

**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

MINUTES
December 17, 2014

- I. Call to Order. Chair Tina Smith called the meeting to order at approximately 2 p.m. in the Mayo Civic Center, Riverview Room, Suite C, located at 30 Civic Center Drive SE, Rochester, MN 55904.

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

- III. Approval of the Agenda. Commissioner Bier moved approval. Council Member Hruska seconded.

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

- IV. Adoption of Minutes. Chair Smith requested approval of minutes from the meeting of November 13, 2014. Commissioner Bier moved approval. Mr. George seconded.

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

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

Barry Skolnick raised issues about the Development Plan regarding: public hearings during the review period; benefits of the plan for residents, efficiency of proposed transportation systems, community amenities and economic quality of life issues, and the potential relocation of the public library.

Anna Richey, Southeast Coordinator for Conservation Minnesota, stated her excitement about the Development Plan's inclusion of environmental and sustainability goals for new proposed buildings. She provided results from her organization's survey of Rochester residents indicating that 70% of respondents favored the use of clean renewable energy.

Nancy Slocum, President of the Historic Southwest Neighborhood Association, spoke about the importance of including affordable housing, the need for a concert hall for the City's symphony orchestra, and her concerns about potential tax increases and the rising rents in downtown Rochester.

Richard Olen, spoke about his recommendations to the DMC transportation planner to utilize an elevated transit system.

Brad Jones, Executive Director - Rochester Convention & Visitors Bureau, thanked board members for their efforts in advancing the Development Plan and shared the excitement in the community about DMC.

Kevin Lund, Olmsted County District Judge, spoke about the importance of including the historic Chateau Theater in the Development Plan and recommended that DMC funding be used to purchase and restore the building for use as a performing arts space.

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

- A. DMCC Vision Statement. Chair Smith opened a discussion on the need for the DMCC Board to adopt a vision statement. Mr. George stated that a clear vision for the project was needed that addresses the issues of what will cause people to want to come to Rochester, what keeps Rochester competitive, and what will attract people to live here. In addition to Chair Smith and Mr. George, other Board members who volunteered to assist in drafting the vision statement were: Council Member Hruska, Ms. Park Rani, Mr. Rybak and Mayor Brede.
- B. DMCC 2015 Insurance Coverage: Chair Smith invited Ms. Lamb to address the Board to request approval of 2015 insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with the provision that DMCC elects not to waive statutory limits. This is consistent with DMCC's 2014 insurance coverage. Council Member Hruska moved approval. Commissioner Bier seconded.

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

VII. DMCC 2015 Expenditures and Funding Request to the City. Chair Smith reported that the 2015 budget that was submitted to City in December 2014 has been approved.

VIII. Economic Development Agency.

- A. Draft Development Plan. Chair Smith announced that a significant milestone has been achieved and the purpose of the meeting is to receive the Draft Development Plan from the EDA. She stated that the DMCC anticipates submitting the Development Plan to the City for its review in January 2015. She also thanked the citizens of Rochester, Olmsted County Legislators, City Council members, County Commissioners, City staff, and the EDA for their contributions in preparing the Development Plan and particularly acknowledged Dr. Patricia Simmons.
- B. Economic Development Agency Report. Dr. Simmons thanked the DMCC Board for its support during the preparation of the Draft Development Plan and announced her retirement from the Mayo Clinic and her resignation as Chair of the EDA Board at the end of the year. Her successor as chair of the EDA will be Jeff Bolton, Mayo Clinic's Chief Administrative Officer. She stated the submission of the Development Plan to the DMCC is a significant milestone and emphasized that it is a strategic framework to guide future development which is flexible and can respond to market conditions as they occur over time. She also thanked EDA staff, consultants, City and County staff members and residents for their participation. Dr. Simmons turned over the presentation to Lisa Clarke (Interim Executive Director of the EDA), Peter Cavaluzzi (Master Plan Consultant) and Amy Supple (Hammes Company Project Director).

Ms. Clarke summarized the high level of participation and feedback from stakeholders that the EDA received during the preparation of the Development Plan that included input from residents, city staff, downtown businesses, and City Council and County Commissioners. She added that important lessons were learned from the best practices trips to five cities that are examples of successful downtown revitalization. She noted that many key themes from the public input process are incorporated into the Development Plan including: accessibility; housing diversity and affordability; providing downtown amenities that can be used year-round; improving the overall quality of life for residents; enhancing the visitor experience; and ensuring that the redevelopment of downtown retains Rochester's unique character.

Mr. Cavaluzzi provided an overview of the Development Plan's key attributes focused on (1) creating great memorable places to attract businesses, residents and visitors to downtown Rochester (2) revitalizing the City's waterfront along the Zumbro River (3) emphasizing Rochester's unique features of a compact, walkable urban core; and (4)

providing a mix of uses in an integrated master plan. He closed by encouraging the DMC leadership to move swiftly to implement the Development Plan in order for Rochester to keep pace with other cities that are also vying to attract workforce talent and increase visitation.

Ms. Supple stated the Development Plan is foremost an economic development strategy that also provides a bold vision for Rochester's future. She guided Board members through key sections of the Development Plan which include:

- Market Study: an assessment of demand and the absorption of space for uses required for the DMC;
- Finance Plan: a description of how the DMC funding model works (state and local aid) to leverage other sources of funds for public infrastructure projects that total approximately \$1.8 billion over 20 years;
- Overview of Phase 1 projects (first five-years): an estimation of budget of approximately \$204 million;
- Funding strategies: including the establishment of reserves to fund long lead-time investments for catalytic projects during Phase 1;
- Metrics: to measure and track progress;
- Estimated fiscal impacts from private development;
- Policy considerations: including affordable housing, workforce development; and
- Development Plan findings required by the DMC legislation.

Chair Smith acknowledged Ms. Supple for her work.

Board members commended the EDA and the planning team for their work. Mr. George stated that the success of the Development Plan hinges on its ability to attract people to Rochester and compete with other cities with major medical institutions. Mr. Rybak commented that (1) projects requesting DMC funds must demonstrate a financing gap; (2) transit projects should be operational in less than 10 years; and (3) the Development Plan should include strategies to retain and attract local small businesses in downtown Rochester and provide entertainment offerings. Mayor Brede commented about the need to retain small businesses in the downtown area and he also thanked all City staff who were involved in the planning effort. Mr. Campbell emphasized the importance of being customer centric and of understanding visitor needs to enhance the visitor experience. Commissioner Bier stated that the Development Plan is a good road map and emphasized the need to move forward. Both Council Member Hruska and Mr. Campbell spoke about the importance of incorporating ideas and lessons learned from the best practices trips. Ms. Park Rani encouraged the City, Mayo and the community to continue in conversation. Chair Smith wrapped up the discussion emphasizing the importance of partnerships among all stakeholder to advance the concepts in the Development Plan to become reality.

IX. Next Meeting. Wednesday, Thursday, January 29, 2015 at the Convention Center at 9:30am.

X. Adjournment. Commissioner Bier moved to adjourn the meeting. Ms. Park Rani seconded.

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

Respectfully submitted,



Lisa Clarke
Secretary

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