



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

9:30 A.M. THURSDAY, February 26, 2015

ROCHESTER CONVENTION CENTER



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, February 26, 2015

9:30 A.M.

AGENDA

*** PLEASE NOTE: THIS MEETING WILL CONVENE IMMEDIATELY FOLLOWING A BUS TOUR OF THE PROPOSED DEVELOPMENT DISTRICT. A QUORUM OF THE DMCC BOARD MAY BE PRESENT ON THE TOUR. THE PUBLIC IS WELCOME TO JOIN THE BUS TOUR. BUSES WILL BE LEAVING AT THE FRONT OF THE CIVIC CENTER PROMPTLY AT 9:30 A.M.**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes: Meeting of January 29, 2015
- V. Public Comment Period
- VI. Chair's Report
 - A. 2015 Report to the Legislature
 - B. Other
- VII. DMCC 2015 Budget: Year to Date Update
- VIII. Resolution A: Resolution Authorizing Chair and Treasurer to Enter Into Working Capital Loan Agreements with City and EDA.
- IX. Development Plan: Discussion of Transportation Issues
 - Participants: David Fields, Nelson Nygaard
Charlie Reiter, Olmsted County/City of Rochester
Mike Sheehan, Olmsted County
Kaye Bieniek, Olmsted County
Doug Holton, Mayo Clinic
Tim Siegfried, Mayo Clinic
- X. Economic Development Agency: Update
- XI. City of Rochester: Update
- XII. Meeting Schedule
 - A. Next Meeting: Thursday, March 26, 2015, at 9:30 a.m.
- XIII. Adjournment

**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

MINUTES
January 29, 2015

- I. Call to Order. Chair Tina Smith called the meeting to order at 9:33 a.m. at the Mayo Civic Center, Riverview Room, Suite C, located at 30 Civic Center Drive SE, Rochester, MN 55904.

- II. Roll Call. In attendance were Chair Tina Smith, Bill George, R.T. Rybak, Susan Park Rani, Commissioner Jim Bier, Mayor Ardell F. Brede, City Council Member Ed Hruska, and Jim Campbell.

- III. Adoption of Agenda. Mr. Campbell moved approval. Ms. Park Rani seconded.

Ayes (8), Nays (0), Motion carried.

- IV. Adoption of Minutes. Chair Smith requested approval of Minutes from the meeting of December 17, 2014. Mr. Rybak moved approval. Council Member Hruska seconded.

Ayes (8), Nays (0), Motion carried.

- V. Public Comment Period. Chair Smith invited members of the community to provide comments.

Barry Skolnick stated his concerns about the Development Plan regarding issues such as snow removal, the need for heated sidewalks, the future location of the public library, the public space impacts of demolishing University Square, and the funding strategies and proposed costs.

Richard Olen spoke about his recommendations to the DMC transportation planners to utilize an elevated transit system instead of a street car transit system. Council Member Hruska requested the EDA to respond to the twelve points submitted by Mr. Olen regarding his recommendations.

Jenna Bowman, Executive Director of Rochester Downtown Alliance, spoke about her excitement to be part of the history of DMC and of Rochester's revitalization and her interest to assist in retaining top talent to shape the City's future. Ms. Bowman pointed out that the City's future lies with the next generation of students and the importance for residents to remained energized and engaged.

Nancy Slocum, President of the Historic Society and Southwest Neighborhood Association, spoke about the importance of historic preservation and planning and her concerns about the Development Plan accepting the findings of the report prepared by the 106 group that have not been finalized by the City. Mrs. Slocum commented that the Development Plan makes reference to 3rd Street as historic although it was not classified as such in the report. She also expressed concerns about the future of the Chateau Theater.

Council Member Michael Wojcik presented five concerns: (1) Mayo Clinic's commitment to the Development Plan; (2) clarification of the Board's position on funding Capital Improvement Projects (CIP) as currently the City has no tools to fund these costs outside of property taxes; (3) short comings in the assumptions in the project's finance plan regarding the City contributing beyond its \$128 million local match; (4) guidelines to preserve the integrity of the Plan and ensure development; and (5) the viability of the financial tools given to the City to fund its contribution to the DMC.

VI. Chair's Report. Chair Smith provided a report to the Board on the following:

- A. Legislative update. Chair Smith announced that the legislative "technical fix" language was secured and passed both the House and the Senate unanimously. The bill was signed by the Governor on January 24, 2015. Chair Smith expressed gratitude to the House and Senate and to the staff who moved this bill forward.
- B. DMCC Mission Statement. Chair Smith presented the revised Mission Statement for adoption, and asked Mr. George to lead the Board members in a discussion. Mr. George described the intent of the revised Mission Statement.

Mayor Brede moved approval. Mr. Campbell seconded.

Ayes (8), Nays (0), Motion carried.

VII. DMCC Budget. Chair Smith asked Board members if they had questions about DMCC's 2014 or 2015 budget. Chair Smith reported that not all funds were spent in the 2014 Budget. The closeout of the 2014 budget will be available by the end of February 2015. Board members discussed the need for the EDA to move forward and begin staffing the organization. Council Member Hruska requested Dale Martinson, DMCC's Assistant Treasurer, to explain the balance of remaining funds in the 2014 budget. Chair Smith noted that the DMCC, City, and EDA would be discussing the EDA workplan and staffing.

VIII. Resolution A: Authorizing Report to Legislature. Chair Smith asked Kathleen Lamb for an explanation of Resolution A. Ms. Lamb explained that the DMC Act requires an annual report to be submitted to the Legislature on or before February 15 of every year, from the DMCC and the City of Rochester. Chair Smith asked for a motion to approve Resolution A.

Mr. Campbell moved approval. Mr. Rybak seconded.

Ayes (8), Nays (0), Motion carried.

IX. Development Plan. Chair Smith opened the discussion with comments noting that this meeting marks an important next step for the Destination Medical Center initiative and the State. The submission of the Development Plan to the City triggers a statutory 60-day time period. Council Member Hruska noted the planned City meetings: 1) February 23: Planning Commission public hearing; 2) March 23: City Council public hearing; and 3) March 30: City Council action.

Chair Smith asked for a motion to authorize submittal of the Development Plan to the City. Mr. Rybak moved approval. Ms. Park Rani seconded.

Chair Smith noted that the Minnesota Legislature determined that a plan was needed before expenditure of public money, and with the newly revised mission statement, there is now a revised purpose. This initiative is the largest public development project in the State, and asked Board members to comment on what they see as the biggest opportunities and risks, and where should they focus first?

Mr. Rybak commented that investments should be made in the creation of jobs, the public realm, and transportation. He cited Discovery Square and the Heart of the City as the places to begin: a balance of Mayo's needs and the public's needs. He mentioned that the transportation strategy had to be game-changing. He further noted that the values of workforce inclusion and sustainability should be reflected throughout.

Mr. Campbell commented on the scope of the Plan, and agreed that Discovery Square should be a starting point. He noted the need to forge a new public-private partnership between Mayo, Rochester, Olmsted and the State.

Commissioner Bier noted the importance of the implementation stage, and agreed that Discovery Square was a priority. He cited the need to maintain a big-picture focus on this large initiative.

Council Member Hruska stated that Discovery Square was a priority and noted that the Downtown Waterfront was the best chance to create a public attraction. He said that throughout this project, Rochester's qualities and authenticity need to be maintained.

Mr. George commented that Discovery Square is a priority but requires significant lead time, and Mayo will have to be heavily involved. Heart of the City is an area that could proceed on a parallel track with Discovery Square. He noted that work needed to be done with respect to identifying the voice of visitors and patients, hospitality issues, and the Chateau Theater.

Ms. Park Rani noted the progress that has been made thus far, and said that the Heart of the City and Discovery Square should be the places to begin.

Mayor Brede commented on the Discovery Square and Heart of the City areas, and noted that the Chateau Theater could be a jewel in the project.

Mr. Rybak commented that there had to be scrutiny on individual projects and raised the question of when the public should assist.

Chair Smith summarized the Board discussion by repeating the common themes: 1) Discovery Square, Heart of the City, the Chateau Theater; 2) the need to maintain Rochester's authenticity and to stay focused on the big picture; and 3) highlighting the importance of the public-private partnership between the City, County, State and Mayo.

Chair Smith asked Bob Dunn of Hammes Company to outline proposed changes to the evaluation criteria contained in the Plan. After discussion, Mr. George moved approval of the proposed revisions, and Ms. Park Rani seconded. The motion to revise the evaluation criteria in the proposed Plan was approved.

Chair Smith asked for a vote on Resolution B, authorizing submittal of the Development Plan to the City.

Ayes (8), Nays (0), Motion carried.

- X. Economic Development Agency. Chair Smith invited Lisa Clarke, Interim Executive Director and Jeff Bolton, EDA Board Chair to present the report. Mr. Bolton recognized Dr. Patricia Simmons, former EDA Chair, and thanked her for her successful leadership over the previous year. Mr. Bolton stated that the top priority for the EDA is for staffing and the work plan to move forward. He expressed Mayo Clinic's commitment to the Destination Medical Center initiative and that Mayo is prepared to deliver on the vision and the capital investments required. Mr. Bolton highlighted examples from 2014 and 2015 of the capital investments that Mayo has already made or is planning to make in 2015. Ms. Clarke noted that the Development Plan process is on schedule and budget with a focus on collaboration with the City as well as community engagement and public outreach. Council Member Hruska recognized Ms. Clarke as "Newsmaker of the Year" and acknowledged her work on the project.
- XI. Next Meeting. Thursday, February 26, 2015 at the Civic Center at 9:30 a.m.
- XII. Adjournment. Commissioner Bier moved to adjourn the meeting at 11:27pm. Ms. Park Rani seconded.

Ayes (8), Nays (0), Motion carried.



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



February 13, 2015

The Honorable Patricia Torres Ray
Chair, State and Local Government
Committee
Minnesota State Senate
309 Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

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

The Honorable Dan Hall
State and Local Government Committee
Minnesota State Senate
103 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

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 David Tomassoni
Chair, Environment, Economic Development
and Agriculture Budget Division
Minnesota State Senate
G-9 Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

The Honorable Patrick Garafolo
Chair, Job Growth and Energy Affordability
Policy and Finance Committee
Minnesota House of Representatives
485 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Bill Ingebrigtsen
Environment, Economic Development and
Agriculture Budget Division
Minnesota State Senate
143 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Tim Mahoney
Job Growth and Energy Affordability Policy
and Finance Committee
Minnesota House of Representatives
345 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Richard Cohen
Chair, Finance Committee
Minnesota State Senate
121 Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

The Honorable Jim Knoblach
Chair, Ways and Means Committee
Minnesota House of Representatives
453 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Michelle Fischbach
Finance Committee
Minnesota State Senate
15 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Rod Skoe
Chair, Taxes Committee
Minnesota State Senate
235 Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

The Honorable Julianne Ortman
Taxes Committee
Minnesota State Senate
119 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

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

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

The Honorable Lyndon Carlson Sr.
Ways and Means Committee
Minnesota House of Representatives
283 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
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 Ann Lenczewski
Taxes Committee
Minnesota House of Representatives
209 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

Commissioner Katie Clark Sieben
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, 2015 Report

Dear Senators, Representatives, Commissioners and Chairs:

Pursuant to 2013 Minnesota Laws, Chapter 143, Article 10 (the "Act"), the Destination Medical Center Corporation (the "DMCC") and the City of Rochester (the "City") must jointly submit a report by February 15 of each year with respect to the status of the Destination Medical Center initiative.

On behalf of the DMCC and the City, we are pleased to submit this report, setting forth the progress that has been made since the last report, dated February 14, 2014.

I. Destination Medical Center Activities to Date.

A. Development Plan Status.

One of the primary goals of the Act is the creation 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 leverage \$585 million in eligible public funds in order to attract \$5 billion in private investment, 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 will be the strategic framework for the Destination Medical Center initiative, establishing a comprehensive business and economic development strategy. As described in the Act, the Development Plan must address several items, including land use, transportation and infrastructure planning, market research, funding priorities, business and economic development and market strategies.

As required by the Act, the DMCC engaged the Destination Medical Center Economic Development Agency (the "EDA") to assist the DMCC in preparing the Development Plan. Most of 2014 was focused on the planning, analysis and research necessary to draft the document. The EDA submitted the draft Development Plan to the DMCC on December 17, 2014, and it was posted and available on the DMCC website (www.dmccorporation.org) for public review and comment.

The DMCC formally submitted the proposed Development Plan to the City on January 29, 2015. The Act requires that the City must act on the proposed Development Plan within sixty days following its submission by the DMCC. The DMCC is also required to hold a public hearing, which will likely be scheduled in early April. Upon making the findings set forth in the Act, including finding that the City has approved the Development Plan, the DMCC may adopt the Development Plan.

B. Community Outreach.

The community engagement process in 2014 was robust. The EDA established an eighty-person community input committee, to engage experts in each of the core areas, in order to facilitate information-gathering and public comment. A master list of current studies, information, and initiatives was created by the group and shared with the planners during the information-gathering phase of the project. The outreach methods that were employed in this process throughout the year included: four public forums (approximately 1025 attendees); community conversations (approximately 175 attendees); the distribution of outreach toolkits; social media; stakeholder meetings (e.g. residents, downtown organizations, developers, businesses, etc.); meetings of the technical committee (including EDA and City/County staff); and other working sessions/meetings with City/County staff.

C. WMBE/Small Business Utilization.

The DMCC and City are committed to increasing opportunities for the growth of employment, local business and WMBE/Small Business utilization. The Act provides that for all public infrastructure projects, the City must make every effort to hire and cause the construction

manager and any subcontractors to employ women and members of minority communities, and must establish goals for construction projects. The City adopted a plan and goals for the Destination Medical Center initiative on July 21, 2014.

D. Websites.

As stated in our previous report, the DMCC has established a website: www.dmccorporation.org. The website contains the regular meeting schedule, meeting agendas, minutes and other information on DMCC activities. The EDA has also created a website: www.dmcmn.org, which contains general information on the project, including information about the community outreach process. The City's website, www.rochestermn.gov, also has a link to the DMCC website.

E. DEED Agreement, Transit Aid Agreement.

In order to qualify for general State infrastructure aid, the Act requires that the City and the Commissioner of Department of Employment and Economic Development enter into an agreement that will govern the State funding. The City has taken the lead role in negotiating and drafting the agreement with DEED as well as an agreement with the County, and those discussions are underway. We expect that these agreements will be finalized shortly.

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 proposed Development Plan has been drafted and was submitted to the DMCC on December 17, 2014. It has been posted and available for public review and comment since that date. On January 29, 2015, the DMCC formally submitted the draft Development Plan to the City, triggering the sixty-day period for the City's review and action. Upon action by the City, the City will then forward the Development Plan back to the DMCC. The DMCC will hold a public hearing on the Development Plan, and upon the DMCC's findings as required by the Act, will approve the Development Plan.

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

Because the Development Plan is in draft form and is not scheduled for full approval until early April, there are no projects yet identified or approved in the Development Plan.

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."

As noted above, because the Development Plan has not yet been approved, no public infrastructure projects have been approved for funding.

With respect to private projects, the Act requires that DEED must certify that Two Hundred Million Dollars of private investment has been made before any state funding may be

paid. To date, Mayo Clinic has announced its first expansion related to the Destination Medical Center initiative: a \$72 million expansion of the St. Mary's campus. In addition, there has been significant third party interest from developers and other entities considering investment opportunities in Rochester. The Act requires that an annual certification of private investment by Mayo or other private investors be made to DEED by April 1 of each year. Attached is the annual certification of private investment that was submitted to DEED by April 1, 2014, as well as the DEED certification.

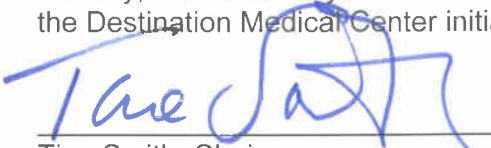
D. "Estimated costs and financing sources for projects to be started in the next two years by the DMCC, City, Olmsted County and Mayo."

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 "C," above.

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

As noted above, because the Development Plan has not yet been approved, no projects have been identified or approved in the Development Plan.

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 substantial progress on the Destination Medical Center initiative in 2015.



Tina Smith, Chair
Destination Medical Center Corporation



Ardell Brede, Mayor
City of Rochester

Enclosures
cc: Legislative Reference Library



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

March 31, 2014

Katie Clark Sieben
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 Sieben:

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 June 30, 2013 and ending December 31, 2013. The amount of qualified investment for this report is approximately \$6.9 million.

It is important to note that this is the initial reporting period for DMC expenditures, and the DMC law permits us to only report those expenditures that are directly related to permits pulled for projects after June 30, 2013 and that are made for such projects through the end of the year.

In reality, Mayo Clinic expended more than \$300 million on capital projects and equipment in Rochester in calendar year 2013. This work included two marquee projects, the new Proton Beam facility and the expansion of the Dan Abraham Living Center. It is important to note Mayo Clinic's average capital and equipment expenditures for the last five years have exceeded more than \$200 million annually. Mayo Clinic is taking a conservative approach when counting eligible investments and expenditures for purposes of meeting the DMC investment thresholds.

Due to the authorization of the DMC legislation last year, Mayo Clinic is deepening its commitment to Rochester and the State of Minnesota. Since January 1, 2014, we have started work on the \$72 million expansion of St. Mary's Hospital and will announce other projects in the coming months that will proceed now that we have the confidence the tools are in place to support the DMC-related private investments. 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 premiere destination medical center.

We will follow up with Tom Gast and Jeremy Lacroix in your office to review the certification form and to follow up with any additional information, if needed.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Bolton".

Jeff Bolton
Chief Administrative Officer

cc: Tom Gast, Minnesota Department of Employment and Economic Development
Jeremy Lacroix, Minnesota Department of Employment and Economic Development
Tina Smith, Chair of Destination Medical Center Corporation Board of Directors
Patricia Simmons, Chair of Economic Development Agency Board of Directors

Certification of Expenditures Destination Medical Center

For Calendar Year 2013

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 2013, 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 This Year by Medical Business Entity ¹	\$6,956,469
Total Expenditure Reported This Year for individuals and other private entities ^{1,2}	\$0
TOTAL Expenditures This Year	\$6,956,469

Cumulative Expenditures

Cumulative Previous Expenditures	\$0
Previous Qualified Expenditures (minus \$200,000,000 Required Initial Investment)	(\$200,000,000)
TOTAL Expenditures This Year (from above)	\$6,956,469
Cumulative Qualified Expenditures as of 12/31/13	(\$193,043,531)

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


General State Infrastructure Aid Qualified for (Cum. Qual. Exp. multiplied by .0275)	
State Transit Aid Qualified for (Cum. Qual. Exp. multiplied by .0075)	

By providing my signature below, I certify that the information stated herein, to the best of my knowledge, 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 State Infrastructure Aid Agreement.

For Expenditures By the Medical Business Entity:


3/31/2014
 Mayo Clinic Chief Financial Officer Date

For all other Expenditures


3/31/2014
 DMCC Treasurer Date

¹ Expenditures need to be after June 30, 2013

² Other Private Entities' certification of expenses may be certified retroactively in 2014 after the DMC District and plan are adopted.



May 29, 2014

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 2013 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 \$6,956,469 in DMC qualified expenditures made by the Mayo Clinic in 2013. The Mayo Clinic provided DEED with organized, detailed, and expansive information on all invoices and payments to account for the certification amount. You also provided an independent third party report from McGladrey LLP stating the law and procedures for certifying expenditures are being followed properly. Additionally, DEED staff reviewed invoices and payments for more than 25% of the expenditures in your certification. DEED acknowledges the expenses and payments met guidelines and the internal accounting and auditing system the Mayo Clinic has in place is sufficient.

As required by law, I have determined that the amount of 2013 Destination Medical Center expenditures is \$6,956,469 as you certified. The DMC \$200 million cumulative expenditure threshold has not been met and the state will not be investing funds for public infrastructure or transit this year. The 2013 expenditures will be credited towards future years for this purpose.

Thank you again for your efforts on this groundbreaking economic development effort. We look forward to seeing the completion of the DMC Plan and assisting with its development.

My best regards,

A handwritten signature in cursive script that reads "Katie Clark Sieben".

Katie Clark Sieben
Commissioner

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

Destination Medical Center Corporation
Financial Budget Summary January 2015

	2015 Approved Budget	Curent Month Jan 2015	Jan 2015 YTD	Amount Remaining	Percent Remaining
General Expenses	217,203	90	90	217,113	100%
Professional Services	780,600		-	780,600	100%
City Expenses	275,000		-	275,000	100%
Subtotal DMCC	1,272,803	90	90	1,272,713	100%
Third Party Costs - DMC EDA *					
Payroll, Staff, Administration & Benefits-EDA	1,285,000	-	-	1,285,000	100%
General Expenses - EDA	222,000	-	-	222,000	100%
Marketing Expenses	296,000	-	-	296,000	100%
Meeting Expenses	12,000	-	-	12,000	100%
Professional Services	805,000	-	-	805,000	100%
Miscellaneous Expenses	180,000	-	-	180,000	100%
Subtotal EDA	2,800,000	-	-	2,800,000	100%
Total DMCC 2015	4,072,803	90	90	4,072,713	100%
			-		
Plus DMCC 2014 Costs Paid In 2015	56,933	56,933	56,933	-	-
Plus 2014 EDA Contract Commitment Carryover	972,566	395,999	395,999	576,567	59%
*(Full Accrual 2014 Statement Forthcoming)					
DMCC Working Capital Note			3,000		
EDA Working Capital Note			10,000		
* See Attached Contract Commitments for EDA Portion					

DETAIL COST REPORT #10

January 31, 2015

Division	Description	Schedule of Values							Variance	Work in Place	
		Master Project Budget A	Original Contract Amount B	Contract Revisions C	Committed Costs B+C	Committed Direct Owner Purchases D	Un-Committed Costs E	Final Projected Cost B+C+D+E	Over/(Under) Budget (B+C+D+E)-A	Total Work In Place	Percent Complete
DEVELOPMENT COSTS											
40-05-000	Architecture & Engineering	\$2,431,000.00	\$1,545,921.60	\$165,891.61	\$1,711,813.21	\$0.00	\$719,186.79	\$2,431,000.00	\$0.00	\$1,362,041.10	56.03%
40-05-300	Planning Services, Architecture, Engineering	\$2,431,000.00	\$1,545,921.60	\$165,891.61	\$1,711,813.21	\$0.00	\$719,186.79	\$2,431,000.00	\$0.00	\$1,362,041.10	56.03%
40-25-000	Marketing & Public Relations	\$790,000.00	\$245,883.05	\$90,963.03	\$336,846.08	\$0.00	\$453,153.92	\$790,000.00	\$0.00	\$298,177.56	37.74%
40-25-300	Communications, Marketing & PR	\$545,000.00	\$183,137.76	\$73,092.01	\$256,229.77	\$0.00	\$288,770.23	\$545,000.00	\$0.00	\$231,666.49	42.51%
40-25-310	Public Relations & Communications	\$245,000.00	\$62,745.29	\$17,871.02	\$80,616.31	\$0.00	\$164,383.69	\$245,000.00	\$0.00	\$66,511.07	27.15%
40-30-000	Development Services	\$2,350,000.00	\$2,300,000.00	\$0.00	\$2,300,000.00	\$0.00	\$50,000.00	\$2,350,000.00	\$0.00	\$2,150,000.00	91.49%
40-30-300	Development Services	\$1,675,000.00	\$1,675,000.00	\$0.00	\$1,675,000.00	\$0.00	\$0.00	\$1,675,000.00	\$0.00	\$1,569,500.00	93.70%
40-30-310	Financial, Accounting & Investment Services	\$675,000.00	\$625,000.00	\$0.00	\$625,000.00	\$0.00	\$50,000.00	\$675,000.00	\$0.00	\$580,500.00	86.00%
40-35-000	Legal Services	\$425,000.00	\$126,208.01	\$97,613.74	\$223,821.75	\$0.00	\$201,178.25	\$425,000.00	\$0.00	\$223,821.75	52.66%
40-35-300	Legal Services	\$425,000.00	\$126,208.01	\$97,613.74	\$223,821.75	\$0.00	\$201,178.25	\$425,000.00	\$0.00	\$223,821.75	52.66%
40-55-000	Misc Professional Services	\$451,000.00	\$298,473.00	\$60,633.35	\$359,106.35	\$0.00	\$91,893.65	\$451,000.00	\$0.00	\$322,023.29	71.40%
40-55-300	Economic Analysis, Market Research, Reports	\$351,000.00	\$298,473.00	\$60,633.35	\$359,106.35	\$0.00	(\$8,106.35)	\$351,000.00	\$0.00	\$322,023.29	91.74%
40-55-310	Other Professional Services & Project Costs	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$100,000.00	\$0.00	\$0.00	0.00%
40-90-000	Other Development Costs	\$872,000.00	\$93,857.94	\$162,832.94	\$256,690.88	\$0.00	\$615,309.12	\$872,000.00	\$0.00	\$255,647.86	29.32%
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$460,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$460,000.00	\$460,000.00	\$0.00	\$0.00	0.00%
40-90-120	General Expenses-EDA	\$382,000.00	\$93,857.94	\$34,975.10	\$128,833.04	\$0.00	\$253,166.96	\$382,000.00	\$0.00	\$127,790.02	33.45%
40-90-300	Reimbursable Expenses	\$30,000.00	\$0.00	\$127,857.84	\$127,857.84	\$0.00	(\$97,857.84)	\$30,000.00	\$0.00	\$127,857.84	426.19%
	Subtotal	\$7,319,000.00	\$4,610,343.60	\$577,934.67	\$5,188,278.27	\$0.00	\$2,130,721.73	\$7,319,000.00	\$0.00	\$4,611,711.56	63.01%
PROJECT CONTINGENCY											
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$7,319,000.00	\$4,610,343.60	\$577,934.67	\$5,188,278.27	\$0.00	\$2,130,721.73	\$7,319,000.00	\$0.00	\$4,611,711.56	63.01%

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. __-2015

Approving the Forms of and Authorizing the Chair and Treasurer to Execute and Deliver Working Capital Loan Agreements and Related Documents with the City of Rochester and Destination Medical Center Economic Development Agency

The following Resolution was offered by _____, and seconded by _____.

WHEREAS, the Board of Directors of the Destination Medical Center Corporation (“DMCC”) on June 14, 2014, adopted Resolution No. 20-2014, authorizing the Chair and Treasurer to negotiate and enter into an agreement or agreements with the City of Rochester (the “City”) and the Destination Medical Center Economic Development Agency (the “EDA”) to provide for advance funding of EDA operations, subject to certain terms; and

WHEREAS, the DMCC, the City, and the EDA have negotiated loan documents, namely (1) a Working Capital Loan Agreement (the “DMCC Working Capital Loan Agreement”), to be entered into between the City and the DMCC, including as exhibits forms of a promissory note, security agreement and control agreement (all documents which are to evidence and secure the DMCC Working Capital Loan, collectively, the “DMCC Loan Documents”); and (2) a Working Capital Loan Agreement (the “EDA Working Capital Loan Agreement”), to be entered into between the DMCC and the EDA, including as exhibits forms of a promissory note, security agreement and control agreement (all documents which are to evidence and secure the EDA Working Capital Loan, collectively, the “EDA Loan Documents”); and

WHEREAS, under the DMCC Working Capital Loan Agreement, the City will agree to make available to the DMCC a working capital loan (the “DMCC Working Capital Loan”), in two parts or tranches, with advances of one tranche to be used by the DMCC to fund certain DMCC annual costs, and advances of the other tranche (the “EDA Tranche”) to be used by the DMCC to fund advances of a working capital loan to be provided by the DMCC to the EDA (the “EDA Working Capital Loan”); and

WHEREAS, under the EDA Working Capital Loan Agreement, the DMCC will agree to make available to the EDA the EDA Working Capital Loan, when and to the extent the EDA Tranche is made available by the City to the DMCC; and

WHEREAS, to secure the DMCC Working Capital Loan, the DMCC will grant the City a security interest in, among other things, the rights and interests of the DMCC under the EDA promissory note and certain of the other EDA Loan Documents.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, that the DMCC hereby approves the forms of the DMCC Loan Documents and the EDA Loan Documents currently on file with the DMCC.

BE IT FURTHER RESOLVED, that the Chair and Treasurer are hereby authorized and directed to execute and deliver in the name of and on behalf of the DMCC, the DMCC Loan Documents and those EDA Loan Documents to which the DMCC is a party, in substantially the form currently on file with the DMCC, with such modifications, additions, deletions or other changes as the Chair and Treasurer may deem necessary or appropriate, and such other documents as may be necessary or desirable in connection with the DMCC Working Capital Loan and the EDA Working Capital Loan, all which may be approved, executed and delivered without further action of this Board.

BE IT FURTHER RESOLVED, that the Chair and the Treasurer, and other officers of the DMCC, are hereby authorized and empowered to perform in the name of and on behalf of the DMCC, the DMCC Loan Documents and those EDA Loan Documents to which the DMCC is a party, and all other documents referred to or contemplated by this Resolution or the DMCC Loan Documents or the EDA Loan Documents or which are otherwise necessary for the transactions contemplated by this Resolution, and are hereby authorized and empowered to do all things they may deem necessary or convenient to carry out the tenor and purport of this Resolution.

BE IT FURTHER RESOLVED, that the execution and delivery by the Chair and the Treasurer of the DMCC Loan Documents and those EDA Loan Documents to which the DMCC is a party, the execution and delivery by the Chair or the Treasurer or any other officer of any other document, agreement, contract, certificate, instrument or undertaking, and any amendment thereto, and the doing by them of any act or thing, in connection with the subject matter of this Resolution, shall conclusively establish their authority therefor from the DMCC and the approval and ratification by the DMCC and this Board of the documents, agreements, contracts, certificates, instruments and undertakings so executed or actions so taken.

BE IT FURTHER RESOLVED, that all actions heretofore taken by the Chair or Treasurer or any of the other officers of the DMCC in connection with the transactions contemplated by the DMCC Loan Documents or the EDA Loan Documents or the subject matter of this Resolution, are hereby ratified, confirmed and approved.

The question was on the adoption of the Resolution and there were __ YEAS and __ NAYS, as follows:

BOARD OF DIRECTORS
Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
James V. Bier	_____	_____	_____
Ardell F. Brede	_____	_____	_____
James R. Campbell	_____	_____	_____
Ed Hruska	_____	_____	_____
William George	_____	_____	_____
Susan Park Rani	_____	_____	_____
R. T. Rybak	_____	_____	_____
Tina Smith	_____	_____	_____

RESOLUTION ADOPTED ON _____, 2015

ATTEST: _____
Tina F. Smith, Chair
Destination Medical Center Corporation

February 20, 2014

TO: Tina Smith, Chair
Kathleen Lamb, General Counsel
All DMCC Board Members

FR: Lisa Clarke

CC: Bob Dunn
Wendy Rogers
Lynnette Slater Crandall

RE: Transportation/Transit Comments Related to Elevated Rail

The Transportation Plan included in the overall DMC Development Plan identifies the needs related to the transportation/transit infrastructure for the City of Rochester. As you know, the EDA engaged some of the most experienced professionals in the industry with vast knowledge and data to assess and analyze the specific issues that will ensure Rochester's long-term economic success.

As stated in the Development Plan, the DMC funding currently anticipated in Phase 1 for transit is for a federally-required alternative analysis that will advance planning and design for the proposed downtown circulator. This study is required to evaluate mode and alignment choices for the circulator in greater detail than the DMC Development Plan. While the DMC Transportation Plan recommends the streetcar as the preferred mode with an at grade operation, the next phase of planning is intended to revisit the mode selection process (mode and alignment). Given the interest in the elevated transit option, it would be prudent to include Mr. Olen's request, as well as other modes.

It has been requested by the DMCC Board that the DMC transportation planning team prepare responses to the specific question raised in Richard Olen's recent communication to the DMCC Board.

It is important to note that Mr. Olen's proposals during the course of the development planning process initially included a MagLev circulator concept. The transportation planning team was concerned because there is no market-viable product that meets Federal Administration safety standards for this concept. The DMC transportation planning team believes it is against the interest of the community of Rochester and the DMCC to fund an experimental technology that would likely never be built as part of the DMC initiative. Following those conversations, the team discussed with Mr. Olen a proposal for elevated automated rapid transit (ART) technology. This is a technology that the transportation planning team was already evaluating as part of the DMC development planning process, as documented in the mode analysis section in the DMC Development Plan Appendices. This is a market-viable product, although it is primarily used at institutions, theme parks, airports, and resorts.

Below you will find Mr. Olen's specific questions and the DMC transportation planning team's responses thereto:¹

1. *"Not enough consideration was given to the issues of Rochester weather and how it will affect the rider's access to buses and streetcars"; and*
2. *"Even with heated shelters and comfortable seating, buses and streetcars require the rider to move outside from building to building."*

Response: Weather was at the forefront of the transportation planning team's evaluation. The heated shelters and fully enclosed station accesses at some stations would provide weather coverage. Streetcars are in operation in all types of environments, including winter weather cities. Our plans specifically discuss opportunities to create weather protected access to stations and create connections from buildings and skywalks/subways to the station platforms. This can be further designed as a final mode is selected and station design advanced. While elevated transit integrated into buildings may have better overall weather protection, the planning team was concerned that such an investment would create separation of the public and institutional realm, a challenge Rochester must overcome to become the vital urban community envisioned in the DMC Development Plan.

3. *"The safety aspects of surface transit versus elevated transit were not considered. For example the Twin Cities light rail system has had over 80 accidents involving pedestrians and vehicles and 12 people have been killed in accidents with light rail trains over the past 10 years. (Contrast that with the Indianapolis People Mover where no one has been injured in 10 years)."*

Response: Safety is always at the forefront of the team's transit planning projects and conceptual designs. The planning team designs "Complete Streets" that make streets safer and comfortable for all types of users. The planning team has applied these design principles to the DMC Transportation Plan, including conceptual designs on streets that are proposed to operate streetcars. All transportation modes have a risk for injury and most risks are related to design considerations or operator error. Streetcars are not inherently unsafe; in fact, Portland Streetcar has a stellar safety record, with the majority of crashes involving a car that went through a red light (operator error). Streetcar has a much better safety record than light rail and the comparison to the Green Line is not appropriate. The transportation planning team has developed principles and design concepts throughout the Transportation Plan that convey safe and accessible design. Further, safety must be considered for all users of the transportation system. Modern research shows that highly segregated systems create higher speed travel for automobiles and increase pedestrian fatalities and severe outcomes from crashes. Travel distances are relatively short within the downtown area and reliability should be valued over speed and segregation.

¹ The transportation planning team did not submit responses to the following points made by Mr. Olen, as they expressed opinions and were not questions: 5. *"Slowing traffic and mixed use of transit lanes with buses and streetcars was seen as an advantage by the consultants. (p. 341). I disagree."*; 8. *"Recreational bicycle use does not mean bicycles will be used by commuters."*; and 9. *"The report is not always clear about how transit will be used and in what proportion would be for employees, versus visitors, patients and residents."*

4. *“Little attention is given to where streetcars and buses would be staged and maintained in the Draft Report during phase one.”*

Response: We believe the DMC Transportation Plan gives clear guidance on maintenance bay options (near Miracle Mile and Slatterly Park streetcar station), but can only go so far at this level of study. This issue will require further study as the streetcar alternatives analysis moves forward. O&M facilities for a streetcar system are far less costly than an ART system and can be integrated into planned buildings or sighted on a moderate sized urban lot at relatively low cost.

6. *“Indication was that elevated transit is more costly and complex (p.307), a conclusion not supported by the cost data from the IUH People Mover.”*

Response: There is a broad range of ART technologies available on the market, with a wide range of costs. The IUH system was constructed at a relatively low cost, but the operating environment should be considered. The system travels through a primarily industrial area with no aesthetic value or pedestrian environment. One of the key reasons elevated systems were removed from consideration was that during walking tours the planning team could not find pathways through downtown that did not provide significant concerns about the impact of an elevated system on the aesthetic values of the Mayo Clinic campus, historic buildings, and public spaces.

7. *“Too much consideration is given to bicycle and pedestrian access and expansion. Even if the use goals are achieved for bicycles, it is a small consideration compared to the need to move more Mayo employees. Bicycle data given in the report is from cities where major colleges exist (Ann Arbor, Madison, Iowa City, Boulder, CO) and thus are places where the student population is from 18% to 43% of the cities' population. (p.288). That is a very different environment than Rochester.”*

Response: The DMC Transportation Plan does not rely on bicycle system improvements to address key peak period access challenges. Bicycle facilities are included as a key amenity for community residents and visitors and an important economic development tool. Rochester already bikes and walks above the national average; there is no reason to believe that walking and cycling won't increase as facilities improve, leading to healthier residents, employees, and visitors.

Pedestrian access and placemaking is a core component to improving the patient experience, attracting private investment, attracting a talented workforce, and giving people the tools to live healthy lives. These are all goals of the DMC initiative. It is well-documented that places that are walkable and bikeable attract and retain talent, and more recently attract and retain businesses. Costs related to pedestrian and bicycle improvements in the Transportation Plan are very small compared to the overall capital budget, and these are almost entirely funded through public-private partnerships. The economic return for such a small investment is anticipated to be very large. The economic impact of the Indianapolis Cultural Trail far exceeds the initial investment to design and construct the multi-use facility that the City Loop was modeled after. For every \$1 spent, \$12 were generated from the project. In fact, during the DMCC/EDA/planning team trip to Indianapolis, the Mayor of Indianapolis stated that the Cultural Trail was the single most important investment that city has made since the city's economic resurgence.

10. *“Closing down auto lanes so space can be used for bicycles and pedestrians and making shared transit lanes is very problematic. For example, a streetcar lane moved to the center of 3rd Avenue so autos can unload*

passengers at Gondo [sic] must assume that no one is getting off the streetcar and having to cross in front of autos (p. 298)."

Response: The Transportation Plan demonstrates the increase in person carrying capacity of streets when modest right-of-way tradeoffs are made. This also has been demonstrated in cities across the world. The traffic analysis found that the street network will operate at appropriate levels for a very dense urban area that has 35,000 new employees accessing downtown. As with mode selection, treatment of the right-of-way (will a lane be dedicated or not) requires further study and won't be confirmed without the approval of City Council.

11. *"Many of the locations and photos shown in the Draft Report of existing transit systems, that are meant to indicate good practice, are rather examples in cities with warm weather climates, with little or no snow or in cities that do not reflect the Rochester environment. We have a city of 110,000 people now that in 20 years will have 70,000 or more employees at the Mayo Clinic. There is no US city that has had to deal with that challenge."*

Response: Rochester will experience significant growth, which is the premise and the challenge on which the DMC Development Plan is based. Precedents include a number of cold weather systems. Some of the most successful transit systems in North America are located north of Rochester, MN.

12. *"The report states that the Millennial generation that now represents 25% of the workforce will rise to 75% by year 2025 (p.352) Not possible1 [sic]"*

Response: A correction in Mr. Olen's interpretation is that 75% of the 2025 workforce will be of the millennial generation, not the total population.

The transportation planning team believes the following considerations are also important as you are navigating conversations with the public:

- **Indianapolis People Mover:** Indianapolis People Mover operates in a fairly remote, parkway-like setting that does not fit the context of urban Rochester. Nor does the mode meet the economic goals of the DMC. Elevated people movers and their support structures would take away from the pedestrian realm. The monorail in Seattle (built for the World's Fair) is a good example of an elevated transit system that was both unsuccessful in generating ridership and unattractive to the street environment. The planning team believes that elevated transit can have significant negative visual impacts and would not produce the economic results that streetcars have demonstrated. The general feeling during the DMCC/EDA/planning team trip to see the Indianapolis People Mover was that it would detract from downtown Rochester. Likewise, in order to double track the system Mr. Olen is proposing would require guideway columns that either diminish the pedestrian realm or take out at least one lane of general purpose travel lane, thereby negating the neutral impact on 2nd Street traffic that Mr. Olen mentioned in his point #10.
- **Elevated Transit Costs:** Mr. Olen's statement about costs underestimates the complexity of constructing an elevated system in a very urban environment. The transportation planning team

believes that the per-mile capital cost would be roughly double the cost of the Indianapolis system. Mr. Olen also does not appear to include costs for inflation, planning study, engineering, and final design.

- **Comparing Streetcar to Light Rail Transit:** Mr. Olen is comparing streetcar to modes that the planning team is not considering for Rochester. Light rail is not the same as streetcar and is not being represented as a potential mode of transportation for DMC.



Destination
Medical Community
hope, health & hospitality

Monthly Report for
Destination Medical Center Initiative

Hammes Company



Destination
Medical Community

* a vision of hope, health & hospitality

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- 2.0 Master Project Budget
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- 4.0 Cost Report
- 5.0 Contract Summary Report
- 6.0 Master Application for Payment

REPORT PERIOD: JANUARY 2015

MASTER PROJECT BUDGET

The following is a summary of the sources and uses of funds included in the current payment application. This summary represents the approximately \$7.3 M portion of the budget and/or expenses that are managed and reported by the EDA. The balance of funding (approximately \$886,000 for a total budget of \$8.205 M) is DMCC and City of Rochester funding and managed outside of the EDA budget.

SOURCES OF FUNDS

City Contribution	\$7,319,000
Total Sources	\$7,319,000

USES OF FUNDS

Total Work in Place	\$4,611,712
Balance to Complete	<u>\$576,567</u>
Committed Costs	\$5,188,278
Uncommitted Costs	\$2,130,722
Total	\$7,319,000

- A summary of the sources and uses of funds as of Map #10 (January 2015) is included above. A detailed cost report is also attached with this update.
- MAP #1 - #9 are processed. Map #10 (January 2015) was submitted to City/DMCC on January 12, 2015.
- The EDA is operating within budget and there were no major budgetary risks during the 2014 calendar year.
- As of January 31, 2015, there is \$576,567 remaining in the 2014 budget to be paid (Balance to Complete).

MASTER PROJECT SCHEDULE / DEVELOPMENT PLAN PROCESS

- After the submission of the Development Plan by the EDA to the DMCC on December 17, 2014, it was reviewed by the DMCC during the month of January 2015. The original timeframe for the approval and adoption of the Development Plan by the end of February 2015 has shifted to April 2015. The remaining phases of work for the approval of the Development Plan include the following:
 - Transmission of the Development Plan, including amendments by the DMCC, to the City of Rochester on January 29, 2015
 - Commencement of the 60-Day City of Rochester Review Process: January 29, 2015
 - City Planning Committee Meeting: February 23, 2015
 - Common Council Meeting: March 23, 2015
 - DMCC Public Hearing: April 2015 (date to be confirmed)
 - DMCC Board Meeting to Approve the Development Plan: April 2015 (date to be confirmed)
- A milestone schedule for 2015 activities is attached.
- An outline of the major topics to be considered at EDA and DMCC Board Meetings in the coming months is included with this report.

PROJECT FINANCE / FINANCIAL MANAGEMENT

- The legal documentation for the terms and conditions for the Amendment to Advance Funds (Working Capital Loan Agreements) between the City, EDA, and DMCC is nearing completion. The agreements are expected to be executed in February 2015.
- The clarification of language in the legislation regarding the cumulative vs. annual basis raised by the Attorney General (the legislative “fix” referred to in previous monthly reports) was provided in a bill that was put forward by Legislators in early January. The bill, clarifying that the cumulative basis was intended, was passed by both the House and Senate and signed into law by the Governor on January 24, 2015.

- The issues with respect to measuring private investment and drawing down state funds are not yet resolved between the City and DEED. These issues are to be resolved in an agreement between the City and DEED in early 2015.

DEVELOPMENT PLAN – PROCESS / DESIGN / PLANNING

- The EDA presented an overview of the highlights of the Development Plan to the DMCC at their January 29, 2015 board meeting. The presentation included an overview of amendments to the Evaluation Criteria and a new mission statement in the Development Plan that were recommended and adopted by the DMCC. The presentation also clarified what an approval of the Development Plan means and what it does not. Summarized below are the key points:
 - The Approval the Development Plan Is:
 - The Development Plan findings meet the requirements and legislative intent of the DMC Act
 - A framework to guide the policies and procedures for the DMC
 - Evaluation Criteria for DMC investment
 - Establishment of the Development District Boundaries
 - A tool to support the economic development efforts of the DMC
 - An outline of the Planned Public Infrastructure and Transportation Programs
 - A work plan to guide the ongoing efforts of the DMC and EDA
 - The Approval of the Development Plan is Not:
 - A definitive block-by-block master plan or land use plan for Rochester
 - A commitment for capital investment for any specific project(s)
 - An appropriation of any funds by the City of Rochester
 - An obligation to enact any specific tax by the City of Rochester
- The EDA has compiled a list of issues that the City would like to discuss. The EDA plans to meet with the City to discuss these issues as well the City's concerns regarding the contribution of additional funding for ordinary City capital projects in the Development District beyond its local match target of \$128 million.
- The EDA has not directed the DMC Planning Team to make any changes (other than the amendments mentioned above) to the Development Plan document during January. The need for any potential adjustments to the Development Plan will be assessed after the completion of the City's public review process.
- The EDA's Planning teams' contracts are scheduled to terminate at the end of February 2015.

COMMUNITY INPUT PROCESS

- The EDA's community engagement consultant's work in coordinating outreach activities with the City for its Comprehensive Plan is on-going.
- The EDA continues its on-going outreach activities including website updates, blogs, a bi-weekly newsletter and presentations within the community and the region.

TARGETED BUSINESS / WORKFORCE

- The EDA's work in coordinating with the City of Rochester and DMCC Board regarding targeted business and workforce initiatives is on-going.
 - EDA will prepare targeted business / workforce development guidelines as part of its next phase of work (Phase 2).
-

OPERATIONS

- The EDA is currently finalizing a work plan to (1) complete the close-out of contracts and all remaining close-out activities that were associated with the preparation of the Development Plan and (2) establish the immediate tasks and the resources required to advance the Development Plan to the implementation stage, and (3) launch the EDA organization and start the recruitment process to hire staff.

KEY CONSIDERATIONS / IDENTIFIED RISKS

- **City Contribution for Public Infrastructure Costs:** As noted earlier, the City's current position is that it may not contribute any additional funding beyond its local match for extraordinary DMC projects. This will impact the goals and the number of capital projects included in the Development Plan. The EDA will work to seek a solution that addresses the City's concerns while not significantly altering the capital project goals in the Development Plan.
- **Coordination with the City on Ordinances and Other Policy Issues.** The EDA will continue to coordinate with the City on policy changes that may be needed including land use policies, parking requirements, private developer responsibilities, utilities, and other existing covenant and restrictions to better align with the redevelopment concepts in the Development Plan.
- **Coordination with the Comprehensive Plan:** The Comprehensive Plan work is on-going and not expected to be completed until the end of the 2015 at the earliest. It is important for the EDA to continue its coordination with the Comprehensive Plan team to ensure that the Development Plan is successfully integrated into the Comprehensive Plan. Both the EDA and the City are committed to work together to coordinate and resolve and/or mitigate any potential issues.
- **Coordination with Mayo Clinic:** The active involvement and commitment of Mayo Clinic to the DMC from concept to actual projects is critically important. The EDA will continue to work closely with the Mayo Clinic by providing all information and support that is needed to enable Mayo Clinic to take a lead role in driving catalytic development in the core of the DMC Development District.

MAJOR TASKS TO BE COMPLETED OVER NEXT 60 DAYS:

The following provides an outline of the anticipated tasks to be completed in the next 60 days.

- Start of the City's 60-day statutory review process – January 29, 2015
 - DMCC completes Annual Report – January 31, 2015
 - DMCC / City submit Annual Report to DEED – February 15, 2015 (target date)
 - City Planning Committee Meeting (Development Plan review) – February 23, 2015
 - Coordinate with DMCC / City to Resolve Open Issues with DEED
 - Completion of Process Certifying Qualified Expenditures for Submission to DEED (deadline April 1st)
 - Complete Preparation of Financial Statements for the EDA audit
 - Discussion with City to Resolve its Concerns Regarding Contributions Beyond the Local Match
 - Approval of EDA's Phase 2 Work Plan and Launch of Operations
 - Coordination of Contract Close-out of all Planning Team Consultants and Vendors
 - Common Council Meeting – March 23, 2015
 - Adoption of the DMC Development Plan by the City – March 29th, 2015
-

MILESTONE DATES

The following provides an outline of the major milestone dates for the project known as of the date it was issued. This milestone schedule is not meant to be a comprehensive document and does not represent all meetings, calls, actions, tasks or deadlines associated with the project. The schedule is subject to change without notification.

Calendar Year 2015

Date	Milestone Schedule
January 5 th	Due Date: EDA Payment Application #10 Submitted to EDA for preliminary review/approvals
January 10 th	Due Date: EDA Payment Application #10 Submitted to DMCC for preliminary review/approvals
January 22 th	EDA Board Meeting
January 29 th	DMCC Board Meeting, DMCC transmits Draft Development Plan to City
January 29 th	Commencement of City's 60-day Comment Period on the Draft Development Plan
January 31 st	Target Date: EDA completes Annual Report for review by DMCC Board, DMCC Board submits February 15 th (See Below)
February 3 rd	Due Date: EDA Payment Application #11 Submitted to EDA for preliminary review/approvals
February 10 th	Due Date: EDA Payment Application #11 Submitted to DMCC for preliminary review/approvals
February 15 th	Due Date: DMCC/City submit Annual Report to DEED
February 19 th	EDA Board Meeting
February 23 rd	Target Date: City Planning Committee Meeting
February 26 th	DMCC Board Meeting
March 1 st	Target Date: Completion of McGladry Review of Mayo Clinic Investments
March 3 rd	Due Date: EDA Payment Application #12 Submitted to EDA for preliminary review/approvals
March 10 th	Due Date: EDA Payment Application #12 Submitted to DMCC for preliminary review/approvals
March 19 th	EDA Board Meeting
March 23 rd	Target Date: Common Council Meeting to Adopt Development Plan
March 26 th	DMCC Board Meeting
April 1 st	Due Date: Submittal of 2014 Certification of Investment to DEED
April 5 th	Due Date: EDA Payment Application #13 Submitted to EDA for preliminary review/approvals
April 10 th	Due Date: EDA Payment Application #13 Submitted to DMCC for preliminary review/approvals
April (TBD)	DMCC Public Hearing on Development Plan
April 23 rd	EDA Board Meeting: Any Final Actions on Development Plan / Approval of 2014 Investment Certification (<i>confirm date</i>)
April 30 th	DMCC Board Meeting to Approve Development Plan (<i>confirm date</i>)
May 5 th	Due Date: EDA Payment Application #14 Submitted to EDA for preliminary review/approvals
May 10 th	Due Date: EDA Payment Application #14 Submitted to DMCC for preliminary review/approvals
May 21 st	EDA Board Meeting
May 28 th	DMCC Board Meeting
June 5 th	Due Date: EDA Payment Application #15 Submitted to EDA for preliminary review/approvals
June 10 th	Due Date: EDA Payment Application #15 Submitted to DMCC for preliminary review/approvals
June 18 th	EDA Board Meeting
June 25 th	DMCC Board Meeting
July 5 th	Due Date: EDA Payment Application #16 Submitted to EDA for preliminary review/approvals
July 10 th	Due Date: EDA Payment Application #16 Submitted to DMCC for preliminary review/approvals
July 15 th	Due Date: DMCC report to DEED – Open Appointments, Annual Report Compilation
July 23 rd	EDA Board Meeting
July 30 th	DMCC Board Meeting
August 1 st	Due Date: 2016 EDA Operating Budget Submittal to DMCC Due Date: DEED Certification of Amount of GSIA
August 5 th	Due Date: EDA Payment Application #17 Submitted to EDA for preliminary review/approvals
August 10 th	Due Date: EDA Payment Application #17 Submitted to DMCC for preliminary review/approvals



Date	Milestone Schedule
August 20 th	EDA Board Meeting
August 27 th	DMCC Board Meeting
September 1 st	Due Date: DMCC to Submit 2016 DMC Budget Request to the City of Rochester (Note includes DMCC, EDA and City Budgets) Due Date: DEED to Provide GSIA Funding to City
September 5 th	Due Date: EDA Payment Application #18 Submitted to EDA for preliminary review/approvals
September 10 th	Due Date: EDA Payment Application #18 Submitted to DMCC for preliminary review/approvals
September 17	EDA Board Meeting
September 24 th	DMCC Board Meeting
October 5 th	Due Date: EDA Payment Application #19 Submitted to EDA for preliminary review/approvals
October 10 th	Due Date: EDA Payment Application #19 Submitted to DMCC for preliminary review/approvals
October 22 nd	EDA Board Meeting
October 29 th	DMCC Board Meeting
November 5 th	Due Date: EDA Payment Application #20 Submitted to EDA for preliminary review/approvals
November 10 th	Due Date: EDA Payment Application #20 Submitted to DMCC for preliminary review/approvals
November 12 th	EDA Board Meeting
November 19 th	DMCC Board Meeting
December 5 th	Due Date: EDA Payment Application #21 Submitted to EDA for preliminary review/approvals
December 10 th	Due Date: EDA Payment Application #21 Submitted to DMCC for preliminary review/approvals
December 10 th	EDA Board Meeting
December 17 th	DMCC Board Meeting

OUTLINE OF DISCUSSIONS / ACTIONS AT DMCC / EDA BOARD MEETINGS

The following is a preliminary list of the items that may be discussed during the scheduled board meetings. Please note, this outline is preliminary in nature and is subject to change without notification.

January 2015

- DMCC Preliminary Development Plan comments / Transmission to City on January 29th
- City Review Process (preliminary review)
- EDA’s Work Plan to Launch Operations (Phase 2)

February / March 2015

- City’s 60-day statutory review process (*actual start date: January 29th*)
- City Planning Committee meeting comments and recommended amendments
- Common Council adoption of the Development Plan
- Approval of EDA’s Work Plan and Launch of Operations

April

- DMCC Public Hearings
- DMCC Approval of the Development Plan



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2.0 MASTER PROJECT BUDGET

The following Master Project Budget is included herein as Section 2.0.

DETAIL MASTER PROJECT BUDGET #10 **January 31, 2015**

Division	Description	Final Projected Cost - Detail	Final Projected Cost	Notes
DEVELOPMENT COSTS				
40-05-000	Architecture & Engineering		\$2,405,845.14	
40-05-300	Planning Services, Architecture, Engineering	\$2,405,845.14		
40-25-000	Marketing & Public Relations		\$790,000.00	
40-25-300	Communications, Marketing & PR	\$545,000.00		
40-25-310	Public Relations & Communications	\$245,000.00		
40-30-000	Development Services		\$2,350,000.00	
40-30-300	Development Services	\$1,675,000.00		
40-30-310	Financial, Accounting & Investment Services	\$675,000.00		
40-35-000	Legal Services		\$425,000.00	
40-35-300	Legal Services	\$425,000.00		
40-55-000	Misc Professional Services		\$376,310.80	
40-55-300	Economic Analysis, Market Research, Reports	\$359,106.35		
40-55-310	Other Professional Services & Project Costs	\$17,204.45		
40-90-000	Other Development Costs		\$971,844.06	
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$460,000.00		
40-90-120	General Expenses-EDA	\$382,000.00		
40-90-300	Reimbursable Expenses	\$129,844.06		
	Subtotal		\$7,319,000.00	
PROJECT CONTINGENCY				
90-00-000	Project Contingency		\$0.00	
	Subtotal		\$0.00	

DETAIL MASTER PROJECT BUDGET #10 **January 31, 2015**

Division	Description	Final Projected Cost - Detail	Final Projected Cost	Notes
	PROJECT TOTAL		\$7,319,000.00	



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3.0 BUDGET ALLOCATION REPORT

The following Budget Allocation Report is included herein as Section 3.0.

BUDGET ALLOCATION REPORT #10 **January 31, 2015**

Revision No	Revision Date	Division	Division Description	Revision Description	Revision Amount	Revision To	Revision Method	Requested By	Entered By
0002	1/31/2015	40-05-300	Planning Services, Architecture, Engineering	Budget Review - 01.31.2015	(\$25,154.86)	GMP Budget	Net Change		PAS
0002	1/31/2015	40-55-300	Economic Analysis, Market Research, Reports	Budget Review - 01.31.2015	\$8,106.35	GMP Budget	Net Change		PAS
0002	1/31/2015	40-55-310	Other Professional Services & Project Costs	Budget Review - 01.31.2015	(\$82,795.55)	GMP Budget	Net Change		PAS
0002	1/31/2015	40-90-300	Reimbursable Expenses	Budget Review - 01.31.2015	\$99,844.06	GMP Budget	Net Change		PAS
0002	1/31/2015	90-00-000	Project Contingency	Budget Review - 01.31.2015	\$0.00	GMP Budget	Net Change		PAS

Final Projected Cost	
BEGINNING CONTINGENCY BALANCE	\$0.00
ENDING CONTINGENCY BALANCE	\$0.00



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4.0 COST REPORT

The following Cost Report is included herein as Section 4.0.

DETAIL COST REPORT #10

January 31, 2015

Division	Description	Schedule of Values							Variance	Work in Place	
		Master Project Budget A	Original Contract Amount B	Contract Revisions C	Committed Costs B+C	Committed Direct Owner Purchases D	Un-Committed Costs E	Final Projected Cost B+C+D+E	Over/(Under) Budget (B+C+D+E)-A	Total Work In Place	Percent Complete
DEVELOPMENT COSTS											
40-05-000	Architecture & Engineering	\$2,431,000.00	\$1,545,921.60	\$165,891.61	\$1,711,813.21	\$0.00	\$694,031.93	\$2,405,845.14	(\$25,154.86)	\$1,362,041.10	56.61%
40-05-300	Planning Services, Architecture, Engineering	\$2,431,000.00	\$1,545,921.60	\$165,891.61	\$1,711,813.21	\$0.00	\$694,031.93	\$2,405,845.14	(\$25,154.86)	\$1,362,041.10	56.61%
40-25-000	Marketing & Public Relations	\$790,000.00	\$245,883.05	\$90,963.03	\$336,846.08	\$0.00	\$453,153.92	\$790,000.00	\$0.00	\$298,177.56	37.74%
40-25-300	Communications, Marketing & PR	\$545,000.00	\$183,137.76	\$73,092.01	\$256,229.77	\$0.00	\$288,770.23	\$545,000.00	\$0.00	\$231,666.49	42.51%
40-25-310	Public Relations & Communications	\$245,000.00	\$62,745.29	\$17,871.02	\$80,616.31	\$0.00	\$164,383.69	\$245,000.00	\$0.00	\$66,511.07	27.15%
40-30-000	Development Services	\$2,350,000.00	\$2,300,000.00	\$0.00	\$2,300,000.00	\$0.00	\$50,000.00	\$2,350,000.00	\$0.00	\$2,150,000.00	91.49%
40-30-300	Development Services	\$1,675,000.00	\$1,675,000.00	\$0.00	\$1,675,000.00	\$0.00	\$0.00	\$1,675,000.00	\$0.00	\$1,569,500.00	93.70%
40-30-310	Financial, Accounting & Investment Services	\$675,000.00	\$625,000.00	\$0.00	\$625,000.00	\$0.00	\$50,000.00	\$675,000.00	\$0.00	\$580,500.00	86.00%
40-35-000	Legal Services	\$425,000.00	\$126,208.01	\$97,613.74	\$223,821.75	\$0.00	\$201,178.25	\$425,000.00	\$0.00	\$223,821.75	52.66%
40-35-300	Legal Services	\$425,000.00	\$126,208.01	\$97,613.74	\$223,821.75	\$0.00	\$201,178.25	\$425,000.00	\$0.00	\$223,821.75	52.66%
40-55-000	Misc Professional Services	\$451,000.00	\$298,473.00	\$60,633.35	\$359,106.35	\$0.00	\$17,204.45	\$376,310.80	(\$74,689.20)	\$322,023.29	85.57%
40-55-300	Economic Analysis, Market Research, Reports	\$351,000.00	\$298,473.00	\$60,633.35	\$359,106.35	\$0.00	\$0.00	\$359,106.35	\$8,106.35	\$322,023.29	100.00%
40-55-310	Other Professional Services & Project Costs	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,204.45	\$17,204.45	(\$82,795.55)	\$0.00	0.00%
40-90-000	Other Development Costs	\$872,000.00	\$93,857.94	\$162,832.94	\$256,690.88	\$0.00	\$715,153.18	\$971,844.06	\$99,844.06	\$255,647.86	26.31%
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$460,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$460,000.00	\$460,000.00	\$0.00	\$0.00	0.00%
40-90-120	General Expenses-EDA	\$382,000.00	\$93,857.94	\$34,975.10	\$128,833.04	\$0.00	\$253,166.96	\$382,000.00	\$0.00	\$127,790.02	33.45%
40-90-300	Reimbursable Expenses	\$30,000.00	\$0.00	\$127,857.84	\$127,857.84	\$0.00	\$1,986.22	\$129,844.06	\$99,844.06	\$127,857.84	98.47%
	Subtotal	\$7,319,000.00	\$4,610,343.60	\$577,934.67	\$5,188,278.27	\$0.00	\$2,130,721.73	\$7,319,000.00	\$0.00	\$4,611,711.56	63.01%
PROJECT CONTINGENCY											
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$7,319,000.00	\$4,610,343.60	\$577,934.67	\$5,188,278.27	\$0.00	\$2,130,721.73	\$7,319,000.00	\$0.00	\$4,611,711.56	63.01%



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5.0 CONTRACT SUMMARY REPORT

The following Contract Summary Report is included herein as Section 5.0.

CONTRACT SUMMARY REPORT #10

January 31, 2015

Division	Description	Status		Vendor Name	Contract Number	Original Contract Amount	Contract Revisions	Committed Costs	Direct Owner Purchases	Work in Place	Percent Complete
		Contract									
DEVELOPMENT COSTS											
40-05-000	Architecture & Engineering					\$1,545,921.60	\$165,891.61	\$1,711,813.21	\$0.00	\$1,362,041.10	79.57%
40-05-300	Planning Services, Architecture, Engineering	X		KIMLEY-HORN AND ASSOC., INC.	4003	\$412,500.00	\$0.00	\$412,500.00	\$0.00	\$352,233.71	85.39%
40-05-300	Planning Services, Architecture, Engineering	X		NELSON/NYGAARD CONSULTING	4004	\$412,941.00	\$34,862.50	\$447,803.50	\$0.00	\$338,655.18	75.63%
40-05-300	Planning Services, Architecture, Engineering	X		PERKINS EASTMAN ARCHITECTS, PC	4005	\$686,000.00	\$99,000.00	\$785,000.00	\$0.00	\$618,732.97	78.82%
40-05-300	Planning Services, Architecture, Engineering	X		ALPHAGRAPHICS	4006	\$794.42	\$13,423.18	\$14,217.60	\$0.00	\$14,217.60	100.00%
40-05-300	Planning Services, Architecture, Engineering	X		MAYO CLINIC	4012	\$2,026.53	\$18,605.93	\$20,632.46	\$0.00	\$20,632.46	100.00%
40-05-300	Planning Services, Architecture, Engineering	X		CARROLL, FRANCK & ASSOCIATES	4020	\$28,000.00	\$0.00	\$28,000.00	\$0.00	\$13,909.53	49.68%
40-05-300	Planning Services, Architecture, Engineering	X		GARY SMITH	4028	\$1,259.10	\$0.00	\$1,259.10	\$0.00	\$1,259.10	100.00%
40-05-300	Planning Services, Architecture, Engineering	X		JERRY BELL	4029	\$1,844.65	\$0.00	\$1,844.65	\$0.00	\$1,844.65	100.00%
40-05-300	Planning Services, Architecture, Engineering	X		INDIANA HISTORY CENTER	4031	\$555.90	\$0.00	\$555.90	\$0.00	\$555.90	100.00%
40-25-000	Marketing & Public Relations					\$245,883.05	\$90,963.03	\$336,846.08	\$0.00	\$298,177.56	88.52%
40-25-300	Communications, Marketing & PR	X		HIMLE RAPP & CO., INC.	4001	\$28,918.38	\$3,830.44	\$32,748.82	\$0.00	\$32,748.82	100.00%
40-25-300	Communications, Marketing & PR	X		MAYO CLINIC	4012	\$4,275.00	\$9,261.57	\$13,536.57	\$0.00	\$13,536.57	100.00%
40-25-300	Communications, Marketing & PR	X		HIMLE RAPP & CO., INC.	4017	\$143,044.38	\$60,000.00	\$203,044.38	\$0.00	\$181,106.10	89.20%
40-25-300	Communications, Marketing & PR	X		GINA MARIA CHIRI-OSMOND	4027	\$6,900.00	\$0.00	\$6,900.00	\$0.00	\$4,275.00	61.96%
40-25-310	Public Relations & Communications	X		MAYO CLINIC	4012	\$19,725.29	\$11,329.00	\$31,054.29	\$0.00	\$31,054.29	100.00%
40-25-310	Public Relations & Communications	X		BRANDHOOT	4016	\$27,540.00	\$700.00	\$28,240.00	\$0.00	\$28,069.76	99.40%
40-25-310	Public Relations & Communications	X		KNOWBLE MEDIA, LLC	4025	\$4,000.00	\$5,842.02	\$9,842.02	\$0.00	\$5,042.02	51.23%
40-25-310	Public Relations & Communications	X		SAM SMITH	4030	\$11,480.00	\$0.00	\$11,480.00	\$0.00	\$2,345.00	20.43%
40-30-000	Development Services					\$2,300,000.00	\$0.00	\$2,300,000.00	\$0.00	\$2,150,000.00	93.48%
40-30-300	Development Services	X		HAMMES COMPANY SPORTS DEVEL.	DMA	\$1,675,000.00	\$0.00	\$1,675,000.00	\$0.00	\$1,569,500.00	93.70%
40-30-310	Financial, Accounting & Investment Services	X		HAMMES COMPANY SPORTS DEVEL.	DMA	\$625,000.00	\$0.00	\$625,000.00	\$0.00	\$580,500.00	92.88%
40-35-000	Legal Services					\$126,208.01	\$97,613.74	\$223,821.75	\$0.00	\$223,821.75	100.00%
40-35-300	Legal Services	X		FOLEY & LARDNER LLP	4000	\$39,208.01	\$0.00	\$39,208.01	\$0.00	\$39,208.01	100.00%
40-35-300	Legal Services	X		DORSEY & WHITNEY LLP	4015	\$75,000.00	\$67,114.74	\$142,114.74	\$0.00	\$142,114.74	100.00%
40-35-300	Legal Services	X		MICHAEL BEST & FRIEDRICH LLP	4021	\$12,000.00	\$30,499.00	\$42,499.00	\$0.00	\$42,499.00	100.00%
40-55-000	Misc Professional Services					\$298,473.00	\$60,633.35	\$359,106.35	\$0.00	\$322,023.29	89.67%
40-55-300	Economic Analysis, Market Research, Reports	X		AECOM TECHNICAL SERVICES, INC.	4002	\$298,473.00	\$60,633.35	\$359,106.35	\$0.00	\$322,023.29	89.67%
40-90-000	Other Development Costs					\$93,857.94	\$162,832.94	\$256,690.88	\$0.00	\$255,647.86	99.59%
40-90-120	General Expenses-EDA	X		CANADIAN HONKER REST & CATER	4007	\$364.20	\$483.27	\$847.47	\$0.00	\$847.47	100.00%
40-90-120	General Expenses-EDA	X		CATERING BY DESIGN	4008	\$457.94	\$0.00	\$457.94	\$0.00	\$457.94	100.00%
40-90-120	General Expenses-EDA	X		ECONOMIC DEVELOPMENT AGENCY	4009	\$10,000.00	\$0.00	\$10,000.00	\$0.00	\$10,000.00	100.00%

CONTRACT SUMMARY REPORT #10 **January 31, 2015**

Division	Description	Status	Vendor Name	Contract Number	Original Contract Amount	Contract Revisions	Committed Costs	Direct Owner Purchases	Work in Place	Percent Complete
		Contract								
40-90-120	General Expenses-EDA	X	AON RISK SERVICES CENTRAL, INC	4010	\$67,466.17	\$0.00	\$67,466.17	\$0.00	\$67,466.17	100.00%
40-90-120	General Expenses-EDA	X	MAYO CLINIC	4012	\$4,801.01	\$5,898.28	\$10,699.29	\$0.00	\$10,473.66	97.89%
40-90-120	General Expenses-EDA	X	MAYO CIVIC CENTER	4013	\$4,929.24	\$26,836.92	\$31,766.16	\$0.00	\$31,766.16	100.00%
40-90-120	General Expenses-EDA	X	ROCHESTER TROLLEY & TOUR CO	4014	\$550.00	\$0.00	\$550.00	\$0.00	\$550.00	100.00%
40-90-120	General Expenses-EDA	X	CITY MARKET DOWNTOWN	4018	\$420.44	\$1,157.21	\$1,577.65	\$0.00	\$1,577.65	100.00%
40-90-120	General Expenses-EDA	X	TIM PRIEST	4019	\$566.84	\$0.00	\$566.84	\$0.00	\$566.84	100.00%
40-90-120	General Expenses-EDA	X	DAVID HIGGINS	4022	\$95.20	\$0.00	\$95.20	\$0.00	\$95.20	100.00%
40-90-120	General Expenses-EDA	X	PATRICK SEEB	4023	\$766.20	\$0.00	\$766.20	\$0.00	\$766.20	100.00%
40-90-120	General Expenses-EDA	X	HARLEYSVILLE WORCESTER INS. CO	4024	\$1,762.43	\$0.00	\$1,762.43	\$0.00	\$1,762.43	100.00%
40-90-120	General Expenses-EDA	X	MINNEAPOLIS CLUB	4026	\$1,670.27	\$599.42	\$2,269.69	\$0.00	\$1,452.30	63.99%
40-90-120	General Expenses-EDA	X	SRI ZAHEER	4032	\$8.00	\$0.00	\$8.00	\$0.00	\$8.00	100.00%
40-90-300	Reimbursable Expenses	X	HAMMES COMPANY SPORTS DEVEL.	DMA	\$0.00	\$127,857.84	\$127,857.84	\$0.00	\$127,857.84	100.00%
	Subtotal				\$4,610,343.60	\$577,934.67	\$5,188,278.27	\$0.00	\$4,611,711.56	88.89%
	PROJECT CONTINGENCY									
90-00-000	Project Contingency				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL				\$4,610,343.60	\$577,934.67	\$5,188,278.27	\$0.00	\$4,611,711.56	88.89%



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6.0 MASTER APPLICATION FOR PAYMENT

The following Master Application for Payment is included herein as Section 6.0.

These reports include budget information as of the date of the Master Application for Payment.

MASTER APPLICATION FOR PAYMENT

MASTER APPLICATION FOR PAYMENT (Form 4020)

From: HAMMES COMPANY To: DMC Economic Development Authority 200 First Street SW Rochester, MN 55905 Attention: Executive Director	Application No.: 10 Application Date: January 5, 2015 Hammes Project No: 40050-05 Period From: December 1, 2014 Period To: December 31, 2014 Project Name: DMC Economic Development Agency	Please Remit To: Acct Name: Acct No: Bank: Notify:
---	--	---

PROJECT MANAGER:

Submitted in accordance with the Contract Documents for approval by the EDA.

Signed By: _____
Hammes Company Sports Development, Inc.

Date: January 5, 2015

Name: Robert P. Dunn

STATEMENT OF PROJECT:

ORIGINAL MASTER PROJECT BUDGET	\$ <u>7,319,000.00</u>
CURRENT MASTER PROJECT BUDGET	\$ <u>7,319,000.00</u>
<hr/>	
TOTAL COMPLETED & STORED TO DATE	\$ <u>4,611,711.56</u>
RETAINAGE TO DATE	\$ <u>-</u>
TOTAL COMPLETED LESS RETAINAGE	\$ <u>4,611,711.56</u>
LESS PREVIOUS REQUESTS	\$ <u>4,215,712.43</u>
CURRENT AMOUNT DUE (A + B)	\$ <u><u>395,999.13</u></u>
<hr/>	
CURRENT PAYMENTS DUE (A)	\$ <u>395,999.13</u>
DIRECT OWNER PURCHASES DUE (B)	\$ <u>-</u>

SOURCES OF FUNDS:	Current Application
City Contribution	\$ 395,999.13
CURRENT SOURCES OF FUNDS	\$ <u>395,999.13</u>
USES OF FUNDS:	Current Application
40 - Development Costs	\$ 395,999.13
50 - Financing Costs	\$ -
60 - Other Project Costs	\$ -
90 - Project Contingency	\$ -
CURRENT USES OF FUNDS	\$ <u>395,999.13</u>

APPROVALS:

EDA: _____ Date _____

DMCC: _____ Date _____

DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AGENCY

DETAIL SOURCES AND USES REPORT #10

January 5, 2015

Division	Description	Final Projected Cost	Previous Billings	Current Billing	Total Billed To Date	Balance to Complete
SOURCES OF FUNDS						
00-30-005	City Contribution	\$7,319,000.00	\$4,215,712.43	\$395,999.13	\$4,611,711.56	\$2,707,288.44
	Total Sources of Funds	\$7,319,000.00	\$4,215,712.43	\$395,999.13	\$4,611,711.56	\$2,707,288.44
USES OF FUNDS						
40-00-000	Development Costs	\$7,319,000.00	\$4,215,712.43	\$395,999.13	\$4,611,711.56	\$2,707,288.44
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Uses of Funds	\$7,319,000.00	\$4,215,712.43	\$395,999.13	\$4,611,711.56	\$2,707,288.44

**DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY**

MASTER APPLICATION FOR PAYMENT DETAIL #10

January 5, 2015

Division	Description	Vendor	Contract No	Work Completed To Date					Retainage		
				Previous Billing	Current Work In Place	Direct Owner Purchase	Total Work to Date	Percent Complete	Previous Retainage	Current Retainage	Total Retainage
	DEVELOPMENT COSTS										
40-05-000	Architecture & Engineering			\$1,150,536.16	\$211,504.94	\$0.00	\$1,362,041.10	79.57%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	KIMLEY-HORN AND ASSOC., INC.	4003	\$271,254.18	\$80,979.53	\$0.00	\$352,233.71	85.39%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	NELSON/NYGAARD CONSULTING	4004	\$338,655.18	\$0.00	\$0.00	\$338,655.18	75.63%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	PERKINS EASTMAN ARCHITECTS, PC	4005	\$506,302.05	\$112,430.92	\$0.00	\$618,732.97	78.82%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	ALPHAGRAPHICS	4006	\$794.42	\$13,423.18	\$0.00	\$14,217.60	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	MAYO CLINIC	4012	\$20,632.46	\$0.00	\$0.00	\$20,632.46	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	CARROLL, FRANCK & ASSOCIATES	4020	\$9,794.12	\$4,115.41	\$0.00	\$13,909.53	49.68%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	GARY SMITH	4028	\$1,259.10	\$0.00	\$0.00	\$1,259.10	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	JERRY BELL	4029	\$1,844.65	\$0.00	\$0.00	\$1,844.65	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	INDIANA HISTORY CENTER	4031	\$0.00	\$555.90	\$0.00	\$555.90	100.00%	\$0.00	\$0.00	\$0.00
40-25-000	Marketing & Public Relations			\$269,610.49	\$28,567.07	\$0.00	\$298,177.56	89.80%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	HIMLE RAPP & CO., INC.	4001	\$32,748.82	\$0.00	\$0.00	\$32,748.82	100.00%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	MAYO CLINIC	4012	\$13,536.57	\$0.00	\$0.00	\$13,536.57	100.00%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	HIMLE RAPP & CO., INC.	4017	\$159,982.73	\$21,123.37	\$0.00	\$181,106.10	89.20%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	GINA MARIA CHIRI-OSMOND	4027	\$3,262.50	\$1,012.50	\$0.00	\$4,275.00	61.96%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	MAYO CLINIC	4012	\$31,054.29	\$0.00	\$0.00	\$31,054.29	100.00%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	BRANDHOOT	4016	\$23,983.56	\$4,086.20	\$0.00	\$28,069.76	99.40%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	KNOWBLE MEDIA, LLC	4025	\$5,042.02	\$0.00	\$0.00	\$5,042.02	100.00%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	SAM SMITH	4030	\$0.00	\$2,345.00	\$0.00	\$2,345.00	20.43%	\$0.00	\$0.00	\$0.00
40-30-000	Development Services			\$2,050,000.00	\$100,000.00	\$0.00	\$2,150,000.00	93.48%	\$0.00	\$0.00	\$0.00
40-30-300	Development Services	HAMMES COMPANY SPORTS DEVEL.	DMA	\$1,496,500.00	\$73,000.00	\$0.00	\$1,569,500.00	93.70%	\$0.00	\$0.00	\$0.00
40-30-310	Financial, Accounting & Investment Services	HAMMES COMPANY SPORTS DEVEL.	DMA	\$553,500.00	\$27,000.00	\$0.00	\$580,500.00	92.88%	\$0.00	\$0.00	\$0.00
40-35-000	Legal Services			\$172,244.83	\$51,576.92	\$0.00	\$223,821.75	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	FOLEY & LARDNER LLP	4000	\$39,208.01	\$0.00	\$0.00	\$39,208.01	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	DORSEY & WHITNEY LLP	4015	\$92,990.82	\$49,123.92	\$0.00	\$142,114.74	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	MICHAEL BEST & FRIEDRICH LLP	4021	\$40,046.00	\$2,453.00	\$0.00	\$42,499.00	100.00%	\$0.00	\$0.00	\$0.00
40-55-000	Misc Professional Services			\$322,023.29	\$0.00	\$0.00	\$322,023.29	89.67%	\$0.00	\$0.00	\$0.00
40-55-300	Economic Analysis, Market Research, Reports	AECOM TECHNICAL SERVICES, INC.	4002	\$322,023.29	\$0.00	\$0.00	\$322,023.29	89.67%	\$0.00	\$0.00	\$0.00
40-90-000	Other Development Costs			\$251,297.66	\$4,350.20	\$0.00	\$255,647.86	99.59%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CANADIAN HONKER REST & CATER	4007	\$847.47	\$0.00	\$0.00	\$847.47	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CATERING BY DESIGN	4008	\$457.94	\$0.00	\$0.00	\$457.94	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	ECONOMIC DEVELOPMENT AGENCY	4009	\$10,000.00	\$0.00	\$0.00	\$10,000.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	AON RISK SERVICES CENTRAL, INC	4010	\$67,466.17	\$0.00	\$0.00	\$67,466.17	100.00%	\$0.00	\$0.00	\$0.00

**DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY**

MASTER APPLICATION FOR PAYMENT DETAIL #10

January 5, 2015

Division	Description	Vendor	Contract No	Work Completed To Date					Retainage		
				Previous Billing	Current Work In Place	Direct Owner Purchase	Total Work to Date	Percent Complete	Previous Retainage	Current Retainage	Total Retainage
40-90-120	General Expenses-EDA	MAYO CLINIC	4012	\$10,473.66	\$0.00	\$0.00	\$10,473.66	97.89%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	MAYO CIVIC CENTER	4013	\$27,493.00	\$4,273.16	\$0.00	\$31,766.16	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	ROCHESTER TROLLEY & TOUR CO	4014	\$550.00	\$0.00	\$0.00	\$550.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CITY MARKET DOWNTOWN	4018	\$1,508.61	\$69.04	\$0.00	\$1,577.65	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	TIM PRIEST	4019	\$566.84	\$0.00	\$0.00	\$566.84	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	DAVID HIGGINS	4022	\$95.20	\$0.00	\$0.00	\$95.20	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	PATRICK SEEB	4023	\$766.20	\$0.00	\$0.00	\$766.20	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	HARLEYSVILLE WORCESTER INS. CO	4024	\$1,762.43	\$0.00	\$0.00	\$1,762.43	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	MINNEAPOLIS CLUB	4026	\$1,452.30	\$0.00	\$0.00	\$1,452.30	63.99%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	SRI ZAHEER	4032	\$0.00	\$8.00	\$0.00	\$8.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-300	Reimbursable Expenses	HAMMES COMPANY SPORTS DEVEL.	DMA	\$127,857.84	\$0.00	\$0.00	\$127,857.84	100.00%	\$0.00	\$0.00	\$0.00
	Subtotal			\$4,215,712.43	\$395,999.13	\$0.00	\$4,611,711.56	88.97%	\$0.00	\$0.00	\$0.00
	PROJECT CONTINGENCY										
90-00-000	Project Contingency			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	Subtotal			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	PROJECT TOTAL			\$4,215,712.43	\$395,999.13	\$0.00	\$4,611,711.56		\$0.00	\$0.00	\$0.00

	Current Work In Place	Direct Owner Purchase	Total Current Work
Current Work In Place	\$395,999.13	\$0.00	\$395,999.13
Less Current Retainage Held	\$0.00	\$0.00	\$0.00
Net Amount Due	\$395,999.13	\$0.00	\$395,999.13