



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

9:30 A.M. THURSDAY, July 30, 2015

MAYO CIVIC CENTER - ROCHESTER



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, July 30, 2015

9:30 A.M.

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes: May 28, 2015
- V. Public Comment Period
- VI. Chair's Report
- VII. DMCC 2015 Budget: Year to Date Update
- VIII. DMCC 2016 Funding Request: Discussion
 - A. EDA 2016 Budget, Workplan, Five-year CIP
- IX. DMCC 2014 Audit Presentation: CliftonLarsonAllen
- X. DMCC Proposal to McKnight Foundation
 - A. McKnight Foundation
 - B. Center for Energy and the Environment
- XI. Economic Development Agency
 - A. Update
- XII. City of Rochester
 - A. Update
 - B. DEED Agreement
- XIII. Meeting Schedule
 - A. Next Regular Meeting: Thursday, August 27, 2015 at 9:30 A.M.
- XIV. Adjournment

**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

**MINUTES
May 28, 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 SE, Rochester, MN 55904.

II. Roll Call. In attendance were Chair Tina Smith, R.T. Rybak, Mayor Ardell F. Brede, Susan Park Rani, Jim Campbell and Bill George.

III. Approval of Agenda. Mr. Campbell moved approval of the agenda. Mr. Rybak seconded.

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

IV. Approval of Minutes: Chair Smith requested approval of Minutes from the meetings held on April 23, 2015 and April 30, 2015. Mayor Brede moved approval. Mr. Rybak seconded.

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

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

Barry Skolnick commented on planning and zoning, stating that the City's standards for new developments need revision, specifically citing parking lots and the proposed drive-through bank proposal as examples. He stated that these types of developments do not fit the DMC vision. He also noted that it will be some time before new zoning comes through with the comprehensive plan for the City and questioned what will happen during the interim.

Nancy Slocum, Rochester resident, commented on her participation in neighborhood groups, noting these groups want to continue to be informed and receive information on DMC projects in the future.

VI. Chair's Report. Chair Smith acknowledged and thanked the legislators and City council members in attendance.

Chair Smith requested a discussion of Board priorities and how to organize the Board's work for the remainder of the year. She noted the Board's three areas of priority: Discovery Square, Heart of the City, and transportation. In addition, the community has expressed concern about six issues: (1) energy and sustainability, (2) healthy communities, (3) historic preservation, (4) affordable housing, (5) women and minority-owned business enterprises, and (6) arts and culture.

The Chair stated that with respect to Discovery Square, Mayo Clinic is preparing a feasibility study and project plan.

With respect to Heart of the City, Chair Smith reported that great progress is being made on the Chateau Theatre and asked the Board for ideas on other areas of importance to the Heart of the City district. Mayor Brede commented that he would like to see a focus on public art in downtown. Mr. George commented that Heart of the City is the project that will connect Mayo Clinic and the City itself. Mr. Rybak stressed the need to clarify what is in the public realm and preserve it. Mr. Campbell requested more information be provided on the plan for the Heart of the City district in a future presentation.

Mr. Rybak asked that more information be provided on how to address energy and sustainability. Mr. Rybak also noted that the McKnight Foundation has made a tentative offer to fund some initial work related to the sustainability effort for DMC. Mr. Campbell voiced his support in working with the McKnight Foundation. Chair Smith moved to support Mr. Rybak's recommendation to continue working with the McKnight Foundation and finalize a proposal. Ms. Park Rani seconded the motion. Mayor Brede added that the City has an energy commission that needs to be engaged in this, as well as Rochester Public Utilities and county agencies. Motion carried.

Chair Smith opened the discussion on healthy communities, stating her interest in hearing from experts in the field on how DMC can become America's community for health. Mr. Campbell suggested use of a "scorecard" to show where Rochester currently is in regards to health standards and to set goals for where we want Rochester's future. Mr. Campbell noted Mayo Clinic's partnership with United Healthcare in Boston, pointing out that they would likely collaborate with Mayo Clinic on these efforts. Chair Smith commented that she would like to include Mitzi Baker in the work on healthy communities. Mr. George noted that this area required serious strategic planning, and that the outcomes needed to be measurable. Chair Smith requested the EDA to develop an agenda for a future meeting on this issue.

Chair Smith suggested that the other four areas of focus be addressed in future Board meetings. Mr. Campbell commented that the affordable housing issue should be discussed soon, and Mr. Rybak added the airport to the transportation discussion.

Chair Smith stated that the Board is in the process of its annual audit and asked for volunteers to participate, noting that Council Member Hruska and Commissioner Bier have already offered to be part of the audit committee.

Chair Smith suggested that the Board must begin developing a budget for 2016, noting that the DMCC Board should guide the EDA in the preparation of its budget.

- VII. DMCC 2015 Budget: Year to Date Update. Dale Martinson, Assistant Treasurer, provided a budget update from the City. The DMCC had no expenses for April. The audit is underway and the staff is closing out the contract amendments and carry-over from the 2014 budget. Going forward, there will be a distinction between project costs and operational costs.
- VIII. Economic Development Agency. Jeff Bolton reported that the EDA is making progress on the application and approval processes in collaboration with the City. The Mayo facilities group is working on building out the EDA offices. Mayo Clinic is supporting the insurance costs for the EDA and will also provide workers compensation coverage as employees are hired.

The feasibility study and project plan for Discovery Square are moving forward, and the final product is due in February, 2016. The study will address Rochester's ability to attract industry to the City and determine how to create a nexus of collaboration across those industries, the staging of physical facilities and timing of investments.

Mr. Bolton stated that they are currently working with IBM on a number of health care initiatives, including co-locating facilities between Mayo Clinic and other technology companies.

Lisa Clarke provided the DMC EDA Operation update. The EDA has completed phone interviews for all three positions posted and are starting onsite interviews. Council Member Hruska will be representing the DMCC during interviews for the Economic Development and Operations positions. The fourth DMC EDA position will be posted soon. Discussions on planning and administrative issues are going well with the City. A guiding principles document was developed; and an application, approval process and the application form will be finalized soon. A flow chart is also in draft form, which outlines this process. The transportation working

group will begin this month and will include other interested parties as needed. The EDA is launching their efforts to redesign the DMC website.

Mr. Campbell asked if anyone is gathering information on patient experience. Ms. Clarke noted "Market Rochester" and "Hospitality First," are two groups that address these issues. Additionally, Mayo Clinic has started an office of patient experience. Mr. Campbell requested periodic reporting of these efforts.

- IX. City of Rochester. Council President Randy Staver reported that the City has expended funds to help create an energy plan and engage in an arts master plan. The City has also signed a purchase agreement for the Chateau Theater on April 6, 2015 for \$6 million dollars (\$5.5 million from City and \$0.5 million from Mayo Clinic) and is now in a 60-day due diligence process. The City Council approved the decision to proceed with purchase of the Chateau Theater on May 18, 2015. The City plans to establish an executive steering group to commence discussions on the reuse of the theater. The City may engage a consultant and will engage the community in their discussions on potential reuses.

Council President Staver also stated that the City intends to engage a project manager for the City's DMC transportation and infrastructure planning efforts.

Finally, President Staver stated that Rochester uses approximately 2% of the City's tax capacity with TIF districts. This is lower than many other cities in Minnesota. The City intends to continue its use of TIF, but will monitor it to prevent an undue burden on the tax base.

- X. Meeting Schedule. The next regular meeting is Thursday, June 25, 2015 at 9:30 a.m.

- XI. Adjournment. The meeting adjourned at approximately 11:00 a.m.

Minnesota

Department of Employment and Economic Development

May 29, 2015

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

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

Dear Ms. Smith and Mr. Bolton:

Thank you for submitting the 2014 Certification of Expenditures for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

Your Certification listed \$39,254,146 in DMC qualified expenditures made by the Mayo Clinic in 2014. The Mayo Clinic provided DEED with organized, detailed, and expansive information on all invoices and payments to account for the certification amount. You also provided an independent third party report from McGladrey LLP stating the law and procedures for certifying expenditures which are being followed properly. Additionally, DEED staff reviewed invoices and payments in your certification. We selected 50 of your listed expenditures totaling more than \$2.5 million. We selected at least one expenditure for each of the 31 projects listed. All invoices for the selected expenditures were on file and payments were made in a timely fashion. DEED staff also confirmed that all 31 projects had building permits after June 30, 2013. DEED acknowledges the expenses and payments met guidelines and the internal accounting and auditing system the Mayo Clinic has in place is sufficient.

As required by law, I have determined that the amount of 2014 Destination Medical Center expenditures is \$39,254,146 as you certified. The DMC \$200 million cumulative expenditure threshold has not been met and the state will not be investing funds for public infrastructure or transit this year. The 2014 expenditures will be credited towards future years for this purpose.

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

Sincerely,



Cathy Polasky
Chief Deputy Commissioner

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

Business and Community Development Division

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-1351 USA ■ www.mn.gov/deed

Toll Free: 800-657-3858 ■ Phone: 651-259-7114 ■ Fax: 651-296-5287 ■ TTY: 651-296-3900

AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER

**CERTIFICATE OF APPROVAL OF SPECIAL LAW
BY GOVERNING BODY**

(Pursuant to Minnesota Statutes, 645.02 and 645.021)

STATE OF MINNESOTA

County of Olmsted

TO THE SECRETARY OF STATE OF MINNESOTA:

PLEASE TAKE NOTICE, That the undersigned chief clerical officer of the

City of Rochester

DOES HEREBY CERTIFY, that in compliance with the provisions of Laws, 20 15,
1, Article 8, Sections 1, 2, 3, 4, and 5

Chapter _____ requiring approval by a majority* of the governing body of said local
governmental unit before it becomes effective, the Common Council
(designate governing body)

at a meeting duly held on the 6th day of July 20 15, by resolution 308-15

_____ did approve said Laws, 20 15, Chapter 1, Article 8, Sections 1, 2,
(if other than resolution, specify) 3, 4, and 5

by a 6-0 majority vote* of all of the members thereof (Ayes 6; Noes 0;

Absent or not voting 1) and the following additional steps, if any required by statute

or charter were taken:

A copy of the resolution is hereto annexed and made a part of this certificate by reference.

Signed: Aaron S. Keen

City Clerk
(Official designation of officer)

(This form prescribed by the Attorney General and furnished by the Secretary of State as required in Minnesota Statutes 645.021.)

*If extraordinary majority is required by the special law, insert fraction or percentage here.

Please see reverse side for instructions for completing this form.

INSTRUCTIONS

- Include the chapter number in the *Laws of Minnesota* that is to be approved on the Certificate of Approval form **and** in the resolution that approves the special law.
- Return the completed **originally signed** Certificate of Approval form **with a photo copy** of the resolution that approved the special law to:

Election Division
Secretary of State
180 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St Paul, MN 55155-1299

- If you have any questions please contact Nancy Breems at 651/215-1440.

RESOLUTION

WHEREAS, the 2015 1st Special Session of the Minnesota Legislature enacted Laws of Minnesota 2015, 1st Spec. Sess., Chapter 1, Article 8, Sections 1, 2, 3, 4, and 5 relating to the Destination Medical Center; and,

WHEREAS, Laws of Minnesota 2015, 1st Spec. Sess., Chapter 1, Article 8, Sections 1, 2, 3, 4, and 5 is a special law relating to the City of Rochester with a reference to the Destination Medical Center; and,

WHEREAS, Minn. Stat. Section 645.021, subd. 2 states that a special law will not be effective without approval of the local government unit.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Rochester that the City of Rochester hereby approves Laws of Minnesota 2015, 1st Spec. Sess., Chapter 1, Article 8, Sections 1, 2, 3, 4, and 5, as enacted by the 2015 1st Special Session of the Minnesota Legislature.

BE IT FURTHER RESOLVED that the City Clerk is directed to file with the Minnesota Secretary of State a certified copy of this resolution along with such other documents as may be required to evidence the approval by the City of Rochester of this special act of the Legislature.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF
ROCHESTER, MINNESOTA, THIS 6th DAY OF July, 2015.

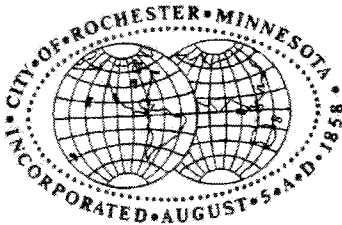
ATTEST:

Aaron S. Reever
CITY CLERK

Randy Staver
PRESIDENT OF SAID COMMON COUNCIL

APPROVED THIS 9th DAY OF July, 2015.

Walter F. Bieda
MAYOR OF SAID CITY



Minnesota State Legislature

Minnesota Senate

HF 3 Status in the Senate for the 89th Legislature, 2015 1st Special Session (2015 - 2015)

Current bill text: [As Introduced](#)
[Add HF 3 to MyBills](#)
[Version List](#)

Companion: [SF2](#);
[Companion Text](#)
[Senate Search](#)

Revisor number: 15-4541
 Session Law Chapter: 1

Long Description	Committee Hearings and Actions	Senate Counsel & Research Summary
----------------------------------	--	---

Description

Omnibus jobs, housing, economic development and energy appropriations

Authors

[Tomassoni](#)

House Authors

[Garofalo](#) ; [Davids](#)

Actions

[Separated](#) | [Chronological](#)

Senate

06/12/2015	Received from House	
06/12/2015	Introduction and first reading	
06/12/2015	Urgency declared rules suspended	
06/12/2015	Second reading	
06/12/2015	Third reading Passed	vote: 50-14
	Presentment date 06/13/15	
	Governor's action Approval 06/13/15	

House

06/12/2015	Introduction and first reading	Intro pg. 6
06/12/2015	Motion to suspend rules	pg. 11
06/12/2015	Motion prevailed	pg. 11
06/12/2015	Rules suspended, urgency declared	pg. 11
06/12/2015	Second reading	pg. 11
06/12/2015	Thirrd reading	pg. 12
06/12/2015	Bill was passed	vote: 78-47 pg. 12
06/12/2015	Returned from Senate	pg. 15

APPENDIX
Article locations in 15-4541

ARTICLE 1	JOBS APPROPRIATIONS	Page.Ln 2.1
	DEPARTMENT OF EMPLOYMENT AND ECONOMIC	
ARTICLE 2	DEVELOPMENT	Page.Ln 30.11
ARTICLE 3	DEPARTMENT OF COMMERCE	Page.Ln 49.7
ARTICLE 4	HOUSING	Page.Ln 81.12
ARTICLE 5	LABOR AND INDUSTRY	Page.Ln 84.3
ARTICLE 6	UNEMPLOYMENT INSURANCE	Page.Ln 89.11
ARTICLE 7	STATE GOVERNMENT OPERATIONS	Page.Ln 99.1
ARTICLE 8	DESTINATION MEDICAL CENTER	Page.Ln 99.13

2014 Minnesota Statutes

Authenticate

645.021 SPECIAL LAWS.

Subdivision 1. Name required. A special law as defined in the Minnesota Constitution, article XII, section 2, shall name the local government unit to which it applies. If a special law applies to a group of local government units in a single county or in a number of contiguous counties, it shall be sufficient if the law names the county or counties where the affected units are situated.

Subd. 2. Local approval required. A special law shall not be effective without approval of the local government unit or units affected, except as provided in section 645.023. Approval shall be by resolution adopted by a majority vote of all members of the governing body of the unit unless another method of approval is specified by the particular special law.

Subd. 3. Filing required. The chief clerical officer of a local government unit shall, as soon as the unit has approved a special law, file with the secretary of state a certificate stating the essential facts necessary to valid approval, including a copy of the resolution of approval or, if submitted to the voters, the number of votes cast for and against approval at the election. The form of the certificate shall be prescribed by the attorney general and copies shall be furnished by the secretary of state. If a local government unit fails to file a certificate of approval before the first day of the next regular session of the legislature, the law is deemed to be disapproved by such unit unless otherwise provided in the special law.

Subd. 4. Previously enacted law. Laws 1959, chapter 368, does not apply to any special law heretofore enacted, whether or not it has been approved by the local government unit affected, but such unit shall file with the secretary of state a certificate of approval for such law as required in subdivision 3.

History: 1959 c 368 s 1,2; 1979 c 176 s 1

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

99.1

ARTICLE 7

99.2

STATE GOVERNMENT OPERATIONS

99.3 Section 1. Laws 2014, chapter 211, section 13, is amended to read:

99.4 Sec. 13. **EFFECTIVE DATE.**99.5 Sections 1 to 3 and 6 to 11 are effective July 1, ~~2015~~ 2016. Sections 4, 5, and 12
99.6 are effective July 1, 2014.99.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.99.8 Until July 1, 2016, any employee, employer, employee or employer organization,99.9 exclusive representative, or any other person or organization aggrieved by an unfair labor99.10 practice as defined in Minnesota Statutes, section 179A.13, may bring an action for99.11 injunctive relief and for damages caused by the unfair labor practice in the district court of99.12 the county in which the practice is alleged to have occurred.

99.13

ARTICLE 8

99.14

DESTINATION MEDICAL CENTER99.15 Section 1. Minnesota Statutes 2014, section 469.40, subdivision 11, as amended by
99.16 Laws 2015, chapter 1, section 6, is amended to read:99.17 Subd. 11. **Public infrastructure project.** (a) "Public infrastructure project" means
99.18 a project financed in part or in whole with public money in order to support the medical
99.19 business entity's development plans, as identified in the DMCC development plan. A
99.20 public infrastructure project may:

99.21 (1) acquire real property and other assets associated with the real property;

99.22 (2) demolish, repair, or rehabilitate buildings;

99.23 (3) remediate land and buildings as required to prepare the property for acquisition
99.24 or development;99.25 (4) install, construct, or reconstruct elements of public infrastructure required to
99.26 support the overall development of the destination medical center development district
99.27 including, but not limited to, streets, roadways, utilities systems and related facilities,
99.28 utility relocations and replacements, network and communication systems, streetscape
99.29 improvements, drainage systems, sewer and water systems, subgrade structures and
99.30 associated improvements, landscaping, façade construction and restoration, wayfinding
99.31 and signage, and other components of community infrastructure;99.32 (5) acquire, construct or reconstruct, and equip parking facilities and other facilities
99.33 to encourage intermodal transportation and public transit;

- 100.1 (6) install, construct or reconstruct, furnish, and equip parks, cultural, and
100.2 recreational facilities, facilities to promote tourism and hospitality, conferencing and
100.3 conventions, and broadcast and related multimedia infrastructure;
- 100.4 (7) make related site improvements including, without limitation, excavation,
100.5 earth retention, soil stabilization and correction, and site improvements to support the
100.6 destination medical center development district;
- 100.7 (8) prepare land for private development and to sell or lease land;
- 100.8 (9) provide costs of relocation benefits to occupants of acquired properties; and
- 100.9 (10) construct and equip all or a portion of one or more suitable structures on land
100.10 owned by the city for sale or lease to private development; provided, however, that the
100.11 portion of any structure directly financed by the city as a public infrastructure project must
100.12 not be sold or leased to a medical business entity.
- 100.13 (b) A public infrastructure project is not a business subsidy under section 116J.993.
- 100.14 (c) Public infrastructure project includes the planning, preparation, and modification
100.15 of the development plan under section 469.43; and. The cost of that planning, preparation,
100.16 and any modification is a capital cost of the public infrastructure project.

100.17 EFFECTIVE DATE. This section is effective the day after the governing body of
100.18 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
100.19 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
100.20 the laws that are amended.

100.21 Sec. 2. Minnesota Statutes 2014, section 469.43, is amended by adding a subdivision
100.22 to read:

100.23 Subd. 6a. Restriction on city funds to support nonprofit economic development
100.24 agency. The nonprofit economic development agency shall not require the city to pay
100.25 any amounts to the nonprofit economic development agency that are unrelated to public
100.26 infrastructure project costs.

100.27 EFFECTIVE DATE. This section is effective the day after the governing body of
100.28 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
100.29 645.021, subdivisions 2 and 3, and applies retroactively from June 22, 2013.

100.30 Sec. 3. Minnesota Statutes 2014, section 469.45, subdivision 1, is amended to read:

100.31 Subdivision 1. Rochester; other local taxes authorized. (a) Notwithstanding
100.32 section 477A.016 or any other contrary provision of law, ordinance, or city charter, and in
100.33 addition to any taxes the city may impose on these transactions under another statute or

101.1 law, the city of Rochester may, by ordinance, impose at a rate or rates, determined by the
101.2 city, any of the following taxes:

101.3 (1) a tax on the gross receipts from the furnishing for consideration of lodging and
101.4 related services as defined in section 297A.61, subdivision 3, paragraph (g), clause (2); the
101.5 city may choose to impose a differential tax based on the number of rooms in the facility;

101.6 (2) a tax on the gross receipts of food and beverages sold primarily for consumption
101.7 on the premises by restaurants and places of refreshment that occur in the city of
101.8 Rochester; the city may elect to impose the tax in a defined district of the city; and

101.9 (3) a tax on the admission receipts to entertainment and recreational facilities, as
101.10 defined by ordinance, in the city of Rochester.

101.11 (b) The provisions of section 297A.99, subdivisions 4 to 13, govern the
101.12 administration, collection, and enforcement of any tax imposed by the city under
101.13 paragraph (a).

101.14 (c) The proceeds of any taxes imposed under this subdivision, less refunds and
101.15 costs of collection, must be used by the city only to meet its share of obligations for
101.16 public infrastructure projects contained in the development plan and approved by the
101.17 corporation, including any associated financing costs or to pay any other costs qualifying
101.18 as a local matching contribution under section 469.47, subdivision 4. Any tax imposed
101.19 under paragraph (a) expires at the earlier of December 31, 2049, or when the city council
101.20 determines that sufficient funds have been raised from the tax plus all other local funding
101.21 sources authorized in Laws 2013, chapter 143, article 10, to meet the city obligation for
101.22 financing public infrastructure projects contained in the development plan and approved
101.23 by the corporation, including any associated financing costs.

101.24 EFFECTIVE DATE. This section is effective the day after the governing body of
101.25 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
101.26 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
101.27 the laws that are amended.

101.28 Sec. 4. Minnesota Statutes 2014, section 469.45, subdivision 2, is amended to read:

101.29 Subd. 2. **General sales tax authority.** The city may elect to extend the existing
101.30 local sales and use tax under Laws 2013, chapter 143, article 10, section 13, or to impose
101.31 an additional rate of up to one quarter of one percent tax on sales and use under Laws
101.32 2013, chapter 143, article 10, section 11. The proceeds of any extended or additional taxes
101.33 imposed under this subdivision, less refunds and costs of collection, must be used by the
101.34 city only to meet its share of obligations for public infrastructure projects contained in the
101.35 development plan and approved by the corporation, including all financing costs. Revenues

102.1 collected in any year to meet the obligations must be used for payment of obligations or
102.2 expenses for public infrastructure projects approved by the corporation or of any other
102.3 costs qualifying as a local matching contribution under section 469.47, subdivision 4.

102.4 EFFECTIVE DATE. This section is effective the day after the governing body of
102.5 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
102.6 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
102.7 the laws that are amended.

102.8 Sec. 5. Minnesota Statutes 2014, section 469.47, subdivision 4, as amended by Laws
102.9 2015, chapter 1, section 10, is amended to read:

102.10 Subd. 4. **General aid; local matching contribution.** In order to qualify for general
102.11 state infrastructure aid, the city must enter a written agreement with the commissioner
102.12 that requires the city to make a qualifying local matching contribution to pay for
102.13 \$128,000,000 of the cost of public infrastructure projects approved by the corporation,
102.14 including financing costs, using funds other than state aid received under this section. The
102.15 ~~\$128,000,000~~ required local matching contribution is reduced by one-half of the any
102.16 amounts the city pays for operating and administrative costs out of funds other than state aid
102.17 received under this section for the support, administration, or operations of the corporation
102.18 and the economic development agency up to a maximum amount agreed to by the board
102.19 and the city. These amounts include any costs the city incurs in providing services,
102.20 goods, or other support to the corporation or agency. The agreement must provide for the
102.21 manner, timing, and amounts of the city contributions, including the city's commitment
102.22 for each year. Notwithstanding any law to the contrary, the agreement may provide that
102.23 the city contributions for public infrastructure project principal costs may be made over a
102.24 20-year period at a rate not greater than \$1 from the city for each \$2.55 from the state.
102.25 The local match contribution may be provided by the city from any source identified in
102.26 section 469.45 and any other local tax proceeds or other funds from the city and may
102.27 include providing funds to prepare the development plan, to assist developers undertaking
102.28 projects in accordance with the development plan, or by the city directly undertaking
102.29 public infrastructure projects in accordance with the development plan, provided the
102.30 projects have been approved by the corporation. City contributions that are in excess of
102.31 this ratio carry forward and are credited toward subsequent years. The commissioner and
102.32 city may agree to amend the agreement at any time in light of new information or other
102.33 appropriate factors. The city may enter into arrangements with the county to pay for or
102.34 otherwise meet the local matching contribution requirement. Any public infrastructure
102.35 project within the area that will be in the destination medical center development district

103.1 whose implementation is started or funded by the city after June 22, 2013, but before the
103.2 development plan is adopted, as provided by section 469.43, subdivision 1, will be included
103.3 for the purposes of determining the amount the city has contributed as required by this
103.4 section and the agreement with the commissioner, subject to approval by the corporation.

103.5 EFFECTIVE DATE. This section is effective the day after the governing body of
103.6 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
103.7 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
103.8 the laws that are amended.

TO: Jim Bier, DMCC Treasurer
 From: Dale Martinson, DMCC Assistant Treasurer
 Date: June 11, 2015
 RE: Request for 2014 Budget Encumbrance



Background:

The 2014 budget request for the Destination Medical Center Corporation (DMCC) was based, in large part, on the estimated cost to complete the official DMC Plan. The budget included a small amount for operations of the DMCC, but \$7.3 million of the \$8.5 million request was for the DMC EDA and largely their work plan was to complete this plan document.

Though many had hoped to complete this plan document by the end of 2014, it did take until April 23th of 2015 to become fully adopted. At the end of 2014, there were outstanding accounts payable items for work already completed by not paid, contract commitments for which work had been legally contracted to complete on the plan but had not yet been completed, and there would be further amendments to contracts needed to fully complete the work on the plan due to the extension of time required.

The table below reflects the net additional spending that occurred during 2015 related to the “project” of completing The Plan. Since these costs were not anticipated when the DMC EDA and DMCC Board established the 2015 budget request, they are requesting the amount of \$570,106 be encumbered, or “carried over” from the 2014 budget request and added to the total 2015 budget. Finance personnel from the City, DMCC and DMCC EDA have reviewed and discussed these numbers and are in agreement with the amounts.

This request reflects that the 2014 EDA share of program costs, including this requested carryover, still remains \$1.8 million under the their budget amount requested and approved for 2014.

Request:

Encumber \$570,106 of the DMCC 2014 Budget and carry this forward to the 2015 budget request as it represents project closeout costs related to the completion of the DMCC Plan. Total amended 2015 budget request would therefore be \$ 4,642,909.

	Original 2014 DMCC Budget	Actual 2014 Expenditures	Advance of Working Capital	Remaining To Complete	Final Needed Budget for Plan	Remaining 2014 Unspent Budget
		1)				1)
DMCC	886,000	495,486	3,000		866,000	367,514
DMC EDA	7,319,000	4,920,961	10,000	570,106	5,501,067	1,817,933
	8,205,000	5,416,447	13,000	570,106	6,367,067	2,185,447
		2015 Approved Budget		4,072,803		
		2015 Amended Budget w/Carryfwd		4,642,909		
						\$ 217,694
1) Additional City Expenses, included in budget but not paid by DMCC for City & County Staff time, accounting, etc.						
2) Mayo in-kind amount in 2014 on DMCC activities totaled \$987,570 (additional detail requested)						

TO: Jim Bier, Treasurer
Kathleen Lamb, Atty

FR: Dale Martinson, Assistant Treasurer

Date: April 23, 2015

RE: June 2015 Financial Summary



The attached financial summary for June reflects the first of 2015 activity, totaling \$981,025 with the most significant costs showing in the DMC EDA professional services area, with the largest payments relating to the Hammes Company Contract.

Additionally, trailing billings were still be paid on the contracts associated with the 2014 budgeted activity of creating and adopting "The Plan". This section reflects June payouts of \$182,762 in this area with just under \$20,000 remaining in contract commitments by the end of June to close out this 2014-authorized work. Board members will note the \$570,106 of requested 2014 budget carryover that is being requested for approval under a separate agenda item in today's packet.

The attachments reflect the DMC EDA budget and contract commitments through June 2015. The first one reflects those costs and commitments under the 2015 (current-year) budget authority and the second one reflects the 2014 total budget authority and contract commitments.

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

Destination Medical Center Corporation
Financial Budget Summary
June 2015

	2015 Amended Approved Budget	Curent Month June 2015	June 2015 YTD	Amount Remaining	Percent Remaining
General Expenses	217,203	1,596	16,083	201,120	93%
Professional Services	780,600		103,776	676,824	87%
City Expenses	275,000		-	275,000	100%
Subtotal DMCC	1,272,803	1,596	119,859	1,152,944	91%
Third Party Costs - DMC EDA *					
Payroll, Staff, Administration & Benefits-EDA	218,000	-	-	218,000	100%
General Expenses - EDA	79,000	1,167	1,167	77,833	99%
Economic Development Outreach	108,000	102,020	102,020	5,980	6%
Meeting Expenses	-	-	-	-	
Professional Services	2,295,000	757,979	757,979	1,537,021	67%
Miscellaneous Expenses	100,000	-		100,000	100%
Subtotal EDA	2,800,000	861,166	861,166	1,938,834	69%
Total DMCC 2015	4,072,803	862,762	981,025	3,091,778	76%
			-		
Plus 2014 EDA Project/Contract Carryover	570,106 *	182,163	550,644	19,462	3%
				-	
DMCC Working Capital Note			1,000		
EDA Working Capital Note			10,000		
* See Attached Contract Commitments for EDA Portion					

***Carryover of 2014 Budget to complete plan as requested of board on current agenda**

DETAIL COST REPORT #1

June 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
DEVELOPMENT COSTS											
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	\$102,019.94	32.08%
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	\$91,012.50	84.27%
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	\$11,007.44	5.24%
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	\$742,000.00	39.05%
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	\$740,000.00	39.78%
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	\$3,279.50	\$0.00	\$3,279.50	\$0.00	\$46,720.50	\$50,000.00	\$0.00	\$3,279.50	6.56%
40-35-300	Legal Services	\$50,000.00	\$3,279.50	\$0.00	\$3,279.50	\$0.00	\$46,720.50	\$50,000.00	\$0.00	\$3,279.50	6.56%
40-90-000	Other Development Costs	\$397,000.00	\$39,166.97	\$0.00	\$39,166.97	\$0.00	\$357,833.03	\$397,000.00	\$0.00	\$12,566.97	3.17%
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	\$1,166.97	\$0.00	\$1,166.97	\$0.00	\$77,833.03	\$79,000.00	\$0.00	\$1,166.97	1.48%
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	\$11,400.00	11.40%
	Subtotal	\$2,800,000.00	\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$495,646.86	\$2,800,000.00	\$0.00	\$861,165.98	30.76%
PROJECT CONTINGENCY											
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$2,800,000.00	\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$495,646.86	\$2,800,000.00	\$0.00	\$861,165.98	30.76%

DETAIL COST REPORT #14

June 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
DEVELOPMENT COSTS											
40-05-000	Architecture & Engineering	\$2,431,000.00	\$1,545,921.60	\$94,900.87	\$1,640,822.47	\$0.00	\$765,022.67	\$2,405,845.14	(\$25,154.86)	\$1,625,727.69	67.57%
40-05-300	Planning Services, Architecture, Engineering	\$2,431,000.00	\$1,545,921.60	\$94,900.87	\$1,640,822.47	\$0.00	\$765,022.67	\$2,405,845.14	(\$25,154.86)	\$1,625,727.69	67.57%
40-25-000	Marketing & Public Relations	\$790,000.00	\$247,563.05	\$160,036.72	\$407,599.77	\$0.00	\$382,400.23	\$790,000.00	\$0.00	\$407,428.03	51.57%
40-25-300	Communications, Marketing & PR	\$545,000.00	\$183,137.76	\$135,326.90	\$318,464.66	\$0.00	\$226,535.34	\$545,000.00	\$0.00	\$318,463.16	58.43%
40-25-310	Public Relations & Communications	\$245,000.00	\$64,425.29	\$24,709.82	\$89,135.11	\$0.00	\$155,864.89	\$245,000.00	\$0.00	\$88,964.87	36.31%
40-30-000	Development Services	\$2,350,000.00	\$2,300,000.00	\$0.00	\$2,300,000.00	\$0.00	\$50,000.00	\$2,350,000.00	\$0.00	\$2,300,000.00	97.87%
40-30-300	Development Services	\$1,675,000.00	\$1,675,000.00	\$0.00	\$1,675,000.00	\$0.00	\$0.00	\$1,675,000.00	\$0.00	\$1,675,000.00	100.00%
40-30-310	Financial, Accounting & Investment Services	\$675,000.00	\$625,000.00	\$0.00	\$625,000.00	\$0.00	\$50,000.00	\$675,000.00	\$0.00	\$625,000.00	92.59%
40-35-000	Legal Services	\$425,000.00	\$126,208.01	\$325,641.64	\$451,849.65	\$0.00	\$0.00	\$451,849.65	\$26,849.65	\$451,849.65	100.00%
40-35-300	Legal Services	\$425,000.00	\$126,208.01	\$325,641.64	\$451,849.65	\$0.00	\$0.00	\$451,849.65	\$26,849.65	\$451,849.65	100.00%
40-55-000	Misc Professional Services	\$451,000.00	\$298,473.00	\$57,783.35	\$356,256.35	\$0.00	\$20,054.45	\$376,310.80	(\$74,689.20)	\$352,060.29	93.56%
40-55-300	Economic Analysis, Market Research, Reports	\$351,000.00	\$298,473.00	\$57,783.35	\$356,256.35	\$0.00	\$2,850.00	\$359,106.35	\$8,106.35	\$352,060.29	98.04%
40-55-310	Other Professional Services & Project Costs	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,204.45	\$17,204.45	(\$82,795.55)	\$0.00	0.00%
40-90-000	Other Development Costs	\$872,000.00	\$182,504.02	\$162,034.61	\$344,538.63	\$0.00	\$600,455.78	\$944,994.41	\$72,994.41	\$344,538.63	36.46%
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$460,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$460,000.00	\$460,000.00	\$0.00	\$0.00	0.00%
40-90-120	General Expenses-EDA	\$382,000.00	\$182,504.02	\$32,190.55	\$214,694.57	\$0.00	\$140,455.78	\$355,150.35	(\$26,849.65)	\$214,694.57	60.45%
40-90-300	Reimbursable Expenses	\$30,000.00	\$0.00	\$129,844.06	\$129,844.06	\$0.00	\$0.00	\$129,844.06	\$99,844.06	\$129,844.06	100.00%
	Subtotal	\$7,319,000.00	\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$1,817,933.13	\$7,319,000.00	\$0.00	\$5,481,604.29	74.90%
PROJECT CONTINGENCY											
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$7,319,000.00	\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$1,817,933.13	\$7,319,000.00	\$0.00	\$5,481,604.29	74.90%

BACKGROUND / STATUTORY FRAMEWORK

- In 2016, the Destination Medical Center (“DMC”) initiative will be firmly rooted in the implementation phase of work.
- The work to be undertaken is just as envisioned by lawmakers and the executive branch in 2013, and even more tangible and important today with the backing of a strong Development Plan, which was created with a compelling vision that harnesses the energy and creativity of the entire community.
- The Development Plan and annual Workplans will guide the State’s most important public-private development initiative – one designed with the potential to leverage significant private investment and generate \$7.5 billion to \$8 billion in tax revenues and 35,000 to 45,000 new jobs with proper execution of these plans.

DMC EDA PURPOSE

The DMC Economic Development Agency (“DMC EDA”) is the entity responsible for “developing and marketing” the DMC initiative on behalf of the Destination Medical Center Corporation (“DMCC”) and the City, consistent with the DMC Mission.

- The specific responsibilities of the DMC EDA are enumerated under the Minnesota, Chapter 143, Article 10, as amended (the “DMC Law”).
- Additional, consistent responsibilities are outlined in the contract between the DMCC and the DMC EDA.
- The DMC EDA’s Goals and related work will be based upon strategic priorities and desired outcomes and will be informed and driven by the DMC Development Plan and annual Workplans, as well as topic-specific strategic implementation plans.

DMC MISSION

“With Mayo Clinic at its heart, the DMC initiative will be the catalyst to position Rochester, Minnesota, as the world’s premier destination center for health and wellness; attracting people, investment and jobs to America’s City for Health and supporting the economic growth of Minnesota and its biosciences sectors.”

2016 DMC STRATEGIC PRIORITIES

**DISCOVERY SQUARE
SUBDISTRICT**

**HEART OF THE CITY
SUBDISTRICT**

**TRANSPORTATION
INFRASTRUCTURE**

ALIGNMENT OF WORKPLAN TO DMC PRIORITY AREAS

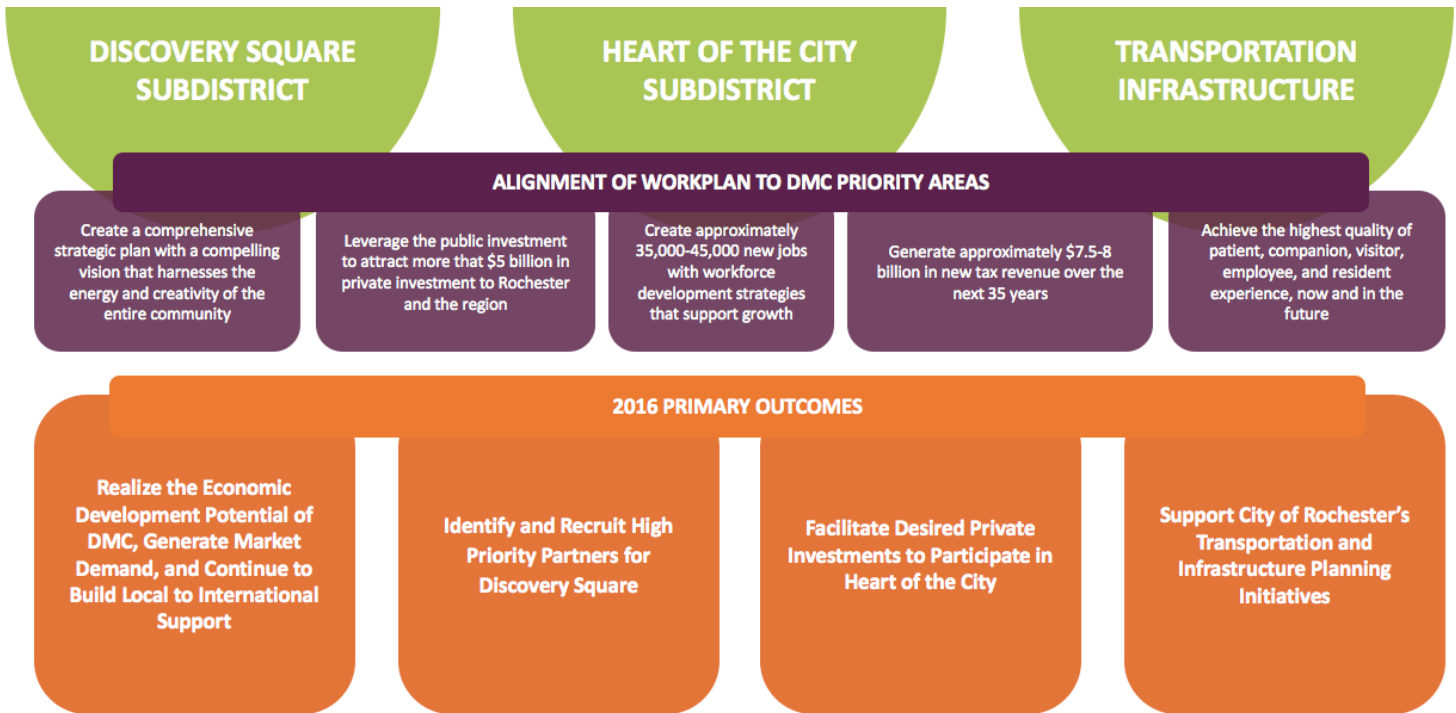
Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire community

Leverage the public investment to attract more that \$5 billion in private investment to Rochester and the region

Create approximately 35,000-45,000 new jobs with workforce development strategies that support growth

Generate approximately \$7.5-8 billion in new tax revenue over the next 35 years

Achieve the highest quality of patient, companion, visitor, employee, and resident experience, now and in the future



**SUMMARY OF PRIMARY OUTCOMES
2016 KEY DELIVERABLES & TASKS**

- **Realize the economic development potential of DMC, generate market demand, and continue to build local to international support.**
 - Organize a "DMC DAY" event in Rochester that invites potential private and public partners to participate in a detailed tutorial on how DMC connects to Mayo's business strategy.
 - Evolve DMC brand identity and create marketing/collateral materials highlighting Heart of City and Discovery Square.
 - Develop a master list of at least 250 thought leaders (local to national) that will be provided a DMC update letter at least twice in 2016. Smaller groups may be identified for personal outreach or briefings.
 - Expand news media outreach and DMC story development by targeting at least 12 MN State media outlets and 10 high-value national media outlets (working in coordination with Mayo public affairs) for briefings and to offer ideas for possible DMC stories.
 - Facilitate/assist with programming and placemaking related to public spaces.
 - Develop not less than 5 short- and long-term strategies for leveraging existing stakeholder relationships and meeting each of the business/economic development goals of Development Plan (i.e., ignite Bio-Med-Tech economy through Discovery Square, catalyze growth in the Heart of the City, diversify business base in the Development District, foster entrepreneurial enterprise and innovation, and facilitate a regional economy).
 - Enter Phase 2 (advanced) redesign of DMC/DMC EDA Web Site to provide additional functionality for project developers to track DMC funding process and development progress in Heart of City and Discovery Square.

- Meet monthly with leaders in the six policy areas of focus: (1) energy/sustainability, (2) healthy communities, (3) historic preservation, (4) affordable housing, (5) targeted businesses, and (6) arts and culture, as well as community services, to identify a “Quality of Life” scorecard.
- Continue to foster, promote and support community voices that are, or will be users, of the downtown area (students, millennials, baby boomers, etc.)
- **Identify and recruit high priority partners for “Discovery Square”.**
 - Meet not less than monthly with Mayo Clinic to complete Discovery Square feasibility study and project plan by February 1st, 2016.
 - Meet monthly with Mayo Clinic/Mayo Ventures to begin recruitment of top 10 Bio-Med-Tech partners for Discovery Square in 2nd – 4th quarters of 2016.
 - Meet with IBM to identify technology-based opportunities for Discovery Square; present related strategic implementation plan by 3rd quarter of 2016.
 - Launch DMC Discovery Square initiative at 2016 International BioConference, June 6th through 9th.
 - Identify/participate in 3 to 5 other statewide/national/international conferences and events in Bio-Med-Tech industry.
 - Work with Mayo Clinic to identify a Developer for Discovery Square by 2nd quarter of 2016.
 - Meet at least quarterly with key organizations to align shared vision for Discovery Square (e.g., BioAM, RAEDI, Rochester Community & Technical College, University of MN, Rochester Public School System, Rochester Downtown Alliance, Rochester Convention & Visitors Bureau, etc.).
- **Facilitate desired private investments to participate in “Heart of the City”.**
 - Work with the City of Rochester and Mayo Clinic to finalize Phase 1 priorities for desired private developments in downtown Rochester.
 - Create workforce strategies targeted to Bio-Med-Tech, Construction, and Hospitality industries.
 - Identify and engage 5 to 6 potential hospitality industry partners for Heart of City development including a five-star hotel.
 - Identify/participate in 2 to 3 statewide/national/international conferences and events in Retail/Dining/Entertainment/Experience industry (e.g., RECon Global Retail Real Estate Convention, International Downtown Association).
 - Meet not less than quarterly with key organizations to align shared vision on patients’, visitors’ and residents’ overall experience in Heart of the City, including programmed public spaces (e.g., Mayo Clinic Concierge, Office of Patient Experience, Hospitality First, RCVB, RDA, Chamber of Commerce, Historic Preservation, RAEDI, City Parks and Recreation).
- **Support City of Rochester’s Transportation and Infrastructure planning initiatives.**
 - Utilize Mayo patient and employee research/resources to establish 5 key short- and long-term goals for Transportation initiatives.
 - Assist City of Rochester and Olmsted County with Preliminary Engineering Studies/Concept Designs for Development Plan Phase 1 projects.
 - Help align transportation/infrastructure needs to anticipated Mayo growth and other private investments (Mayo strategic transportation recommendations by 4th quarter of 2016).
 - Engage contiguous community neighborhoods on transportation and transit initiatives (e.g., Rneighbors, Mayor’s Neighborhood Council, Kutzky Park, Slatterly Park, East Side, Sunny Side, Historic SW, Northrup).
 - Add Web Site functionality and information to highlight future transportation options/alternatives.

<p>APPENDIX A PROPOSED 2016 BUDGET</p>

APPENDIX B
COMPREHENSIVE 2016 WORKPLAN

SPECIFIC BUSINESS & ECONOMIC DEVELOPMENT DELIVERABLES / TASKS

- **Business Development & Relations**
 - Implement Adopted Strategies of Development Plan and Detailed Business Development Strategic Implementation Plan
 - Provide Metrics Reporting to Measure Goals and Objectives of the Development Plan
 - Provide Grant Writing Assistance (State, Federal, Local), Tax Credit Application Assistance and Other Funding Sources for Priority Projects
 - Provide Site Location and Demographic Information to Potential Private Project Sponsors and Economic Development Partners
 - Develop Recruitment and Retention Strategies to Address Work Force Development Needs in Targeted Business Sectors
 - Provide Environmental, Infrastructure and Utility Information to Private Sponsors

- **Economic Development**
 - Facilitate Catalytic Development Planning Efforts with Mayo, City, Other Stakeholders
 - Facilitate the Execution of Feasibility Studies and Project Plans by Other Private Partners for Priority Development Areas
 - Coordinate with City of Rochester on Integration of the Development Plan with the City Comprehensive Plan, Ordinances, Policies
 - Coordinate with City of Rochester on Citywide Initiatives, Including Policy Initiatives such as Energy and Sustainability, Healthy Communities, Historic Preservation, Affordable Housing, W/MBE, and Arts and Culture
 - Monitor Private Development in the Development District and Forecast Private Expenditures
 - Assist in Identifying and Evaluating Partnerships for Investment (Including Start-Ups, Business Incubators, Established Companies)
 - Assist in Identifying and Evaluating Sponsorship Opportunities and Facilitate Further Public-Private Partnerships

- **Planning & Infrastructure**
 - Work with City of Rochester and Olmsted County to Manage Preliminary Engineering Studies/Concept Designs for Development Plan Phase 1 Transportation and Infrastructure Plans
 - Work with City of Rochester and Olmsted County to Establish Transit Management Authority
 - Coordinate Master Signage/Wayfinding Plan with the City
 - Coordinate with the City of Rochester and other Stakeholders on Infrastructure Planning for Priority

SPECIFIC OUTREACH / ENGAGEMENT, COMMUNICATIONS & PUBLIC RELATIONS DELIVERABLES / TASKS

- **Business Development Outreach**
 - Coordinate Messaging and Materials in Support of Strategic Priorities Identified in the DMC Development Plan and by the DMCC Board
 - Select a Marketing Consultant to Develop a Business Development Strategic Implementation Plan that will Attract Business and Foster Economic Development in the DMC District

- Oversee Preparation and Implementation of Business Development Strategic Plan
- Implement Brand Use Guidelines, Protocols
- Manage Marketing and Communications Consultants to the DMC EDA and DMCC
- Provide Metrics to Measure Goals and Objectives
- Coordinate Attendance, Visibility and Sponsorship for Key Conferences, Activities (Local, Regional, National, International)
- Facilitate Promotional and Sponsorship Initiatives
- Manage and Coordinate Ongoing Meetings and Opportunities for the Public to Gather to Inform and Consult (e.g., World Café, Public Forums, Social Media, Open Houses, etc.)

- **Communications & Collateral Material(s)**
 - Develop and Implement Outreach Strategy
 - Oversee All Communication Vehicles: Collateral, Social Media Platforms, Blog, DMC Website Content, Newsletter, External Communications
 - Coordinate Communications Initiatives with Stakeholders: EDA, Mayo, City, County, and State

- **Community Outreach / Engagement**
 - Implement Community Relations Strategic Implementation Plan
 - Develop Additional, Specific Strategies for Cooperation with Local, Regional and National Partners Based Upon Private Project Development
 - Continue to Foster Connections to Related Programs and Services with Mayo Clinic, RCVB, Chamber, RAEDI, RDA and Other Community Organizations
 - Provide Metrics Reporting to Measure Goals and Objectives
 - Manage and Respond to Community Requests and Inquiries

SPECIFIC OPERATIONS DELIVERABLES / TASKS

- **Management**
 - Prepare Monthly and Annual DMC EDA/DMCC Reports
 - Manage Other Operational Responsibilities of the DMC EDA as Required by the DMC Law
 - Prepare/Manage the DMC EDA Operational Workplan for Phase 3 (2017 and beyond)
 - Manage and Oversee Subconsultants, Contracts

- **Coordination**
 - Interface with Mayo Clinic, Other Stakeholders
 - Coordinate Scheduling and Materials for DMC EDA/DMCC Board Meetings and Community Events
 - Coordinate Communications with Project Sponsors and Economic Development Partners

- **Reporting & Monitoring**
 - Monitor DMC Development District Project Development
 - Track and Report on Economic and Fiscal Impacts Occurring in the DMC Development District
 - Monitor Land Sales, Property Inventory and Parcel Acquisitions in the DMC District
 - Track and Report Workforce Development Achievements

SPECIFIC FINANCE DELIVERABLES / TASKS

- **Project Funding**
 - Prepare DMC Funding Evaluation Reports, including:
 - Review of Minimum Eligibility Requirements
 - Review of all Financial and Economic Modeling Submitted in Funding Applications
 - Validation of Construction Funding Gap Analysis
 - Conduct or Review Financial Feasibility Analysis , including Operating Pro Forma
 - Conduct or Review Fiscal and Economic Impact Analysis
 - Coordinate with City and County on Transportation Funding
 - Monitor, Facilitate Opportunities for Other Project Funding Sources
- **Compliance**
 - Monitor Covenants of DMC Fund Loans/Grants

Destination Medical Center Corporation

Audit Results for Year Ended December 31, 2014



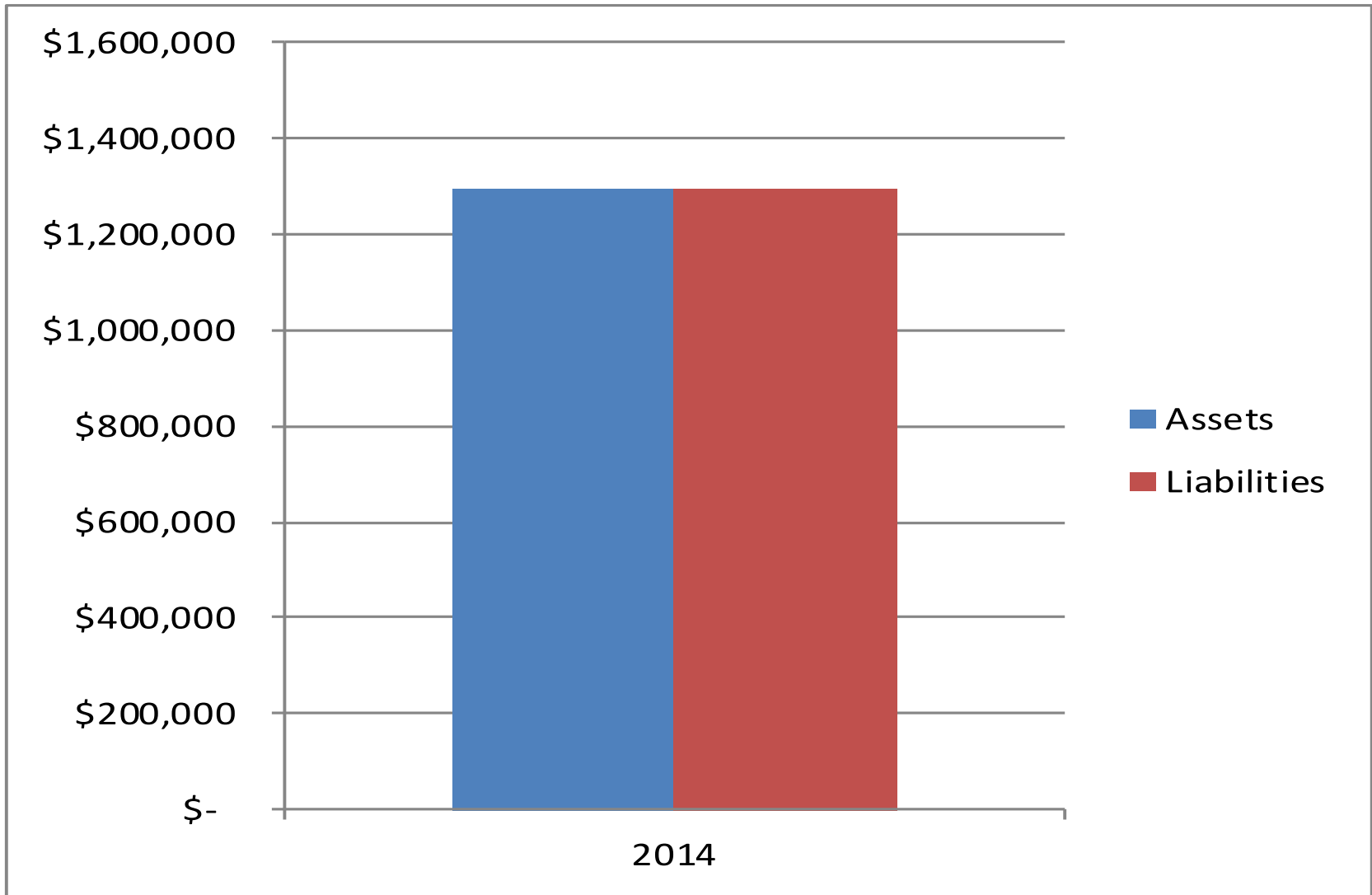
Agenda

- Financial Statements
- Audit Results
- Required Communications

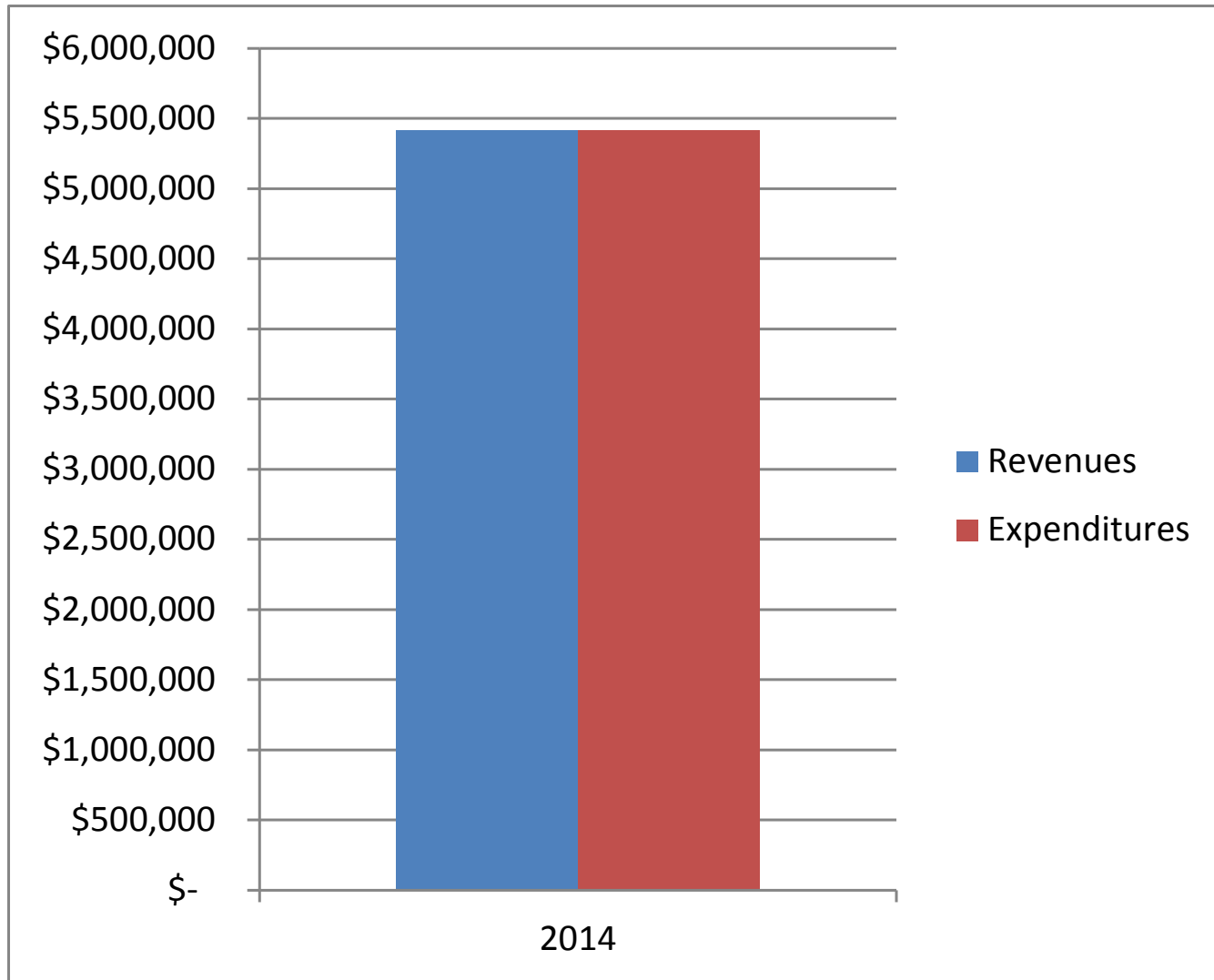
Financial Statements

- Prepared based on Governmental Accounting Standards Board pronouncements
- Single program entity
 - Function is economic development
 - Present expenditures by type (natural classification)
- Component unit
 - DMCC is a component unit of (included in) City of Rochester's financial statements
 - DMCEDA is *not* a component unit of DMCC
 - Will evaluate component unit reporting annually

Financial Statements : Assets & Liabilities



Financial Statements : Revenues & Expenditures



Audit Results

- Financial statements
- Internal controls – no findings
- Minnesota legal compliance – no findings

Required Communications

- Audit provides reasonable, but not *absolute* assurance
- Accounting policies – described in Note 1 to the financial statements
- Audit adjustments -- two entries that changed net income to break-even
- No disagreement or difficulties with management

Items to Complete

- Federal and state tax returns

Thank you for allowing us to serve you!

Contact Information:

Craig Popenhagen, Principal

507-434-7041

Craig.popenhagen@claconnect.com

Craig Martindale, Senior

507-434-7039

Craig.martindale@claconnect.com

**DESTINATION MEDICAL CENTER CORPORATION
(A COMPONENT UNIT OF THE CITY OF
ROCHESTER, MINNESOTA)**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2014**

INTRODUCTORY SECTION

BOARD OF DIRECTORS

SECTION I – FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET	3
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6

SECTION II – COMPLIANCE LETTERS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12
INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE	14

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
BOARD OF DIRECTORS**

BOARD OF DIRECTORS

Tina Flint Smith	Chair
R.T. Rybak	Vice Chair
Jim Bier	Treasurer
Ardell F. Brede	Director
James Campbell	Director
Bill George	Director
Ed Hruska	Director
Susan Rani	Director

SECTION I – FINANCIAL SECTION

(This page intentionally left blank)

INDEPENDENT AUDITORS' REPORT

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

We have audited the accompanying financial statements of the governmental activities and the general fund of the Destination Medical Center Corporation (Corporation), a component unit of the City of Rochester, Minnesota, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Destination Medical Center Corporation as of December 31, 2014, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

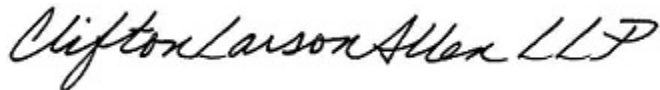
Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015, on our consideration of the Destination Medical Center Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of the laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Destination Medical Center Corporation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Austin, Minnesota
June 16, 2015

**DESTINATION MEDICAL CENTER CORPORATION
 ROCHESTER, MINNESOTA
 STATEMENT OF NET POSITION AND
 GOVERNMENTAL FUND BALANCE SHEET
 DECEMBER 31, 2014**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and Cash Equivalents	\$ 2,740	\$ -	\$ 2,740
Advances to DMC EDA	10,000	-	10,000
Due from Other Governments	1,265,600	-	1,265,600
Prepays	14,138	-	14,138
Total Assets	\$ 1,292,478	-	1,292,478
LIABILITIES			
Accounts Payable	\$ 1,265,340	-	1,265,340
Due to Other Governments	3,000	-	3,000
Unearned Revenue	24,138	-	24,138
Total Liabilities	1,292,478	-	1,292,478
FUND BALANCE/NET POSITION			
Fund Balance			
Unassigned	-	-	-
Total Fund Balance	-	-	-
Total Liabilities and Fund Balance	\$ 1,292,478		
Net Position			
Unrestricted		-	-
Total Net Position		\$ -	\$ -

See accompanying Notes to Financial Statements.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Economic Development			
Building Rent	\$ 3,174	\$ -	\$ 3,174
Legal Consultants	455,165		455,165
Other Professional Services	21,927		21,927
Travel and Training	10,508		10,508
Insurance	4,712		4,712
Program Costs	4,920,961	-	4,920,961
Total Expenditures/Expenses	<u>5,416,447</u>	<u>-</u>	<u>5,416,447</u>
PROGRAM REVENUES			
Intergovernmental			
Local Government	5,416,446	-	5,416,446
Total Program Revenues	<u>5,416,446</u>	<u>-</u>	<u>5,416,446</u>
Net Program Revenues	(1)	-	(1)
GENERAL REVENUES			
Investment Earnings	<u>1</u>	-	<u>1</u>
Total General Revenues	<u>1</u>	<u>-</u>	<u>1</u>
Change in Fund Balance	-	-	-
Change in Net Position	-	-	-
FUND BALANCE/NET POSITION			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Local Government	\$ 8,205,000	\$ 8,205,000	\$ 5,416,446	\$ (2,788,554)
Investment Earnings	-	-	1	1
Total Revenues	<u>8,205,000</u>	<u>8,205,000</u>	<u>5,416,447</u>	<u>(2,788,553)</u>
EXPENDITURES				
Current:				
Building Rent	20,000	20,000	3,174	(16,826)
Legal Consultants	400,000	400,000	455,165	55,165
Other Professional Services	340,000	340,000	21,927	(318,073)
Travel and Training	126,000	126,000	10,508	(115,492)
Insurance	-	-	4,712	4,712
Program Costs	<u>7,319,000</u>	<u>7,319,000</u>	<u>4,920,961</u>	<u>(2,398,039)</u>
Total Expenditures	<u>8,205,000</u>	<u>8,205,000</u>	<u>5,416,447</u>	<u>(2,788,553)</u>
Excess of Revenues				
Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE				
Beginning of Year			<u>-</u>	
End of Year			<u>\$ -</u>	

See accompanying Notes to Financial Statements.

(This page intentionally left blank)

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Destination Medical Center Corporation (the Corporation) is a component unit of the City of Rochester, Minnesota, and was incorporated on July 23, 2013. The Corporation was established by the City of Rochester, Minnesota pursuant to Minnesota Statutes Section 469.41 as a Minnesota non-profit corporation. The Corporation was established to benefit the City, and more broadly, Olmsted County and the State of Minnesota by researching, preparing and implementing a master development plan, including facilitating public infrastructure projects and a variety of development and redevelopment projects, all to promote and provide for the establishment of the City, the County, and the State as a world destination medical center.

The Corporation is governed by a Board of Directors consisting of eight directors. The composition of the Board of Directors include the Mayor of the City of Rochester or the Mayor's designee, the City of Rochester Council President or the President's designee, the Chair or another member of the County Board of Olmsted County, a representative of Mayo Clinic, and four directors appointed by the Governor of Minnesota.

Basis of Presentation

The financial statements of the Destination Medical Center Corporation have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America. (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as generally accepted accounting principles in the United States of America for state and local governments.

Financial Reporting Entity

The Corporation was established to oversee the planning and implementation of the Destination Medical Center initiative. The Corporation works with the City of Rochester, Minnesota and the Destination Medical Center Economic Development Agency to prepare and adopt a development plan.

Component units are legally separate entities for which the Corporation (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the Corporation.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statement Presentation

The General Fund of the Destination Medical Center Corporation meets the definition of a Special-Purpose government and is involved in only one program, i.e., economic development. Accordingly, the Corporation is allowed to combine its government-wide statements with the fund statements. At December 31, 2014, and for the year then ended, there were no reconciling items between the two types of statements.

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all financial activities of the Corporation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

1. Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Minnesota Statutes and the U.S. generally accepted accounting principles.
2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The Corporation adopts an annual budget, which is adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). Reported budget amounts represent the original adopted budget as amended by the Board. For 2014, the amount budgeted for the purpose of paying the expenses of the Corporation was \$8,205,000. Actual expenditures of the Corporation were \$5,416,447 resulting in a favorable variance of \$2,788,553.

Assets, Liabilities, and Fund Balance/Net Position

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits in a checking account and repurchase agreement account.

Advances

Advances consist of monies advanced to the Destination Medical Center Economic Development Agency to fund operational expenses.

Due from Other Governments

Due from other governments consists of program costs receivable from the City of Rochester, Minnesota.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

Unearned Revenues

Unearned revenue is prepaid insurance and unspent dollars that were advanced to the Destination Medical Center Economic Development Agency.

Fund Balance

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned. The Corporation currently only reports unassigned fund balance. Restricted fund balances are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balance represents constraints on spending that the Corporation imposes upon itself by high-level formal action prior to the close of the fiscal period. The Board of Directors authorizes all assigned fund balances and their intended uses. Unassigned fund balances are considered remaining amounts.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, it is the Corporation's policy to use restricted fund balance first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned and unassigned cash fund balance is available, it is the Corporation's policy to use committed first, then assigned and finally unassigned cash fund balance.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenditures

Revenues

Intergovernmental revenues are reported under the legal and contractual requirements of the individual programs. Generally, grant revenues are recognized when the corresponding expenditures are incurred. The intergovernmental revenues are entirely provided by the City of Rochester, Minnesota.

Investment income is recognized when earned, since it is measurable and available.

Expenditures

Expenditure recognition in the General Fund includes only amounts represented by current liabilities. Non-current liabilities are not recognized as governmental fund type expenditures or fund liabilities.

Net Position

Net position represents the difference between assets and liabilities in the Government-wide financial statements. Net position is reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with Minnesota Statutes, the Corporation maintains deposits at depository banks as authorized by the Corporation's Board of Directors.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned in full. The Corporation's deposit policy for custodial credit risk follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

The Corporation's deposits in banks at December 31, 2014 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota statutes.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

The Corporation may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rated "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The Corporation's investments consisted of a repurchase agreement with Wells Fargo Bank, N.A. having a balance of \$2,740 at December 31, 2014. The securities sold to the Corporation include US Agency Bonds with a AAA rating. The repurchase agreement bears interest at .02% and matures overnight. As such, the repurchase agreement is presented as a cash equivalent in the financial statements.

Interest Rate Risk – This is the risk that arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Corporation's investment policy limits investments to a maturity of one year, or lesser period that coincides with expected disbursements by the Corporation. Operating reserves may be invested in securities with a maximum maturity of up to three years.

Custodial Credit Risk – Investments – For an investment, this is that risk that, in the event of a failure by the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Corporation's investment policy requires that investment balances be fully collateralized. As of December 31, 2014, the securities underlying the repurchase agreement are held by the counterparty in the Corporation's name.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2014, the Corporation had the following deposits and investments:

Deposits	\$ -
Repurchase Agreement - Wells Fargo Bank, N.A.	<u>2,740</u>
Total Cash and Investments	<u><u>\$ 2,740</u></u>

NOTE 3 RISK MANAGEMENT

The Corporation is exposed to various risks of loss related to torts, theft of assets, or errors and omissions. The Corporation purchases commercial insurance coverage for such risks.

NOTE 4 RELATED ORGANIZATION

The Destination Medical Center Economic Development Agency (DMC EDA), a related Minnesota non-profit corporation, was established by the Mayo Clinic pursuant to Minnesota Statutes Section 469.43. The Corporation does not have a voting majority of the board of directors of DMC EDA, which is considered a stand-alone entity apart from the Corporation and thus, excluded from the Corporation's financial statements. Separate financial statements are issued for the DMC EDA.

NOTE 5 CONTINGENT LIABILITIES AND COMMITMENTS

The Corporation is responsible for the funding of the ongoing consulting commitments for work on the creation of the Destination Medical Center Development Plan that has been entered into by the Destination Medical Center Economic Development Agency and consultants. At year-end the Corporation's remaining commitments with consultants is \$565,654. These commitments will be funded by contributions from the City of Rochester, Minnesota.

The Corporation receives financial assistance from state and local governmental agencies. The disbursement of funds received under these programs generally require compliance with the terms and conditions specified in the agreements and are subject to audit by the funding agencies, regulators and other oversight agencies. Any disallowed claims resulting from such audits could become a liability of the Corporation. Management is not aware of any disallowed claims at this time.

SECTION II
COMPLIANCE LETTERS

(This page intentionally left blank)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Destination Medical Center Corporation, a component unit of the City of Rochester, Minnesota, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Destination Medical Center Corporation's basic financial statements, and have issued our report thereon dated June 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Destination Medical Center Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Destination Medical Center Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Destination Medical Center Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

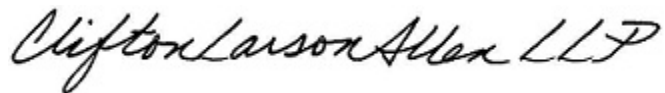
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Destination Medical Center Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Austin, Minnesota
June 16, 2015

INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Destination Medical Center Corporation, as of and for the year ended December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated June 16, 2015.

The Minnesota Legal Compliance Audit Guide for Political Subdivisions promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65 covers seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing.

In connection with our audit, nothing came to our attention that caused us to believe that the Destination Medical Center Corporation failed to comply with the provisions of the Minnesota Legal Compliance Audit Guide for Political Subdivisions promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Destination Medical Center Corporation's noncompliance with the above-referenced provisions.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Austin, Minnesota
June 16, 2015

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

We have audited the financial statements of the governmental activities and the major fund of the Destination Medical Center Corporation (the Corporation) for the year ended December 31, 2014, and have issued our report thereon dated June 16, 2015. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements.

We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected Misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Issues Discussed with Management Prior to Engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

This communication is intended solely for the use of the Board of Directors and the management of the Corporation and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Austin, Minnesota
June 16, 2015

DRAFT

DMCC Proposal to McKnight Foundation

- I. Purpose of Proposal: to request assistance from the McKnight Foundation to facilitate a discussion and workshop between and among stakeholders of the Destination Medical Center initiative that will:
 - A. Educate Board and stakeholders on current context and opportunities for advanced energy and sustainability infrastructure investments;
 - B. Produce a coordinated strategy and operating principles that inform and guide public infrastructure investments and explore parallel processes in the region for potential synergies;
 - C. Identify metrics by which environmental, health, social and economic benefits can be measured arising from an energy and sustainability strategy and framework; and
 - D. Identify key opportunities for ongoing stakeholder input going forward.
- II. Schedules and Agendas
 - A. Review and Approval of Proposal by DMCC Board: July 30
 - B. Initial briefing of DMCC Board: August 27
 1. Interview stakeholders prior to this meeting
 - a. City
 - b. County
 - c. RPU
 - d. Mayo Clinic
 - e. University of Minnesota
 - f. Other Interested Parties
 2. Educate Board through facilitated discussions regarding options for coordinated development and investment in three priority areas: Discovery Square, Heart of the City and transportation
 - a. Options should be anchored in Development Plan
 - Energy**
Sustainability Vision: Implement the most progressive, responsive, and resilient district energy network in the country

Sustainability Goals:
 - 1) Create a clean, reliable and flexible energy network through upgraded infrastructure,

DRAFT

new efficient systems and the optimization of renewables

- 2) Create a new ethos and culture of conservation at the Destination Medical Center
- 3) Provide building and district guidelines for future expansion and existing building renovations and retrofits

Source: DMC Development Plan Section 6.0 – Master Plan, Page 73

Climate

Sustainability Vision: Achieve climate neutrality across the Destination Medical Center

Sustainability Goals:

- 1) Create a new culture of conservation
- 2) Provide building, site, and transportation guidelines for future expansion and existing buildings and retrofits
- 3) Position buildings to optimize daylighting

Source: DMC Development Plan Section 6.0 – Master Plan, Page 75

b. Options should be detailed and forward-looking

3. Obtain DMCC direction on certain criteria, deliverables

4. Obtain DMCC direction on shared vision

a. Where should DMCC lead, partner or facilitate?

C. Stakeholder Workshop: September

1. Opportunity to bring in other community members, stakeholders

2. Objectives:

- a. Review best practices
- b. Understand each stakeholder's needs and goals
- c. Identify areas of alignment
- d. Identify opportunities to collaborate
- e. Use materials to screen projects

D. Report and Summary: DMCC Board meeting on October 29



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 2014 Budget
- 8.0 Other Information



JUNE 2015

Hammes Company

Major Accomplishments / Last 30 Days

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

- Collaborated with the City to develop the draft project application form and approval process with the City
- The DMC EDA began implementation of the website redesign
- The DMC EDA is in the final steps of hiring the DMC EDA staff positions
- There were 113 media stories this month on the DMC



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 complete the website redesign
- The DMC EDA will support the City/County on transportation planning issues and engagement of a consultant
- The DMC EDA will gather and prepare resource materials to develop a packet that will be available to the various development interests
- The DMC EDA will continue to work with the City to develop the Evaluation Report for DMC project funding
- The DMC EDA will focus communications on elevating awareness through outreach across the state and nationally building support for the DMC



Monthly Progress Report

JUNE, 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 is building the tools and processes that are necessary to successfully transition into the implementation phase of the DMC initiative.
- The DMC EDA, in coordination with the City, is tracking DMC Development District potential project activity. Updates will be presented to the DMCC Board.
- Reviewed and refined the DMC EDA's Workplan for 2016, which is focused on DMCC Board-identified priorities: Heart of the City, Discovery Square and Transportation initiatives. This will be submitted with the DMC EDA's budget request.

FINANCE

- The DMC EDA has received its 501(c)(3) tax-exempt status and will be proceeding with related IRS tax returns.
- The DMC EDA's auditor has completed the 2014 audit.
- The DMC EDA is well positioned to move forward with financial and accounting functions for 2015.
- The completion and closeout of the DMC EDA Development Plan budget is ongoing, with the last of the remaining invoices being processed. The reports are included in this June Monthly Report.

BUSINESS / ECONOMIC DEVELOPMENT

- The DMC EDA is conducting market research of the best practices of comparable economic development agencies in the U.S.
- Strategic planning is underway for business development and marketing outreach efforts; the DMC EDA contemplates a more fulsome effort to evolve the DMC brand identity and create marketing/collateral materials highlighting Heart of City and Discovery Square.
- Work Groups are continuing to participate in meetings to coordinate and advance the DMC Mission, Vision and Objectives set forth in the Development Plan. Specifically, the DMC EDA has proposed a flow chart of the process for DMC funding for private interests, in which the DMC EDA and City will work cooperatively to meet the needs of private development interests and create a seamless process or DMC funding and City land use/permitting processes.
- The DMC EDA is preparing a template of its project recommendation and full evaluation report form for private development projects.
- The DMC EDA is working to finalize a packet of resources and materials that will be available to private development interests to explain the DMC Vision and DMC funding program.

EDA OPERATIONS

- The DMC EDA added a new Executive Assistant staff position.
- The Finance Director and Economic Development Director will be finalized soon.
- The DMC EDA made progress on establishing its operational processes and procedures.
- The DMC EDA will be moving into its permanent offices in September 2015.

COMMUNICATIONS AND PUBLIC RELATIONS

- For June, Communications focused on supporting DMC EDA/DMCC's transition from the planning to implementation phase, along with finalizing the regional outreach to businesses and outstate communities, and continued media strategy.
- Media results - 113 media stories in the last month.
 - Topics included: Diversity goals, legislative activity, development, the arts, and Discovery Square.

COMMUNITY ENGAGEMENT

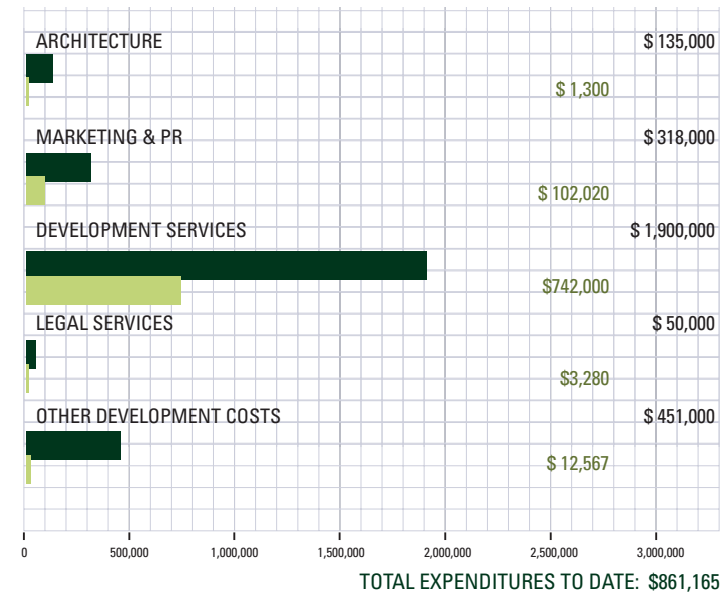
- The DMC EDA continues to connect similar mission groups to build capacity and a collective voice around key community topics.
- The DMC EDA conducted a number of outreach presentations with DMC ambassadors, brown bags lunches, etc., to inform and set expectations of "what is next" for DMC.
- The DMC EDA continued to partner and work with Community Connectors, leaders and community initiatives.
- The DMC EDA further developed the stakeholder engagement strategy around the DMC Implementation Phase.

JUNE 30, 2015

MASTER PROJECT BUDGET

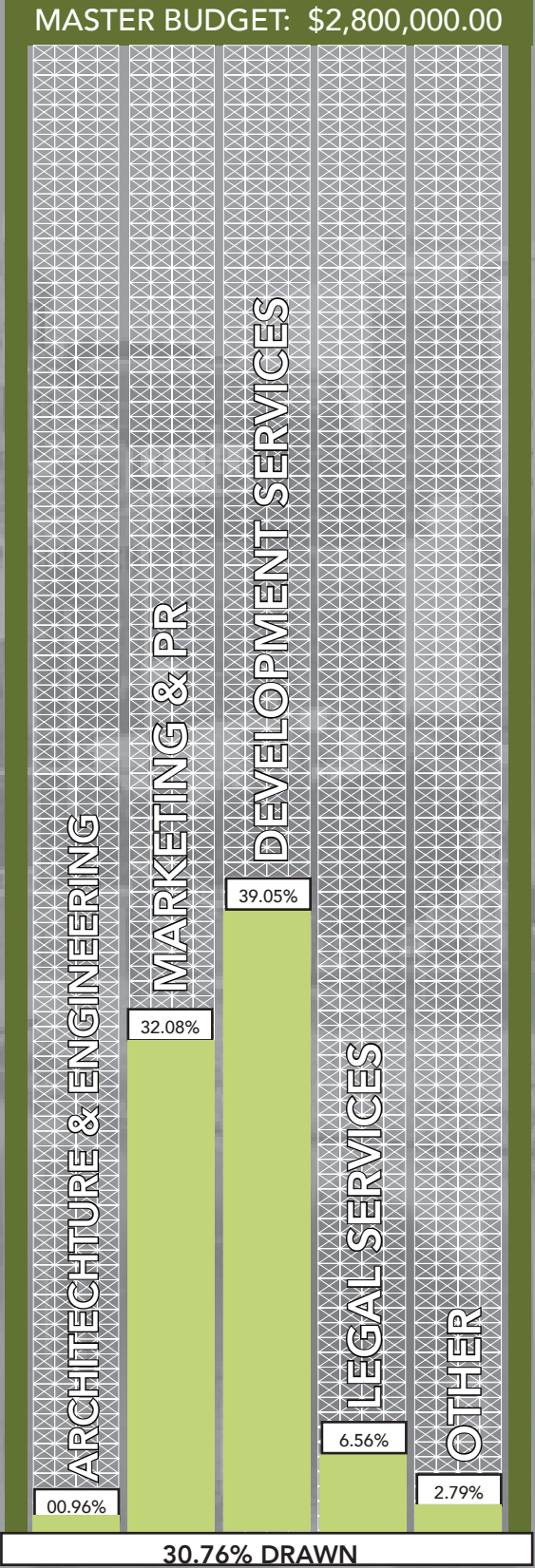
SOURCES OF FUNDS:	Current Application
City Contribution	\$2,800,000
TOTAL SOURCES	\$2,800,000
USES OF FUNDS:	Current Application
Architecture	\$1,300
Marketing & PR	\$102,020
Development Services	\$742,000
Legal Services	\$3,280
Other Development Costs	\$12,567
TOTAL WORK IN PLACE	\$861,165
BALANCE TO COMPLETE	\$1,938,834
COMMITTED COSTS	\$2,304,353
UNCOMMITTED COSTS	\$495,647
TOTAL USES OF FUNDS	\$2,800,000

* 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.



■ COMMITTED COSTS
■ ACTUAL EXPENDITURES TO DATE

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 #1 **June 30, 2015**

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

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

MASTER PROJECT BUDGET #1 **June 30, 2015**

Division	Description	Final Projected Cost	Notes
	DEVELOPMENT COSTS		
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	
	Subtotal	\$2,800,000.00	
	PROJECT CONTINGENCY		
90-00-000	Project Contingency	\$0.00	
	Subtotal	\$0.00	
	PROJECT TOTAL	\$2,800,000.00	

DETAIL MASTER PROJECT BUDGET #1 **June 30, 2015**

Division	Description	Final Projected Cost - Detail	Final Projected Cost	Notes
DEVELOPMENT COSTS				
40-05-000	Architecture & Engineering		\$135,000.00	
40-05-300	Planning Services, Architecture, Engineering	\$135,000.00		
40-25-000	Marketing & Public Relations		\$318,000.00	
40-25-300	Communications, Marketing & PR	\$108,000.00		
40-25-310	Public Relations & Communications	\$210,000.00		
40-30-000	Development Services		\$1,900,000.00	
40-30-300	Development Services	\$1,860,000.00		
40-30-310	Financial, Accounting & Investment Services	\$40,000.00		
40-35-000	Legal Services		\$50,000.00	
40-35-300	Legal Services	\$50,000.00		
40-90-000	Other Development Costs		\$397,000.00	
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		
	Subtotal		\$2,800,000.00	
PROJECT CONTINGENCY				
90-00-000	Project Contingency		\$0.00	
	Subtotal		\$0.00	
	PROJECT TOTAL		\$2,800,000.00	

3.0 BUDGET ALLOCATION REPORT

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

BUDGET ALLOCATION REPORT #1

June 30, 2015

Revision No	Revision Date	Division	Division Description	Revision Description	Revision Amount	Revision To	Revision Method	Requested By	Entered By
0001	6/19/2015	00-30-005	City Contribution	To establish original MPB	\$2,800,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-05-300	Planning Services, Architecture, En	To establish original MPB	\$135,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-25-300	Communications, Marketing & PR	To establish original MPB	\$108,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-25-310	Public Relations & Communication	To establish original MPB	\$210,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-30-300	Development Services	To establish original MPB	\$1,860,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-30-310	Financial, Accounting & Investmen	To establish original MPB	\$40,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-35-300	Legal Services	To establish original MPB	\$50,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-90-115	Payroll, Staff, Administration & Ber	To establish original MPB	\$218,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-90-120	General Expenses-EDA	To establish original MPB	\$79,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	40-90-300	Reimbursable Expenses	To establish original MPB	\$100,000.00	Both GMP & FPC	New Amount		PAS
0001	6/19/2015	90-00-000	Project Contingency	To establish original MPB	\$0.00	Both GMP & FPC	New Amount		PAS

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

4.0 COST REPORT

The following Cost Report is included herein as Section 4.0.

COST REPORT #1

June 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
	DEVELOPMENT COSTS										
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	\$102,019.94	32.08%
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	\$742,000.00	39.05%
40-35-000	Legal Services	\$50,000.00	\$3,279.50	\$0.00	\$3,279.50	\$0.00	\$46,720.50	\$50,000.00	\$0.00	\$3,279.50	6.56%
40-90-000	Other Development Costs	\$397,000.00	\$39,166.97	\$0.00	\$39,166.97	\$0.00	\$357,833.03	\$397,000.00	\$0.00	\$12,566.97	3.17%
	Subtotal	\$2,800,000.00	\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$495,646.86	\$2,800,000.00	\$0.00	\$861,165.98	30.76%
	PROJECT CONTINGENCY										
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$2,800,000.00	\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$495,646.86	\$2,800,000.00	\$0.00	\$861,165.98	30.76%

DETAIL COST REPORT #1

June 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
DEVELOPMENT COSTS											
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	\$102,019.94	32.08%
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	\$91,012.50	84.27%
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	\$11,007.44	5.24%
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	\$742,000.00	39.05%
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	\$740,000.00	39.78%
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	\$3,279.50	\$0.00	\$3,279.50	\$0.00	\$46,720.50	\$50,000.00	\$0.00	\$3,279.50	6.56%
40-35-300	Legal Services	\$50,000.00	\$3,279.50	\$0.00	\$3,279.50	\$0.00	\$46,720.50	\$50,000.00	\$0.00	\$3,279.50	6.56%
40-90-000	Other Development Costs	\$397,000.00	\$39,166.97	\$0.00	\$39,166.97	\$0.00	\$357,833.03	\$397,000.00	\$0.00	\$12,566.97	3.17%
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	\$1,166.97	\$0.00	\$1,166.97	\$0.00	\$77,833.03	\$79,000.00	\$0.00	\$1,166.97	1.48%
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	\$11,400.00	11.40%
	Subtotal	\$2,800,000.00	\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$495,646.86	\$2,800,000.00	\$0.00	\$861,165.98	30.76%
PROJECT CONTINGENCY											
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$2,800,000.00	\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$495,646.86	\$2,800,000.00	\$0.00	\$861,165.98	30.76%

5.0 CONTRACT SUMMARY REPORT

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

CONTRACT SUMMARY REPORT #1

June 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									
DEVELOPMENT COSTS											
40-05-000	Architecture & Engineering					\$13,390.47	\$0.00	\$13,390.47	\$0.00	\$1,299.57	9.71%
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%
40-25-000	Marketing & Public Relations					\$386,516.20	\$0.00	\$386,516.20	\$0.00	\$102,019.94	26.39%
40-25-300	Communications, Marketing & PR	X		HIMLE RAPP & CO., INC.	4017	\$255,000.00	\$0.00	\$255,000.00	\$0.00	\$90,000.00	35.29%
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	\$3,097.44	7.55%
40-25-310	Public Relations & Communications	X		SAM SMITH	4030	\$72,240.00	\$0.00	\$72,240.00	\$0.00	\$7,910.00	10.95%
40-30-000	Development Services					\$1,862,000.00	\$0.00	\$1,862,000.00	\$0.00	\$742,000.00	39.85%
40-30-300	Development Services	X		HAMMES COMPANY SPORTS DEVEL.	DMA	\$1,860,000.00	\$0.00	\$1,860,000.00	\$0.00	\$740,000.00	39.78%
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%
40-35-000	Legal Services					\$3,279.50	\$0.00	\$3,279.50	\$0.00	\$3,279.50	100.00%
40-35-300	Legal Services	X		MICHAEL BEST & FRIEDRICH LLP	4021	\$3,279.50	\$0.00	\$3,279.50	\$0.00	\$3,279.50	100.00%
40-90-000	Other Development Costs					\$39,166.97	\$0.00	\$39,166.97	\$0.00	\$12,566.97	32.09%
40-90-120	General Expenses-EDA	X		CWS, INC.	4033	\$900.00	\$0.00	\$900.00	\$0.00	\$900.00	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	\$11,400.00	30.00%
	Subtotal					\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$861,165.98	37.37%
PROJECT CONTINGENCY											
90-00-000	Project Contingency					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL					\$2,304,353.14	\$0.00	\$2,304,353.14	\$0.00	\$861,165.98	37.37%

6.0 MASTER APPLICATION FOR PAYMENT

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

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.: 1 Application Date: June 1, 2015 Hammes Project No: 40050-06 Period From: May 1, 2015 Period To: May 31, 2015 Project Name: DMC Economic Development Agency (2015)	Please Remit To: Acct Name: Acct No: Bank: Notify:
---	---	---

PROJECT MANAGER:

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

Signed By: _____
 Hammes Company Sports Development, Inc.
 Date: June 1, 2015
 Name: Robert P. Dunn

SOURCES OF FUNDS:	Current Application
City Contribution	\$ 861,165.98
CURRENT SOURCES OF FUNDS	\$ 861,165.98
USES OF FUNDS:	Current Application
40 - Development Costs	\$ 861,165.98
50 - Financing Costs	\$ -
60 - Other Project Costs	\$ -
90 - Project Contingency	\$ -
CURRENT USES OF FUNDS	\$ 861,165.98

STATEMENT OF PROJECT:

ORIGINAL MASTER PROJECT BUDGET	\$ 2,800,000.00
CURRENT MASTER PROJECT BUDGET	\$ 2,800,000.00
<hr/>	
TOTAL COMPLETED & STORED TO DATE	\$ 861,165.98
RETAINAGE TO DATE	\$ -
TOTAL COMPLETED LESS RETAINAGE	\$ 861,165.98
LESS PREVIOUS REQUESTS	\$ -
CURRENT AMOUNT DUE (A + B)	\$ 861,165.98
<hr/>	
CURRENT PAYMENTS DUE (A)	\$ 861,165.98
DIRECT OWNER PURCHASES DUE (B)	\$ -

APPROVALS:

 EDA: _____ Date _____

 DMCC: _____ Date _____

DETAIL SOURCES AND USES REPORT #1

June 1, 2015

Division	Description	Final Projected Cost	Previous Billings	Current Billing	Total Billed To Date	Balance to Complete
SOURCES OF FUNDS						
00-30-005	City Contribution	\$2,800,000.00	\$0.00	\$861,165.98	\$861,165.98	\$1,938,834.02
	Total Sources of Funds	\$2,800,000.00	\$0.00	\$861,165.98	\$861,165.98	\$1,938,834.02
USES OF FUNDS						
40-00-000	Development Costs	\$2,800,000.00	\$0.00	\$861,165.98	\$861,165.98	\$1,938,834.02
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Uses of Funds	\$2,800,000.00	\$0.00	\$861,165.98	\$861,165.98	\$1,938,834.02

**DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY (2015)**

MASTER APPLICATION FOR PAYMENT DETAIL #1

June 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
	DEVELOPMENT COSTS										
40-05-000	Architecture & Engineering			\$0.00	\$1,299.57	\$0.00	\$1,299.57	9.71%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	CARROLL, FRANCK & ASSOCIATES	4020	\$0.00	\$1,299.57	\$0.00	\$1,299.57	9.71%	\$0.00	\$0.00	\$0.00
40-25-000	Marketing & Public Relations			\$0.00	\$102,019.94	\$0.00	\$102,019.94	26.39%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	HIMLE RAPP & CO., INC.	4017	\$0.00	\$90,000.00	\$0.00	\$90,000.00	35.29%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	GINA MARIA CHIRI-OSMOND	4027	\$0.00	\$1,012.50	\$0.00	\$1,012.50	5.56%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	BRANDHOOT	4016	\$0.00	\$3,097.44	\$0.00	\$3,097.44	7.55%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	SAM SMITH	4030	\$0.00	\$7,910.00	\$0.00	\$7,910.00	10.95%	\$0.00	\$0.00	\$0.00
40-30-000	Development Services			\$0.00	\$742,000.00	\$0.00	\$742,000.00	39.85%	\$0.00	\$0.00	\$0.00
40-30-300	Development Services	HAMMES COMPANY SPORTS DEVEL.	DMA	\$0.00	\$740,000.00	\$0.00	\$740,000.00	39.78%	\$0.00	\$0.00	\$0.00
40-30-310	Financial, Accounting & Investment Services	CLIFTONLARSONALLEN LLP	4041	\$0.00	\$2,000.00	\$0.00	\$2,000.00	100.00%	\$0.00	\$0.00	\$0.00
40-35-000	Legal Services			\$0.00	\$3,279.50	\$0.00	\$3,279.50	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	MICHAEL BEST & FRIEDRICH LLP	4021	\$0.00	\$3,279.50	\$0.00	\$3,279.50	100.00%	\$0.00	\$0.00	\$0.00
40-90-000	Other Development Costs			\$0.00	\$12,566.97	\$0.00	\$12,566.97	32.09%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CWS, INC.	4033	\$0.00	\$900.00	\$0.00	\$900.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	DELUXE BUSINESS PRODUCTS	4042	\$0.00	\$266.97	\$0.00	\$266.97	100.00%	\$0.00	\$0.00	\$0.00
40-90-300	Reimbursable Expenses	HAMMES COMPANY SPORTS DEVEL.	DMA	\$0.00	\$11,400.00	\$0.00	\$11,400.00	30.00%	\$0.00	\$0.00	\$0.00
	Subtotal			\$0.00	\$861,165.98	\$0.00	\$861,165.98	37.37%	\$0.00	\$0.00	\$0.00
	PROJECT CONTINGENCY										
90-00-000	Project Contingency			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	Subtotal			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	PROJECT TOTAL			\$0.00	\$861,165.98	\$0.00	\$861,165.98		\$0.00	\$0.00	\$0.00

	Current Work In Place	Direct Owner Purchase	Total Current Work
Current Work In Place	\$861,165.98	\$0.00	\$861,165.98
Less Current Retainage Held	\$0.00	\$0.00	\$0.00
Net Amount Due	\$861,165.98	\$0.00	\$861,165.98

DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY (2015)

INVOICE SUMMARY REPORT #1

June 1, 2015

Vendor Name	Description	Invoice No	Invoice Date	Invoice Amount	Retainage Held	Amount Due	Approval
BRANDHOOT	Public Relations and Communications	1313	5/30/2015	\$3,097.44	\$0.00	\$3,097.44	
CARROLL, FRANCK & ASSOCIATES	Advisory Services	#2325	5/14/2015	\$1,299.57	\$0.00	\$1,299.57	
CLIFTONLARSONALLEN LLP	Audit Services	1061554	5/29/2015	\$2,000.00	\$0.00	\$2,000.00	
CWS, INC.	Hosting Services	CW-77553	3/19/2015	\$225.00	\$0.00	\$225.00	
CWS, INC.	Hosting Services	CW-77656	4/3/2015	\$225.00	\$0.00	\$225.00	
CWS, INC.	Hosting Services	CW-77812	4/24/2015	\$225.00	\$0.00	\$225.00	
CWS, INC.	Hosting Services	CW-78169	6/19/2015	\$225.00	\$0.00	\$225.00	
DELUXE BUSINESS PRODUCTS	Office Supplies	04212015	4/21/2015	\$266.97	\$0.00	\$266.97	
GINA MARIA CHIRI-OSMOND	Communications & PR	103	2/28/2015	\$825.00	\$0.00	\$825.00	
GINA MARIA CHIRI-OSMOND	Communications & PR	104	3/17/2015	\$187.50	\$0.00	\$187.50	
HAMMES COMPANY SPORTS DEVEL.	Development Manager Agreement	5005-013	4/1/2015	\$303,800.00	\$0.00	\$303,800.00	
HAMMES COMPANY SPORTS DEVEL.	Development Manager Agreement	5005-014	5/1/2015	\$223,800.00	\$0.00	\$223,800.00	
HAMMES COMPANY SPORTS DEVEL.	Development Manager Agreement	5005-015	6/1/2015	\$223,800.00	\$0.00	\$223,800.00	
HIMLE RAPP & CO., INC.	Consulting Services-Strategy	0315	6/19/2015	\$30,000.00	\$0.00	\$30,000.00	
HIMLE RAPP & CO., INC.	Consulting Services-Strategy	0415	6/19/2015	\$30,000.00	\$0.00	\$30,000.00	
HIMLE RAPP & CO., INC.	Consulting Services-Strategy	0515	6/19/2015	\$30,000.00	\$0.00	\$30,000.00	
MICHAEL BEST & FRIEDRICH LLP	Legal Services	1346858	5/19/2015	\$3,192.50	\$0.00	\$3,192.50	
MICHAEL BEST & FRIEDRICH LLP	Legal Services	1346859	5/19/2015	\$87.00	\$0.00	\$87.00	
SAM SMITH	Social Media	March 2015	3/31/2015	\$2,380.00	\$0.00	\$2,380.00	
SAM SMITH	Social Media	April 2015	4/30/2015	\$2,870.00	\$0.00	\$2,870.00	
SAM SMITH	Social Media	May 2015	5/31/2015	\$2,660.00	\$0.00	\$2,660.00	
GRAND TOTAL				\$861,165.98	\$0.00	\$861,165.98	

7.0 2014 BUDGET

The following are the Master Application for Payment #14 reports for the 2014 Budget.

SOURCES AND USES REPORT #14 **June 30, 2015**

SOURCES OF FUNDS		
00-30-005	City Contribution	\$ 7,319,000.00
TOTAL SOURCES OF FUNDS		\$ 7,319,000.00

USES OF FUNDS		
40-00-000	Development Costs	\$ 7,319,000.00
90-00-000	Project Contingency	\$ -
TOTAL USES OF FUNDS		\$ 7,319,000.00

MASTER PROJECT BUDGET #14 **June 30, 2015**

Division	Description	Final Projected Cost	Notes
	DEVELOPMENT COSTS		
40-05-000	Architecture & Engineering	\$2,405,845.14	
40-25-000	Marketing & Public Relations	\$790,000.00	
40-30-000	Development Services	\$2,350,000.00	
40-35-000	Legal Services	\$451,849.65	
40-55-000	Misc Professional Services	\$376,310.80	
40-90-000	Other Development Costs	\$944,994.41	
	Subtotal	\$7,319,000.00	
	PROJECT CONTINGENCY		
90-00-000	Project Contingency	\$0.00	
	Subtotal	\$0.00	
	PROJECT TOTAL	\$7,319,000.00	

DETAIL MASTER PROJECT BUDGET #14 June 30, 2015

Division	Description	Final Projected Cost - Detail	Final Projected Cost	Notes
DEVELOPMENT COSTS				
40-05-000	Architecture & Engineering		\$2,405,845.14	
40-05-300	Planning Services, Architecture, Engineering	\$2,405,845.14		
40-25-000	Marketing & Public Relations		\$790,000.00	
40-25-300	Communications, Marketing & PR	\$545,000.00		
40-25-310	Public Relations & Communications	\$245,000.00		
40-30-000	Development Services		\$2,350,000.00	
40-30-300	Development Services	\$1,675,000.00		
40-30-310	Financial, Accounting & Investment Services	\$675,000.00		
40-35-000	Legal Services		\$451,849.65	
40-35-300	Legal Services	\$451,849.65		
40-55-000	Misc Professional Services		\$376,310.80	
40-55-300	Economic Analysis, Market Research, Reports	\$359,106.35		
40-55-310	Other Professional Services & Project Costs	\$17,204.45		
40-90-000	Other Development Costs		\$944,994.41	
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$460,000.00		
40-90-120	General Expenses-EDA	\$355,150.35		
40-90-300	Reimbursable Expenses	\$129,844.06		
	Subtotal		\$7,319,000.00	
PROJECT CONTINGENCY				
90-00-000	Project Contingency		\$0.00	
	Subtotal		\$0.00	

DETAIL MASTER PROJECT BUDGET #14 June 30, 2015

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

BUDGET ALLOCATION REPORT #14

June 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

COST REPORT #14

June 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
	DEVELOPMENT COSTS										
40-05-000	Architecture & Engineering	\$2,431,000.00	\$1,545,921.60	\$94,900.87	\$1,640,822.47	\$0.00	\$765,022.67	\$2,405,845.14	(\$25,154.86)	\$1,625,727.69	67.57%
40-25-000	Marketing & Public Relations	\$790,000.00	\$247,563.05	\$160,036.72	\$407,599.77	\$0.00	\$382,400.23	\$790,000.00	\$0.00	\$407,428.03	51.57%
40-30-000	Development Services	\$2,350,000.00	\$2,300,000.00	\$0.00	\$2,300,000.00	\$0.00	\$50,000.00	\$2,350,000.00	\$0.00	\$2,300,000.00	97.87%
40-35-000	Legal Services	\$425,000.00	\$126,208.01	\$325,641.64	\$451,849.65	\$0.00	\$0.00	\$451,849.65	\$26,849.65	\$451,849.65	100.00%
40-55-000	Misc Professional Services	\$451,000.00	\$298,473.00	\$57,783.35	\$356,256.35	\$0.00	\$20,054.45	\$376,310.80	(\$74,689.20)	\$352,060.29	93.56%
40-90-000	Other Development Costs	\$872,000.00	\$182,504.02	\$162,034.61	\$344,538.63	\$0.00	\$600,455.78	\$944,994.41	\$72,994.41	\$344,538.63	36.46%
	Subtotal	\$7,319,000.00	\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$1,817,933.13	\$7,319,000.00	\$0.00	\$5,481,604.29	74.90%
	PROJECT CONTINGENCY										
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$7,319,000.00	\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$1,817,933.13	\$7,319,000.00	\$0.00	\$5,481,604.29	74.90%

DETAIL COST REPORT #14

June 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
DEVELOPMENT COSTS											
40-05-000	Architecture & Engineering	\$2,431,000.00	\$1,545,921.60	\$94,900.87	\$1,640,822.47	\$0.00	\$765,022.67	\$2,405,845.14	(\$25,154.86)	\$1,625,727.69	67.57%
40-05-300	Planning Services, Architecture, Engineering	\$2,431,000.00	\$1,545,921.60	\$94,900.87	\$1,640,822.47	\$0.00	\$765,022.67	\$2,405,845.14	(\$25,154.86)	\$1,625,727.69	67.57%
40-25-000	Marketing & Public Relations	\$790,000.00	\$247,563.05	\$160,036.72	\$407,599.77	\$0.00	\$382,400.23	\$790,000.00	\$0.00	\$407,428.03	51.57%
40-25-300	Communications, Marketing & PR	\$545,000.00	\$183,137.76	\$135,326.90	\$318,464.66	\$0.00	\$226,535.34	\$545,000.00	\$0.00	\$318,463.16	58.43%
40-25-310	Public Relations & Communications	\$245,000.00	\$64,425.29	\$24,709.82	\$89,135.11	\$0.00	\$155,864.89	\$245,000.00	\$0.00	\$88,964.87	36.31%
40-30-000	Development Services	\$2,350,000.00	\$2,300,000.00	\$0.00	\$2,300,000.00	\$0.00	\$50,000.00	\$2,350,000.00	\$0.00	\$2,300,000.00	97.87%
40-30-300	Development Services	\$1,675,000.00	\$1,675,000.00	\$0.00	\$1,675,000.00	\$0.00	\$0.00	\$1,675,000.00	\$0.00	\$1,675,000.00	100.00%
40-30-310	Financial, Accounting & Investment Services	\$675,000.00	\$625,000.00	\$0.00	\$625,000.00	\$0.00	\$50,000.00	\$675,000.00	\$0.00	\$625,000.00	92.59%
40-35-000	Legal Services	\$425,000.00	\$126,208.01	\$325,641.64	\$451,849.65	\$0.00	\$0.00	\$451,849.65	\$26,849.65	\$451,849.65	100.00%
40-35-300	Legal Services	\$425,000.00	\$126,208.01	\$325,641.64	\$451,849.65	\$0.00	\$0.00	\$451,849.65	\$26,849.65	\$451,849.65	100.00%
40-55-000	Misc Professional Services	\$451,000.00	\$298,473.00	\$57,783.35	\$356,256.35	\$0.00	\$20,054.45	\$376,310.80	(\$74,689.20)	\$352,060.29	93.56%
40-55-300	Economic Analysis, Market Research, Reports	\$351,000.00	\$298,473.00	\$57,783.35	\$356,256.35	\$0.00	\$2,850.00	\$359,106.35	\$8,106.35	\$352,060.29	98.04%
40-55-310	Other Professional Services & Project Costs	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,204.45	\$17,204.45	(\$82,795.55)	\$0.00	0.00%
40-90-000	Other Development Costs	\$872,000.00	\$182,504.02	\$162,034.61	\$344,538.63	\$0.00	\$600,455.78	\$944,994.41	\$72,994.41	\$344,538.63	36.46%
40-90-115	Payroll, Staff, Administration & Benefits-EDA	\$460,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$460,000.00	\$460,000.00	\$0.00	\$0.00	0.00%
40-90-120	General Expenses-EDA	\$382,000.00	\$182,504.02	\$32,190.55	\$214,694.57	\$0.00	\$140,455.78	\$355,150.35	(\$26,849.65)	\$214,694.57	60.45%
40-90-300	Reimbursable Expenses	\$30,000.00	\$0.00	\$129,844.06	\$129,844.06	\$0.00	\$0.00	\$129,844.06	\$99,844.06	\$129,844.06	100.00%
	Subtotal	\$7,319,000.00	\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$1,817,933.13	\$7,319,000.00	\$0.00	\$5,481,604.29	74.90%
PROJECT CONTINGENCY											
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL	\$7,319,000.00	\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$1,817,933.13	\$7,319,000.00	\$0.00	\$5,481,604.29	74.90%

CONTRACT SUMMARY REPORT #14

June 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								
DEVELOPMENT COSTS										
40-05-000	Architecture & Engineering				\$1,545,921.60	\$94,900.87	\$1,640,822.47	\$0.00	\$1,625,727.69	99.08%
40-05-300	Planning Services, Architecture, Engineering	X	KIMLEY-HORN AND ASSOC., INC.	4003	\$412,500.00	\$0.00	\$412,500.00	\$0.00	\$399,414.70	96.83%
40-05-300	Planning Services, Architecture, Engineering	X	NELSON/NYGAARD CONSULTING	4004	\$412,941.00	\$27,374.39	\$440,315.39	\$0.00	\$440,276.13	99.99%
40-05-300	Planning Services, Architecture, Engineering	X	PERKINS EASTMAN ARCHITECTS, PC	4005	\$686,000.00	\$47,900.00	\$733,900.00	\$0.00	\$731,929.78	99.73%
40-05-300	Planning Services, Architecture, Engineering	X	ALPHAGRAPHICS	4006	\$794.42	\$14,411.02	\$15,205.44	\$0.00	\$15,205.44	100.00%
40-05-300	Planning Services, Architecture, Engineering	X	MAYO CLINIC	4012	\$2,026.53	\$18,605.93	\$20,632.46	\$0.00	\$20,632.46	100.00%
40-05-300	Planning Services, Architecture, Engineering	X	CARROLL, FRANCK & ASSOCIATES	4020	\$28,000.00	(\$13,390.47)	\$14,609.53	\$0.00	\$14,609.53	100.00%
40-05-300	Planning Services, Architecture, Engineering	X	GARY SMITH	4028	\$1,259.10	\$0.00	\$1,259.10	\$0.00	\$1,259.10	100.00%
40-05-300	Planning Services, Architecture, Engineering	X	JERRY BELL	4029	\$1,844.65	\$0.00	\$1,844.65	\$0.00	\$1,844.65	100.00%
40-05-300	Planning Services, Architecture, Engineering	X	INDIANA HISTORY CENTER	4031	\$555.90	\$0.00	\$555.90	\$0.00	\$555.90	100.00%
40-25-000	Marketing & Public Relations				\$247,563.05	\$160,036.72	\$407,599.77	\$0.00	\$407,428.03	99.96%
40-25-300	Communications, Marketing & PR	X	HIMLE RAPP & CO., INC.	4001	\$28,918.38	\$3,830.44	\$32,748.82	\$0.00	\$32,748.82	100.00%
40-25-300	Communications, Marketing & PR	X	MAYO CLINIC	4012	\$4,275.00	\$9,261.57	\$13,536.57	\$0.00	\$13,536.57	100.00%
40-25-300	Communications, Marketing & PR	X	HIMLE RAPP & CO., INC.	4017	\$143,044.38	\$124,859.89	\$267,904.27	\$0.00	\$267,902.77	100.00%
40-25-300	Communications, Marketing & PR	X	GINA MARIA CHIRI-OSMOND	4027	\$6,900.00	(\$2,625.00)	\$4,275.00	\$0.00	\$4,275.00	100.00%
40-25-310	Public Relations & Communications	X	MAYO CLINIC	4012	\$19,725.29	\$11,329.00	\$31,054.29	\$0.00	\$31,054.29	100.00%
40-25-310	Public Relations & Communications	X	BRANDHOOT	4016	\$27,540.00	\$12,338.80	\$39,878.80	\$0.00	\$39,708.56	99.57%
40-25-310	Public Relations & Communications	X	KNOWBLE MEDIA, LLC	4025	\$4,000.00	\$1,042.02	\$5,042.02	\$0.00	\$5,042.02	100.00%
40-25-310	Public Relations & Communications	X	SAM SMITH	4030	\$13,160.00	\$0.00	\$13,160.00	\$0.00	\$13,160.00	100.00%
40-30-000	Development Services				\$2,300,000.00	\$0.00	\$2,300,000.00	\$0.00	\$2,300,000.00	100.00%
40-30-300	Development Services	X	HAMMES COMPANY SPORTS DEVEL.	DMA	\$1,675,000.00	\$0.00	\$1,675,000.00	\$0.00	\$1,675,000.00	100.00%
40-30-310	Financial, Accounting & Investment Services	X	HAMMES COMPANY SPORTS DEVEL.	DMA	\$625,000.00	\$0.00	\$625,000.00	\$0.00	\$625,000.00	100.00%
40-35-000	Legal Services				\$126,208.01	\$325,641.64	\$451,849.65	\$0.00	\$451,849.65	100.00%
40-35-300	Legal Services	X	FOLEY & LARDNER LLP	4000	\$39,208.01	\$0.00	\$39,208.01	\$0.00	\$39,208.01	100.00%
40-35-300	Legal Services	X	DORSEY & WHITNEY LLP	4015	\$75,000.00	\$288,011.64	\$363,011.64	\$0.00	\$363,011.64	100.00%
40-35-300	Legal Services	X	MICHAEL BEST & FRIEDRICH LLP	4021	\$12,000.00	\$37,630.00	\$49,630.00	\$0.00	\$49,630.00	100.00%
40-55-000	Misc Professional Services				\$298,473.00	\$57,783.35	\$356,256.35	\$0.00	\$352,060.29	98.82%
40-55-300	Economic Analysis, Market Research, Reports	X	AECOM TECHNICAL SERVICES, INC.	4002	\$298,473.00	\$57,783.35	\$356,256.35	\$0.00	\$352,060.29	98.82%
40-90-000	Other Development Costs				\$182,504.02	\$162,034.61	\$344,538.63	\$0.00	\$344,538.63	100.00%
40-90-120	General Expenses-EDA	X	CANADIAN HONKER REST & CATER	4007	\$364.20	\$483.27	\$847.47	\$0.00	\$847.47	100.00%
40-90-120	General Expenses-EDA	X	CATERING BY DESIGN	4008	\$457.94	\$0.00	\$457.94	\$0.00	\$457.94	100.00%
40-90-120	General Expenses-EDA	X	AON RISK SERVICES CENTRAL, INC	4010	\$67,466.17	\$0.00	\$67,466.17	\$0.00	\$67,466.17	100.00%

CONTRACT SUMMARY REPORT #14

June 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								
40-90-120	General Expenses-EDA	X	MAYO CLINIC	4012	\$4,801.01	\$5,672.65	\$10,473.66	\$0.00	\$10,473.66	100.00%
40-90-120	General Expenses-EDA	X	MAYO CIVIC CENTER	4013	\$4,929.24	\$34,695.39	\$39,624.63	\$0.00	\$39,624.63	100.00%
40-90-120	General Expenses-EDA	X	ROCHESTER TROLLEY & TOUR CO	4014	\$550.00	\$400.00	\$950.00	\$0.00	\$950.00	100.00%
40-90-120	General Expenses-EDA	X	CITY MARKET DOWNTOWN	4018	\$420.44	\$1,157.21	\$1,577.65	\$0.00	\$1,577.65	100.00%
40-90-120	General Expenses-EDA	X	TIM PRIEST	4019	\$566.84	\$0.00	\$566.84	\$0.00	\$566.84	100.00%
40-90-120	General Expenses-EDA	X	DAVID HIGGINS	4022	\$95.20	\$0.00	\$95.20	\$0.00	\$95.20	100.00%
40-90-120	General Expenses-EDA	X	PATRICK SEEB	4023	\$766.20	\$0.00	\$766.20	\$0.00	\$766.20	100.00%
40-90-120	General Expenses-EDA	X	HARLEYSVILLE WORCESTER INS. CO	4024	\$1,762.43	\$0.00	\$1,762.43	\$0.00	\$1,762.43	100.00%
40-90-120	General Expenses-EDA	X	MINNEAPOLIS CLUB	4026	\$1,670.27	(\$217.97)	\$1,452.30	\$0.00	\$1,452.30	100.00%
40-90-120	General Expenses-EDA	X	SRI ZAHEER	4032	\$8.00	\$0.00	\$8.00	\$0.00	\$8.00	100.00%
40-90-120	General Expenses-EDA	X	CWS, INC.	4033	\$1,725.00	\$0.00	\$1,725.00	\$0.00	\$1,725.00	100.00%
40-90-120	General Expenses-EDA	X	MINNESOTA DEPT OF REVENUE	4034	\$1,764.00	\$0.00	\$1,764.00	\$0.00	\$1,764.00	100.00%
40-90-120	General Expenses-EDA	X	US TREASURY	4035	\$2,700.00	\$0.00	\$2,700.00	\$0.00	\$2,700.00	100.00%
40-90-120	General Expenses-EDA	X	DAVIES PRINTING COMPANY	4036	\$8,464.00	\$0.00	\$8,464.00	\$0.00	\$8,464.00	100.00%
40-90-120	General Expenses-EDA	X	FAEGRE BAKER DANIELS	4037	\$30,004.05	\$0.00	\$30,004.05	\$0.00	\$30,004.05	100.00%
40-90-120	General Expenses-EDA	X	WINTHROP & WEINSTINE, P.A.	4038	\$20,074.91	\$0.00	\$20,074.91	\$0.00	\$20,074.91	100.00%
40-90-120	General Expenses-EDA	X	MCGRANN SHEA CARNIVAL STRAUGHN & LA	4039	\$22,884.12	\$0.00	\$22,884.12	\$0.00	\$22,884.12	100.00%
40-90-120	General Expenses-EDA	X	LUND TAX & ACCOUNTING	4040	\$1,030.00	\$0.00	\$1,030.00	\$0.00	\$1,030.00	100.00%
40-90-300	Reimbursable Expenses	X	HAMMES COMPANY SPORTS DEVEL.	DMA	\$0.00	\$129,844.06	\$129,844.06	\$0.00	\$129,844.06	100.00%
	Subtotal				\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$5,481,604.29	99.65%
	PROJECT CONTINGENCY									
90-00-000	Project Contingency				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Subtotal				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	PROJECT TOTAL				\$4,700,669.68	\$800,397.19	\$5,501,066.87	\$0.00	\$5,481,604.29	99.65%

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.: 14 Application Date: June 1, 2015 Hammes Project No: 40050-05 Period From: May 1, 2015 Period To: May 31, 2015 Project Name: DMC Economic Development Agency	Please Remit To: Acct Name: Acct No: Bank: Notify:
---	---	---

PROJECT MANAGER:

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

Signed By: _____
Hammes Company Sports Development, Inc.

Date: June 1, 2015

Name: Robert P. Dunn

SOURCES OF FUNDS:	Current Application
City Contribution	\$ 10,548.91
CURRENT SOURCES OF FUNDS	\$ 10,548.91
USES OF FUNDS:	Current Application
40 - Development Costs	\$ 10,548.91
50 - Financing Costs	\$ -
60 - Other Project Costs	\$ -
90 - Project Contingency	\$ -
CURRENT USES OF FUNDS	\$ 10,548.91

STATEMENT OF PROJECT:

ORIGINAL MASTER PROJECT BUDGET	\$ <u>7,319,000.00</u>
CURRENT MASTER PROJECT BUDGET	\$ <u>7,319,000.00</u>
TOTAL COMPLETED & STORED TO DATE	\$ <u>5,481,604.29</u>
RETAINAGE TO DATE	\$ <u>-</u>
TOTAL COMPLETED LESS RETAINAGE	\$ <u>5,481,604.29</u>
LESS PREVIOUS REQUESTS	\$ <u>5,471,055.38</u>
CURRENT AMOUNT DUE (A + B)	\$ <u>10,548.91</u>
CURRENT PAYMENTS DUE (A)	\$ <u>10,548.91</u>
DIRECT OWNER PURCHASES DUE (B)	\$ <u>-</u>

APPROVALS:

 EDA: _____ Date

 DMCC: _____ Date

DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AGENCY

DETAIL SOURCES AND USES REPORT #14

June 1, 2015

Division	Description	Final Projected Cost	Previous Billings	Current Billing	Total Billed To Date	Balance to Complete
SOURCES OF FUNDS						
00-30-005	City Contribution	\$7,319,000.00	\$5,471,055.38	\$10,548.91	\$5,481,604.29	\$1,837,395.71
	Total Sources of Funds	\$7,319,000.00	\$5,471,055.38	\$10,548.91	\$5,481,604.29	\$1,837,395.71
USES OF FUNDS						
40-00-000	Development Costs	\$7,319,000.00	\$5,471,055.38	\$10,548.91	\$5,481,604.29	\$1,837,395.71
90-00-000	Project Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Uses of Funds	\$7,319,000.00	\$5,471,055.38	\$10,548.91	\$5,481,604.29	\$1,837,395.71

**DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY**

MASTER APPLICATION FOR PAYMENT DETAIL #14

June 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
	DEVELOPMENT COSTS										
40-05-000	Architecture & Engineering			\$1,615,178.78	\$10,548.91	\$0.00	\$1,625,727.69	99.08%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	KIMLEY-HORN AND ASSOC., INC.	4003	\$399,414.70	\$0.00	\$0.00	\$399,414.70	96.83%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	NELSON/NYGAARD CONSULTING	4004	\$436,583.13	\$3,693.00	\$0.00	\$440,276.13	99.99%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	PERKINS EASTMAN ARCHITECTS, PC	4005	\$725,073.87	\$6,855.91	\$0.00	\$731,929.78	99.73%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	ALPHAGRAPHICS	4006	\$15,205.44	\$0.00	\$0.00	\$15,205.44	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	MAYO CLINIC	4012	\$20,632.46	\$0.00	\$0.00	\$20,632.46	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	CARROLL, FRANCK & ASSOCIATES	4020	\$14,609.53	\$0.00	\$0.00	\$14,609.53	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	GARY SMITH	4028	\$1,259.10	\$0.00	\$0.00	\$1,259.10	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	JERRY BELL	4029	\$1,844.65	\$0.00	\$0.00	\$1,844.65	100.00%	\$0.00	\$0.00	\$0.00
40-05-300	Planning Services, Architecture, Engineering	INDIANA HISTORY CENTER	4031	\$555.90	\$0.00	\$0.00	\$555.90	100.00%	\$0.00	\$0.00	\$0.00
40-25-000	Marketing & Public Relations			\$407,428.03	\$0.00	\$0.00	\$407,428.03	99.96%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	HIMLE RAPP & CO., INC.	4001	\$32,748.82	\$0.00	\$0.00	\$32,748.82	100.00%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	MAYO CLINIC	4012	\$13,536.57	\$0.00	\$0.00	\$13,536.57	100.00%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	HIMLE RAPP & CO., INC.	4017	\$267,902.77	\$0.00	\$0.00	\$267,902.77	100.00%	\$0.00	\$0.00	\$0.00
40-25-300	Communications, Marketing & PR	GINA MARIA CHIRI-OSMOND	4027	\$4,275.00	\$0.00	\$0.00	\$4,275.00	100.00%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	MAYO CLINIC	4012	\$31,054.29	\$0.00	\$0.00	\$31,054.29	100.00%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	BRANDHOOT	4016	\$39,708.56	\$0.00	\$0.00	\$39,708.56	99.57%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	KNOWBLE MEDIA, LLC	4025	\$5,042.02	\$0.00	\$0.00	\$5,042.02	100.00%	\$0.00	\$0.00	\$0.00
40-25-310	Public Relations & Communications	SAM SMITH	4030	\$13,160.00	\$0.00	\$0.00	\$13,160.00	100.00%	\$0.00	\$0.00	\$0.00
40-30-000	Development Services			\$2,300,000.00	\$0.00	\$0.00	\$2,300,000.00	100.00%	\$0.00	\$0.00	\$0.00
40-30-300	Development Services	HAMMES COMPANY SPORTS DEVEL.	DMA	\$1,675,000.00	\$0.00	\$0.00	\$1,675,000.00	100.00%	\$0.00	\$0.00	\$0.00
40-30-310	Financial, Accounting & Investment Services	HAMMES COMPANY SPORTS DEVEL.	DMA	\$625,000.00	\$0.00	\$0.00	\$625,000.00	100.00%	\$0.00	\$0.00	\$0.00
40-35-000	Legal Services			\$451,849.65	\$0.00	\$0.00	\$451,849.65	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	FOLEY & LARDNER LLP	4000	\$39,208.01	\$0.00	\$0.00	\$39,208.01	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	DORSEY & WHITNEY LLP	4015	\$363,011.64	\$0.00	\$0.00	\$363,011.64	100.00%	\$0.00	\$0.00	\$0.00
40-35-300	Legal Services	MICHAEL BEST & FRIEDRICH LLP	4021	\$49,630.00	\$0.00	\$0.00	\$49,630.00	100.00%	\$0.00	\$0.00	\$0.00
40-55-000	Misc Professional Services			\$352,060.29	\$0.00	\$0.00	\$352,060.29	98.82%	\$0.00	\$0.00	\$0.00
40-55-300	Economic Analysis, Market Research, Reports	AECOM TECHNICAL SERVICES, INC.	4002	\$352,060.29	\$0.00	\$0.00	\$352,060.29	98.82%	\$0.00	\$0.00	\$0.00
40-90-000	Other Development Costs			\$344,538.63	\$0.00	\$0.00	\$344,538.63	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CANADIAN HONKER REST & CATER	4007	\$847.47	\$0.00	\$0.00	\$847.47	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CATERING BY DESIGN	4008	\$457.94	\$0.00	\$0.00	\$457.94	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	AON RISK SERVICES CENTRAL, INC	4010	\$67,466.17	\$0.00	\$0.00	\$67,466.17	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	MAYO CLINIC	4012	\$10,473.66	\$0.00	\$0.00	\$10,473.66	100.00%	\$0.00	\$0.00	\$0.00

**DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY**

MASTER APPLICATION FOR PAYMENT DETAIL #14

June 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
40-90-120	General Expenses-EDA	MAYO CIVIC CENTER	4013	\$39,624.63	\$0.00	\$0.00	\$39,624.63	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	ROCHESTER TROLLEY & TOUR CO	4014	\$950.00	\$0.00	\$0.00	\$950.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CITY MARKET DOWNTOWN	4018	\$1,577.65	\$0.00	\$0.00	\$1,577.65	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	TIM PRIEST	4019	\$566.84	\$0.00	\$0.00	\$566.84	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	DAVID HIGGINS	4022	\$95.20	\$0.00	\$0.00	\$95.20	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	PATRICK SEEB	4023	\$766.20	\$0.00	\$0.00	\$766.20	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	HARLEYSVILLE WORCESTER INS. CO	4024	\$1,762.43	\$0.00	\$0.00	\$1,762.43	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	MINNEAPOLIS CLUB	4026	\$1,452.30	\$0.00	\$0.00	\$1,452.30	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	SRI ZAHEER	4032	\$8.00	\$0.00	\$0.00	\$8.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	CWS, INC.	4033	\$1,725.00	\$0.00	\$0.00	\$1,725.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	MINNESOTA DEPT OF REVENUE	4034	\$1,764.00	\$0.00	\$0.00	\$1,764.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	US TREASURY	4035	\$2,700.00	\$0.00	\$0.00	\$2,700.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	DAVIES PRINTING COMPANY	4036	\$8,464.00	\$0.00	\$0.00	\$8,464.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	FAEGRE BAKER DANIELS	4037	\$30,004.05	\$0.00	\$0.00	\$30,004.05	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	WINTHROP & WEINSTINE, P.A.	4038	\$20,074.91	\$0.00	\$0.00	\$20,074.91	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	MCGRANN SHEA CARNIVAL STRAUGHN & L	4039	\$22,884.12	\$0.00	\$0.00	\$22,884.12	100.00%	\$0.00	\$0.00	\$0.00
40-90-120	General Expenses-EDA	LUND TAX & ACCOUNTING	4040	\$1,030.00	\$0.00	\$0.00	\$1,030.00	100.00%	\$0.00	\$0.00	\$0.00
40-90-300	Reimbursable Expenses	HAMMES COMPANY SPORTS DEVEL.	DMA	\$129,844.06	\$0.00	\$0.00	\$129,844.06	100.00%	\$0.00	\$0.00	\$0.00
	Subtotal			\$5,471,055.38	\$10,548.91	\$0.00	\$5,481,604.29	99.65%	\$0.00	\$0.00	\$0.00
	PROJECT CONTINGENCY										
90-00-000	Project Contingency			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	Subtotal			\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
	PROJECT TOTAL			\$5,471,055.38	\$10,548.91	\$0.00	\$5,481,604.29		\$0.00	\$0.00	\$0.00

	Current Work In Place	Direct Owner Purchase	Total Current Work
Current Work In Place	\$10,548.91	\$0.00	\$10,548.91
Less Current Retainage Held	\$0.00	\$0.00	\$0.00
Net Amount Due	\$10,548.91	\$0.00	\$10,548.91

**DESTINATION MEDICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY**

INVOICE SUMMARY REPORT #14 **June 1, 2015**

Vendor Name	Description	Invoice No	Invoice Date	Invoice Amount	Retainage Held	Amount Due	Approval
NELSON/NYGAARD CONSULTING	Transportation Planner	63031-R	4/21/2015	\$3,693.00	\$0.00	\$3,693.00	
PERKINS EASTMAN ARCHITECTS, PC	Master Planner	57320.00.0-12	5/15/2015	\$3,110.20	\$0.00	\$3,110.20	
PERKINS EASTMAN ARCHITECTS, PC	Master Planner	57320.00.0-13R	6/11/2015	\$3,745.71	\$0.00	\$3,745.71	
GRAND TOTAL				\$10,548.91	\$0.00	\$10,548.91	

8.0 OTHER INFORMATION