

**DESTINATION MEDICAL CENTER CORPORATION  
BOARD OF DIRECTORS**

MINUTES  
April 30, 2015

- I. Call to Order. Chair Tina Smith called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Presentation Hall, located at 30 Civic Center Drive SE, Rochester, MN 55904.
  
- II. Roll Call. In attendance were Chair Tina Smith, R.T. Rybak, Mayor Ardell F. Brede, City Council Member Ed Hruska, Commissioner Jim Bier, Susan Park Rani, and Jim Campbell.
  
- III. Approval of Agenda. Council Member Hruska moved approval. Ms. Park Rani seconded.  
  
Ayes (7), Nays (0), Motion carried.
  
- IV. Approval of Minutes. Mayor Brede moved approval of the minutes of the meeting held on March 26, 2015. Council Member Hruska seconded.  
  
Ayes (7), Nays (0), Motion carried.
  
- V. Public Comment Period. Chair Smith invited members of the community to provide comments.  
  
Al Lun, retired IBM engineer, speaking on his own behalf, brought up the issue of consumability of information. He asked the Board to consider web communication and other types of technology, specifically the idea of a dashboard or portal concept being used to display information on the various projects being funded.  
  
Richard Olen, Shorewood MN, commented on DMC Transportation, encouraging an elevated rail system. He requested to meet with the Board for a 2-hour presentation of his proposal.  
  
Nancy Slocum, Rochester resident, noted the effect of TIF financing and asked the Board to be mindful of the tax dollars that will not be going to other things as a result of awarding TIF financing to developments.
  
- VI. Chair's Report:
  - A. April 1 Report to DEED: Chair Smith noted that the final April 1 Report to DEED was in Board members' packets.
  - B. IRS Determination of Tax Exempt Status: Chair Smith announced that the DMCC has been notified that it has been granted tax-exempt status. Chair Smith thanked Dale Martinson and Commissioner Jim Bier for their work on getting this approved.

- C. Chair Smith discussed the comments made at the public hearing, and highlighted the important themes that came out of that hearing. The public has raised issues in six areas: (1) the impact of the DMC on the larger community, particularly around social services and the impact on the overall health of the community; (2) energy and sustainability; (3) WMBE and inclusion; (4) transportation and transit; (5) historic preservation; and (6) affordable housing. She noted that the DMCC can help lead the way on some of these issues; and that while the DMCC's role is economic development, there is an impact on the broader community.

Chair Smith asked the Board to consider the next steps in this process. The Board discussed various ideas on the themes Chair Smith presented as issues of public concern.

- VII. DMCC 2015 Budget: Year to Date Update. Chair Smith asked for comments or questions regarding the 2015 budget.

- VIII. Conflict of Interest Policy. Chair Smith asked Council Member Hruska to lead the discussion. Council Member Hruska commented that the adoption of this policy provides clarity on future work and contracts. All parties involved in future agreements would be fully aware of the details of the Policy. Chair Smith thanked Council Member Hruska for his work.

Resolution A: Adopting a Conflict of Interest Policy: Council Member Hruska moved adoption. Commissioner Jim Bier seconded.

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

- IX. Response for Proposals: Auditing Services. Chair Smith asked Council Member Hruska to lead the discussion. Council Member Hruska noted that he and the review team considered all four proposals that were received. He commented that the CliftonLarsonAllen group was lower in cost than the others. They are also one of the top ten companies in the nation and have a presence in Rochester. The review team was unanimous in recommending CliftonLarsonAllen. Council Member Hruska thanked all companies that took the time and effort to participate in the RFP.

Resolution B: Approving the Selection of Auditor: Council Member Hruska moved adoption. Mayor Brede seconded. Commissioner Bier abstained from the vote, citing a potential conflict of interest.

Ayes (6), Nays (0), Abstention (1), Motion carried.

- X. Economic Development Agency.

- A. Update. Lisa Clarke congratulated the Board on the approval of the Development Plan. Ms. Clarke commented that though the Development Plan has been approved, it isn't the end of engagement with the community, city and state, and stated that communication efforts are averaging 6 presentations a week. The website update will start in May. The EDA is collaborating with other civic organizations on the City of Rochester's accreditation program to improve the visitor experience.

- B. Revised 2015 EDA Budget and Work Plan. Jeff Bolton stated that the EDA is refining the work plan for 2015 and early 2016 and requested approval of the revised 2015 EDA budget and workplan. Mr. Bolton commented that the EDA is focusing on hiring staff, and that five positions have been approved, a change from the original plan of eleven staff, with the goal of achieving the most efficient operational structure. Mr. Bolton announced that Lisa Clarke will become the EDA's permanent Executive Director, and that three positions are posted now: Finance Manager, Economic Development / Operations Director and Executive Assistant. In the fall, an additional position for Community Relations will be posted. He further stated that the approved 2015 budget of \$2.85 million dollars will have an additional \$585,000 dollar contribution from the Mayo Clinic; the EDA is moving forward to establish an office to be located in the Rosa Parks Building, provided by the Mayo Clinic; and Mayo Clinic is moving forward with the feasibility study for Discovery Square, engaging Hammes Company for this study.

Chair Smith asked for discussion. Mayor Brede inquired whether the six areas of public comment could be cross-referenced in the Development Plan. Mr. Rybak stated that there should be more focus on the priorities of Heart of the City, Discovery Square and transportation. Mr. Hruska stated that he had requested the Hammes Company contract but had not received it yet, so would abstain on the motion. He asked for a list of deliverables and clear set of outcomes. Mr. Campbell stated that he looked forward to the EDA hiring permanent staff and not having to rely on consultants.

Resolution C: Approving Revised 2015 EDA Budget and Workplan: Commissioner Bier moved approval. Ms. Park Rani seconded.

Ayes (6), Nays (0), Abstention (1), Motion carried.

XI. City of Rochester.

- A. Chateau Theater. Randy Staver, City Council President, provided an update on the planned purchase of the Chateau Theater. The City is seeking DMCC approval to purchase the property with \$5.5 million provided by the City and a \$500,000 grant from the Mayo Clinic. The City's contribution will apply toward their local match contribution.

Mayor Brede noted the excitement in the arts community, and has started discussions with other groups around the state. Mr. Rybak stated that the management strategy is key. Mr. Campbell thanked the City for its leadership.

Resolution D: Approving the Acquisition of the Chateau Theater Building: Mayor Brede moved approval. Council Member Hruska seconded.

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

- B. Broadway at Center Project. The City is also seeking approval for the Broadway at Center project, a mixed-use development including hotel, retail, residential and commercial uses. Following an update from Council President Staver, representatives from Titan Ventures presented an overview of the project.

Discussion ensued with questions about street level activity, construction timeline, WMBE goals and parking.

Resolution E: Approving the Broadway at Center Project: Commissioner Bier moved approval. Mayor Brede seconded.

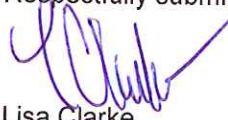
Ayes (7), Nays (0), Motion carried.

XII. Meeting Schedule. The next regular meeting will be held on Thursday, May 28, 2015, at 9:30 a.m.

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

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

Respectfully submitted,



Lisa Clarke  
Secretary