

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 Ardele 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.

Respectfully submitted,



Lisa Clarke
Secretary