

DESTINATION MEDICAL CENTER CORPORATION (DMCC)
BOARD OF DIRECTORS

MINUTES

Wednesday, February 8, 2017

I. Call to Order. Chair Tina Smith called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Riverview Suite, located at 30 Civic Center Drive SE, Rochester, MN 55904.

II. Roll Call. In attendance were Chair Tina Smith, R.T. Rybak, Council Member Mark Hickey, Susan Park Rani, Commissioner Jim Bier, and Mayor Ardell Brede.

III. Approval of Agenda. Commissioner Bier moved approval of the Agenda. Ms. Park Rani seconded.

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

IV. Approval of Minutes: December 15, 2016. Commissioner Bier moved approval of the Minutes of the meeting held on December 15, 2016. Council Member Hickey seconded.

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

V. Public Comment Period.

Jamie Sunsback, a tenant in the Conley-Maass building, commended the opportunity for start-up businesses.

Paula Harden, a disability advocate, noted lack of clarity about the goals of DMC with respect to transit.

VI. Chair's Report. Chair Smith noted the reappointments of Susan Park Rani and R.T. Rybak to six-year terms on the DMCC, and thanked them for their continued service. Chair Smith next noted the significant updates on transportation in Board materials, and recommended scheduling an informal transportation working session, to have in-depth discussions of the transportation studies and plans. Ms. Park Rani noted the volume of work and requested more time to digest it.

Finally, Chair Smith made mention of the recent NFL-related competition award earned by GoRout, a Rochester-based technology start-up company.

A. Resolution A: Approving the Establishment of an Executive Committee and Outline of Duties. Ms. Park Rani moved approval. Mayor Brede seconded.

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

B. Resolution B: Approving the February 15 Report to the Legislature. The Report was prepared by the City of Rochester and the DMCC and was approved by City of Rochester Common Council on Monday, January 30, 2017. Council Member Hickey moved approval by the DMCC. Commissioner Bier seconded.

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

VII. Public Hearing.

- A. Proposed Modification of the Development District with Respect to the Alatus Project, Located on 2nd Street SW. Chair Smith formally called to order the public hearing for the proposed modification of the development district.

Mark Bransford, a Rochester resident, presented comments on behalf of Judge Kevin Lund and offered his own comments regarding the height, density and traffic that will be generated by the proposed Alatus development, and stated that the City's Second Street Corridor plan, and the proposed DMC Design Guidelines were being ignored

Hearing no other persons wanting to present remarks, Chair Smith closed the public hearing.

- B. Resolution C: Approval of the Proposed Modification of the Development District. Mayor Brede moved approval of Resolution C. Ms. Park Rani seconded. Mr. Rybak and Ms. Park Rani both spoke to the need for parking and transit solutions.

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

VIII. Project Update (City of Rochester, EDA). EDA Executive Director Lisa Clarke began by providing an update on the DMC website and the status of the EDA finance director and energy/sustainability director positions.

- A. Transportation Management: Findings and Recommended Next Steps. Ms. Clarke, EDA Director of Economic Development and Placemaking Patrick Seeb, SRF Consulting representatives Beth Bartz and Ken Holte, and City of Rochester Director of Public Works Richard Freese presented the transportation update.

Mr. Freese reviewed the evaluation framework, containing four accounts: economy, health and wellness, delivery and community and experience. Mr. Rybak noted that he was pleased with the addition of community and experience, and health and wellness as criteria. Chair Smith was pleased that people are at the center of this evaluation rather than cars.

Ms. Bartz outlined the four integrated transit studies: transit circulation, street use and operations, parking and demand management, and the city loop. Several options for transit circulation, including elevated systems, have been examined, and Mr. Freese noted that First and Second Avenues SW are interrupted by plazas and planning for Heart of the City. Mr. Rybak asked the team to reconsider if First Avenue could serve as north-south route from Soldiers Field or other southern points. Mr. Rybak suggested thinking beyond only "practical" options when more innovative solutions may be more suitable. Commissioner Bier noted that the Board, with a variety of perspectives and experience, may be sending mixed signals to the transportation teams.

Ms. Bartz discussed street use and operations. Portal capacity has been reviewed by the planning team recently and suggested parking opportunities in new areas may be needed, including parking east or north of downtown. These new parking areas, however, may be

remote and on the immediate periphery of downtown. The teams have collected a lot of information, and Mr. Freese is working with Mayo Clinic to determine its peak patient and vehicle volume times. Council Member Hickey noted the emphasis on multi modal transportation and, when noting that some concepts included the elimination of vehicle lanes, stated that artificially eliminating traffic lanes may not be the best option. This concern was echoed by Commissioner Bier. Ms. Park Rani noted needs of workers and residents in 50 years need to be met and that multimodal options need to be present. Mr. Freese suggested that the widespread use of buses and other multiple-rider systems could eliminate large numbers of vehicles and that the planning assumptions seek to achieve the DMC mode-shift goal. Ms. Park Rani suggested public education and engagement is necessary to address parking/transportation goals.

Ms. Bartz next presented a parking and travel demand management update. Decongesting routes, encouraging alternative modes of transportation, and other solutions were discussed. Kimley-Horn assessed the current parking program in relation to traffic, and Rochester ranked as a top medium-sized city in terms of integrated transit use and parking management. Some possible solutions include: capturing more people outside of the entrances to downtown, effective transit, autonomous vehicles, adding vehicle lanes where necessary. In all cases, integrated solutions are needed to provide people, and not necessarily vehicle, access.

Ms. Bartz reviewed the proposed parking policies. Mr. Rybak stated his support for the policies, including establishing a full-time management authority. Mr. Freese noted Mayo Clinic has a well-managed “in-house” transit management authority and that the primary focus will be on the other 10,000 downtown employees.

Finally, Ms. Bartz presented the city loop plans. Ms. Bartz noted that locations for a city loop trail will be important and should allow for downtown user access. Ms. Bartz noted the use of a park-plus model allows users to find parking options, and a new three-dimensional model will allow planners to assess options in a “real world” environment. Mr. Freese and Ms. Bartz also discussed the upcoming milestone schedule.

- B. Use of Tax Increment Financing Funds for Transit and Public Infrastructure. City of Rochester Assistant Administrator Gary Neumann stated that, according to the DMC development plan, \$116 million in public funding will support transit but a value capture district or tax-increment financing could provide additional sources of public funding. Already the City has TIF and economic development districts, and five of eight TIF districts in downtown are already part of a larger economic development district. Excess funds from these districts can be dedicated to transit and parking.

- C. Urban on First: Proposed Titan/Opus Development between First Avenue SW and Broadway. Mr. Seeb and City of Rochester Redevelopment Director Terry Spaeth provided an update on the Titan/Opus development, a high-density apartment building with a green roof, biking amenities, and retail spaces. EDA and City staff recommend supporting the \$38 million project with \$3.8 million in tax-increment financing. Once complete, the annual property tax revenues will increase from approximately \$70,000 to \$472,000.

Resolution D: Approving Urban on First as a Public Infrastructure Project, with Conditions. Commissioner Bier moved approval. Council Member Hickey seconded.

General Counsel Kathleen Lamb proposed an amendment to the third “be it resolved,” suggesting that “90 days” be amended to state “following city approval for land use and planning, and in any event, no later than July 18, 2017.” Mayor Brede moved approval of the amendment. Ms. Park Rani seconded. The amendment was approved.

Ayes (6), Nays (0), Motion as amended carried.

D. Mortenson Project: Proposed Project in Discovery Square. Jeremy Jacobs of M.A. Mortenson Co. highlighted the work completed since Mortenson’s selection as the developer of a portion of Discovery Square and described the work ahead. Mayo Clinic, an expected tenant of the Mortenson building, may include individualized and regenerative medicine functions in the space. Many partners will be needed— Colliers International, HOK and RSP Architects are already engaged, among others—and WMBE inclusion is a key goal. Mr. Jacobs stated that he would follow-up with a report of WMBE inclusion. Groundbreaking is expected in the fourth quarter of 2017.

E. Subdistrict Update.

1. Heart of the City: Public Realm Design. Jon Buggy of RSP Architects and Robin Ganser of Coen+Partners provided the public realm design update. The project is on schedule to provide a cost and plan estimate in July 2017. The Heart of the City Community Advisory Committee, EDA, and the City of Rochester are all engaged in the public realm planning. The RSP-led team has met with hundreds of residents and is striving to create solutions that are authentic to Rochester and serve three distinct user groups: patients/visitors, community members/business stakeholders, and visitors. Ms. Park Rani asked about the participation of WMBE- and small-businesses. 9square, owned by local architect Adam Ferrari, is a member of the design team and WMBE firms will be engaged in the build process to achieve DMC targeted business goals.

IX. DMCC 2017 Budget: Year to Date Update. Commissioner Bier presented the update.

X. Meeting Schedule:

A. Next Regular Meeting: April 27, 2017, at 9:30 A.M.

XI. Adjournment. Chair Smith adjourned the meeting.