



# DESTINATION MEDICAL CENTER CORPORATION (DMCC)

## BOARD OF DIRECTORS MEETING

9:30 A.M. THURSDAY, NOVEMBER 2, 2017

MAYO CIVIC CENTER - ROCHESTER





DESTINATION MEDICAL CENTER CORPORATION(DMCC)

BOARD MEETING

Thursday, November 2, 2017

9:30 A.M.

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B. Next Executive Committee Meeting: February 8, 2018 at 9:30 a.m.	
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DESTINATION MEDICAL CENTER CORPORATION  
(DMCC) BOARD MEETING

Thursday, July 27, 2017

9:30 A.M.

MINUTES

- I. Call to Order. Acting Chair R.T. Rybak called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Suite 111, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Vice Chair R.T. Rybak, Council Member Mark Hickey, Jim Campbell, Mayor Ardeell Brede, Michael Dougherty and Susan Park Rani.
- III. Approval of Agenda.
- IV. Approval of Minutes: April 27, 2017. Mayor Brede moved approval of the Minutes of the meeting held on April 27, 2017. Mr. Campbell seconded.  
  
Ayes (6), Nays (0), Motion carried.
- V. Public Comment Period. Chair Rybak invited members of the public to provide comment.  
  
Tanya Ragan, resident of Rochester, spoke regarding historic preservation and possible rehabilitation or renovation options related to the former Traveler's Hotel.  
  
Paula Hardin, resident of Rochester, suggested boundary modifications to accommodate a new public library on City-owned property at the corner of 41<sup>st</sup> Street NW and West River Road, citing parking availability and cost, as well as ADA compliance concerns.
- VI. Chair's Report.
  - A. Executive Committee Report. The Executive Committee met on May 24, 2017. The committee members, joined by Mayor Brede, approved the 2016 audit and the pursuit of trademark protection for "Discovery Square."
  - B. Transportation Work Session. On June 14, 2017, members of the DMCC and EDA boards of directors, the Olmsted County Board of Commissioners, and the Rochester City Council, met jointly to review the integrated transit studies (ITS) scenarios. SRF Consulting program manager Ken Holte offered comments to the Board, noting that the session was meant to elicit additional input following a May 30, 2017 public open house.  
  
A third work session will likely be scheduled for late September or early October 2017. The ITS team will determine its final ITS recommendations in early September, followed by DMCC and Rochester City Council review. A final report, to include cost and phasing estimates, will be submitted in early 2018.  
  
Mayor Brede asked whether elevated transit solutions are still being considered. Mr. Holte replied that elevated autonomous vehicle options are still in the transit scenarios. Chair Rybak stated that the June 14 work session included discussions regarding addressing multiple downtown points of entry, easing "pinch points," and addressing biking and walking challenges.
  - C. 2018 Budget Review Workgroup and Timeline. Chair Rybak asked for volunteers to examine the 2018 budget. Mr. Dougherty, Mr. Campbell and Council Member Hickey indicated their willingness to participate, along with Commissioner Bier. The DMCC will request a budget submission extension from the City of Rochester to allow the DMCC to consider the 2018 Funding Request at its meeting on November 2, 2017.
  - D. DEED Certification. The Minnesota Department of Employment and Economic Development

(DEED) certified the 2016 DMC private investment expenditures, which brought the cumulative private investment total to more than \$297 Million. DEED will be transferring more than \$2.68 Million in state aid to the City of Rochester in September 2017. Chair Rybak stated that the state investment is a validation of the DMC initiative's momentum. Mayor Brede noted that the amount of state aid will continue to grow year-over-year as private investment continues to occur in the DMC district.

- E. City of Rochester Reimbursement Resolution. The Rochester City Council recently approved a resolution providing for the replenishment of the city flood control account for funds used in DMC start-up activities. Chair Rybak noted the importance of understanding the flow of public funding as well as recognizing and prioritizing the projects and programs that could be supported with state funding.

- VII. DMCC Form 990; Annual Charitable Organization Report. Craig Popenhagen of CliftonLarsonAllen provided the report on the DMCC's 2016 IRS Form 990 and the Minnesota State Charitable Organization Report. The Form 990 has a filing deadline of November 15, 2017. The Minnesota Charitable Organization Annual Report will be filed with the State of Minnesota Attorney General's office. Mr. Popenhagen reported that a current nonprofit corporation annual registration is on file at the Minnesota Secretary of State's office; however, a renewal must be completed by the DMCC by the end of 2017.

Resolution A: Approving the 2017 State of Minnesota Charitable Organization Annual Report and 2016 Form 990. Mayor Brede moved approval. Mr. Dougherty seconded.

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

- VIII. Project Approval: Mortenson Phase 1 Discovery Square Development Project. Lisa Clarke, EDA Executive Director, Terry Spaeth, City of Rochester Redevelopment Director, and Patrick Seeb, EDA Economic Development and Placemaking Director, presented the recommendation for approval.

Chair Rybak mentioned the importance of brand identity and questioned whether the constructed building will be known as the "Mortenson" building and proposed that the development be used to showcase the "Discovery Square" brand. Mr. Seeb replied that the finished building will have a name and that the subdistrict will continue to be known as Discovery Square.

Chair Rybak asked if any issues exist between the DMC goal to create a life science research building and the private investment partners' goal to secure tenants that are able to pay market rate rent. Jeremy Jacobs, Development Executive for Mortenson Co., joined Mr. Seeb and Mr. Spaeth to inform the Board that Mortenson is actively pursuing synergistic tenants for this development

Mr. Seeb stated that the approximately \$35 million project will increase the annual property tax revenue from approximately \$68,000 to \$468,000. Public investment in the proposed building will support market activity that otherwise could not occur and that will encourage additional adjacent private development. The project will achieve significant energy and sustainability goals, including operating at twenty percent under ASHRAE 90.1 2010, and Mortenson will pursue LEED certification. Council Member Hickey inquired about the energy savings payback period. Kevin Bright, the City-EDA Energy and Sustainability Director, responded: the simple payback period is approximately ten years.

Ms. Park Rani asked if the project team considered the ongoing transportation planning efforts when developing the project plan. Mr. Seeb indicated that the team had done so, including a review of the proposed circulator and city loop routes.

Mr. Jacobs described the project as a series of leaps of faith premised on the advancement of a new life science economy in Rochester that can put science on display and promote Discovery Square.

Chair Rybak asked Mr. Jacobs about the extraordinary aspects of this project that necessitate public investment. Mr. Jacobs noted that the aspirational goals of the project can reflect negatively on the project pro forma, limiting potential private investors. Public funding removed some of those limitations, and Mr. Jacobs went on to describe several existing examples of public-private funding partnerships.

Resolution B: Approving the Mortenson Phase 1 Discovery Square Development Project, with Conditions. General Counsel Kathleen Lamb noted that revised resolutions, EDA reports, and City memoranda were provided to the Board immediately prior to the meeting. The materials include the updated TIF request. Mr. Dougherty moved approval. Mr. Campbell seconded.

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

IX. Project Update (City of Rochester, EDA).

A. Project Updates.

1. Urban on First. Mr. Seeb stated that the \$38 Million project, which is conditionally approved to receive \$3.8 million in TIF, continues to make progress. The project was approved by the DMCC Board in February 2017 and by the Rochester City Council in March. Schematic design, financing progress, and entitlement and permitting continues. Groundbreaking is scheduled to occur in late 2017.

Mr. Campbell requested the EDA staff provide an update on project financing at the November 2017 DMCC meeting. Mr. Dougherty concurred.

2. Titan Hilton. The Titan Hilton project broke ground in December 2016. Presently, more than fifty employees work on the construction site, a figure that will increase to more than 300 workers as construction progresses. Mr. Spaeth noted that the adjacent City-owned parking ramp is being built to accommodate additional development atop the parking structure. The City of Rochester has issued a request for proposal for air rights additional development. A portion of the ramp will be assigned to the Titan Hilton.
3. Alatus Project. Mr. Seeb reported that Alatus' 347-unit apartment building will be constructed immediately west of Mayo Clinic Hospital Saint Marys Campus. Property acquisition continues, schematic design is complete, and design development is fifty percent complete. Financing is expected to close in September 2017. Excavation will begin in October 2017.

B. Public Realm Updates.

1. Heart of the City. Shane Coen of Coen+Partners and Jon Buggy of RSP Architects presented the Heart of the City public realm phasing and design update. Mr. Buggy noted the good community participation in the public realm development. Mr. Dougherty stressed the importance of capitalizing on the renovation of the Chateau Theatre and the engagement of downtown property owners to realize the vision of Heart of the City.

Mr. Buggy reported that RSP Architects is completing schematic design and described the benefits of investment in public space. Mr. Coen stated that a vision statement has been created for Heart of the City. The Heart of the City design process focused on several elements: Second Avenue; First Avenue and the alleys; Peace Plaza; Theatre Square; and public art.

Mr. Buggy detailed the cost estimate for the Heart of the City public realm, which totals more than \$46 Million including contingency. On a cost-per-square-foot basis, the public space redesign is comparable to similar projects across the nation. Operations and maintenance costs were also calculated: annual earned and contributed income as well the value capture, were considered, and it was determined that ongoing public support would be needed for operations and maintenance. Other recommendations include that the city parks and recreation department continue to care for the space; the Rochester Downtown Alliance should have access to additional resources to properly program the space; that a clear governance structure should be put in place to manage construction and operations; and that the redevelopment should occur as a one-time, multiple-phase project. Budget, scope and schedule are due by the end of 2017, design development could begin in 2018 with a construction start in late 2019.

Mr. Campbell complimented the team's work and Chair Rybak stated that a greater sense of "place" was created than he expected. Chair Rybak also suggested that a single but phased project would likely result in less disruption to adjacent businesses and encouraged the development team to move ahead quickly. Chair Rybak, questioned why a skyway-to-ground-level connection was not demonstrated. Mr. Seeb noted that the easement restriction held by Kahler Hospitality Group (KHG) limits changes to that area of the plaza.

Chateau Theatre. Mr. Seeb stated the importance of integrating the renovation of the historic Chateau Theatre with the redevelopment and renovation of adjacent properties and the Heart of the City public realm. Operating and governance plans are being considered. Mr. Campbell stated that he would like to see more frequent uses during this interim period.

2. Saint Marys Place. Mr. Seeb reported that possible prototyping will occur in Saint Marys Place, and community and City Council updates will occur. A more in-depth report will be submitted to the DMCC Board in November 2017. Chair Rybak suggested that wayfinding tools, like pavement treatments and landscaping, could be used to connect the subdistricts.

X. EDA Report.

- A. Marketing Metrics. Ms. Clarke noted that the DMC marketing campaign has been active for two months and seeks to garner national attention for the DMC initiative. Presently, the media campaign seeks to drive traffic to [www.dmc.mn](http://www.dmc.mn). Marketing is targeted to life science, investment, and development audiences. June 2017 was the highest web traffic month to-date, likely due to the BIO International conference and the introduction of the DMC Storyteller videos. San Diego, CA, was the highest originating location for web visitors in June, the first month ever when Rochester, MN was not the number one location. Delta Sky magazine and NPR are providing national coverage.

Relationship marketing continues to be the most effective tool for promoting DMC. In Q2 2017, EDA staff held fifty-three private investor meetings, including visits with five international audiences. Regional and statewide partners like Medical Alley Association and DEED continue to assist in identifying audiences for DMC.

- B. Energy Integration Group Update. Mr. Bright presented the energy update. Mr. Bright described some of the more ambitious DMC energy goals, including greenhouse gas reductions, water performance goals, and an overall DMC district energy reduction of twenty-five percent below 2010 levels by 2030. Development in the DMC District makes such a goal more difficult to achieve, so reducing existing energy usage while setting policies that encourage energy-efficient new development will be necessary. Mr. Bright is also working with the City of Rochester to reduce energy consumption in its current building stock.

XI. DMCC 2017 Budget: Year to Date Update. Chair Rybak noted that the financials are in the Board packet.

XII. Meeting Schedule. Chair Rybak reminded the Board that an additional transportation work session will likely be held in late September or early October 2017.

- A. Next Regular Meeting: November 2, 2017 at 9:30 A.M.

XIII. Adjournment. Chair Rybak adjourned the meeting.



**DESTINATION MEDICAL CENTER CORPORATION****RESOLUTION NO. \_\_\_\_-2017****Commending Susan Park Rani and Expressing Gratitude for Her Service to the  
Destination Medical Center Corporation****BACKGROUND RECITALS**

Whereas, Susan Park Rani was appointed by Governor Mark Dayton to serve as one of the inaugural members on the newly established Destination Medical Center Corporation Board of Directors (the “Board”), and reappointed in 2017; and

Whereas, from the first meeting of the Board on August 9, 2013, Ms. Park Rani has been extremely engaged in the establishment of Board policies and procedures, with a particular focus on good governance and best practices for the Board; and

Whereas, by virtue of Ms. Park Rani’s rich background and experiences, including her tenure as founder and President of Rani Engineering; her memberships on the Boards of Directors of the American Council of Engineering Companies – Minnesota, and the Saint Paul Area Chamber of Commerce; her membership on the Board of Trustees of the University of Minnesota Foundation; and her myriad other directorships and lifetime activities, Ms. Park Rani has offered to the Board a valuable perspective on leadership and stewardship; and

Whereas, Ms. Park Rani has been instrumental in the deliberations and refinement of the Development Plan for the Destination Medical Center initiative, and in framing the Board’s priorities in these areas: Discovery Square, Heart of the City, and transportation initiatives; and

Whereas, Ms. Park Rani’s commitment to the citizens of Rochester and to the State of Minnesota has been steadfast and well-reflected in her service to the Board, and her stewardship of the Board’s mission and purpose has been unwavering.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Corporation Board of Directors that it commends Susan Park Rani for her service to the Board, to the community and to the State of Minnesota.

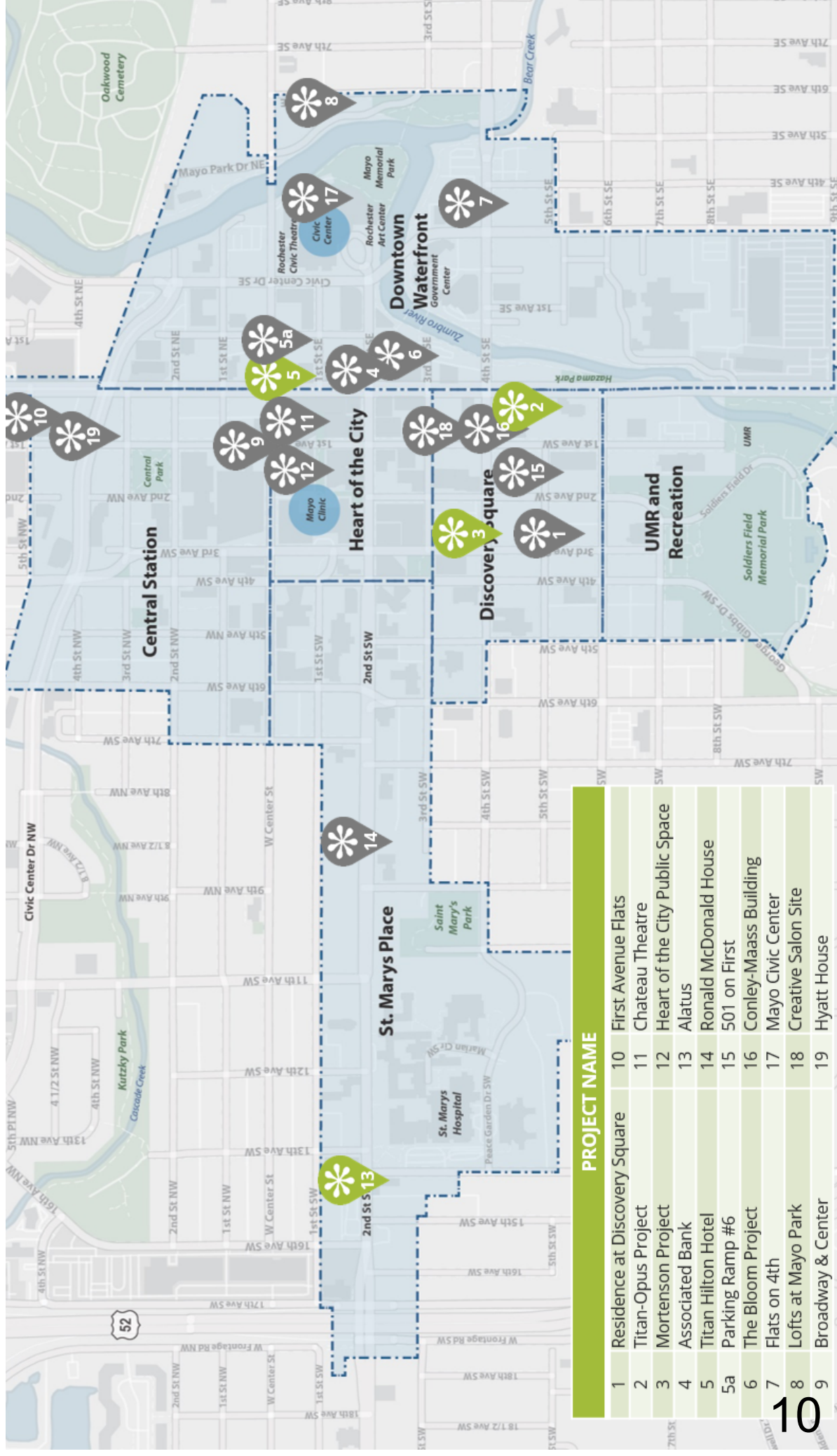
**BE IT FURTHER RESOLVED**, that the Board expresses its gratitude to Ms. Park Rani for her devotion of time and energy to the formation of the Board, for her leadership in helping to establish priorities for the Board, for her engagement on issues and willingness to share expertise, and for her resolute determination to make Rochester, Minnesota, America’s City for Health.



# DMC Development Projects in the District

Development Name	Developer	Purpose	Subdistrict	Project Address	Project Status	Anticipated Completion Date	Estimated Project Investment	DMC Funding	Joint Application Submittal Date
1 Residence at Discovery Square	Vance Sr. & Barbara Vinar	Residential	Discovery Square	Third Ave. SW and Sixth St. SW	Phase I / Predevelopment	2019	\$ 20,000,000.00		
2 Titan-Opus Project	Titan Investments and Opus Group	Residential/ Commercial	Discovery Square	Between 1 <sup>st</sup> Ave. SW and Broadway Ave. S	Phase III / Approved	2019	\$ 38,000,000.00	\$3,800,000	Fall 2016
3 Mortenson	M.A. Mortenson and Mayo Clinic	Research & Innovation	Discovery Square	First Ave. SW	Phase III / Approved	Spring 2019	\$ 35,000,000.00	\$4,900,000	Spring 2017
4 Associated Bank	Bloom Properties	Commercial	Downtown Waterfront	206 Broadway Ave. S	Under Construction	2017	\$ 7,000,000.00	No	NA
5 Titan Hilton Hotel	Titan Investments	Hotel/ Commercial	Downtown Waterfront	Broadway Ave. S and Center St. E	Under Construction	2019	\$ 125,000,000.00	\$6,500,000	Spring 2015
5A 1st Ave Parking Ramp	City of Rochester	Parking Ramp	Downtown Waterfront	55 1st Street SE	Under Construction	Fall 2018	\$ 25,000,000.00		
6 The Bloom Project	Bloom Properties and City of Rochester	Mixed-Use	Downtown Waterfront	Riverfront near Second St. SE and Broadway Ave. S	Phase I / Predevelopment		\$ 200,000,000.00		
7 Flats on 4th	Stencil Group	Residential, Affordable Housing	Downtown Waterfront	410 3rd Ave. SE	Under Construction	Fall 2017	\$ 17,000,000.00	No	NA
8 Lofts at Mayo Park	Pougiales Trust Properties	Residential	Downtown Waterfront	123 Sixth Ave. SE	Completed	Spring 2017	\$ 7,500,000.00	No	NA
9 First Avenue Flats	Joseph Development	Residential, Affordable Housing	Central Station	400 1st Ave. NW	Completed	Spring 2017	\$ 13,700,000.00	No	NA
10 Broadway & Center	Titan Development and Harbor Bay Real Estate Advisors LLC	Mixed-Use	Heart of the City	S Broadway & W Center St.	Phase I / Predevelopment				
11 Chateau Theatre	City of Rochester	TBD	Heart of the City	15 1st St. SW	Phase I / Predevelopment		\$ 28,000,000.00	Yes \$	
12 Heart of the City Public Space	City of Rochester and RSP Architects	Public Space	Heart of the City	Heart of the City	Phase I / Predevelopment		\$ 46,800,000.00	Yes \$	
13 Alatus	Alatus, LLC	Residential/ Commercial	Saint Marys Place	Second St. SW and 14 <sup>th</sup> Ave. SW	Phase III / Approved	2019	\$ 115,000,000.00	\$10,500,000	Fall 2016
14 Ronald McDonald House Rochester, MN	Ronald McDonald House Charities	Residential	Saint Marys Place	850 2nd St. SW	Phase I / Predevelopment		\$ 15,000,000.00		
15 501 on First	501 on First, LLC	Residential/ Commercial	Discovery Square	501 1st Ave. SW	Completed	Fall 2016	\$ 16,000,000.00	No	NA
16 Conley-Maass Building	Hunter & Traci Downs	Commercial	Discovery Square	14 4th St. SW	Completed	Fall 2016	\$ 2,200,000.00	No	NA
17 Mayo Civic Center Addition	Mayo Civic Center	Commercial	Downtown Waterfront	30 Civic Center Dr. SE	Completed	Spring 2017	\$ 84,000,000.00	No	NA
18 Creative Salon Site	Pougiales Trust Properties		Discovery Square	324 1st Ave. SW	Phase I / Predevelopment				
19 Hyatt House	EKN Development Group	Hotel/ Commercial	Central Station	315 1st Ave. NW	Phase I / Predevelopment				

# DMC Development Project Map



## Titan Hilton

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: October 25, 2017



### **Overview:**

After being one of the first two projects approved for DMC funding in spring 2015, the Titan Hilton hotel broke ground in December 2016. The 20 story Hotel will feature 264 rooms, two ballrooms, a conference center, dining, full-service spa, outdoor terrace and underground parking, as well as 21,000 square feet of retail shops and dining.

On July 7, 2017, DMC EDA staff joined Titan Development and Investment, Harbor Bay Realty, Kraus-Anderson, City of Rochester staff, and project investors on a tour of the site

Project Location: Southeast corner of the intersection of East Center Street and South Broadway Avenue.

### **Next Steps:**

Project construction continues, with an expected hotel opening in 2019.



## Alatus

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: October 25, 2017



### Overview:

The Alatus 2nd Street Development includes construction of an approximately 327,965 square foot, thirteen-level commercial and residential complex. Approximately 13,500 square feet of commercial and retail space will be on the ground floor along 2nd Street SW. In addition, approximately 7,500 square feet will be dedicated office/retail space on the 2nd floor along 2nd Street SW. This proposed project will include 347 market-rate rental apartments and townhome style units. The mixed use commercial and residential complex will be supported by a below-grade, heated parking garage for residential and commercial tenants.

Alatus has closed on the purchase of all of the properties associated with the project. It has begun pollution remediation and demolition.

The City of Rochester property assessor has estimated that the proposed building will be worth approximately \$67,230,000 upon completion. The proposed development would redevelop 14 existing parcels including: 2 motels; 5 single family homes; 1 surface parking lot; 3 vacant land parcels; and 1 vacant single family home. Resident amenities include a fitness center, dog run, pool deck with grilling stations, clubroom areas, a bike lounge and sky lounge terrace overlooking the 2nd Street Corridor and downtown Rochester. The Proposed Project includes a site (RayMar Motel) that has been deemed Blighted by the City of Rochester, thus qualifying the site as a "Redevelopment District."

In December 2016, the DMC EDA Board of Directors acted unanimously in recommending the Alatus LLC project to the DMCC as a Public Infrastructure Project, consistent with the DMC Development Plan. It further recommended support in the amount of \$10.5 million in city Tax Increment Financing.

Alatus has closed on the purchase of all of the properties associated with the project. It has begun pollution remediation and demolition.

Project Location: Southwest corner of the intersection of Second Street SW and 14<sup>th</sup> Avenue SW.

### Next Steps:

Construction is expected to begin in the fall of 2017. Project is expected to be completed in late 2019.





## Urban on First

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: October 25, 2017



### Overview:

The Rochester 1st Ave Mixed-Use Development includes construction of an approximately 238,717 square foot, six-story podium commercial and residential complex. Approximately 9,000 square feet of commercial and retail space will be dedicated to the street level along 1st Avenue South. This Proposed Project will include 156 market-rate rental apartment units. The mixed use commercial and residential complex will be supported by a below-grade and above-grade, tempered parking garages for residential vehicles. The proposed development would redevelop 2 existing parcels including an underutilized surface parking lot. The proposed unit mix on the residential levels is to have 48 alcove, 59 one-bedroom, 49 two-bedroom apartment units. The interior amenity package for use by all residents will include a fitness Center, on-demand fitness trainer and gym, club room with demonstration kitchen, premium bike valet storage area with bike repair stations and replacement parts, dog wash and secured, tempered garage parking. Exterior amenities will include two separate and distinct outdoor amenity decks at level 2 which will include a pool/hot tub, outdoor kitchen and barbeque, seating areas, green roofs, fire pits, stunning views of downtown Rochester and the Zumbro River. Additionally a level 6 “resident overlook” terrace will provide residents with views of the greater surrounding area.

On January 12, 2017, the DMC EDA Board of Directors acted unanimously in recommending the Titan-OPUS project to the DMCC as a Public Infrastructure Project, consistent with the DMC Development Plan. It further recommended support in the amount of \$3.8 million in city Tax Increment Financing.

At its January 2017 meeting, the DMCC approved the funding request upon the condition that proof of financing be provided to the DMCC board of directors.

Project location: Currently a parking lot bounded by First Avenue South and South Broadway Avenue, between Fourth Street SW and Sixth Street SW.

### Next Steps:

Opus expects to close on its financing in November 2017 and commence construction immediately thereafter.

October 23, 2017

DMCC Executive Committee  
Attn: Lt Gov. Tina Smith  
Rosa Parks Pavilion  
195 S Broadway  
Rochester, MN 55904

**RE: Opus/Titan Rochester Mixed Use Project Update**

Ladies and Gentleman:

The Opus/Titan partnership continues to work diligently toward a ground breaking of our mixed use project in the Discovery Square district of the DMC. This includes significant progress on design, permits, approvals and finalization of the capital structure for the project. The team has been asked to provide information on these efforts.

The design process has continued over the last four months and the project team is in a position to submit for a grading permit. The team will follow a phased permitting process with additional plan submittals for foundation and building permit. These submittals will occur after ground breaking in early 2018.

The Opus/Titan team selected an institutional equity investor to partner with on the project. That group has visited the site and completed their required internal approvals. Opus and Titan are in final negotiations of a joint venture agreement with this investor.

A lender that has worked extensively with both Opus and Titan has been selected for the project and has received all required loan committee approvals to move forward. Loan documents are being finalized by all parties.

The City of Rochester via the City Council EDA has approved extensions of the Development Assistance Agreement to the spring of 2018.

All of these efforts are driving toward a project commencement and ground breaking to occur by January 15, 2018.

If you have questions please do not hesitate to reach out to me.

Best regards,



Matthew G. Rauenhurst  
Vice President, Opus Development Company, L.L.C.

Cc:  
Andy Chafoulis, Mark Steege, Brian Moser  
Lisa Clarke, Patrick Seeb

## Mortenson at Discovery Square

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: October 25, 2017



### **Overview:**

Mortenson will construct a Bioscience Building that will be the first research building within Discovery Square. The building will include lab, office, collaborative and, potentially, retail spaces. Currently, the building is rendered to be approximately 89,000 gross square feet, or 80,000 rentable square feet. Mayo Clinic will lease 30,000 rentable square feet of the building. The remaining 50,000 rentable square feet are being marketed to educators and to small, medium and large size companies whose presence within the building will help accomplish the mission of Discovery Square, which is to accelerate the translation of medicine from bench to bedside. Discovery Square Phase 1 will be new construction. Currently, the majority of the site is comprised of surface parking. A Mayo-owned building is occupied on the southwest corner of the site at 428 3rd Ave Southwest.

With Mayo Clinic as the anchor tenant, Phase 1 will create a tremendous long-term presence for the site, provide a new home for a diverse set of tenants that will grow the local economy, and be a significant addition to the City's tax base. Phase 1 will include the infrastructure required to absorb biomedical and life science tenants. Without Phase 1, the market lacks the infrastructure required to attract and retain tenants that need lab space to grow their business and collaborate alongside of Mayo Clinic.

Mortenson submitted a Joint Funding Application on May 15, 2017. Mortenson hosted an Open House on July 18, 2017 that welcomed the neighborhoods near the project site and those in the public wanting to know more about the project. The DMC EDA report and recommendation for Joint Funding was brought forward and approved by both the DMC EDA Board and the DMC Corporation Board in July, 2017. The project was approved at City Council on August 7, 2017.

Project Location: Northern half of the 400 block of Second Avenue SW.

### **Next Steps:**

Mortenson and DMC are hosting a ground breaking event on November 2, 2017.



## Heart of the City

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: October 25, 2017



### **Overview:**

The RSP-led design team has completed the Schematic Design for Heart of the City. It has been received by the Community Advisory Group, DMC EDA, DMCC, and City Council.

Subsequent discussion has focused on questions about project phasing, financing, on-going management and operations.

### **Next Steps:**

Integration of project design with Chateau Theatre, Wells Fargo, and Titan/Harbor Bay

Determine project priorities/phasing, and construction timetable

Identify and secure funding streams and financing strategy

Develop governance, management, and operations program



## Chateau Theatre

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: October 25, 2017



### Overview:

Following DMCC support in 2015, the City of Rochester closed on the acquisition of the Chateau Theatre in January 2016. The purchase price was approximately \$6 million.

Subsequently, the Chateau Theatre Re-Use Task Force was formed, chaired by Mayor Brede. Its role was to review and recommend strategies. A consultant, Miller Dunwiddie, was hired to study the feasibility of redeveloping the venue as a multi-purpose performing arts center. Miller Dunwiddie is an architectural design firm with extensive experience in historic renovation; it added a market analysis firm to their team, Webb Management, for the project. Webb's role was to review market demand and propose a business, governance, and operating model.

In October 2016, the Task Force received a report from the consultant that concluded there is a demand for a multi-purpose performing arts center and that a \$25 million capital investment would be required in order to make the facility functional. Furthermore, the consultant presented a business, governance, and operating model whereby the City would own and operate the facility, generate earned and contributed income, with the support of a non-profit support organization.

The report was submitted to City Council. It recommended that there needed to be additional exploration of the fit between this project and adjacent development and further study of the business plan.

There have been subsequent discussions with adjacent property owners to discuss the potential fit between the Chateau Theatre redevelopment and their own development plans. Discussions have focused on program considerations, site considerations, and construction timing.

In September 2017, the Chateau Theatre Reuse Task Force formally recommended the renovation of Chateau Theatre as a multipurpose performing arts center and that it be adopted by the DMCC as a public infrastructure project, with an understanding that the DMCC will want to see resolution of the following outstanding issues:

- Strategy to diversify capital funding sources
- Sustainable ongoing management, programming, and operations plan
- Relationship to adjacent development
- Plans for interim use and activation

Project Location: 15 1<sup>st</sup> Street SW

**Next Steps:**

DMC EDA staff working with Ryan Companies and City on options for integrated redevelopment of the Well Fargo building and Chateau Theatre

DMC EDA and DMCC to consider Task Force recommendation, including consideration of CIP commitment in 2018.

DMC EDA to work with the City on alternative funding models and interim use opportunities.



## Saint Marys Place

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: October 25, 2017



### Overview:

The public design process for Saint Marys Place sub-district public realm began in 2016 and resulted in a design concept that was presented in City Council on October 2<sup>nd</sup>, 2017. The concept is organized in four distinct elements:

- Protected Passages (subway and arcades)
- Active and Connected Places (Plazas, Alleys, Crosswalks)
- Streets for People (Protected bikeways, shared streets)
- District Identity (Public Art and District Branding)

### Next Steps:

Application of these design concepts with upcoming projects such as 2<sup>nd</sup> Street reconstruction and private development;

Prototyping/temporary demonstrations of project ideas;

Consider CIP for street banners, street furniture, and district identity.



## Discovery Walk

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: October 13, 2017



### Overview:

The RSP-led design team has been retained to design Discovery Walk, which is the public realm along the 2<sup>nd</sup> Avenue corridor from 2<sup>nd</sup> Street south to 6<sup>th</sup> Street (Soldiers Field). Kick-off meeting was held on October 13<sup>th</sup>, involving Mayo Clinic, City of Rochester, Mortenson, and DMC.

### Next Steps:

- Design process to inform the redesign of 4<sup>th</sup> Street;
- Schematic Design to be completed by the end of 2017 or 1<sup>st</sup> quarter 2018;
- Impact on CIP TBD.



*Analysis of 4 ITS Study Scenarios is largely complete:*

## Parking:

- 16,000 parking spaces are needed to address projected employment and activity growth.
- Approximately 4000 spaces will be needed for customer, visitor and patient parking growth and this should be accommodated in the District.
- Approximately 3000 spaces will be needed to handle future residential growth in the District.
- Approximately 9000 spaces will be needed for future employment growth and those spaces to the greatest extent possible need to be located outside of downtown to provide sufficient patient/visitor parking downtown and avoid severe congestion during peak travel times. Many existing employee parking spaces will transition to parking for patients/visitors over the next 20 years.
- Three locations have been identified as potential priority sites for 6000-7000 structured parking spaces on the periphery of the District; these include a site along or over TH 14 west of TH 52; future redevelopment of the K-Mart site south of downtown, and the County Fairgrounds.
- Approximately 2000 to 3000 spaces would be located in an expanded remote park and ride network nearer the edge of the urban area; one example that has been recently added and in service is 700 spaces at the University Center on the east side of the city.
- Conversations are ongoing with Mayo staff about how best to address parking needs for patients, visitors, and employees.
- For all downtown employers, expansion of travel demand management measures such as employer provided bus passes or preferential carpool parking should be emphasized to minimize growth in employee parking demand.

## Transit:

- Transit Circulator
  - Ridership forecasts project a potential transit circulator market of up to 25,000 rides per day.
  - For each of the four scenarios, approximately 1/3 of the weekday transit rides are related to downtown activity (Mayo -St Mary's and general downtown employee / visitor circulation) and 2/3 of the weekday transit rides are related to moving employees from peripheral parking to downtown work sites.
  - Capital costs for a circulator range from an estimated \$90 million for a Bus Rapid Transit (BRT) type service to \$265 million for a rail type service to \$490 million to an elevated system. This includes costs of transit way and vehicles.

- Team is finalizing analysis of at the effectiveness of serving the 3 transit markets (commuter, Mayo intercampus, and downtown circulator) independently versus merged service, and effects relative to operational costs and service plans.
  - IBM and Local Motors (manufacturer of Ollie autonomous bus) have teamed to pursue an autonomous vehicle pilot project for Rochester; they are working with staff to identify a potential route in downtown. This could potentially supplement the circulator route, connecting key locations not within a block or two of a fixed guideway circulator service.
- Regional Commuter Bus
  - Discussions have been held with Mayo regarding changing the drop-off, pickup and layover function of the regional commuter bus network.
  - Layover function of vehicles during the day will likely occur at the peripheral parking reservoirs or Mayo parking lots within the DMC District.
  - Employee drop-off in the morning will likely still occur in the District at or near St. Marys and the Mayo / Gonda Buildings, but consideration is being given to require employees to use the circulator to reach parked commuter bus vehicles at the peripheral parking locations at the end of their workshift.
- Remote Park and Ride Service
  - Remote park and ride lots could be served with a combination of express bus and future Bus Rapid Transit service.

#### Street Use:

- With the large number of transit service vehicles converging in downtown (Circulator, Regional Commuter Bus, Park and Ride Express, Future PTN Bus Rapid Transit), the repurposing of two lanes on 2<sup>nd</sup> St South for transit use is being evaluated. This would occur, if determined to be needed, from the St Marys area to the Government Center area at a minimum.
- With a large parking reservoir (anticipated capacity of 4000 spaces) along or over TH 14 west of 52, a dedicated transit way in the median of TH 14 coming into the District is being evaluated. As part of a transit way project improvements to the TH 14 / TH 52 interchange would be needed including replacement of at-grade left turn crossovers on TH 14 with flyover entrance ramps to northbound and southbound TH 52.
- Through work being led by the EDA a backbone of pedestrian oriented streets (Heart of the City and Discovery Walk) is being planned along with the City Loop facility which would be supplemented by a limited number of other shared street corridors where pedestrians would be given high priority, such as 1<sup>st</sup> St SE leading to the Mayo Civic Center and a 1<sup>st</sup> Ave SW “Main Street” and 3<sup>rd</sup> Street SW from the river to 4th.
- A limited set of streets have been identified as primary bicycle travel corridors which would be developed with a mixture of protected and unprotected facilities to create a connected network of bike facilities to facilitate bike movements throughout downtown for users of different abilities and provide last block connections from the River Trails system and City Loop to key destinations in the District.

- Effects of changes to street network resulting from transit and bike lanes has been examined – an additional lane on Civic Center Drive may be warranted as well as minor intersection improvements, but no significant concerns have been identified assuming mode shift targets are met.

#### City Loop:

- Route options are being field studied to determine best routing options given existing street right of way widths and roadway context (driveways, on street parking, boulevard plantings, crossing safety, etc.).
- Close coordination is occurring with Heart of the City, Discovery Walk and 4<sup>th</sup> Street Reconstruction planning.
- Certain segments of the City Loop on the east side of downtown are anticipated to be first developed with interim facilities until the City can secure the active spurline railroad right of way which would permit development of the ultimate Cultural Crescent corridor.
- Approximately a half dozen locations along the corridor have been identified for potential development as areas where pedestrians such as medical patients could enjoy quiet rest stops along their walk.

#### Travel Demand Management:

- The City has been working with the consultants and a committee of downtown stakeholders to structure a framework for the future delivery of travel services that would provide alternatives to private single occupant vehicle commuting.
- A Transportation Management Association framework has been identified that will have the TMA organized initially as a city managed entity until support for TDM services among employers can grow.
- Two (2) Pilot Travel Demand Management (TDM) have been completed; one with City employees that work downtown and the other with HGA employees. Results will be used to help shape the Downtown Rochester TDM Program.
- An interim TMA manager has been selected as part of the consultant contract to begin work on establishing a menu of services to offer employers and their employees.
- A Request for Proposals is being finalized to select of software development company to build a user-friendly travel and trip matching web based software platform.

#### Cost Estimates/Funding:

- Preliminary concept level cost estimates for the four (4) ITS scenarios range from \$400m to \$1 billion dollars; anticipated cost for recommended alternative will likely be in the middle of that range.

## DMCC BOARD UPDATE: NOV 2 2017

- Potential funding sources are being identified. At this time, it is anticipated that there will be a public funding gap that will need to be addressed. Private funding commitments remain uncertain.

*ITS Team and City Staff are currently developing a recommended “hybrid” comprised of elements from the four scenarios. We anticipate technical analysis of this recommendation (including cost estimate) will be complete by the end of November. Documentation and presentation materials will be completed in December for presentation in January 2018.*

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# DMC Development Plan

## Goal Dashboard

10/25/2017

**Goal 1. Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire community.**

**Goal 2. Leverage the public investment (\$585 million) to attract more than \$5 billion in private investment to Rochester and the region.**

**Goal 3. Create approximately 30,000 new jobs, with workforce development strategies that support growth.**

**Goal 4. Generate approximately \$7.5-8.0 billion in new net tax revenue over 35 years.**

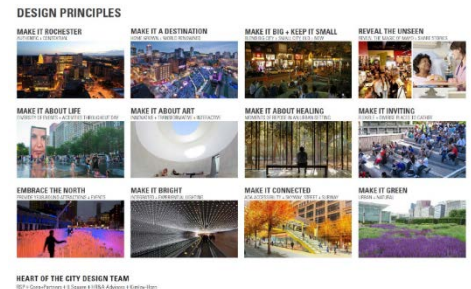
**Goal 5. Achieve the highest quality experience for patients, companions, visitors, employees, and residents, now and in the future.**

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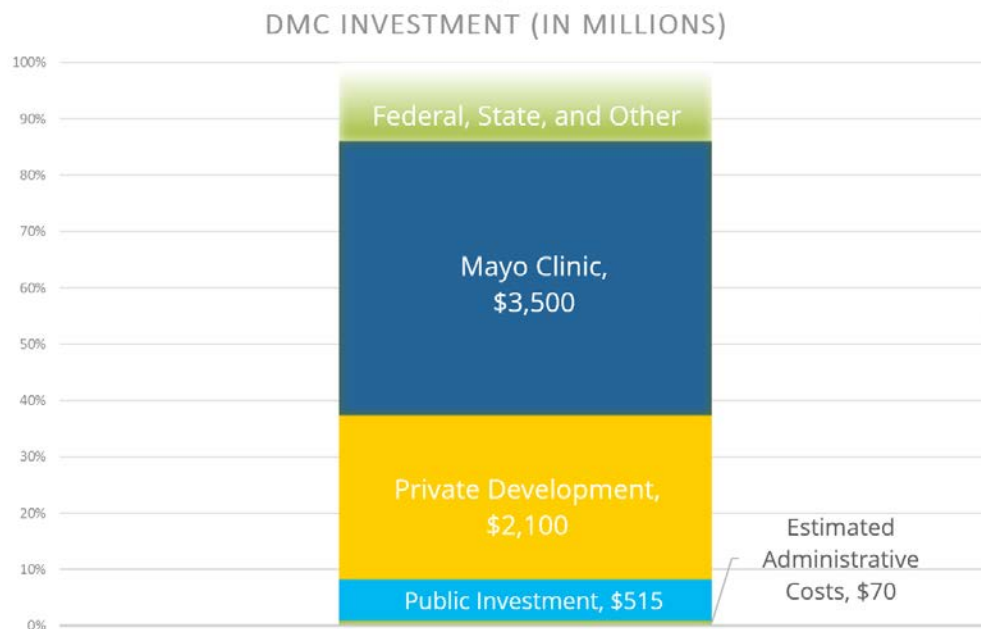
## Goal 1. Create a comprehensive strategic plan.

### DMC Development Plan-April 2015

- ✓ UMR Campus Master Plan- September 2014
- ✓ Sustainable Energy Options- December 2015
- ✓ Discovery Square Project Plan- January 2016
- ✓ Mayo Clinic Five-Year Plan- November 2016
- ✓ Chateau Theatre proposal- November 2016
- ✓ DMC District Design Guidelines- June 2017
- ✓ Heart of the City Public Realm- July 2017
- ✓ Saint Marys Place Public Realm- October 2017



Goal 2. Leverage the public investment to attract more than \$5 billion in private investment.



Strategy to Attract Private Investment  
2017 January – September



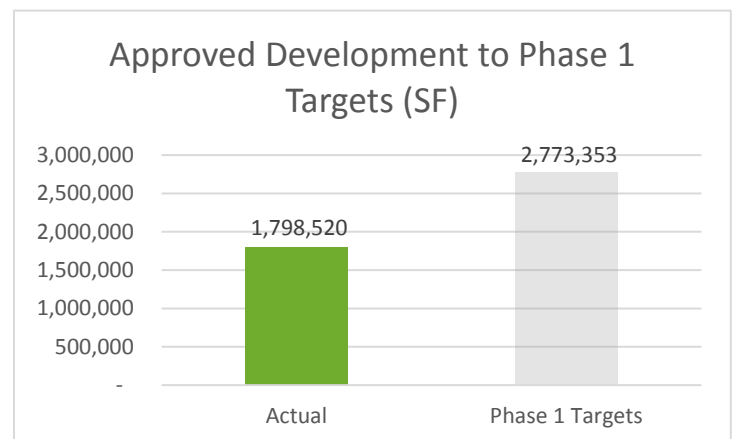
## Goal 2 Continued



Green Pins are DMC Funded Projects

### Approved Development Square Footage to Date

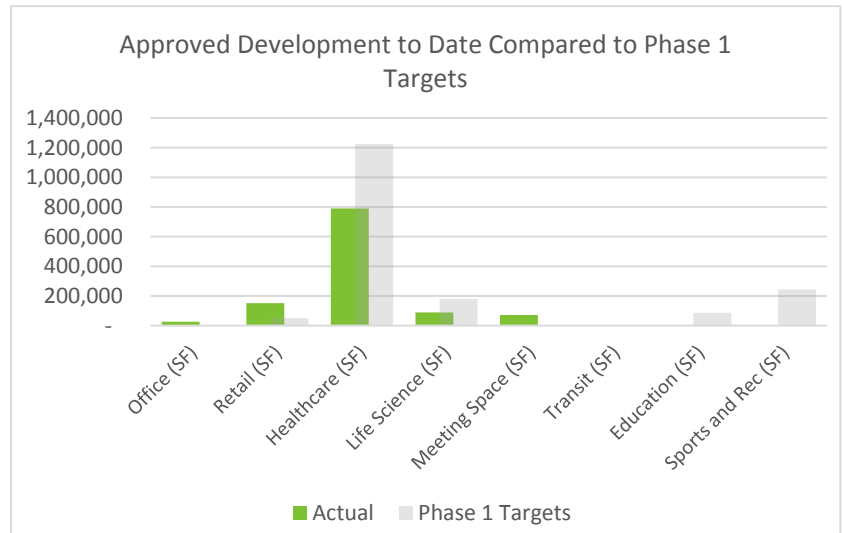
- Phase 1 (2015-2020) Targets project 2.7 million square feet in space by 2020.
- Through October 2017, the City of Rochester and the DMC initiative have approved projects of nearly 1.8 million square feet.
- In terms of percentages, the initiative has achieved approximately 66% of the progress to its Phase 1 goal, and in terms of timing the DMC initiative is just over 50% of the way through Phase 1.



## Goal 2 Continued

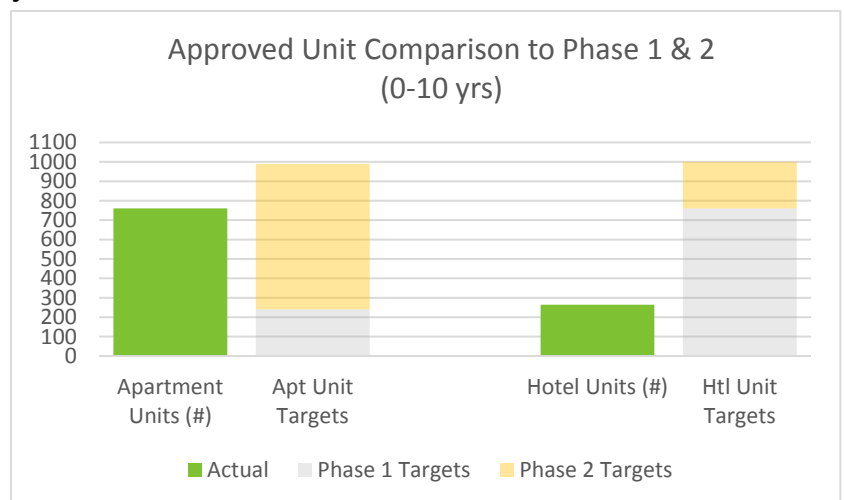
### Approved Development by Space Type

- With approximately 50% of Phase 1 remaining, secured projects (green) generally validate the growth projections estimated in the DMC
- Development Plan Hotel and apartment metrics are shown in subsequent graphs.

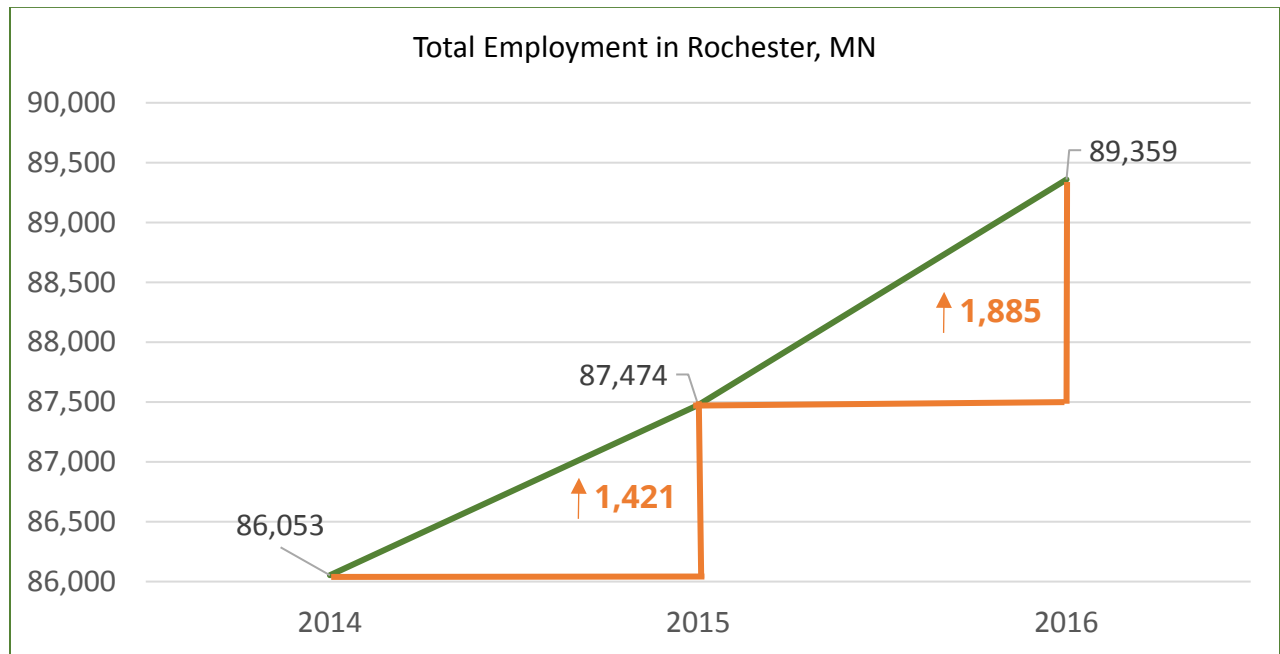


### Hotel and Apartment Units Compared to Phase 1 and 2 Targets

- Current approved, constructed or completed apartment unit projects are surpassing totals of Phase 1 and approaching Phase 2 projections.
- Based on the market projections in the DMC plan, there is room for some additional apartment units and more hotel rooms.
- Phase 1 and 2 were included in this graph because there are multiple projects that will not be fully completed until phase 2.



### Goal 3. Create approximately 30,000 new jobs. (1,500 jobs/year)



Sources: DEED, Quarterly Census of Employment & Wages, Longitudinal Employer-Household Dynamics, U.S. Census Bureau

### Examples of Estimated Construction Jobs

**Titan Hilton- 300**



**Titan/Opus - 102**



**Alatus- 235**



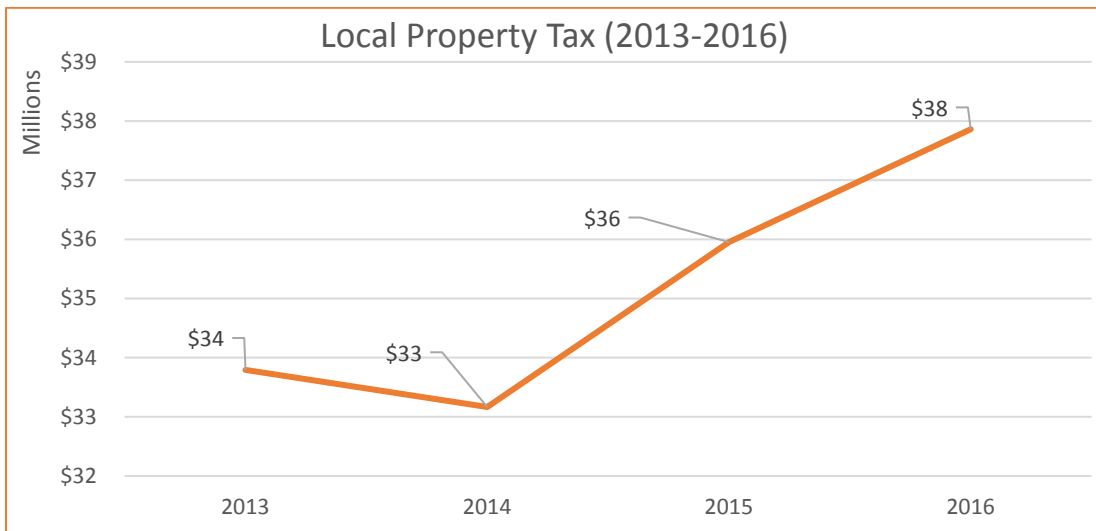
**Mortenson-450**





## Goal 4. Generate approximately \$7.5 - \$8.0 billion in new net tax revenue.

New net tax revenue includes: personal income tax, state sales & use tax, city property tax and county property & sales tax. Below indicates that Rochester local property tax and county property & sales tax revenue have increased 2013-2016.



**Sub Goal:** Local Property Tax Revenue Increase Over Baseline by 2035 = \$144 M

2014-2016 Local Property Tax Revenue increase over baseline \$6,854,579

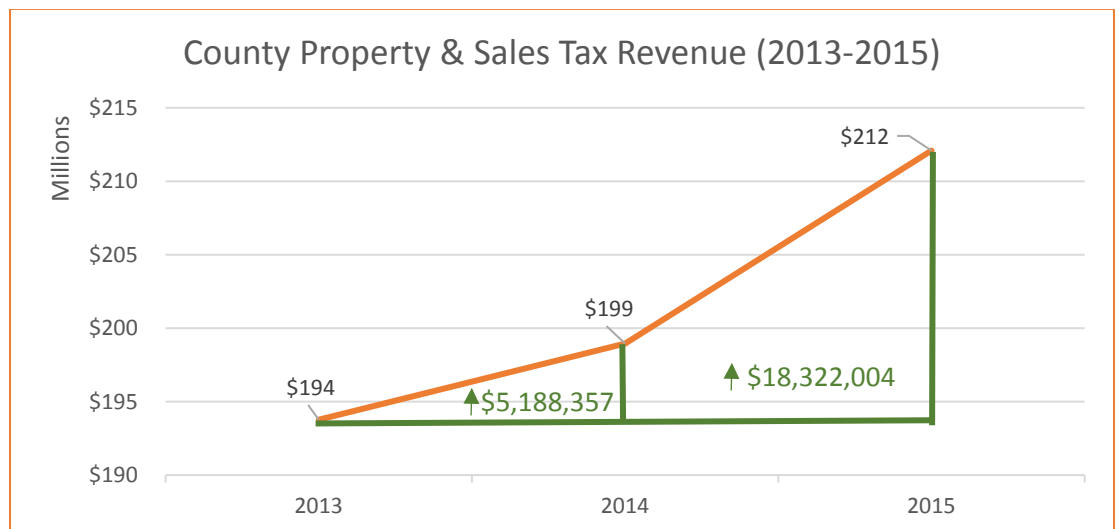
Approx. 4.8% towards Local Property Tax Goal

Sources: MN Department of Revenue, Property Tax Division

**Sub Goal:** County Property & Sales Tax Revenue Increase Over Baseline by 2035 = \$218 M

2013-2015 County Property & Sales Tax Revenue increase over baseline \$23,510,361

Approx. 10.8% towards County Property & Sales Tax Goal

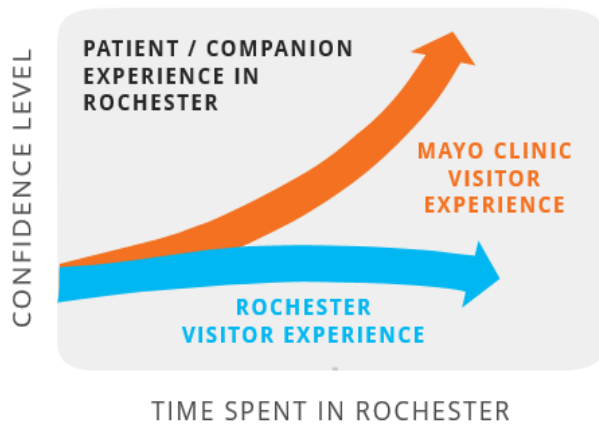


Sources: MN Department of Revenue, Property Tax Division

Disclaimer: The data shown above are meant to demonstrate progress towards the net tax revenue goal but it should not be interpreted that the DMC project is the sole reason for growth. An in-depth economic impact study will be completed to more narrowly define progress moving forward.

## Goal 5. Achieve the highest quality patient, companion, visitor, employee, and resident experience.

### Experience Gap



2011

### Quality Gap



2011

### Highlights about tools and programs designed to elevate the patient and visitor experience include:

- Experience Accreditation Program
  - Collaboration between Rochester Convention and Visitors Bureau (RCVB) and Mayo Clinic to ensure highest quality customer service.
  - RCVB collects an experience survey annually.
- Rochester Now App
  - A wayfinding and accessing community resources tool (in testing phases).
  - Primary partners Mayo Clinic, DMC and RCVB.
- Prototyping the Public Realm
  - AIRGLOW- Test concepts from the Heart of the City design plan and gather experience data. In partnership with Rochester Downtown Alliance (RDA).
  - Porchfest- Plaza Street closure in Saint Marys Place subdistrict. Tested pedestrian experience while collecting data.
- Entrepreneur Experience
  - Collaborating on the following events in order to grow the entrepreneur ecosystem: Global Entrepreneur Week; Startup Weekend; Walleye Tank (In partnership with Collider).



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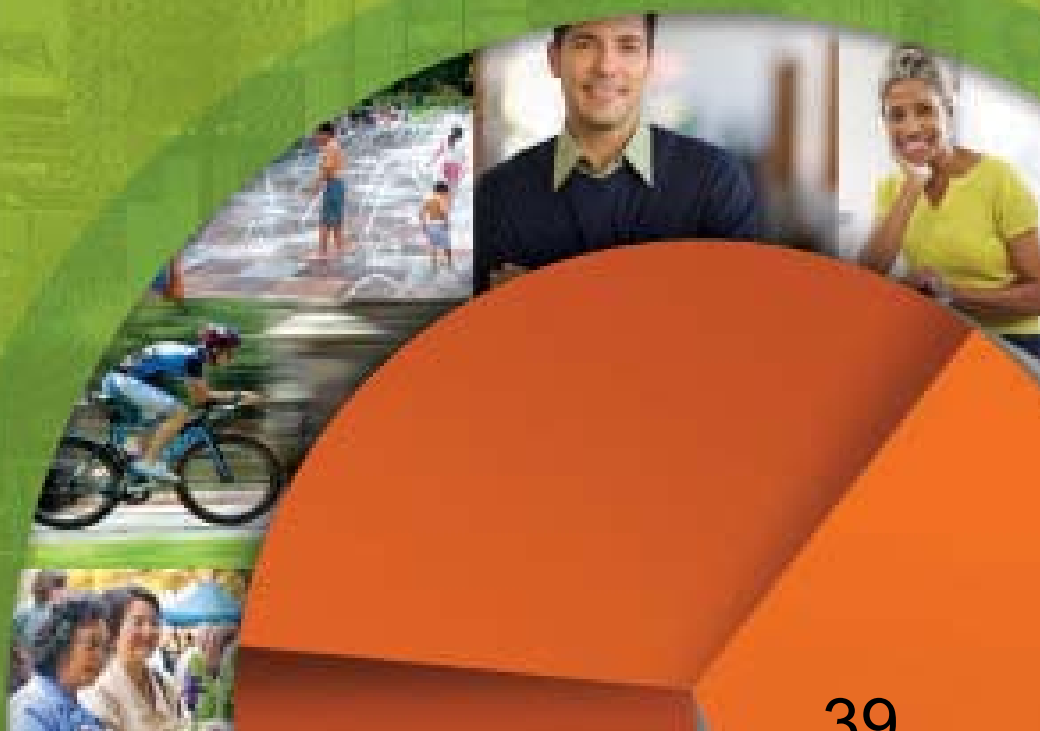
10/13/2017



# DMC

A Global Destination  
for Health & Healing

# METRICS Dashboard 2017



# Destination Medical Center

DRAFT 10/13/2017

Destination Medical Center (DMC) is a one-of-a-kind, \$5.6 billion economic development initiative in Rochester, Minnesota. It is the largest public-private partnership in state history, designed to position Minnesota as a global center for the highest quality medical care and to generate high-value jobs, new tax revenue, and businesses.

The DMC Development plan was adopted in April 2015 and the Destination Medical Center Economic Development Agency (DMC EDA) was formed to provide the staffing and services to support the Destination Medical Center Corporation and to implement the DMC Development plan, working with the City of Rochester.

## DMC Mission

*With Mayo Clinic at its heart, the Destination Medical Center (DMC) initiative is the catalyst to position Rochester, Minnesota as the world's premier destination for health and wellness; attracting people, investment opportunities, and jobs to America's City for Health and supporting the economic growth of Minnesota, its bioscience sector, and beyond.*

## DMC Metrics Dashboard: Year 2

The DMC EDA has created the DMC Metrics Dashboard to follow a set of indicators that will demonstrate the success of the mission and vision of the DMC initiative. The 2015 DMC Metrics Dashboard provides baseline data from which to measure annual indicator changes. DMC EDA retained Wilder Research on the creation and data population of the DMC Metrics Dashboard.

## About the Dashboard

The DMC Metrics Dashboard uses a set of goals, outcomes, and indicators to showcase the impact that the DMC initiative has on the DMC District, the City of Rochester, and the State of Minnesota over time.

**Goals:** Five goals of the DMC Development Plan, which have been consolidated into four dashboard goals for ease of data collection and reporting, are the foundation of the DMC Metrics Dashboard.

**Outcomes:** Quantifiable results that will demonstrate the achievement of the DMC goals.

**Indicators:** Reliable data sources that will illustrate realization of the outcomes.

## DMC Metrics Dashboard Goals

### 1 Comprehensive Strategic Plan

Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire community.

### 2 Attract Private Investment

Leverage the public investment to attract more than \$5 billion in private investment to Rochester and the region.

### 3 Create Jobs & Generate Tax Revenue

Strengthen the local economy.

### 4 Become the Destination for Health & Wellness

Achieve the highest quality patient, companion, visitor, employee, and resident experience, now and in the future.

DRAFT 10/13/2017

## GOAL 1 Comprehensive Strategic Plan

Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire community

Indicator	Data Source	Baseline 2013	2014	2015	2016	Geography
Outcome: Rochester-area citizens are informed and engaged in on-going DMC planning						
<b>DMC Hosted Meetings and Events</b> DMCC Board, Community Leaders, Market Rochester, Prototyping, Saint Marys Place open house, Ribbon Cuttings	22.	-	-	48	51	City of Rochester, Region, State, National
<b>DMC Newsletter Readership</b> Open rate is apx 36.5%. Industry average is 22.6%.	22.	-	1,439	1,770	1,963	Local, State, National, International
<b>Presentations by DMC Staff and Ambassadors</b> City of the Whole, Events, Minnesota Public Transit Conference, World Medicine Tourism Conference ect.	22.	210	188	126	109	City of Rochester, Region, State, National
<b>Engagement Via Social Media and Web (Facebook &amp; Twitter followers, website visitors)</b> 5,200 Facebook followers, 3,127 twitter followers and 97,464 website visitors	22.	TBD	TBD	39,200	105,791	Local, State, National, International
<b>Media Stories that mention DMC</b> Local news, State wide news, National news, International news	22.	-	-	157	522	Local, State, National, International
Outcome: Government officials are informed and engaged in on-going DMC planning						
<b>Meetings with Rochester City Council, County Commissioners and other State Agency and Officials</b>	22.	-	-	-	55	Minnesota

## GOAL 2 Attract Private Investment

Leverage the public investment to attract more than \$5 billion in private investment to Rochester and the region

Indicator	Data Source	Baseline 2013	2014	2015	2016	Geography
Outcome: Public support will be used to leverage more than \$5.0B of Private Investors in DMC over time						
Private Investment (annual amount)	22.	\$10.3 M	\$54.5 M	\$87.6 M	\$145.3 M	DMC District/Mayo
Outcome: \$585.0 Million in contributions from the state and local governments over 20 years						
City of Rochester Contribution	19.	\$9.85 M			1.7 M	DMC District
Outcome: Entrepreneurial activity increases						
Number of Business Establishments in Discovery Square Subdistrict	20.	-	-	-	TBD	DMC District
Patent Filings by Mayo	23.	-	111	141	139	Olmsted County

Indicator	Data Source	2013	2014	2015	2016	Geography
Outcome: Impactful Real Estate development will increase in DMC district						
<b>Health &amp; Bio-Tech (square feet)</b> 112K Bio Business + Mayo 9,513,389 (as of 2011 5 year plan)	19.	-	-	9.6 M	TBD	DMC District +Mayo
<b>Retail &amp; Office (square feet)</b>	19.	TBD	TBD	15.4 M	TBD	City of Rochester
<b>Hotel (keys)</b>	9.	5,270	5,419	5,706	5,621	DMC District
<b>Residential (units)</b>	19.	TBD	TBD	46,231	TBD	City of Rochester
Outcome: New businesses are established in each DMC district						
<b>Chamber Business Members</b> Chamber of Commerce (95% of businesses are in Olmsted county)	21.	-	-	1,495	1,511	Greater Rochester Area
<b>New Business Establishments</b>	22.	-	-	-	TBD	City of Rochester

## GOAL 3 Create Jobs and Generate Tax Revenue

Create approximately 30,000 new jobs, with workforce development strategies that support that growth.

Indicator	Data Source	Baseline 2013	2014	2015	2016	Geography
Outcome: Create approximately 30,000 new jobs in the Rochester area over 20 years						
<b>Total Employment</b>	1. 2. 16. 3.	2.7 M 92,442 86,347 37,585	2.73 M 92,298 86,053 36,823	2.77 M 93,912 87,474 36,905	TBD TBD 89,359 TBD	Minnesota Olmsted County City of Rochester DMC District
<b>Employment in Healthcare and Social Services</b>	1. 2. 16. 3.	446,773 40,681 40,247 30,398	454,495 40,266 39,830 29,837	462,856 41,216 40,808 30,370	TBD TBD TBD TBD	Minnesota Olmsted County City of Rochester DMC District
<b>Employment in Educational Services</b>	1. 2. 16. 3.	218,394 4,926 4,064 245	218,950 5,122 4,225 TBD	221,721 5,283 4,356 TBD	TBD TBD TBD TBD	Minnesota Olmsted County City of Rochester DMC District
<b>Employment in Leisure and Hospitality</b>	1. 2. 16. 3.	265,991 8,083 7,609 2,193	269,441 8,309 7,799 2,138	273,270 8,697 8,208 1,993	TBD TBD TBD TBD	Minnesota Olmsted County City of Rochester DMC District
<b>Employment in Professional, Scientific, and Technical Services</b>	1. 2. 16. 3.	136,775 1,632 1,532 500	141,831 1,558 1,460 469	146,070 1,478 1,379 364	TBD TBD TBD TBD	Minnesota Olmsted County City of Rochester DMC District

Indicator	Data Source	2013	2014	2015	2016	Geography
Outcome: Create approximately 30,000 new jobs in the Rochester area over 20 years						
<b>Employment in Construction</b>	1. 2. 16. 3.	107,364 3,154 2,212 226	114,180 3,363 2,301 228	121,729 3,488 2,362 187	TBD TBD TBD TBD	Minnesota Olmsted County City of Rochester DMC District
<b>Construction MBE Goals</b>	22.	-	-	-	-	DMC District
<b>Established Business With Satellite Offices</b>	22.	-	-	-	-	DMC District
<b>Number of Higher Education Students (2 year and 4 year institutions)</b>	4. 5. 6.	10,963	11,086	10,470	TBD	City of Rochester
<b>Number of Workforce Development Programs</b> Programs: RochesterWorks, Rochester Area Chamber of Commerce, DEED, SMIF, SE MN Together, J2G, CEDA Education	22.	-	-	12	12	City of Rochester
Outcome: Generate approximately \$7.5 billion in new net tax revenue over 35 years						
<b>State Tax Revenues</b> Minnesota Department of Revenue	7. 8.	\$15.3 B	\$16.2 B	\$16.9 B	TBD	Minnesota
<b>County Tax Revenues</b> Minnesota Department of Revenue	7. 8.	\$606 M	\$627 M	\$663 M	TBD	Olmsted County
<b>City Tax Revenues</b>	7. 8.	\$191 M	\$199 M	\$211 M	TBD	City of Rochester
<b>School District Tax Revenues</b> District NTC Levy + District RMV Levy	7. 8.	\$37 M	\$37.1 M	\$40.8 M	\$49.5M	City of Rochester

## GOAL 4 Become the Destination for Health & Wellness

Achieve the highest quality patient, companion, visitor, employee, and resident experience, now and in the future

Indicator	Data Source	Baseline 2013	2014	2015	2016	Geography
Outcome: More people visit Rochester						
<b>Annual Total of Hotel Stays (rooms booked)</b>	9.	1.2 M	1.23 M	1.29 M	1.31 M	City of Rochester
<b>Average Hotel Occupancy (percent of available rooms booked)</b>	9.	62.4%	62.1%	61.9%	62.6%	City of Rochester
<b>Number of Rooms Available to Rent</b>	9.	5,272	5,419	5,706	5,621	City of Rochester
<b>Number of Convention Center Events</b>	9.	335	367	274	262	City of Rochester
<b>Number of Convention Center Attendees</b>	9.	337,752	303,087	288,603	295,000	City of Rochester
<b>Number of "National Patients"</b> (National: Patients from outside of a 120 mile radius)	23.	116,751	115,964	117,993	119,506	DMC District

Indicator	Data Source	2013	2014	2015	2016	Geography
Outcome: Increase recreational and leisure opportunities						
Arts and Culture Events	9.	698	790	893	782	City of Rochester
Arts and Culture Event Attendees	9.	466,212	358,156	494,376	367,000	City of Rochester
Sporting Events	9.	72	73	80	81	City of Rochester
Sporting Event Attendees	9.	112,100	118,900	114,550	135,000	City of Rochester
Outdoor Recreation: Number of Parks	10.	- -	- -	- -	130 TBD	City of Rochester DMC District
Outdoor Recreation: Park Acreage	10.	- -	- -	- -	4,360 TBD	City of Rochester DMC District
Outdoor Cafes in the DMC District	22.	-	-	25	25	DMC District
Outcome: Create a healthier environment for residents, patients, and visitors						
Obesity Rate	11. 12.	28%	-	28%	-	Olmsted County
Diabetes Rate	11. 12.	12.9%	13.1%	TBD	TBD	Olmsted County
Vaccination Rate (Childhood Vaccination Series)	11. 12.	82%	82%	TBD	TBD	Olmsted County
Number of Park & Rec Activities (or programs)	10.	-	-	-	83	City of Rochester
Number Participating in Park and Rec Activities	10.	-	-	-	1.9 M	City of Rochester
Bike trails/road supported bike lanes (miles)	19.	-	-	-	132	City of Rochester
Percentage of Days Air Quality is "Good"	13. 14.	70%	77%	80%	TBD	Olmsted County
Energy from Renewable Hydro Sources (Mega Watt Hours)	13. 14.	12,947	12,749	12,835	TBD	City of Rochester
Energy from Renewable Photovoltaic Sources: Net Metering Customers	13. 14.	24	33	56	TBD	City of Rochester
Energy from Renewable Wind Sources: Net Metering Customers	13. 14.	0.003	0.003	0.003	TBD	City of Rochester
Outcome: History is protected						
Individual Properties on the National Register within the City of Rochester	19.	-	-	-	13	City of Rochester

Indicator	Data Source	2013	2014	2015	2016	Geography
<b>Outcome: Improved transportation system</b>						
<b>Proportion of Residents With a Commute Time of Less Than 30 Minutes</b>	16. 18.	69.3%	68.4%	68.2%	TBD	Minnesota
		85.9%	87.4%	87.3%	TBD	Olmsted County
		87.4%	90.6%	89%	TBD	City of Rochester
<b>Transit System Ridership</b>	24.	1.71 M	1.67 M	1.7 M	1.69 M	City of Rochester
<b>Paratransit Ridership</b>	24.	39,288	41,897	45,062	46,635	City of Rochester
<b>Transit Weekday Operation Run Time (hours per day)</b>	24.	-	-	12.5	12.5	City of Rochester
<b>Outcome: Housing options are affordable for all ranges of incomes</b>						
<b>Share of Households Paying Less Than 30% of Their Income for Housing</b>	16. 18.	71.6%	71.7%	73%	TBD	Minnesota
		76%	76.5%	78.9%	TBD	Olmsted County
		75.9%	74.7%	77.5%	TBD	City of Rochester
<b>Share of Homeowners Paying Less Than 30% of Their Income for Housing</b>	16. 18.	78.8%	79.2%	80.5%	TBD	Minnesota
		82.9%	84.6%	86.9%	TBD	Olmsted County
		84.9%	84.5%	87.6%	TBD	City of Rochester
<b>Share of Renters Paying Less Than 30% of Their Income for Housing</b>	16. 18.	52.3%	51.7%	53.5%	TBD	Minnesota
		54.4%	53.7%	54%	TBD	Olmsted County
		53.5%	52.3%	52.1%	TBD	City of Rochester

## Sources:

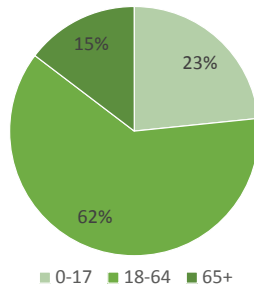
1. Minnesota Department of Employment and Economic Development, 2. Quarterly Census of Employment & Wages, 3. Longitudinal Employer-Household Dynamics, 4. Integrated Postsecondary Education Data System, 5. National Center for Education Statistics, 6. United States Department of Education, 7. Minnesota Department of Revenue, 8. Property Tax Division, 9. Rochester MN Convention and Visitor's Bureau, 10. Rochester Parks and Recreation, 11. Olmsted Community Health Needs Assessment 2013, 12. Olmsted County Community Health Needs Assessment 2016, 13. U.S. Department of Energy, 14. Rochester Public Utilities, 15. Minnesota Historical Society, 16. U.S. Census Bureau, 17. Decennial Census, 18. American Community Survey 5-year estimates, 19. City of Rochester, 20. Rochester Area Economic Development, Inc., 21. Rochester Area Chamber of Commerce, MN, 22. Destination Medical Center Economic Development Agency, 23. Mayo Clinic, 24. Rochester Public Transit

## Key:

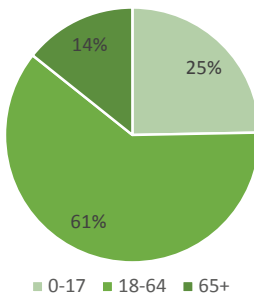
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TBD To Be Determined

## Population Demographics

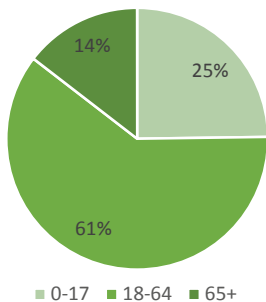
Minnesota Population By Age - 2015



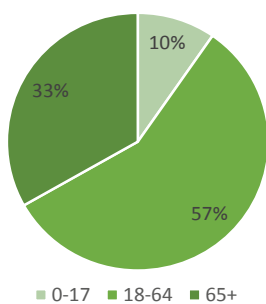
Olmsted County Population By Age - 2015



City of Rochester Population By Age - 2015

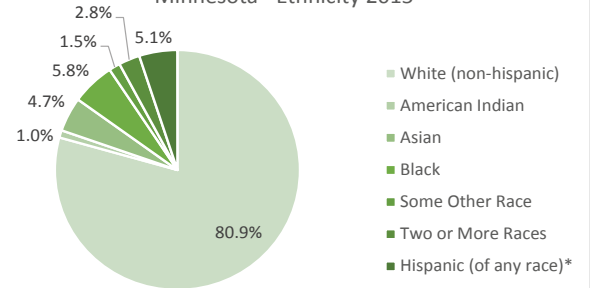


DMC District Population By Age - 2014

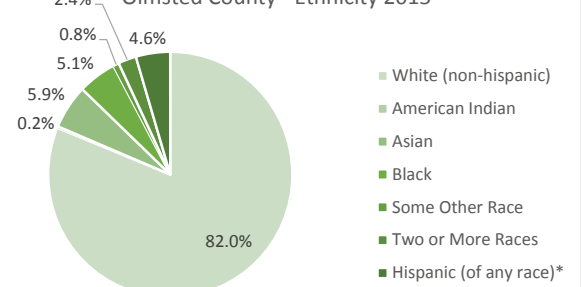


## Ethnicity Demographics

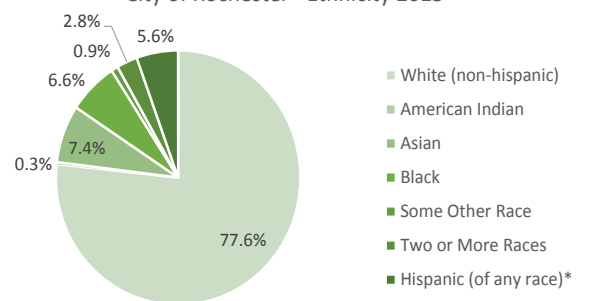
Minnesota - Ethnicity 2015



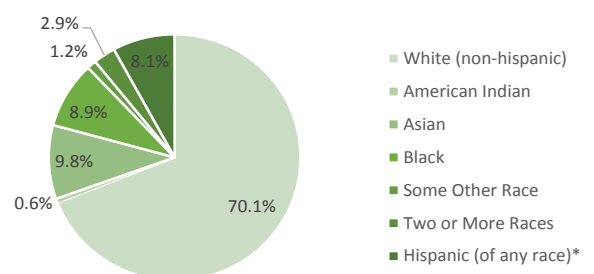
Olmsted County - Ethnicity 2015



City of Rochester - Ethnicity 2015



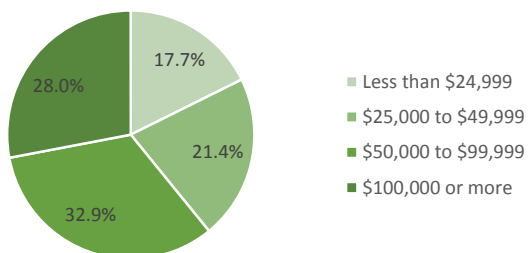
DMC District - Ethnicity 2015





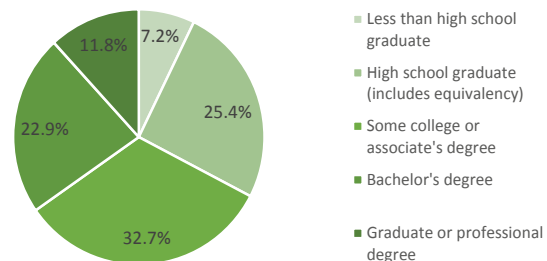
## Household Income Distribution

Minnesota - Household Income 2015

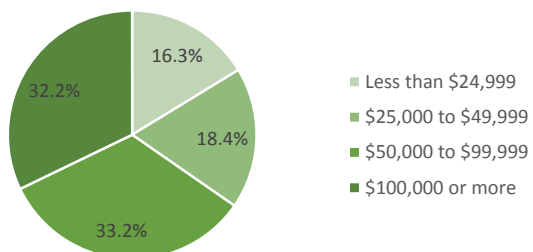


## Educational Attainment Distribution

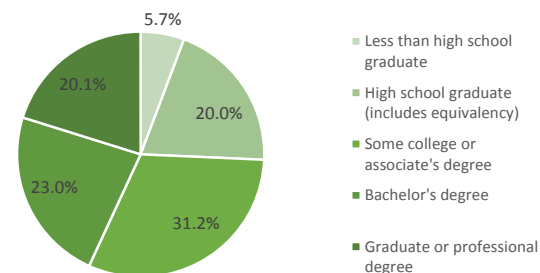
Minnesota - Educational Attainment 2015



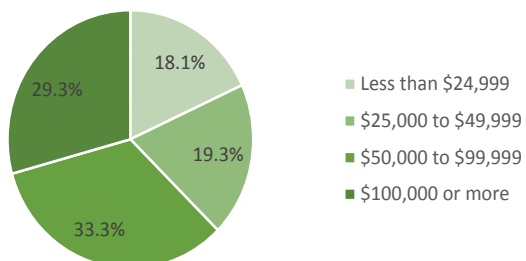
Olmsted County - Household Income 2015



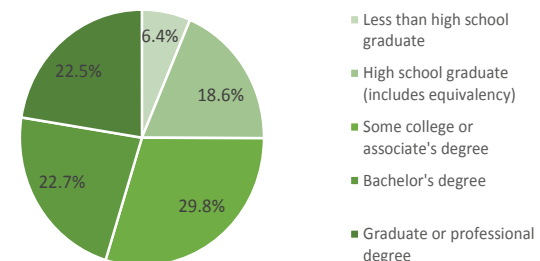
Olmsted County - Educational Attainment 2015



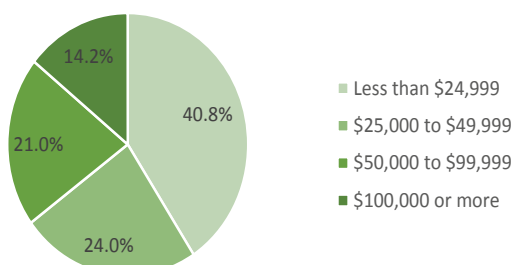
City of Rochester - Household Income 2015



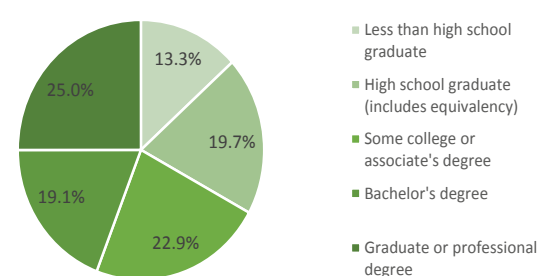
City of Rochester - Educational Attainment 2015

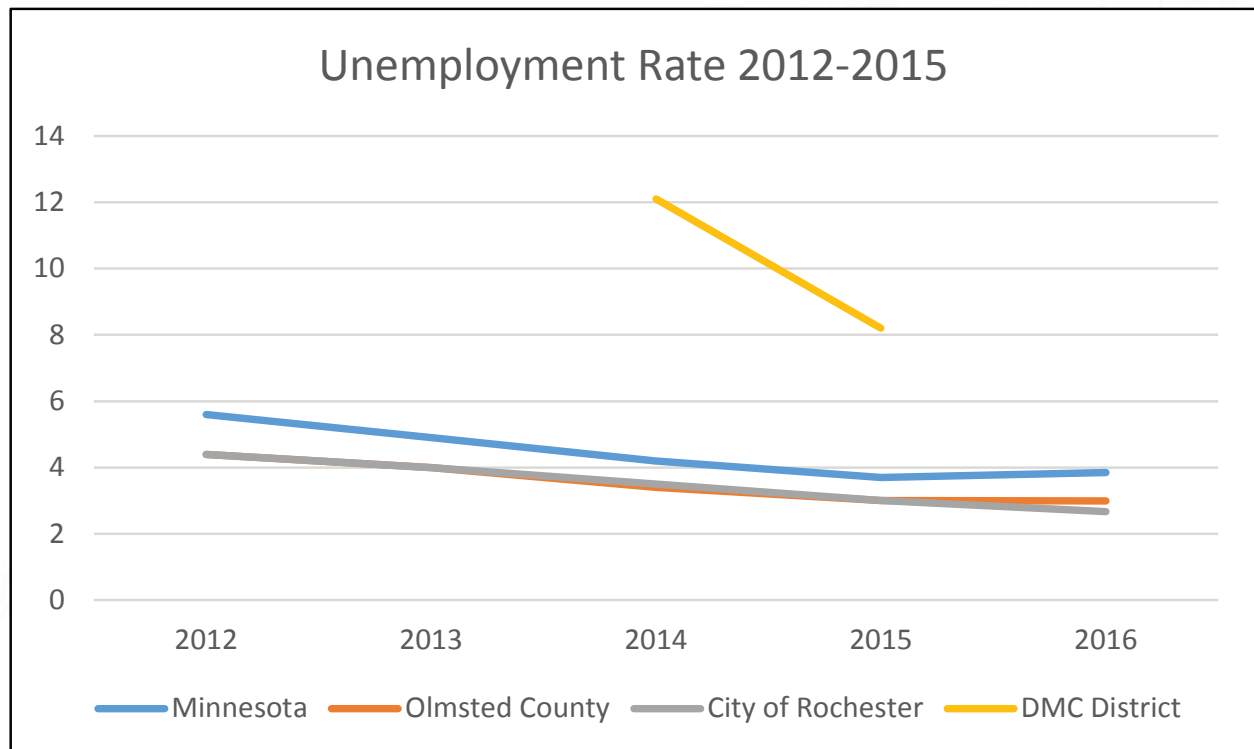
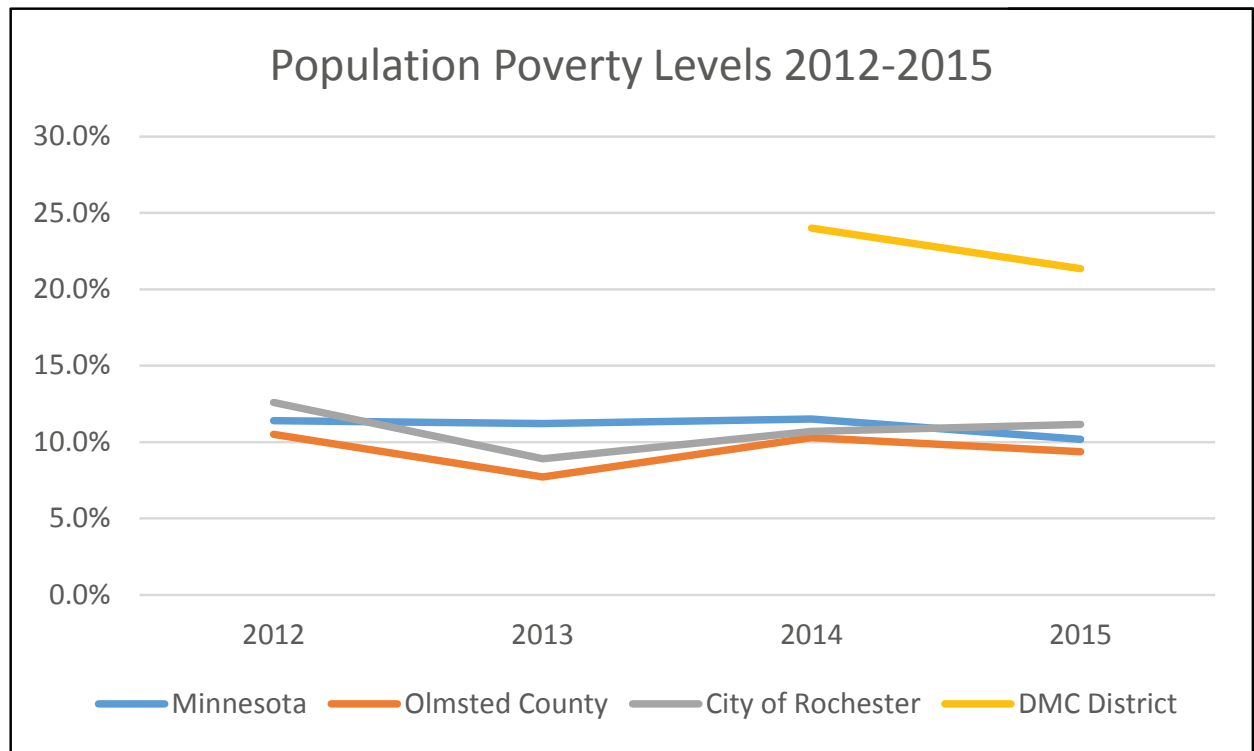


DMC District - Household Income 2015



DMC District - Educational Attainment 2015





## Marketing Communications Q3 2017 Metrics Update

### DMC Marketing Plan Objectives

- Build awareness, gain national attention
- Demonstrate continued momentum
- Drive traffic to DMC.mn
- Build interest in life sciences and real estate developers/investor audiences

### Metric Highlights: Jan - Sept 2017

Meaningful metrics evaluating marketing and advertising tactics to gain national attention are best reflected in DMC.mn traffic and engagement, and social media use. These metrics demonstrate DMC's reach continues to grow steadily in volume and in national audiences.

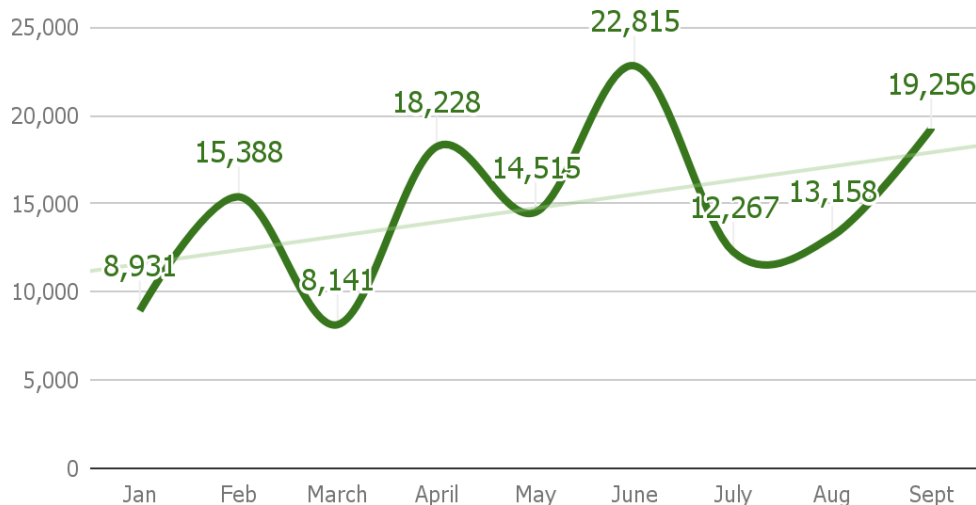
#### WEBSITE VISITS

**Goal:** Increase website traffic

**Success Metric:** Total sessions

Description	Target Metric	Current Metric
<b>Website sessions</b>	30,000-50,000/quarter or 10,000-15,000/month	Q1: 32,460 sessions Q2: 55,558 sessions Q3: 44,681 sessions

### MONTHLY VISITS 2017



We saw a very large spike in traffic during the HIMSS convention, when we were serving geo-targeted digital ads. This will fluctuate depending on the size of attendance at events we are geo-fencing. This strategy is a significant part of our digital buy, and digital tactics are most likely to drive website traffic.

Based on quarterly media activity, we expect Q2 and Q4 2017 to be closer to the upper end of this range. In Q2 we exceeded monthly traffic goal by 7,000 sessions beyond maximum of target range. We expected Q3 to be at the lower end due to quiet conference schedule in July and August. Target metrics are almost double the sessions versus the baseline quarter, which was the quarter prior to starting the paid media campaign.

#### **Marketing and communication executions contributing to traffic increase in Q3:**

- “In the Middle of Everywhere” storyteller videos
  - At the beginning of Q3, we released a series of videos highlighting the “In the Middle of Everywhere” marketing campaign. Each video features a community member who is transforming Rochester in an area of focus for DMC. The videos were viewed more than 4,000 times on the DMC YouTube channel during the nine-week rollout campaign.
- DMC.mn blogs/eNewsletters
  - During Q3, we published ---27 blogs on the website. Of these, CCF boosted seven blogs on Facebook, resulting in greater reach. This communication strategy is a key factor in traffic increase and social media engagement.
  - The blogs were also included in DMC’s six bi-monthly e-newsletters, which are sent to more than 2,800 email addresses.
- Earned media
  - From Jan. 1, 2017 through Aug. 31, 2017, we have tracked 578 DMC-related stories in the media.
  - Highlights for Q3 include Discovery Square design and plans, public transportation, affordable housing and job growth, and Mayo Clinic changes.

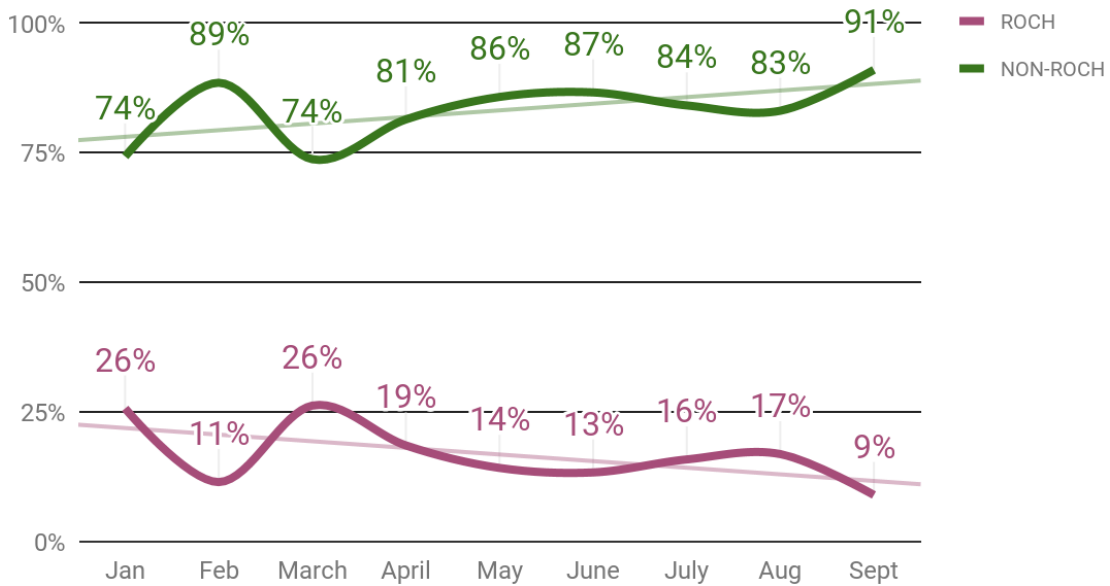
#### **GEOGRAPHIC REACH**

**Goal:** Drive national traffic to DMC.mn by diversifying and growing audiences beyond Rochester and state of Minnesota

**Success Metric:** Geographic reach

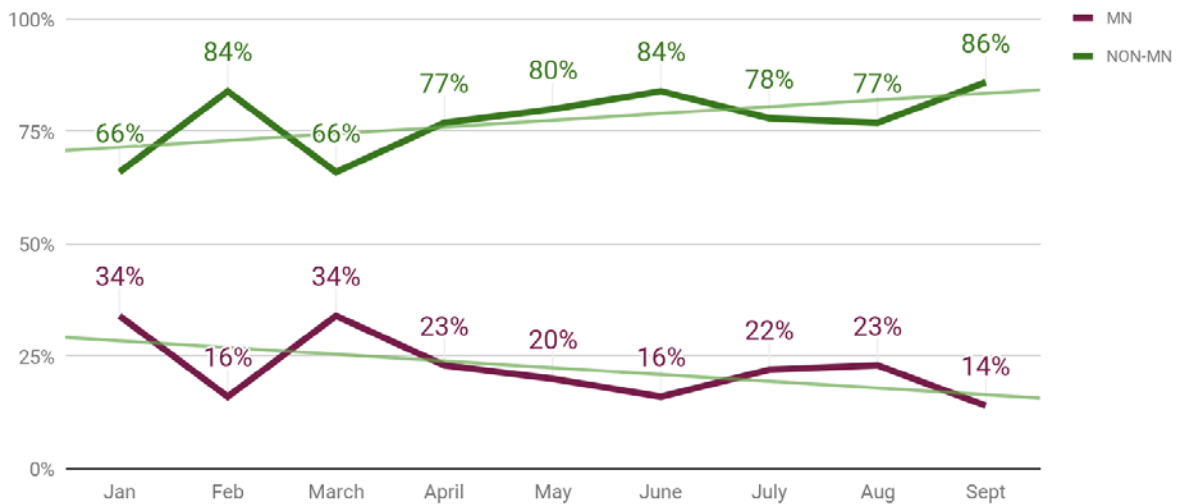
Description	Target Metric	Current Metric
<b>Geographic reach beyond Rochester</b>	80% beyond Rochester	Q1 = 79% Q2 = 85% Q3 = 86%
<b>Geographic reach beyond Minnesota</b>	67% beyond Minnesota	Q1 = 76% Q2 = 81% Q3 = 80%

## ROCHESTER vs NON-ROCHESTER



Marketing efforts to audiences beyond Rochester are surpassing target metric and metrics continue to trend upward. Current geographic reach (see graph) includes about 75 cities across U.S. and compares to 70% reach in 2016. Top cities beyond Rochester in order of top visits include: New York, Minneapolis, Chicago, Quincy, Coffeyville, Phoenix, Atlanta, LA, San Francisco, Denver, Boston, Houston, Seattle, San Jose, Washington D.C., Dallas, St.Paul, Philadelphia, Omaha, Detroit, Austin TX.

## MINNESOTA vs NON MINNESOTA

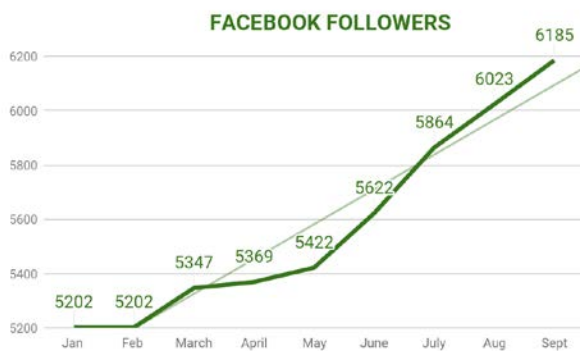


Marketing efforts to reach audiences beyond Minnesota are surpassing target metric and metrics continue to trend upward. Current geographic reach beyond Minnesota includes all states and compares to 63% reach in 2016.

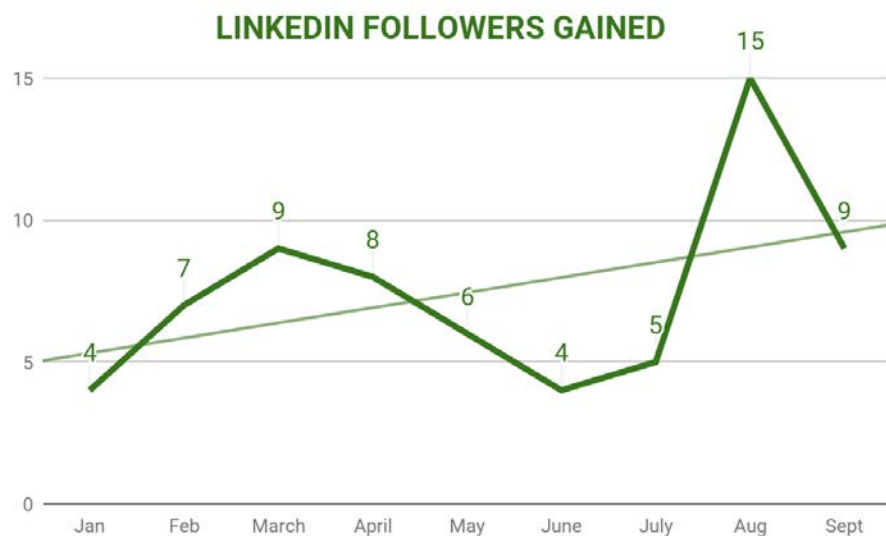
We attribute paid boosted social posts to national markets and DMC's presence at conferences in other markets as main contributors to these results.

**Goal:** Gain social media followers

**Metrics:** Followers, Engagement



Steep Growth has occurred in Facebook and Twitter followers. Storyteller videos were launched in June and continue to populate social media. These videos, and the paid boosted social posts associated with them, have skyrocketed engagement and followers.



LinkedIn became an area of focus in July. By placing relevant content to a social platform that attracts an audience more focused on our primary target audiences, we tripled the number of followers. DMC is employing a new tactic in Q4 with the implementation of LinkedIn acquisition ads (lead generation) to targeted business audiences.

**Additional Notes:**

- Web banner ads - saw highest click-thru rate yet at 0.59% (industry standard is 0.08%)
- eNewsletters - open rate remains strong at 30% (industry standard is 20%)

DMCC Corporation  
2018 Budget Worksheet

Account Number	Account Description	2014 Actual	2015 Budget	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2017 Actual 8/31	Proposed 2018 Budget
DMC Corporation									
<b>95001.50000</b>	<b>Revenues</b>	<b>-5,416,447.39</b>	<b>-3,797,803.00</b>	<b>-3,602,319.67</b>	<b>-3,985,812.00</b>	<b>-2,288,340.18</b>	<b>(3,224,870.00)</b>	<b>(1,362,381.94)</b>	
95001.81020	Building Rent	3,173.44		21,231.71	25,000.00	18,907.04	25,000.00	28,558.69	35,000.00
<b>95001.81000</b>	<b>Rents and Leases</b>	<b>3,173.44</b>		<b>21,231.71</b>	<b>25,000.00</b>	<b>18,907.04</b>	<b>25,000.00</b>	<b>28,558.69</b>	<b>35,000.00</b>
95001.81310	Audit Services	0.00		2,838.75	3,000.00	3,000.00	3,000.00	2,897.32	3,000.00
95001.81320	Legal Consultants	455,164.80	400,000.00	324,143.71	400,000.00	217,195.03	350,000.00	100,730.76	250,000.00
95001.81350	Accounting Consultants	0.00	50,000.00	1,144.45	1,500.00	1,000.00	1,500.00	800.00	1,500.00
95001.81390	Other Expert & Professnl Srvc	21,927.34	302,673.00	13,913.43	538,312.00	17,332.85	50,000.00	3,961.56	40,000.00
<b>95001.81300</b>	<b>Expert &amp; Professional Services</b>	<b>477,092.14</b>	<b>752,673.00</b>	<b>342,040.34</b>	<b>942,812.00</b>	<b>238,527.88</b>	<b>404,500.00</b>	<b>108,389.64</b>	<b>294,500.00</b>
95001.82110	Travel and training	10,507.88	7,200.00	976.30	5,000.00	537.89	5,000.00	-	5,000.00
95001.82130	Business meal expenses		26,730.00	0.00	5,000.00	35.30	1,000.00	-	1,000.00
<b>95001.82100</b>	<b>Travel/Training/Business Meals</b>	<b>10,507.88</b>	<b>33,930.00</b>	<b>976.30</b>	<b>10,000.00</b>	<b>573.19</b>	<b>6,000.00</b>	<b>-</b>	<b>6,000.00</b>
95001.82610	Comprehensive Liability Ins	4,712.50	150,000.00	17,601.25	20,000.00	15,303.00	20,000.00	12,998.25	20,000.00
95001.82650	Insurance - Misc others		30,600.00						
<b>95001.82600</b>	<b>Insurance and Bonds</b>	<b>4,712.50</b>	<b>180,600.00</b>	<b>17,601.25</b>	<b>20,000.00</b>	<b>15,303.00</b>	<b>20,000.00</b>	<b>12,998.25</b>	<b>20,000.00</b>
95001.82900	Contractual Services								
95001.82900	Contractual Services								
<b>95001.80999</b>	<b>Professional &amp; Contracted Srvc:</b>	<b>495,485.96</b>	<b>967,203.00</b>	<b>381,849.60</b>	<b>997,812.00</b>	<b>273,311.11</b>	<b>455,500.00</b>	<b>149,946.58</b>	<b>355,500.00</b>
95001.83690	Other Supplies		30,600.00						
95001.83600	Supplies		30,600.00						
<b>95001.82999</b>	<b>Materials and Supplies</b>		<b>30,600.00</b>						
95001.84420	Interest			53.83		13.38	100.00	12.43	100.00
95001.84900	Other Charges					25.00	100.00	25.00	100.00
<b>95001.84000</b>	<b>Other Charges</b>			<b>53.83</b>		<b>38.38</b>	<b>200.00</b>	<b>37.43</b>	<b>200.00</b>
95001.80000	Expenditures	<b>495,485.96</b>	<b>997,803.00</b>	<b>381,903.43</b>	<b>997,812.00</b>	<b>273,349.49</b>	<b>455,700.00</b>	<b>149,984.01</b>	<b>355,700.00</b>
95001.87500	Other Financing Uses								
	DMC EDA Corporation - Net Revs	-4,920,961.43	-2,800,000.00	-3,220,416.24	-2,988,000.00	-2,014,990.69	(2,769,170.00)	(1,212,397.93)	355,700.00
	<b>City Support Expenses</b>				150,000.00		150,000.00	-	125,000.00





## **DMC EDA 2018 Work Plan and Budget Summary**

### 2018 DMC EDA Work Plan

In 2018, the Destination Medical Center (“DMC”) initiative will focus on continuing robust economic development, further developing the DMC District and the continued implementation of programs and initiatives to transform America’s City for Health.

Anchored by the DMC Development Plan and influenced by the engagement and participation of our stakeholders, the Destination Medical Center Economic Development Agency (“DMC EDA”) will continue to pursue annual strategic objectives in order to achieve the goals of the DMC initiative.

### 2018 Strategic Objectives include:

- Ensure accurate market demand data
- Strengthen real estate developer and finance/equity partner relationships
- Identify, refine, and diversify public and private financial investment tools
- Provide leadership to advance environment and sustainability outcomes
- Engage the community in the implementation of the DMC development plan
- Implement the DMC patient, visitor and community experience strategy
- Execute the state, national and international marketing and communications strategy
- Advance Heart of the City and Chateau Theatre developments
- Attract new businesses to Rochester, with a special focus on Discovery Square
- Develop the Discovery Square public realm design strategy
- Grow the business and entrepreneurial eco-system
- Set priorities for transportation plan and begin implementation
- Advance the DMC Capital Improvement Program

### 2018 DMC EDA Budget Request

The enclosed budget, developed to achieve the strategic objectives identified in the 2018 DMC EDA work plan, has been prepared by DMC EDA staff with the advice and consultation of the DMC Corporation budget work group and City of Rochester elected leaders and staff.

- The 2018 DMC EDA funding request to the *City of Rochester* of **\$2,496,406** represents a year-over-year decrease in funding of \$122,764, or approximately -4.7%.
- The 2018 *Mayo Clinic* contribution towards the strategic operational expenses of the DMC EDA totals **\$1,272,220**, which represents a year-over-year increase in funding of \$337,800, or approximately +36.2%.

The DMC EDA Board of Directors approved the proposed budget and work plan on October 19, 2017.



Destination Medical Center  
Economic Development Agency

## 2018 Workplan

Updated: October 2, 2017

DRAFT

## Executive Summary

In 2018, the Destination Medical Center (“DMC”) initiative will focus on continuing robust economic development, further developing the DMC District and the continued implementation of programs and initiatives to transform America’s City for Health.

Anchored by the DMC Development Plan and influenced by the engagement and participation of our stakeholders, the Destination Medical Center Economic Development Agency (“DMC EDA”) will continue to pursue the Phase 1 and 20-year goals of the DMC initiative.

Twenty year goals include:

- Create a comprehensive strategic plan
- Leverage the public investment of \$585 million
- Create approximately 35,000 new jobs
- Generate approximately \$7.5 - \$8.0 billion in new net tax revenue
- Achieve the highest quality patient, companion, visitor, employee, and resident experience

New strategic objectives for 2018 include:

- Environment and sustainability
- Community engagement outreach
- Patient, visitor and community experience

## DMC EDA Statutory Role and Responsibilities

The DMC EDA assists the Destination Medical Center Corporation (“DMCC”) and the City of Rochester (“City”) in implementing the development planning and promotion, development services, and marketing, outreach and communication activities required to achieve the goals of the DMC development plan.

The DMC legislation identified several key responsibilities of the DMC EDA in addition to its role as an advisory agency to the DMCC and City. The 2018 DMC EDA workplan references these responsibilities, which have been organized as follows: (A) development planning and promotion, (B) development services, and (C) marketing, outreach and communications. The specific statutory responsibilities are listed below:

- A. **Development Planning and Promotion**, including:
  - Drafting and implementing the development plan, including soliciting and evaluating proposals for development and evaluating and making recommendations to the DMCC and the City regarding those proposals
  - Seeking financial support for the DMCC, the City, and projects
  - Partnering with other development agencies and organizations, the city, and the county in joint efforts to promote economic development and establish a destination medical center
  - Supporting and administering the planning and development activities required to implement the development plan
- B. **Development Services**, including:
  - Developing and updating the criteria for evaluating and underwriting development proposals
  - Providing transactional services in connection with approved projects
  - Working with the corporation to acquire and facilitate the sale, lease, or other transactions involving land and real property
  - Assisting the DMCC or City and others in applications for federal grants, tax credits, and other sources of funding to aid both private and public development
- C. **Marketing, Outreach, and Communications**, including:
  - Facilitating private investment through development of a comprehensive marketing program to global interests
  - Developing patient, visitor, and community outreach programs
  - Preparing and supporting the marketing and promotion of DMC
  - Preparing and implementing a program for community and public relations

All objectives contained within this workplan reference one or more of these statutory responsibilities, demonstrating the commitment of the DMC Corporation, City of Rochester, and DMC EDA to the DMC Development Plan and to the intent of the State Legislature and Governor indicated by the support, passage, and approval of the DMC legislation.

### DMC Mission

With Mayo Clinic at its heart, the Destination Medical Center (DMC) initiative is the catalyst to position Rochester, Minnesota as the world's premier destination for health and wellness; attracting people, investment opportunities, and jobs to America's City for Health and supporting the economic growth of Minnesota, its bioscience sector, and beyond.

### DMC Goals

Create a comprehensive Strategic plan with a compelling vision that harnesses the energy and creativity of the entire community

Leverage the public investment to attract more than \$5 Billion in private investment to Rochester and the region

Create approximately 35,000 new jobs with workforce development strategies that support growth

Generate approximately \$7.5-8 Billion in new tax revenue over the next 35 years

Achieve the highest quality of patient, companion, visitor, employee, and resident experience, now and in the future

### DMC Strategic Priorities

Economic Development

Heart of the City

Discovery Square

Transportation

## DMC Strategic Priority: Economic Development

**Strategic Objective A: Ensure current and accurate market demand data for key markets in order to prioritize DMC investment**

\*Statutory Responsibilities: A. Development Planning and Promotion & B. Development Services

Action Step	When	Status	DMC EDA Role
1. Review and update residential market demand study, to include identifying affordable housing opportunities	Q3-Q4		Lead
2. Review and update hotel market demand study	Q1-Q2		Lead
3. Finalize Retail market demand study initiated in 2017	Q1		Lead
4. Review and update commercial office space market demand study	Q1-Q2		Lead
5. Review and update BioScience market demand study	Q1-Q2		Lead

**Strategic Objective B: Driven by market data, prioritize relationships with at least 10 high potential real estate developers to facilitate future development projects**

\*Statutory Responsibilities: A. Development Planning and Promotion & B. Development Services

Action Step	When	Status	DMC EDA Role
1. Quarterly meetings with all developers (outside of project review process)	Q1-Q4		Lead
2. Formal process debrief and critical review for each development project	Q1-Q4		Lead
3. Update developer toolkit	Q1-Q2		Lead
4. Host Minnesota Real Estate Journal Summit	Q2		Participate

**Strategic Objective C: Driven by market data, prioritize and develop relationships with 10 high potential equity and finance partners to facilitate future investment projects**

\*Statutory Responsibilities: A. Development Planning and Promotion, B. Development Services & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Identify high potential equity and lending partners	Q1		Lead
2. Host meetings with each to introduce them to DMC opportunities and Rochester market	Q2-Q4		Lead
3. Participate in 2-4 key national forums	Q1-Q4		Lead

**Strategic Objective D: Identify, refine, and diversify public and private financial investment tools, to maximize available DMC resources**

\*Statutory Responsibilities: A. Development Planning and Promotion & B. Development Services

Action Step	When	Status	DMC EDA Role
1. Assist DMC Corporation in setting priorities for DMC investment	Q1		Lead
2. Identify and implement Tax Credit programs (New Markets, Historic, Low Income)	Q1-Q4		Participate
3. Pursue public and private grant programs	Q1-Q4		Lead

**Strategic Objective E: Provide leadership and convene community stakeholders to drive environmental outcomes outlined in the DMC plan for the DMC District**

\*Statutory Responsibilities: A. Development Planning and Promotion

Action Step	When	Status	DMC EDA Role
1. Evaluate the feasibility of creating a district energy system to support the growth associated with the DMC plan	Q1 - Q2		Lead
2. Evaluate new opportunities for new construction and existing building utility incentives	Q1 - Q4		Participate
3. Recruit local businesses to participate in a voluntary commercial energy benchmarking program	Q2-Q4		Lead



**Strategic Objective F: To meet the DMC environmental goals associated with new development, generate a Sustainable Building Policy for DMC-funded projects**

\*Statutory Responsibilities: A. Development Planning and Promotion & B. Development Services

Action Step	When	Status	DMC EDA Role
1. Pilot sustainable building policy with two DMC funded development projects	Q1-Q4		Lead
2. Measure, verify and correct plan as needed to move from pilot to policy	Q3-Q4		Lead
3. Develop an engagement and communications strategy locally, regionally and nationally	Q3-Q4		Lead

**Strategic Objective G: Build a community culture around sustainability through education and awareness to meet the environmental outcomes for the DMC District**

\*Statutory Responsibilities: C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Develop community-wide sustainability speaker series	Q1-Q4		Lead
2. Form a sustainability committee focused on transportation and waste	Q3-Q4		Lead
3. Develop, track and communicate DMC-wide environmental outcomes	Q1-Q4		Lead
4. Participate in "LEED for Communities" pilot	Q1-Q4		Lead
5. Create two prototype or public-facing events to support the DMC's sustainability initiatives	Q1-Q4		Lead

**Strategic Objective H: Establish a community engagement strategy that builds a community of stakeholders that trust the DMC vision and the leaders associated with it – ultimately supporting a successful implementation of the DMC development plan**

\*Statutory Responsibilities: A. Development Planning and Promotion & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Develop and implement community engagement strategies to support DMC subdistricts' planning	Q1-Q4		Lead
2. Implement local community engagement and awareness strategy that supports the DMC work plan	Q1-Q4		Lead
3. Continue state and regional engagement strategy	Q1-Q4		Lead

**Strategic Objective I: Implement DMC patient, visitor and community experience strategy that identifies the needs of a community while becoming the catalyst for change and fueling private sector investment and growth**

\*Statutory Responsibilities: A. Development Planning and Promotion & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Finalize patient, visitor, and community experience strategy	Q1		Lead
2. Develop experience project and implementation plan	Q2-Q4		Lead
3. Align work with Heart of the City, Discovery Square and other DMC subdistricts	Q1-Q4		Lead

**Strategic Objective J: Execute the state, national and international marketing and communications strategy to attract identified target audiences (global and national investors and developers, life-science small and medium businesses and future workforce) to Rochester**

\*Statutory Responsibilities: C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Develop and implement 2018 marketing and advertising plan	Q1-Q4		Lead
2. Advance the communications plan focusing on local, regional and national audiences	Q1-Q4		Lead
3. Update existing websites to align with updated marketing and communications plan (Focusing on Discovery Square and investor/developer pages)	Q1-Q4		Lead
4. Align communications and community engagement strategies to advance the DMC development plan	Q1-Q4		Lead

## DMC Strategic Priority: Heart of the City

### Strategic Objective A: Advance Heart of the City public realm project in order to complete the design development phase

\*Statutory Responsibilities: A. Development Planning and Promotion, B. Development Services & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Establish leadership and advocacy team	Q1-Q3		Lead
2. Develop sustainable financing strategy	Q1-Q2		Lead
3. Build community ownership strategy	Q1-Q4		Lead
4. Manage design development tasks	Q1		Participate

### Strategic Objective B: Create management and finance plan in order to advance Chateau Theatre redevelopment

\*Statutory Responsibilities: A. Development Planning and Promotion, B. Development Services & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Conduct fundraising feasibility study	Q1-Q2		Participate
2. Assist City of Rochester with fundraising campaign and the development of a sustainable funding model	Q3-Q4		Participate
3. Build community ownership strategy	Q1		Participate

### Strategic Objective C: Advance at least one strategic private sector development project to move Heart of the City vision forward

\*Statutory Responsibilities: A. Development Planning and Promotion & B. Development Services

Action Step	When	Status	DMC EDA Role
1. Identify priority development	Q1-Q2		Lead
2. Agreement on program and design	Q2-Q3		Lead
3. Agreement on financial model	Q2-Q4		Lead

## DMC Strategic Priority: Discovery Square

Strategic Objective A: **Attract new businesses to realize the vision of Discovery Square and diversify the economy**

\*Statutory Responsibilities: A. Development Planning and Promotion, B. Development Services & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Recruit new companies to Discovery Square subdistrict	Q1-Q4		Participate
2. Complete and implementation branding for Discovery Square subdistrict	Q1-Q2		Lead
3. Activate Connolly building on the corner of 3 <sup>rd</sup> St. and 4 <sup>th</sup> Ave. on the Mayo Clinic campus for new Discovery Square businesses	Q1-Q2		Lead
4. Execute Discovery Square marketing strategy at state, national and international level	Q1-Q4		Lead
5. Partner with Mayo Clinic and developer to initiate Phase 2 building discussions	Q3-Q4		Participate
6. Develop and execute international business development strategy	Q1-Q4		Lead
7. Partner with Mayo Clinic to define “access” to Mayo programming and services for Discovery Square businesses	Q1-Q2		Lead

Strategic Objective B: **Develop public space design strategy to enhance the live, work, play environment of Discovery Square**

\*Statutory Responsibilities: A. Development Planning and Promotion & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Identify and coordinate design team to develop Discovery Walk public space design plan	Q1-Q4		Lead
2. Develop and implement interim use plan for a site within the Discovery Square subdistrict	Q1-Q3		Lead

Strategic Objective C: **Establish business eco-system to grow and attract new businesses**

\*Statutory Responsibilities: A. Development Planning and Promotion & B. Development Services

Action Step	When	Status	DMC EDA Role
1. Develop plan for startup wet lab space	Q1-Q2		Participate
2. Develop and execute Discovery Square programming strategy to grow business community, equip and engage innovators and attract investors	Q1-Q4		Participate
3. Explore pilot business development program to move undeveloped IP off the shelf and into the market	Q2-Q3		Lead
4. Lead appropriate work teams & advisory groups with stakeholders, experts, and users	Q1-Q4		Lead

## DMC Strategic Priority: Transportation

### Strategic Objective A: Set priorities for Transportation Plan implementation

\*Statutory Responsibilities: A. Development Planning and Promotion, B. Development Services & C. Marketing, Outreach, and Communications

Action Step	When	Status	DMC EDA Role
1. Work with the City and County to develop an agreed upon set of priorities for transportation initiatives, including alternative modes of transportation and solutions for the safe and effective transportation of mobility-limited and patient populations	Q1-Q2		Participate
2. Work with the City to identify funding stream for agreed upon priority	Q2-Q4		Participate
3. Develop 2-4 demonstration projects to test transportation solutions,	Q1-Q4		Participate
4. Participate with appropriate work teams & advisory groups with stakeholders, experts, and users	Q2-Q4		Participate

### Strategic Objective B: Advance Capital Improvement Program (CIP)

\*Statutory Responsibilities: A. Development Planning and Promotion

Action Step	When	Status	DMC EDA Role
1. Participate in DMC EDA/city administration meetings	Q1-Q4		Participate
2. Collaborate with City to create CIP priority list	Q3		Participate
3. Consult with City to overcome obstacles to allow on time construction of CIP projects	Q1-Q4		Participate

\* Lead- DMC/EDA will take the lead on the initiative and drive action.

\* Participate- DMC/EDA will share responsibility on the initiative.



	DMC EDA 2017 Budget Total (DMC EDA & Mayo Clinic)	DMC EDA 2018 Budget	2018 Mayo Clinic Funding	2018 Total	YOY Difference
	A	B	C	D	E
<b>DMC EDA Staff Costs</b>					
1 Payroll	\$1,005,219	\$599,395	\$931,823	\$1,644,363	28.3%
2 Benefits	\$276,688	\$113,145			
Mayo Contributed Staff					
3 Payroll Expenses	\$6,920	\$5,000		\$5,000	-28%
4 Transportation/Transit Subsidy	\$7,200	\$7,200		\$7,200	0%
5 Reimbursements	\$0	\$0		\$0	0%
<b>Subtotal</b>	\$1,296,027	\$724,740	\$931,823	\$1,656,563	28%
<b>DMC EDA Operational Costs</b>					
6 Rent and Utilities	\$111,500	\$4,500	\$146,852	\$151,352	32%
7 Equipment Rentals/Furniture	\$0	\$0		\$0	0%
8 Office Supplies/Consumables	\$18,000	\$18,000		\$18,000	0%
9 Room Rental	\$0	\$0		\$0	0%
10 Postage, Shipping, Messenger, etc.	\$3,000	\$5,000		\$5,000	67%
11 Website, Drafting, Hosting	\$34,000	\$13,800		\$13,800	-59%
12 IT Hardware and Support	\$23,000	\$30,080		\$30,080	31%
13 Miscellaneous Costs	\$5,500	\$2,720		\$2,720	-51%
<b>Subtotal</b>	\$195,000	\$74,100	\$146,852	\$220,952	13%
<b>Economic Development Outreach &amp;</b>					
14 Print & Collateral					-50%
Outreach and Local Events	\$50,000	\$25,000		\$25,000	
15 Outreach and Local Events	\$95,000	\$173,500		\$173,500	83%
16 Subscriptions and Memberships	\$6,000	\$3,572		\$3,572	-40%
17 Conferences, Meetings, Travel & Participation	\$165,000	\$134,100	\$64,170	\$198,270	-19%
18 Econ Dev Costs	\$435,000	\$424,500	\$129,375	\$553,875	-2%
<b>Subtotal</b>	\$751,000	\$760,672	\$193,545	\$954,217	27%
<b>Professional Services</b>					
19 Legal Services	\$35,000	\$42,000		\$42,000	20%
20 Website Management and CRM	\$10,000	\$60,114		\$60,114	501%
21 Marketing Communications & Advertising	\$657,000	\$475,000	\$0	\$475,000	-28%
22 Public Relations/Community Relations	\$96,000	\$75,000		\$75,000	-22%
23 Contracted Support Staff	\$199,400	\$194,000		\$194,000	-3%
24 Financial Reporting Services	\$50,340	\$25,780		\$25,780	-49%
<b>Subtotal</b>	\$1,047,740	\$871,894	\$0	\$871,894	-17%
<b>Miscellaneous Costs</b>					
25 Insurance & Taxes	\$69,310	\$65,000		\$65,000	-6%
26 Miscellaneous Costs / Contingency	\$175,000	\$0		\$0	-100%
<b>Subtotal</b>	\$244,310	\$65,000		\$65,000	-73%
<b>TOTAL BUDGET</b>	<b>\$3,534,077</b>	<b>\$2,496,406</b>	<b>\$1,272,220</b>	<b>\$3,768,626</b>	<b>7%</b>





## Destination Medical Center

2018-2022

## Capital Improvements Program

## Schedule for Five Year Period

Special assessment Bonds = a  
Food & Beverage Tax = fb  
Operating Trfs-fr General Fund = ot  
State Funds = s  
Tax Levy = t

Abatement District = ad  
Local Gov't Aid = ga  
Operating Trfs-fr Sewer Utility = ow  
Sn/Sewer Availability Chg = sa  
Traffic Improvement Dist Chg = td

Olmsted County = c  
General Obligation Bonds = go  
Private Funds = p  
Sales Tax DMC = sd  
Tax Increments = ti

Electric Utility = eu  
Lodging Tax = lt  
Project Reserves = r  
State DMC Funds = sm  
Operating Trfs - fr Other Funds = to

Federal Funds = f  
MN State Aid - Streets = ms  
GO Revenue Bonds = rb  
Sales Tax 2013 = st  
Water Availability Chg = wa

Flood Control Reserves = fr  
Operating Trfs - fr Storm Water = os  
Retained Earnings = re  
Storm Water Mgmt Chg = sw  
Water Utility = wu

All 2018 Costs subject to DMCC/City Council approval 11/2018. DMCC approval (FA) is for actual costs bid or awarded.

Approval/Status: (AA) Already Approved (FA) Final Approval (NF) Not Final Approval (BMR) Boundary Modification Required

Map #	Project Description	Proj #	Total Budget	2002-2017		2018	2019	2020	2021	2022
				CIP	Bdgt Amts					
1	Sales Tax DMC - repayment of loan from Flood Control Reserves; 7 year repayment starting in 2018. 50% repayment of funds advanced by City. 50% paid by City from 2013 Sales Tax (AA). Total of \$15.2 million was advanced.	8605	6,000,000			1,200,000 sd	1,200,000 sd	1,200,000 sd	1,200,000 sd	1,200,000 sd
2	Heart of the City (2016-2017 design development \$600k; 2018-2022 design/construction \$46.4m) (AA) 2016-2017 \$598,940; (NF) 2018-2022 Design/Construction. City \$1 to \$2.55 State	8625	46,948,940	598,940	sd	98,525 sd 251,475 sm	2,815,000 sd 7,185,000 sm	2,815,000 sd 7,185,000 sm	3,659,500 sd 9,340,500 sm	3,659,500 sd 9,340,500 sm
3	Transit/Transportation/Infrastructure projects, completion of 2017 ITS Studies and Transit Planning Work. (AA) 2018 County Transit/Transportation funding (NF) 2019-2022 Implementation and Construction Project		13,890,760			1,890,760 c	3,000,000 c	3,000,000 c	3,000,000 c	3,000,000 c
4	Public utility upgrades in the downtown area that support DMC development (2018 - 4th Street SW from 1st Ave to 6th Ave SW) related to Discovery Square (FA) 2018 San. Sewer needed for Discovery Square. Cost sharing: 50% DMC/50% city sanitary sewer funds. (NF) 2019-2022		6,000,000			1,000,000 ow 1,000,000 sm	500,000 ow 500,000 sm	500,000 wu 500,000 sm	500,000 wu 500,000 sm	500,000 wu 500,000 sm
5	Street Improvement Projects in DMC area, that support DMC development (2018 - 4th Street SW from 1st Ave to 6th Ave SW) related to Discovery Square (FA) 2018 street needed for Discovery Square. Cost sharing: 50% City DMC/50% State DMC. (NF) 2019-2022		6,250,000			625,000 sd 625,000 sm	625,000 sd 625,000 sm	625,000 sd 625,000 sm	625,000 sd 625,000 sm	625,000 sd 625,000 sm
6	Chateau Theatre - 2016 acquisition/improvements \$6.2m; 2018 design \$2.6m; 2019 construction \$24m. (AA) 2016 acquisition; (NF) 2018-2020 design/construction. City DMC sales tax \$1 to \$2.55 State DMC Funds	8613	32,826,802	5,686,800	sd 500,000 p	743,662 sd 1,896,340 sm	3,380,282 sd 8,619,718 sm	3,380,282 sd 8,619,718 sm		
7	Transit/Transportation/Infrastructure study and project management. Management of all transit/transportation projects. (AA) 2016-2017; (FA) 2018; (NF) 2019-2020 Consultant Services to Assist City staff. Cost sharing: 50% City DMC sales tax/50% City Utility funding	8614	2,800,000	400,000	sd 250,000 c 375,000 to 25,000 ow 25,000 os 25,000 wu	350,000 sd 87,500 ow 87,500 os 87,500 wu 87,500 to	400,000 sd 100,000 ow 100,000 os 100,000 wu 100,000 to	100,000 sd 25,000 ow 25,000 os 25,000 wu 25,000 to		
8	Replace / upsize sanitary sewer along west side of 3rd Ave SE and along 1st Ave; from 4th St S to 1st St N. Includes new siphon under Zumbro River. (Use project #7825 to track costs, and #8626 as the funding source). (AA) 2016-2017; (FA) 2018-2019 design/construction. Need to replace san. sewer to be removed for Bloom project and H.O.C Waterfront Area long-term capacity. 50% City utilities/50% State DMC.	8626	6,000,000	2,500,000	sd	1,250,000 ow 1,250,000 sm	500,000 ow 500,000 sm			
9	Reconstruct 7th Ave NW/SW from 2nd Street SW to Cascade Creek; Includes replacement of undersized sanitary sewer and storm sewer to create downtown capacity. (FA) 2018-2019. Needed to create sewer capacity for Discovery Square and H.O.C. projected growth. 50% City DMC/50%State DMC. (BMR)		3,000,000			750,000 sd 750,000 sm	750,000 sd 750,000 sm			
10	Reconstruct North Broadway Ave from Civic Center Drive to Zumbro River Bridge. 50% of the funds to be transferred from TH63 turnback account (J-2202) (FA) 2018 design work (NF) Review and approve construction/design plans 2019. 50% City/50% State DMC (BMR)		8,800,000			400,000 r 400,000 sm	4,000,000 r 4,000,000 sm			



## Destination Medical Center

2018-2022

## Capital Improvements Program

## Schedule for Five Year Period

Special assessment Bonds = a  
Food & Beverage Tax = fb  
Operating Trfs-fr General Fund = ot  
State Funds = s  
Tax Levy = t

Abatement District = ad  
Local Gov't Aid = ga  
Operating Trfs-fr Sewer Utility = ow  
Sn/Sewer Availability Chg = sa  
Traffic Improvement Dist Chg = td

Olmsted County = c  
General Obligation Bonds = go  
Private Funds = p  
Sales Tax DMC = sd  
Tax Increments = ti

Electric Utility = eu  
Lodging Tax = lt  
Project Reserves = r  
State DMC Funds = sm  
Operating Trfs - fr Other Funds = to

Federal Funds = f  
MN State Aid - Streets = ms  
GO Revenue Bonds = rb  
Sales Tax 2013 = st  
Water Availability Chg = wa

Flood Control Reserves = fr  
Operating Trfs - fr Storm Water = os  
Retained Earnings = re  
Storm Water Mgmt Chg = sw  
Water Utility = wu

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Approval/Status: (AA) Already Approved (FA) Final Approval (NF) Not Final Approval (BMR) Boundary Modification Required

Map #	Project Description	Proj #	Total Budget	2002-2017		2018	2019	2020	2021	2022
				CIP	Bdgt Amts					
11	Contributions to DMC Corporation for DMCC expenses. (FA)	8602	2,806,815	2,451,315	sd	355,500	sd			
12	Contributions to DMC Corporation for EDA expenses. (FA)	8602	10,903,576	8,407,170	sd	2,496,406	sd			
13	City of Rochester Administrative costs for DMC project. (FA)	8601	850,000	700,000	sd	150,000	sd			
14	Parking and travel demand management study. Funds to be transferred from the Parking Utility. (FA) Continuation of transit mode shift planning/Implementation. 100% city parking funded	8618	2,061,854	1,811,854	to	250,000	to			
15	City Loop plan. (NF) City Loop Implementation Planning. 100% county transit funded	8620	1,209,938	959,938	sd	250,000	c			
16	Dedicated bike lanes on 4th Avenue NW/SW and Center Street East and West. (FA) Design and construction of bike lanes connecting to City Loop and bike transit system. DMC/State funded		500,000			500,000	sm			
17	Transit Circulator Study. (NF) Continuation for implementation. County funded	8621	2,241,532	1,991,532	c	250,000	c			
18	Downtown street use and operations study. (NF) Continuation for implementation, County funded	8623	3,117,708	2,867,708	c	250,000	c			
19	Property & Right of Way Acquisition. (NF) Continuation for implementation. Seek acquisition opportunities for DMC parking areas in transit plan (BMR)		2,259,240			1,900,000 359,240	sm c			
20	Downtown Sanitary Sewer Trunk capacity upgrade from Central Park north to 6th St NW and west of 2nd Ave NW.		3,250,000				125,000 ow 125,000 sm		1,500,000 ow 1,500,000 sm	
21	SS1 13th Ave Sanitary and Storm Sewer Capacity Improvements from 2nd St SW to 2nd St NW. (Project is without subway tunnel option) (AA) 2017 (BMR)	8611	6,100,000	2,750,000	sd		1,675,000 ow 1,675,000 sm			
22	SS2 Cooke Park Sanitary Sewer Capacity Project. Construct W. Zumbro san sewer relief line from south of Civic Ctr Dr to Cooke Park / 7th St NW. Also see project #8612. (AA) 2017 (BMR)	7797	2,400,000	600,000	ow		900,000 ow 900,000 sm			
23	3rd St SW reconstruction and design. (AA) Design 2016 (NF) construction	8615	500,000	150,000	ti			50,000	ti	300,000
24	Construct Sanitary Sewer Capacity Bypass on 2nd Street SE from Broadway to 1st Ave SE		1,300,000					650,000 ow 650,000 sm		
25	Broadway @ Center Ramp. Funds to be transferred from the Parking Utility. Tax Increments will be used to pay back this portion of the Parking Utility funds. (Note: \$14M of this project is listed as project 2582 on the Parking pages of the CIP) (AA) 2016	8617	10,915,416	10,500,000	to				202,580	ti
26	Broadway @ Center Development (annual TIF principal amounts shown - ti) (AA) 2016	8616	5,084,062	3,935,000	ti				560,347	ti
27	Alatus Project (annual TIF principal amounts shown - ti) (AA) 2017		718,262						350,878	ti
28	Urban on First Project (annual TIF principal amounts shown - ti) (AA) 2017		261,261						127,629	ti
29	Discovery Square Project (annual TIF principal amounts shown - ti) (AA) 2017		290,848						142,011	ti



Special assessment Bonds = a	Abatement District = ad	Olmsted County = c	Electric Utility = eu	Federal Funds = f	Flood Control Reserves = fr
Food & Beverage Tax = fb	Local Gov't Aid = ga	General Obligation Bonds = go	Lodging Tax = lt	MN State Aid - Streets = ms	Operating Trfs - fr Storm Water = os
Operating Trfs-fr General Fund = ot	Operating Trfs-fr Sewer Utility = ow	Private Funds = p	Project Reserves = r	GO Revenue Bonds = rb	Retained Earnings = re
State Funds = s	Sn/Sewer Availability Chg = sa	Sales Tax DMC = sd	State DMC Funds = sm	Sales Tax 2013 = st	Storm Water Mgmt Chg = sw
Tax Levy = t	Traffic Improvement Dist Chg = td	Tax Increments = ti	Operating Trfs - fr Other Funds = to	Water Availability Chg = wa	Water Utility = wu

All 2018 Costs subject to DMCC/City Council approval 11/2018. DMCC approval (FA) is for actual costs bid or awarded. Approval/Status: (AA) Already Approved (FA) Final Approval (NF) Not Final Approval (BMR) Boundary Modification Required

Map #	Project Description	Proj #	2002-2017		2018	2019	2020	2021	2022
			Total Budget	CIP Bdgt Amts					
30	Discovery Walk in 2nd Avenue SW from 2nd St SW to 6th Street SW (AA) Schematic Design - DMC EDA Budget 2017; (FA) 2018 Detailed Design		4,400,000		200,000 sm 200,000 sd	500,000 sm 500,000 sd	1,500,000 sm 1,500,000 sd		
31	2nd st SW from 11th Ave to 16th Ave- street and area improvements (signage and banners) (FA) 2018		200,000		200,000 sd				
Total Cost			193,887,014	47,510,257	22,191,908	46,150,000	33,000,000	24,133,445	20,901,404
Sources of Funds									
Olmsted County	c		20,109,240	5,109,240	c 3,000,000	c 3,000,000	c 3,000,000	c 3,000,000	c 3,000,000
Municipal State Aid for Streets	ms				ms	ms	ms	ms	ms
Operating Transfer - fr Storm Water Utility	os		237,500	25,000	os 87,500	os 100,000	os 25,000	os	os
Operating Transfer - fr Sewer Utility	ow		8,937,500	625,000	ow 2,337,500	ow 3,800,000	ow 675,000	ow 1,500,000	ow
Private Funds	p		500,000	500,000	p	p	p	p	p
Project reserves	r		4,400,000		r 400,000	r 4,000,000	r	r	r
Sales Tax DMC	sd		61,882,820	24,454,163	sd 7,169,093	sd 9,670,282	sd 9,620,282	sd 5,484,500	sd 5,484,500
State DMC Funds	sm		75,663,251		sm 8,772,815	sm 25,379,718	sm 19,079,718	sm 11,965,500	sm 10,465,500
Tax Increment	ti		7,269,849	4,085,000	ti	ti	ti 50,000	ti 1,683,445	ti 1,451,404
Operating Transfer - Other Funds	to		13,149,354	12,686,854	to 337,500	to 100,000	to 25,000	to	to
Water Utility	wu		1,737,500	25,000	wu 87,500	wu 100,000	wu 525,000	wu 500,000	wu 500,000
Total Sources of Funds			193,887,014	47,510,257	22,191,908	46,150,000	33,000,000	24,133,445	20,901,404
Total of NEW FUNDING requests					22,191,908	46,150,000	33,000,000	24,133,445	20,901,404
Total adjustments to prior years' funding authorizations					-	-	-	-	-
Total Cost					22,191,908	46,150,000	33,000,000	24,133,445	20,901,404

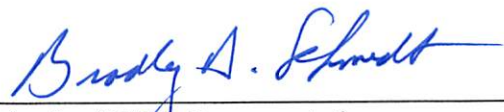


**EDA REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN  
FOR 2018**

To: Destination Medical Center Corporation  
City of Rochester, Minnesota

1. The undersigned authorized representative (the "Representative") of the Destination Medical Center Economic Development Agency ("EDA") hereby authorizes and requests an extension of the Term of the Working Capital Loan Agreement (DMCC-EDA), dated April 30, 2015, by and between the Destination Medical Center Corporation ("DMCC") and the EDA (the "Agreement"), and a renewal of the EDA Note, in the amount and on the date specified below, in order to pay certain EDA Eligible Expenses pursuant to the terms and conditions of the Agreement. Capitalized terms not otherwise defined herein shall have the meanings given them in the Agreement.
2. The Representative certifies that (i) attached as Exhibit A is a true and correct annual reconciliation of the Advances made through July 31, 2017 and EDA Eligible Expenses paid from such Advances, as required by Section 2.6 of the Agreement; (ii) each item for which the EDA sought payment in Exhibit A was an EDA Eligible Expense; and (iii) the Advances received by the EDA have not exceeded the limitations set out in Section 2.4(b) of the Agreement.
3. The Representative hereby requests an extension of the Agreement Term and a renewal of the EDA Note through the period December 31, 2018, in the Maximum Aggregate EDA Advances amount of \$50,000, as such amount may be adjusted by the City as provided in Section 2.8(c) of the Agreement, for payment of EDA Eligible Expenses pursuant to the terms and conditions of the Agreement.
4. The Representative further certifies that no portion of the amount requested in paragraph 3 above constitutes an EDA Excess Request under Section 2.3 of the Agreement.
5. The Representative further certifies that this statement and all exhibits and attachments hereto, and documents furnished in connection herewith, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection, and authority to the DMCC for its actions taken pursuant hereto.

Dated: Oct 23, 2017

  
\_\_\_\_\_  
Authorized EDA Representative

**EXHIBIT A: RECONCILIATION OF EDA ADVANCES**  
Through July 31, 2017

856355-3.DOC

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 9/29/2017

Balance per Bank		\$ 18,862.53
Add:		
Advance in transit for expense cleared bank		
Expenses not yet requested-		
Receivable	\$ 990.91	City - Payroll 4/6
Receivable	\$ 972.38	City - Payroll 7/28
Receivable	\$ 993.91	City - Payroll 8/11
Receivable	\$ 993.91	City - Payroll 9/8
Payroll Transfer Receivable	\$ (3,889.50)	9/22 payroll Events
Payroll Transfer Receivable	\$ (10.00)	8/25 payroll transfer to Events
Fidelity	\$ 1,236.52	9/25 payroll
BCBS	\$ 6,184.04	21-Sep
Mitel	\$ 568.52	21-Sep
Payroll 8/25	35.00	
	118.58	
	5,741.51	
	<u>13,562.26</u>	\$ 19,457.35
Less:		
Advance for expenses not cleared:		
Outstanding check	\$ (194.74)	LC ER87 check
	\$ (0.01)	Wrote check 5126 for one penny short
Misc CCC	\$ (165.82)	remaining credit card credit
CCC	\$ 4,000.00	9/22 conference fees
Advance Total reconciled		<u><u>\$ 50,000.00</u></u>

## DMC EDA Operations Account Rollforward

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>
Beginning balance	\$ 19,910.59	\$ 99,116.82	\$ 99,422.30	\$ 93,309.24	\$ 30,453.67	\$ 51,003.42	\$ 31,440.95	\$ 29,939.35	\$ 25,082.92	\$ 14,164.18	\$ 19,035.35	\$ 43,490.95	\$ 16,825.59	\$ 9,776.11	\$ 21,333.63
Transfer from MAP account												11,130.00			
Transfer from Events account				2,667.99					130.00	3,785.67	3,906.46	588.63		3,889.50	3,975.63
										3,983.63	4,029.55	3,819.02		3,975.63	3,889.50
										3,619.03		3,942.10		4,127.83	
										438.38		3,483.72		3,899.50	
City Bright Payroll credits										946.42				5,749.99	972.37
														1,031.96	
Misc. Credit	75,000.00	301.35										470.43			
Advances from City per bank statements-					20.00										
	20,659.13	19,063.27	13,995.82	21,966.15	49,423.12	20,273.02	18,454.04	19,087.36	31,164.94	36,342.18	23,676.62	21,384.52	30,234.40	27,763.12	27,379.27
	30,521.14	35,528.43	13,345.16	8,966.10	23,921.12	30,522.19	26,726.77	27,372.70	28,440.17	20,449.01	26,939.04	16,978.36	22,601.38	16,291.04	24,237.25
				22,239.57							26,196.80				
Total monthly advances	126,160.27	54,893.05	27,340.98	54,039.81	73,364.24	50,795.21	45,190.81	46,460.06	59,735.11	69,744.32	84,748.47	50,666.78	52,835.78	68,728.57	60,454.02
Total Bank Charges/misc credits per bank statement-	46,974.04	54,587.57	33,454.04	116,895.38	52,814.49	70,357.68	46,692.41	51,316.49	70,653.65	64,873.15	60,292.87	88,462.14	59,885.26	57,171.05	62,925.12
Ending account balance	99,116.82	99,422.30	93,309.24	30,453.67	51,003.42	31,440.95	29,939.35	25,082.92	14,164.18	19,035.35	43,490.95	16,825.59	9,776.11	21,333.63	18,662.53
Reconciling items:															
Net amount of reconciling items- (excludes advances in transit)	25,683.18	(49,422.30)	(43,309.24)	19,546.33	(1,003.42)	18,559.05	20,060.65	24,917.08	35,835.82	30,964.65	6,509.05	33,174.41	40,223.89	28,666.37	31,137.47
City advances in transit															
	25,683.18	(49,422.30)	(43,309.24)	19,546.33	(1,003.42)	18,559.05	20,060.65	24,917.08	35,835.82	30,964.65	6,509.05	33,174.41	40,223.89	28,666.37	31,137.47
Reconciled advance total	\$ 125,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00



## DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY

### Approving the 2018 DMCC Funding Request and the Extension of Working Capital Loan

#### BACKGROUND RECITALS

**WHEREAS**, the Destination Medical Center Corporation (“DMCC”) must adopt an annual Funding Request and Five Year Capital Plan. The DMCC Funding Request includes the DMCC annual budget, the Destination Medical Center Economic Development Agency (“EDA”) annual budget, and support costs incurred by the City of Rochester; and

**WHEREAS**, the EDA has submitted an EDA Request for Extension of the Working Capital Loan, currently on file with the DMCC, that the Loan Documents be extended for 2018 in the amount of \$50,000, as such amount may be adjusted by the City pursuant to Section 2.8(c) of the Agreement, and has provided the required annual reconciliation of advances and eligible expenses paid from such advances; and

**WHEREAS**, the DMCC has completed the required annual reconciliation of the advances to the DMCC and the DMCC eligible expenses and has prepared a DMCC Request for Extension of the Working Capital Loan for 2018 in the amount of \$500, as such amount may be adjusted by the City pursuant to Section 2.8(c) of the Agreement.

#### RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Economic Development Agency Board of Directors that the 2018 DMCC Funding Request, the Five Year Capital Plan, the EDA Request for Extension of the Working Capital Loan for 2018, and the DMCC Request for Extension of the Working Capital Loan for 2018. are approved.



Bradley Schmidt  
Treasurer



**DMCC REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN  
FOR 2018**

To: City of Rochester, Minnesota (the “City”)

1. The undersigned authorized representative (the “Representative”) of the Destination Medical Center Corporation (“DMCC”) hereby authorizes and requests an extension of the Term of the Working Capital Loan Agreement (DMCC-City), dated April 30, 2015, by and between the City and the DMCC (the “Agreement”) and renewals of the DMCC Note and the EDA Note, in the amount and on the date specified below, in order to pay certain DMCC Eligible Expenses and to provide the EDA Tranche to pay certain EDA Eligible Expenses, pursuant to the terms and conditions of the Agreement. Capitalized terms not otherwise defined herein shall have the meanings given them in the Agreement.
2. The Representative certifies that (i) attached as Exhibit A is a true and correct annual reconciliation of the DMCC Tranche Advances made through September, 2017 and the DMCC Eligible Expenses paid from such Advances, as required by Section 2.6 of the Agreement; (ii) each item for which the DMCC sought payment in Exhibit A was a DMCC Eligible Expense; and (iii) the Advances received by the DMCC have not exceeded the limitations set out in Section 2.4(a) of the Agreement.
3. The Representative further certifies that attached as Exhibit B is a true and correct copy of the EDA Request for Extension of the Working Capital Loan for 2018.
4. The DMCC hereby requests an extension of the Agreement Term and renewals of the DMCC Note and the EDA Note, in the amount of \$1,000.00 as the DMCC Tranche Advance and in the amount of \$50,000.00 as the EDA Tranche Advance, as such amounts may be adjusted by the City pursuant to Section 2.8(c) of the Agreement, for payment of DMCC Eligible Expenses and, as to the EDA Tranche, for payment of EDA Eligible Expenses.
5. The Representative further certifies that no portion of the amount requested in paragraph 4 above constitutes a DMCC Excess Request under Section 2.3 of the Agreement.
6. The Representative further certifies that this statement and all exhibits and attachments hereto, and documents furnished in connection herewith, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection, and authority to the City for its actions taken pursuant hereto.

Dated: \_\_\_\_\_, 2018

\_\_\_\_\_  
Authorized DMCC Representative

**EXHIBIT A: RECONCILIATION OF DMCC TRANCHE ADVANCES**

Through September, 2017

# Destination Medical Center Corporation

Working Capital Loan Reconciliation

12 Months

Through September 2017

**9L<6H5**

	2016			2017								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
DMCC Bank Account												
<b>Beginning Bank Balance</b>	1,000.04	1,000.02	1,000.04	1,000.60	1,000.21	113,295.39	1,000.20	1,000.24	12,600.50	1,000.14	1,328.51	1,025.18
<b>DMCC Bank Charges</b>	93.08	93.42	93.45	95.27	91.97	157.62	93.90	92.41	97.38	95.47	92.81	98.16
<b>Adjustments - bank fees returned</b>										327.75		
<b>Adjustments - change in amount</b>												
<b>Interest Earnings</b>	0.07	0.11	0.61	0.22	0.02	0.29	0.34	0.94	0.68	0.87	0.39	0.30
<b>EDA Funding Requested</b>	164,073.03	219,436.31	372,363.08	276,700.94	66,823.87	253,062.30	134,373.21	368,571.10	206,460.01	189,093.13	151,658.48	114,704.02
<b>Actual Funded</b>	164,166.02	219,529.64	372,456.48	276,795.60	179,211.00	140,924.44	134,466.81	380,262.83	194,956.35	189,188.35	151,447.57	114,776.99
<b>Difference</b>	92.99	93.33	93.40	94.66	112,387.13	(112,137.86)	93.60	11,691.73	(11,503.66)	95.22	(210.91)	72.97
<b>Ending Bank Balance</b>	1,000.02	1,000.04	1,000.60	1,000.21	113,295.39	1,000.20	1,000.24	12,600.50	1,000.14	1,328.51	1,025.18	1,000.29
<b>Reconciling Items</b>												
Interest	(0.02)	(0.04)	(0.60)	(0.21)	(0.02)	(0.20)	(0.24)	(0.94)	(0.14)	(0.87)	(0.39)	(0.29)
Bank Fees	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	(112,295.37)	-	-	(11,599.56)	-	(327.64)	(24.79)	-
<b>Net</b>	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00



**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2017**

**Approving the 2018 DMCC Funding Request and the Extension of Working Capital Loan  
and Authorizing Transmittal to the City of Rochester**

**BACKGROUND RECITALS**

**WHEREAS**, the Destination Medical Center Corporation (“DMCC”) must adopt an annual Funding Request and Five Year Capital Plan. The DMCC Funding Request includes the DMCC annual budget, the Destination Medical Center Economic Development Agency (“EDA”) annual budget and work plan, and support costs incurred by the City of Rochester; and

**WHEREAS**, on February 26, 2015, the DMCC adopted Resolution No. 26-2015, approving the form of and authorizing the Chair and Treasurer to execute, amend, and take other actions to implement the working capital loan documents to provide for advance funding of EDA operations (collectively, the “Loan Documents”); and

**WHEREAS**, the EDA has submitted an EDA Request for Extension of the Working Capital Loan for 2018, requesting that the Loan Documents be extended for 2018 in the amount of \$50,000, as such amount may be adjusted by the City pursuant to Section 2.8(c) of the Working Capital Loan Agreement (DMCC-EDA), effective April 1, 2014, and has provided the required annual reconciliation of advances and eligible expenses paid from such advances; and

**WHEREAS**, the DMCC has completed the required annual reconciliation of the advances to the DMCC and the DMCC eligible expenses and has prepared a DMCC Request for Extension of the Working Capital Loan for 2018 in the amount of \$500, as such amount may be adjusted by the City pursuant to Section 2.8(c) of the Working Capital Loan Agreement (DMCC-City) effective April 1, 2014.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Board of Directors that the 2018 DMCC Funding Request, and the Five Year Capital Plan, each on file with the DMCC, are approved. Further, the DMCC hereby approves the projects set forth in the first year of the Five Year Capital Plan as public infrastructure projects within the meaning of Minnesota Statutes Section 469.40, Subdivision 11, and consistent with the Development Plan, adopted on April 23, 2015, as amended; provided that, as indicated in the Five Year Capital Plan, final approval of certain projects will be subject to a later specific approval by the DMCC upon final determination of scope, costs and availability of funds.

**BE IT FURTHER RESOLVED**, the EDA Request for Extension of the Working Capital Loan for 2018, and the DMCC Request for Extension of the Working Capital Loan for 2018, each on file with the DMCC, are approved.

**BE IT FURTHER RESOLVED**, that the Chair and Treasurer are hereby authorized and directed to transmit this resolution to the City of Rochester and to take such actions as are necessary or convenient to effectuate the 2018 DMCC Funding Request, the Five Year Capital Plan, and the

extension of the Loan Documents, including, but not limited to, the authority to execute, deliver, and perform, in the name of and on behalf of the DMCC, the DMCC Request for Extension of the Working Capital Loan for 2018 and the Loan Documents to which the DMCC is a party, with such modifications, additions, deletions, or other changes as the Chair and Treasurer may deem necessary or appropriate to accomplish the requested extension, all which may be performed without further action of this Board.

1063049-3.DOCX





CONNECTING & INNOVATING  
SINCE 1913

## LIABILITY COVERAGE – WAIVER FORM

**LMCIT members purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage. Please return the completed form to your underwriter or email to [pstech@lmc.org](mailto:pstech@lmc.org)**

This decision must be made by the member's governing body every year. You may also wish to discuss these issues with your attorney.

League of Minnesota Cities Insurance Trust (LMCIT) members that obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits apply regardless of whether the city purchases the optional excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. (Under this option, the tort cap liability limits are waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2 million.) The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

\_\_\_\_\_  
LMCIT Member Name

Check one:

- ☐ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04.
- ☐ The member **WAIVES** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04 to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council/governing body meeting \_\_\_\_\_

Signature \_\_\_\_\_ Position \_\_\_\_\_



TO: Jim Bier, Treasurer  
Kathleen Lamb, Attorney

FR: Dale Martinson, Assistant Treasurer

Date: October 24, 2017

RE: September 2017 Financial Budget Summary



The attached summary for September reflects expenditures to date totaling \$1,477,563 out of the 2017 total budget of \$3,224,870. The total remaining 2017 budget represents 54% of the original budget remaining with 3 months (25%) of the year remaining.

In the DMCC direct costs section, the small \$100 of expenditures in September primarily represents bank fees and interest expense.

The DMC EDA costs are billed through Master Application for Payments (MAPs) for outside contractors and as well as through working capital loan advances for the EDA payroll and other operational expenses. DMC EDA costs through June of 2017 totaled \$1,327,480 and results in a remaining EDA budget of 49%. Details of the contract payments including remaining contract commitments can be found on the 3rd through 4th page of the summary as provided by the DMC EDA.

An additional MAP request was submitted in October for September expenses in the amount of \$205,658.53. These costs are not reflected in the totals of the September report.

The 2nd page of this summary now reflects DMCC approved Capital Improvement Project (CIP) costs that are being managed by the City of Rochester staff. Total 2017 capital expenditures amounted to just over \$4.5 million. These projects primarily include transit studies underway, architectural services on the Heart of the City project and a sanitary sewer upsizing project currently under construction.

Please feel free to contact me with any questions or concerns.



Destination Medical Center Corporation  
Financial Budget Summary  
September 2017

	2017 Approved Approved Budget	Curent Month Sept 2017	Sept 2017 Year To Date	Amount Remaining	Percent Remaining
General Administrative Expenses	31,200	2	28,598	2,602	8%
Professional Services	404,500	98	108,488	296,012	73%
Insurance and Bonds	20,000		12,998	7,002	35%
City Support Expenses	150,000	-	-	150,000	100%
<b>Subtotal DMCC</b>	<b>605,700</b>	<b>100</b>	<b>150,084</b>	<b>455,616</b>	<b>75%</b>
<b>Third Party Costs - DMC EDA *</b>					
Payroll, Staff, Administration & Benefits-EDA	645,120	33,880	335,320	309,800	48%
Operating Expenses		17,736	126,424	(126,424)	-144%
Operational Costs - Contracted	88,000	1,650	32,971	55,029	7%
Economic Development Outreach & Support	751,000	1,235	107,717	643,283	86%
Professional Services	890,740	60,178	674,950	215,790	24%
Miscellaneous Expenses	244,310		50,098	194,212	79%
<b>Subtotal EDA</b>	<b>2,619,170</b>	<b>114,679</b>	<b>1,327,480</b>	<b>1,291,690</b>	<b>49%</b>
<b>Total DMCC 2017</b>	<b>3,224,870</b>	<b>114,779</b>	<b>1,477,563</b>	<b>1,747,307</b>	<b>54%</b>
<b>* Note:</b> An additional EDA MAP request for September Expenses totalling \$205,658.53 outstanding as of 9/30/2017 was paid in October.					
DMCC Working Capital Note				1,000	
EDA Working Capital Note				50,000	

DMCC Projects  
Managed by the City of Rochester  
As of September 30, 2017

	YTD Expenditures	Project Budget	Life To Date Expenditures
<b>DMC Projects (BU# 8600)</b>			
8611C- - Sn/S12AvSW/NW<2StSW>2StNW	2,006.09	2,850,000.00	10,196.46
8612C- - WZmbrRvrSn/SRIfLin<CookPk>CCDr	17,809.46	950,000.00	37,823.46
8613C- - ChateauTheatrePre-OccupancyM&O	58,601.45	686,800.00	178,076.07
8614C- - DMCTransit&InfrastrctrPgrmMgmt	293,670.84	1,100,000.00	916,764.02
8617C- - Broadway @ Center Parking Ramp		10,500,000.00	
8618C- - SharedParkngStudy&PrgmDevlpmnt	599,123.99	1,811,854.00	1,050,957.82
8620C- - City Loop Plan	396,102.14	959,938.00	561,678.12
8621C- - Transit Circulator Study	515,944.65	1,991,532.00	874,395.65
8623C- - DMCC Street Use Study	845,082.73	2,867,708.00	1,404,751.18
8624C- - ChateauTheatreBldgImprov/Purch	52,602.45		6,682,201.27
8625C- - Heart of the City	426,213.45	598,940.00	597,718.62
8626C- - Sn/SUsize1Av&3AvSE<4StS>1StN	1,317,403.46	2,500,000.00	1,357,723.14
<b>Total DMC Projects (BU# 8600)</b>			
<b>Grand Total</b>	4,524,560.71	26,816,772.00	13,672,285.81

**Master Application for Payment**  
Destination Medical Center Economic Development Agency

**Application Details**

Application Number:	August 2017
Application Date:	9/1/2017
Period From:	8/1/2017
Period To:	8/31/2017

**Sources of Funds:**

City Contribution	\$ 63,062.50
-	\$ -
-	\$ -
-	\$ -
<b>Total Sources</b>	<b>\$ 63,062.50</b>

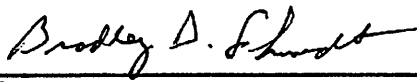
**Uses of Funds:**

EDA Staff Costs	\$ -
EDA Operational Costs	\$ 1,650.00
Econ Dev Outreach & Support	\$ 1,235.00
Professional Services	\$ 60,177.50
Miscellaneous Costs	\$ -
<b>Total Uses</b>	<b>\$ 63,062.50</b>

**Statement of Project**

Original 2017 Budget	\$ 2,619,170.00
Current 2017 Budget	\$ 2,619,170.00
<b>Total completed to date via MAP process</b>	<b>\$ 865,736.30</b>
Retainage to Date	\$ -
<b>Total completed via MAP process less retainage</b>	<b>\$ 865,736.30</b>
Less previous Map requests	\$ 802,673.80
<b>Current MAP Request Amount Due</b>	<b>\$ 63,062.50</b>
<b>2017 operational expenses funded to date</b>	<b>\$ 414,822.91</b>
<b>Total 2017 City Contribution</b>	<b>\$ 1,280,559.21</b>
<b>% of 2017 Budget</b>	<b>48.9%</b>

**Approvals**

	9.6.17
EDA:	Date
DMCC:	Date

MAP for undisputed labor, services, or materials

**Master Application for Payment**  
Destination Medical Center Economic Development Agency

**Master Application For Payment Detail: August 2017**

**9/1/2017**

DMC EDA P&L Description		Vendor	Previous Billings	Current Work in Place	Total Work to Date
<b>EDA Operational Costs</b>			<b>\$ 31,320.95</b>	<b>\$ 1,650.00</b>	<b>\$ 32,970.95</b>
8	Office Supplies, Consumables	Davies Printing	\$ -	\$ -	\$ -
11	Website, Drafting, Hosting	Brandhoot	\$ 1,650.00	\$ 1,650.00	\$ 1,650.00
<b>Econ Dev Outreach &amp; Support</b>			<b>\$ 106,482.06</b>	<b>\$ 1,235.00</b>	<b>\$ 107,717.06</b>
14	Print & Collateral	Minuteman Press	\$ 275.73	\$ -	\$ 275.73
15	Outreach & Local Events	Nice Ridge Minnesota	\$ -	\$ 1,110.00	
15	Outreach & Local Events	RAEDI	\$ 5,500.00	\$ -	\$ 5,500.00
15	Outreach & Local Events	Rochester Area Chamber of Commerce	\$ 9,550.00	\$ -	\$ 9,550.00
15	Outreach & Local Events	Rochester City Lines	\$ -	\$ 775.00	
15	Outreach & Local Events	Rochester Rising	\$ 200.00	\$ -	\$ 200.00
15	Outreach & Local Events	TS Startups LLC	\$ 1,000.00	\$ (1,000.00)	\$ -
16	Subscriptions & Memberships	International Economic Development Council	\$ 420.00	\$ -	\$ 420.00
16	Subscriptions & Memberships	Medical Alley Association	\$ 500.00	\$ -	\$ 500.00
17	Conferences, Meetings, Travel and Participation	Medical Alley Association	\$ 6,225.00	\$ -	\$ 6,225.00
17	Conferences, Meetings, Travel and Participation	Minneapolis Regional Chamber of Commerce	\$ 4,990.00	\$ -	\$ 4,990.00
18	Econ Dev Costs	Biomedical Growth Strategies LLC	\$ 7,061.03	\$ -	\$ 7,061.03
18	Econ Dev Costs	Bleu Duck Kitchen	\$ 250.00	\$ 350.00	\$ 600.00
18	Econ Dev Costs	Nelsen Biomedical	\$ 16,597.31	\$ -	\$ 16,597.31
18	Econ Dev Costs	St. Paul Pioneer Press	\$ -	\$ -	\$ -
18	Econ Dev Costs	University of Minnesota	\$ -	\$ -	\$ -
18	Econ Dev Costs	Wilder Research	\$ 31,748.00	\$ -	\$ 31,748.00
<b>Professional Services</b>			<b>\$ 614,772.35</b>	<b>\$ 60,177.50</b>	<b>\$ 674,949.85</b>
19	Legal Services	Dorsey & Whitney LLP	\$ 15,084.67	\$ 1,002.00	\$ 16,086.67
20	Website Customer Relationship Management	Enterprise Technology Projects	\$ 1,600.00	\$ -	\$ 1,600.00
20	Website Customer Relationship Management	Sheryl Barlow	\$ 22,990.00	\$ 4,250.00	\$ 27,240.00
21	Marketing, Communications & Advertising	Clarity Coverdale Fury Advertising, Inc.	\$ 322,556.50	\$ 30,000.00	\$ 352,556.50
21	Marketing, Communications & Advertising	Connect Media	\$ 3,120.00	\$ -	\$ 3,120.00
21	Marketing, Communications & Advertising	Inspire MN, LLC	\$ 55,835.00	\$ 8,400.00	\$ 64,235.00
21	Marketing, Communications & Advertising	Journey to Growth Partnership	\$ 1,200.00	\$ -	\$ 1,200.00
21	Marketing, Communications & Advertising	Linda Donlin	\$ 2,025.00	\$ -	\$ 2,025.00
21	Marketing, Communications & Advertising	Marketabelle	\$ 1,885.00	\$ -	\$ 1,885.00
21	Marketing, Communications & Advertising	Nicole Spelhaug	\$ 31,729.47	\$ 7,500.00	\$ 39,229.47



**Master Application for Payment**  
Destination Medical Center Economic Development Agency

Master Application For Payment Detail: August 2017			9/1/2017		
21	Marketing, Communications & Advertising	Post Bulletin	\$ 752.50	\$ -	\$ 752.50
21	Marketing, Communications & Advertising	Riggott Creative Inc.	\$ 747.50	\$ -	\$ 747.50
21	Marketing, Communications & Advertising	The Med City Beat	\$ 4,350.00	\$ -	\$ 4,350.00
22	Public and Community Relations	Himle Rapp & Co., Inc.	\$ 54,144.24	\$ 8,077.50	\$ 62,221.74
22	Public and Community Relations	Short Elliott Hendrickson, Inc.	\$ 34,971.25	\$ -	\$ 34,971.25
23	Design Support	Imagebridge Design	\$ 2,295.00	\$ -	\$ 2,295.00
23	Design Support	White Space, LLC	\$ 6,881.25	\$ -	\$ 6,881.25
23	Development Management Services	Louis Jambois	\$ 14,424.25	\$ -	\$ 14,424.25
24	Financial Reporting Services	CliftonLarsonAllen LLP	\$ 4,044.72	\$ -	\$ 4,044.72
24	Financial Reporting Services	Lund Tax & Accounting	\$ 12,136.00	\$ 948.00	\$ 13,084.00
	<b>Miscellaneous Costs</b>		\$ 50,098.44	\$ -	\$ 50,098.44
25	Insurance and Taxes	Aon Risk Services	\$ -	\$ -	\$ -
25	Insurance and Taxes	US Treasury	\$ (2,799.52)	\$ -	\$ (2,799.52)
26	Miscellaneous Costs	Building Systems Solutions, Inc.	\$ -	\$ -	\$ -
	<b>Project Total</b>		\$ 802,673.80	\$ 63,062.50	\$ 865,736.30



**DESTINATION MEDICAL CENTER CORPORATION****RESOLUTION NO. \_\_\_\_-2017****Approving the 2018 DMCC Board Regular Meeting Schedule****BACKGROUND RECITALS**

The Minnesota Open Meeting Law provides that a schedule of the regular meetings of a public body shall be kept on file at its primary office. If a public body decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided for a special meeting.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Corporation (“DMCC”) Board of Directors that the schedule of regular meetings for 2018 is set forth below. The meetings will begin at 9:30 a.m., and the location will be at the Mayo Civic Center. The Secretary is directed to post the 2018 schedule on the website and to post notification by such other means as she determines necessary and appropriate.

<u>Date</u>	<u>Time</u>	<u>Mayo Civic Center</u>
Thursday, March 22, 2018	9:30 a.m.	Mayo Civic Center
Thursday, June 28, 2018	9:30 a.m.	Mayo Civic Center
Thursday, September 27, 2018	9:30 a.m.	Mayo Civic Center
Thursday, November 15, 2018	9:30 a.m.	Mayo Civic Center