

# DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

2:30 P.M. THURSDAY, JUNE 12, 2014

ROCHESTER CONVENTION CENTER



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

SPECIAL BOARD MEETING

Thursday June 12, 2014

2:30 PM

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes
  - A. Meeting of March 25, 2014
  - B. Meeting of April 22, 2014
- V. Public Comment Period
- VI. Chair's Report
  - A. Insurance: Update and Next Steps
  - B. Other Updates
- VII. Financial Report
  - A. Overview: Dale Martinson, Assistant Treasurer
  - B. Resolution A: Authorize Chair and Treasurer to Negotiate and Enter Into an Agreement with the City of Rochester and Destination Medical Center Economic Development Agency (EDA) for the Purpose of Advancing Funds to the EDA.
- VIII. Economic Development Agency
- IX. City of Rochester
- X. Announcement of Next Meeting: Thursday, July 10 at 9:00 a.m.
- XI. Adjournment

**DESTINATION MEDICAL CENTER CORPORATION**  
**BOARD OF DIRECTORS**

MINUTES  
March 25, 2014

- I. **Call to Order.** Chair Tina Smith called the meeting to order at approximately 10:30 a.m. in the Mayo Civic Center, Ballroom, in Rochester, Minnesota.
- II. **Roll Call.** In attendance were Chair Tina Smith, Mayor Ardell F. Brede, Commissioner Jim Bier, William George, City Council Member Ed Hruska, Susan Park Rani, R.T. Rybak and James R. Campbell.
- III. **Adoption of Agenda.** Chair Smith requested a motion to approve the agenda.  
Mr. Rybak moved approval. Mr. Campbell seconded.  
Ayes (7), Nays (0), Motion carried.
- IV. **Approval of Minutes.** Chair Smith requested a motion to approve the Minutes from meetings of both January 30, 2014 and February 19, 2014.  
Council Member Ed Hruska moved approval. Commissioner Bier seconded.  
Ayes (8), Nays (0), Motion carried.
- V. **Public Comment Period.** Chair Smith invited members of the community to address the Board.
  - A. Barry Skolnick - Rochester resident. Mr. Skolnick suggested attachments be posted to the agenda prior to the meeting, and requested a future planning focus on a mix of uses, entertainment for all economic strata. He also requested consideration of public school, playgrounds and community meeting/amenities and other retail that supports community.
  - B. John Kruesel - Rochester resident and business owner. Mr. Kruesel noted the many master plans that are underway. Recognizing the speed at which DMCC is moving, he requested that meetings be held in a single location so that meetings are easier to find. He questioned if projects were moving forward prior to the DMCC Development Plan being finalized and suggested this may not be favorable to an open process. He also noted the contribution Mayo Clinic and community have made to the historic significance, community and fabric of Rochester, and stressed importance of community and suggested that historic and landmark buildings be considered as a 9th pillar of the DMC project.
- VI. **Chair's Report.** Chair Smith provided an overview of the meeting agenda.

VII. **Election of Vice Chair.**

Mayor Brede nominated Mr. Rybak as Vice Chair. Mr. Campbell seconded.

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

VIII. **Action Items.**

A. Resolution A: Designating Offices to Execute Contracts and Other Instruments.

B. Resolution B: Authorizing Payment of Daily Compensation of Expenses.

Chair Smith invited comments and questions from the Board.

Council Member Hruska inquired if there would be a report of contract approvals and/or expenses by the designees under Resolution A. It was noted that the Treasurer and Assistant Treasurer are working out the form of report.

Council Member Hruska inquired if reports would be made after the approvals. Chair Smith agreed with the goal of full transparency and accountability.

Mr. Campbell moved approval of Resolution A and Resolution B. Council Member Hruska seconded.

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

IX. **Overview of Selected Statutory Provisions Affecting Public Officials.** Chair Smith asked Kathleen Lamb of McGrann Shea to provide an overview of the memorandum provided to the Board regarding the laws that cover public officials.

X. **Economic Development Agency.** Chair Smith invited Lisa Clarke, the Executive Director of the EDA to provide the report. Amy Supple of Hammes Company, the EDA Project Manager, and Keith Rowan of Hammes Company assisted with the report.

A. Development Plan and Community Input Process/Schedule. Ms. Clarke indicated that the EDA has standardized a report which will be provided to the DMCC Board to update the Board on the progress of the Project.

1. Master Project Schedule. An update to the Master Project Schedule was provided recognizing that the DMCC, City and EDA agreements were approved in February 2014. The schedule remains approximately 1 year, which is the timeline previously approved.

Mr. Rowan indicated that the EDA was authorized to negotiate with consultants in March, after the execution of the DMCC/EDA contracts, and that the EDA is in the process of finalizing these contracts as of the date of this meeting. The drafting of the report will occur over approximately 8 ½ months. A Preliminary Draft of the Development Plan will be completed in December 2014 and submitted to the City for a 60-day public comment period. Adoption of the report is anticipated in February 2014.

While an aggressive schedule, the planning team has agreed to the schedule and the EDA can manage the process with input and feedback from the Board being provided at DMCC Board meetings. A visioning session will be planned for April. Four public meetings and community conversations will be held throughout the year. Mr. Rowan also indicated the EDA has been working to try to coordinate schedules between the DMC Development Plan (plan 1 year), and the City Comprehensive Plan (1.5 to 2 years).

2. Coordination with City on Comprehensive Plan. The EDA has worked to find efficiencies in timing and scopes of work with the City Comprehensive Plan. The EDA and City have agreed to share the transportation and infrastructure consultants on both plans to maximize efficiencies in these scopes of work. The EDA and City are in the process of finalizing negotiations on contracts and working to align planning schedules.

Mr. Rybak noted that this is an aggressive plan, but, wanted to make sure the planning does not slow progress of development. Mr. Rybak asked the EDA to consider opportunities to reorder some of the analysis to move the siting of uses and to discuss some of the transportation, access and parking considerations earlier in the process. He also suggested that the public engagement process be organized to allow public comment on the topic.

Mr. George also registered concerns about the length of time for the planning effort. Mr. George asked that the EDA look for opportunities to accelerate the process and to understand the constraints to advancing the process.

Council Member Hruska, Mr. Campbell, Commissioner Bier and Mayor Brede suggested that the EDA advance plans as quickly as possible, maximize efficiencies with use of existing data and encourage interaction with the City and the DMCC Board.

Mr. Rybak asked that the EDA come back with a plan for a different level of interaction from the DMCC. He requested a re-examination of how to streamline and sequence elements of the plan to maximize efficiencies, including requesting a longer kick-off/visioning meeting that includes both DMCC and EDA Boards to accelerate the planning process and direction.

Mr. George and Mr. Campbell requested that we organize a series of trips and/or provide information sessions on best practices of other locations.

The board discussed some of the ideas for the April visioning session including understanding the Downtown Master Plan and taking a tour of Rochester to understand the community as a whole.

Chair Smith wrapped up the discussion, recognizing that the EDA is also concerned with schedule and requested that we revisit this discussion at the next meeting.

- B. Women, Minority, Business Enterprises Update. The EDA has been working with DMCC Board Members Mr. Rybak and Ms. Park Rani, as well as the City to

identify strategies for WMBE, targeted business and inclusion efforts. Additional information will be presented at future board meetings.

Chair Smith invited Randy Staver, Rochester City Council President, to speak regarding the City's progress on the WMBE policy as required by the DMC legislation. Council President Staver reported that the City has issued a draft of a policy and is working with the DMCC and EDA to gain their feedback and input on the strategy. The City has met with the Council of Black Minnesotans and provided a draft of the document to the Council. The City is considering adopting the policy as an interim policy.

Mr. Rybak commended the efforts to date. Mr. Rybak asked for the EDA and City to consider opportunities to coordinate planning and construction elements of projects to encourage opportunities for small business to participate.

- C. Statutory Certification of Projects. The EDA reported that by statute, certification of projects must be completed each April 1, and that the EDA is working with the Department of Employment and Economic Development ("DEED") to complete the certification.

Chair Smith moved, and Mr. George seconded a motion to delegate the authority to Commissioner Bier to execute a certification on behalf of the DMCC, if required by DEED.

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

XI. **Discussion.**

Discussion ensued with respect to how to ensure that best practices are used to guide the DMCC as it moves forward to fulfill its statutory charge. Suggestions included: gaining a thorough understanding of Rochester as well as other cities with medical facilities; meeting directly with planners; learning Mayo Clinic's strategy and short and long-term planning efforts; engaging directly with the EDA Board; recurring monthly reports on activities; focusing on actual results.

XII. **Adjournment.** Chair Smith adjourned meeting.

Mr. Rybak moved adjournment. Mayor Brede seconded.

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

The meeting was adjourned.

Respectfully submitted,

Lisa Clarke  
Secretary

**DESTINATION MEDICAL CENTER**  
**CORPORATION BOARD OF DIRECTORS**  
DMCC and EDA Joint Visioning Session

**MINUTES**  
April 22, 2014

- I. **Call to Order.** Chair Tina Smith called the meeting to order at approximately 7:15 a.m. in the Riverview Room of the Mayo Civic Center, Rochester, Minnesota.
- II. **Roll Call.** In attendance were Chair Tina Smith, Mayor Ardell F. Brede, Commissioner Jim Bier, Jim Campbell, William George, City Council Member Ed Hruska and Susan Park Rani.
- III. **Introductions and Opening Remarks.** Chair Smith requested that other persons participating in the meeting introduce themselves which included members of the EDA Board, members of the EDA planning team, members of the McGrann Shea team and City staff.

Chair Smith then welcomed the public and thanked the EDA and City of Rochester for organizing and participating in the discussion. Chair Smith posed two key questions to guide the discussion for the day: 1. What does success in this initiative look like; and 2. What are the key goals to be included in the Development Plan and the strategies that will support them? Chair Smith then asked the EDA to begin facilitating the meeting.
- IV. **City of Rochester Trends and Strategic Planning.** Mitzi Baker and Jeff Ellerbusch from the City of Rochester presented demographic and workforce projections for the City of Rochester. They also presented the Rochester Downtown Master Plan and discussed the process the City is undertaking in its own Comprehensive Plan.
- V. **Bus Tour of Rochester.** Participants of the meeting and members of the public who desired to do so took a bus tour of the City of Rochester.
- VI. **Mayo Clinic Trends and Strategic Planning.** John Noseworthy, President and CEO of Mayo Clinic welcomed the participants. Doug Holton, the Vice Chair of Mayo Clinic's Facilities Department, provided an overview of Mayo Clinic's Master Plan.
- VII. **Joint Visioning and Planning Sessions with the DMCC/EDA Boards.** The DMCC and EDA Boards, along with members of the EDA Staff and City staff, participated in a discussion about the vision for the Destination Medical Center. Peter Cavaluzzi, a Principal with EEK Perkins Eastman facilitated the discussion. Major themes that emerged from the discussion focused on health and wellness, workforce opportunities,

technology and innovation. Efforts should be made to strive to make Rochester the world's healthiest city, most compassionate city, a unique city in health and wellness. The importance of human capital, of locating major research and development centers in Rochester and of collaboration with the University of Minnesota were stressed. Success will be in the execution of the development plan. Board members stressed the importance of framing the DMC Development Plan with the economic goals of project.

- VIII. **Wrap Up and Next Steps.** Mr. Cavaluzzi summarized some of the key themes from the visioning session. Lisa Clarke, EDA Executive Director, closed the discussion indicating that the input given at this Board session will be integrated into the planning process. Ms. Clarke indicated that the EDA planners will return in June and will provide updates to the analysis to the Board. Ms. Clarke also reminded the group that the first public forum would be held the same evening and the input from that forum will also be integrated into the planning process.

- IX. **Meeting Adjournment.** Chair Smith adjourned the work session.

Respectfully submitted,

Lisa Clarke  
Secretary

**A.**

**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_-2014**

**Authorizing the Chair and Treasurer to Negotiate and Enter  
Into an Agreement with the City of Rochester and Destination  
Medical Center Economic Development Agency (EDA) for the  
Purpose of Advancing Funds to the EDA**

**BACKGROUND RECITALS**

A. The Destination Medical Center Corporation (“DMCC”) entered into the Agreement for DMCC Funding and Support by and between DMCC and the City of Rochester (the “City”), dated February 1, 2014 (the “City Agreement”). The City Agreement governs the relationship between DMCC and the City and provides for the financing and funding of Destination Medical Center work activities, in order to achieve the goals of the statute.

B. The DMCC also entered into the Agreement for Destination Medical Center Services by and between DMCC and the Destination Medical Center Economic Development Agency (the “EDA”), dated February 1, 2014 (the “EDA Agreement”). The EDA Agreement governs the relationship between the DMCC and EDA. The EDA Agreement provides that funding of the EDA is provided by payment of expenses to the EDA, which are reviewed and processed over a 45 day period after submittal.

C. The EDA has requested that the DMCC and City consider a mechanism whereby approved funding is advanced, to accommodate timely payments the EDA plans to make with respect to its ongoing operations, including salaries and rent. The DMCC desires to accommodate the EDA’s request for advance funding, in addition to the payment of expenses mechanism authorized by the EDA Agreement.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED,** that the Destination Medical Center Corporation (“DMCC”) authorizes the Chair and Treasurer to negotiate the terms and conditions and to enter into an agreement or agreements with the City and the EDA to provide for advance funding of EDA operations; provided the agreement or agreements for advance funding must include but not be limited to the following terms:

1. Comply with the audit and records requirements of the DMCC, City, and EDA;
2. Comport with the City Agreement and the EDA Agreement;
3. Strictly adhere to the approved amount for the EDA in the annual budget adopted by the DMCC, less the advanced amount, ensuring no excess or duplicate payments;

4. Specify the maximum advance amount, determined by reference to the annual budget adopted by DMCC for the period in question and pursuant to the terms and conditions of the agreement;

5. Provide adequate checks and controls and security in the request and transfer of funds; and

6. May address interest, maturity dates, draw requests, and any other terms deemed advisable by the Chair and Treasurer.

**BE IT FURTHER RESOLVED** that the form of the agreement or agreements may include a working capital loan agreement, an operating line, a control agreement, assignment of security to the City and/or to the DMCC, or any other agreement or instrument deemed necessary or appropriate by the Chair and Treasurer, working with the City, to ensure the transparency and safekeeping of public dollars.

**BE IT FURTHER RESOLVED** that by this Resolution, the DMCC formally requests the City to consider this request and work cooperatively to achieve its intent.



**DESTINATION MEDICAL CENTER  
ECONOMIC DEVELOPMENT AGENCY (EDA)  
MONTHLY UPDATE REPORT**

**REPORT DATE: JUNE 9, 2014**

**MASTER PROJECT BUDGET**

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

**SOURCES OF FUNDS**

City Contribution	\$7,319,000.00
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TOTAL SOURCES	\$7,319,000.00

**USES OF FUNDS**

40	Development Costs	\$1,045,978.87
50	Financing Costs	
60	Other Project Costs	
90	Project Contingency	
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Remaining Budget		\$6,273,021.13
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TOTAL USES		\$7,319,000.00

- MAP #1 and #2 have been approved and funded by the DMCC and City of Rochester. Payments are processed.
- MAP #3 will be submitted to the DMCC on June 10, 2014. The above represents the sources and uses of funds as of this payment application.
- The EDA, DMCC and City have requested the DMCC Board approve a resolution to negotiate an amendment to the EDA/DMCC and DMCC/City contracts that will provide for a mechanism for a working capital loan to the EDA for the purpose of streamlining the process of funding payroll, benefits and operational requirements.

**MASTER PROJECT SCHEDULE / DEVELOPMENT PLAN PROCESS**

- The project schedule assumes a December 2014 completion of the Preliminary Development Plan. The target date for approval/adoption of the plan by the City and DMCC is February, 2015. A detailed Master Project Schedule is attached with this report. This schedule outlines the primary activities and tasks to be undertaken by the planning team during the Development Plan process. The detail of the schedule is a framework only and is subject to change as the planning process advances.
- The EDA is in the process of scheduling additional working sessions to coincide with the days of DMCC Board meetings days.
- The EDA and City have established a Technical Committee which meets monthly to coordinate the work of the DMC Development Plan and City Comprehensive Plan.
- At the request of the DMCC Board, the EDA planning team has developed recommendations for planning trips to research/examine best practices of other cities that are relevant to the economic development initiatives of the DMC. The outline is attached with this report.

**PROJECT FINANCE / FINANCIAL MANAGEMENT**

- The Minnesota Department of Employment and Economic Development (DEED) accepted the certification of expenses made by Mayo Clinic. The letter from DEED is attached with this report.

**DESIGN/PLANNING/ENTITLEMENTS**

- NA



#### COMMUNITY INPUT PROCESS

- The EDA has organized a series of Community Conversations to provide the public the opportunity to participate in in-depth discussion on the eight core areas of focus identified within the plan. The Community Conversations will take place on the evening of June 12<sup>th</sup> at the University of Minnesota Rochester.
- The EDA is advancing social media opportunities requesting input and feedback from the public on specific questions related to the planning efforts. Comments are shared with the planning team.
- The EDA has begun a bi-weekly newsletter to keep the public informed on planning activities. Person(s) interested in receiving the newsletter are able to sign up on the website (<http://www.dmcnn.org>). Approximately 1,300 people are currently registered. Copies of the newsletters are attached with this report.
- The EDA has continued to present to community groups. To date, more than 350 presentations have been given. Presentations have occurred throughout the state and region.

#### TARGETED BUSINESS /WORKFORCE

- The EDA has continued work with the City of Rochester and DMCC Board to establish a planning framework for targeted business and workforce initiatives.

#### OPERATIONS

- EDA is in process of interviewing candidates for Executive Director. The DMCC Chair and City staff have met with candidates who are currently in the secondary round of interviews.
- EDA is advancing the search for an administrative assistant to support the Executive Director.

#### KEY CONSIDERATIONS/IDENTIFIED RISKS

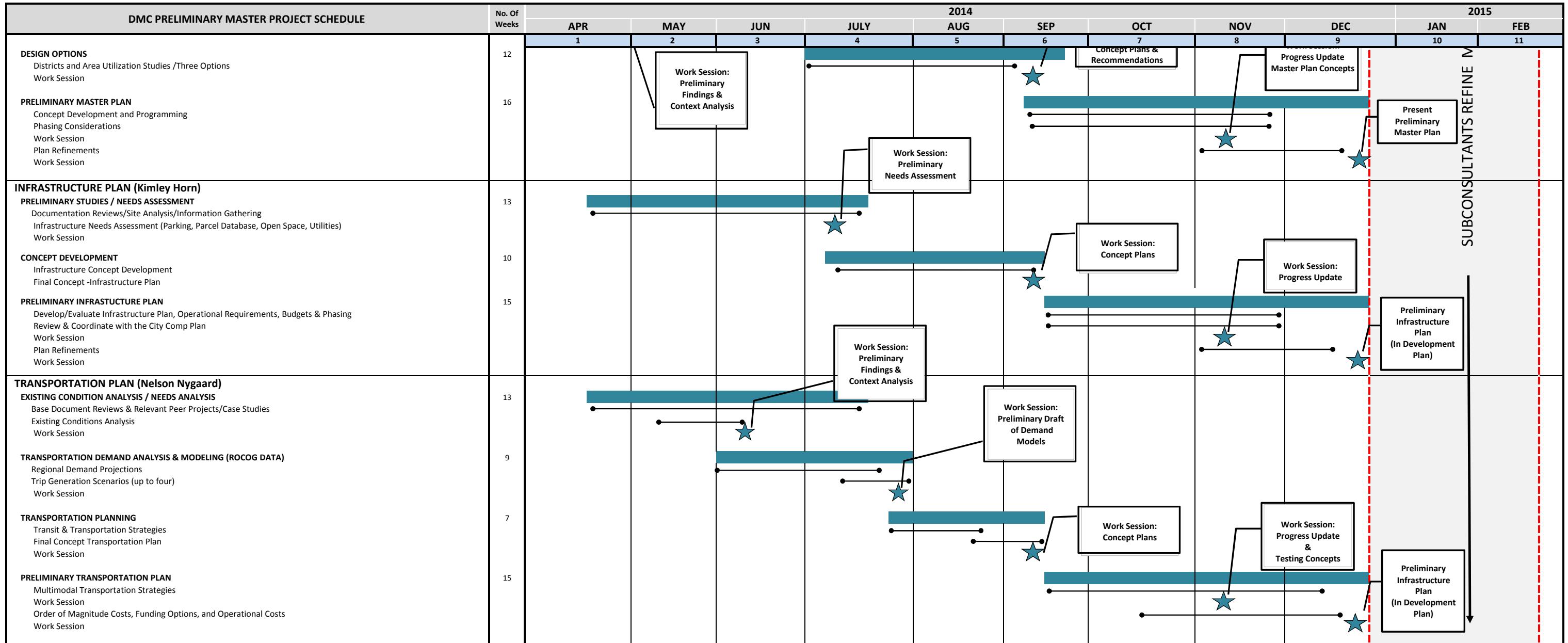
- Master Project Schedule. The EDA is working to a Master Project Schedule, assuming completion of the Preliminary Development Plan in December 2014 and Targeted Approval/Adoption of the Plan in February 2015. Currently, the project remains on schedule. However, delays may occur as a result of availability of information, coordination of information with City and/or County and/or timing needed to review/approvals of information that may be required from time to time.
- Coordination with City Comp Plan. The City started this process at the end of May. The process is anticipated to occur over 18-24 month period. The bulk of information / coordination with DMC Plan will need to occur during first 7 months (through December) of this schedule.
- Timing of Resolution to Working Capital Loan. The EDA may need to fund payroll expenses as soon as July 2014. Ideally, the amendment and working capital loan will be able to be resolved in July.
- EDA Operating Budget for 2015. The EDA is required to provide a draft operating budget for the 2015 calendar year by August 1, 2014. In the current year, the operating budget will be developed outside the structure of the Development Plan and may require significant changes / revisions as the plan is finalized. The City will take up the budget as part of its annual budgeting process in the 4<sup>th</sup> quarter of this year.

#### MAJOR TASKS NEXT 60 DAYS:

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

- Creative Analysis For Master Plan
- Preliminary Market Analysis & Program Recommendations
- Preliminary Transportation Demand Analysis & Infrastructure Needs Assessment
- Coordination with City Comprehensive Plan Team and City/EDA Technical Team
- Advance Targeted Business Framework / Stakeholder Discussions
- DMCC Board Meetings on June 12<sup>th</sup> and July 10<sup>th</sup>
- Community Conversations on June 12<sup>th</sup>
- Second Public Forum on July 10<sup>th</sup>
- Draft Operating Budget by August 1<sup>st</sup>





**DMC PRELIMINARY MASTER PROJECT SCHEDULE**

	No. Of Weeks	2014												2015																
		APR			MAY			JUN			JULY			AUG			SEP			OCT			NOV			DEC			JAN	
		1 1 7 14 21 28	2 5 12 19 26	3 2 9 16 23/30	4 1 7 14 21 28	5 4 11 18 25	6 1 8 15 22	7 1 6 13 20	8 1 6 13 20	9 3 10 17 24	10 1 8 15 22	11 5 12 19 26	12 2 9 16 23	13 1 8 15 22	14 1 8 15 22	15 5 12 19 26	16 2 9 16 23	17 1 8 15 22	18 1 8 15 22	19 5 12 19 26	20 2 9 16 23									
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<b>MASTER PLAN (EEK/Perkins Eastman)</b>	11	<p><b>CREATIVE ANALYSIS (PART 1): Research/Information Gathering, Consensus Building</b></p> <ul style="list-style-type: none"> <li>Documentation Reviews/Site Analysis/Information Gathering</li> <li>Area Context Analysis</li> <li>Work Session</li> <li>Analysis of Drivers, Opportunities and Limitations</li> <li>Work Session</li> </ul> <p><b>DESIGN OPTIONS</b></p> <ul style="list-style-type: none"> <li>Districts and Area Utilization Studies /Three Options</li> <li>Work Session</li> </ul> <p><b>PRELIMINARY MASTER PLAN</b></p> <ul style="list-style-type: none"> <li>Concept Development and Programming</li> <li>Phasing Considerations</li> <li>Work Session</li> <li>Plan Refinements</li> <li>Work Session</li> </ul>																												
<b>INFRASTRUCTURE PLAN (Kimley Horn)</b>	13	<p><b>PRELIMINARY STUDIES / NEEDS ASSESSMENT</b></p> <ul style="list-style-type: none"> <li>Documentation Reviews/Site Analysis/Information Gathering</li> <li>Infrastructure Needs Assessment (Parking, Parcel Database, Open Space, Utilities)</li> <li>Work Session</li> </ul> <p><b>CONCEPT DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>Infrastructure Concept Development</li> <li>Final Concept -Infrastructure Plan</li> </ul> <p><b>PRELIMINARY INFRASTRUCTURE PLAN</b></p> <ul style="list-style-type: none"> <li>Develop/Evaluate Infrastructure Plan, Operational Requirements, Budgets &amp; Phasing</li> <li>Review &amp; Coordinate with the City Comp Plan</li> <li>Work Session</li> <li>Plan Refinements</li> <li>Work Session</li> </ul>																												
<b>TRANSPORTATION PLAN (Nelson Nygaard)</b>	13	<p><b>EXISTING CONDITION ANALYSIS / NEEDS ANALYSIS</b></p> <ul style="list-style-type: none"> <li>Base Document Reviews &amp; Relevant Peer Projects/Case Studies</li> <li>Existing Conditions Analysis</li> <li>Work Session</li> </ul> <p><b>TRANSPORTATION DEMAND ANALYSIS &amp; MODELING (ROCOG DATA)</b></p> <ul style="list-style-type: none"> <li>Regional Demand Projections</li> <li>Trip Generation Scenarios (up to four)</li> <li>Work Session</li> </ul> <p><b>TRANSPORTATION PLANNING</b></p> <ul style="list-style-type: none"> <li>Transit &amp; Transportation Strategies</li> <li>Final Concept Transportation Plan</li> <li>Work Session</li> </ul> <p><b>PRELIMINARY TRANSPORTATION PLAN</b></p> <ul style="list-style-type: none"> <li>Multimodal Transportation Strategies</li> <li>Work Session</li> <li>Order of Magnitude Costs, Funding Options, and Operational Costs</li> <li>Work Session</li> </ul>																												
		<p><b>Proposed Meetings</b></p> <p><b>SUBCONSULTANTS REFINE MASTER PLAN</b></p> <p><b>Present Preliminary Master Plan</b></p> <p><b>Preliminary Infrastructure Plan (In Development Plan)</b></p>																												



**DESTINATION MEDICAL CENTER  
ECONOMIC DEVELOPMENT AGENCY  
DISCUSSION OUTLINE**

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**DISCUSSION OUTLINE - POTENTIAL SITE VISITS:**

Both the EDA and DMCC Board members have expressed interest in site visits to cities that have successful development initiatives with attributes that are relevant to the DMC initiative. Key factors that board members have expressed an interest in include learning about the strategic development of successful destinations, medical/health centers, urban mixed-use development with a focus on research and technology, downtown revitalization and innovative transportation planning – all contributing to significant economic development. The following provides an outline of the recommended next steps to advance this request.

**Purpose: Desired Insights/”Take-Aways” from Visits**

- Understand drivers (economic, market forces, etc.) that created impetus for the initiative
- Project sponsor(s) – entities responsible for planning and execution
- Master plan strategies employed, key urban design, transportation planning principles/attributes
- Project timeline
- Project components, phasing, magnitude of costs
- Implementation, finance and marketing strategies
- Economic and fiscal impacts
- Factors relatable to Rochester and DMC strategy

**Recommended Trips**

While many cities could be included, the team has identified a recommended list of trips below, grouping cities that offer concepts/strategies relevant to the DMC and Rochester. The planning group has recommended locations and provided a list of suggested alternatives. It is recommended that two (2) trips are selected from these lists. Trips would be 2-3 days depending on the itineraries and travel distance between locations. Once locations are confirmed, the planning team will develop specific agendas based on the scheduled trips.

**Recommended Trips:**

- West Coast: Portland, Bellevue and Seattle (time permitting)
- Mid-West: Indianapolis and Cleveland

**Potential Alternatives:**

- South: Houston, Austin
- West: Denver, Fort Collins, Boulder
- North: Providence, Boston/Cambridge

**Proposed Timing for Site Visits**

The trips would be planned for mid-September. Tentative dates may include:

- Trip 1: Week of September 15<sup>th</sup>
- Trip 2: Week of September 25<sup>th</sup>

**Attendees**

- EDA and DMCC board members as available
- EDA Executive Director
- Development Manager (1-2 members)
- Planning Team Members (limit 1-2 members per firm, may be divided between trips)
- Mayo Clinic, City and/or County Representatives (Note: costs would be supported by individual organizations/jurisdictions)

# Minnesota

Department of Employment and Economic Development

May 29, 2014

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

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

Dear Ms. Smith and Mr. Bolton:

Thank you for submitting the 2013 Certification of Expenditures for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

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

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

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

My best regards,

*Katie Clark Sieben*

Katie Clark Sieben  
Commissioner

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



## DMC NEWSLETTER



### A New Phase. A New Newsletter.

As we jump into a new stage of Destination Medical Center (DMC)—the planning phase—we've developed a new informational newsletter. Twice a month, you'll receive updates on the DMC development plan and other topics that will influence and impact what we are building together.

We can't emphasize enough how important your participation is during this entire phase. If you are looking for more DMC information beyond your bi-monthly newsletter, please check out the [DMC website](#) and [blog](#).

As always, you can remove yourself from our list at any time, but we hope you will join us in this journey and even forward the newsletter to friends.



## DMC Planning Team Announced

The DMC Economic Development Agency (EDA) has selected, with Destination Medical Center Corporation (DMCC) board approval, the consulting team that will assist with the DMC development plan. This high-level team of experts includes:

### Master Planner

[EE&K a Perkins Eastman Company](#), is dedicated to inventive and compassionate design that enhances the quality of the human experience. The firm's work includes projects in education, science, housing, health care, senior living, corporate interiors, cultural institutions, public-sector facilities, retail and office buildings, and urban design. EE&K is one of the few full-service architectural firms in the U.S. that has successfully implemented visionary large-scale urban projects, including the soon-to-open Target Field Station in Minneapolis.

### Transportation Planner

[Nelson\Nygaard Consulting Associates, Inc.](#) is an internationally recognized firm committed to developing transportation systems that promote vibrant, sustainable, and accessible communities. The company recognizes that transportation is not an end by itself but a platform for achieving broader community goals of mobility, equity, economic development, and healthy living. The company's hands-on, national experience informs but doesn't dictate local solutions. Nelson\Nygaard was a part of the team that completed the Rochester downtown master plan.

### Infrastructure Planner

[Kimley-Horn and Associates, Inc.](#) is one of the nation's most comprehensive and highly respected engineering and land-planning firms. The company offers full services in a wide range of disciplines including aviation, environmental design, intelligent transportation systems, forensic engineering, land development, landscape architecture, parking, renewable energy, transit, transportation, roads and bridges, urban redevelopment, water resources, and wireless communications.

### Market Analysis and Economic/Fiscal Consultant

[AECOM](#) is a global professional-services firm providing integrated design, planning, engineering, environment, and program-management services to a broad range of markets. The company addresses the complex challenges facing its clients as they embark on projects involving land, community, or infrastructure. AECOM's purpose is to enhance and sustain the world's built, natural, and social environments.

"This world-class team of planners brings a broad base of experience with projects globally, nationally, and throughout the state of Minnesota," says Lisa Clarke, interim

executive director, Destination Medical Center EDA.

On April 22, the consulting team was introduced to the Rochester area community at the first of several EDA public forums to be held during the DMC planning process. If you missed the event, you can watch the public forum and the DMCC/EDA joint-visioning session on the [DMC website](#).



## Road Map: What Is Next?

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The DMCC board charged the EDA with providing “a vigorous, thorough, and extensive opportunity for public participation in the planning process.”

So, what does this mean?

Your ideas for Rochester's future are more important than you might think. Now that the planning consultants have been hired (noted above) and we have entered into the planning phase of DMC (learn about *all* the phases on the [DMC Calendar](#)), public input will be gathered to help inform the DMC development plan.

This summer, we will hold a series of “deep-dive” community conversations to learn more about what residents would like to see continue and also grow in the downtown Rochester area. Additional public forums will be held throughout the year too.

The dates for the upcoming community conversations and forums have not been chosen yet. However, if you have an idea and can't wait until this summer to share, please feel free to [send your thoughts to the DMC team via email](#).

We'll keep you posted on the DMC timeline. Until then, head on over to the [DMC website](#), stop by our [blog](#), or visit us on [Facebook](#).

## DMC IN THE NEWS

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[DMC Kicks off first big public forum](#) - Rochester Post-Bulletin

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[DMC subconsultants chosen](#) - Rochester Post-Bulletin

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[DMC planning process begins](#) - KTTC-TV

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[Ears are in the EDA's DNA](#) - DMC Blog

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# DMC NEWSLETTER



## First Things First

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It has been almost a month since DMC's first public forum, and the DMC planning consultants have not stopped moving. The planners are in the "information/data collection stage" where they will review information gathered from the community. The DMC planning consultants have also begun to review ideas shared at the [first public forum](#) and joint [Destination Medical Center Corporation and Economic Development Agency planning session](#) in April.

The planners will continue to seek more community input throughout the summer to help inform them as they build the DMC development plan. In June and July, community members will be able to attend a series of "community conversations" around the [eight areas of focus](#). Also, the second public forum will be planned for early July. Watch for announcements of these upcoming events soon.



## **Great streets. Great parks. Great places.**

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On April 22, nearly 450 community members met with DMC planning consultants to begin envisioning what downtown Rochester could look like. Participants soon discovered they were speaking with planners who shared their same vision of what makes a great city. Below are some of the topics brought up by community members and a brief summary of responses from planners.

### **Topic: Walking**

**Response from planners:** Successful downtowns are very walkable. They feel convenient. It's not about making things bigger.

### **Topic: Biking**

**Response from planners:** There are great bike trails within the perimeter of downtown, but there isn't a way to get into downtown Rochester on bike trails. Bikes are a big part of developing cities.

### **Topic: Affordable Housing**

**Response from planners:** Housing is a key ingredient to developing the downtown. It's important to look at housing as a part of your economic infrastructure, and that means looking at housing for all folks in all stages of life and economic means.

### **Topic: Small Businesses**

**Response from planners:** It's the unique small businesses that really makes cities different from other places, which creates the authenticity of a location.

### **Topic: Music, Arts, Entertainment**

**Response from planners:** The arts are a part of economic development efforts in large and small towns alike. Engaging local artists are important to developing downtowns.

### **Topic: Sustainability**

**Response from planners:** Sustainability would be an important part of taking on the mantle of a "healthy city." We have an opportunity to seize that mantle for Rochester.

### **Topic: Inclusivity**

**Response from planners:** Great cities that people feel comfortable in have a really robust public realm. Great streets, great parks, and great places are welcoming to everyone.

The "authentic Rochester" that planners are now discovering and exploring will be the foundation upon which DMC is built. Help the planners continue to discover and explore

our great community by attending upcoming forums and community conversations around the eight areas of focus. Dates for these events will be announced in the near future.

Unable to attend the forum or you'd like to view it again? [View it online](#).  
Keep current about DMC on the [Web](#), [Facebook](#), and [Twitter](#).

## DMC IN THE NEWS

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[DMC Newsletter](#) - May 6

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[Delta adding flights from Rochester to Atlanta, Detroit](#) - Minneapolis Star Tribune

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[The beginning of getting started](#) - DMC Blog

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## DMC NEWSLETTER



**June 12th**

**COMMUNITY CONVERSATIONS**

**SAVE THE DATE**

*Begins Thursday at 5:15pm*  
*University of Minnesota Rochester,*  
*3rd Floor University Square*

**For more information visit [dmc.mn](http://dmc.mn)**

### Save the Date - DMC Community Conversations - June 12

Join us for an evening of DMC Community Conversations on Thursday, June 12, at the University of Minnesota Rochester. Check-in will be on the third floor of University Square.

The event will bring community members and planners together to have in-depth conversations in the eight areas of focus in Rochester's urban downtown framework. The meetings will be facilitated as a "world café"-style format. Participants will have the opportunity to join conversations about relevant questions and themes around the areas that are important to them.

### **Session 1**

5:15–6:45 p.m.

- Livable City
- Sports, Recreation and Nature
- Hospitality and Conventions
- Learning Environment

### **Session 2**

7:15–8:45 p.m.

- Transportation
- Arts/Culture/Entertainment
- Health and Wellness
- Entrepreneur, Small Business, Commercial Research and Technology

Stay at one table or visit them all. You choose which conversation you would like to join.

If you cannot join us in person, join us on [Twitter](#). We will be hosting a “live” Twitter chat. Follow the hashtag #DMCIDEAS the evening of the event. Watch for more details to be announced.

Visit the DMC [blog](#) to learn more details about the upcoming community conversations.

[READ MORE](#)

### **DMC IN THE NEWS**

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[A River Runs through It](#) - DMC Blog

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[Rochester Downtown Farmers Market - 2014 Best of MN](#) - Minneapolis Star Tribune

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[The Beginning of Getting Started](#) - DMC Blog

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