

**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

**MINUTES
July 30, 2015**

- I. Call to Order. Chair Tina Smith called the meeting to order and acknowledged and thanked all in attendance, including legislators and City Council members.
- II. Roll Call. In attendance were Chair Tina Smith, R.T. Rybak, Susan Park Rani, Mayor Ardell F. Brede, City Council Member Ed Hruska, Jim Campbell, Commissioner Jim Bier and Bill George.
- III. Approval of Agenda. Commissioner Bier moved approval of the agenda. Council Member Hruska seconded.

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

- IV. Approval of Minutes: Chair Smith requested approval of the Minutes from the meeting held on May 28, 2015. Mr. Campbell moved approval. Ms. Park Rani seconded.

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

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

Barry Skolnick commented on deadlines for construction of DMCC-funded projects. He asked about the "master list of thought leaders" in the summary of primary outcomes, and asked whether meetings regarding historic preservation and other issues would be open to the public.

Senator Dave Senjem spoke about Hafen City in Hamburg, Germany, as a good source of information on renewable energy. The redevelopment of Hafen City is a \$10 billion project with public amenities, sustainable energy, and a district energy system. A German delegation will be in Rochester, Minnesota on Wednesday, October 14.

Anna Ritchey, Rochester resident and Southern Minnesota Coordinator for Conservation Minnesota, noted support for McKnight Foundation's involvement in the Rochester energy study. She provided 120 signatures in support of this initiative.

Richard Olen, Shoreview, Minnesota resident, commented on his desire for new ways of moving people around Rochester. Mr. Olen suggested that the Indianapolis People Mover project leaders speak to the DMCC Board.

Andrea Kiepe (Sierra Club local chapter) and John Hottinger (Sierra Club statewide) spoke about clean energy options being considered by the DMCC Board. Ms. Kiepe commented on the recent RPU survey showing Rochester community support for sustainability and clean energy.

John Kruesel commented on sustainability issues, the increasing use of recyclables in Rochester, sustaining local landmarks, and promoting walkability.

- VI. Chair's Report. Chair Smith summarized the activities in the recent legislative session and special session clarifying the interpretation of the DMC statute with regard to counting investments made by the City, how the City can pay expenses related to the DMC and how it may use sales tax dollars. Chair Smith stated that the City was successful clarifying these issues during the special session and thanked the legislators (Sen. Carla Nelson, Sen. Dave Senjem, Rep. Kim Norton, Rep. Tina Liebling, and Rep. Greg Davids) involved.

Chair Smith noted the recent DEED (Department of Employment and Economic Development) certification of private investment of \$39 million made by Mayo Clinic in 2014. She also noted that Mayo Clinic has made much larger recent investments in Rochester, but this is the amount that has been certified.

Finally, with regard to the structure of agendas for the rest of the year, Chair Smith said the focus will be on research in patient experience, how the airport fits into the transportation strategy, energy, and historic preservation.

- VII. DMCC 2015 Budget: The 2015 year-to-date budget was reviewed.

Chair Smith asked for a motion to revise the 2015 budget with the carry-forward of \$570,106 of development plan costs from 2014 to 2015. Council Member Hruska moved approval. Ms. Park Rani seconded.

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

- VIII. 2016 DMCC Funding Request: Chair Smith opened the discussion on the budget timing and approval process, noting that the City has agreed to waive the deadline of September 1 and allow the DMCC to submit the Funding Request by October 1. The DMCC Board will have two meetings to review and approve the budget.

Lisa Clarke, Executive Director of the EDA, briefly walked through the EDA's 2016 Workplan in the Board's packet, explaining that the 2016 Workplan is aligned with the priority areas identified by the DMCC Board: the Discovery Square subdistrict, Heart of the City subdistrict, and transportation infrastructure. She noted that there is a detailed Workplan consistent with the 2015/2016 DMC Workplan approved by the DMCC Board in April, and the 2016 plan before the DMCC Board today also includes some specific outcomes and tangible and measurable deliverables and tasks that the DMCC Board can expect to see implemented next year.

Mr. Campbell stated the Board must scrutinize the budget to deliver a sound budget to the City. He commented on the development of a scoreboard to measure and track results in 2016. Mr. George said that he was concerned about special interests chipping away at budgets, and in order to show real progress to the City of Rochester, the Board must preserve focus on DMC projects in the Heart of the City and Discovery Square subdistricts over the next 18 months. Mr. Rybak said he liked the Workplan and the way it is tied to the budget, but believes that the Heart of the City district should be a welcoming public space that does not focus on private investment to lead the effort. Council Member Hruska stated that he liked the structure of the EDA Workplan and budget alignment, but has concerns about the number of tasks and the need to focus. Chair Smith added that in the role of the EDA as partner to the DMCC and the City, it is important to determine who is the leader, supporter or advocate for each task. Ms. Park Rani, Mr. Rybak and Mayor Brede agreed with the importance of defining the EDA roles.

IX. DMCC 2014 Audit Presentation: Craig Popenhagen of CliftonLarsonAllen discussed the 2014 DMCC audit in detail. The DMCC received a clean audit, and there were no findings on internal controls. He noted that the EDA's Master Application for Payment process is well-controlled and documented. The next item to complete is preparation of Federal and State tax returns by November 15.

X. DMCC Proposal To McKnight Foundation: Kate Wolford, President of the McKnight Foundation, described the history and current activities of the McKnight Foundation and its interest in the DMC initiative. Sheldon Strom of the Center for Energy and Environment and Ken Smith of Ever-Green Energy explained what their involvement with DMCC will be through the McKnight Foundation in energy planning. The focus will be on Heart of the City and Discovery Square districts, and the goals for the project are to formulate options for advancing DMC energy and climate goals, coordinate an energy infrastructure strategy and operating principles, and identify metrics by which benefits can be measured.

Chair Smith requested a motion to approve the DMCC Proposal to the McKnight Foundation. Commissioner Bier moved approval. Mr. Campbell seconded.

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

XI. Economic Development Agency: Lisa Clarke, Executive Director of the EDA, thanked the Board for discussions on the workplan and energy plan, and stated that the EDA staff should be in place on September 1, 2015.

Ms. Clarke gave an update on the creation of the EDA organization and the development of its operations. The DMC website redesign is in process and a draft will be ready at the end of August. She then detailed outreach efforts in the community, the marketing of Discovery Square plans, partnerships across the state and region, and the ambassador program.

Ms. Clarke reported on the administrative and planning staff group efforts, including work on an application and a flowchart for developers. The team has also created an evaluation report which will be used to condense information related to developers and projects for delivery to the DMCC. Ms. Clarke described the recent Supplier Diversity Workshop sponsored by the Rochester Area Chamber of Commerce and Mayo Clinic in which the EDA participated. She also reported that Discovery Square planning initiatives are on track and on time. Mr. Campbell mentioned the importance of patient experience and feedback from Mayo employees.

XII. City of Rochester: Randy Staver, Rochester City Council President, discussed the DMC II legislation that was passed. He then summarized the City's agreement with DEED and stated that it was signed and approved earlier this month. Council President Staver also discussed the City's lead role in transportation and parking initiatives and studies, including the Request for Proposals' process for a transportation infrastructure consultant, the recommendation of which will be submitted to the DMCC and City for approval.

Mayor Brede then gave an update on the status of the Chateau Theatre historic preservation effort, noting that a task force will be formed to address future use.

XIII. Meeting Schedule: The next regular meeting is Thursday, August 27, 2015, at 9:30 a.m.

XIV. Adjournment: Mayor Brede moved to adjourn the meeting. Mr. Campbell seconded.

Ayes (7), Nays (0), Motion carried.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lisa Clarke', written in a cursive style.

Lisa Clarke
Secretary

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