



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

9:30 A.M. THURSDAY, MAY 26, 2016

MAYO CIVIC CENTER - ROCHESTER



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, May 26, 2016

9:30 A.M.

AGENDA

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**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

MINUTES
April 18, 2016

- I. Call to Order. Chair Tina Smith called the meeting to order at 1:00 p.m. at the Mayo Civic Center, Riverview Suite, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Tina Smith, Council Member Mark Hickey, Commissioner Jim Bier, Susan Park Rani, Mayor Ardell Brede and Michael Dougherty.
- III. Approval of Agenda. Chair Smith asked for a motion to move items XI, XII and XIII to follow item VII on the Agenda. Commissioner Bier moved approval. Mr. Dougherty seconded.

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

Mr. Dougherty moved approval of the Agenda as amended. Council Member Hickey seconded.

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

- IV. Approval of Minutes. Chair Smith requested a motion to approve the Minutes from the meeting held on December 17, 2015. Mayor Brede moved approval. Commissioner Bier seconded.

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

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

Al Lun, a member of the Rochester YMCA Board of Directors, called attention to the collaboration between the YMCA, UMR and Rochester Parks and Recreation in the UMR/Recreation sub-district and proposed that an advisory board to be convened.

Richard Olen, a resident of Shoreview, MN, spoke in support of ongoing transportation system integration efforts and mentioned the public-private partnership that supported the creation of the Indianapolis people mover.

MaryJo Majerus, owner of Healing Touch Spa, spoke on behalf of the merchants in University Square about vibrancy in downtown Rochester. Ms. Majerus spoke in favor of repurposing the Chateau Theatre into a multi-purpose performing arts venue.

- VI. Chair's Report. Chair Smith called attention to the Post-Bulletin Special Report and noted that the Board agenda would focus on "marketing, metrics, and momentum."

- VII. April 1 Report to DEED.

Resolution B: Ratifying Execution and Transmission of April 1 Report to DEED. Gary Neumann, City of Rochester, and Doug Holtan, Mayo Clinic, reviewed the 2015 report on private investments made to the Minnesota Department of Employment and Economic Development ("DEED"). Private investment totaled \$106.2 Million. Cumulative investment now totals \$152.4 Million.

Commissioner Bier moved approval of Resolution B. Mr. Dougherty seconded.

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

- VIII. Resolution C: Commendation for Bill George. Chair Smith noted that Mr. George and Council Member Hruska played an integral role as “founding members” of the DMCC.

Mayor Brede moved approval. Council Member Hickey seconded.

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

- IX. Resolution D: Commendation for Ed Hruska. Mayor Brede moved approval. Council Member Hickey seconded.

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

- X. City of Rochester.

- A. Report on Projects Pending or Underway. Council President Randy Staver updated the DMCC board on projects in the DMC District, including the Conley-Maass renovation, the Buckeye project, Lofts at Mayo Park, and First Avenue Flats.

President Staver also reported that the proposed Bloom project continues to move through the joint City-DMC development process, with various due diligence items underway.

President Staver reported on the City’s work to create public design standards. The guidelines, created with support from the University of Minnesota Metropolitan Design Center, will be shared with the DMCC and City Council.

The City of Rochester is upgrading sewer lines near Mayo Clinic Hospital- Saint Marys Campus due to the hospital’s continued growth. President Staver remarked that Mayo Clinic’s investment in Rochester is appreciated.

President Staver noted that his report demonstrates growth in the DMC district, and Commissioner Bier and Ms. Park Rani congratulated the City and Mayo Clinic on this trend. Ms. Park Rani also noted that the DMC legislation includes a component for Women and Minority-Owned Business Enterprises (“WMBE”) inclusion. President Staver stated that the City continues to actively solicit for WMBE in public projects. President Staver also stated that the City works to balance its interest in supporting local firms with its desire to include WMBE in public projects. Ms. Park Rani asked General Counsel Kathleen Lamb whether the DMC legislation specifically called for local WMBE inclusion. Ms. Lamb stated that efforts must be made to include WMBE in public infrastructure projects.

- B. Transportation Management: Update. Gary Neumann, City of Rochester, and Ken Holte, SRF Consulting, provided an update on the City-led transportation management efforts. Mr. Neumann reported that City DMC costs through 2015 totaled \$9.8 Million. Mr. Neumann noted that the DMC Development Plan estimated \$1.8 Billion in infrastructure capital costs over the 20-year plan.

The City is leading five studies centered on transportation management, parking, transit, streets, and bikes/pedestrians. In March, a Statement of Qualifications was issued for each of the five study areas. Scoping and budgeting for the studies is underway.

Ms. Park Rani asked several questions related to the transportation management consultant process and how the City would engage WMBE firms. Questions centered on the City’s transportation session on March 2-3, how many of the attending firms were women-

or minority- owned, whether the firms that attended the March 2-3 session might enjoy a competitive advantage over other firms when responding to subsequent City RFP's or applying for work within Rochester, and how strategies advanced by SRF Consulting are actively soliciting for WMBE.

Mr. Neumann noted that all firms moving forward must consider WMBE requirements and that the City is working to include more WMBE firms. Mr. Holte noted that SRF has identified four to five agencies with whom to discuss "best practices." SRF Consulting will be interviewing teams that successfully engaged WMBE firms.

Ms. Park Rani encouraged SRF to expand its efforts, and that inclusion efforts cannot be thought of as "add-ons." Successful criteria for any project includes quality, schedule, budget and participation.

Mayor Brede asked if transportation initiatives in other metropolitan areas are being evaluated. Mr. Holte stated that the City and SRF continue to examine other projects.

Chair Smith noted that the proposal includes an outline of how transit funds will be allocated, and Mr. Neumann stated that much of the funding will be from private developers. Chair Smith suggested that the City meet with Ms. Park Rani, a successful business owner, as a resource on WMBE matters.

XI. Economic Development Agency.

- A. Discovery Square Update. Lisa Clarke, EDA Executive Director, reported that activity exists in every DMC sub-district and City and EDA staff meet weekly to move projects ahead.

The Discovery Square feasibility study is complete and Mayo Clinic continues to review the report in detail. The feasibility report affirms the original intention of the DMC Development Plan to create an urban bioscience research campus.

The EDA, Rochester Convention and Visitors Bureau, and Mayo Clinic have jointly created hospitality industry standards to elevate the patient and visitor experience.

- B. Development Process/Resource Materials. Patrick Seeb, EDA, and Terry Spaeth, City of Rochester, discussed the DMC Developer Resource Guide. Mr. Seeb noted that City and EDA staff have conferred with local developers to streamline the development process and have assembled the resource guide to better serve interested developers and investors.

Mr. Dougherty asked who was in charge for leading each development project. Ms. Clarke described the DMC governance structure, including the roles of the DMCC board, EDA board, and Rochester City Council. Chair Smith stated that there should be one person in charge of shepherding a project through the development process. She also noted that the DMCC and City Council are ultimately responsible for the success of DMC and directing the best use of public funds. Commissioner Bier stated that Mr. Dougherty, as a successful business owner, could be an asset in reviewing the development process.

- C. Heart of the City: Public Space Design Update. Tom Fisher, University of Minnesota Metropolitan Design Center and EDA Board member, and Mr. Seeb provided an update on the Heart of the City Public Space Design efforts. The City and EDA are working with the Heart of the City Community Advisory Committee (CAC) to select firms for the public space design. Mr. Fisher noted that the diverse group of firms, which includes woman- and minority-owned firms, are some of the best in the country. Mr. Fisher also noted that the strength of the qualifications indicates the high level of interest in DMC throughout the country.

- D. Chateau Theatre Task Force: Update. Mr. Seeb reported that Mayor Brede leads a task force charged with completing a 15-month workplan. After the City closed on the purchase of the theatre, the task force conducted site visits and recommended renovating the theatre into a multi-purpose performing arts venue. Mr. Seeb reported that assessments of the property and community input events will be conducted by the task force and City.
- E. St. Marys Place: Update. Mr. Seeb stated that the development plan for Saint Marys Place includes transforming the west end of Second Street SW into a “gateway” into downtown Rochester. He said that significant private development interest exists in the sub-district, and the City and EDA have organized meetings with residents, business owners, developers, and elected officials to examine the sub-district in a holistic fashion.
- F. Energy and Sustainability: Update. Mitchell Abeln, EDA, reported that the EDA, City of Rochester, Minnesota Energy Resources Corporation (“MERC”), Rochester Public Utilities (“RPU”), Olmsted County, and Mayo Clinic have met multiple times to review CEE’s report and discuss guidelines for energy and sustainability.

Resolution A: Adopting Goals; Establishing a Technical Advisory Committee.

Mr. Dougherty moved approval. Commissioner Bier seconded.

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

- G. DMC Dashboard: Update. Craig Helmstetter, Wilder Foundation, and Mr. Abeln discussed the work that Wilder and EDA have engaged in with respect to the DMC Dashboard metrics. Mr. Helmstetter noted the value the dashboard will bring in informing the decisions of the DMCC, and outlined the numerous DMC measurable outcomes and the indicators which will demonstrate progress. The dashboard will be populated with historical data and include a visual representation and inaugural narrative report.

Chair Smith thanked Wilder Foundation for its support of the DMC initiative.

- H. Marketing Plan: Update. Mary Welder, EDA, updated the DMCC on the EDA’s work with Minneapolis-based marketing firm Clarity Coverdale Fury (“CCF”). CCF is completing a brand narrative and marketing plan. The final plan will be presented to the DMCC in May 2016.

Mr. Dougherty asked about the amount and term of CCF’s contract. Ms. Welder stated that the Phase 1 portion of the contract was \$50,000.

- XII. DMCC 2016 Budget: Year to Date Update. DMCC Treasurer Bier noted that only three percent of the DMCC/DMC EDA Budget has been spent as of the most recent budget report.
- XIII. Meeting Schedule. The next regular meeting of the DMCC is Thursday, May 23, 2016, at 9:30 a.m.
- XIV. Adjournment. Chair Smith adjourned the meeting.



May 17, 2016
Mr. Richard Freese
City of Rochester
Program Manager

RE: TRANSPORTATION & INFRASTRUCTURE PROGRAM MANAGEMENT UPDATE

Dear Mr. Freese:

Previously we supplied an update for the March 2016 DMCC Board meeting, held on April 18th due to weather conditions. Since that time, City and SRF staff have engaged in the solicitation, evaluation and selection of consultant firms to conduct four transit planning studies that will serve as the foundation for future improvements to the Destination Medical Center. These four studies are:

- Downtown Transit Circulator & Operations Study
- Downtown Street Use & Operations Study
- Parking & Travel Demand Management Study
- City Loop Study

Attached, please find two progress reports summarizing the Program Management accomplishments from March 2016 through April 2016. In early March a two-day scoping and strategy session was held to discuss the approaches and potential work tasks associated with each study. These scoping and strategy sessions led to the creation of a Request for Qualifications for the studies. Statements of Qualifications from submitting firms were due on March 31, 2016. City staff and SRF, acting as the program manager, reviewed the seven submittals and made initial recommendations for consultant selections on April 15, 2016. Subsequently, respondent firms were notified of their roles. These firms are now engaged in detailed scoping of tasks and schedules for the studies.

Kenneth A. Holte
Program Manager
SRF Consulting Group, Inc.



MONTHLY PROGRESS REPORT

MARCH 2016

City of Rochester | Program Management
Transportation & Infrastructure Program Management

April 10, 2016

Prepared By:
SRF Consulting Group, Inc.
www.srfconsulting.com



1. Work Task Activity this Past Month

- a. Evaluated Tiger 2016 application opportunities.
- b. Enhanced PMP framework/outline with descriptors.
- c. Developed agency representatives list for WMBE.
- d. Prepared DMCC Board presentation.
- e. Developed action item processes within E-builder.
- f. Refined meeting minute processes within E-builder.
- g. Coordinating WMBE approach and requirements with City staff.

2. Work Task Items completed this past month

- a. Conducted Transportation Scoping and Strategy Session (March 2 and 3).
- b. Issued Transportation Studies RFQ.
- c. Received RFQ responses for Transportation Studies.
- d. Prepared summaries of Transportation Scoping and Strategy Session.
- e. Developed responses to Transportation Scoping and Strategy Session questions.
- f. Conducted weekly Program Mangers (PM) conference calls.
- g. Conducted monthly Program Management Team (PMT) Meeting.
- h. Conducted quarterly Technical Advisory Committee (TAC) Meeting.

3. Status of Program Management

Topic	Status
Management	
1. Core Leadership Meetings	Meeting on Bi-Weekly basis
2. E-builder Discovery	Work is ongoing
3. E-builder Programing and Training	Programming is ongoing
4. Invoicing and Status Report	Monthly progress report
20 Year Program and 5 Year Plan	
1. Chart of Accounts/Cost Breakdown Structure/Work Breakdown Structure	Work has begun and is on going
2. Work Breakdown Schedule Master Plan	Work has begun and is on going
3. Financial Reporting	Anticipated third/fourth quarter 2016
4. Financial Interface	Anticipated third/fourth quarter 2016

5. 15-Month Critical Path Method Schedule	One year, five year schedule developed
Studies	
1. Transit and Street Study	Strategy Session Conducted for March 2-3 Request for Qualifications Issued. Statement of Qualifications Received.
2. Integrated Management of Travel Demand and Parking	Strategy Session Conducted for March 2-3 Request for Qualifications Issued. Statement of Qualifications Received.
3. City Loop and Cultural Crescent Development Plan	Strategy Session Conducted for March 2-3 Request for Qualifications Issued. Statement of Qualifications Received.
4. Long Term Capital Investment and Financing Program	Anticipated third/fourth quarter 2016
City/Stake Holder Coordination	
1. Program Management Plan	Table of contents developed, prioritization of chapters established
2. Scenario Planning	Anticipated third/fourth quarter 2016
3. Outreach Materials	No efforts needed to date. Continued coordination with DMC EDA
Meetings	
1. Weekly Program Managers Conference Call	Meetings held March 1, 8, 15, 22, 29
2. Monthly Program Management Team	Meeting held March 10
3. Quarterly Technical Advisory Committee	Meeting held March 17
4. Monthly DMCC Board Meetings	March 24 meeting postponed
5. Monthly Transportation Work Group	March 16 meeting cancelled

4. Ongoing Monitoring / Resolutions Needed

Topic	Status/Timeline
TDP and Comp Plan coordination	Upcoming meeting April 13
Metro design center standards recommendations	Spring 2016
Funding sources for infrastructure to support Saint Mary's hospital expansion: projects SS1 and SS2	Meeting held March 30
Obtaining GIS-based information from DMC EDA regarding development Plan graphics, boundaries, images, etc.	TBD
Institutional/Historical information sharing from EDA	Being incorporated into Transportation Studies

5. Status of PMC Traffic and Infrastructure Projects

Project	Status
2015	
Green Stormwater Plan	KHA preparing Grant study for City; Demo Project #1 in 2016
Transit/Transportation/Infrastructure Management	Statement of Qualifications received March 31, 2016
2016	
3rd St. SW Reconstruct/Design	Design to start 2nd quarter in 2016
SS1 12th Ave. Sewer Capacity	City staff preliminary design completed
SS2 Cooke Park Sewer Capacity	Design is complete
Broadway @ Center Ramp	50% of design is complete
Shared Parking Study/Program Development	SOQ received March 31, 2016
City Loop Plan	SOQ received March 31, 2016
Transit/Transportation/Infrastructure Management	SOQ received March 31, 2016
Transit Circulator Study	SOQ received March 31, 2016

6. Staff next steps and/or upcoming activities

- a. Meetings that are scheduled
 1. PM Weekly Calls – April 5, 12, 19, 26
 2. PMT Monthly Meeting – April 14

3. Transportation Studies Selection – April 15
4. DMCC Board Meeting – April 18
5. TWG Monthly Meeting – April 20
6. RT Rybak Meeting – April 27
7. TAC Quarterly Meeting – Discontinued



MONTHLY PROGRESS REPORT

APRIL 2016

City of Rochester | Program Management
Transportation & Infrastructure Program Management

May 10, 2016

Prepared By:
SRF Consulting Group, Inc.
www.srfconsulting.com



1. Work Task Activity this Past Month

- a. Reviewed and evaluated SOQ responses to Integrated Transit Study projects
- b. Progressed Program Management Plan development
- c. Modified approach to WMBE strategy and agencies to interview
- d. Coordinating / scheduling Integrated Transit Studies scoping sessions

2. Work Task Items completed this past month

- a. SOQ Selection meeting conducted
- b. Developed recommendation memo regarding Integrated Transit studies
- c. Notified consultants of selections for Integrated Transit Studies
- d. Presented update to DMCC Board
- e. Met with RT Rybak
- f. Conducted weekly Program Mangers (PM) conference calls.
- g. Conducted monthly Program Management Team (PMT) Meeting.
- h. Conducted monthly Transportation Work Group (TWG) meeting.

3. Status of Program Management

Topic	Status
Management	
1. Core Leadership Meetings	Meeting on Bi-Weekly basis
2. E-builder Discovery	Document control structuring, Work is ongoing
3. E-builder Programing and Training	Programming is ongoing, training
4. Invoicing and Status Report	Monthly progress report
20 Year Program and 5 Year Plan	
1. Chart of Accounts/Cost Breakdown Structure/Work Breakdown Structure	Work has begun and is ongoing,
2. Work Breakdown Schedule Master Plan	Work has begun and is ongoing,
3. Financial Reporting	Anticipated third/fourth quarter 2016
4. Financial Interface	Anticipated third/fourth quarter 2016
5. 15-Month Critical Path Method Schedule	One year, five year schedule developed
Studies	

1. Transit and Street Study	Consultant team selected and notified, scoping instructions sent, coordination and planning for study procurement on going.
2. Integrated Management of Travel Demand and Parking	Consultant team selected and notified, scoping instructions sent, coordination and planning for study procurement on going.
3. City Loop and Cultural Crescent Development Plan	Consultant team selected and notified, scoping instructions sent, coordination and planning for study procurement on going.
4. Long Term Capital Investment and Financing Program	Anticipated third/fourth quarter 2016
City/Stake Holder Coordination	
1. Program Management Plan	Chapters under development
2. Scenario Planning	Anticipated third/fourth quarter 2016
3. Outreach Materials	No efforts needed to date. Continued coordination with DMC EDA
Meetings	
1. Weekly Program Managers Conference Call	Meetings held April 5, 12, 19
2. Monthly Program Management Team	Meeting held April 14
3. Quarterly Technical Advisory Committee	Meetings consolidated, no longer being held
4. Monthly DMCC Board Meetings	Meeting held April 18
5. Monthly Transportation Work Group	Meeting held April 20

4. Ongoing Monitoring / Resolutions Needed

Topic	Status/Timeline
TDP and Comp Plan coordination	Fall 2016
Metro design center standards recommendations	Draft Spring 2016
Funding sources for infrastructure to support Saint Mary's hospital expansion: projects SS1 and SS2	Projects SS1 and SS2 moved to 2017
Obtaining GIS-based information from DMC EDA regarding development Plan graphics, boundaries, images, etc.	TBD, coordinating with Integrated Transit Studies
Institutional/Historical information sharing from EDA	Being incorporated into Integrated Transit Studies

5. Status of PMC Traffic and Infrastructure Projects

Project	Status
2015	
Green Stormwater Plan	KHA preparing Grant study for City; Demo Project #1 in 2016
Transit/Transportation/Infrastructure Management	Work is ongoing
2016	
3rd St. SW Reconstruct/Design	Design to start 2nd quarter in 2016
SS1 12th Ave. Sewer Capacity	City staff preliminary design completed. Coordinating with St. Mary's Staff
SS2 Cooke Park Sewer Capacity	Design is complete
Broadway @ Center Ramp	50% of design is complete
Shared Parking Study/Program Development	Scoping and procurement ongoing
City Loop Plan	Scoping and procurement ongoing
Transit/Transportation/Infrastructure Management	Work is ongoing
Transit Circulator Study	Scoping and procurement ongoing

6. Staff next steps and/or upcoming activities

- a. Meetings that are scheduled
 1. WMBE Agency interviews – May 2
 2. PM Weekly Calls – May 3, 10, 17, 24, 31

3. WMBE meeting with Metro Sports commission – May 10
4. PMT Monthly Meeting – May 11
5. Integrated Transit Studies Scope review meetings – May 12 & 13
6. WMBE meeting with City of Minneapolis – May 13
7. TWG Meeting – May 18
8. DMCC Board Meeting – May 26
9. Susan Rani Meeting – May 26

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Second Street - St. Marys Place Subdistrict

To: DMCC Board of Directors

From: DMC EDA Staff

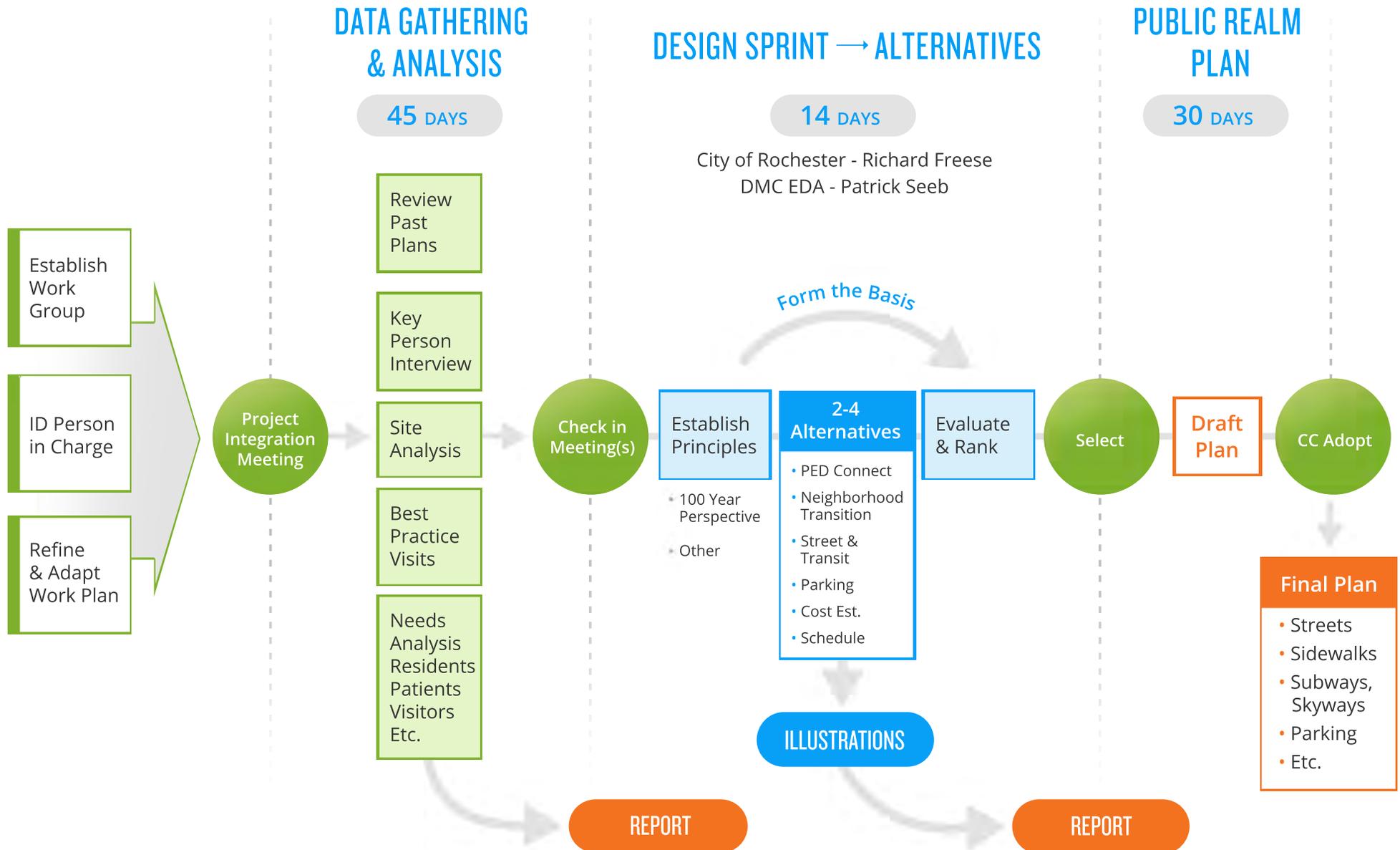
Date: May 20, 2016

Background:

DMC EDA staff has been working with the City, property owners, Mayo Clinic, and volunteer leadership from the three nearby neighborhood organizations to develop a methodology to design the public realm/public infrastructure for the entire St. Marys Place sub-district. We now have agreement on a 90 day process, outlined in the attachment.

Next Steps:

- Data collection phase now underway;
- Assembling team and methodology for the Design Sprint, likely to occur in July;
- The outcome of this work will tie in directly with the forthcoming proposal for a housing development at 2nd street and 14th Ave SW.



Discovery Square Strategy

To: DMCC Board of Directors

From: DMC EDA Staff

Date: May 20, 2016

Background:

DMC EDA staff has been working closely with Mayo Clinic and many key partners from the bioscience and technology start-up community to develop an overall strategy to ensure success of the Discovery Square initiative.

Discovery Square is a new way of thinking about Rochester's innovation, entrepreneurial, and start-up environment. It leverages Mayo Clinic's research, education, and clinical services assets to create a densely organized, mixed use neighborhood made up of life science businesses, new start-ups, and residential options anchored by a signature public space. This six square block area is one of six sub-districts in the DMC development plan. It is connected to the other sub-districts by a transit and pedestrian network.

Simultaneous to its work in attracting businesses to Rochester, Destination Medical Center will play a lead role in developing both the physical and cultural environments necessary for Discovery Square to succeed.

More than a physical place, made up of buildings, Discovery Square will become a new brand for Rochester. It will be the fuel for its growth and economic diversification. And it will be a key differentiator in attracting and retaining talent.

Discovery Square Strategy Outline:

Successfully developing the Discovery Square concept requires careful attention to five key issues:

-Space and Place

-Human Capital

-Innovation Culture

-Access

-Capital Resources

- **Space and Place**
Work and public environments that foster creativity, ensure connection between disciplines, and allow for business growth are commonly found in successful start-up communities. Today, Mayo Clinic's extensive research labs and clinical settings are now complemented by a growing range of organically grown start-up and co-working environments.

Role of DMC: Carefully assess current and anticipated options to better understand gaps in our environment. Create tools, incentives, and strategies to fill those gaps.

- **Human Capital:**

A top concern for most businesses today is access to workforce. This is especially true in a knowledge economy with an emphasis on translational research coupled with business start-ups. To support growth of Discovery Square, we will need a pipeline of people with technical, research, entrepreneurial, service, and executive skills.

Role of DMC: Work with community leaders to ensure that systems and programs are in place to grow, attract, and retain a diverse range of talent.

- **Innovation Culture:**

An environment that rewards risk and innovation is a vital ingredient to any successful start-up and entrepreneurial community. Supportive workplace policies, regular networking and education programming, and competitions and public events all contribute to creating such an environment.

Role of DMC: Lead and support the effort of becoming a community which promotes, rewards, and celebrates innovators.

- **Access:**

Start-up communities depend on an unending flow of actionable ideas. Rochester has a strategic advantage. It is an idea-rich community, in large part due to the influence of Mayo Clinic's research facilities and the historically significant IBM campus.

Role of DMC: Identify and support policies that connect idea generators with one another and with the tools and resources to translate those ideas to practice.

- **Capital Investment:**

Communities need access to a range of financial tools to support local business start-up and growth. This includes angel investors, VC, crowd-funding, supported lending, and the like. Having a rich array of these tools available locally is especially important in order to retain businesses in the local community which might otherwise be attracted to or required to move to other more capital intensive regions.

Role of DMC: Assess current continuum and depth of financial resources to support business start-ups, benchmark against other like-communities, identify gaps, and work with others to develop strategies to fill those gaps.

Discovery Square Strategy:

Addressing the issues identified in this strategy outline is essential if we want to grow into a best in class start-up and entrepreneur environment that will attract new businesses, talent, and capital.

###

Bio International Conference

To: DMCC Board of Directors
From: EDA Staff
Date: May 20, 2016

Background

The EDA is working with Nelson Biomedical, a Life Science strategy firm, to develop and implement the DMC strategy for the 2016 Bio-International Conference to be held in San Francisco, California on June 6-9. The strategic objectives include to (1) broaden DMC and Discovery Square visibility and knowledge (2) collect data to inform the development of an effective ecosystem for Discovery Square and (3) identify and develop key external relationships within the industry.

Next Steps

Strategic tactics during the BIO 2016 Convention (June 6-9) include 1:1 meetings, small group interviews, and networking events. Team members include Mayo Clinic staff, EDA staff, and City, Chamber, and RAEDI representatives.

###

Heart of the City: Public Space Design Update

To: DMCC Board of Directors

From: DMC EDA Staff

Date: May 20, 2016

Background:

DMCC board and Rochester City Council are working together to design the public space for the Heart of the City sub-district. This design will grow from the concepts presented in the DMC development plan.

Progress:

- An RFQ for Design Firms was issued in February;
- Community Advisory Committee was appointed in April;
- Review of RFQ's by a subcommittee took place in May;
- Community Advisory Committee selected a shortlist of firms from whom to request a full proposal

Next Steps:

- Six teams will be invited to submit a full proposal
- Proposals will be reviewed in June
- Community Advisory Committee will meet to interview finalists in July and forward recommendation to DMCC and City Council
- DMCC and City Council will consider CAC recommendation in August

Marketing Plan: Update

To: DMCC Board of Directors
From: DMC EDA Staff
Date: May 20, 2016

Background:

DMC EDA contracted with Minneapolis-based, Clarity Coverdale Fury (CCF), to assist with developing a marketing plan for the DMC initiative.

Progress:

Work completed by CCF consists of two main deliverables:

1. **Brand Messaging:** Developing a collective message about the value proposition of Rochester and the economic drivers for DMC
2. **Marketing Plan:** Creating a marketing plan which will help drive results of the DMC priorities, including realizing the economic development potential of DMC, generating market demand, and building local to international support

Brand Messaging

Research and Immersion: CCF conducted research related to the information in the DMC development plan, then held interviews with community organizations, key stakeholders and professionals in medical and technology sectors, the DMC EDA Board and the DMCC Board. CCF hosted a working session with the Market Rochester group, which consists of marketing and communication professionals from diverse industries in the area.

CCF developed brand messaging which articulates the aspirational Rochester story: Why Rochester?

Innovation – Rochester is differentiated by the economic opportunity and is attracting entrepreneurs and small business with Discovery Square as a hub to facilitate future collaboration and support growth.

Talent – Rochester is enabling businesses to make needed hires, placing skilled workers in diverse professions and attracting return residents through workforce opportunities.

Place – Rochester is creating a vibrant community and building the infrastructure with an emphasis in welcoming spaces which support innovation and talent.

Outcome: This messaging provides consistent language for those marketing Rochester, collectively articulates the vision and progress of DMC and defines the collaborative partners for America's City for Health.

Marketing Plan:

CCF completed a marketing plan which was shared with DMC EDA board on May 18. The main focus of this plan will reach audiences profiled for Discovery Square.

Audiences:

The target audiences are at varying levels which range from awareness to action and the timeline prioritizes the audiences:

- Those already invested
- Local, regional and national business partners
- Mayo Clinic Strategic Partners
- Bioscience and other start ups
- Investors and Developers

Action:

The following action items will begin in June 2016:

- Execution of the Marketing Plan
- Finalize media/outreach plan
- Build Assets
- Emphasize Discovery Square at Bio International

Outcome: The implementation of the marketing plan is designed to bring the audiences from various stages to take action. Outcomes include:

- Prospect list and developed sales plan
- Partner role clarity and engagement opportunities
- Established call-to-action and communication process for prospects, coordination with other economic development groups and interaction between vendors
- Financial support mechanisms – incentive plans/products
- Infrastructure and workforce support
- Signed contracts/deals
- Calling card case studies/success stories

Next Steps:

Phase II – Execution of the Marketing Plan

The execution of the marketing plan includes communication strategies, timeline and scope of work for the marketing deliverables from June 2016 through 2017:

- Finalize targeted media and communication plan
- Network and leverage partnerships through business partners
- Promote proof points locally, nationally and internationally

TO: Jim Bier, Treasurer
Kathleen Lamb, Attorney

FR: Dale Martinson, Assistant Treasurer

Date: May 19, 2016

RE: April 2016 Financial Budget Summary



The attached summary for April reflects expenditures to date totaling \$395,334 of the 2016 budget of \$4,260,812. The total remaining 2016 budget of \$ 3,865,478 represents 91% of the original budget remaining with 8 months (67%) of the year remaining.

In the DMCC direct costs section, the payments in April are mostly building rent for the March and April board meetings totaling \$4,747.81.

The DMC EDA costs are billed both through Master Application for Payments (MAPs) for outside contractors and through working capital loan advances for the EDA payroll and other operational expenses. EDA Operational expenses through April amounted to \$201,955 with contract payments through the MAP process totaling \$177,298.43. Details of those contract payments are found on the second and third page of this summary as provided by the EDA.

An additional MAP request for April was paid on May 13th in the amount of \$92,431.53. That request is attached to the end of this report to reflect commitments to date but those amounts are not include in the April to date summary report on the first page.

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

Destination Medical Center Corporation
Financial Budget Summary
April 2016

	2016 Approved Approved Budget	Curent Month April 2016	April 2016 YTD	Amount Remaining	Percent Remaining
DMCC Board Expenses	36,612			36,612	100%
General Administrative Services	180,600	5,031	17,883	162,717	90%
Professional Services	780,600			780,600	100%
City Expenses	275,000		-	275,000	100%
Subtotal DMCC	1,272,812	5,031	17,883	1,254,929	99%
Third Party Costs - DMC EDA *					
Payroll, Staff, Administration & Benefits-EDA	777,000	63,270	201,955	575,045	74%
DMC EDA Operational Costs	163,000	3,336	10,704	152,296	93%
Economic Development Outreach & Support	495,000	12,830	27,418	467,583	94%
Professional Services	1,148,000	101,285	137,374	1,010,626	88%
Miscellaneous Expenses	405,000			405,000	100%
Subtotal EDA	2,988,000	180,721	377,450	2,610,550	87%
Total DMCC 2016	4,260,812	185,753	395,334	3,865,478	91%
* Note: An additional EDA MAP Request for April totalling \$92,431.53 was outstanding as of 4/30/2016 and paid in May.				DMCC Working Capital Note EDA Working Capital Note	1,000 50,000

Master Application for Payment
Destination Medical Center Economic Development Agency

Master Application For Payment Detail: Mar 2016

4/1/2016

DMC EDA P&L Description	Vendor	Contract #	Previous Billings	Current Work in Place	Total Work to Date
EDA Staff Costs			\$ 1,803.15	\$ -	\$ 1,803.15
Payroll	Smart-Fill	NA	\$ 1,803.15	\$ -	\$ 1,803.15
EDA Operational Costs			\$ 7,367.62	\$ 3,336.00	\$ 10,703.62
Website, Drafting, Hosting	Brandhoot	4043	\$ 5,916.00	\$ 3,336.00	\$ 9,252.00
Website, Drafting, Hosting	Brandhoot	NA	\$ 210.00	\$ -	\$ 210.00
IT Hardware & Support	Data Smart	4044	\$ 355.99	\$ -	\$ 355.99
IT Hardware & Support	Data Smart	4044	\$ 777.75	\$ -	\$ 777.75
IT Hardware & Support	Data Smart	4044	\$ 107.88	\$ -	\$ 107.88
Econ Dev Outreach & Support			\$ 14,587.50	\$ 12,830.00	\$ 27,417.50
Conferences, Meetings, Travel & Sponsorships	DEED	NA	\$ 5,000.00	\$ -	\$ 5,000.00
Outreach, Print & Collateral	Fuse Digital	4042	\$ 2,025.00	\$ -	\$ 2,025.00
Miscellaneous Econ Dev Costs	Inspire MN, LLC	NA	\$ 6,212.50	\$ -	\$ 6,212.50
Outreach, Print & Collateral	Journal Communications	NA	\$ -	\$ 8,755.00	\$ 8,755.00
Conferences, Meetings, Travel & Sponsorships	RCTC	NA	\$ 600.00	\$ -	\$ 600.00
Conferences, Meetings, Travel & Sponsorships	Rochester Area Chamber of Commerce	NA	\$ -	\$ 3,950.00	\$ 3,950.00
Conferences, Meetings, Travel & Sponsorships	Rochester Downtown Alliance	NA	\$ 750.00	\$ -	\$ 750.00
Conferences, Meetings, Travel & Sponsorships	Rochester Trolley & Tour Company	NA	\$ -	\$ 125.00	\$ 125.00
Professional Services			\$ 36,089.02	\$ 101,285.14	\$ 137,374.16
Other Contracting Services	Brandhoot	4016	\$ 4,367.52	\$ -	\$ 4,367.52
Other Contracting Services	Catharine Jones	4058	\$ -	\$ 1,170.00	\$ 1,170.00
Other Contracting Services	Clarity Coverdale Fury (CCF)	4052	\$ -	\$ 14,500.00	\$ 14,500.00
Other Contracting Services	Gina Osmond	NA	\$ -	\$ 1,312.50	\$ 1,312.50
Other Contracting Services	Himie Rapp	4056	\$ -	\$ 49,086.14	\$ 49,086.14
Other Contracting Services	Imagebridge Design	NA	\$ -	\$ 4,230.00	\$ 4,230.00
Other Contracting Services	Inspire MN, LLC	4041	\$ 8,347.50	\$ 5,827.50	\$ 14,175.00
Other Contracting Services	MarketaBelle	4055	\$ 4,374.00	\$ 4,788.00	\$ 9,162.00

MAP for undisputed labor, services, or materials

Master Application for Payment
Destination Medical Center Economic Development Agency

Master Application For Payment Detail: Mar 2016			4/1/2016		
Other Contracting Services	Michael Best	NA	\$ -	\$ 200.00	\$ 200.00
Other Contracting Services	Nelsen BioMedical	4057	\$ -	\$ 7,071.00	\$ 7,071.00
Other Contracting Services	Terra Eclipse, Inc.	NA	\$ -	\$ 6,600.00	\$ 6,600.00
Other Contracting Services	Wilder Research	4054	\$ 6,500.00	\$ 6,500.00	\$ 13,000.00
Other Contracting Services	University of Minnesota	4053	\$ 12,500.00	\$ -	\$ 12,500.00
Miscellaneous Costs			\$ -	\$ -	\$ -
None	None		\$ -	\$ -	\$ -
Project Total			\$ 59,847.29	\$ 117,451.14	\$ 177,298.43

Master Application for Payment
Destination Medical Center Economic Development Agency

Master Application For Payment Detail: April 2016

5/1/2016

DMC EDA P&L Description	Vendor	Contract #	Previous Billings	Current Work in Place	Total Work to Date
EDA Staff Costs			\$ 1,803.15	\$ -	\$ 1,803.15
Payroll	Smart-Fill	NA	\$ 1,803.15	\$ -	\$ 1,803.15
EDA Operational Costs			\$ 10,703.62	\$ 3,336.00	\$ 14,039.62
Website, Drafting, Hosting	Brandhoot	4043	\$ 9,252.00	\$ 3,336.00	\$ 12,588.00
Website, Drafting, Hosting	Brandhoot	NA	\$ 210.00	\$ -	\$ 210.00
IT Hardware & Support	Data Smart	4044	\$ 355.99	\$ -	\$ 355.99
IT Hardware & Support	Data Smart	4044	\$ 777.75	\$ -	\$ 777.75
IT Hardware & Support	Data Smart	4044	\$ 107.88	\$ -	\$ 107.88
Econ Dev Outreach & Support			\$ 27,417.50	\$ -	\$ 27,417.50
Conferences, Meetings, Travel & Sponsorships	DEED	NA	\$ 5,000.00	\$ -	\$ 5,000.00
Outreach, Print & Collateral	Fuse Digital	4042	\$ 2,025.00	\$ -	\$ 2,025.00
Miscellaneous Econ Dev Costs	Inspire MN, LLC	NA	\$ 6,212.50	\$ -	\$ 6,212.50
Outreach, Print & Collateral	Journal Communications	NA	\$ 8,755.00	\$ -	\$ 8,755.00
Conferences, Meetings, Travel & Sponsorships	RCTC	NA	\$ 600.00	\$ -	\$ 600.00
Conferences, Meetings, Travel & Sponsorships	Rochester Area Chamber of Commerce	NA	\$ 3,950.00	\$ -	\$ 3,950.00
Conferences, Meetings, Travel & Sponsorships	Rochester Downtown Alliance	NA	\$ 750.00	\$ -	\$ 750.00
Conferences, Meetings, Travel & Sponsorships	Rochester Trolley & Tour Company	NA	\$ 125.00	\$ -	\$ 125.00
Professional Services			\$ 137,374.16	\$ 89,095.53	\$ 226,469.69
Other Contracting Services	Brandhoot	4016	\$ 4,367.52	\$ -	\$ 4,367.52
Other Contracting Services	Catharine Jones	4058	\$ 1,170.00	\$ 1,110.00	\$ 2,280.00
Other Contracting Services	Clarity Coverdale Fury (CCF)	4052	\$ 14,500.00	\$ 24,250.00	\$ 38,750.00
Other Contracting Services	Deluxe	NA	\$ -	\$ 643.02	\$ 643.02
Other Contracting Services	Gina Osmond	NA	\$ 1,312.50	\$ -	\$ 1,312.50
Other Contracting Services	Himle Rapp	4056	\$ 49,086.14	\$ 16,190.01	\$ 65,276.15
Other Contracting Services	Imagebridge Design	NA	\$ 4,230.00	\$ 8,235.00	\$ 12,465.00
Other Contracting Services	Inspire MN, LLC	4041	\$ 14,175.00	\$ 6,387.50	\$ 20,562.50

MAP for undisputed labor, services, or materials

Master Application for Payment
Destination Medical Center Economic Development Agency

Master Application For Payment Detail: April 2016			5/1/2016		
Other Contracting Services	MarketaBelle	4055	\$ 9,162.00	\$ 4,680.00	\$ 13,842.00
Other Contracting Services	Medical Alley	NA	\$ -	\$ 1,575.00	\$ 1,575.00
Other Contracting Services	Michael Best	NA	\$ 200.00	\$ -	\$ 200.00
Other Contracting Services	Nelsen BioMedical	4057	\$ 7,071.00	\$ 14,143.00	\$ 21,214.00
Other Contracting Services	Nelson Nygaard	NA	\$ -	\$ 1,235.00	\$ 1,235.00
Other Contracting Services	Our City	NA	\$ -	\$ 5,650.00	\$ 5,650.00
Other Contracting Services	St Paul River Front Corporation	NA	\$ -	\$ 4,997.00	\$ 4,997.00
Other Contracting Services	Terra Eclipse, Inc.	NA	\$ 6,600.00	\$ -	\$ 6,600.00
Other Contracting Services	Wilder Research	4054	\$ 13,000.00	\$ -	\$ 13,000.00
Other Contracting Services	University of Minnesota	4053	\$ 12,500.00	\$ -	\$ 12,500.00
Miscellaneous Costs			\$ -	\$ -	\$ -
None	None		\$ -	\$ -	\$ -
Project Total			\$ 177,298.43	\$ 92,431.53	\$ 269,729.96