

**DESTINATION MEDICAL CENTER CORPORATION  
BOARD OF DIRECTORS**

**MINUTES  
August 27, 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, Susan Park Rani, Mayor Ardell F. Brede, Bill George, Council Member Ed Hruska, and Jim Campbell.
  
- III. Approval of Agenda. Mayor Brede moved approval of the agenda. Mr. Campbell seconded.  
  
Ayes (6), Nays (0), Motion carried.
  
- IV. Approval of Minutes. Chair Smith requested approval of the Minutes from the meeting held on July 30, 2015. Council Member Hruska moved approval. Mr. George seconded.  
  
Ayes (6), Nays (0), Motion carried.
  
- V. Public Comment Period. Chair Smith invited members of the community to provide comments.  
  
Al Lund asked about connecting the DMC plan with community networking conversations around social impact, and would like to see a linkage between the project planning efforts and deliverables.
  
- VI. Chair's Report. Chair Smith announced that following the adjournment of the DMCC meeting, there would be an airport tour, noting that this tour was open to the public and media. Chair Smith thanked the legislators, Council Members, City and EDA staff, and the community in attendance.
  
- VII. DMCC 2015 Budget: Year-to-Date Update. Chair Smith stated that Dale Martinson, DMCC Assistant Treasurer, was in attendance for any questions related to the 2015 Budget. No questions were presented by the Board.
  
- VIII. DMCC 2016 Funding Request: Discussion.
  - A. DMC EDA 2016 Budget, Workplan, Five-year CIP: Chair Smith thanked Ms. Park Rani and Mr. Campbell for their assistance in reviewing the EDA workplan and budget.

Jeff Bolton, Chair of the EDA, led the EDA 2016 budget and workplan discussion, noting that the 2016 budget and workplan were reviewed and endorsed by the EDA board. Mr. Bolton reported that the EDA board feels sufficient funding is crucial to realize the DMC vision, and stated that he considers the EDA budget as an investment rather than pure expense. He expressed the EDA board's concern that there could be under-investment in the EDA. Mr. Bolton highlighted Mayo's commitment and contribution to the EDA, stating that Mayo Clinic has already

invested over \$9 million to get DMC off the ground and will contribute \$3.6 billion in direct capital investment in DMC. Mayo has also committed \$915,000 in support of the annual operating budget for 2016 and \$1.5 million in a feasibility study for Discovery Square development. In total, Mayo Clinic's impact to DMC will be greater than \$3 billion in capital expenses with significant employment growth. Since 2014, Mayo Clinic has added 1,244 employees, with total Mayo Clinic employment at the Rochester campus equaling 28,247 and 1,800 current openings to be filled.

In addressing the marketing, communications, and community relations budget, Mr. Bolton stated that private investments will not happen on their own. Opportunities need to be actively marketed, and the communications budget, with leverage from the Mayo Clinic budget, is focused on attracting patients and driving patient demand. Community engagement and relations are also critical during this implementation phase. In addition, Mr. Bolton announced that Mayo Clinic will be committing two staff to support activities and assist in EDA and Mayo Clinic coordination.

Mr. Campbell stated that the objective with the budget is to understand what will be accomplished with this funding, to ensure accountability. He raised a concern about coordination between the EDA, Mayo, the City and County to obtain the best result, and asked what Mayo's key messages were. Council Member Hruska commented on the several initiatives promoting the City, and encouraged coordination. Mayor Brede noted that Mayo's efforts on hiring and marketing had effects on other parts of the community, as well. Mr. George noted that the legislation requires that private funds must be provided first, so it is crucial to have robust marketing and engagement efforts underway in order to attract private investment, and it is critical to close deals to create momentum centering on Heart of the City and Discovery Square. Mr. George requested an update on a market analysis for visitors at a future meeting. Chair Smith reminded the Board that action will be taken on the budget next month.

Lisa Clarke provided an update on the Capital Improvement Plan.

- B. **DMCC 2016 Budget:** In addressing the DMCC's proposed 2016 budget, Chair Smith noted that the budget, which is almost entirely made up of legal, insurance and other fees, is under review and will be approved as part of the entire 2016 Funding Request at the next Board meeting.
  
- IX. **Center for Energy and Environment: Discussion.** Sheldon Strom, Mike Bull and Jenny Edwards appeared on behalf of the Center for Energy and Environment. The group presented an update on their work over the last month, which included stakeholder meetings, analysis of energy needs, and discussion about how energy and environmental needs fit into the DMC initiative. The group provided an analysis of preliminary energy opportunities and next steps. Mr. Campbell requested an outline of key players (such as Rochester Public Utilities) along with some additional data on these companies.
  
- X. **Rochester International Airport: Presentation by John C. Reed, Executive Director.** Mr. Reed gave a presentation on the Rochester International Airport ("RST"). As RST embarks on its growth strategy, noteworthy projects include: the \$3 million Jet Bridge project for 2015; and the US Customs update and main terminal modification planned for fall of 2016. Additionally, RST is working on expanding its air service and implementing programs like Fly Local to support this mission. Council Member Hruska noted that there were major entities missing on the Fly Local page and asked if there were barriers created by the ownership model. Mr. George requested data on the percentage of flyers affiliated

with Mayo. Steve McNeal, a member of the RST Board, responded that approximately 1/3 of flyers are Mayo Clinic staff, and 1/3 are visitors.

XI. Economic Development Agency.

- A. Update: Lisa Clarke provided a staffing update and announced the EDA has filled four staff positions that report to the Executive Director.

She stated that the DMC website redesign has been the focus of DMC communications efforts over the last month. In the upcoming month, the EDA team will begin the regional outreach to business and civic organizations and outstate communities. For the past 7 months, the EDA has tracked 674 DMC-related stories.

Ms. Clarke reported that this month saw the kick-off of the “DMC Hangouts” – a platform to target discussions in smaller groups. The EDA secured a sponsorship for the Rochester Area Chamber of Commerce’s Southeast Minnesota Economic Forum, bringing leaders from around the state together to talk about economic development and how to participate. Rochester Community and Technical College is working with DMC, the Chamber, and others to create hospitality opportunities. Finally, TedX will be coming to Rochester in May of 2016. This will provide a great opportunity for DMC to start discussing America’s City for Health and the potential for Rochester.

The EDA team continues to meet with the City and DMCC staff to establish the process for DMC funding applicants.

The transportation working group is currently discussing priority transit and transportation projects for the 2016 CIP, one of which is the hiring of a program management firm.

- B. Website Presentation: Ms. Clarke and Jamie Rothe provided a presentation on the website.

XII. City of Rochester.

- A. Update: Gary Neumann provided the City of Rochester update. He reported that the City is working with the EDA and DMCC on the CIP program. A few of the projects listed in the 2016 CIP include a federal transit study, shared parking, Discovery Square, and the Chateau.

- B. Transit/Infrastructure Program Manager: Mr. Neumann reported that the City sent a letter to the DMCC indicating its intent to retain a program management firm for transportation and infrastructure. Mr. Neumann explained that although the City has many staff and department heads working on these initiatives on a part-time basis, they do not currently have a full time staff person to dedicate to these efforts.

The City asked for approval from the Board to hire a Transit and Infrastructure Program Manager. Mr. Neumann confirmed that the actual numbers for this position will be budgeted annually and certified by the City for DMCC project approval. Chair Smith requested a motion to approve the concept of hiring a transportation and infrastructure program manager. Ms. Park Rani moved and Mayor Brede seconded the motion.

Ayes (6), Nays (0), Motion Carried.

XIII. Meeting Schedule. The next regular meeting is Thursday, September 24, 2015, at 9:30 a.m.

XIV. Adjournment. Mr. Campbell moved to adjourn the meeting. Council Member Hruska seconded.

Ayes (6), 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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