

**DESTINATION MEDICAL CENTER CORPORATION  
BOARD OF DIRECTORS**

MINUTES  
June 23, 2016

- I. Call to Order. Chair Tina Smith called the meeting to order at 10:30 a.m. at the Mayo Civic Center, Exhibit Hall, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Tina Smith, Council Member Mark Hickey, Jim Campbell, R.T. Rybak, Commissioner Jim Bier, Mayor Ardell Brede and Michael Dougherty.
- III. Approval of Agenda. Chair Smith requested a motion to approve the Agenda. Commissioner Bier moved approval. Mr. Rybak seconded.  
  
Ayes (7), Nays (0), Motion carried.
- IV. Approval of Minutes. Chair Smith requested approval of the Minutes from the meeting held on May 26, 2016. Mr. Campbell moved approval. Council Member Hickey seconded.  
  
Ayes (7), Nays (0), Motion carried.
- V. Public Comment Period. Chair Smith invited members of the community to provide comments. No public comments were offered.
- VI. Chair's Report. Chair Smith stated that the Board looked forward to the upcoming joint meeting with the City of Rochester Common Council and the EDA Board of Directors. Chair Smith noted that the EDA is due to present a proposed budget to the DMCC by August 1. Following its review and approval, the DMCC is scheduled to present its budget to the City of Rochester by September 1. Chair Smith suggested that the Board request an extension to October 1 from the City of Rochester. Chair Smith also noted that an informal ad-hoc review of materials would be helpful and asked Board members to indicate their interest to participate. Commissioner Bier, Mr. Campbell, Mr. Dougherty, and Council Member Hickey volunteered to participate.
- VII. DMCC 2015 Audit. Craig Popenhagen and Joe Duda of CliftonLarsonAllen ("CLA") presented the results of the 2015 DMCC audit. Mr. Popenhagen stated that CLA issued a clean opinion on financial statements, and had no findings on internal controls or legal compliance. Mr. Popenhagen noted that the IRS Form 990 must be prepared for filing and will be presented at an upcoming meeting. Commissioner Bier moved approval of the audit. Mr. Rybak seconded.  
  
Ayes (7), Nays (0), Motion carried.
- VIII. City of Rochester.
  - A. Update. Randy Staver, Rochester City Council President, provided the City of Rochester update. The City currently leads efforts with the University of Minnesota Metropolitan Design Center (MDC) to create DMC district design guidelines. The design guidelines incorporate elements of the Rochester Downtown Master Plan, the DMC Development Plan, and the City's urban design standards. Combining these resources will create a single source of reference for developers and designers. Public engagement and input will occur in the near future, with adoption of the standards occurring this year.

The City Council has engaged with Grounded Solution Network to evaluate the City's housing efforts, including inclusionary housing policies.

President Staver also noted that City staff have suggested that an interim parking management strategy, which evaluates parking needs in terms of use and not strictly zoning requirements, be adopted in the downtown area. This strategy will be developed using recommendations from SRF, Rochester Public Works and Transportation Departments, Mayo Clinic, and the EDA.

- B. WMBE Update. President Staver reported on the City's ongoing efforts related to Women and Minority Business Enterprise ("WMBE"). Under the DMC legislation, the City must ensure public infrastructure projects meet WMBE standards. The City reviewed its goals and policies on June 23 and continues to meet with experts and governmental resources on this matter. Current City policy will be augmented with an implementation plan and should be completed in the next 90 days. The City established 4% WMBE contractor goal for the Mayo Civic Center, and expansion of the Rochester Recreation and Senior Center, which has resulted in more than \$5 million in City-issued WMBE contracts. President Staver also noted that the City is participating in a regional supplier diversity event with Mayo Clinic and the Rochester Area Chamber of Commerce and gathering information to assist WMBE firms in registering for the Minnesota cooperative purchasing system.

IX. Project Update.

- A. Design Guidelines: Update. Rochester-Olmsted Planning Director Mitzi Baker, University of Minnesota Metropolitan Design Center (MDC) Senior Research Fellow John Carmody, and Patrick Seeb, EDA Director of Economic Development and Placemaking provided an update on the DMC design guidelines. MDC consolidated multiple documents into one set of design guidelines. Ms. Baker noted that design guidelines convey expectations for development design. Mr. Seeb stated that the EDA has been working with the City throughout this process, noting that the guidelines will serve as an important tool for setting community expectations for development. Mr. Carmody stated that the guidelines intend to further four goals: a thriving economy, sustainability, a healthy city, and a vibrant public realm.

Mr. Rybak noted that navigation through three pedestrian levels can be difficult and questioned how the guidelines address this. Mr. Carmody stated that all levels should be as visible and accessible as possible. Mr. Rybak said that new building skyways ought to move people to streets, and subways ought to allow in natural light. Mayor Brede noted the unique opportunity to coordinate all three levels presented by the design guideline redesign. After questioning from the Board regarding the ownership of and access to skyways, Ms. Baker stated that the skyway system is a hybrid of some other common models, with private owners/developers agreeing with the City on use and hours of operation.

X. Economic Development Agency.

- A. EDA Update. EDA Executive Director Lisa Clarke provided the EDA update. With respect to Heart of the City, Ms. Clarke stated that six teams were invited to submit to the Heart of the City Public Space Design request for proposals, and all six teams participated in the proposers' meeting. Mayor Brede stated that national and international firms continue to be engaged in the design process.

Ms. Clarke noted that the EDA continues to work cooperatively with the City on the ongoing transit studies.

The metric dashboard development with Wilder Foundation is ongoing. Wilder's current work focuses on populating the historical data from 2012 - present. Mr. Campbell requested that the EDA provide a draft before the next Board meeting.

Ms. Clarke gave an update on the Placemakers Rochester Prototyping festival. She stated that twenty-two interested groups have submitted proposals, with topics including safety, road use, water use, entertainment, and more. Approximately twelve of the proposals will be chosen for the festival, which will occur during Mayo Clinic's Transform conference in September 2016.

Ms. Clarke reported that in the Saint Marys Place subdistrict, stakeholders met to discuss use of public space. The Metropolitan Design Center has been involved in this planning as well. The stakeholder group will develop a proposed plan, which will be brought to the DMCC Board for review and could be a template for other subdistricts.

Ms. Clarke stated that the EDA continues to explore models that will maximize the benefit of the two year, \$150,000 Midwest Climate and Energy grant from the McKnight Foundation. Mayor Brede noted that the McKnight Foundation has provided the City with two energy fellows, and Ms. Clarke suggested the fellows get involved in the DMC energy and sustainability efforts.

Ms. Clarke provided an update on the enclosed EDA's 2016 workplan, stating that the EDA is on track to complete the priorities for the year. For 2017, a workplan and budget will again be developed.

Finally, Ms. Clarke noted that June's positive press continues to generate interest in the DMC initiative.

- B. Discovery Square: Update. Jeff Bolton, EDA Board President and Mayo Clinic Chief Administrative Officer, Dr. Clark Otley, EDA Board Vice President and Mayo Clinic Ventures and Business Development Medical Director, and Mayo Clinic DMC Manager, Jamie Rothe, joined Ms. Clarke to provide an update on activity in the Discovery Square subdistrict. Mr. Bolton noted that Mayo Clinic was a recent recipient of a \$142 million grant from the National Institutes of Health for an exclusive, national precision medicine initiative research-cohort biobank. Mr. Bolton stated that this award indicates Mayo Clinic's unmatched leadership in the precision medicine field, while also noting that Mayo Clinic has invested significantly in the efforts to become a leader in individualized and precision medicine. Mr. Bolton said Mayo Clinic already serves as an international health and wellness destination, with a unique ability to bring together multidisciplinary teams for the treatment of serious and complex illnesses. Discovery Square will allow Mayo Clinic and its partners to move from medical discovery to practice even more quickly.

Mr. Bolton stated that Mayo Clinic has partnered with a real estate development company to develop an RFP process and received nine proposals from prequalified developers. The quality of the proposals indicates the market interest in Destination Medical Center. Mayo Clinic real estate could provide up to two million square feet of development in Discovery Square. The first building could be 100,000 square feet in size, with Mayo Clinic occupying about half of the space. Construction is slated to begin in late 2017 and will be a catalyst for further development.

Dr. Otley commented on the 2016 BIO International Conference ("BIO"), at which Mayo Clinic made its Discovery Square announcement. In addition to EDA and Mayo Clinic representatives, Rochester City Council Member Nick Campion and Rochester Area Chamber of Commerce President Rob Miller also participated in the conference. BIO is the foremost biotechnology conference in the world, and news of Mayo Clinic's investment was a local, statewide, and national story. Mayo Clinic is dedicated to

creating the international destination for health, wellness, and research. Mayo Clinic is actively engaged in discussions with potential Discovery Square tenants. Dr. Otley noted that Discovery Square reinforces the Mayo Clinic model of care. The EDA will leverage the physical development of Discovery Square to create the cultural environment necessary for Discovery Square to flourish. Commissioner Bier encouraged Mayo Clinic to think big and aim for a large initial presence. Ms. Rothe noted that there were 800 speakers at BIO and that the DMC strategy was built with Nelsen Biomedical, a Minneapolis-based firm. Additional BIO participants included Mayo Clinic Ventures, Medical Alley, the University of Minnesota, and the Minnesota Department of Employment and Economic Development.

- XI. DMCC 2016 Budget: Year to Date Update. Commissioner Jim Bier noted 88% percent of budgeted funds remain unspent with 58% of the year remaining.

Commissioner Bier noted that funding for the Chateau Theatre and City transit were previously authorized and that those funds are not shown in the monthly DMCC financial statements. The DMCC is working to develop a process to demonstrate the flow of that funding on an ongoing basis.

- XII. Meeting Schedule. The next regular meeting of the DMCC is Thursday, August 25, 2016, at 9:30 a.m.

- XIII. Adjournment. Chair Smith adjourned the meeting.