



# DESTINATION MEDICAL CENTER CORPORATION (DMCC)

## BOARD MEETING

9:30 A.M. THURSDAY, OCTOBER 29, 2015

MAYO CIVIC CENTER - ROCHESTER



# DESTINATION MEDICAL CENTER CORPORATION (DMCC)

## BOARD MEETING

Thursday, October 29, 2015

9:30 A.M.

### AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes: September 24, 2015
- V. Public Comment Period
- VI. Chair's Report
- VII. DMCC 2015 Budget: Year to Date Update
- VIII. DMCC: Form 990 (Presenter: Craig Popenhagen)
- IX. Center for Energy and Environment: Update (Presenters: Sheldon Strom, Mike Bull)
- X. Affordable Housing: Update (Presenters: Olmsted County Commissioner Stephanie Podulke, Olmsted County Housing Director Cheryl Jacobson)
- XI. Patient and Visitor Experience: Update (Presenters: Jeff Bolton, Lisa Clarke, Heidi Mestad, Dr. Sandhya Pruthi)
- XII. Economic Development Agency
  - A. Update
- XIII. City of Rochester
  - A. Update
- XIV. Meeting Schedule
  - A. Next Regular Meeting: Thursday, November 19, 2015 at 9:30 A.M.
- XV. Adjournment

**DESTINATION MEDICAL CENTER CORPORATION  
BOARD OF DIRECTORS**

**MINUTES  
September 24, 2015**

- I. Call to Order. Chair Tina Smith called the meeting to order at 9:30 a.m. at the Mayo Civic Center, located at 30 Civic Center Drive S.E., Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Tina Smith, R.T. Rybak, Mayor Ardell F. Brede, Susan Park Rani, Bill George, Council Member Ed Hruska, Commissioner Jim Bier and Jim Campbell.
- III. Approval of Agenda. Commissioner Bier moved approval of the Agenda. Ms. Park Rani seconded.

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

- IV. Approval of Minutes. Chair Smith requested approval of the Minutes from the meeting held on August 27, 2015. Council Member Hruska moved approval. Mr. Rybak seconded.

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

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

Richard Olen, of Elevate Rochester, stated his desire to see an elevated transit system as part of DMC, and invited the Board to review the Indianapolis People Mover.

Nancy Slocum, Rochester resident, spoke about attention being given to issues surrounding historic preservation and a proposed city ordinance, and suggested the DMCC take a more active role.

- VI. Chair's Report. Chair Smith stated that today's meeting would focus on the 2016 Funding Request. She also noted the handout from the Center for Energy and Environment that was distributed. Chair Smith congratulated Mayo Clinic for the recent achievement of being recognized as the "#1 Best Hospital" in the U.S. and also recognized Mayor Brede's experience meeting the Pope in Washington, D.C.

- VII. DMCC 2015 Budget: Year to Date Update. Commissioner Bier reported on the 2015 budget, noting a balance remaining of 61% in the 2015 budget. He also noted that the working capital loan is now available.

- VIII. DMCC 2016 Funding Request.

- A. DMCC 2016 Budget, EDA 2016 Budget, EDA 2016 Workplan, Five-Year Capital Improvement Plan.

EDA Board Chair Jeff Bolton provided the EDA 2016 Budget overview. He thanked Chair Smith and members of the workgroup in helping to ensure the EDA's budget and workplan were focused on the most important activities for 2016. The 2016 Budget and Workplan were reviewed by the EDA Board and recommended for approval. Mr. Bolton noted the risk of underinvestment in the EDA; the need to stay focused

on the priorities set forth in the legislation; and the intention that the EDA would not duplicate efforts, but rather work collaboratively with the various entities involved in DMC. Mr. Bolton noted Mayo Clinic's full commitment to the project, citing the investment of over \$9M to date and the contribution of roughly 1/3 of the EDA operating budget for 2016. Additionally, Mayo Clinic is making significant investment in its own marketing and demand generation for complex patients as part of its destination medicine practice. Mr. Bolton also highlighted Mayo Clinic's work on the feasibility study for Discovery Square, which will be a major catalyst for DMC.

Mr. Rybak asked about the professional services budget, noting that it needed to be discussed in a more targeted way. He stated that he was open to a discussion from the EDA about needing more investment, or re-aligning of priorities. Ms. Park Rani commented on the importance of implementing the development plan with the appropriate budget to get the job done. Mr. Campbell noted that the EDA needed to collaborate with other organizations in the state to leverage the collective efforts. Mr. George noted that 2016 is a year of building momentum and the importance of showing the visitors and community members something tangible – Discovery Square and Heart of the City. Council Member Hruska asked about recruiting and retention of the workforce. Mr. Bolton agreed to share Mayo data at a summary level.

Lisa Clarke, EDA Executive Director, presented the EDA 2016 Workplan. The EDA has revised the original draft to reflect the comments received from the EDA Board, as well as from the DMCC. The EDA's proposed Workplan identifies some of the specific outcomes the EDA believes to be imperative to the DMC mission. Tied to these outcomes are the specific key tasks and deliverables that the EDA will be responsible for undertaking and producing in 2016. The EDA has worked with the City to identify tasks that ensure they do not duplicate work already in place by other parties. In the interest of clearly defining the EDA's role, the EDA categorized key tasks and deliverables as either "lead" or "participate." Mr. Rybak asked for more detail with respect to where the EDA will "lead" or "participate" in workforce development, and to articulate the EDA's role.

Chair Smith stated that it was of crucial importance to keep the focus on economic development, while being deeply respectful of the community. She summarized the discussion, stating that 2016 would be about marketing, momentum (the goal is to achieve \$200 million in private investment) and metrics (the need to clearly measure progress). She thanked everyone who had participated in the formulation of the 2016 Funding Request, which includes the 2016 DMCC Budget, the 2016 EDA Budget and Workplan, and the Five-Year CIP.

- B. Resolution A: Approving the 2016 Funding Request and Forwarding to City of Rochester. Ms. Park Rani moved approval. Mr. Campbell seconded.

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

- IX. City of Rochester Update. Steve Kvenvold, City Administrator, provided a City update. The City has completed the interview and selection process for engaging a transportation and

infrastructure program manager. Seven firms applied, and it is the staff recommendation to select SRF Consulting. The recommendation will be submitted to the Mayor and City Council on October 5th for approval.

Mr. Rybak asked that the City articulate what the firm will be doing in its role as the transportation and transit program manager. Mitzi Baker explained that the firm will help extend the City's staffing capacity to keep them moving at the pace needed to ensure success of the DMC mission. Mr. Rybak asked how and when the City will find a solution to bringing more people into the City without building more parking ramps and urged a more aggressive schedule in order to get a transit strategy before construction.

Mr. Kvenvold reported that the City can close on the Chateau property within a few weeks, and Mayor Brede reported on the task force that has been organized to evaluate potential reuses of the property.

Ms. Baker reported that the City will enter into an agreement with the University of Minnesota Design Center to develop design standards and guidelines within the DMC boundary area. Additionally, the City has made some changes to permitted land uses in the downtown area intended to help achieve the DMC mission. The update to the City Comprehensive Plan is underway. The City is performing a scenario planning process and expects to have this study completed in November, with a draft plan ready by the first part of 2016.

- X. Economic Development Agency. Lisa Clarke reported that the EDA is in its new space on Broadway and has staff on board. The DMC website redesign is complete and the new website is now live. The EDA has received ample positive feedback on the website and continues to improve upon it in these early weeks of the initial launch.

Council Member Hruska thanked Ms. Clarke for her efforts and acknowledged her work in managing the process of moving into a new office and hiring staff.

- XI. Meeting Schedule. The next regular meeting is Thursday, October 29, 2015, at 9:30 a.m.
- XII. Adjournment. Commissioner Bier moved to adjourn the meeting. Ms. Park Rani seconded.

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

TO: Jim Bier, Treasurer  
Kathleen Lamb, Attorney

FR: Dale Martinson, Assistant Treasurer

Date: October 21, 2015

RE: Sept 2015 Financial Summary



The attached financial summary for September reflects activity to date totaling \$1,777,821 of 2015 budgeted expenditures plus \$550,675 of total closeout work on the 2014 plan development carryover costs. The total remaining 2015 budget of \$2,294,982 represents 56% to the original budget remaining with just three months (25%) of the year remaining.

Please note that the first payment was made in September to reimburse the DMC EDA working capital loan for payroll expenses of the DMCC EDA. This amount of \$22,858 represents starting payroll from July, August, and part of September as new employees came on board. These payroll expense are not included in the "Detail Cost Report #4" page following the financial summary as that report lists only EDA contract costs processed by the Hammes Corporation.

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

Destination Medical Center Corporation  
**Financial Budget Summary**  
**September 2015**

	2015 Amended Approved Budget	Curent Month September 2015	September 2015 YTD	Amount Remaining	Percent Remaining
<b>General Expenses</b>	217,203	2,230	33,298	183,905	85%
<b>Professional Services</b>	780,600		204,500	576,100	74%
<b>City Expenses</b>	275,000		-	275,000	100%
<b>Subtotal DMCC</b>	<b>1,272,803</b>	<b>2,230</b>	<b>237,798</b>	<b>1,035,005</b>	<b>81%</b>
<b>Third Party Costs - DMC EDA *</b>					
Payroll, Staff, Administration & Benefits-EDA	218,000	22,858	22,858	195,142	90%
General Expenses - EDA	79,000		1,490	77,510	98%
Economic Development Outreach	108,000	22,419	153,513	(45,513)	-42%
Meeting Expenses	-	-	-	-	
Professional Services	2,295,000	154,140	1,339,362	955,638	42%
Miscellaneous Expenses	100,000	3,800	22,800	77,200	77%
<b>Subtotal EDA</b>	<b>2,800,000</b>	<b>203,217</b>	<b>1,540,023</b>	<b>1,259,977</b>	<b>45%</b>
<b>Total DMCC 2015</b>	<b>4,072,803</b>	<b>205,447</b>	<b>1,777,821</b>	<b>2,294,982</b>	<b>56%</b>
			-		
<b>Plus 2014 EDA Project/Contract Carryover</b>	570,106 *		550,675	19,431	3%
				-	-
* See Attached Contract Commitments for EDA Portion		DMCC Working Capital Note	1,000		
		EDA Working Capital Note	50,000		

**\*Carryover of 2014 Budget to complete plan as approved by board on 7/30/2015**

**DETAIL COST REPORT #4**

**September 30, 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
<b>DEVELOPMENT COSTS</b>											
40-05-000	Architecture & Engineering	\$135,000.00	\$13,390.47	\$0.00	\$13,390.47	\$0.00	\$121,609.53	\$135,000.00	\$0.00	\$1,299.57	0.96%
40-05-300	Planning Services, Architecture, Engineering	\$135,000.00	\$13,390.47	\$0.00	\$13,390.47	\$0.00	\$121,609.53	\$135,000.00	\$0.00	\$1,299.57	0.96%
40-25-000	Marketing & Public Relations	\$318,000.00	\$386,516.20	\$0.00	\$386,516.20	\$0.00	(\$68,516.20)	\$318,000.00	\$0.00	\$182,698.70	57.45%
40-25-300	Communications, Marketing & PR	\$108,000.00	\$273,225.00	\$0.00	\$273,225.00	\$0.00	(\$165,225.00)	\$108,000.00	\$0.00	\$153,512.50	142.14%
40-25-310	Public Relations & Communications	\$210,000.00	\$113,291.20	\$0.00	\$113,291.20	\$0.00	\$96,708.80	\$210,000.00	\$0.00	\$29,186.20	13.90%
40-30-000	Development Services	\$1,900,000.00	\$1,862,000.00	\$0.00	\$1,862,000.00	\$0.00	\$38,000.00	\$1,900,000.00	\$0.00	\$1,262,000.00	66.42%
40-30-300	Development Services	\$1,860,000.00	\$1,860,000.00	\$0.00	\$1,860,000.00	\$0.00	\$0.00	\$1,860,000.00	\$0.00	\$1,260,000.00	67.74%
40-30-310	Financial, Accounting & Investment Services	\$40,000.00	\$2,000.00	\$0.00	\$2,000.00	\$0.00	\$38,000.00	\$40,000.00	\$0.00	\$2,000.00	5.00%
40-35-000	Legal Services	\$50,000.00	\$46,329.33	\$548.00	\$46,877.33	\$0.00	\$3,122.67	\$50,000.00	\$0.00	\$46,877.33	93.75%
40-35-300	Legal Services	\$50,000.00	\$46,329.33	\$548.00	\$46,877.33	\$0.00	\$3,122.67	\$50,000.00	\$0.00	\$46,877.33	93.75%
40-90-000	Other Development Costs	\$397,000.00	\$39,264.76	\$225.00	\$39,489.76	\$0.00	\$357,510.24	\$397,000.00	\$0.00	\$24,289.76	6.12%
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$218,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$218,000.00	\$218,000.00	\$0.00	\$0.00	0.00%
40-90-120	General Expenses-EDA	\$79,000.00	\$1,264.76	\$225.00	\$1,489.76	\$0.00	\$77,510.24	\$79,000.00	\$0.00	\$1,489.76	1.89%
40-90-300	Reimbursable Expenses	\$100,000.00	\$38,000.00	\$0.00	\$38,000.00	\$0.00	\$62,000.00	\$100,000.00	\$0.00	\$22,800.00	22.80%
	<b>Subtotal</b>	<b>\$2,800,000.00</b>	<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$451,726.24</b>	<b>\$2,800,000.00</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>54.18%</b>
<b>PROJECT CONTINGENCY</b>											
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%
	<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>PROJECT TOTAL</b>	<b>\$2,800,000.00</b>	<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$451,726.24</b>	<b>\$2,800,000.00</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>54.18%</b>



**Destination Medical Center Corporation**  
**IRS Form 990**  
**October 29, 2015**

- Required filing for nonprofit entities – indicates “initial filing” for 2014
  
- Informational filing
  - Reconciles to audited financial statements – Part I, Part XI and Schedule D
  - Mission/purpose – Part III
  - Nature of business and transactions – Part IV and Part V
  - Governance and policies – Part VI
  - List of board members – Part VII
  - Obtained an audit – Part XII
  - Source of funding – Schedule A & B
  - Schedule O – additional information, explanation and clarification
  - Related parties – Schedule R
  - Annual Report Form also submitted to State of Minnesota
  
- No income tax due or payable
  
  
- Questions

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2014**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**A For the 2014 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization DESTINATION MEDICAL CENTER CORPORATION Doing business as		<b>D</b> Employer identification number 46-4959371
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>E</b> Telephone number 507-328-2850
	City or town, state or province, country, and ZIP or foreign postal code ROCHESTER, MN 55904		<b>G</b> Gross receipts \$ 5,416,447.
	<b>F</b> Name and address of principal officer: TINA FLINT SMITH SAME AS C ABOVE		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: WWW.DMCCORPORATION.ORG			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			<b>L</b> Year of formation: 2013
<b>M</b> State of legal domicile: MN			

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>PLANNING AND IMPLEMENTATION OF DESTINATION MEDICAL CENTER DEVELOPMENT IN DOWNTOWN ROCHESTER,</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> 8		
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> 8		
	<b>5</b> Total number of individuals employed in calendar year 2014 (Part V, line 2a) ..... <b>5</b> 0		
	<b>6</b> Total number of volunteers (estimate if necessary) ..... <b>6</b> 30		
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> 0. <b>7b</b> Net unrelated business taxable income from Form 990-T, line 34 ..... <b>7b</b> 0.		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) .....	Prior Year	Current Year 5,416,446.
	<b>9</b> Program service revenue (Part VIII, line 2g) .....		0.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....		1.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....		0.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....		5,416,447.
	<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....	
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) .....			0.
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....			0.
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) .....			0.
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ..... <b>0.</b>			
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) .....			5,416,447.
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....		5,416,447.	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 .....		0.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) .....	Beginning of Current Year	End of Year 1,292,478.
	<b>21</b> Total liabilities (Part X, line 26) .....		1,292,478.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 .....		0.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer TINA FLINT SMITH, CHAIR Type or print name and title	Date	
	Print/Type preparer's name CRAIG POPENHAGEN	Preparer's signature CRAIG POPENHAGEN	Date 10/20/15
<b>Preparer Use Only</b>	Firm's name CLIFTONLARSONALLEN LLP	Firm's EIN 41-0746749	
	Firm's address P.O. BOX 217 AUSTIN, MN 55912	Phone no. 507-434-7000	

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: TO CARRY OUT THE GOALS AND INITIATIVES OF THE DMC LEGISLATION. DESTINATION MEDICAL CENTER (DMC) IS THE STATE'S LARGEST-EVER ECONOMIC DEVELOPMENT PROJECT THAT INCLUDES AN ESTIMATED \$5.6 BILLION IN MAYO CLINIC AND OTHER PRIVATE INVESTMENT OVER 20 YEARS. DMC OVERSEES THE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 4,920,961. including grants of \$ ) (Revenue \$ 5,416,446. ) DEVELOPMENT PLAN CREATION - IN DEPTH STUDY OF COMMUNITY STRENGTHS, WEAKNESS, OPPORTUNITIES, AND THREATS WITH MASSIVE COMMUNITY INVOLVEMENT AND COMPLETED COMPLEX PLANNING FRAMEWORK DOCUMENT FOR THE NEXT 20 YEARS OF DEVELOPMENT IN THE COMMUNITY.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 4,920,961.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	<b>X</b>	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors?</i> .....	<b>X</b>	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		<b>X</b>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		<b>X</b>
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		<b>X</b>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		<b>X</b>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		<b>X</b>
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		<b>X</b>
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		<b>X</b>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....		<b>X</b>
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		<b>X</b>
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		<b>X</b>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	<b>X</b>	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	<b>X</b>	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....		<b>X</b>
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	<b>X</b>	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....		<b>X</b>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		<b>X</b>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		<b>X</b>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		<b>X</b>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		<b>X</b>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		<b>X</b>
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		<b>X</b>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		<b>X</b>
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		<b>X</b>
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		<b>X</b>

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....		X
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O .....

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O

Main table with columns for question numbers (1a-14b), Yes, and No. Includes questions about Form 1096, Form W-2G, Form W-3, and various IRS forms like 8886-T, 8899, and 720.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?		X
<b>14</b>	Did the organization have a written document retention and destruction policy?		X
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official		X
<b>15b</b>	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **DALE MARTINSON - 507-328-2850**  
**201 4TH STREET SE ROOM 204, ROCHESTER, MN 55904**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) TINA FLINT SMITH CHAIR	4.00	X		X			0.	0.	0.	
(2) R.T. RYBAK VICE CHAIR	4.00	X		X			0.	0.	0.	
(3) JIM BIER TREASURER	4.00	X		X			0.	0.	0.	
(4) ARDELL F. BREDE DIRECTOR	4.00	X					0.	0.	0.	
(5) JAMES CAMPBELL DIRECTOR	4.00	X					0.	0.	0.	
(6) BILL GEORGE DIRECTOR	4.00	X					0.	0.	0.	
(7) ED HRUSKA DIRECTOR	4.00	X					0.	0.	0.	
(8) SUSAN RANI DIRECTOR	4.00	X					0.	0.	0.	



Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation.

Summary rows for Section A: 1b Sub-total, 1c Total from continuation sheets to Part VII, Section A, 1d Total (add lines 1b and 1c).

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 0

Table with 3 columns: Question number, Question text, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

Table for independent contractors with columns: (A) Name and business address, (B) Description of services, (C) Compensation. Includes entry for MCGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHTD.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 1

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>				
	<b>b</b> Membership dues .....	<b>1b</b>				
	<b>c</b> Fundraising events .....	<b>1c</b>				
	<b>d</b> Related organizations .....	<b>1d</b>				
	<b>e</b> Government grants (contributions) .....	<b>1e</b> 5,416,446.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....					
	<b>h Total.</b> Add lines 1a-1f .....		5,416,446.			
<b>Program Service Revenue</b>	<b>2 a</b> _____	<b>Business Code</b>				
	<b>b</b> _____					
	<b>c</b> _____					
	<b>d</b> _____					
	<b>e</b> _____					
	<b>f</b> All other program service revenue .....					
	<b>g Total.</b> Add lines 2a-2f .....					
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		1.		1.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....					
	<b>5</b> Royalties .....					
	<b>6 a</b> Gross rents .....	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental expenses .....				
		<b>c</b> Rental income or (loss) .....				
	<b>d</b> Net rental income or (loss) .....					
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities				
		(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses .....				
		<b>c</b> Gain or (loss) .....				
	<b>d</b> Net gain or (loss) .....					
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>				
		<b>b</b> Less: direct expenses .....	<b>b</b>			
<b>c</b> Net income or (loss) from fundraising events .....						
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>					
	<b>b</b> Less: direct expenses .....	<b>b</b>				
	<b>c</b> Net income or (loss) from gaming activities .....					
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>					
	<b>b</b> Less: cost of goods sold .....	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory .....					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11 a</b> _____						
	<b>b</b> _____					
	<b>c</b> _____					
	<b>d</b> All other revenue .....					
	<b>e Total.</b> Add lines 11a-11d .....					
<b>12 Total revenue.</b> See instructions. ....		5,416,447.	0.	0.	1.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal	455,165.		455,165.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	21,927.		21,927.	
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	3,174.		3,174.	
17 Travel	10,508.		10,508.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	4,712.		4,712.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROGRAM COSTS	4,920,961.	4,920,961.		
b				
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	5,416,447.	4,920,961.	495,486.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year	(B) End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....		<b>2</b> 2,740.	
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....		<b>4</b>	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....		<b>9</b> 14,138.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b>		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b>	<b>10c</b>	
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	0.	<b>15</b> 1,275,600.	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	0.	<b>16</b> 1,292,478.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....		<b>17</b> 1,265,340.	
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b> 24,138.	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	0.	<b>25</b> 3,000.	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	0.	<b>26</b> 1,292,478.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....		<b>27</b> 0.	
	<b>28</b> Temporarily restricted net assets .....		<b>28</b>	
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	0.	<b>33</b> 0.		
<b>34</b> Total liabilities and net assets/fund balances .....	0.	<b>34</b> 1,292,478.		

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,416,447.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,416,447.
3	Revenue less expenses. Subtract line 2 from line 1	3	0.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	0.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	0.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

Form 990 (2014)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2014

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization: DESTINATION MEDICAL CENTER CORPORATION
Employer identification number: 46-4959371

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii).
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv).
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 X An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi).
8 A community trust described in section 170(b)(1)(A)(vi).
9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions...
10 An organization organized and operated exclusively to test for public safety.
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations...
a Type I. A supporting organization operated, supervised, or controlled by its supported organization(s)...
b Type II. A supporting organization supervised or controlled in connection with its supported organization(s)...
c Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s)...
d Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated...
e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
f Enter the number of supported organizations

Table with 6 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization listed in your governing document?, (v) Amount of monetary support, (vi) Amount of other support. Includes a Total row at the bottom.

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....					5,416,446.	5,416,446.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>4 Total.</b> Add lines 1 through 3 .....					5,416,446.	5,416,446.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						5,416,446.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>7</b> Amounts from line 4 .....					5,416,446.	5,416,446.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...					1.	1.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						5,416,447.

**12** Gross receipts from related activities, etc. (see instructions) ..... **12**

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** .....

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	%
<b>15</b> Public support percentage from 2013 Schedule A, Part II, line 14 .....	<b>15</b>	%

**16a 33 1/3% support test - 2014.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization .....

**b 33 1/3% support test - 2013.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization .....

**17a 10% -facts-and-circumstances test - 2014.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**b 10% -facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2013 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2013 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2014.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2013.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



**Part IV Supporting Organizations**

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2) (B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer (b) below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in <b>Part VI</b> .		
<b>11a</b>		
<b>11b</b>		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
<b>1</b>		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
<b>1</b>		

**Section D. Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.		
<b>1</b>		
<b>2</b>		
<b>3</b>		

**Section E. Type III Functionally-Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in <b>Part VI</b> .		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.		
<b>2a</b>		
<b>2b</b>		
<b>3a</b>		
<b>3b</b>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2014 from Section C, line 6	
<b>10</b> Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
<b>1</b> Distributable amount for 2014 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)			
<b>3</b> Excess distributions carryover, if any, to 2014:			
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b> From 2013			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2014 distributable amount			
<b>i</b> Carryover from 2009 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2014 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2014 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
<b>6</b> Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
<b>7 Excess distributions carryover to 2015.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b> Excess from 2013			
<b>e</b> Excess from 2014			

Schedule A (Form 990 or 990-EZ) 2014

**Part VI** Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

DRAFT

**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization  <b>DESTINATION MEDICAL CENTER CORPORATION</b>	Employer identification number  <b>46-4959371</b>
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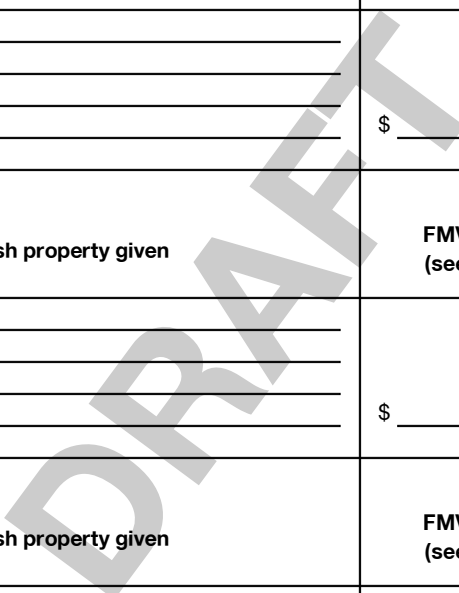
**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CITY OF ROCHESTER  201 4TH STREET SE  ROCHESTER, MN 55904	\$ 5,416,446.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization  <b>DESTINATION MEDICAL CENTER CORPORATION</b>	Employer identification number  <b>46-4959371</b>
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____





Name of organization <b>DESTINATION MEDICAL CENTER CORPORATION</b>	Employer identification number <b>46-4959371</b>
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**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public Inspection

Name of the organization **DESTINATION MEDICAL CENTER CORPORATION** Employer identification number **46-4959371**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
 Preservation of land for public use (e.g., recreation or education)  Preservation of a historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included in Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included in Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)  0.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) ADVANCE TO DMC EDA	10,000.
(2) DUE FROM OTHER GOVERNMENTS	1,265,600.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	1,275,600.

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO OTHER GOVERNMENTS	3,000.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	3,000.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total revenue reported as 5,416,447.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total expenses reported as 5,416,447.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Series of horizontal lines provided for entering supplemental information.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MINNESOTA.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

PUBLIC INVESTMENT OF THE STATE OF MINNESOTA, THE CITY OF ROCHESTER, AND  
OLMSTED COUNTY FOR INFRASTRUCTURE TO SUPPORT THIS PRIVATE INVESTMENT.

FORM 990, PART VI, SECTION A, LINE 7B:

ANNUAL FUNDING REQUESTS ARE SUBJECT TO FINAL APPROVAL BY THE CITY OF  
ROCHESTER CITY COUNCIL.

FORM 990, PART VI, SECTION B, LINE 11:

THE 990 WILL BE PRESENTED AT A BOARD MEETING PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

CONFLICT OF INTEREST IS GOVERNED BY MINNESOTA STATUTE.

FORM 990, PART VI, SECTION B, LINE 15:

DESTINATION MEDICAL CENTER CORPORATION DOES NOT HAVE ANY EMPLOYEES.

FORM 990, PART VI, SECTION C, LINE 19:

DESTINATION MEDICAL CENTER CORPORATION MAKES ITS GOVERNING DOCUMENTS,  
CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON  
REQUEST.

FORM 990, PART XII, LINE 2C

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2014)

432211  
08-27-14

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

THE CORPORATION'S BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR  
OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF  
ITS INDEPENDENT ACCOUNTANT.

DRAFT

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization **DESTINATION MEDICAL CENTER CORPORATION** Employer identification number **46-4959371**

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY - 46-4893585, 200 1ST STREET SW, ROCHESTER, MN 55905	PROVIDE SERVICES TO THE DMCC	MINNESOTA	501(C)(3)	LINE 11A, I	N/A		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2014



**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
<b>1</b> During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		X

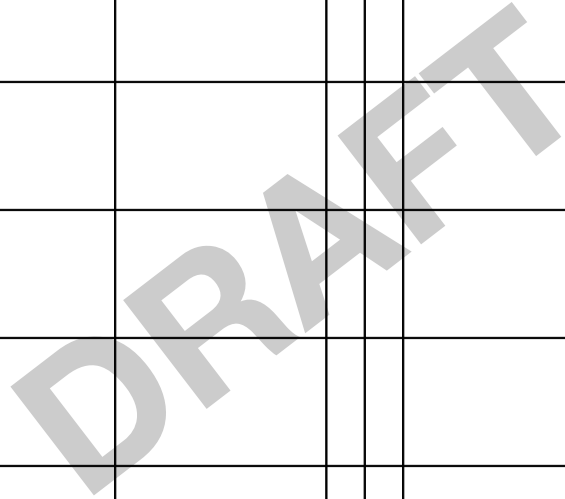
**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
<b>(1)</b> DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY	P	4,920,961.	ACTUAL AMOUNT
<b>(2)</b>			
<b>(3)</b>			
<b>(4)</b>			
<b>(5)</b>			
<b>(6)</b>			

**Part VI Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	



432164  
08-14-14

**Part VII** Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

DRAFT

STATE OF MINNESOTA

CHARITABLE ORGANIZATION INITIAL REGISTRATION & ANNUAL REPORT FORM

ATTORNEY GENERAL LORI SWANSON
SUITE 1200, BREMER TOWER
445 MINNESOTA STREET
ST. PAUL, MN 55101-2130
(651) 757-1311
(651) 296-1410 (TTY)
www.ag.state.mn.us

Annual Reporting Initial Registration

FEDERAL EIN NUMBER: 46-4959371

FOR YEAR ENDING: 12/31/2014

SECTION A: REQUIRED INFORMATION FOR INITIAL REGISTRATION & ANNUAL REPORTING

1. Legal Name of Organization: DESTINATION MEDICAL CENTER CORPORATION

If annual reporting, is this a new name since the organization's last filing? Yes No

If so, please state former name:

2. List all names under which the organization solicits contributions: DESTINATION MEDICAL CENTER CORPORATION

3. Mailing Address of Organization (required) Physical Address of Organization (required)
201 4TH STREET SE 201 4TH STREET SE
ROCHESTER, MN 55904 ROCHESTER, MN 55904

4. Contact Person DALE MARTINSON E-mail DMARTINSON@ROCHESTERMN.GOV
Tel. No. 507-328-2850 Fax No.

5. Does the organization use the services of a professional fund-raiser (outside solicitor or consultant)? Yes No

If so, provide name and address of any outside professional fund-raiser employed by the organization and state the total amount of compensation each outside fund-raiser received from the filing organization during the year. Attach schedule if more than one.

Name Address City State ZIP Compensation

6. a) Does this professional fund-raiser solicit or consult in Minnesota? Yes No

b) Is this professional fund-raiser registered to solicit or consult in Minnesota? Yes No

7. Month and day accounting year ends: 12/31

8. Has the organization included the filing fee, late fee (if any) and all attachments required by the instructions? Yes No

Office Use Only: ARF \$25 \$50 N (e-Postcard) 990 EZ PF FES SIG BD SAL Audit

01/13 Upon request this material can be made available in alternate formats.

499801 05-01-14

9. This Section A(9) must be completed by organizations filing a 990-N (e-Postcard) or organizations whose filing does not contain the information requested below. This includes organizations that: 1) do not file an IRS Form 990, 2) file an IRS Form 990-EZ or 990-PF, or 3) organizations that file a group return that does not include the filing organization's individual financial information.

**INCOME**

Contributions from the public	\$	<u>0.</u>
Government Grants	\$	<u>5,416,446.</u>
Other revenue	\$	<u>1.</u>
<b>TOTAL REVENUE</b>	\$	<u><b>5,416,447.</b></u>

EXCESS or DEFICIT	\$	<u>0.</u>
TOTAL Assets	\$	<u>1,292,478.</u>
TOTAL Liabilities	\$	<u>1,292,478.</u>

**END OF YEAR FUND BALANCE/NET WORTH** (Assets minus Liabilities) \$ 0.

DRAFT

**SECTION B: REQUIRED FOR INITIAL REGISTRATION ONLY**

1. Address of registered agent in the State of Minnesota or the address of the person who has custody of the organization's books and records if not kept at the organization's office.

Name **DALE MARTINSON**

Street and Number **201 4TH STREET SE, ROOM 204**

City **ROCHESTER** State **MN** ZIP **55904** Telephone # **507-328-2850**

2. Type of legal entity (Attach the creating document):

Nonprofit corporation     Trust     Unincorporated association     Other \_\_\_\_\_

3. Place and date the organization was incorporated: **MN** **07/23/2013**  
(state) (date)

4. Is the organization exempt from federal income taxes?

Yes (Attach a copy of the IRS determination letter) Status: 501(c)( **3** )  
 No Date organization submitted Form 1023 to the IRS \_\_\_\_\_

5. If the organization is not exempt from federal income taxes and uses a fiscal agent, state the fiscal agent's name, address and federal EIN:

\_\_\_\_\_  
\_\_\_\_\_

6. Has the organization been denied the right to solicit contributions?

a. By any government agency?  Yes  No If yes, attach explanation.  
b. By any court?  Yes  No If yes, attach explanation.

7. Explain in detail the charitable purposes of the organization, including major program activities.

**DEVELOPMENT PLAN CREATION FOR THE DESTINATION MEDICAL CENTER.**

\_\_\_\_\_  
\_\_\_\_\_

8. Please mark all items that describe the organization's charitable mission:

Arts & Culture     Human Services     Civic/Lobbying     International     Health  
 Environment     Mental Health     Education     Religious     Other \_\_\_\_\_

Or: List the NTEE code(s) that describe the organization's purpose: \_\_\_\_\_

9. Which of the above two best describes the organization's primary purpose(s)?

1. **ARTS AND CULTURE**    2. **HEALTH**

10. Check one or more methods of solicitation the organization anticipates using:

Telephone appeals     Grant writing     Sweepstakes     Other \_\_\_\_\_  
 Direct mail     Internet     Media

11. State the total contributions the organization received during the accounting year last ended:

\$ **5,416,446.**

12. Attach a list of organization's officers, directors, trustees, and chief executive officer, including their titles, addresses, and total annual compensation paid to each. **SEE STATEMENT 1**

Attached

**SECTION D: REQUIRED FOR INITIAL REGISTRATION & ANNUAL REPORTING**

**BOARD OF DIRECTORS  
SIGNATURES AND ACKNOWLEDGMENT**

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

**CHAIR** \_\_\_\_\_ (Title) and \_\_\_\_\_ (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

**BOARD OF DIRECTORS** \_\_\_\_\_ (Board of Directors, Trustees, or Managing Group) adopted on the \_\_\_\_\_

day of \_\_\_\_\_, 20 \_\_, approving the contents of the document, and do hereby certify that the

**BOARD OF DIRECTORS** \_\_\_\_\_ (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the finances of the organization. We

further state that the information supplied is true, correct and complete to the best of our knowledge.

**TINA FLINT SMITH**  
Name (Print) \_\_\_\_\_

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

**CHAIR**  
Title \_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**\* NOTICE \***

**Documents required to be filed are public records. Please do not include social security numbers, driver's license numbers or bank account numbers on the documents filed with this Office as they are not required, but could become part of the public records. A charitable organization is not required to file a list of its donors. If it is included, it may become part of the public file.**

AG: #3124563-v1



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ANNUAL REPORT                      LIST OF OFFICERS, DIRECTORS AND TRUSTEES                      STATEMENT      1

---

## NAME

TINA FLINT SMITH

## TITLE

CHAIR

## TOTAL ANNUAL COMPENSATION

0.

## ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904

## NAME

R.T. RYBAK

## TITLE

VICE CHAIR

## TOTAL ANNUAL COMPENSATION

0.

## ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904

## NAME

JIM BIER

## TITLE

TREASURER

## TOTAL ANNUAL COMPENSATION

0.

## ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904

## NAME

ARDELL F. BREDE

## TITLE

DIRECTOR

## TOTAL ANNUAL COMPENSATION

0.

## ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904

NAME

JAMES CAMPBELL

TITLE

DIRECTOR

TOTAL ANNUAL COMPENSATION

0.

ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904

NAME

BILL GEORGE

TITLE

DIRECTOR

TOTAL ANNUAL COMPENSATION

0.

ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904

NAME

ED HRUSKA

TITLE

DIRECTOR

TOTAL ANNUAL COMPENSATION

0.

ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904

NAME

SUSAN RANI

TITLE

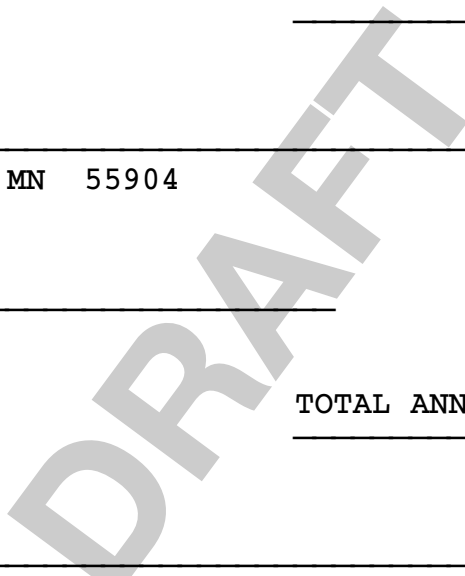
DIRECTOR

TOTAL ANNUAL COMPENSATION

0.

ADDRESS

201 4TH STREET SE ROCHESTER, MN 55904



# DMC Energy Planning Update



**October 29, 2015**

**Mike Bull | Policy Director**

# ●● Goals for This Project

- **Formulate options** for advancing DMC energy & climate goals
- **Coordinate** on energy infrastructure investments & operating principles
- **Identify metrics** by which benefits can be measured

**Heart of the City**



**Discovery Square**



## Updated Schedule

- Additional conversations with stakeholders
- Presentation at a public meeting of the Rochester Energy Commission on November 10, to coordinate and seek input
- Presentation of Findings and Recommendations to DMCC Board of Directors on November 19
- Written report to DMCC Board by end of November



# Who We've Talked To

- **State Senator David Senjem**
- **State Representative Kim Norton**
- **State Senator Carla Nelson**
- **State Representative Tina Liebling**
- **Mayor Ardell Brede**
- City Council members:
  - **Randy Staver, Ed Hruska, Michael Wojcik, Nick Champion, Sandra Means, Mark Hickey**
- **Lisa Clarke, EDA exec director**
- **Gary Neumann, Asst City Administrator**
- **Mike Berthelsen, U of MN Facilities Mgmt**
- **John Helmers, Olmsted County**
- **Brian Grzanek, Olmsted County**
- **Douglas J. Holtan, Mayo Clinic**
- **Brett Gorden, Mayo Clinic**
- **Jerry Williams, Rochester Public Utilities**
- **Mark Kochevar, Rochester Public Utilities**
- **Walter Schlink, Rochester Public Utilities**
- **Anna Richey, Conservation MN**
- **Andrea Kiepa, Sierra Club**
- **Jon Hunter, American Lung Association**
- **Robert Moffit, American Lung Association**
- **Rory Lenton, MERC External Affairs Leader**
- **Erin Heitcamp, Wenck Associates**
- **Bill Brown, Wenck Associates**
- **Pat Sexton, Southern MN Association of Realtors**

# • A Sense of Where We're Headed

- The DMCC Board has set a high bar:
  - **Climate Vision:** “Achieve climate neutrality across the Destination Medical Center”
  - **Energy Vision:** “Implement the most progressive, responsive, and resilient district energy network in the country”
- The primary energy implementers in Rochester are each doing good work in addressing their part of energy services within the City
  - Mayo Clinic, Rochester Public Utilities, MN Energy Resources, City
- Achieving your vision will take *focused, integrated, and sustained attention* by DMCC and energy implementers
- Progress toward that goal can enhance the DMC brand and assist in marketing the DMC



THANK  
*you!*

More details on November 19<sup>th</sup>!



food  
daycare  
**HOUSING**  
transportation  
healthcare  
education

Olmsted County

housing and redevelopment authority

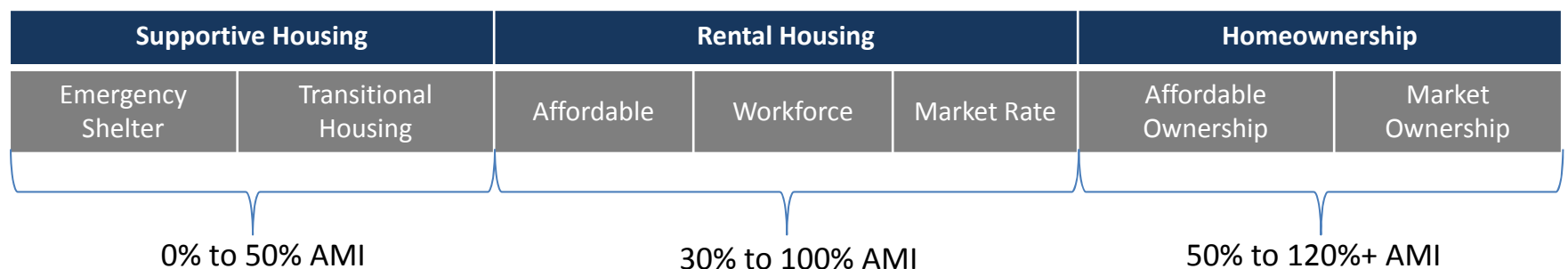
# Olmsted County HRA

- **Established as the Olmsted County HRA in 1994**
  - Formerly the Rochester HRA
  - Olmsted County area of operation
- **HRA Board of Commissioners**
  - Directs and sets policies for programs and services
  - 7 member board appointed by Olmsted County and the city of Rochester (through the end of 2015)
    - January 2016—the Olmsted County Board of Commissioners become the HRA Board of Commissioners
- **Programs and Services**
  - Rental Assistance
  - Owned Rental Units
  - Home Improvement Loans
- **Funded by Federal, State and Local Resources**

housing needs

# Types of Housing

- **Subsidized Housing**
  - Units restricted to households earning at or below 30% of Area Median Income
- **Low-Income Housing/Affordable Housing**
  - Units affordable to households earning below 80% of Area Median Income
- **Workforce Housing**
  - A subset of affordable housing and has some overlap with low-income housing
  - Units affordable to households earning generally between 60% and 80% of Area Median Income (for rental units) but could be as high as 120%
- **Market Rate Housing**
  - Units which are not subsidized (no income restrictions)
  - Costs (e.g. rents) are based on market forces/or what the market will bear



housing needs

# Income Groups and Jobs

Department of Housing and Urban Development Household Income Groups			
Income Categories	Percent of Area Median Income	4-person Household Annual Income	Examples of Occupations
Extremely Low Income	At or below 30%	\$0 - \$24,500	hotel desk clerk; home health aide; retail sales clerk
Very Low Income	30% to 50%	\$24,501 - \$40,850	bank teller; school bus driver; restaurant cook
Low Income	50% to 80%	\$40,851 - \$65,350	carpenter; paralegal; police officer; elementary school teacher; registered nurse; accountant
Moderate Income	80% to 120%	\$65,350 - \$98,050	human resources manager; school administrator

Source: US Department of Housing and Urban Development and the Minnesota Department of Employment and Economic Development, Occupation Employment Statistics (OES) data

housing needs

# Housing Needs Assessment

## Key Findings

- Commissioned by Olmsted County, Rochester Area Foundation and the Mayo Clinic
- Released in early 2014
- Projected housing demand for various types of housing in Olmsted County from 2013 to 2030

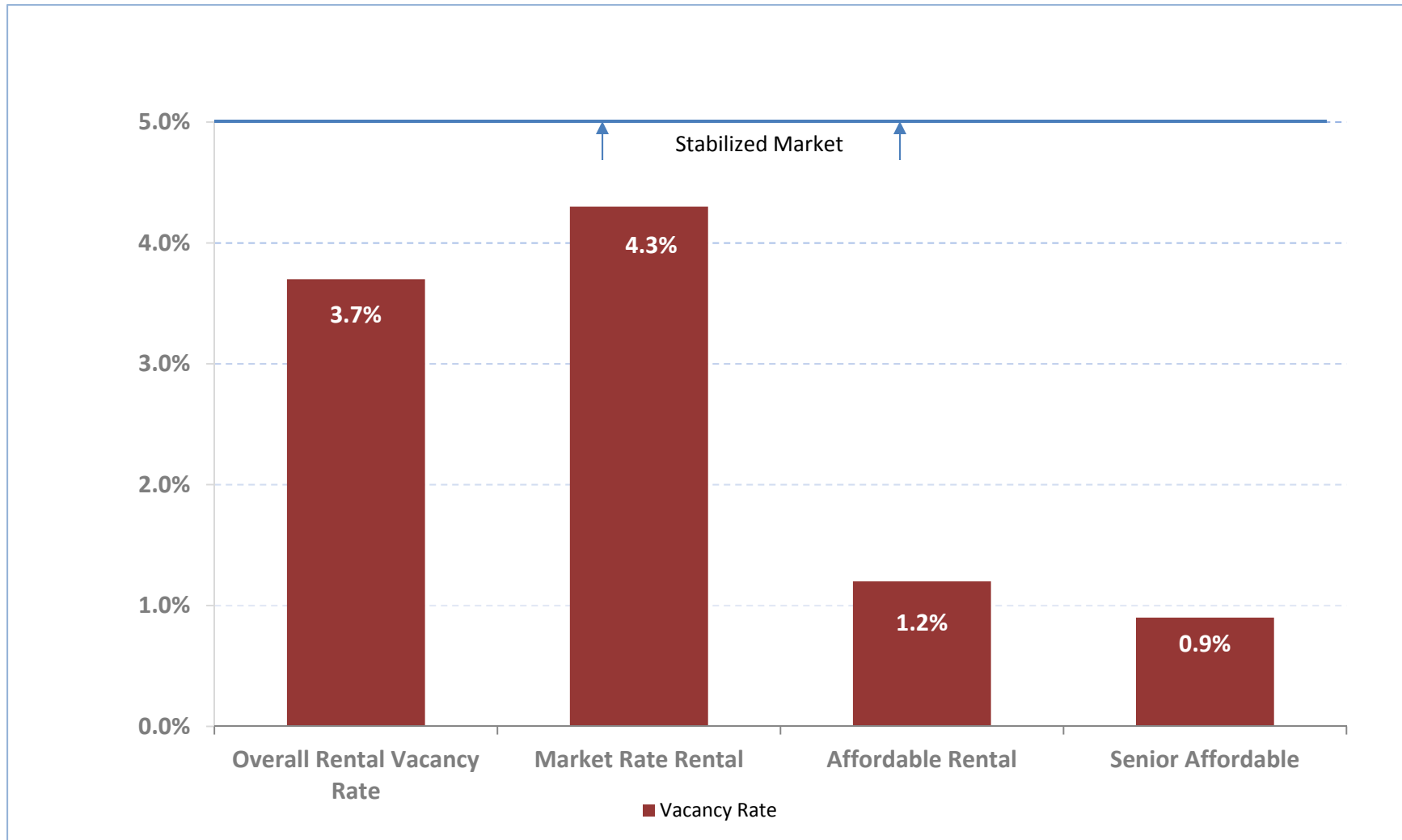
**Full report available at:**

<http://www.co.olmsted.mn.us/news/Pages/ComprehensiveHousingNeedsAssessmentReleased.aspx>

- **Cost Burdened Households**
  - 22% of owner households and 45% of renter households are paying more than 30% of their income towards housing costs
- **Homeownership Rate**
  - 74.9% (2010)
- **Median Sales Price of a Home**
  - Single Family = \$195,000
  - Multi-family = \$137,950
- **Average Rents**
  - 1 bedroom \$801
  - 2 bedroom \$963
  - 3 bedroom \$1,155

housing needs

# Rental Housing Vacancy Rates

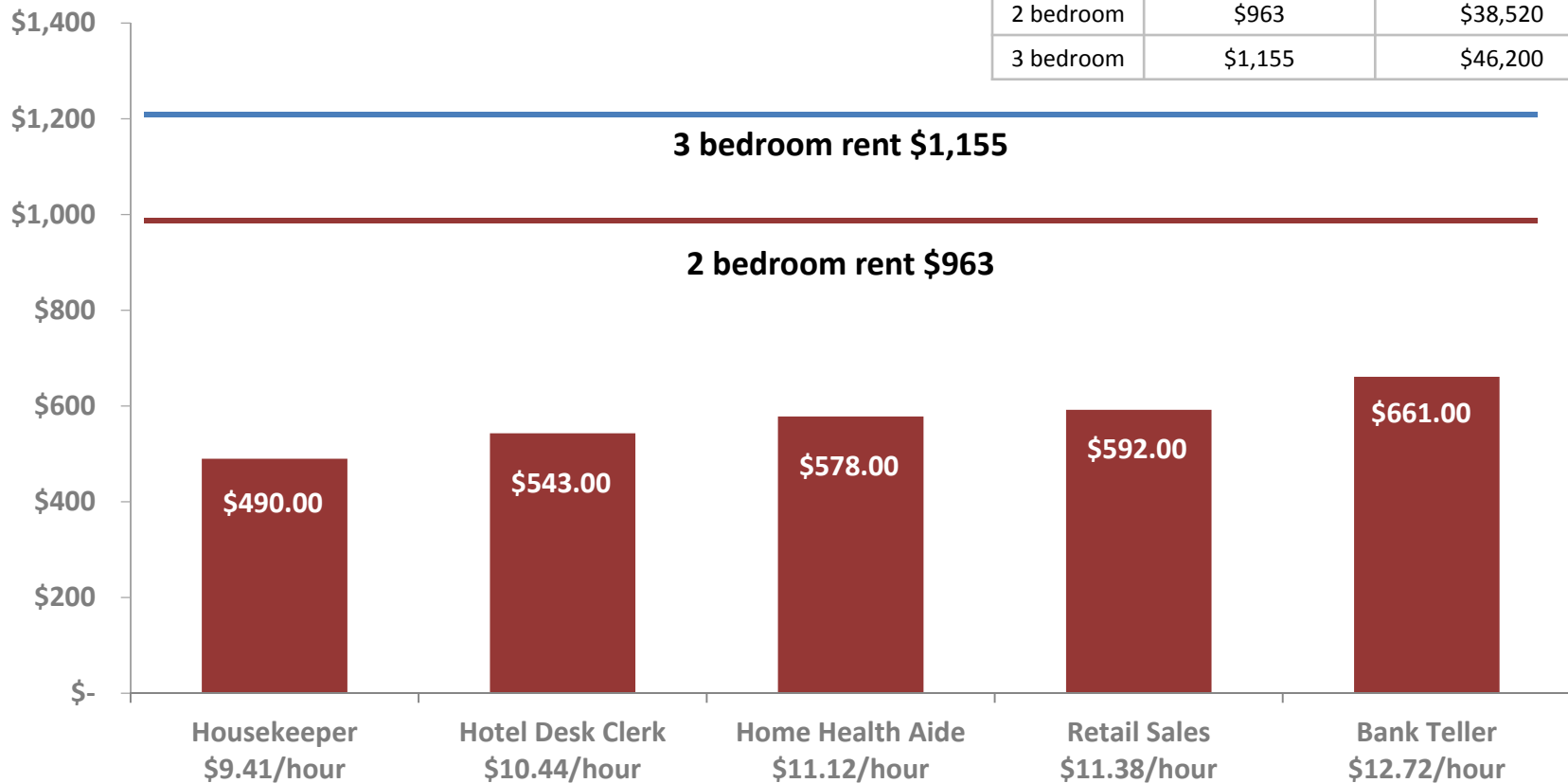


housing needs

# Wage and Housing Cost Gap

**Standard of Affordability** = paying no more than 30% of income towards housing costs

Annual Income Needed to Afford Average Rents		
Unit Type	Average Rent	Income Needed
Efficiency	\$555	\$22,200
1 bedroom	\$801	\$32,040
2 bedroom	\$963	\$38,520
3 bedroom	\$1,155	\$46,200

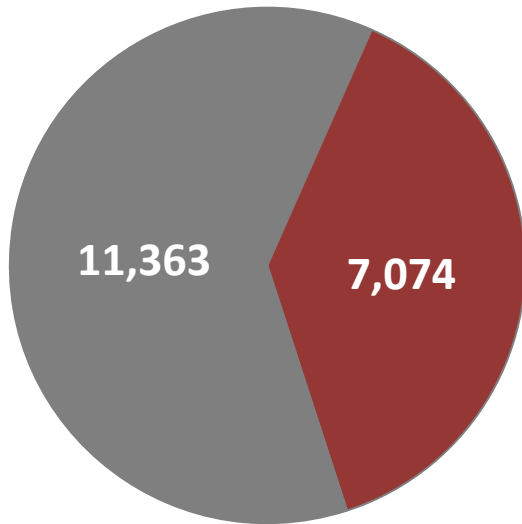


assessment findings

# Housing Demand (2013-2030)

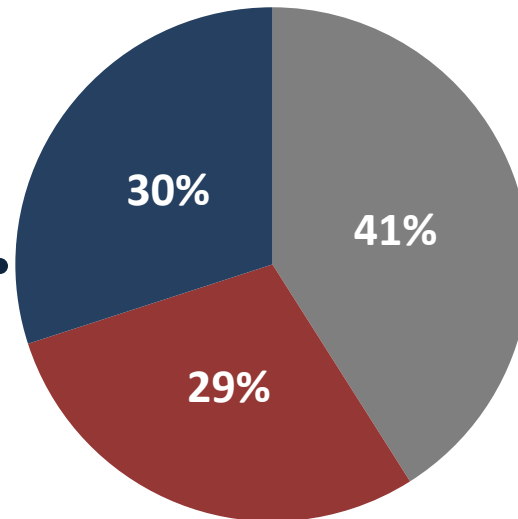
## Projected Housing Unit Demand

■ Ownership ■ Rental



## Rental Units

■ Market Rate ■ Affordable ■ Subsidized



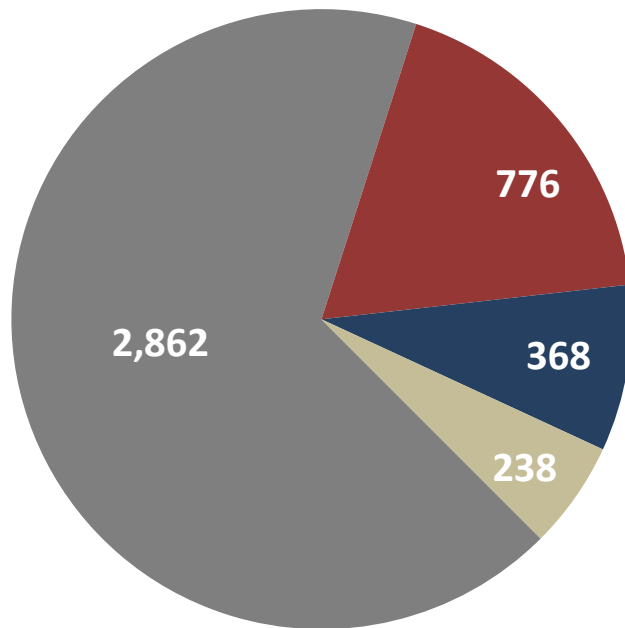


assessment findings

# Housing Demand (2013-2030)

## Senior Rental

■ Market Rate ■ Affordable ■ Subsidized ■ Assisted Living



**Over 4,200 units of senior rental housing**

- Market Rate
- Affordable
- Subsidized
- Affordable Assisted Living

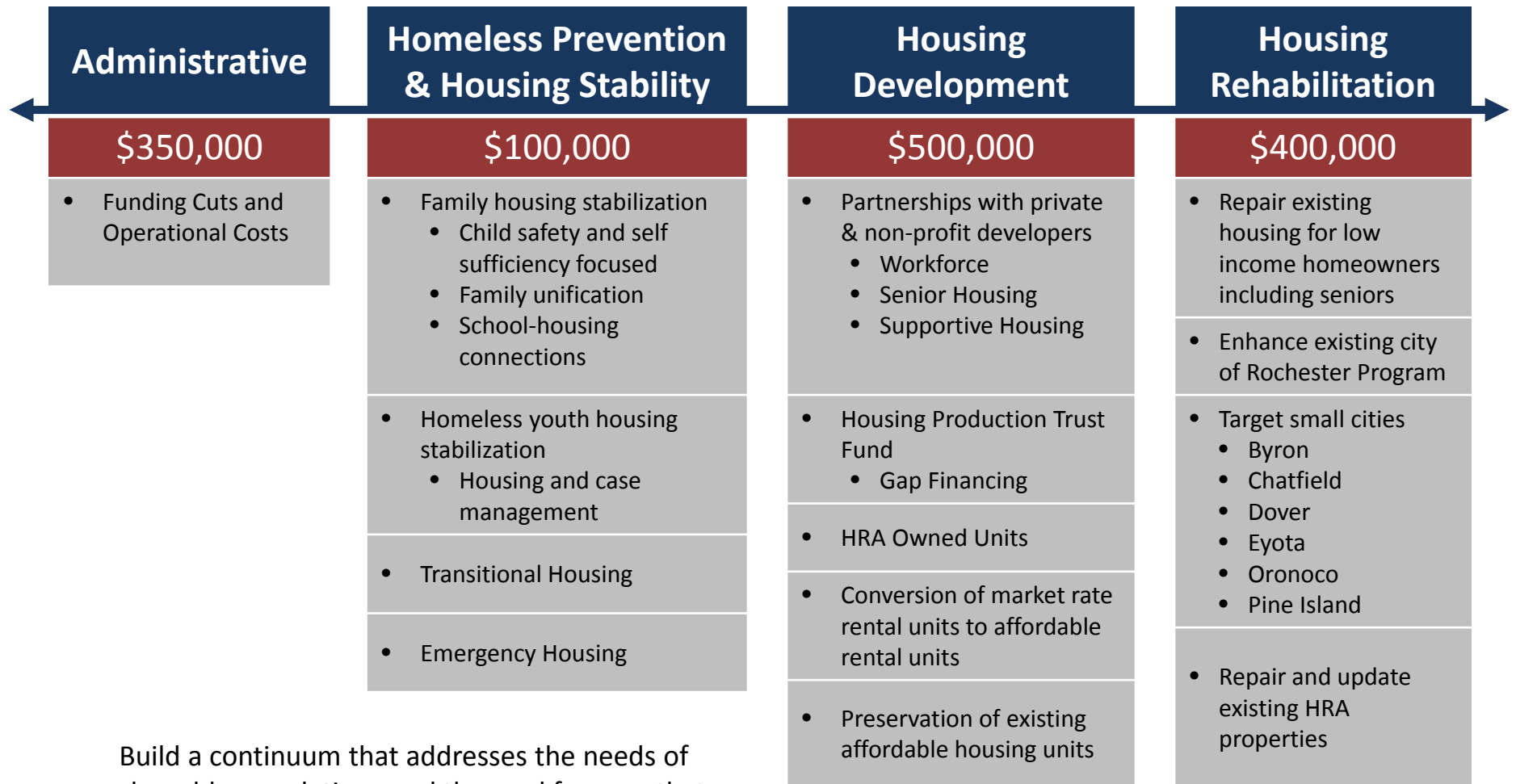
affordable housing funding

## **Olmsted County HRA Levy**

- County Board approved \$1.35 million
- Provides a dedicated source of funding to be used on housing issues
  - Existing and/or New Programs
    - Housing Development
    - Preservation/Rehabilitation
    - Housing Stability and supports
  - Operating Support
    - Administrative expenses, overhead costs

HRA Levy

# OCCS Housing Continuum



Build a continuum that addresses the needs of vulnerable populations and the workforce so that people reach their potential as contributing members of the community



Cheryl Jacobson, Executive Director  
jacobson.cheryl@co.olmsted.mn.us  
507-328-7149



DMC

A Global Destination  
for Health & Healing

## The Patient Experience





# DDMC

A Global Destination  
for Health & Healing



Research activities



Results summary



Closing the gap





# Situation Analysis

Current **Medical Environment** + Re-urbanization **Trend**



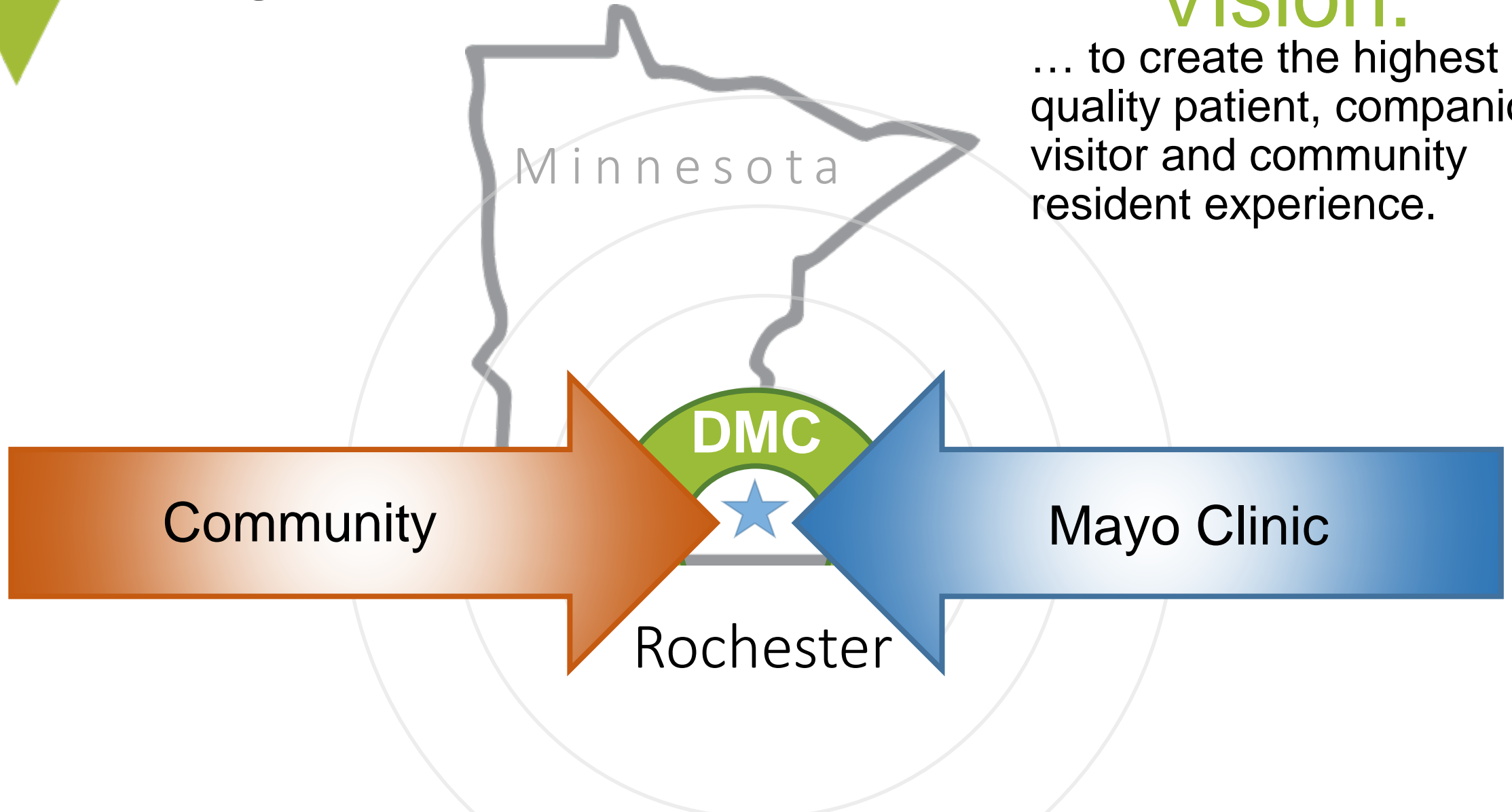


# Integration

Our

**Vision:**

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





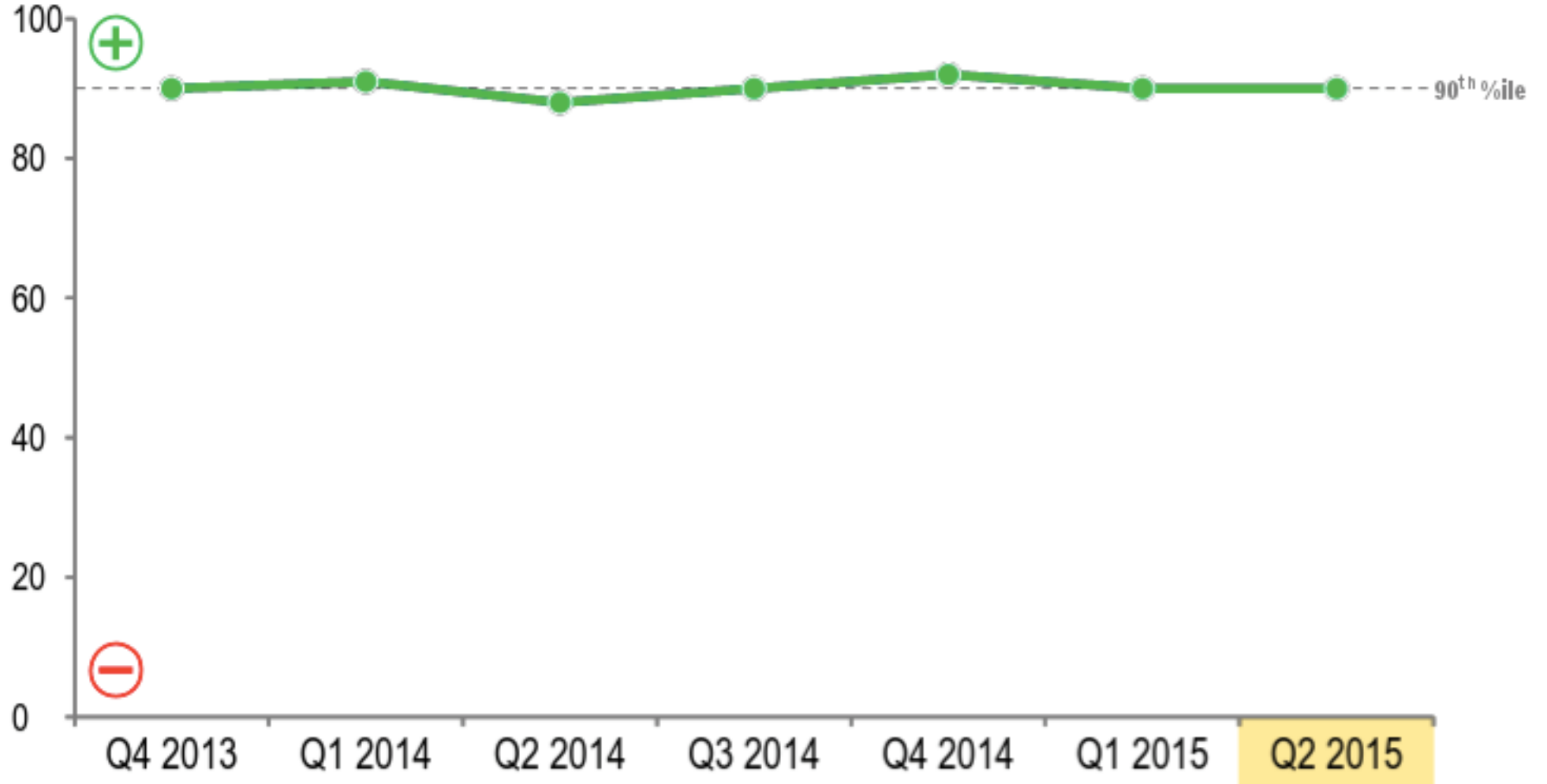
MAYO CLINIC **Mayo Clinic Operating Plan Objectives and Top Priority Initiatives**





# Mayo Clinic Patient Satisfaction

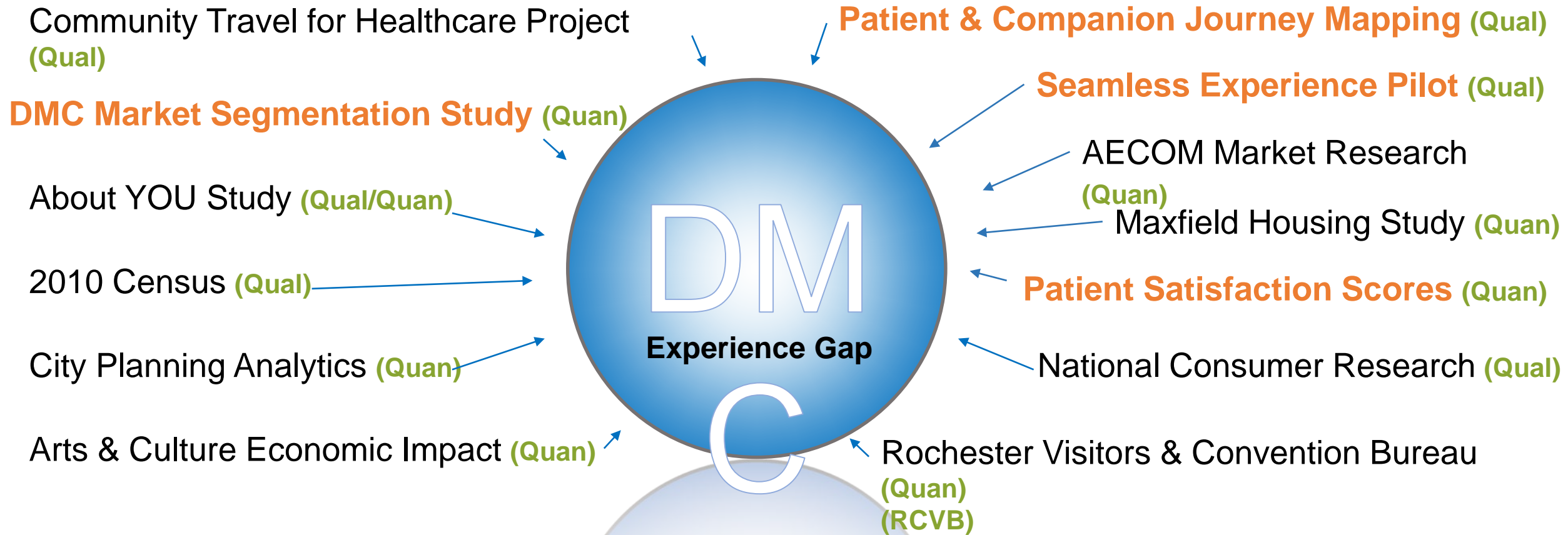
## Enterprise Inpatient Satisfaction – Percentile Rank





# Qualitative & Quantitative Data

## 2010 - 2015





# Market Segmentation Research

## Journey Mapping Qualitative (2011)

### Markets

Patients and Companions

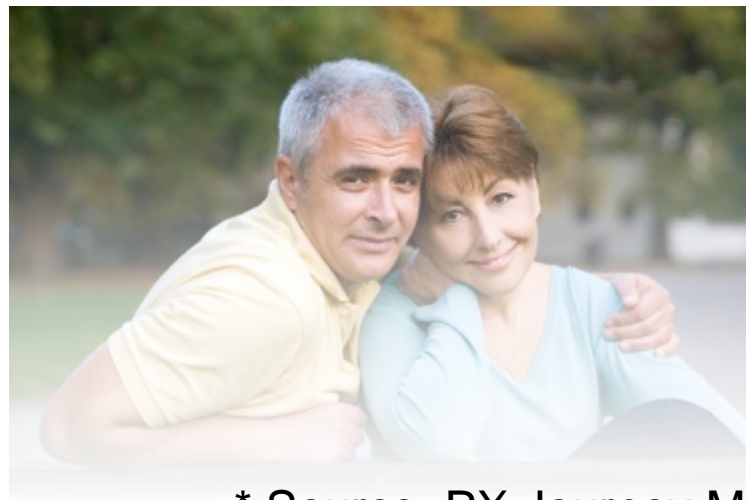
Community

### Methodologies

In-Depth Interviews

On-site Observation Sessions

Distance Traveled / Participants



\* Source: PX Journey Mapping, 2011 Northwestern



# Market Segmentation Research

## Quantitative (2011)

Community Residents

**N=1215**  
MOE = +/- 3%



Total  
**N=3024**



Patients

**N=1204**  
MOE = +/- 2.74%

Companions

**N= 500**  
MOE = +/- 4.33%



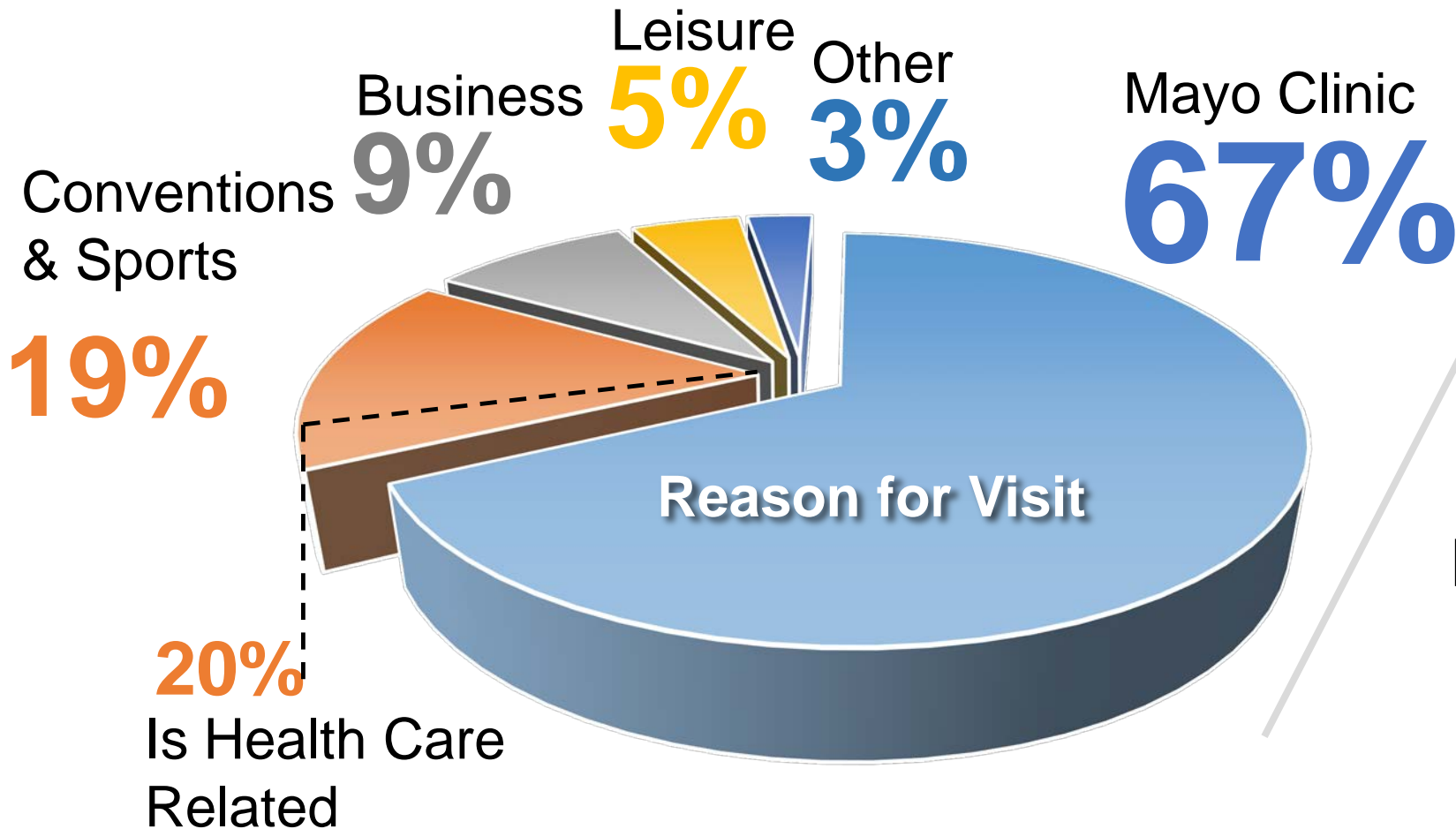
Business Travelers

**N=100**  
MOE = +/- 9.78%

MOE: Margin of Error



# Visitors to Rochester – 2.76 Million



Approximately  
**3,000**  
Patients &  
Companions  
On any Given Day

Daily Commuters

**28,360**

\* Source: RCVB, Mayo Clinic Unique Patient Count, City Planning Analytics



# Patients & Companions – 1.2 Million

**Patient  
& Companions**



Arrive in  
**Twos**

**ZZZ**  
2-4 Nights



**\$264**



Average spend  
for **Overnight Stay** 

**\$74**



Average spend  
for **Day Visit**



**\$5K**

Spent Outside  
**Rochester**  
Per Household

**70%**



Time  
in the  
**Community**

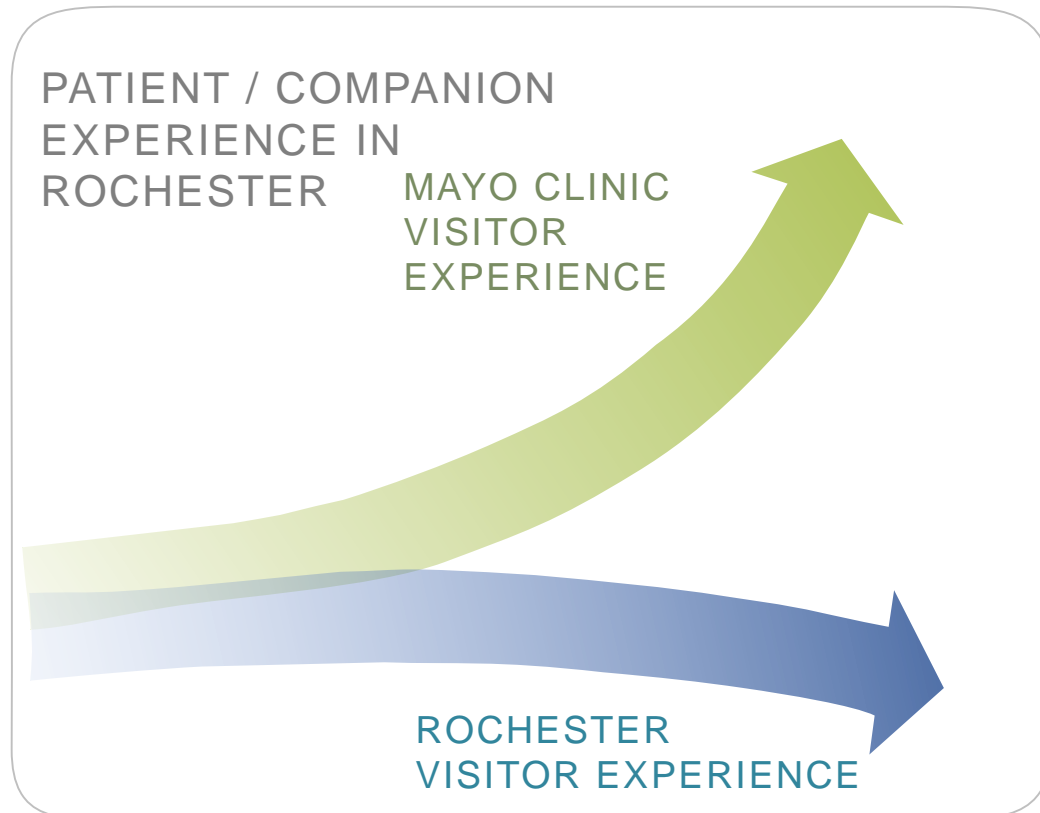
= **4 to 5**  
Hours  
every  
**Day** 



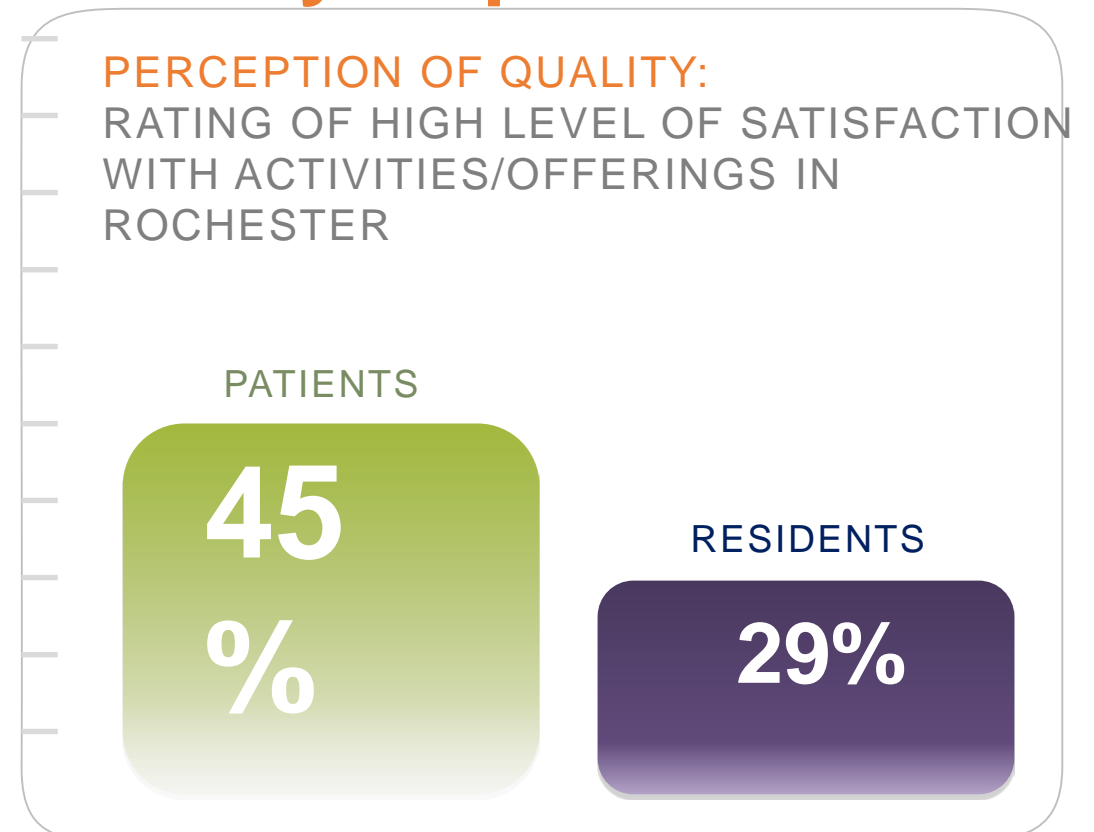
# Market Segmentation Research

## Key Findings

### Experience Gap



### Quality Gap



\* Source: PX Journey Mapping, DMC Market Segmentation, 2011, Q22: Overall satisfaction with activities and offerings (1=very dissatisfied to 5=highly satisfied)





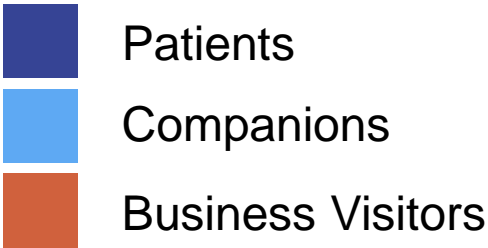
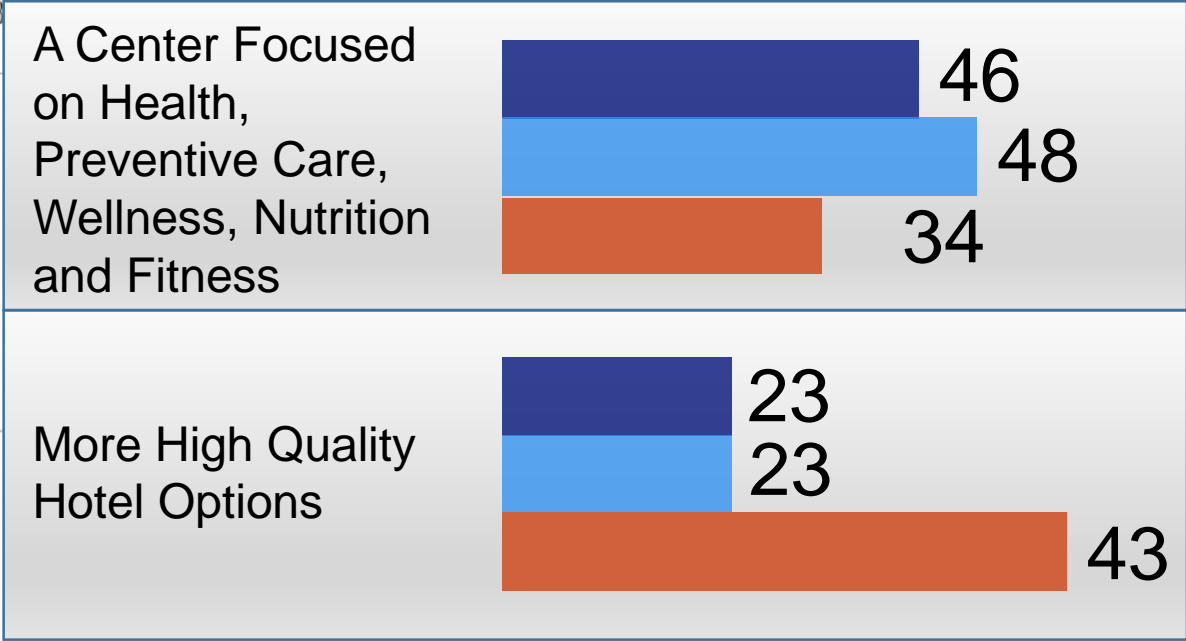
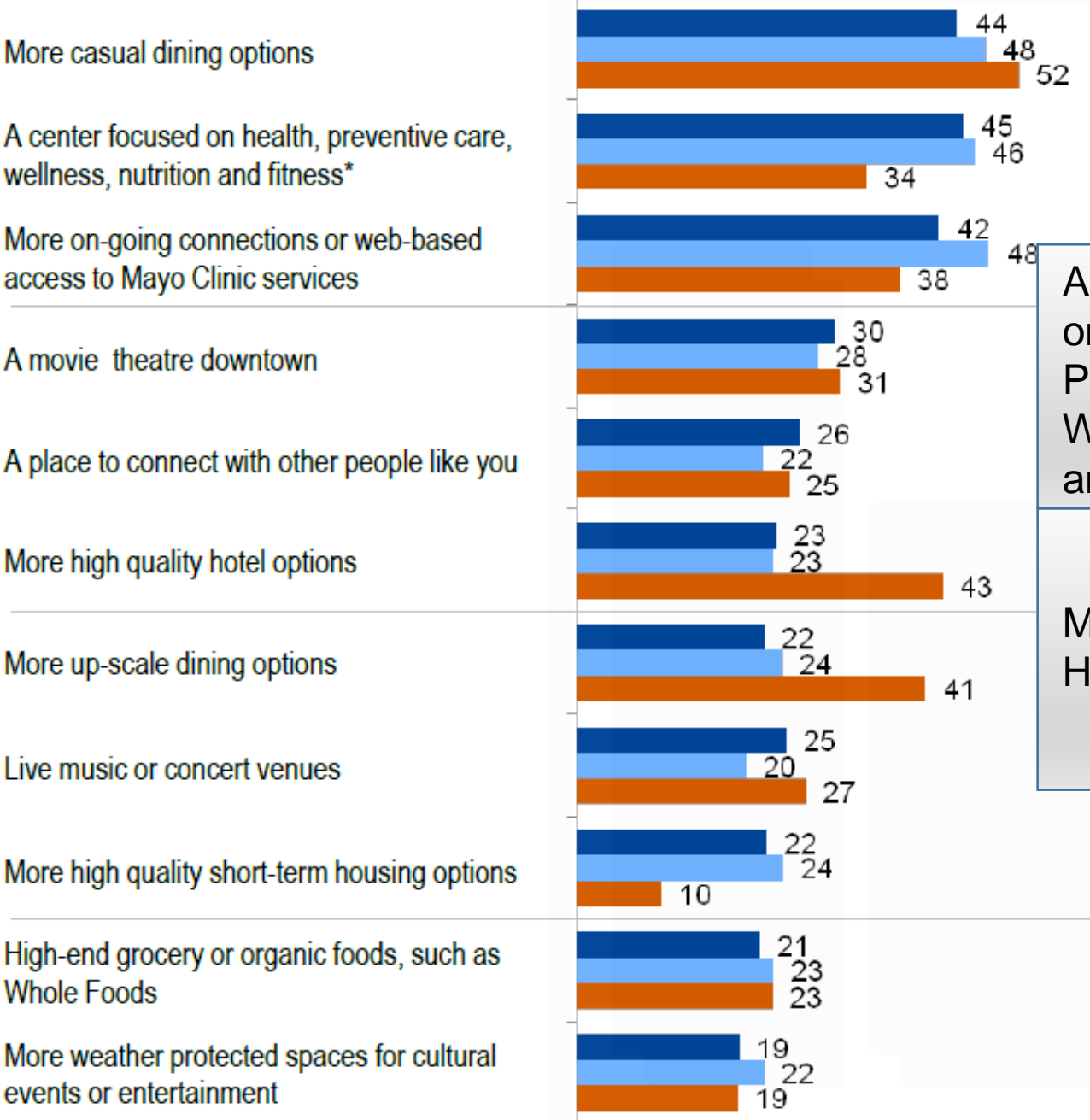
# Eight Areas of Focus



\*Source: DMC Development plan, volume 2 Section 6.0

# Market Segment Interest in Offerings

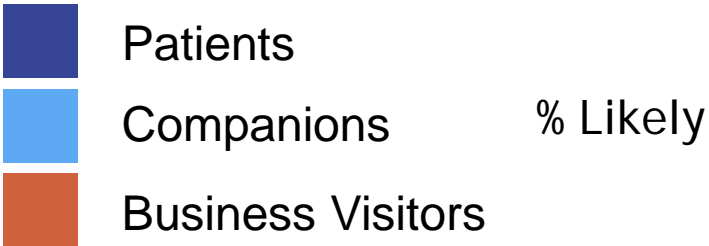
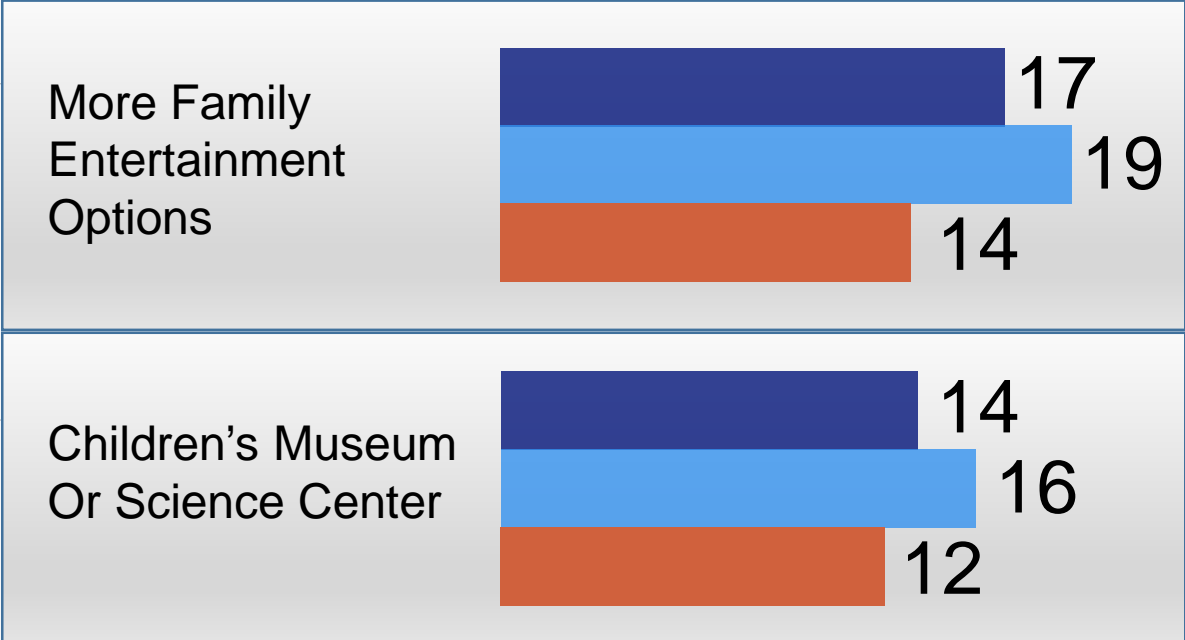
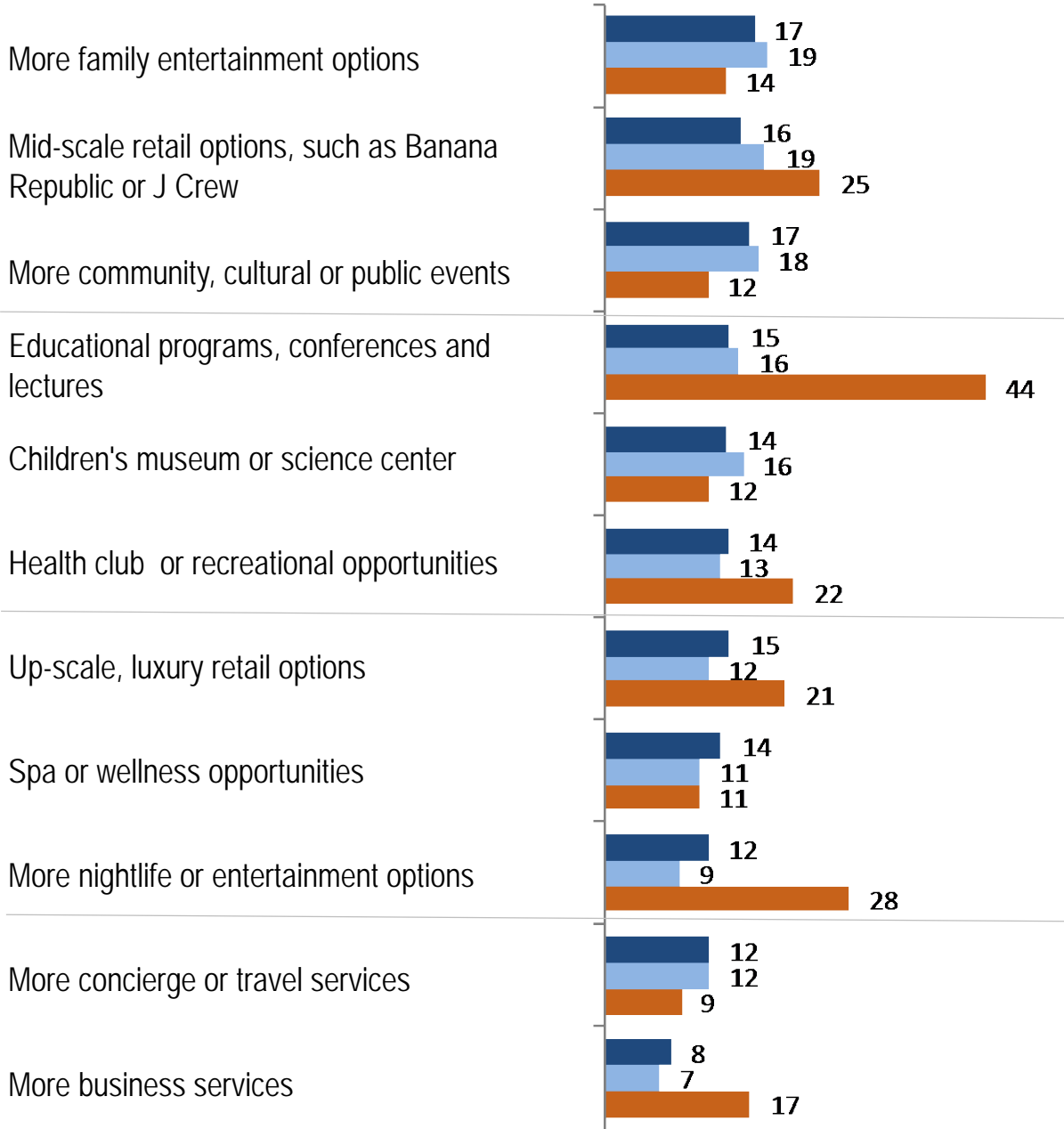
% Likely  
Top 2 Rankings



\*Source: DMC Segmentation Study, 2011, Q23: For Each Offering, how likely would you be to participate? (1= Not at all likely to 5= very likely)

# Market Segment Interest in Offerings

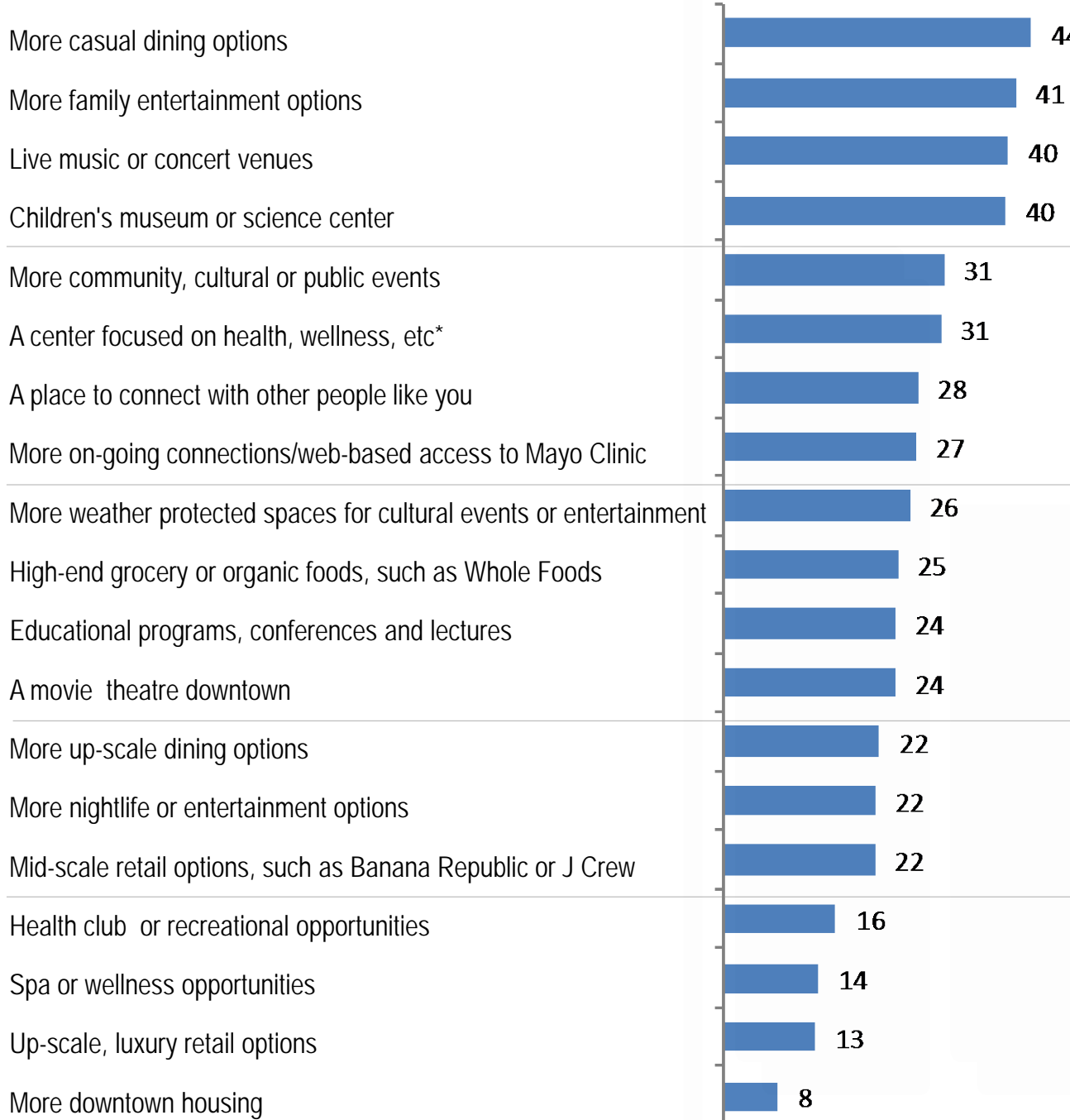
% Likely  
Top 2 Rankings



\*Source: DMC Segmentation Study, 2011, Q23: For Each Offering, how likely would you be to participate? (1= Not at all likely to 5= very likely)

# Market Segment Interest in Offerings

% Likely  
Top 2 Rankings



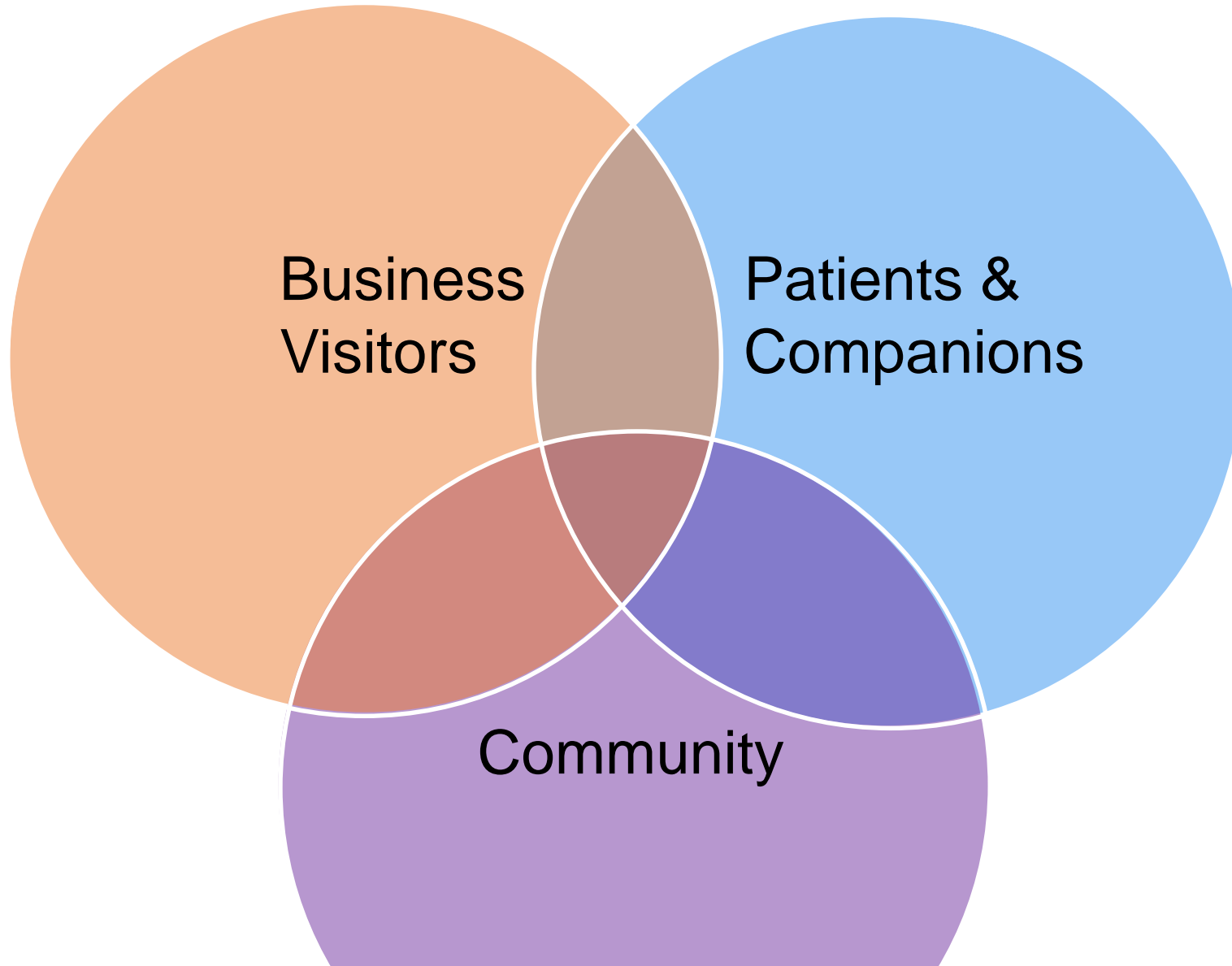
More Casual Dining	<b>44</b>
More Family Entertainment Options	<b>41</b>
Live music or Concert Venues	<b>40</b>

■ Community Members

\*Source: DMC Segmentation Study, 2011, Q23: For Each Offering, how likely would you be to participate? (1= Not at all likely to 5= very likely)



# Shared Market Segment **Wants**





# Shared Market Segment **Wants**

Programs - Products - Places

Authentic community experience

Diverse dining and shopping

High quality hotels

Arts & culture

Museums and entertainment

Health and wellness programs

Indoor public spaces

Family activities

Diverse housing

\*Source: DMC Segmentation Study, 2011, Q23: For Each Offering, how likely would you be to participate? (1= Not at all likely to 5= very likely)



# Patient Satisfaction Survey

## Mayo Clinic Patient Experience

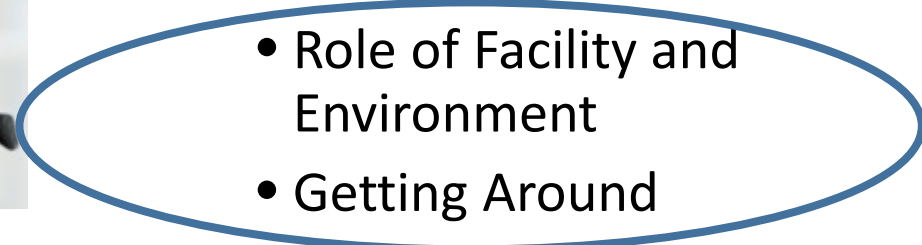
The Providers Perspective  
Clinical Care

The Patient's Perspective  
Service

- Quality
- Safety
- Outcomes



- Access
- Responsiveness
- Physician/ provider interaction
- Nurses and Allied Health interactions
- Role of Facility and Environment
- Getting Around
- Billing





# Patient Journey

## Seamless Experience

↑  
CONCERNS / STRESS



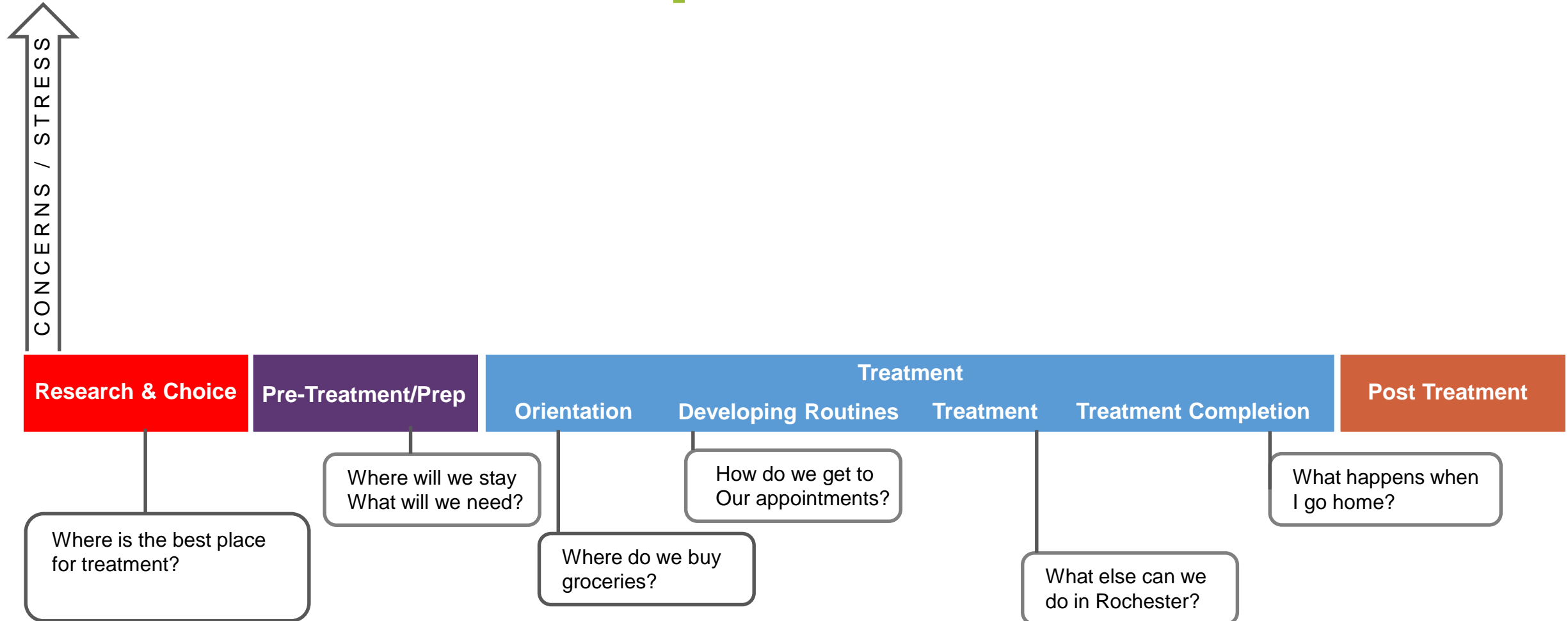
\*Source: Seamless Experience Pilot, 2015 Qualitative





# Patient Journey

## Seamless Experience

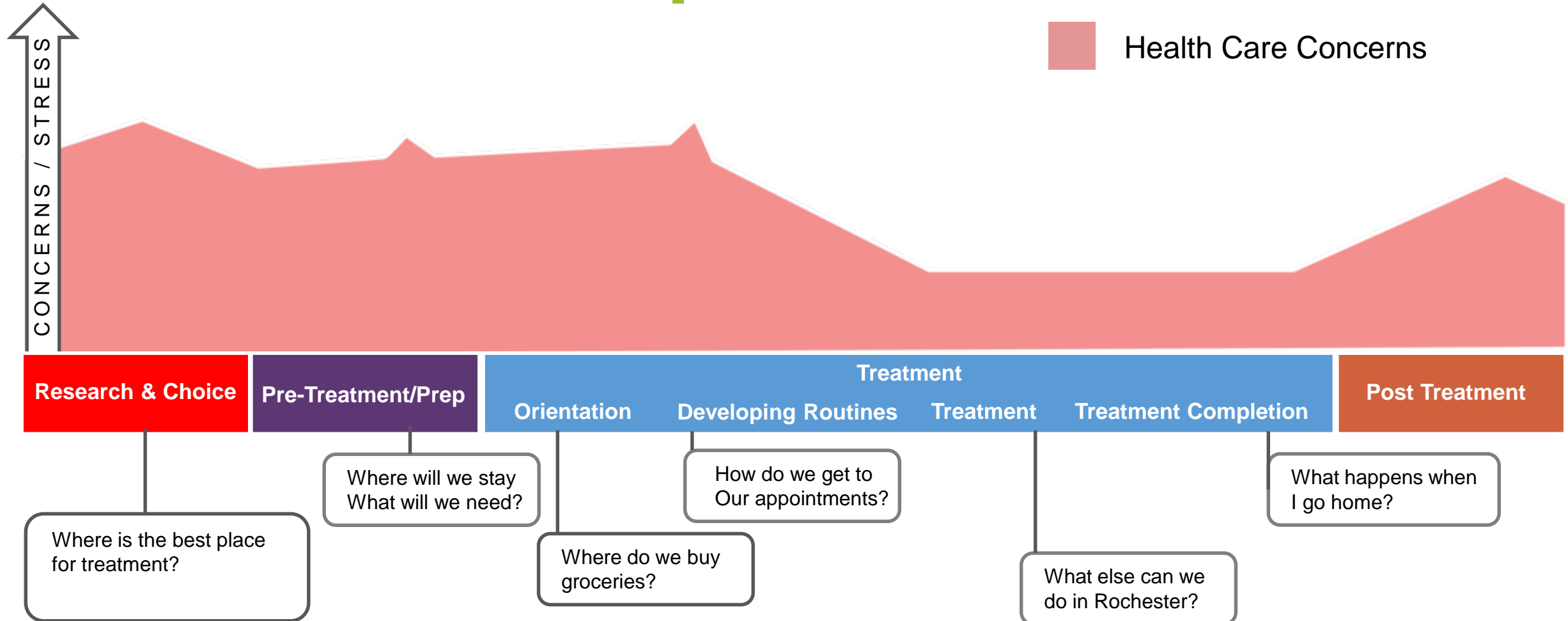


\*Source: Seamless Experience Pilot, 2015 Qualitative



# Patient Journey

## Seamless Experience

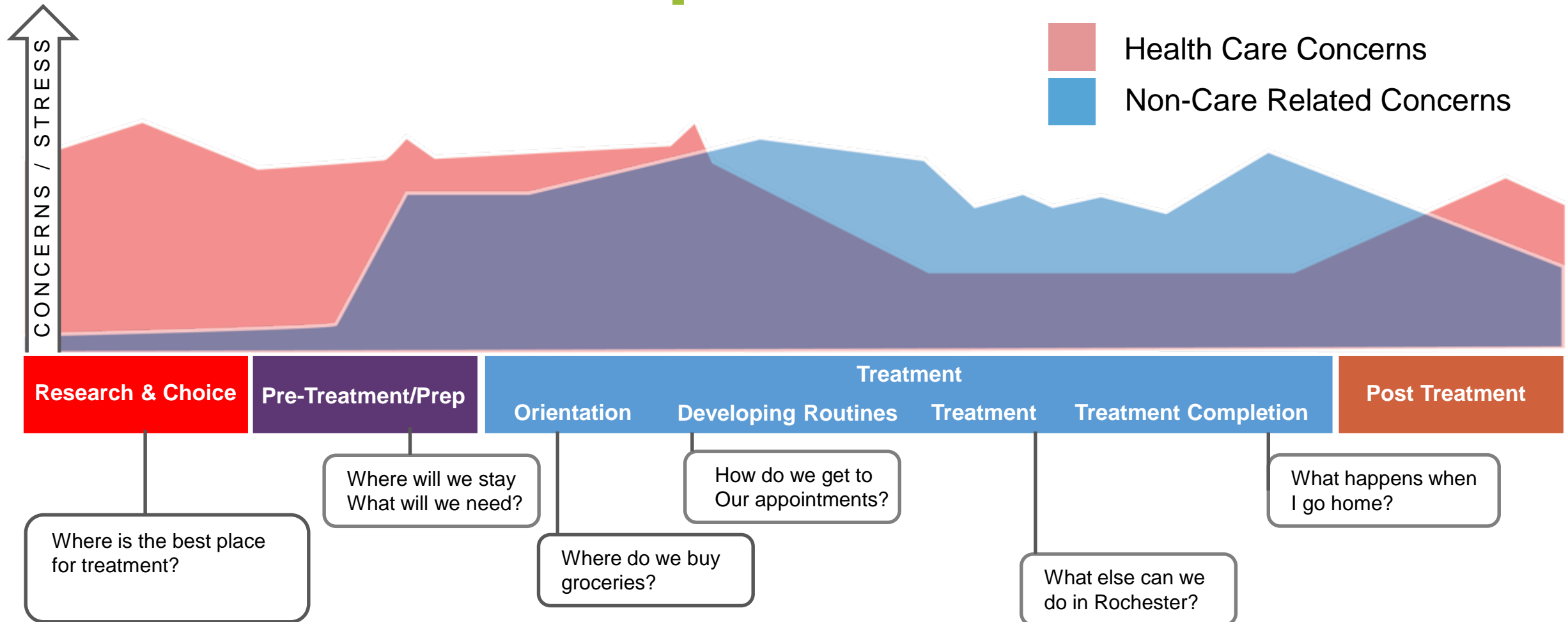


\*Source: Seamless Experience Pilot, 2015 Qualitative



# Patient Journey

## Seamless Experience



\*Source: Seamless Experience Pilot, 2015 Qualitative



# DMC Service

## Proton Beam Therapy



**2-12**  
weeks  
Average

**Stay**

Average  
Treatment

**Session**  
**30 Min.**

**25%**  
are  
Currently  
Pediatric

**Family Unit**  
**2-4 People**



\*Source: Seamless Experience Pilot, 2015 Qualitative



# Seamless Patient Journey



## The Waiting Room

Mom tries to **entertain** both girls in the ...



## Morning at RMH

Ellen has an early morning appointment, so mom wakes up both kids, gets them dressed and feeds the baby.

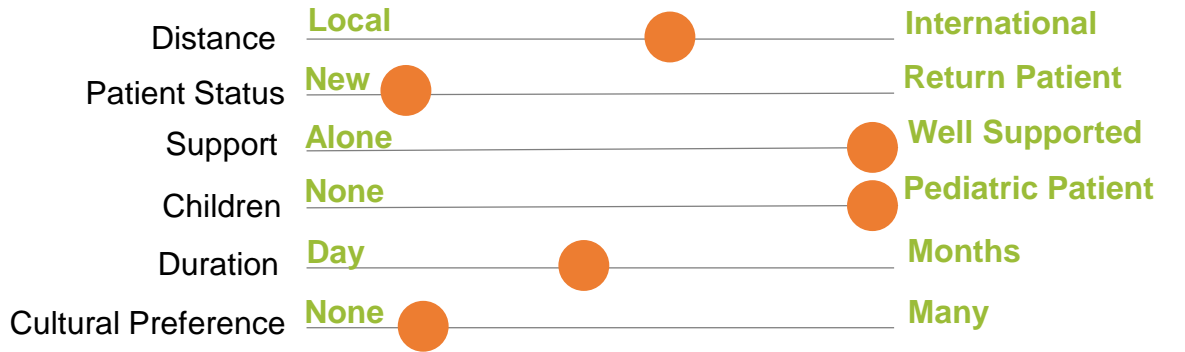
Mom picks up breakfast for Ellen to eat after treatment.



## Time Between Appointments with Kids

She wants to keep them entertained as she is worried that they might have a meltdown because **naps were delayed to accommodate the appointment** time.

Patient: **Ellen**  
 Age: **6**  
 Lives in: **Madison, WI**  
**2** Working Parents  
**2** Year-old Sister  
**Father** Travels Home to Work



## The Treatment

Mom carries the baby as she takes Ellen to treatment room.

The baby starts to fuss and Mom panics not knowing what to do, since she **can't leave the baby alone**. Seeing her panic a CA offers to watch the baby so Mom can go back with Ellen.



## After Treatment

Ellen **needs to rest after treatment** keep her stomach settled.

The three of them find some seats with a high back for **privacy**. Mom distracts the baby with a toy so she can focus on Ellen.



## Dad Working Visits on Weekends

Dad drives in from out of town to go to Ellen's doctor appointment and meets the family at the clinic for lunch.

**He needs a place to work**, but the best he can find is Starbucks, which is too loud for the call he needs to make.



# EXPERIENCE ACCREDITATION

## Why Experience Accreditation?

### Purpose:

To achieve the highest quality patient and visitor experience now and in the future.

### Benefits:

Patients and visitors may quickly identify which businesses are providing the highest quality experience.

## Improving Visitor Satisfaction

Experience Accreditation is a program that is available to the following businesses:



Transportation



Hotel



Retail



Restaurants

## Closing the Gap



Three key tools have been identified to help us close the satisfaction gap.





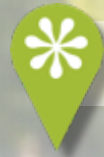
# DMC is Key to a High Quality Experience



Create the sense of welcoming places at key touch points



Facilitate patient, companion & visitor journey



Create opportunities for patients to just feel normal



Engage visitors and residents in health and wellness





DMC

A Global Destination  
for Health & Healing

**Questions**







## **Monthly Report for Destination Medical Center Initiative**

Hammes Company

## TABLE OF CONTENTS

- 1.0 Executive Summary
- 2.0 Master Project Budget
- 3.0 Budget Allocation Report
- 4.0 Cost Report
- 5.0 Contract Summary Report
- 6.0 Master Application for Payment
- 7.0 Other Information



SEPTEMBER 2015

Hammes Company

## Major Accomplishments / Last 30 Days

The following provides an outline of the tasks completed in the last 30 days.

- The DMC EDA staff is in place.
- The DMC website is complete and now live.
- The 2016 budget for the DMC EDA has been approved by the DMC Corporation Board of Directors.
- There were 54 DMC related stories in the past month.



## Major Tasks / Next 60 Days

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

- The DMC EDA will design the final Development Guide that will be available to DMC development interests.
- The DMC EDA will complete the update to the DMC Capital Improvement Plan based on feedback from the City of Rochester.
- The DMC EDA will continue to work with the City to prepare funding terms and a complete funding program for DMC public infrastructure projects.
- The DMC EDA will prepare a Zoning and Land Development Guide for building and developing in the Destination Medical Center.
- The DMC EDA will continue to focus communications on elevating awareness through outreach across the state and building national support for the DMC.



# Monthly Progress Report

## SEPTEMBER, 2015

This report provides a summary of the activities undertaken by the Destination Medical Center Economic Development Agency (DMC EDA) for the period stated above.

### 2015 WORK PLAN IMPLEMENTATION

#### DEVELOPMENT

- The DMC EDA continues to build the tools and processes necessary to seamlessly transition into the implementation phase of the DMC initiative.
- The DMC EDA continues to coordinate with the City to track potential project activity and updates in the DMC Development District.
- The DMC EDA continues to work with the City in developing a revised CIP for years 2015 - 2019 that aligns potential uses with sources DMC funding.
- The DMC EDA proposed 2016 Workplan, which is focused on the Board-identified priorities (Heart of the City, Discovery Square and Transportation initiatives), was approved by the DMC Corporation Board.

#### FINANCE

- The DMC EDA is currently operating within budget for 2015 and utilizing the Working Capital Loan structure implemented by the DMC Corporation and the City.
- The DMC EDA 2016 proposed budget was approved by the DMC Corporation Board.

#### BUSINESS / ECONOMIC DEVELOPMENT

- The DMC EDA will move forward with a strategic marketing/advertising effort to evolve the DMC brand identity and create marketing/collateral materials highlighting Discovery Square and Heart of the City priorities.
- The DMC EDA continues to work with the City to prepare funding terms and a complete funding program for DMC public infrastructure projects.
- The DMC EDA has composed a draft Development Guide that will act as a reference guide to building and developing in the Destination Medical Center district.
- The DMC EDA is preparing a Zoning and Land Use Manual that will be available to development interests as a quick reference guide to developing in the Destination Medical Center district.

#### EDA OPERATIONS

- Staff for the DMC EDA are transitioning into their roles.
- The DMC EDA has moved into its permanent office space.

#### COMMUNICATIONS, PUBLIC RELATIONS & COMMUNITY ENGAGEMENT

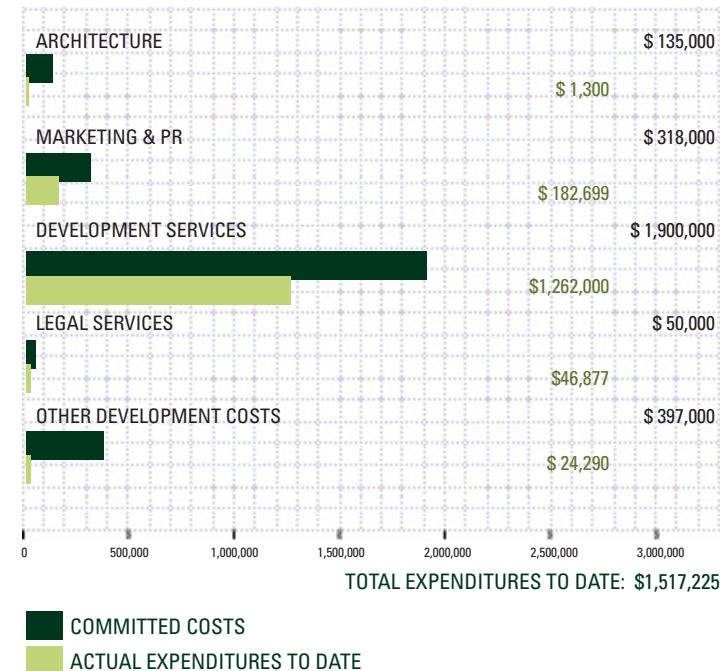
- The DMC website redesign is complete and the new website is now live. [www.dmc.mn](http://www.dmc.mn)
- The DMC EDA continues their regional outreach and presentations to business/ civic organizations and outstate communities.
  - In the upcoming months the DMC EDA will meet with/ give presentations to the Greater Minneapolis Leadersip Team, St. Paul Chamber, SE Minnesota Economic Forum, and the Life Sciences Alley Panel Participation.
- Media results - 54 media stories in the last month.
  - Topics included: Preparing for growth, becoming a "destination" city, and 2016 funding.
- The DMC EDA continues to coordinate meetings with local leaders and organizations to keep informed and maintain relationships: community leaders, Community Engagement Committee, Social Service coalition, Rochester Arts and Culture Collaborative
- The DMC EDA continues to work to coordinate support with key stakeholders for the MN Bike Share program in Rochester and facilitate conversations with local groups.
- The DMC EDA continues to attend/partner with local and regional initiatives e.g.; Southern MN Initiatives Foundation, J2G (Journey to Growth), Hospitality First, Comprehensive Plan, Workforce Housing.

## SEPTEMBER 30, 2015

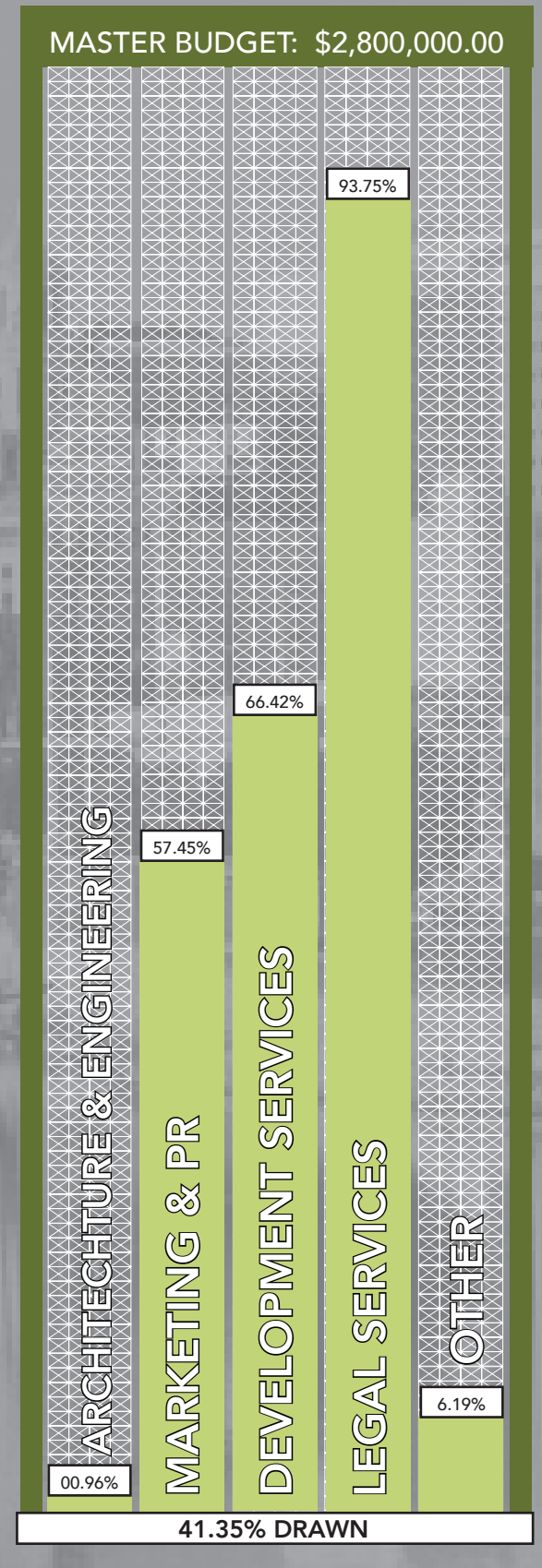
### MASTER PROJECT BUDGET

SOURCES OF FUNDS:		Current Application
City Contribution		\$2,800,000
<b>TOTAL SOURCES</b>		<b>\$2,800,000</b>
USES OF FUNDS:		Current Application
Architecture		\$1,300
Marketing & PR		\$182,699
Development Services		\$1,262,000
Legal Services		\$46,877
Other Development Costs		\$24,290
<b>TOTAL WORK IN PLACE</b>		<b>\$1,517,165</b>
<b>BALANCE TO COMPLETE</b>		<b>\$1,282,835</b>
<b>COMMITTED COSTS</b>		<b>\$2,348,274</b>
<b>UNCOMMITTED COSTS</b>		<b>\$451,726</b>
<b>TOTAL USES OF FUNDS</b>		<b>\$2,800,000</b>

\* This summary represents the approximately \$2.8 M portion of the budget and/or expenses that are managed and reported by the EDA. The balance of funding is DMCC and City of Rochester funding and managed outside of the EDA budget.



CUMULATIVE DRAW TO DATE



## **2.0 MASTER PROJECT BUDGET**

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

**SOURCES AND USES REPORT #4** **September 30, 2015**

SOURCES OF FUNDS		
00-30-005	City Contribution	\$ 2,800,000.00
<b>TOTAL SOURCES OF FUNDS</b>		<b>\$ 2,800,000.00</b>

USES OF FUNDS		
40-00-000	Development Costs	\$ 2,800,000.00
90-00-000	Project Contingency	\$ -
<b>TOTAL USES OF FUNDS</b>		<b>\$ 2,800,000.00</b>

**MASTER PROJECT BUDGET #4** **September 30, 2015**

Division	Description	Final Projected Cost	Notes
	<b>DEVELOPMENT COSTS</b>		
40-05-000	Architecture & Engineering	\$135,000.00	
40-25-000	Marketing & Public Relations	\$318,000.00	
40-30-000	Development Services	\$1,900,000.00	
40-35-000	Legal Services	\$50,000.00	
40-90-000	Other Development Costs	\$397,000.00	
	<b>Subtotal</b>	<b>\$2,800,000.00</b>	
	<b>PROJECT CONTINGENCY</b>		
90-00-000	Project Contingency	\$0.00	
	<b>Subtotal</b>	<b>\$0.00</b>	
	<b>PROJECT TOTAL</b>	<b>\$2,800,000.00</b>	

**DETAIL MASTER PROJECT BUDGET #4** **September 30, 2015**

Division	Description	Final Projected Cost - Detail	Final Projected Cost	Notes
<b>DEVELOPMENT COSTS</b>				
<b>40-05-000</b>	<b>Architecture &amp; Engineering</b>		<b>\$135,000.00</b>	
40-05-300	Planning Services, Architecture, Engineering	\$135,000.00		
<b>40-25-000</b>	<b>Marketing &amp; Public Relations</b>		<b>\$318,000.00</b>	
40-25-300	Communications, Marketing & PR	\$108,000.00		
40-25-310	Public Relations & Communications	\$210,000.00		
<b>40-30-000</b>	<b>Development Services</b>		<b>\$1,900,000.00</b>	
40-30-300	Development Services	\$1,860,000.00		
40-30-310	Financial, Accounting & Investment Services	\$40,000.00		
<b>40-35-000</b>	<b>Legal Services</b>		<b>\$50,000.00</b>	
40-35-300	Legal Services	\$50,000.00		
<b>40-90-000</b>	<b>Other Development Costs</b>		<b>\$397,000.00</b>	
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$218,000.00		
40-90-120	General Expenses-EDA	\$79,000.00		
40-90-300	Reimbursable Expenses	\$100,000.00		
	<b>Subtotal</b>		<b>\$2,800,000.00</b>	
<b>PROJECT CONTINGENCY</b>				
<b>90-00-000</b>	<b>Project Contingency</b>		<b>\$0.00</b>	
	<b>Subtotal</b>		<b>\$0.00</b>	
	<b>PROJECT TOTAL</b>		<b>\$2,800,000.00</b>	



## **3.0 BUDGET ALLOCATION REPORT**

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

**BUDGET ALLOCATION REPORT #4** **September 30, 2015**

Revision No	Revision Date	Division	Division Description	Revision Description	Revision Amount	Revision To	Revision Method	Requested By	Entered By

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

## **4.0 COST REPORT**

The following Cost Report is included herein as Section 4.0.

**COST REPORT #4**

**September 30, 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
	<b>DEVELOPMENT COSTS</b>										
40-05-000	Architecture & Engineering	\$135,000.00	\$13,390.47	\$0.00	\$13,390.47	\$0.00	\$121,609.53	\$135,000.00	\$0.00	\$1,299.57	0.96%
40-25-000	Marketing & Public Relations	\$318,000.00	\$386,516.20	\$0.00	\$386,516.20	\$0.00	(\$68,516.20)	\$318,000.00	\$0.00	\$182,698.70	57.45%
40-30-000	Development Services	\$1,900,000.00	\$1,862,000.00	\$0.00	\$1,862,000.00	\$0.00	\$38,000.00	\$1,900,000.00	\$0.00	\$1,262,000.00	66.42%
40-35-000	Legal Services	\$50,000.00	\$46,329.33	\$548.00	\$46,877.33	\$0.00	\$3,122.67	\$50,000.00	\$0.00	\$46,877.33	93.75%
40-90-000	Other Development Costs	\$397,000.00	\$39,264.76	\$225.00	\$39,489.76	\$0.00	\$357,510.24	\$397,000.00	\$0.00	\$24,289.76	6.12%
	<b>Subtotal</b>	<b>\$2,800,000.00</b>	<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$451,726.24</b>	<b>\$2,800,000.00</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>54.18%</b>
	<b>PROJECT CONTINGENCY</b>										
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%
	<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>PROJECT TOTAL</b>	<b>\$2,800,000.00</b>	<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$451,726.24</b>	<b>\$2,800,000.00</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>54.18%</b>

**DETAIL COST REPORT #4**

**September 30, 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
<b>DEVELOPMENT COSTS</b>											
40-05-000	Architecture & Engineering	\$135,000.00	\$13,390.47	\$0.00	\$13,390.47	\$0.00	\$121,609.53	\$135,000.00	\$0.00	\$1,299.57	0.96%
40-05-300	Planning Services, Architecture, Engineering	\$135,000.00	\$13,390.47	\$0.00	\$13,390.47	\$0.00	\$121,609.53	\$135,000.00	\$0.00	\$1,299.57	0.96%
40-25-000	Marketing & Public Relations	\$318,000.00	\$386,516.20	\$0.00	\$386,516.20	\$0.00	(\$68,516.20)	\$318,000.00	\$0.00	\$182,698.70	57.45%
40-25-300	Communications, Marketing & PR	\$108,000.00	\$273,225.00	\$0.00	\$273,225.00	\$0.00	(\$165,225.00)	\$108,000.00	\$0.00	\$153,512.50	142.14%
40-25-310	Public Relations & Communications	\$210,000.00	\$113,291.20	\$0.00	\$113,291.20	\$0.00	\$96,708.80	\$210,000.00	\$0.00	\$29,186.20	13.90%
40-30-000	Development Services	\$1,900,000.00	\$1,862,000.00	\$0.00	\$1,862,000.00	\$0.00	\$38,000.00	\$1,900,000.00	\$0.00	\$1,262,000.00	66.42%
40-30-300	Development Services	\$1,860,000.00	\$1,860,000.00	\$0.00	\$1,860,000.00	\$0.00	\$0.00	\$1,860,000.00	\$0.00	\$1,260,000.00	67.74%
40-30-310	Financial, Accounting & Investment Services	\$40,000.00	\$2,000.00	\$0.00	\$2,000.00	\$0.00	\$38,000.00	\$40,000.00	\$0.00	\$2,000.00	5.00%
40-35-000	Legal Services	\$50,000.00	\$46,329.33	\$548.00	\$46,877.33	\$0.00	\$3,122.67	\$50,000.00	\$0.00	\$46,877.33	93.75%
40-35-300	Legal Services	\$50,000.00	\$46,329.33	\$548.00	\$46,877.33	\$0.00	\$3,122.67	\$50,000.00	\$0.00	\$46,877.33	93.75%
40-90-000	Other Development Costs	\$397,000.00	\$39,264.76	\$225.00	\$39,489.76	\$0.00	\$357,510.24	\$397,000.00	\$0.00	\$24,289.76	6.12%
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$218,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$218,000.00	\$218,000.00	\$0.00	\$0.00	0.00%
40-90-120	General Expenses-EDA	\$79,000.00	\$1,264.76	\$225.00	\$1,489.76	\$0.00	\$77,510.24	\$79,000.00	\$0.00	\$1,489.76	1.89%
40-90-300	Reimbursable Expenses	\$100,000.00	\$38,000.00	\$0.00	\$38,000.00	\$0.00	\$62,000.00	\$100,000.00	\$0.00	\$22,800.00	22.80%
	<b>Subtotal</b>	<b>\$2,800,000.00</b>	<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$451,726.24</b>	<b>\$2,800,000.00</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>54.18%</b>
<b>PROJECT CONTINGENCY</b>											
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%
	<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>PROJECT TOTAL</b>	<b>\$2,800,000.00</b>	<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$451,726.24</b>	<b>\$2,800,000.00</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>54.18%</b>

## **5.0 CONTRACT SUMMARY REPORT**

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

**CONTRACT SUMMARY REPORT #4**

**September 30, 2015**

Division	Description	Status		Vendor Name	Contract Number	Original Contract Amount	Contract Revisions	Committed Costs	Direct Owner Purchases	Work in Place	Percent Complete
		Contract									
<b>DEVELOPMENT COSTS</b>											
<b>40-05-000</b>	<b>Architecture &amp; Engineering</b>					<b>\$13,390.47</b>	<b>\$0.00</b>	<b>\$13,390.47</b>	<b>\$0.00</b>	<b>\$1,299.57</b>	<b>9.71%</b>
40-05-300	Planning Services, Architecture, Engineering	X		CARROLL, FRANCK & ASSOCIATES	4020	\$13,390.47	\$0.00	\$13,390.47	\$0.00	\$1,299.57	9.71%
<b>40-25-000</b>	<b>Marketing &amp; Public Relations</b>					<b>\$386,516.20</b>	<b>\$0.00</b>	<b>\$386,516.20</b>	<b>\$0.00</b>	<b>\$182,698.70</b>	<b>47.27%</b>
40-25-300	Communications, Marketing & PR	X		HIMLE RAPP & CO., INC.	4017	\$255,000.00	\$0.00	\$255,000.00	\$0.00	\$152,500.00	59.80%
40-25-300	Communications, Marketing & PR	X		GINA MARIA CHIRI-OSMOND	4027	\$18,225.00	\$0.00	\$18,225.00	\$0.00	\$1,012.50	5.56%
40-25-310	Public Relations & Communications	X		BRANDHOOT	4016	\$41,051.20	\$0.00	\$41,051.20	\$0.00	\$15,361.20	37.42%
40-25-310	Public Relations & Communications	X		SAM SMITH	4030	\$72,240.00	\$0.00	\$72,240.00	\$0.00	\$13,825.00	19.14%
<b>40-30-000</b>	<b>Development Services</b>					<b>\$1,862,000.00</b>	<b>\$0.00</b>	<b>\$1,862,000.00</b>	<b>\$0.00</b>	<b>\$1,262,000.00</b>	<b>67.78%</b>
40-30-300	Development Services	X		HAMMES COMPANY SPORTS DEVEL.	DMA	\$1,860,000.00	\$0.00	\$1,860,000.00	\$0.00	\$1,260,000.00	67.74%
40-30-310	Financial, Accounting & Investment Services	X		CLIFTONLARSONALLEN LLP	4041	\$2,000.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00	100.00%
<b>40-35-000</b>	<b>Legal Services</b>					<b>\$46,329.33</b>	<b>\$548.00</b>	<b>\$46,877.33</b>	<b>\$0.00</b>	<b>\$46,877.33</b>	<b>100.00%</b>
40-35-300	Legal Services	X		DORSEY & WHITNEY LLP	4015	\$43,049.83	\$0.00	\$43,049.83	\$0.00	\$43,049.83	100.00%
40-35-300	Legal Services	X		MICHAEL BEST & FRIEDRICH LLP	4021	\$3,279.50	\$548.00	\$3,827.50	\$0.00	\$3,827.50	100.00%
<b>40-90-000</b>	<b>Other Development Costs</b>					<b>\$39,264.76</b>	<b>\$225.00</b>	<b>\$39,489.76</b>	<b>\$0.00</b>	<b>\$24,289.76</b>	<b>61.51%</b>
40-90-120	General Expenses-EDA	X		CITY MARKET DOWNTOWN	4018	\$97.79	\$0.00	\$97.79	\$0.00	\$97.79	100.00%
40-90-120	General Expenses-EDA	X		CWS, INC.	4033	\$900.00	\$225.00	\$1,125.00	\$0.00	\$1,125.00	100.00%
40-90-120	General Expenses-EDA	X		DELUXE BUSINESS PRODUCTS	4042	\$266.97	\$0.00	\$266.97	\$0.00	\$266.97	100.00%
40-90-300	Reimbursable Expenses	X		HAMMES COMPANY SPORTS DEVEL.	DMA	\$38,000.00	\$0.00	\$38,000.00	\$0.00	\$22,800.00	60.00%
	<b>Subtotal</b>					<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>64.61%</b>
<b>PROJECT CONTINGENCY</b>											
<b>90-00-000</b>	<b>Project Contingency</b>					<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>Subtotal</b>					<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>PROJECT TOTAL</b>					<b>\$2,347,500.76</b>	<b>\$773.00</b>	<b>\$2,348,273.76</b>	<b>\$0.00</b>	<b>\$1,517,165.36</b>	<b>64.61%</b>

## **6.0 MASTER APPLICATION FOR PAYMENT**

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

There was no Master Application for Payment for the month of May.



## 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.: 4 Application Date: September 1, 2015 Hammes Project No: 40050-06 Period From: August 1, 2015 Period To: August 31, 2015 Project Name: DMC Economic Development Agency (2015)	<b>Please Remit To:</b> 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: September 1, 2015

Name: Robert P. Dunn

**STATEMENT OF PROJECT:**

ORIGINAL MASTER PROJECT BUDGET .....	\$ <u>2,800,000.00</u>
CURRENT MASTER PROJECT BUDGET .....	\$ <u>2,800,000.00</u>
<hr/>	
TOTAL COMPLETED & STORED TO DATE .....	\$ <u>1,517,165.36</u>
RETAINAGE TO DATE .....	\$ <u>-</u>
TOTAL COMPLETED LESS RETAINAGE .....	\$ <u>1,517,165.36</u>
LESS PREVIOUS REQUESTS .....	\$ <u>1,359,225.36</u>
CURRENT AMOUNT DUE (A + B) .....	\$ <u><u>157,940.00</u></u>
<hr/>	
CURRENT PAYMENTS DUE (A) .....	\$ <u>157,940.00</u>
DIRECT OWNER PURCHASES DUE (B) .....	\$ <u>-</u>

<b>SOURCES OF FUNDS:</b>		Current Application
City Contribution		\$ 157,940.00
CURRENT SOURCES OF FUNDS		\$ 157,940.00
<b>USES OF FUNDS:</b>		Current Application
40 - Development Costs		\$ 157,940.00
50 - Financing Costs		\$ -
60 - Other Project Costs		\$ -
90 - Project Contingency		\$ -
CURRENT USES OF FUNDS		\$ 157,940.00

**APPROVALS:**

\_\_\_\_\_  
 EDA: \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
 DMCC: \_\_\_\_\_ Date \_\_\_\_\_

**DETAIL SOURCES AND USES REPORT #4**

**September 1, 2015**

Division	Description	Final Projected Cost	Previous Billings	Current Billing	Total Billed To Date	Balance to Complete
<b>SOURCES OF FUNDS</b>						
00-30-005	City Contribution	\$2,800,000.00	\$1,359,225.36	\$157,940.00	\$1,517,165.36	\$1,282,834.64
	<b>Total Sources of Funds</b>	<b>\$2,800,000.00</b>	<b>\$1,359,225.36</b>	<b>\$157,940.00</b>	<b>\$1,517,165.36</b>	<b>\$1,282,834.64</b>
<b>USES OF FUNDS</b>						
40-00-000	Development Costs	\$2,800,000.00	\$1,359,225.36	\$157,940.00	\$1,517,165.36	\$1,282,834.64
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total Uses of Funds</b>	<b>\$2,800,000.00</b>	<b>\$1,359,225.36</b>	<b>\$157,940.00</b>	<b>\$1,517,165.36</b>	<b>\$1,282,834.64</b>

DESTINATION MEDICAL CENTER  
ECONOMIC DEVELOPMENT AUTHORITY (2015)

MASTER APPLICATION FOR PAYMENT DETAIL #4

September 1, 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
	<b>DEVELOPMENT COSTS</b>										
40-05-000	<b>Architecture &amp; Engineering</b>			\$1,299.57	\$0.00	\$0.00	\$1,299.57	9.71%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	CARROLL, FRANCK & ASSOCIATES	4020	\$1,299.57	\$0.00	\$0.00	\$1,299.57	9.71%	\$0.00	\$0.00	\$0.00
40-25-000	<b>Marketing &amp; Public Relations</b>			\$178,558.70	\$4,140.00	\$0.00	\$182,698.70	47.27%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	HIMLE RAPP & CO., INC.	4017	\$152,500.00	\$0.00	\$0.00	\$152,500.00	59.80%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	GINA MARIA CHIRI-OSMOND	4027	\$1,012.50	\$0.00	\$0.00	\$1,012.50	5.56%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	BRANDHOOT	4016	\$11,221.20	\$4,140.00	\$0.00	\$15,361.20	37.42%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	SAM SMITH	4030	\$13,825.00	\$0.00	\$0.00	\$13,825.00	19.14%	\$0.00	\$0.00	\$0.00
40-30-000	<b>Development Services</b>			\$1,112,000.00	\$150,000.00	\$0.00	\$1,262,000.00	67.78%	\$0.00	\$0.00	\$0.00
40-30-300	Development Services	HAMMES COMPANY SPORTS DEVEL.	DMA	\$1,110,000.00	\$150,000.00	\$0.00	\$1,260,000.00	67.74%	\$0.00	\$0.00	\$0.00
40-30-310	Financial, Accounting & Investment Services	CLIFTONLARSONALLEN LLP	4041	\$2,000.00	\$0.00	\$0.00	\$2,000.00	100.00%	\$0.00	\$0.00	\$0.00
40-35-000	<b>Legal Services</b>			\$46,877.33	\$0.00	\$0.00	\$46,877.33	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	DORSEY & WHITNEY LLP	4015	\$43,049.83	\$0.00	\$0.00	\$43,049.83	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	MICHAEL BEST & FRIEDRICH LLP	4021	\$3,827.50	\$0.00	\$0.00	\$3,827.50	100.00%	\$0.00	\$0.00	\$0.00
40-90-000	<b>Other Development Costs</b>			\$20,489.76	\$3,800.00	\$0.00	\$24,289.76	61.51%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CITY MARKET DOWNTOWN	4018	\$97.79	\$0.00	\$0.00	\$97.79	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CWS, INC.	4033	\$1,125.00	\$0.00	\$0.00	\$1,125.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	DELUXE BUSINESS PRODUCTS	4042	\$266.97	\$0.00	\$0.00	\$266.97	100.00%	\$0.00	\$0.00	\$0.00
40-90-300	Reimbursable Expenses	HAMMES COMPANY SPORTS DEVEL.	DMA	\$19,000.00	\$3,800.00	\$0.00	\$22,800.00	60.00%	\$0.00	\$0.00	\$0.00
	<b>Subtotal</b>			\$1,359,225.36	\$157,940.00	\$0.00	\$1,517,165.36	64.61%	\$0.00	\$0.00	\$0.00
	<b>PROJECT CONTINGENCY</b>										
90-00-000	<b>Project Contingency</b>			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	<b>Subtotal</b>			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	<b>PROJECT TOTAL</b>			\$1,359,225.36	\$157,940.00	\$0.00	\$1,517,165.36		\$0.00	\$0.00	\$0.00

	Current Work In Place	Direct Owner Purchase	Total Current Work
Current Work In Place	\$157,940.00	\$0.00	\$157,940.00
Less Current Retainage Held	\$0.00	\$0.00	\$0.00
<b>Net Amount Due</b>	<b>\$157,940.00</b>	<b>\$0.00</b>	<b>\$157,940.00</b>

DESTINATION MEDICAL CENTER  
 ECONOMIC DEVELOPMENT AUTHORITY (2015)

**INVOICE SUMMARY REPORT #4** **September 1, 2015**

Vendor Name	Description	Invoice No	Invoice Date	Invoice Amount	Retainage Held	Amount Due	Approval
BRANDHOOT	Public Relations and Communications	1343	9/1/2015	\$4,140.00	\$0.00	\$4,140.00	
HAMMES COMPANY SPORTS DEVEL.	Development Manager Agreement	5005-018	9/1/2015	\$153,800.00	\$0.00	\$153,800.00	
<b>GRAND TOTAL</b>				<b>\$157,940.00</b>	<b>\$0.00</b>	<b>\$157,940.00</b>	

## 7.0 OTHER INFORMATION



# ROCHESTER

*Minnesota*



October 22, 2015

GARY H. NEUMANN  
Assistant City Administrator  
City Administrator's Office  
201 4th Street SE, Room 266  
Rochester, MN 55904-3781  
(507) 328-2000  
FAX (507) 328-2727

Lt. Governor Tina Smith, Chair  
Destination Medical Center Corporation Board  
116 Veterans Service Building  
20 W 12<sup>th</sup> Street  
St. Paul MN 55155

Re: Retention and Costs for Transit/Infrastructure Program Management Firm

Dear Chair Smith:

At the August 27, 2015, meeting of the DMCC Board, the Board approved the City's request for the retention of a Transit/Infrastructure Program Management Firm to assist the City, DMCC Board, DMC EDA, and the County in moving forward and completing the various studies and public infrastructure projects involving our many partners and the public. In the information provided in the City's request, we stated that the costs for these services would be certified annually to the DMC. As we further noted at the September 24<sup>th</sup> meeting of the DMCC Board, the City would be approving the recommended firm at the October 5, 2015 meeting of the Rochester City Council.

The City approved retention of the firm of SRF for these services on October 5, 2015. The contracted costs for these services for 2015 and 2016 is an estimated \$700,000. That is consistent with information previously provided to the Board that costs for 2015 would be an estimated \$200,000 and \$500,000 for 2016, the latter figure also being the amount that the Board recently approved in the adopted 2016 CIP. Any subsequent changes in final numbers, whether under or above \$700,000, will be communicated and certified to the Board annually as previously discussed.

We sincerely appreciate the Board's approval and consideration of this matter. At this time, we are providing this for informational purposes only, we do not believe any additional action needs to be taken by the Board.

Sincerely,

Gary Neumann  
Assistant City Administrator