

**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

MINUTES
January 29, 2015

- I. Call to Order. Chair Tina Smith called the meeting to order at 9:33 a.m. at 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. Adoption of Agenda. Mr. Campbell moved approval. Ms. Park Rani seconded.

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

- IV. Adoption of Minutes. Chair Smith requested approval of Minutes from the meeting of December 17, 2014. Mr. Rybak moved approval. Council Member Hruska seconded.

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

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

Barry Skolnick stated his concerns about the Development Plan regarding issues such as snow removal, the need for heated sidewalks, the future location of the public library, the public space impacts of demolishing University Square, and the funding strategies and proposed costs.

Richard Olen spoke about his recommendations to the DMC transportation planners to utilize an elevated transit system instead of a street car transit system. Council Member Hruska requested the EDA to respond to the twelve points submitted by Mr. Olen regarding his recommendations.

Jenna Bowman, Executive Director of Rochester Downtown Alliance, spoke about her excitement to be part of the history of DMC and of Rochester's revitalization and her interest to assist in retaining top talent to shape the City's future. Ms. Bowman pointed out that the City's future lies with the next generation of students and the importance for residents to remained energized and engaged.

Nancy Slocum, President of the Historic Society and Southwest Neighborhood Association, spoke about the importance of historic preservation and planning and her concerns about the Development Plan accepting the findings of the report prepared by the 106 group that have not been finalized by the City. Mrs. Slocum commented that the Development Plan makes reference to 3rd Street as historic although it was not classified as such in the report. She also expressed concerns about the future of the Chateau Theater.

Council Member Michael Wojcik presented five concerns: (1) Mayo Clinic's commitment to the Development Plan; (2) clarification of the Board's position on funding Capital Improvement Projects (CIP) as currently the City has no tools to fund these costs outside of property taxes; (3) short comings in the assumptions in the project's finance plan regarding the City contributing beyond its \$128 million local match; (4) guidelines to preserve the integrity of the Plan and ensure development; and (5) the viability of the financial tools given to the City to fund its contribution to the DMC.

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

- A. Legislative update. Chair Smith announced that the legislative "technical fix" language was secured and passed both the House and the Senate unanimously. The bill was signed by the Governor on January 24, 2015. Chair Smith expressed gratitude to the House and Senate and to the staff who moved this bill forward.
- B. DMCC Mission Statement. Chair Smith presented the revised Mission Statement for adoption, and asked Mr. George to lead the Board members in a discussion. Mr. George described the intent of the revised Mission Statement.

Mayor Brede moved approval. Mr. Campbell seconded.

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

VII. DMCC Budget. Chair Smith asked Board members if they had questions about DMCC's 2014 or 2015 budget. Chair Smith reported that not all funds were spent in the 2014 Budget. The closeout of the 2014 budget will be available by the end of February 2015. Board members discussed the need for the EDA to move forward and begin staffing the organization. Council Member Hruska requested Dale Martinson, DMCC's Assistant Treasurer, to explain the balance of remaining funds in the 2014 budget. Chair Smith noted that the DMCC, City, and EDA would be discussing the EDA workplan and staffing.

VIII. Resolution A: Authorizing Report to Legislature. Chair Smith asked Kathleen Lamb for an explanation of Resolution A. Ms. Lamb explained that the DMC Act requires an annual report to be submitted to the Legislature on or before February 15 of every year, from the DMCC and the City of Rochester. Chair Smith asked for a motion to approve Resolution A.

Mr. Campbell moved approval. Mr. Rybak seconded.

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

IX. Development Plan. Chair Smith opened the discussion with comments noting that this meeting marks an important next step for the Destination Medical Center initiative and the State. The submission of the Development Plan to the City triggers a statutory 60-day time period. Council Member Hruska noted the planned City meetings: 1) February 23: Planning Commission public hearing; 2) March 23: City Council public hearing; and 3) March 30: City Council action.

Chair Smith asked for a motion to authorize submittal of the Development Plan to the City. Mr. Rybak moved approval. Ms. Park Rani seconded.

Chair Smith noted that the Minnesota Legislature determined that a plan was needed before expenditure of public money, and with the newly revised mission statement, there is now a revised purpose. This initiative is the largest public development project in the State, and asked Board members to comment on what they see as the biggest opportunities and risks, and where should they focus first?

Mr. Rybak commented that investments should be made in the creation of jobs, the public realm, and transportation. He cited Discovery Square and the Heart of the City as the places to begin: a balance of Mayo's needs and the public's needs. He mentioned that the transportation strategy had to be game-changing. He further noted that the values of workforce inclusion and sustainability should be reflected throughout.

Mr. Campbell commented on the scope of the Plan, and agreed that Discovery Square should be a starting point. He noted the need to forge a new public-private partnership between Mayo, Rochester, Olmsted and the State.

Commissioner Bier noted the importance of the implementation stage, and agreed that Discovery Square was a priority. He cited the need to maintain a big-picture focus on this large initiative.

Council Member Hruska stated that Discovery Square was a priority and noted that the Downtown Waterfront was the best chance to create a public attraction. He said that throughout this project, Rochester's qualities and authenticity need to be maintained.

Mr. George commented that Discovery Square is a priority but requires significant lead time, and Mayo will have to be heavily involved. Heart of the City is an area that could proceed on a parallel track with Discovery Square. He noted that work needed to be done with respect to identifying the voice of visitors and patients, hospitality issues, and the Chateau Theater.

Ms. Park Rani noted the progress that has been made thus far, and said that the Heart of the City and Discovery Square should be the places to begin.

Mayor Brede commented on the Discovery Square and Heart of the City areas, and noted that the Chateau Theater could be a jewel in the project.

Mr. Rybak commented that there had to be scrutiny on individual projects and raised the question of when the public should assist.

Chair Smith summarized the Board discussion by repeating the common themes: 1) Discovery Square, Heart of the City, the Chateau Theater; 2) the need to maintain Rochester's authenticity and to stay focused on the big picture; and 3) highlighting the importance of the public-private partnership between the City, County, State and Mayo.

Chair Smith asked Bob Dunn of Hammes Company to outline proposed changes to the evaluation criteria contained in the Plan. After discussion, Mr. George moved approval of the proposed revisions, and Ms. Park Rani seconded. The motion to revise the evaluation criteria in the proposed Plan was approved.

Chair Smith asked for a vote on Resolution B, authorizing submittal of the Development Plan to the City.

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

- X. Economic Development Agency. Chair Smith invited Lisa Clarke, Interim Executive Director and Jeff Bolton, EDA Board Chair to present the report. Mr. Bolton recognized Dr. Patricia Simmons, former EDA Chair, and thanked her for her successful leadership over the previous year. Mr. Bolton stated that the top priority for the EDA is for staffing and the work plan to move forward. He expressed Mayo Clinic's commitment to the Destination Medical Center initiative and that Mayo is prepared to deliver on the vision and the capital investments required. Mr. Bolton highlighted examples from 2014 and 2015 of the capital investments that Mayo has already made or is planning to make in 2015. Ms. Clarke noted that the Development Plan process is on schedule and budget with a focus on collaboration with the City as well as community engagement and public outreach. Council Member Hruska recognized Ms. Clarke as "Newsmaker of the Year" and acknowledged her work on the project.

- XI. Next Meeting. Thursday, February 26, 2015 at the Civic Center at 9:30 a.m.

- XII. Adjournment. Commissioner Bier moved to adjourn the meeting at 11:27pm. Ms. Park Rani seconded.

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

Respectfully submitted,



Lisa Clarke
Secretary