

**DESTINATION MEDICAL CENTER CORPORATION  
BOARD OF DIRECTORS**

MINUTES  
September 11, 2014

- I. Call to Order. Chair Tina Smith called the meeting to order at approximately 9:10 a.m. in 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, Mayor Ardell F. Brede, Commissioner Jim Bier, Jim Campbell, William George, Susan Park Rani and R.T. Rybak.
- III. Adoption of Agenda. Mr. George moved approval. Commissioner Bier seconded.  
  
Ayes (7), Nays (0), Motion carried.
- IV. Approval of Minutes. Chair Smith requested approval of the Minutes from the meeting of June 12, 2014. Mayor Brede moved approval. Ms. Park Rani seconded.  
  
Ayes (7), Nays (0), Motion carried.
- V. Recognition of September 11, 2001. Chair Smith requested a moment of silence in remembrance of September 11, 2001, and particularly of the three Minnesotans who died on that day.
- VI. Public Comment Period. Chair Smith invited members of the community to provide comments.

Nancy Slocum spoke about existing businesses and historic properties.

Major Frye of the Salvation Army of Rochester reminded the Board of the potential impact to their clients.

Leslie McClellon of the Rochester Technical and Community College stated that she is excited and ready to assist DMCC, especially pertaining to work force issues.

Elaine Case, a retired IBM executive, commented that she has been impressed with the public process.

Jamie Sundsbak, the founder of BioAm, an entrepreneurial start-up organization with 200 members in Rochester and the surrounding area, challenged the Board to create a biobusiness campus.

Joe Weiss, Rochester resident and developer of affordable housing, indicated an interest in the planning effort and potential sites for housing.

Al Lund, retired IBM engineer, discussed the lack of a budget line for investment in IT infrastructure.

Barry Skolnick spoke about the quality of architecture.

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

A. Accomplishments to-date. Chair Smith provided an update of the DMC accomplishments to-date, including establishing the governance structure, establishing clear and productive lines of communication with DMCC, City and EDA, the establishment of the EDA, establishing guiding goals for the development plan, initiating the planning process, two public forums and another public forum tonight. In December, the DMCC will receive the draft Development Plan, and will be in the implementation stage soon thereafter.

B. Other Updates.

1. Chair Smith recognized the attendance of Senator Carla Nelson, Representative Kim Norton, Council President Randy Staver, Council Member Sandra Means, County Board Commissioner Sheila Kiscaden, and Steve Kvenvold and Gary Neumann from the City Administration.
2. Insurance Update: Chair Smith requested that Kathleen Lamb address the Board. Ms. Lamb reported that a risk assessment was underway.
3. DEED Update: The Agreement with City of Rochester is in the process of being finalized. A question has been raised about whether the investment certification is based on cumulative or annual calculations. DEED has confirmed they are moving forward with the cumulative formula, and they are also asking the Attorney General for an opinion. Mayor Brede and Mr. Rybak both voiced support and thanked for Chair Smith for her leadership. Chair Smith also thanked Senator Senjem, Representative Norton and Senator Skoe for their leadership and shared vision.

VIII. DMCC 2015 Funding Request.

- A. 2014 Budget Year to Date: Dale Martinson, Assistant Treasurer, provided a report on current expenses, year-to-date through July.
- B. 2015 Funding Request and Five Year Capital Plan: Amy Supple of Hammes Company, the EDA Project Manager, provided an overview of the budget request. Mr. Campbell noted he was part of a group that reviewed the budget on behalf of DMCC, and was satisfied with the budget and financial plan for the year. Chair Smith thanked Mr. Campbell, Mr. George and Commissioner Bier for their work to review the plan.

Commissioner Bier moved to amend the EDA budget, by adding \$250,000 to the legal services column and \$35,000 to the budget under marketing costs for DMCC website enhancements. Mr. George seconded the amendment.

Ayes (7), Nays (0), the motion to amend was approved.

Commissioner Bier then moved approval of the 2015 DMCC Funding Request as amended, and the Five Year Capital Plan, and authorized the DMCC Chair and Treasurer to transmit the amended 2015 DMCC Funding Request and Five Year Capital Plan to the City of Rochester, and to take such actions as are necessary and appropriate

to effectuate the 2015 DMCC Funding Request and Five Year Capital Plan. Mr. George seconded.

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

- IX. Women and Minority Business Enterprise, Small Business Inclusion: Update. Ms. Supple updated the Board on activities regarding women and minority business enterprise, and small business inclusion. Mr. Rybak and Ms. Park Rani commended this effort and offered their assistance in shaping the policy. Ms. Park Rani asked if there would be hiring goals. Ms. Supple responded that this is part of what needs to be studied. Chair Smith noted both City and County are doing work on this effort and DMCC needs to be linked with both bodies.

- X. DMCC Travel Policy.

Resolution A: Approving a Travel Policy with Respect to Out-of-State Travel. Ms. Lamb provided an overview of the policy. Commissioner Bier moved approval. Mr. Campbell seconded.

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

- XI. Working Capital Loan Agreement: Update. Ms. Lamb reported that a term sheet has been executed between the DMCC, EDA and City and that final agreements were being negotiated.

- XII. Economic Development Agency: Report. Lisa Clarke, interim EDA Executive Director, reported that: 1) the EDA is executing its work within the DMCC approved budget and schedule; 2) that coordination has been a major focus of the efforts of the EDA, including coordination with the City staff and comprehensive plan teams through the technical committee meetings; 3) the community engagement team continues to actively engage and receive feedback on the plan through electronic communications, community presentations, meetings with stakeholders and neighborhood groups. 4) the EDA continues the process to recruit an executive director, and; 5) the Best Practices trips have been scheduled for late September and early October.

Mr. George asked if market research had been completed on what people who come to Rochester want. Ms. Clarke stated that market research had been done. Ms. Supple noted that the business plan would be provided in November. Mr. Rybak, Mr. Campbell and Commissioner Bier all noted the importance of focusing on the growth of workforce and targeted business initiatives. Mr. George noted the importance of focusing on entrepreneurialism and small business. Mayor Brede noted that RAEDI and others are working on new business initiatives with the EDA and others. Chair Smith requested follow-up on two specific items: research about what individuals and businesses are looking for; and a discussion about economic development and retail start-ups.

- XIII. City of Rochester. Council President Staver reported that the City Council unanimously adopted an interim M/WBE Policy in July, 2014. The City, Mayo Clinic and Chamber of Commerce are working to develop a supplier diversity initiative. Further, the City and County had recently completed a study on affordable housing needs. Mitzi Baker, from the Rochester-Olmsted County Planning Department, provided an update on the comprehensive plan.

XIV. Meeting Schedule. Chair Smith noted the next meeting is November 13, 2014, at 9:00 a.m. The EDA will also be contacting Board members to schedule a December, 2014 meeting date.

XV. Adjournment. Commissioner Bier moved to adjourn the meeting. Mr. George seconded.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lisa Clarke', with a stylized flourish at the end.

Lisa Clarke  
Secretary

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