, Section 469.43, subdivision 1, by October 31, 2014.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE  
DESTINATION MEDICAL CENTER CORPORATION THIS \_\_\_\_\_ DAY OF  
SEPTEMBER, 2013.

\_\_\_\_\_  
CHAIR



DESTINATION MEDICAL CENTER  
CORPORATION

RESOLUTION NO. 03-2013

WHEREAS, the board of directors (the "Board") of the Destination Medical Center Corporation, a Minnesota nonprofit corporation created pursuant to Minnesota Statutes, Chapter 317A and Minnesota Statutes, Section 469.41 (the "Corporation"), is permitted, pursuant to Minnesota Statutes, Section 469.41, subdivision 12 and Section 469.47, subdivision 4, to enter into an operating services contract (the "Contract") with the City of Rochester, Minnesota (the "City") to provide administrative, clerical, and accounting services to the Corporation; and

WHEREAS, the Board deems it advisable and in the best interests of the Corporation to begin the process of drafting and negotiating the Contract;

NOW THEREFORE, BE IT RESOLVED, that the Chairperson of the Board and counsel to the Corporation be, and each of them hereby is, authorized and empowered, in the name and on behalf of the Corporation, to draft and negotiate the Contract with the City, and provide a final draft of the Contract to the Board for comment and approval.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE  
DESTINATION MEDICAL CENTER CORPORATION THIS \_\_\_\_\_ DAY OF  
SEPTEMBER, 2013.

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CHAIR  
DESTINATION MEDICAL CENTER  
CORPORATION