



# DESTINATION MEDICAL CENTER CORPORATION (DMCC)

## BOARD OF DIRECTORS MEETING

9:30 A.M. TUESDAY, SEPTEMBER 25, 2018

MAYO CIVIC CENTER - ROCHESTER





DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Tuesday, September 25, 2018

9:30 A.M.

AGENDA

	<u>Page</u>
I. Call to Order	
II. Roll Call	
III. Approval of Agenda.....	1
IV. Approval of Minutes: June 28, 2018.....	3
V. Public Comment Period	
VI. Chair's Report	
VII. DMC Metrics: Update.....	7
VIII. 2019 DMCC Funding Request Approval	
A. 2019 EDA Work Plan and Budget.....	9
B. Capital Improvement Program.....	23
C. Working Capital Loan.....	25
D. 2019 DMCC Budget.....	33
<u>Resolution A</u> : Approving the 2019 DMCC Funding Request and Authorizing Transmittal.....	35
IX. DMCC Form 990; Annual Charitable Organization Report (Presenter: Craig Popenhagen, CliftonLarsonAllen).....	37
<u>Resolution B</u> : Approving the 2018 State of Minnesota Charitable Organization Annual Report and 2017 Form 990.....	85
X. Project Updates (City of Rochester, EDA)	
A. Status of Private Development Projects Receiving Prior Approval.....	87
B. Status of Capital Improvement Plan (CIP) Public Infrastructure.....	97
C. Discovery Square Subdistrict Update (Presenters: Chris Schad, EDA; Jeremy Jacobs, Mortenson).....	101
D. Public Realm	
1. Chateau Theatre.....	107
2. Heart of the City.....	109
3. Discovery Walk.....	110
4. Saint Marys Place.....	111
E. Transportation Planning.....	113
XI. EDA Update.....	117
XII. Discovery Square Trademark.....	141
<u>Resolution C</u> : Authorizing EDA as Agent for Discovery Square Trademark Licensing on behalf of DMCC.....	143

	<u>Page</u>
XIII. DMCC Insurance: League of Minnesota Cities Insurance Trust (LMCIT) Waiver.....	147
XIV. DMCC 2018 Budget Year to Date Update.....	149
XV. DMCC 2019 Regular Meeting Schedule	
<u>Resolution D</u> : Approval of 2019 Regular Meeting Schedule.....	153
XVI. Meeting Schedule:	
A. Next Regular Meeting: November 13, 2018 at 9:30 A.M.	
B. Next Executive Committee Meeting: March 21, 2019 at 9:30 A.M.	
XVII. Adjournment	

DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, June 28, 2018

9:30 A.M.

MINUTES

- I. Call to Order. Chair R.T. Rybak called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Suite 101, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. Chair R.T. Rybak, Vice Chair Ardell Brede, Commissioner Jim Bier, Council Member Mark Hickey, Paul Williams, and Dana Bailey were present.
- III. Approval of Agenda. Commissioner Bier moved approval of the Agenda. Mayor Brede seconded.  
Ayes (6), Nays (0). Motion approved.
- IV. Approval of Minutes. Mayor Brede moved approval of the Minutes of the March 22, 2018 meeting. Mr. Williams seconded.  
Ayes (6), Nays (0). Motion approved.
- V. Public Comment Period. No members of the public provided comment.
- VI. Chair's Report. Chair Rybak reported on the significant efforts being made to add to Rochester's affordable housing stock, noting that the DMCC is strategically involved in this collaborative initiative being sustained by the City of Rochester, Olmsted County, Mayo Clinic and the Rochester Area Foundation.
  - A. 2019 DMCC Funding Request: Process and Timeline. Lisa Clark, Executive Director of the EDA, reported on the 2019 DMCC Funding Request process. Chair Rybak asked for volunteers to informally review the funding request.
  - B. Election of Treasurer. Chair Rybak announced that Mr. Campbell has resigned as Treasurer, and opened nominations for the office of Treasurer. Mayor Brede moved to nominate Commissioner Bier. Council Member Hickey seconded.  
Ayes (6), Nays (0). Motion approved.
- VII. DMC Metrics: Update. Chair Rybak stated that the DMC metrics dashboard is a useful tool to evaluate progress towards the achievement of the DMC development plan goals. Ms. Clarke stated that several of the metrics are updated annually, and showed how potential new projects would positively affect the metrics. Chair Rybak indicated that these data could be useful when making policy choices. Mr. Williams asked that household income and sales tax revenue data be presented to the Board; Chair Rybak agreed and asked that the wage rates for added jobs also be presented.
- VIII. Consent Agenda.
  - A. 2018 Meeting Schedule: Revised Dates.  
Resolution A: Revising the 2018 DMCC Board Regular Meeting Schedule
  - B. Revised Certification of Expenditures to DEED  
Resolution B: Ratifying and Confirming the Revised April 1 Report to DEED Pursuant to Statute

Mr. Williams moved approval of the Consent Agenda. Mayor Brede seconded.

Ayes (6), Nays (0). Motions approved.

IX. DMCC Audit for Year Ending December 31, 2017 Craig Popenhagen of CliftonLarsonAllen presented the DMCC audit findings. Mr. Popenhagen stated that the reports are compiled in accordance with government accounting standards because the DMCC is a component unit of the City of Rochester for tax purposes. He stated that the audit opinion is “clean,” with no control issues and no Minnesota legal compliance findings. Council Member Hickey moved approval of the audit. Ms. Bailey seconded.

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

X. Project Updates.

A. Status of Private Development Projects Receiving Prior Approval. Ms. Clarke provided several brief updates: the Titan Hilton is scheduled to open in April 2019, the Berkman is under construction and scheduled to open in May 2020, Urban on First broke ground in March of this year and is scheduled to open in 2019, and One Discovery Square is “topping off” today.

B. Status of Capital Improvement Plan (CIP) Public Infrastructure. Brief updates on the progress of several CIP projects were presented.

Mr. Williams asked how the capital improvement projects have been prioritized. Chair Rybak noted that in addition to capital improvement projects, DMC public funding must also consider public realm development and transportation investments. Patrick Seeb, Director of EDA Economic Development and Placemaking, stated that the DMC Development Plan includes a detailed list of potential public infrastructure projects. Because the identified needs exceed the value of all DMC public funding, the City and EDA staff recognize that additional financing sources will need to be relied upon. City Administrator Steve Rymer stated that prioritization of capital projects is key to ensuring that public infrastructure supports, and does not inhibit, private development opportunities.

Chair Rybak noted that while all capital improvement projects are presented to the Board during its annual consideration of the DMCC funding request, it is important to understand how public realm and capital improvements can be complementary. He also described the unique financing tools provided to the DMC initiative by the DMC legislation. Commissioner Bier also highlighted the County’s tax authority, which is providing for transportation funding, as well.

C. Project Approvals. Mr. Seeb described the effect that approval of all four proposed projects would have on various goal indicators.

1. Bloom Waterfront (Bloom International Realty LLC). Terry Spaeth, City of Rochester Development Director, noted the significant private investment and tax revenue increase that would result from the construction of the project. The project will provide 275 permanent and 400 construction jobs.

Resolution C: Approving the Bloom Waterfront Project, with Conditions.

Commissioner Bier moved approval of the resolution. Mr. Williams seconded.

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

2. 21 1<sup>st</sup> Street SW (Ryan Companies US, Inc.). Mr. Seeb described the proposed project. Mr. Spaeth stated that private investment totals more than \$26 million and the completed redevelopment will generate an additional \$200,000 in annual tax revenue while creating space for 115 more employees and 30 construction jobs.

Resolution D: Approving the 21 1<sup>st</sup> Street SW Project, with Conditions. Vice Chair Brede moved approval of the resolution. Council Member Hickey seconded.

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

3. Holiday Inn Downtown (Hotel Indigo) Rochester (RHI Hotel JV, LLC). Mr. Seeb described the current structure and the proposed rebranding as a Hotel Indigo.

Resolution E: Approving the Holiday Inn Downtown (Hotel Indigo) Rochester Project, with Conditions. Mr. Williams moved approval of the resolution. Ms. Bailey seconded.

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

4. Hyatt House Civic + First Rochester (First Civic Center, LLC). Mr. Seeb described the project. Mr. Spaeth noted the private investment of \$44 million will result in 38 permanent jobs and 257 construction jobs.

Resolution F: Approving the Hyatt House Civic + First Rochester Project, with Conditions. Commissioner Bier moved approval of the resolution. Mr. Williams seconded.

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

D. Public Realm

1. Chateau Theatre. Aaron Parrish, Assistant City Administrator, described the status of the Chateau Theatre project, including approval of the interim use plan by the City's Heritage Preservation Commission.
2. Heart of the City. Mr. Seeb reported that design development is progressing for First Avenue, Theatre Square, and the adjacent alleys.
3. Discovery Walk. Mr. Seeb stated that schematic design is complete, the development is being integrated with other infrastructure improvements, and staff are examining activation strategies and development opportunities.
4. Saint Marys Place. Mr. Seeb reported that schematic design is complete and community discussions continue.

- E. Transportation Planning. Chair Rybak thanked retiring City Engineer Richard Freese for his many years of service upon his retirement. Ms. Clarke then described recent progress and the actions being requested, including acceptance of the integrated transit studies and offering support for the City of Rochester's grant applications. Mr. Freese noted that concept design and environmental review will be included in the next phase of work. Mr. Freese also stated that while the Board is being asked to accept the studies, further study is required, including the location of mobility hubs, the feasibility of decking over U.S. Highway 52, refinement of the bus rapid transit routes, and other issues. Mr. Freese will bring a more detailed implementation plan to the next Board meeting.

Ms. Bailey asked if community outreach continues. Mr. Freese noted that staff have organized four open houses, multiple community presentations, and will offer a mobility hub design exercise at the June 28 "Thursday's on First and Third" event.

1. Integrated Transit Studies

Resolution G: Accepting Integrated Transit Studies Final Report, and Providing Direction for Additional Study and Recommendations. Mayor Brede moved approval. Ms. Bailey seconded.

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

2. Support for City 's Application for Federal Funding

Resolution H: Supporting the City of Rochester, Minnesota in its Application to the U.S. DOT of BUILD Transportation Grants. Commissioner Bier moved approval. Mr. Williams seconded.

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

XI. EDA Update

A. Sustainability. Kevin Bright, EDA Energy and Sustainability Director, gave a sustainability update. Mr. Bright described efforts made to clarify energy and sustainability goals, expectations, and tools, including additions to the DMC Joint Application for Funding. Council Member Hickey noted that the McKnight Foundation suggested that energy efficiency investments ought to offer a full return on investment within eight years. Mr. Bright also noted that the energy and sustainability review being codified in the funding application is already in practice during the development review process. Mr. Seeb offered to supply a summary of energy and sustainability principles and practices that are incorporated into the project review process and individual development projects.

B. Marketing Plan. Bill Von Bank, EDA Marketing and Communications Director, and Rob Rankin of Clarity Coverdale Fury provided a marketing plan update. Mr. Rankin noted that 2017 was the first full year of marketing the DMC initiative. Mr. Von Bank noted that DMC marketing efforts are now shifting from general awareness to lead generation and targeting of specific markets and audiences. DMC digital marketing efforts continue to be strong and outperform industry benchmarks.

XII. DMCC 2018 Budget Year to Date Update. Commissioner Bier presented the year to date budget.

XIII. Meeting Schedule:

A. Next Regular Meeting: September 25, 2018 at 9:30 A.M.

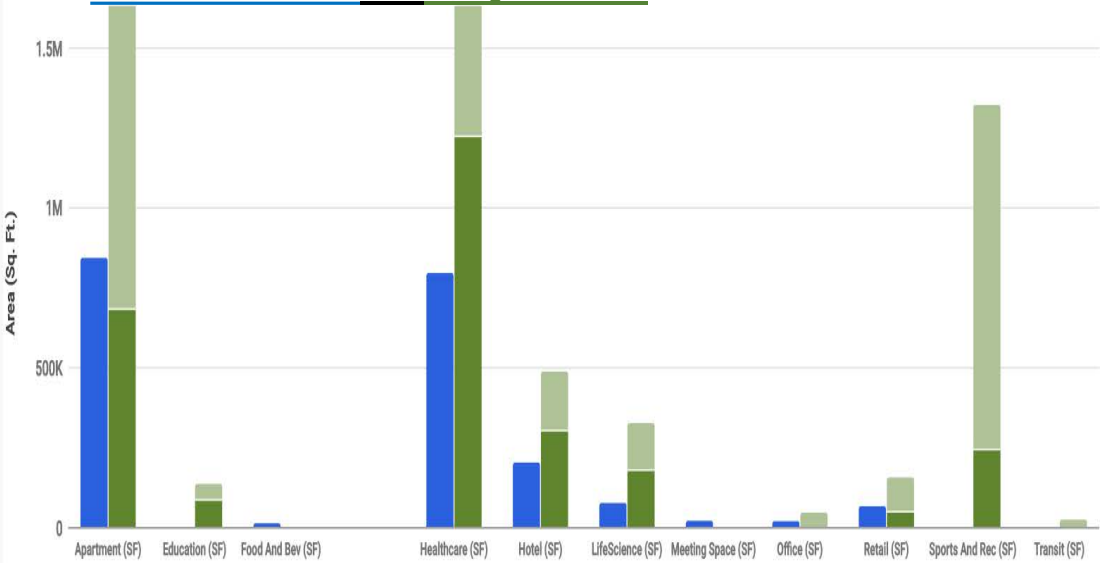
XIV. Adjournment. Mayor Brede moved to adjourn the meeting. Ms. Bailey seconded.

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

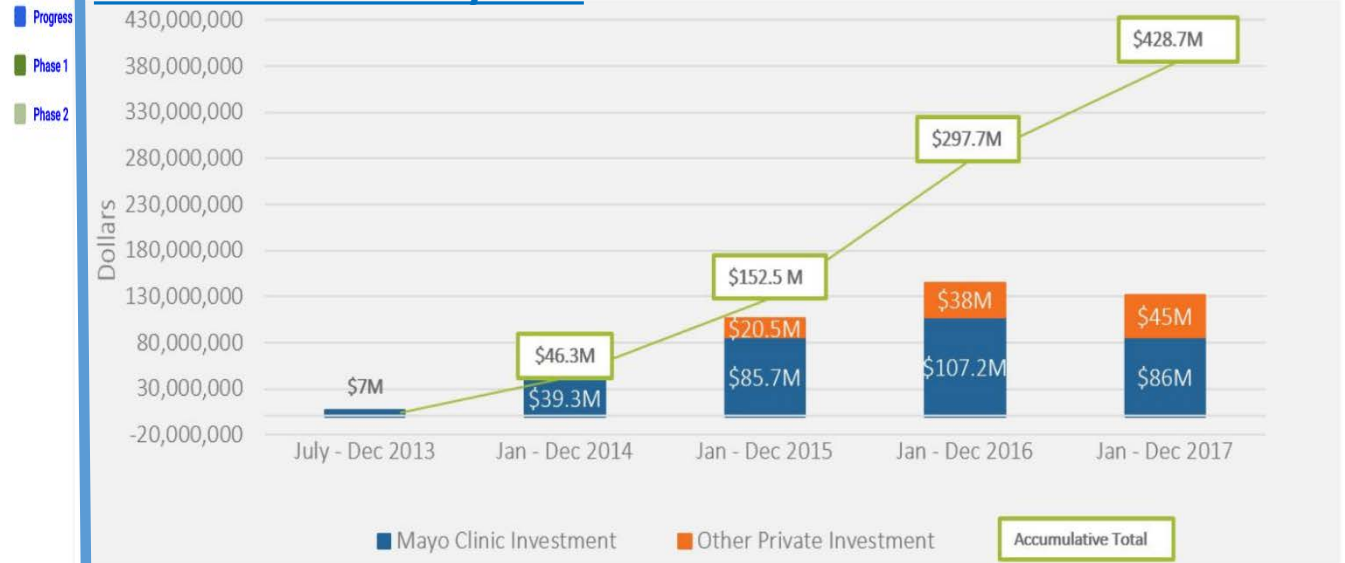


# DMC Dashboard

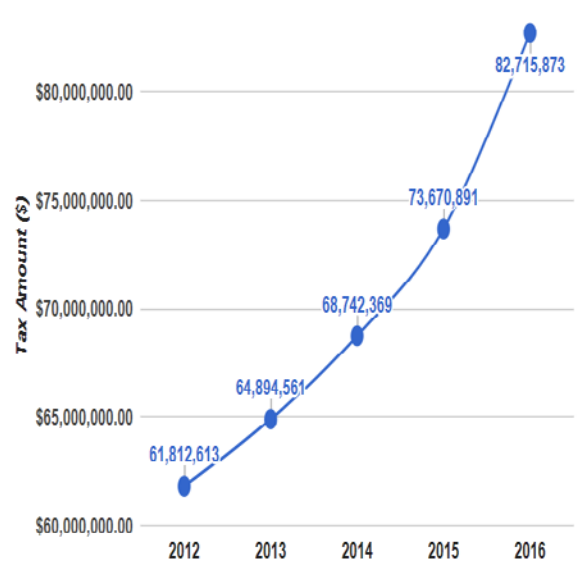
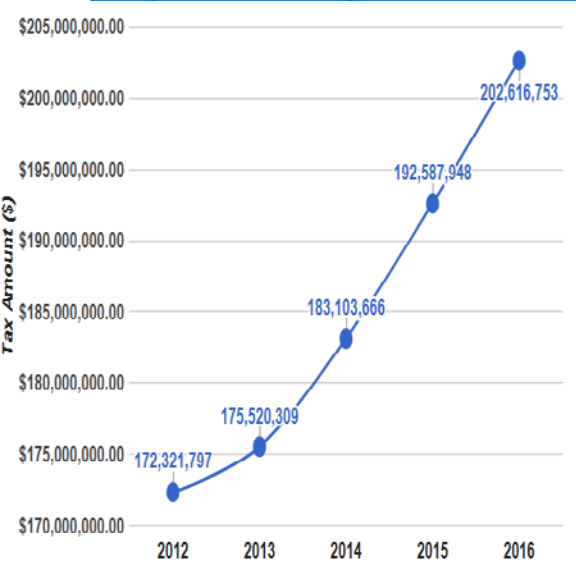
## DMC Growth vs. Projections



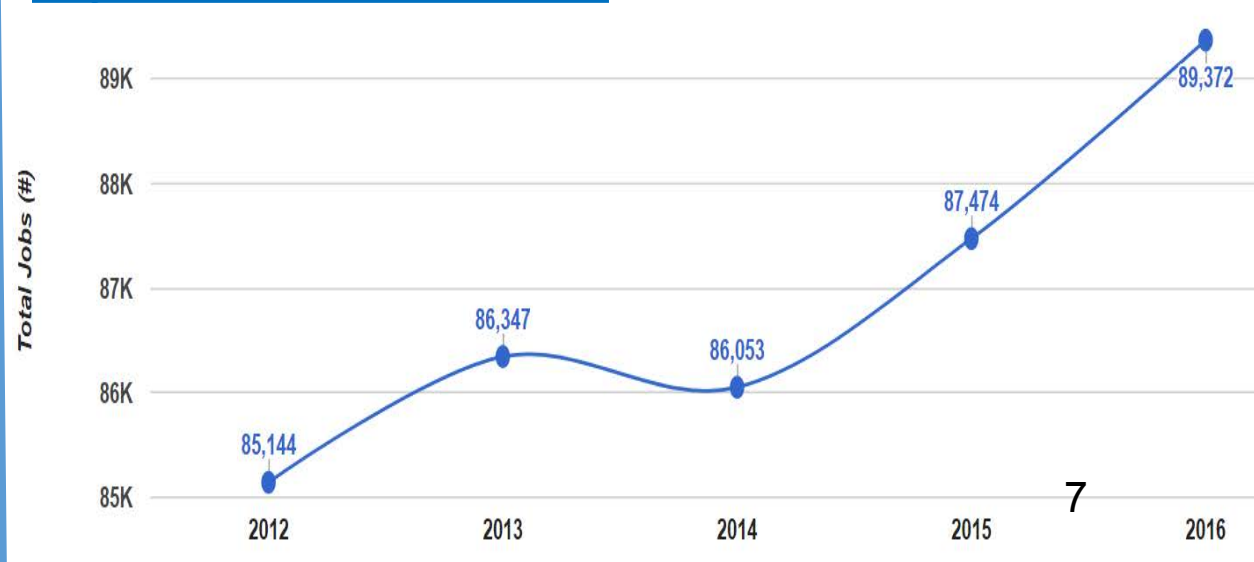
## DMC Investment By Year



## City & County Tax Revenues



## City of Rochester Job Growth





## DMC EDA 2019 Work Plan and Budget Summary

### 2019 DMC EDA Work Plan

In 2019, 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.

The workplan reflects the roles and responsibilities described Minnesota state law, including development planning and promotion, development services, and marketing, outreach, and communications.

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 pursue annual strategic objectives in order to achieve the goals of the DMC initiative.

### 2019 Strategic Objectives include:

- Advance Heart of the City public and private developments
- Activate Chateau Theatre, following renovations and repairs
- Ensure successful launch of One Discovery Square and initiate Two Discovery Square planning and development
- Discovery Walk interim prototyping deployed
- Grow the business and entrepreneurial eco-system in Discovery Square
- Set priorities for transportation plan and begin implementation of Phase I projects
- Strengthen real estate developer and finance/equity partner relationships
- Identify, refine, and diversify public and private financial investment tools
- Engage the community in the implementation of the DMC development plan
- Implement the DMC patient, visitor and community experience strategy
- Execute local, regional, national, and international marketing and communications strategy
- Provide leadership to advance environment and sustainability outcomes, including Americas City for Health

### 2019 DMC EDA Budget Request

The enclosed budget, developed to achieve the strategic objectives identified in the 2019 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 2019 DMC EDA funding request to the *City of Rochester* of **\$2,571,406** represents a year-over-year increase in funding of \$75,000, or approximately 3%.
- The 2019 *Mayo Clinic* contribution towards the strategic operational expenses of the DMC EDA totals **\$1,276,632**, which represents a year-over-year increase in funding of \$4,412, or approximately 0.35%.

The DMC EDA Board of Directors approved the proposed budget and work plan on September 14, 2018.



**Destination Medical Center  
Economic Development Agency  
2019 Workplan**

**Updated: August 24, 2018**

## Executive Summary

In 2019, 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

To date, the DMC Corporation board of directors has made strategic investments in public realm planning and design, including Heart of the City and Chateau Theatre, Saint Marys Place, and Discovery Walk; the development of Discovery Square; transportation; energy and sustainability; targeted marketing; meaningful public engagement; and significant private development projects. These investments are direct examples of the successful implementation of the DMC Development Plan.

This work plan outlines the objectives and allocates the resources necessary to capitalize on these public investments; continue to pursue private investment and development opportunities; implement business and workforce recruitment and retention activities; and exceed patient, visitor and resident experience expectations in order to achieve DMC’s twenty-year goals. To this end, several significant one-time activities and targeted new investments have been incorporated into the work plan, including:

- Advancing Heart of the City public space for construction
- Programming Discovery Square in support of new business development
- Activating Chateau Theatre reuse

## 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 2019 DMC EDA work plan serves 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 work plan address 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 and enactment 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 Priorities

Transportation

Heart of the City

Discovery Square

#### Economic Development

Community Engagement  
Marketing & Communications

Experience  
Energy & Sustainability



<b>DMC Priority: Heart of the City</b>				
<b>Objective A: Project Development- Includes design, development and/or operational activities that result in new buildings or infrastructure within the DMC District.</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Build a strong business relationship between the Wells Fargo project and public realm	Q1-Q4		Lead
2	New private development growth underway (execute development recruitment strategy using updated market research)	Q1-Q4		Lead
3	Building renovation complete for Chateau with operator identified	Q1-Q2		Participate
<b>Objective B: Public Realm- Includes design, development and/or operational activities that result in active use of public spaces within the DMC District.</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Community embraced Heart of the City design (manage stakeholder group, manage design team, execute community engagement strategy)	Q1-Q4		Lead
<b>Objective C: Experience/Programming- Includes design and operational activities that result in increased use of public amenities and private development opportunities.</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Community embraced Chateau Theatre vision (grand opening and activate the Chateau and Theatre Square)	Q1-Q4		Lead
2	Evaluate ideas and concepts that support HoC public space (2 prototypes to test and evaluate ideas)	Q1-Q4		Lead
3	New retail strategies tested (introduce pop up retail opportunities)	Q1-Q4		Lead

## DMC Priority: Discovery Square

**Objective A: Project Development-** Includes design, development and/or operational activities that result in new buildings or infrastructure within the DMC District.

	Outcome	Timeline	Status	Lead or Participate
1	One Discovery Square: plan developed to have market rate shared office space, maker space, wet lab space available plus below-market startup space available	Q1-Q3		Lead
2	Two Discovery Square: design completed and construction underway	Q1-Q4		Participate

**Objective B: Public Realm-** Includes design, development and/or operational activities that result in active use of public spaces within the DMC District.

	Outcome	Timeline	Status	Lead or Participate
1	Discovery Walk: interim prototyping deployed	Q1-Q4		Lead

**Objective C: Business Development-** Includes activities related to formation, recruitment, growth and/or retention of businesses and the ecosystem needed to support those businesses.

	Outcome	Timeline	Status	Lead or Participate
1	Community development: enable success of new businesses through intentional assimilation into the business and scientific community and introductions to key resources	Q1-Q4		Lead
2	Programming: implement social, scientific and business programming that ensures success in building community, encouraging startups, and equipping business leaders	Q1-Q4		Lead and Participate
3	Tenants: 1) One Discovery Square highly occupied; and 2) Business recruitment under way for all available spaces in the sub-district.	Q1-Q4		Lead
4	Workforce: undergrad and grad school students are placed into internships with DS businesses via DMC workforce development strategy	Q2-Q4		Lead
5	Further develop the identity and ensure the consistent and appropriate use of 'Discovery Square' by licensing and managing the trademark on behalf of the DMC Corporation	Q1-Q4		Lead

<b>DMC Priority: Transportation</b>				
<b>Objective A: Project Development- Includes design, development and/or operational activities that result in new buildings or infrastructure within the DMC District.</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Complete Phase 1 design and planning exercises for transit and infrastructure projects	Q1-Q4		Participate
2	Complete Phase 1 design and planning exercises for pedestrian and bicycle system	Q1-Q4		Participate
3	Evaluate a lid concept for the northwest mobility hub identified in the Transit Studies	Q1-Q4		Participate
<b>Objective B: Public Realm- Includes design, development and/or operational activities that result in active use of public spaces within the DMC District.</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Integrate public realm and transportation design on 2nd Street	Q1-Q4		Participate
<b>Objective C: Experience/Programming- Includes design and operational activities that result in increased use of public amenities and private development opportunities.</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Develop a measurement and monitoring system for transportation plan	Q1-Q4		Participate
2	Communicate changes effectively and celebrate successes and share with the community	Q1-Q4		Lead
3	Identify the next bike share system for Rochester	Q1-Q4		Lead
4	Continue to introduce new ways of thinking and technology through participation in state-wide autonomous vehicle research	Q1-Q4		Lead
5	Engage the developer community in transit-oriented development policy	Q1-Q4		Lead
6	Identify strategies to encourage alternative commuting habits through participation in the Transportation Management Association (TMA)	Q1-Q4		Participate

### DMC Priority: Economic Development

**Objective A: Project Development-** Includes design, development and/or operational activities that result in new buildings or infrastructure within the DMC District.

	Outcome	Timeline	Status	Lead or Participate
1	Complete review of development projects as proposed	Q1-Q4		Lead

**Objective B: Business Development-** Includes activities related to formation, recruitment, growth and/or retention of businesses and the ecosystem needed to support those businesses.

	Outcome	Timeline	Status	Lead or Participate
1	Strong developer relationships built (support and attend: Rochester Real Estate Summit; ULI; ICLV; RECON; ICSC; APA; TIAACREF)	Q1-Q4		Lead
2	Opportunities identified to create new revenue streams for public infrastructure and operations	Q1-Q4		Lead
3	New retail strategy developed for DMC District	Q1-Q4		Lead

**Objective C: Experience/Programming-** Includes design and operational activities that result in increased use of public amenities and private development opportunities.

	Outcome	Timeline	Status	Lead or Participate
1	Educate stakeholders and gain advocacy support (best practice research and site visit re.. Heart of the City and Discovery Walk design elements, transportation and retail)	Q1-Q4		Lead

### DMC Priority: Economic Development: Community Engagement

**Objective A: Community Engagement-** Includes establishment of a community engagement strategy that builds a community of stakeholders that trust the DMC vision.

	Outcome	Timeline	Status	Lead or Participate
1	Continue to identify and support community and regional partnerships that help to realize the vision of the DMC initiative (Chamber, RAEDI, SMIF, DEED, Greater MSP ect.)	Q1-Q4		Lead
2	Continue to monitor and acknowledge new business activity and positive change in the DMC district through direct business and community engagement activities	Q1-Q4		Lead
3	Build community awareness and ownership by hosting events that create opportunities for communicating progress, partnerships and future planning (4 Peace Plaza events, 1 annual meeting, DMC lobby talks)	Q1-Q4		Lead
4	Develop visual acknowledgment of DMC private projects and the DMC presence in the public realm space	Q1-Q4		Lead

### DMC Priority: Economic Development: Experience

**Objective A: Experience-** Includes implementing DMC patient, visitor, and community experience strategy that identifies the needs of the community while becoming the catalyst for change and fueling private sector and growth

	Outcome	Timeline	Status	Lead or Participate
1	Implement DMC experience strategy that includes experience framework, score card and monitoring metrics collaboratively with experience partners	Q1-Q4		Lead
2	Determine and implement best practices in experience methodology	Q3		Lead
3	Continue to implement new experience improvement projects in partnership with Mayo Clinic, Experience Rochester and Rochester Downtown Alliance	Q1-Q4		Lead

### DMC Priority: Economic Development: Marketing & Communications

**Objective A: Marketing & Communications-** Includes executing the state, national and international marketing and communications strategy to attract identified target audiences (investors, developers, bioscience companies and entrepreneurs) to Rochester, MN and elevate the DMC brand.

	Outcome	Timeline	Status	Lead or Participate
1	Increase brand awareness and targeted lead generation via multi-channel marketing campaign: local, regional and national international audiences	Q1-Q4		Lead
2	Implement subdistrict brand integration program starting with Heart of the City & Discovery Square (Ensure the consistent and appropriate use of the Discovery Square brand by licensing and managing the trademark on behalf of the DMC Corporation)	Q1-Q4		Lead
3	Provide leadership to Market Rochester Collaborative (community marketing collaborative group)	Q1-Q4		Lead
4	Content development, social media, website analytics, podcasts, event activation	Q1-Q4		Lead
5	Regional and national media placement and media tracking	Q1-Q4		Lead
6	Maintain regional and statewide communication, engagement and advocacy	Q1-Q4		Lead
7	Develop marketing asset inventory and media photo library development	Q1-Q4		Lead
8	Upgrade website	Q1-Q4		Lead

<b>DMC Priority: Economic Development: Sustainability</b>				
<b>Objective A: Project Development- Includes design, development and/or operational</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Assist with the development of housing inventory and promotion of affordable housing projects	Q1-Q4		Participate
2	Accelerate environmental program progress	Q1-Q4		Lead
3	Ensure development meets DMC environmental goals	Q1-Q4		Lead
4	Meet DMC MBE/WBE participation targets	Q1-Q4		Participate
<b>Objective B: Experience/Programming- Includes design and operational activities that</b>				
	<b>Outcome</b>	<b>Timeline</b>	<b>Status</b>	<b>Lead or Participate</b>
1	Finalize strategy and process to realize DMC vision of "creating America's City for Health"	Q1-Q4		Participate
2	Grow voluntary energy benchmarking program	Q1-Q4		Lead
3	Develop GHG reduction action plan to meet DMC and City GHG Goals	Q1-Q4		Lead
4	Continue to introduce new ways of thinking and technology	Q1-Q4		Lead
5	Identify a rating system to measure and benchmark sustainability success	Q1-Q4		Lead

**2019 OPERATING BUDGET**  
**DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY**

	Total 2018 DMC Sales Tax and Mayo Clinic Contribution	2019 DMC Sales Tax Contribution	2019 Mayo Clinic Contribution	Total 2019 DMC Sales Tax and Mayo Clinic Contribution	YOY Total Budget Change (%)
	A	B	C	D	E
<b>DMC EDA Staff Costs</b>					
1 Payroll	\$1,531,218	\$766,566	\$965,000	\$1,867,613	14%
2 Benefits	\$113,145	\$136,047			
3 Payroll Expenses	\$5,000	\$6,600	\$0	\$6,600	32%
4 Transportation/Transit Subsidy	\$7,200	\$8,160	\$0	\$8,160	13%
5 Reimbursements	\$0	\$14,000	\$0	\$14,000	0%
<b>Subtotal</b>	<b>\$1,656,563</b>	<b>\$931,373</b>	<b>\$965,000</b>	<b>\$1,896,373</b>	<b>14%</b>
<b>DMC EDA Operational Costs</b>					
6 Rent and Utilities	\$151,352	\$1,320	\$118,087	\$119,407	-21%
7 Equipment Rentals/Furniture	\$0	\$0	\$0	\$0	0%
8 Office Supplies/Consumables	\$18,000	\$15,000	\$0	\$15,000	-17%
9 Room Rental	\$0	\$0	\$0	\$0	0%
10 Postage, Shipping, Messenger, etc.	\$5,000	\$1,500	\$0	\$1,500	-70%
11 Website, Drafting, Hosting	\$13,800	\$0	\$0	\$0	-100%
12 IT Hardware and Support	\$30,080	\$26,300	\$0	\$26,300	-13%
13 Miscellaneous Costs	\$2,720	\$2,460	\$0	\$2,460	-10%
<b>Subtotal</b>	<b>\$220,952</b>	<b>\$46,580</b>	<b>\$118,087</b>	<b>\$164,667</b>	<b>-25%</b>
<b>Economic Development Outreach &amp; Support</b>					
14 Print & Collateral	\$25,000	\$46,000	\$0	\$46,000	84%
15 Outreach and Local Events	\$173,500	\$150,300	\$0	\$150,300	-13%
16 Subscriptions and Memberships	\$3,572	\$2,750	\$0	\$2,750	-23%
17 Conferences, Meetings, Travel & Participation	\$198,270	\$72,500	\$0	\$72,500	-63%
18 Econ Dev Costs	\$553,875	\$589,239	\$193,545	\$782,784	41%
<b>Subtotal</b>	<b>\$954,217</b>	<b>\$860,789</b>	<b>\$193,545</b>	<b>\$1,054,334</b>	<b>10%</b>
<b>Professional Services</b>					
19 Legal Services	\$42,000	\$40,232	\$0	\$40,232	-4%
20 Website Management and CRM	\$60,114	\$29,500	\$0	\$29,500	-51%
21 Marketing Communications & Advertising	\$475,000	\$400,000	\$0	\$400,000	-16%
22 Public Relations/Community Relations	\$75,000	\$70,000	\$0	\$70,000	-7%
23 Contracted Support Staff	\$194,000	\$115,000	\$0	\$115,000	-41%
24 Financial Reporting Services	\$25,780	\$25,432	\$0	\$25,432	-1%
<b>Subtotal</b>	<b>\$871,894</b>	<b>\$680,164</b>	<b>\$0</b>	<b>\$680,164</b>	<b>-22%</b>
<b>Miscellaneous Costs</b>					
25 Insurance & Taxes	\$65,000	\$52,500	\$0	\$52,500	-19%
26 Miscellaneous Costs / Contingency	\$0	\$0	\$0	\$0	0%
<b>Subtotal</b>	<b>\$65,000</b>	<b>\$52,500</b>	<b>\$0</b>	<b>\$52,500</b>	<b>-19%</b>
<b>TOTAL BUDGET CHANGE BY SOURCE</b>	<b>\$3,768,626</b>	<b>\$2,571,406</b>	<b>\$1,276,632</b>	<b>\$3,848,038</b>	<b>2%</b>

September 17, 2018









DMCC REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN  
FOR 2019

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 August 31, 2018 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 2019.
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: \_\_\_\_\_, 2019

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

**EXHIBIT A: RECONCILIATION OF DMCC TRANCHE ADVANCES**  
Through August 31, 2018

## EXHIBIT A

### DMCC Request for Extension of Working Capital Loan for 2019

DMCC Bank Account	2017				2018							
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Beginning Bank Balance</b>	1,025.18	1,000.00	1,000.00	1,000.00	1,000.49	1,000.35	1,000.40	1,000.42	1,000.59	1,000.00	1,000.00	1,000.24
<b>DMCC Bank Charges</b>	98.16	101.63	104.75	102.05	106.31	104.16	102.72	103.41	104.64	103.06	106.27	105.84
<b>Adjustments - bank fees returned</b>									103.71			
<b>Adjustments - change in amount</b>												
<b>Interest Earnings</b>	0.30	0.88	0.12	1.09	0.79	0.39	0.58	0.61	0.44	1.26	0.70	1.41
<b>EDA Funding Requested</b>	114,704.02	298,304.90	210,721.47	257,495.15	329,186.49	114,215.96	190,121.53	197,402.07	181,761.03	227,876.00	138,906.30	236,582.10
<b>Actual Funded</b>	114,776.99	298,405.65	210,826.10	257,596.60	329,291.87	114,319.78	190,223.69	197,505.04	181,760.93	227,977.80	139,012.11	236,686.37
<b>Difference</b>	72.97	100.75	104.63	101.45	105.38	103.82	102.16	102.97	(0.10)	101.80	105.81	104.27
<b>Ending Bank Balance</b>	1,000.29	1,000.00	1,000.00	1,000.49	1,000.35	1,000.40	1,000.42	1,000.59	1,000.00	1,000.00	1,000.24	1,000.08
<b>Reconciling Items</b>												
Interest	(0.29)	-	-	(0.49)	(0.35)	(0.40)	(0.42)	(0.59)	-	-	(0.24)	(0.08)
Bank Fees	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<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

**EXHIBIT B**

DMCC Request for Extension of Working Capital Loan for 2019

**DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY**

**Approving the 2019 DMC EDA Funding Request and the Extension of Working Capital Loan**

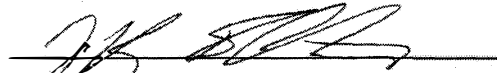
**BACKGROUND RECITALS**

**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, that the Loan Documents be extended for 2019 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.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Economic Development Agency Board of Directors that the 2019 EDA Funding Request, the Five Year Capital Plan, and the EDA Request for Extension of the Working Capital Loan for 2019, are approved.




Jeffrey Bolton  
President

**EDA REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN  
FOR 2019**

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, 2018 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, 2019, 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: Sept. 14<sup>th</sup>, 2018

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

## EXHIBIT A

### EDA Request for Extension of Working Capital Loan for 2019

DMC EDA  
Operating Account

Reconciliation of Bank Balance to Advance Total

Bank Balance Date: 8/31/2018

Balance per Bank	\$ 42,946.23
Add:	
Advance in transit for expense cleared bank or expenses not yet requested-	
Receivable	\$ 1,032.15 City - Payroll 8/10
Receivable	\$ 1,010.62 City - Payroll 8/24
BlueCross BlueShield	\$ 6,591.76
Less:	
Advance for expenses not cleared:	
Outstanding check	\$ (360.59)
Outstanding check	\$ (424.67)
Outstanding check	\$ (106.78)
Outstanding check	\$ (242.20) #5271
Outstanding check	\$ (99.19)
Outstanding check	\$ (191.51) KB ER128
Misc CCC	\$ (155.82) remaining credit card credit
Advance Total reconciled	<u>\$ 50,000.00</u>



DMC EDA Operations Account Rollforward

	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>
Beginning balance	\$ 18,862.53	\$ 33,341.02	\$ 4,471.09	\$ 20,594.63	\$ 15,773.21	\$ 16,706.67	\$ 49,151.79	\$ 40,841.96	\$ 24,586.27	\$ 20,202.88	\$ 16,824.01
Transfer from MAP account											
Transfer from Events account	4,115.63	3,975.63				4,102.41	4,242.41	4,815.88	263.89	4,235.88	4,128.59
	3,889.50	3,889.50				4,016.14	4,015.95	487.26	4,009.76	4,009.76	5,000.00
	6,500.00	4,454.83						4,009.76	3,553.50		4,042.46
		3,975.63						4,095.89			
		889.44									
		2,000.00									
		9,593.48									
City Bright Payroll credits		6,924.77	1,966.29	1,830.68	3,060.12	2,029.63		4,092.59			3,953.76
		993.91						1,022.44			1,002.44
Misc. Credit			647.34			75,000.00					
Advances from City per bank statements-	24,262.36	34,192.22	52,079.20	32,262.41	32,591.43	32,836.50	29,506.64	29,671.91	29,097.95	25,967.61	29,459.16
	23,538.18		35,137.57	31,380.55	32,848.06	31,308.90	22,094.59	28,705.04	5,844.06	34,016.94	31,298.60
	24,867.39					28,418.30			23,162.12		23,550.93
Total month's advances	87,173.06	70,889.41	89,830.40	65,473.64	68,499.61	177,711.88	59,859.59	76,900.77	65,931.28	68,230.19	102,435.94
Total Bank Charges/misc credits per bank statement-	72,694.57	99,759.34	73,706.86	70,295.06	67,566.15	145,266.76	68,169.42	93,156.46	70,314.67	71,609.06	76,313.72
Ending account balance	33,341.02	4,471.09	20,594.63	15,773.21	16,706.67	49,151.79	40,841.96	24,586.27	20,202.88	16,824.01	42,946.23
Reconciling items:											
Net amount of reconciling items- (excludes advances in transit)	16,658.98	45,528.91	29,405.37	34,226.79	33,293.33	848.21	9,158.04	25,413.73	29,797.12	33,175.99	7,053.77
City advances in transit											
	16,658.98	45,528.91	29,405.37	34,226.79	33,293.33	848.21	9,158.04	25,413.73	29,797.12	33,175.99	7,053.77
Reconciled advance total	\$ 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



**DMCC Corporation  
2019 Budget Worksheet**

1094641.xlsx

Account Description	2014	2015	2015	2016	2016	2017	2018	2018	Proposed
	Actual	Budget	Actual	Budget	Actual	Budget	Actual 7/31	Budget	2019 Budget
DMC Corporation									
Revenues	-5,416,447	-3,797,803	-3,602,320	-3,985,812	-2,288,340	-3,224,870	-2,471,264	-2,852,106	(1,205,693)
Interest Earned									3
Building Rent	3,173		21,232	25,000	18,907	25,000	32,558	35,000	35,000
Rents and Leases	3,173		21,232	25,000	18,907	25,000	32,558	35,000	35,000
Audit Services	0		2,839	3,000	3,000	3,000	2,897	3,000	3,000
Legal Consultants	455,165	400,000	324,144	400,000	217,195	350,000	172,584	250,000	225,000
Accounting Consultants	0	50,000	1,144	1,500	1,000	1,500	1,800	1,500	2,000
Other Expert & Professnl Srvc	21,927	302,673	13,913	538,312	17,333	50,000	11,145	40,000	35,000
Expert & Professional Services	477,092	752,673	342,040	942,812	238,528	404,500	188,426	294,500	265,000
Travel and training	10,508	7,200	976	5,000	538	5,000	0	5,000	5,000
Business meal expenses		26,730	0	5,000	35	1,000	0	1,000	1,000
Travel/Training/Business Meals	10,508	33,930	976	10,000	573	6,000	0	6,000	6,000
Comprehensive Liability Ins	4,713	150,000	17,601	20,000	15,303	20,000	16,136	20,000	20,000
Insurance - Misc others		30,600							
Insurance and Bonds	4,713	180,600	17,601	20,000	15,303	20,000	16,136	20,000	20,000
Contractual Services									
Contractual Services									
Professional & Contracted Srvc:	495,486	967,203	381,850	997,812	273,311	455,500	237,120	355,500	326,645
Other Supplies		30,600							
Supplies		30,600							
Materials and Supplies		30,600							0
Interest			54		13	100	19	100	100
Other Charges					25	100	25	100	100
Other Charges			54		38	200	44	200	200
Expenditures	495,486	997,803	381,903	997,812	273,349	455,700	237,164	355,700	326,200
Other Financing Uses									
DMC EDA Corporation - Net Revs	-4,920,961	-2,800,000	-3,220,416	-2,988,000	-2,014,991	-2,769,170	2,234,105	2,496,406	1,095,125
City Support Expenses				150,000		150,000	0	125,000	0
Total DMCC & EDA						2,471,269.43		2,852,106	1,228,783.60



**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2018**

**Approving the 2019 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 2019, requesting that the Loan Documents be extended for 2019 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 2019 in the amount of \$1000, 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 2019 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 final approval of each of the capital 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 2019, and the DMCC Request for Extension of the Working Capital Loan for 2019, 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 2019 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 2019 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.

1097332-3.DOCX

# Destination Medical Center Corporation

September 25, 2018

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,  
an SEC-registered investment advisor. | ©2017 CliftonLarsonAllen LLP



# IRS Form 990

- Financial information reconciles to DMCC's audited financial statements
- Part III (page 2) – statement of DMCC's organizational purpose
- Part VI (page 6) – governance
- Part VII (page 7) – board members





# IRS Form 990

- Schedule B (page 21) – contributors
- Schedule R (page 31) – related organizations
- No unrelated business income for 2017
- Filing deadline is November 15, 2018



# Charitable Organization Annual Report

- Filed with Minnesota Attorney General's Office Charities Division
- No changes in tax-exempt status (page 2)
- No changes in organizational purpose or programs (page 2)
- No changes in ability to solicit contributions (page 3)
- No compensation paid in excess of \$100,000 (page 3)
- Filing deadline November 15, 2018



# Minnesota Non-profit Corporation Annual Registration

- Filed online with Minnesota Secretary of State
- In good standing through December 31, 2018
- Annual renewal to be filed (online) for 2019



# Thank you for allowing us to serve you!

## Contact Information:

**Craig Popenhagen, Principal**

**507-280-2327**

**[Craig.popenhagen@claconnect.com](mailto:Craig.popenhagen@claconnect.com)**

**Marty Lienau, Director**

**507-280-2308**

**[marty.Lienau@claconnect.com](mailto:marty.Lienau@claconnect.com)**



**Mail To:**

Minnesota Attorney General's Office  
Charities Division  
445 Minnesota Street, Suite 1200  
St. Paul, MN 55101-2130

**STATE OF MINNESOTA  
CHARITABLE ORGANIZATION  
ANNUAL REPORT FORM**

C2

**Website Address:**

www.ag.state.mn.us/charity

(Pursuant to Minn. Stat. ch. 309)

**SECTION A: Organization Information**

Legal Name of Organization DESTINATION MEDICAL CENTER CORPORATION

Federal EIN: 46-4959371

Fiscal Year-End: 12312017  
mm/dd/yyyy

Did the organization's fiscal year-end change?  Yes  No

<b>Mailing Address:</b> <u>DALE MARTINSON</u> Contact Person <u>201 4TH STREET SE, NO. 204</u> Street Address <u>ROCHESTER, MN 55904</u> City, State, and ZIP Code <u>507-328-2850</u> Phone Number <u>DMARTINSON@ROCHESTERMN.GOV</u> Email Address	<b>Physical Address:</b> <u>DALE MARTINSON</u> Contact Person <u>201 4TH STREET SE, NO. 204</u> Street Address <u>ROCHESTER, MN 55904</u> City, State, and ZIP Code <u>507-328-2850</u> Phone Number <u>DMARTINSON@ROCHESTERMN.GOV</u> Email Address
---	--

1. Organization's website: WWW.DMC.MN

2. List all of the organization's alternate and former names (attach list if more space is needed).  
\_\_\_\_\_  
\_\_\_\_\_  
 Alternate  Former  
 Alternate  Former

3. List all names under which the organization solicits contributions (attach list if more space is needed).  
DESTINATION MEDICAL CENTER CORPORATION  
\_\_\_\_\_

4. Is the organization incorporated pursuant to Minn. Stat. ch. 317A?  Yes  No

5. Total amount of contributions the organization received from Minnesota donors: \$ 2,471,264.

6. Has the organization's tax-exempt status with the IRS changed?  
 Yes  No If yes, attach explanation.

7. Has the organization significantly changed its purpose(s) or program(s)?  
 Yes  No If yes, attach explanation.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)

8. Has the organization been denied the right to solicit contributions by any court or government agency?  
 Yes  No If yes, attach explanation.

9. Does the organization use the services of a professional fundraiser (outside solicitor or consultant) to solicit contributions in Minnesota?  Yes  No  
If yes, provide the following information for each (attach list if more space is needed):

Name of Professional Fundraiser Compensation

Street Address City, State, and ZIP Code

10. Is the organization a food shelf?  Yes  No  
If yes, is the organization required to file an audit?  Yes, audit attached  No

**Note:** An organization that has total revenue of more than \$750,000 is required to file an audit prepared in accordance with generally accepted accounting principles by an independent CPA or LPA. The value of donated food to a nonprofit food shelf may be excluded from the total revenue if the food is donated for subsequent distribution at no charge and is not resold.

11. Do any directors, officers, or employees of the organization or its related organization(s) receive total compensation\* of more than \$100,000?  Yes  No  
If yes, provide the following information for the five highest paid individuals:

Name and title	Compensation*	Other compensation

\*Compensation is defined as the total amount reported on Form W-2 (Box 5) or Form 1099-MISC (Box 7) issued by the organization and its related organizations to the individual. See Minn. Stat. § 309.53, subd. 3(i) and Minn. Stat. § 317A.011 for definitions.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)

**SECTION B: Financial Information**

This section must be completed by organizations that file an IRS Form 990-EZ, 990-PF, or 990-N.  
Organizations that file an IRS Form 990 may skip Section B and go directly to Section C.

**INCOME**

1. Contributions Received	\$ _____	1
2. Government Grants	\$ _____	2
3. Program Service Revenue	\$ _____	3
4. Other Revenue	\$ _____	4
5. <b>TOTAL INCOME</b>	<b>\$ _____</b>	<b>5</b>

**EXPENSES**

6. Program Expenses	\$ _____	6
7. Management & General Expenses	\$ _____	7
8. Fund-raising Expenses	\$ _____	8
9. <b>TOTAL EXPENSES</b>	<b>\$ _____</b>	<b>9</b>
10. <b>EXCESS or DEFICIT</b>	<b>\$ _____</b>	<b>10</b>
(Line 5 minus Line 9)		

**ASSETS**

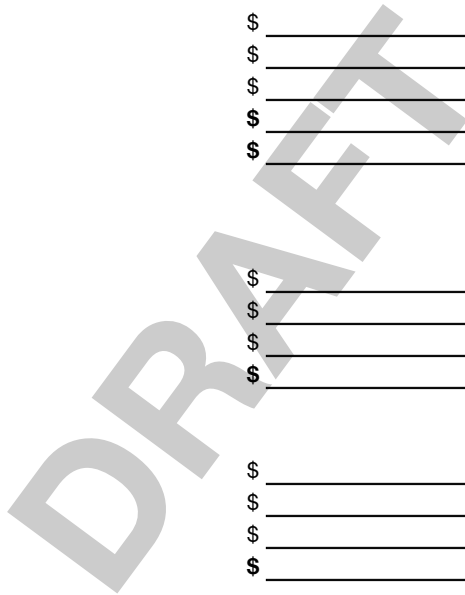
11. Cash	\$ _____	11
12. Land, Buildings & Equipment	\$ _____	12
13. Other Assets	\$ _____	13
14. <b>TOTAL ASSETS</b>	<b>\$ _____</b>	<b>14</b>

**LIABILITIES**

15. Accounts Payable	\$ _____	15
16. Grants Payable	\$ _____	16
17. Other Liabilities	\$ _____	17
18. <b>TOTAL LIABILITIES</b>	<b>\$ _____</b>	<b>18</b>

**FUND BALANCE/NET WORTH**

\$ \_\_\_\_\_  
(Line 14 minus Line 18)



**CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)**

**Section B (continued): Statement of Functional Expenses**

This expense statement must be prepared in accordance with generally accepted accounting principles. Each column must be completed, and Columns B, C, and D must equal Column A. The amount on Line 25, Column A must match Line 17 of IRS Form 990-EZ or Line 26 of IRS Form 990-PF.

	<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1.</b> Grants and other assistance to governments and organizations in the U.S.				
<b>2.</b> Grants and other assistance to individuals in the U.S.				
<b>3.</b> Grants and other assistance to governments, organizations, and individuals outside the U.S.				
<b>4.</b> Benefits paid to or for members				
<b>5.</b> Compensation of current officers, directors, trustees, and key employees				
<b>6.</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B)				
<b>7.</b> Other salaries and wages				
<b>8.</b> Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
<b>9.</b> Other employee benefits				
<b>10.</b> Payroll taxes				
<b>11.</b> Fees for services (non-employees):				
<b>a.</b> Management				
<b>b.</b> Legal				
<b>c.</b> Accounting				
<b>d.</b> Lobbying				
<b>e.</b> Professional fundraising services				
<b>f.</b> Investment management fees				
<b>g.</b> Other				
<b>12.</b> Advertising and promotion				
<b>13.</b> Office expenses				
<b>14.</b> Information technology				
<b>15.</b> Royalties				
<b>16.</b> Occupancy				
<b>17.</b> Travel				
<b>18.</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19.</b> Conferences, conventions, and meetings				
<b>20.</b> Interest				
<b>21.</b> Payments to affiliates				
<b>22.</b> Depreciation, depletion, and amortization				
<b>23.</b> Insurance				
<b>24.</b> Other expenses. Itemize expenses not covered above. Expenses labeled miscellaneous may not exceed 5% of total expenses (Line 25).				
<b>a.</b>				
<b>b.</b>				
<b>c.</b>				
<b>d.</b>				
<b>25. Total functional expenses.</b> Add lines 1 through 24d				
<b>26. Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in Column B joint costs from a combined educational campaign and fundraising solicitation				



CHARITABLE ORGANIZATION ANNUAL REPORT FORM  
(Continued)

**Section C: Board of Directors Signatures and Acknowledgment**

The form must be executed pursuant to a resolution of the board of directors, trustees, or managing group and must be signed by two officers of the organization. See Minn. Stat. § 309.52, subd. 3.

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

**TREASURER** \_\_\_\_\_ (Title) and **CHAIR** \_\_\_\_\_ (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

**BOARD OF DIRECTORS** \_\_\_\_\_ (Board of Directors, Trustees, or Managing Group) adopted on the \_\_\_\_\_

day of \_\_\_\_\_, 20 \_\_\_\_, approving the contents of the document, and do hereby certify that the

**BOARD OF DIRECTORS** \_\_\_\_\_ (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the operations and finances of the organization. We further state that the information supplied is true, correct and complete to the best of our knowledge.

**JIM BIER**  
\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature

**TREASURER**  
\_\_\_\_\_  
Title

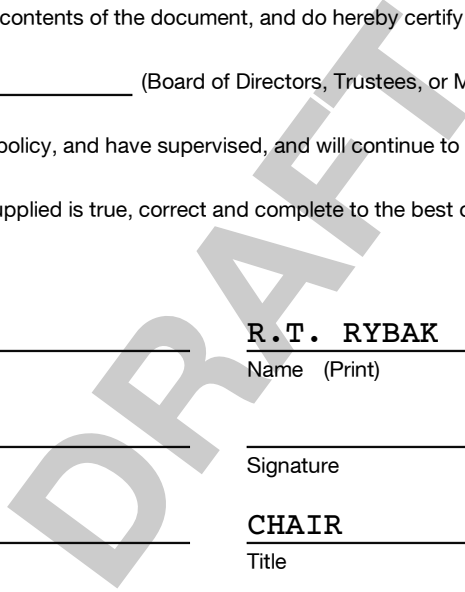
\_\_\_\_\_  
Date

**R.T. RYBAK**  
\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature

**CHAIR**  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date





**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A For the 2017 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> DESTINATION MEDICAL CENTER CORPORATION Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 201 4TH STREET SE 204 City or town, state or province, country, and ZIP or foreign postal code ROCHESTER, MN 55904 <b>F Name and address of principal officer:</b> R. T. RYBAK SAME AS C ABOVE	<b>D Employer identification number</b> 46-4959371  <b>E Telephone number</b> 507-328-2850  <b>G Gross receipts \$</b> 2,471,270. <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ WWW.DMC.MN		
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
<b>L Year of formation:</b> 2013		<b>M State of legal domicile:</b> MN

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <b>PLANNING AND IMPLEMENTATION OF DESTINATION MEDICAL CENTER DEVELOPMENT IN DOWNTOWN ROCHESTER,</b> 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> <span style="float:right"><b>6</b></span> 4 Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> <span style="float:right"><b>6</b></span> 5 Total number of individuals employed in calendar year 2017 (Part V, line 2a) ..... <b>5</b> <span style="float:right"><b>0</b></span> 6 Total number of volunteers (estimate if necessary) ..... <b>6</b> <span style="float:right"><b>8</b></span> 7a Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> <span style="float:right"><b>0.</b></span> b Net unrelated business taxable income from Form 990-T, line 34 ..... <b>7b</b> <span style="float:right"><b>0.</b></span>													
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h) ..... <b>2,288,339.</b> <span style="float:right"><b>2,471,264.</b></span> 9 Program service revenue (Part VIII, line 2g) ..... <b>0.</b> <span style="float:right"><b>0.</b></span> 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) ..... <b>1.</b> <span style="float:right"><b>6.</b></span> 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) ..... <b>0.</b> <span style="float:right"><b>0.</b></span> 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) ..... <b>2,288,340.</b> <span style="float:right"><b>2,471,270.</b></span>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Prior Year</th> <th style="width:50%;">Current Year</th> </tr> <tr> <td>2,288,339.</td> <td>2,471,264.</td> </tr> <tr> <td>0.</td> <td>0.</td> </tr> <tr> <td>1.</td> <td>6.</td> </tr> <tr> <td>0.</td> <td>0.</td> </tr> <tr> <td>2,288,340.</td> <td>2,471,270.</td> </tr> </table>	Prior Year	Current Year	2,288,339.	2,471,264.	0.	0.	1.	6.	0.	0.	2,288,340.	2,471,270.
Prior Year	Current Year													
2,288,339.	2,471,264.													
0.	0.													
1.	6.													
0.	0.													
2,288,340.	2,471,270.													
<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... <b>0.</b> <span style="float:right"><b>0.</b></span> 14 Benefits paid to or for members (Part IX, column (A), line 4) ..... <b>0.</b> <span style="float:right"><b>0.</b></span> 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) ..... <b>0.</b> <span style="float:right"><b>0.</b></span> 16a Professional fundraising fees (Part IX, column (A), line 11e) ..... <b>0.</b> <span style="float:right"><b>0.</b></span> b Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b> 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) ..... <b>2,288,340.</b> <span style="float:right"><b>2,471,270.</b></span> 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... <b>2,288,340.</b> <span style="float:right"><b>2,471,270.</b></span> 19 Revenue less expenses. Subtract line 18 from line 12 ..... <b>0.</b> <span style="float:right"><b>0.</b></span>													
<b>Net Assets or Fund Balances</b>	20 Total assets (Part X, line 16) ..... <b>362,410.</b> <span style="float:right"><b>485,733.</b></span> 21 Total liabilities (Part X, line 26) ..... <b>362,410.</b> <span style="float:right"><b>485,733.</b></span> 22 Net assets or fund balances. Subtract line 21 from line 20 ..... <b>0.</b> <span style="float:right"><b>0.</b></span>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Beginning of Current Year</th> <th style="width:50%;">End of Year</th> </tr> <tr> <td>362,410.</td> <td>485,733.</td> </tr> <tr> <td>362,410.</td> <td>485,733.</td> </tr> <tr> <td>0.</td> <td>0.</td> </tr> </table>	Beginning of Current Year	End of Year	362,410.	485,733.	362,410.	485,733.	0.	0.				
Beginning of Current Year	End of Year													
362,410.	485,733.													
362,410.	485,733.													
0.	0.													

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>JIM BIER, TREASURER</b> Type or print name and title	Date		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>CRAIG POPENHAGEN</b>	Preparer's signature <b>CRAIG POPENHAGEN</b>	Date <b>08/31/18</b>	Check <input type="checkbox"/> if self-employed PTIN <b>P01587689</b>
	Firm's name ▶ <b>CLIFTONLARSONALLEN LLP</b> Firm's address ▶ <b>P.O. BOX 217</b> <b>AUSTIN, MN 55912</b>	Firm's EIN ▶ <b>41-0746749</b> Phone no. <b>507-434-7000</b>		

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: WITH MAYO CLINIC AT ITS HEART, THE DESTINATION MEDICAL CENTER (DMC) INITIATIVE WILL BE THE CATALYST TO POSITION ROCHESTER, MINNESOTA AS THE WORLD'S PREMIER DESTINATION CENTER FOR HEALTH AND WELLNESS; ATTRACTING PEOPLE, INVESTMENT, AND JOBS TO AMERICA'S CITY FOR HEALTH

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 2,234,105. including grants of \$ ) (Revenue \$ ) OVERSIGHT, PREPARATION AND IMPLEMENTATION OF THE DEVELOPMENT PLAN - AN IN DEPTH STUDY OF INFRASTRUCTURE, PLANNING, AND DEVELOPMENT OPPORTUNITIES, AND FRAMEWORK TO SUPPORT THE DEVELOPMENT OF ROCHESTER AS A DESTINATION MEDICAL CENTER.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 2,234,105.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....		X
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	X	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....		X
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	X	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....		X
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....		X
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O .....

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O

Table with columns for question numbers (1a-14b), Yes, and No. Contains various tax compliance questions and their corresponding 'Yes' or 'No' responses.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?		X
<b>14</b>	Did the organization have a written document retention and destruction policy?		X
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official		X
<b>15b</b>	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **DALE MARTINSON - 507-328-2850**  
**201 4TH STREET SE ROOM 204, ROCHESTER, MN 55904**







**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>				
	<b>b</b> Membership dues .....	<b>1b</b>				
	<b>c</b> Fundraising events .....	<b>1c</b>				
	<b>d</b> Related organizations .....	<b>1d</b>				
	<b>e</b> Government grants (contributions) .....	<b>1e</b>	2,471,264.			
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....					
	<b>h Total.</b> Add lines 1a-1f .....		2,471,264.			
	<b>Program Service Revenue</b>	<b>2 a</b> _____	<b>Business Code</b>			
<b>b</b> _____						
<b>c</b> _____						
<b>d</b> _____						
<b>e</b> _____						
<b>f</b> All other program service revenue .....						
<b>g Total.</b> Add lines 2a-2f .....						
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		6.		6.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....					
	<b>5</b> Royalties .....					
	<b>6 a</b> Gross rents .....	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental expenses .....				
		<b>c</b> Rental income or (loss) .....				
	<b>d</b> Net rental income or (loss) .....					
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities				
		(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses .....				
		<b>c</b> Gain or (loss) .....				
	<b>d</b> Net gain or (loss) .....					
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>				
		<b>b</b> Less: direct expenses .....	<b>b</b>			
<b>c</b> Net income or (loss) from fundraising events .....						
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>					
	<b>b</b> Less: direct expenses .....	<b>b</b>				
	<b>c</b> Net income or (loss) from gaming activities .....					
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>					
	<b>b</b> Less: cost of goods sold .....	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory .....					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11 a</b> _____						
	<b>b</b> _____					
	<b>c</b> _____					
	<b>d</b> All other revenue .....					
	<b>e Total.</b> Add lines 11a-11d .....					
<b>12 Total revenue.</b> See instructions. ....		2,471,270.	0.	0.	6.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal	172,584.		172,584.	
c Accounting	4,697.		4,697.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	11,190.		11,190.	
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	32,558.		32,558.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	973.	973.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	16,136.		16,136.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROGRAM COSTS	2,233,132.	2,233,132.		
b				
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	2,471,270.	2,234,105.	237,165.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	905.	<b>2</b>	894.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....		<b>4</b>	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	12,998.	<b>9</b>	103,678.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b>		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b>	<b>10c</b>	
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	348,507.	<b>15</b>	381,161.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	362,410.	<b>16</b>	485,733.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	298,412.	<b>17</b>	331,055.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	12,998.	<b>19</b>	103,678.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	51,000.	<b>25</b>	51,000.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	362,410.	<b>26</b>	485,733.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	0.	<b>27</b>	0.
	<b>28</b> Temporarily restricted net assets .....		<b>28</b>	
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	0.	<b>33</b>	0.	
<b>34</b> Total liabilities and net assets/fund balances .....	362,410.	<b>34</b>	485,733.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	2,471,270.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	2,471,270.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	0.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	0.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	0.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>b</b>	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
<b>c</b>	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
<b>b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

Form 990 (2017)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....		5,416,446.	3,605,187.	2,288,339.	2,471,264.	13,781,236.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....		5,416,446.	3,605,187.	2,288,339.	2,471,264.	13,781,236.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						13,781,236.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>7</b> Amounts from line 4 .....		5,416,446.	3,605,187.	2,288,339.	2,471,264.	13,781,236.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....		1.	1.	1.	6.	9.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						13,781,245.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input checked="" type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	%
<b>15</b> Public support percentage from 2016 Schedule A, Part II, line 14 .....	<b>15</b>	%
<b>16a 33 1/3% support test - 2017.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2016.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2017.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2016.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2017



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2016 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2016 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2017.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2016.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		
<b>11a</b>		
<b>11b</b>		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
<b>1</b>		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
<b>1</b>		
<b>2</b>		
<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
<b>2</b> Activities Test. Answer (a) and (b) below.		Yes	No
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.			
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.			
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			
<b>2a</b>			
<b>2b</b>			
<b>3a</b>			
<b>3b</b>			

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2017 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
<b>1</b> Distributable amount for 2017 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2017			
<b>a</b>			
<b>b</b> From 2013			
<b>c</b> From 2014			
<b>d</b> From 2015			
<b>e</b> From 2016			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2017 distributable amount			
<b>i</b> Carryover from 2012 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2017 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2017 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2018.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2013			
<b>b</b> Excess from 2014			
<b>c</b> Excess from 2015			
<b>d</b> Excess from 2016			
<b>e</b> Excess from 2017			

Schedule A (Form 990 or 990-EZ) 2017

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.  
(See instructions.)

DRAFT

**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2017)

Name of organization <b>DESTINATION MEDICAL CENTER CORPORATION</b>	Employer identification number <b>46-4959371</b>
---	---

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

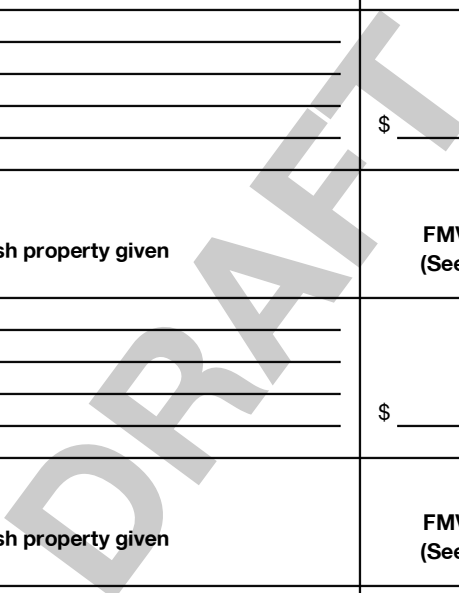
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CITY OF ROCHESTER  201 4TH STREET SE  ROCHESTER, MN 55904	\$ 2,471,264.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)



Name of organization  <b>DESTINATION MEDICAL CENTER CORPORATION</b>	Employer identification number  <b>46-4959371</b>
---	---

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____



Name of organization <b>DESTINATION MEDICAL CENTER CORPORATION</b>	Employer identification number <b>46-4959371</b>
---	---

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

Open to Public Inspection

Name of the organization **DESTINATION MEDICAL CENTER CORPORATION** Employer identification number **46-4959371**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)  Preservation of a historically important land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2017

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)  0.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) ADVANCE TO DMC EDA	50,000.
(2) DUE FROM OTHER GOVERNMENTS	331,161.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	381,161.

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO OTHER GOVERNMENTS	51,000.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	51,000.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Open to Public  
Inspection

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MINNESOTA.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

AND SUPPORTING THE ECONOMIC GROWTH OF MINNESOTA AND ITS BIOSCIENCES  
SECTOR.

FORM 990, PART VI, SECTION A, LINE 7A:

THE GOVERNING DOCUMENTS PROVIDE THAT THE FILING ORGANIZATION'S BOARD OF  
DIRECTORS ARE APPOINTED AS FOLLOWS:

"THE MAYOR OF ROCHESTER, MN (OR DESIGNEE) SUBJECT TO APPROVAL BY THE CITY  
COUNCIL.

"THE CITY COUNCIL PRESIDENT, (OR DESIGNEE) SUBJECT TO APPROVAL BY THE CITY  
COUNCIL.

"THE CHAIR OR ANOTHER MEMBER OF THE COUNTY BOARD OF OLMSTED COUNTY,  
APPOINTED BY THE COUNTY BOARD.

"A REPRESENTATIVE OF MAYO CLINIC APPOINTED BY MAYO CLINIC

"FOUR DIRECTORS APPOINTED BY THE GOVERNOR OF MINNESOTA, SUBJECT TO  
CONFIRMATION BY THE MINNESOTA SENATE.

FORM 990, PART VI, SECTION A, LINE 7B:

THE GOVERNING DOCUMENTS PROVIDE THAT THE FILING ORGANIZATION CAN AMEND THE  
ARTICLES OF INCORPORATION SUBJECT TO APPROVAL BY THE CITY OF ROCHESTER,  
MINNESOTA. THE CITY OF ROCHESTER, MINNESOTA ALSO HAS RIGHTS AND POWERS OF  
APPROVAL RELATED TO THE FILING ORGANIZATION'S ANNUAL BUDGET/FUNDING REQUEST  
AND INCURRENCE OF LONG-TERM DEBT.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2017)

732211 09-07-17

Name of the organization DESTINATION MEDICAL CENTER CORPORATION	Employer identification number 46-4959371
--	--

FORM 990, PART VI, SECTION B, LINE 11B:

THE 990 WILL BE PRESENTED AT A BOARD MEETING PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

THE DMCC MUST FOLLOW THE CONFLICT OF INTEREST REQUIREMENTS OF MINNESOTA STATUTES, SECTION 469.41, SUBD. 9. IN ADDITION, THE DMCC DIRECTORS ARE PUBLIC OFFICIALS UNDER MINNESOTA STATUTES SECTION 10A.01, SUBD. 35. SEE MINN. STAT. SECTION 469.41, SUBD. 10. PUBLIC OFFICIALS ARE SUBJECT TO STATUTORY CONFLICT OF INTEREST REQUIREMENTS. MINN. STAT. SECTION 10A.07.

FORM 990, PART VI, SECTION B, LINE 15:

DESTINATION MEDICAL CENTER CORPORATION DOES NOT HAVE ANY EMPLOYEES.

FORM 990, PART VI, SECTION C, LINE 19:

THE DESTINATION MEDICAL CENTER CORPORATION IS SUBJECT TO THE MINNESOTA GOVERNMENT DATA PRACTICES ACT AND OPEN MEETING LAW, AND THEREFORE MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART XII, LINE 2C

THE CORPORATION'S BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF ITS INDEPENDENT ACCOUNTANT.



**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

Open to Public Inspection

Name of the organization **DESTINATION MEDICAL CENTER CORPORATION** Employer identification number **46-4959371**

**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY - 46-4893585, 200 1ST STREET SW, ROCHESTER, MN 55905	PROVIDE SERVICES TO THE DMCC	MINNESOTA	501(C)(3)	LINE 12A, I	N/A		X

**Part III Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	X	
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	X	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			







**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2018**

**Approving the 2018 State of Minnesota Charitable  
Organization Annual Report and 2017 Form 990**

BACKGROUND RECITALS

A. On behalf of the Destination Medical Center Corporation (“DMCC”), CliftonLarsonAllen (“CLA”) prepared the 2018 State of Minnesota Charitable Organization Annual Report (the “Annual Report”) and 2017 Form 990 (the “Form 990”) and is recommending that the DMCC approve both items.

B. The Annual Report and Form 990 were presented to the DMCC on September 25, 2018, and are on file with the DMCC.

RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Corporation, that the 2018 State of Minnesota Charitable Organization Annual Report and 2017 Form 990 are approved.

**BE IT FURTHER RESOLVED**, that the Board authorizes the Chair or Treasurer to take any action or make any amendments necessary and to file the Annual Report and Form 990.





## Status of Private Development Projects Receiving Prior Approval

Titan Hilton Hotel- Titan

(Approved as Broadway at Center Project)

Berkman Apartments- Alatus

(Approved as Alatus 2<sup>nd</sup> Street Development)

Urban on First- Titan/Opus

(Approved as Rochester 1<sup>st</sup> Avenue Mixed-Use Project)

One Discovery Square- Mortenson

(Approved as Discovery Square- Phase I)

Bloom Waterfront- Bloom International Reality LLC

(Approved as Bloom Waterfront)

Wells Fargo Renovation- Ryan Companies US, Inc

(Approved as 21 1<sup>st</sup> Street SW)

Hotel Indigo Renovation- RHI Hotel JV, LLC

(Approved as Holiday Inn Downtown Rochester)

Hyatt House- First Civic Center, LLC

(Approved as Hyatt House Civic + First Rochester)



## Titan Hilton Hotel

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### **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 19-story structure will include retail and dining amenities and be anchored by a Hilton hotel.

On January 31, 2018 a topping off ceremony took place with the community. Permanent interior enclosure and skin has been started. 180 on-site workers currently working on the project and that is anticipated to go up. The exterior enclosure was completed near the end of August.

### **Next Steps:**

Anticipated completion date is January 31, 2019 with a hotel opening date of April 15, 2019.

## Berkman Apartments



To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018

### **Overview:**

The Berkman Apartments include construction of an approximately 327,965 square foot, thirteen-level commercial and residential complex. In December 2016, the DMC EDA Board of Directors acted unanimously in recommending the proposed 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.

Demolition of existing buildings on the site took place in December of 2017. Financing closed in early February 2018. A ground breaking ceremony took place on May 2, 2018. Currently 40-45 workers are on site daily.

The most recent construction milestones include:

- Utility connections complete – 2<sup>nd</sup> St SW, 14<sup>th</sup> Ave SW, and 15<sup>th</sup> Ave SW.
- Deep foundations continue. Early in construction, we encountered some delays due to weaker than projected subsurface conditions. We have since taken a more pro-active approach to speed up the timeline. Target completion date of 1<sup>st</sup> week of August.
- Elevator core – finished pouring the concrete pad as well as building it out.
- Northland – on-site working on foundation walls and grade beams at the north and northwest corner of the site.

### **Next Steps:**

Final completion of the entire building is early summer 2020 with anticipated lower levels available for leasing in Q1 of 2020.

## Urban on First



To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018

### **Overview:**

The Urban on First Mixed-Use Development includes construction of an approximately 238,717 square foot, six-story podium commercial and residential complex.

On January 12, 2017, the DMC EDA Board of Directors acted unanimously in recommending the proposed 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. Titan/Opus closed on its financing in March 2018 and commenced construction immediately thereafter. The team is completing the environmental remediation and footing/foundations are underway with approximate 10-15 workers on site.

### **Next Steps:**

Anticipated completion date is summer of 2019.

## One Discovery Square

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### **Overview:**

The Mortenson Phase I development is a 90,000 gross square foot building with lab and office space that will cater to the life science economy.

Mortenson submitted a Joint Funding Application on May 15, 2017. 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.

Mortenson and DMC hosted a ground breaking event and community celebration around Discovery Square on November 2, 2017. Construction is underway. A topping off ceremony was held June 28, 2018.

### **Next Steps:**

Marketing and tenant recruitment continue. Anticipated construction completion date is March 28, 2019.

## Bloom Waterfront

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### **Overview:**

The Bloom Waterfront development is an approximately 650,000 square foot multi tower and mixed use development. The project includes senior living/memory care residential units, food and beverage, retail, parking, hotel, condominiums, a rehab clinic and public realm space.

Bloom International Realty LLC submitted a Joint Funding Application in March of 2018. 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 June 2018. The project was approved at City Council on July 2, 2018 and a purchase agreement was approved by City Council on August 6, 2018. The Conditional Use Permit, which grants site plan approval, was approved by City Council on September 17, 2018.

### **Next Steps:**

The Development Assistance Agreement is continuing to be negotiated with a target final agreement date of October, 2018.

## Wells Fargo Renovation

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### **Overview:**

Ryan Companies US, Inc. has proposed a renovation to the approximately 92,000 square foot, downtown Rochester Wells Fargo building located on Peace Plaza and First Avenue. This redevelopment is a catalyst for the public realm in Heart of the City and will achieve a sought after public connection of subway, street and skyway.

The developer submitted a Joint Funding Application on May 1, 2018. 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 June 2018. The Wells Fargo Project was approved at City Council on July 16, 2018. Interior construction work has begun.

### **Next Steps:**

City Council to approve development assistance agreement in October, 2018. Continued work on public realm integrated with Heart of the City design including improvements to be funded by TIF.



## Hotel Indigo Renovation

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### **Overview:**

The Hotel Indigo Development includes renovation to the existing 173 room Holiday Inn on the corner of Third Street and Broadway. The renovation includes a rebrand of the hotel, a new glass facade, improved restaurant, ballroom and other guest areas.

In June 2018, the DMC EDA Board of Directors voted in favor of recommending the Hotel Indigo project to the DMCC as a Public Infrastructure Project, consistent with the DMC Development Plan. The DMC Corporation approved the project on June 28, 2018 and City Council approved on July 2, 2018. The Holiday Inn is no longer operating in preparation for construction.

### **Next Steps:**

Construction is anticipated to begin in fall of 2018 and a completion date and opening of the new hotel in May of 2019.

## Hyatt House



To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018

### **Overview:**

The Hyatt House development is a 175 extended stay hotel with parking which will change the gateway along Civic Center Drive in the Central Station subdistrict.

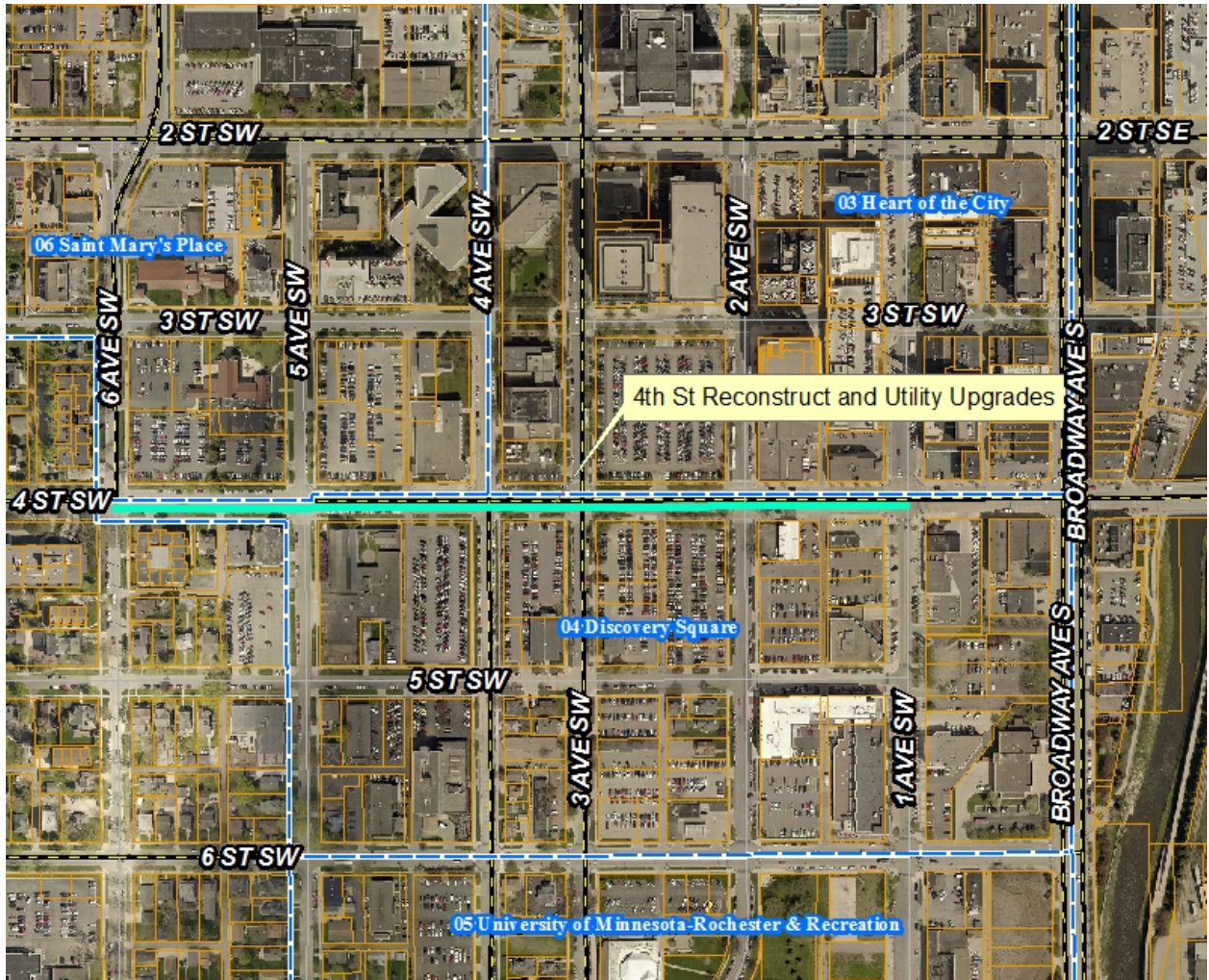
First Civic Center, LLC submitted a Joint Funding Application in May of 2017. The DMC EDA report and recommendation for Joint Funding was brought forward and approved by both the DMC EDA Board and the DMC Corporation Board in July, 2017. The project was approved at City Council on July 2, 2018. The purchase of the property was completed summer, 2018. Financing is in process.

### **Next Steps:**

Construction is anticipated to begin in late January, 2019.

# 2018 Capital Improvement Program

Reconstruct 4th St SW from 1st Ave to 6th Ave SW and upgrade public utilities.



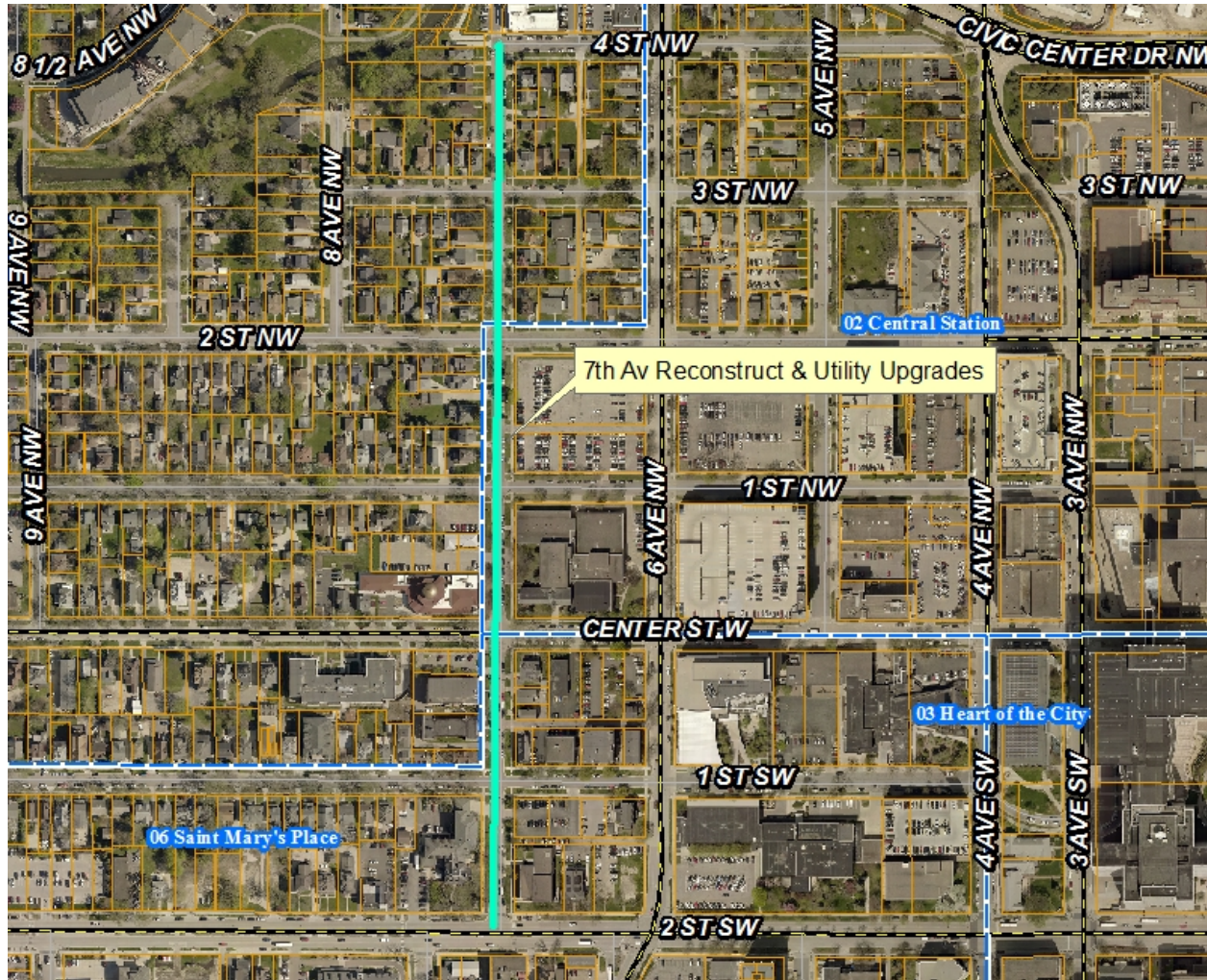
**Total Project:** \$12.25 million over 5 years (2018-- \$2.25 million-- Source DMC)

**Purpose & Need:** The Project includes reconstructing the street and replacing and up sizing the utilities. The 3<sup>rd</sup> Ave SW sanitary sewer is not adequate to handle future development and wet weather flows from 3<sup>rd</sup> St and 4<sup>th</sup> St SW.

**Status:** Street design consistent with DMC Deign Guidelines and will accommodate future development of Discovery Square. Construction begins in 2018 with completion in 2019.

# 2018 Capital Improvement Program

Reconstruct 7th Avenue NW / SW from 2nd St SW to Cascade Creek and replace undersized sanitary and storm sewers.



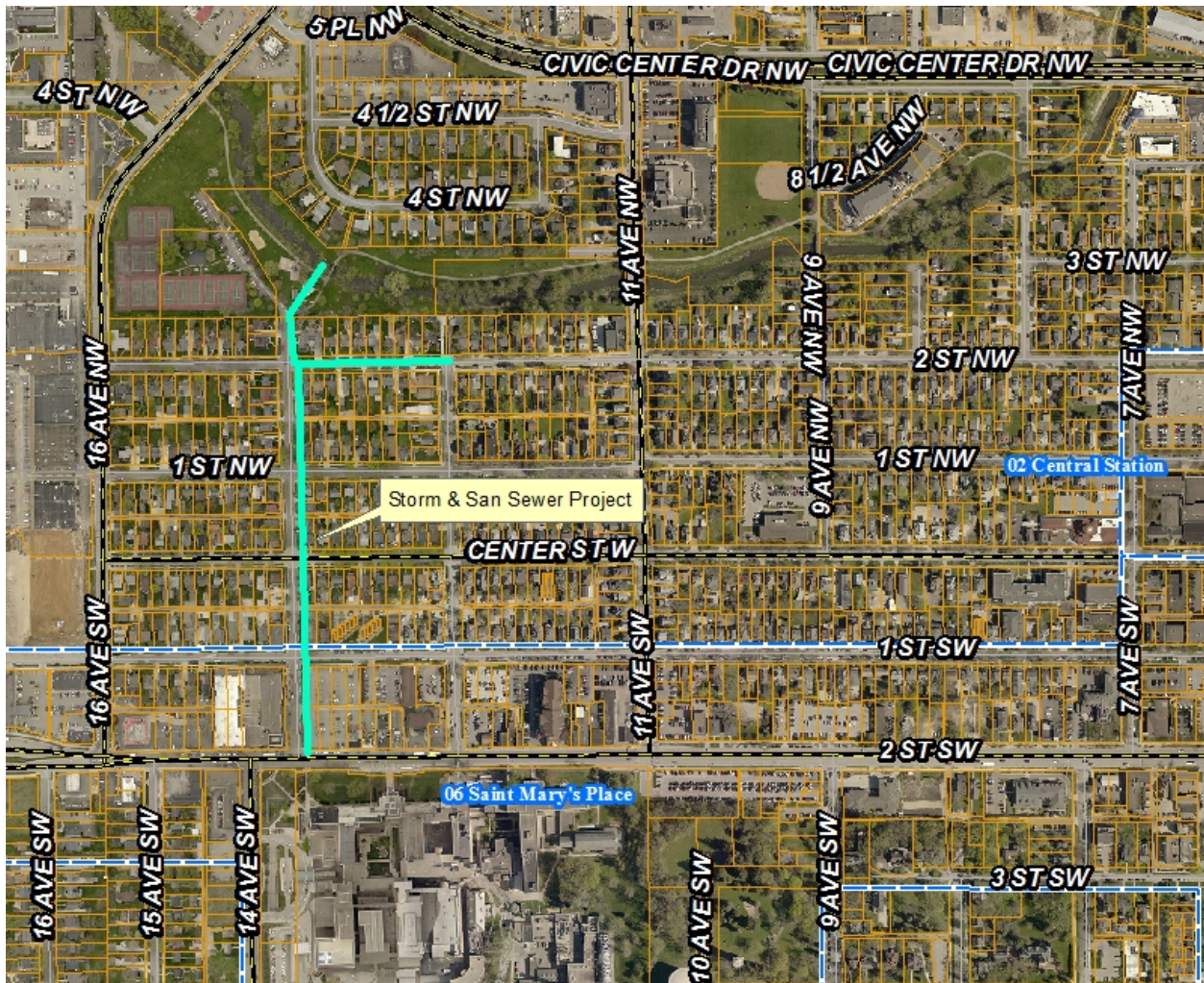
**Total Project:** \$3 million over 2 years (2018-- \$1.5 million-- Source DMC)

**Purpose & Need:** A street reconstruction project to provide additional capacity for storm and sanitary sewer and by directing it away from the downtown area it has the benefit of creating additional capacity in the downtown/DMC area. Capture sanitary and storm water flows west of the Downtown Business area and direct the flows north. This frees up capacity in the existing downtown system and may eliminate other downtown capacity improvements. This allows for the growth in the Discovery Square and other DMC related development to occur.

**Status:** This project has been postponed to 2019, hoping for a better bidding climate. May require DMC boundary modification.

# 2018 Capital Improvement Program

## SS1 13th Ave Sanitary and Storm Sewer Capacity Improvements from 2nd St SW to 2nd St NW.



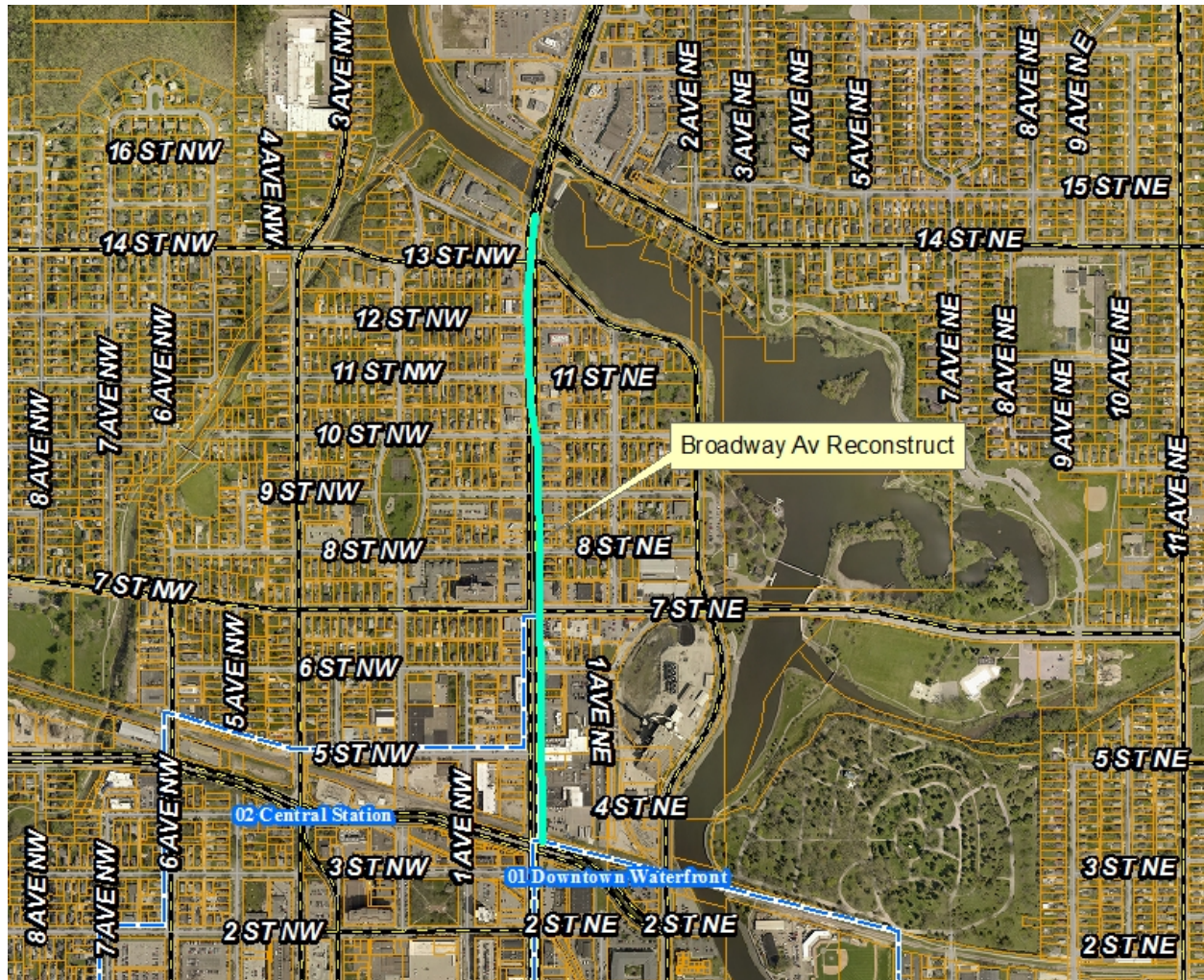
**Total Project:** \$6.1 million over 2 years (2019-- \$3.35 million-- Sources \$1.675 million City and \$1.675 million DMC)

**Purpose & Need:** Additional sewer capacity is needed for development along 2nd St SW, including the proposed growth of the Mayo / St Marys hospital complex. The storm sewer in 2nd Street SW does not have the capacity to meet future needs. The sanitary and storm water improvement have been included in the same street to limit disturbance to other neighborhood streets. The sewer and storm are being design to accommodate a future potential subway tunnel crossing on 2nd Street SW from St Marys to the retail businesses onthe north side of 2nd Street SW.

**Status:** Redesign of the street is underway and encouraging the City to apply concepts from Saint Marys Place public realm design concepts. Construction to begin in 2019.

# 2018 Capital Improvement Program

Reconstruct North Broadway Avenue from Civic Ctr Dr to Zumbro River Bridge.



**Total Project:** \$17.1 million over 2 years (2018 -- \$800k design-- Sources \$400K City, \$400K DMC)

**Purpose & Need:** No. Broadway is the north gateway to Downtown Rochester. North Broadway was identified in the 2015 Broadway Corridor study as a corridor in need of reconstruction. Broadway Avenue, formerly Trunk Highway 63 was a turnback roadway from MnDOT. It is a priority Primary Transit Network corridor that is expected to experience the modal shift from single occupancy vehicles to transit such as Bus Rapid Transit. A reconstruction project is needed for the pavements and utilities. A reconstruction project can have a transformational effect on abutting properties in the corridor with enhanced landscaping and public realm improvements.

**Status:** Street redesign has been the subject of a great deal of public discussion, focused primarily on potential bike ways, use of medians and turn lanes, and alignment of bus stops. City Council took action on final schematic decisions in June 2018. Construction to begin in 2019.

## Six Critical Elements of Discovery Square

### Background

Discovery Square is envisioned to be the economic engine of the DMC initiative, a 16-block Live-Work-Play sub-district with up to 2M new square feet of space where businesses of all sizes will develop products for the market. We assume there will be a density of healthcare-related businesses operating in Discovery Square, but we are not constraining this plan only to that sector of the economy.

Described here is the framework of the overall strategy developed by the DMC EDA, anchored by six elements that are critical to the long-term success of the DMC Discovery Square sub-district. This strategy was informed by community input and benchmarking site visits. Many of these elements have activities already underway, led by early adopter advocates.

1. **Space** – A wide variety of office and laboratory space enables healthcare technology companies in all sectors to take their products and services to market and to clinical practices around the world.
  - a. Traditional office space and specialized space for wet lab operations, including Good Manufacturing Practice infrastructure, clean rooms, and germ-free facilities.
  - b. Computation infrastructure meets the needs of data-intensive healthcare business operations.
  - c. Articulate space and infrastructure requirements based on market trends and local needs.
  - d. **Foundational Pieces**
    - i. Biobusiness Center and Collider Coworking
  - e. **Collaboration needs:** work with developers to build the necessary space and infrastructure.
2. **Businesses** – The addition of large and small businesses across diverse sectors broadens the local economy, creates new job opportunities, and grows the local and state tax base.
  - a. Startups that bring new energy, ideas and vision to the marketplace.
  - b. Large businesses in key technology sectors bring expertise, reach, resources and unique skills to the local marketplace.
  - c. International businesses new to the US market, bringing an international reach to local economy and increased diversity to the city.
  - d. Relationships with international cluster organizations to share company footprints.
  - e. **Foundational Pieces**
    - i. 48+ startups from RAEDI, Mayo Clinic and others
  - f. **Collaboration needs:** Work with partners at the regional, state, national and international level to advocate for the opportunity in Discovery Square.
3. **Mayo Clinic** - Access to Mayo Clinic resources and expertise is the primary value proposition of DMC Discovery Square
  - a. Access to Mayo Clinic intellectual property clinical experts and key thought leaders to co-develop new technologies and to evaluate the company's existing technologies.
  - b. Access to education programs to cultivate their future workforce and to create new and innovative training programs.
  - c. Access to core laboratory services for specimen processing and analysis, as well as engineering staff for routine equipment maintenance and repair.

- d. **Collaboration needs:** A strong working relationship with multiple divisions across Mayo Clinic is critical to success.
4. **Attractive Ecosystem** – A vibrant entrepreneurial ecosystem equips and encourages entrepreneurs from all parts of the community to go from idea to market and assures investors that their investments can grow and thrive in Discovery Square.
- a. Year-round activities in the public and private sectors are designed to educate, encourage and energize entrepreneurs on how to go from idea to business plan to execution.
  - b. Accelerator programs in multiple sectors provide early mentoring, funding, and launch capabilities to new businesses.
  - c. Formal and informal events of all sizes, covering all aspects of business building.
  - d. Other businesses are available to support more specialized needs, such as legal, accounting, finance, marketing, and more.
  - e. **Foundational Pieces**
    - i. RAEDI, Collider, J2G, SMIF, Mayo Clinic Office for Entrepreneurship and SBDC activities
  - f. **Collaboration needs:** Programming is curated by a diverse group of highly engaged stakeholders in the community.
5. **Investment Capital** – A variety of capital, grants, loans and incentives attracts businesses to move to (or stay in) Discovery Square and enables them to grow and thrive here.
- a. Funds are available for companies of all stages, including pre-seed, seed, angel, venture capital, corporate, philanthropic, SBIR/STTR, crowdfunding, and more.
  - b. Funds are local, regional, and national in nature, such that investors are satisfied that their investment can be nurtured and grown in Discovery Square.
  - c. Trusted advisors are available to help new businesses understand their options.
  - d. **Foundational Pieces**
    - i. RAEDI Econ Dev Fund, SE Mn Capital Fund, SMIF funds, Mayo Clinic funds
  - e. **Collaboration needs:** Partnership at the local, regional and state level is necessary; this cannot be a Rochester-only effort.
6. **Workforce** – A diverse and educated workforce from all socioeconomic backgrounds that includes niche specialties is needed so businesses will move to (or stay in) Discovery Square.
- a. Undergrad, graduate students and post-docs in life sciences, devices, IT, engineering, artificial intelligence, bioinformatics, and more, are attracted to Rochester.
  - b. Specialized expertise in FDA and European CE regulatory requirements regarding study design, biostatistics, bioinformatics, device validation, and more is available.
  - c. **Foundational Pieces**
    - i. Rochester Chamber, Mayo Clinic and J2G activities
  - d. **Collaboration needs:** Relationships with higher education organizations, Rochester Chamber of Commerce and other organizations already working on this is critical to developing pipelines of talent and education programs that meet our needs.



## 2018 Discovery Square Entrepreneurship Ecosystem Gap Analysis

### Background:

The DMC Discovery Square (DS) team has a strategy focused on six elements that are critical to the long-term success of the DS sub-district. One of those elements is a **vibrant entrepreneurial ecosystem** that equips and encourages entrepreneurs to go from idea to market. We have a high density of innovation and only a small (though growing) percentage that gets converted to a startup company. We need to equip the innovators with the tools and encouragement to turn those ideas into a business to ensure there is a steady pulse of new startups in the Discovery Square sub-district.

After an initial kickoff in February 2018 with a team of eighteen local and regional stakeholders (details in Appendix 1), a self-selected subset of this group did an entrepreneurship gap analysis based on the [Babson Entrepreneurship Ecosystem](#) model (Appendix 2).

It is important to note that the emphasis in the Babson model – and thus our team’s analysis - is on scalable, high-potential enterprises and not small-to-mid-sized enterprises. Also, although investment capital is part of the Babson model, our team did not address this topic in depth, as other groups are working on solutions there.

### Outcomes

1. **Human Capital:** A strong entrepreneurial community has a deep network of experienced entrepreneurs both internal and external to the community, a ready source of aspiring entrepreneurs, and a portfolio of curriculum to equip aspiring entrepreneurs.
  - a. What we have:
    - i. We have an international network of expertise in the form of alumni, expats and visitors, all of whom have the means and the connections to support our innovators and startups.
  - b. What is missing:
    - i. A cohesive effort to connect our innovators to our network of networks.
    - ii. Entrepreneurship training is lacking at all age levels.
    - iii. A good understanding of why more innovators don’t launch startups.
    - iv. A deep bench of experienced C-suite level serial entrepreneurs who know how to take an idea to market and beyond.
2. **Supporting organizations and infrastructure:** The local community has business service providers available to help startups, such as legal, accounting, finance, web, IT, marketing, communications, sales, business consulting and business development. Specific to a healthcare technology hub, there is an additional need for product design, prototyping, evaluation/validation expertise, scaled up manufacturing and distribution. The community also has subsidized space available for startups.
  - a. What we have
    - i. Support businesses such as web, marketing, accounting, finance, IT and legal are present at a level appropriate to the current demand.
    - ii. Manufacturing and distribution expertise and space is regionally available in other sectors which could translate to healthcare technologies.

- b. What is missing
          - i. Affordable space for startup companies.
          - ii. Product prototyping and development services, lean startup business consultation, product evaluation and validation environments, and business development expertise.
3. **Products and Markets:** The strong startup community has the resources and expertise to turn ideas into marketable products through a process of prototyping and productization. The local community encourages early adoption of local technology.
- a. What we have:
    - i. We have an inventive and innovative community, as measured by the disclosed innovation at Mayo Clinic and issued patents in the region.
  - b. What is missing:
    - i. A broad set of expertise in converting ideas into functional prototypes and minimally viable products.
    - ii. A cohesive coordinated attempt to highlight local technologies and champion the cause of adopting local technologies.
4. **Culture:** A community that supports entrepreneurship tolerates risk and failure, embraces innovation and prototyping as the norm, and elevates the social status of the entrepreneur so that it is top of mind for our community and business leaders. The community hosts workshops, conferences and business plan competitions and makes them highly visible.
- a. What we have:
    - i. A small and under-resourced cadre of passionate supporters.
    - ii. Business pitch competitions, such as Walleye Tank, the Assistive Tech Challenge, and the Minnesota Cup.
  - b. What is missing:
    - i. A coordinated effort via one organization that 'owns' the portfolio of programming dedicated to growing entrepreneurship.
    - ii. Vocal support from community and business leaders that conveys a sense of importance and urgency and raises community awareness.
5. **Policies:** Effective policies reflect the needs and interests of both the governing body and the entrepreneurs. Too often policy development can happen in a vacuum, without adequate input from those who must comply with the policies. The Rochester food truck journey is a good example.
- a. What we have:
    - i. A relatively blank policy slate with which to work.
  - b. What is missing:
    - i. No one organization has stepped up to represent the interests of entrepreneurs from a public policy perspective.

Appendix 1 – February 2018 Retreat participants

- Al Berning (Ambient Analytics)
- Pam Bishop (Southern Mn Initiative Foundation)
- Matt Bissonette (Rochester Chamber of Commerce)
- Jenna Bowman (Rochester Downtown Alliance)
- Stephen Ekker (Mayo Clinic Office for Entrepreneurship)
- Xavier Frigola (RAEDI)
- David Hewitt (Narrative Experiential DeSigns)
- Frank Jaskulke (Medical Alley Association)
- Jan Joannides (Renewing the Countryside)
- Nick Moucha (Keller Williams Realty)
- Dee Sabol (Diversity Council)
- Chris Schad (DMC EDA)
- Jamie Sundsbak (Collider CoWorking)
- Bill Von Bank (DMC EDA)
- Nathan Wiedenman (Community)

Appendix 2 – Entrepreneurial Gap Analysis Team

- Pam Bishop (Southern Mn Initiative Foundation)
- Matt Bissonette (Rochester Chamber of Commerce)
- Christine Bright (Community)
- Xavier Frigola (RAEDI)
- Amanda Leightner (Rochester Rising)
- Mark Manske (Community)
- Craig Oslund (Small Business Development Center)
- Chris Schad (DMC EDA)
- Jamie Sundsbak (Collider CoWorking)
- Nathan Wiedenman (Mayo Clinic)



# Chateau Theatre Interim Use & Investment

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



## Background:

2015:

1. DMCC approved acquisition of Chateau Theatre as “public infrastructure project.”
2. City Council authorizes purchase of Chateau Theatre
3. Mayor forms Chateau Theatre Reuse Committee

2016:

1. City finalizes purchase
2. Task Force organizes its work around three milestone recommendations
  - Reuse
  - Design
  - Management and Governance
3. Consultant team of Miller Dunwiddie and Webb Management retained
4. Task Force conclusions:
  - Reuse as a multipurpose performing arts center
  - Redesigned within current footprint of the building and under the alleyway
  - \$23+ million cost estimate
  - Management and programming by City Music Department, with ongoing operation loss
5. City Council received report and asked for the following:
  - Further discussion with adjacent property owners to explore opportunities
  - Consideration of alternative sources of funding, inclusive and in addition to DMC funds
  - Further study of the business plan, avoiding ongoing operating loss

2017:

1. City staff modified proposed operating income and expense model, still resulting in on-going operating loss
2. Ryan Companies agreed to consider incorporating Chateau facilities in the redeveloped Wells Fargo building, pending overall project plans
3. Task Force recommends inclusion of the Chateau costs in the future CIP budget, for presentation to DMCC
4. DMCC Report and Recommendation, November 2017
  - Advance Chateau Theatre as a multiuse performing arts center, but consider a less capital intensive restoration model
  - Develop a strategy to diversify capital funding sources
  - Ensure a sustainable ongoing management, programming, and operations plan
  - Build relationships to adjacent development

- Consider ideas for interim use and activation
  - Preliminary CIP authorization
5. Discussion at DMCC meeting and subsequent discussion with Acting DMCC Chair:
- Would like to see an alternative to the plan currently on the table
  - Specifically, less capital intensive and alternative management/programming model

2018:

**Current Status:**

- In March 2018, DMCC authorized use of CIP funds for design costs and capital improvements to Chateau Theatre to a) secure and protect the building; b) bring it up to code so that it can be used for “assembly” purposes; and c) design eventual integration with Peace Plaza and Wells Fargo building.
- City of Rochester retained Miller Dunwiddie to develop construction and bid documents.
- The three construction bids that were received were all over the estimated amount and City staff recommended the denial of the bids and an alternative approach to rebid. On August 20, 2018 City Council voted to reject the bids.

**Next Steps:**

- Update to new bid process- The roofing portion of the project will be put out to bid in fall of 2018. The interior work will be available to bid in either fall of 2018 or early spring of 2019.
- Continue active engagement with Ryan for integration of Chateau with Wells Fargo redevelopment (inclusive of major building tenants).
- Develop interim use programming and management model.
- Develop RFP with the City of Rochester for program and operations management.

## Heart of the City Public Realm

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### Overview:

The RSP-led design team has completed the Schematic Design for Heart of the City in 2017. It was 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
- 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

Based on the opportunity associated with the redevelopment of the Wells Fargo building, recommendations to advance the detailed design for the two portions of the Heart of the City public realm: 1<sup>st</sup> Ave and the east end of Peace Plaza were made at the March, 2018 DMCC board meeting. To proceed in a timely manner, DMCC authorized the use of CIP funds for this purpose.

During the Schematic Design Reconciliation phase of Heart of the City Phase 1 Coen + Partners, DMC, and City of Rochester have made great progress in establishing design direction for 1st Ave, Theatre Square, the Wells Fargo Building, and artist integration into the whole of the project.

### Next Steps:

Next steps in the Schematic Design Reconciliation phase for the month of September 2018:

1. Project Management Set Up
2. Revit Model Construction
3. Artist Engagement
4. Weekly coordination meetings with Ryan Companies
5. Prepare for the Sept. 24th Committee of the Whole presentation
6. Prepare for demonstration projects, to be implemented in October 2018

## Discovery Walk

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: September 17, 2018



### **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). Schematic design phase is complete, presentations to City, Mayo, Community, DMC EDA, DMCC, and City Council completed and the final report has been received.

### **Next Steps:**

- Develop interim activation strategies to test design concepts in 2019
- Determine Impact on CIP in 2020 and beyond
- Determine economic development potential for this corridor



## Saint Marys Place

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### 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)

Following the public presentations revisions to the document were suggested to clarify expectations. Revisions include modifying some of the narrative, introducing Performance Objectives, and using images which better illustration design considerations. Document has been revised to address these concerns and was reviewed by City administration.

### 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 idea in 2019



## DMC Transportation Plan



To: DMC Corporation Board of Directors  
From: DMC EDA staff  
Date: September 17, 2018

### **Overview:**

Minnesota Statute 469.40 provided for the establishment of a Destination Medical Center Development District (“District”) for the purpose of facilitating development of public infrastructure projects that support the state and local objective of creating a destination medical center. The statute establishing the Destination Medical Center provided for the preparation and adoption of a Development Plan that would be used to guide public investment in infrastructure in the District.

The Destination Medical Center Corporation adopted a DMC Development Plan (“Plan”) as required by MN Statute 469.43 on April 23, 2015 and the City of Rochester Common Council adopted the Plan on March 23, 2015.

The transportation vision in the Plan was developed with a focus on access and mobility that would reduce dependency on private vehicle travel in the district while creating improved multi-modal travel connections. The DMC vision provides for enhanced transit services connecting the District to the community and the region, a frequent downtown transit circulator, an enhanced network of bike facilities providing connections to District destinations and across the District, safe walkable streets, and a parking strategy that emphasizes convenience for high turnover customer and patron needs while emphasizing peripheral and remote parking for long term, low turnover parking use with seamless, convenient connectivity to downtown.

The action by the Rochester Common Council in City Resolution #035-11 adopting the DMC Plan recognized the need to complete further study and refinement of transportation strategies including capital investment needs and services in the Plan in order to refine and update the planning level vision completed as part of the Plan in order to provide in-depth assessment of options and fully evaluate the details of the transportation solutions proposed in the Plan to insure projects best serve the needs of the City and the District and are the most cost effective solutions. In furtherance of the goals of the DMC Development Plan, the Rochester Common Council authorized funding for the Destination Medical Center Integrated Transit Studies (“Transit Studies”) for the purpose of providing a rigorous assessment of alternatives for vehicular, transit, pedestrian, and bicycle travel at a level of detail needed to generate confidence in the study’s findings, conclusions, and recommendations and support the economic development, sustainability and community livability goals of the DMC Development Plan.

The Transit Studies have led to the preparation of the ITS Final Report and supporting study documentation for the four integrated studies that led to development of the ITS Final Report, including the Downtown Transit Circulator Study, the Street Use and Operations Study, the Parking and Travel Demand Management Study and the City Loop Study. The ITS Final Report provides a framework refining the transportation solutions and strategies needed to support the economic development efforts of a Destination Medical Center. The ITS Final Report provides the basis for development of a DMC Transportation Strategy and Implementation Plan which will serve as the blueprint for developing

future Public Infrastructure Projects in the District that will support the DMC economic development program and sustainability and livability goals of the Plan.

In June and July, 2018, DMCC and City Council, respectively, accepted the Final Report, dated June 2018, as an updated and refined framework for the development and implementation of the transportation access and mobility vision defined in the DMC Development Plan.

In accepting the ITS Final Report the DMCC and City Council supported the conclusions and recommendations of the study, subject to following points of clarification:

- a) Specific locations for public infrastructure investment in areas designated as Mobility Hub A and Mobility Hub B and the associated circulator connecting routes in the ITS Final Report are subject to further review and refinement providing additional examination of joint public – private development opportunities that can contribute to achieving the land use and redevelopment goals of city and DMC plans, provide safe and reliable transportation system and network access, take advantage of joint financing approaches while meeting market driven business needs in a manner that is compatible with economic development, that will set forward a strategy and implementation framework for the mobility hubs.
- b) Specific route of the BRT circulator will be further studied to best reflect location of the Mobility Hubs, opportunities for economic development, operational efficiencies, and other considerations.
- c) Representations in the ITS Final Report of specific phasing of ITS recommendations are illustrative and are subject to change upon the development, refinement, review, and adoption of an ITS Implementation Plan and Schedule. The adopted Implementation Plan will include a plan for monitoring activity in the DMC District against established benchmarks that will serve as indicators for triggering action on critical elements of the ITS Studies recommendations.
- d) Representations of specific right-of-way impacts on private property are illustrative and are subject to change based upon the development, refinement and review of geometric layouts or adoption of Official Street Map(s) identified in the ITS Implementation Plan and Schedule.
- e) Repurposing of general purpose vehicle travel lanes for alternative use will be based on further analysis of the ability of the impacted street corridor to meet the demand for person movement within limited space constraints through a combination of multi-modal strategies that provide adequate capacity to meet projected travel demand while maintaining adequate vehicle operations.
- f) Replacement of lost parking spaces for customers, visitors, patients or resident will be served within the district through a combination of development of new public and private parking resources, expanded shared use of existing parking resources, repurposing of existing commuter parking or pricing strategies that better match parking demand with parking supply.

## Next Steps:

- Finalize Implementation Matrix and Phasing Plan
- Address and resolve each of the “exceptions” from the final ITS report
- Focus on critical first steps in long-term catalytic transportation change
  - Start shifting transportation modes
  - Start Federal Transportation Administration (FTA) process for circulator
  - Start shifting long-term parking outside of downtown
  - Start building active transportation network
  - Study potential Highway 52 decking concept
- Approve Near Term Projects in 2019 CIP
  - Acquisition of Electric Buses
  - Initial phase of City Loop
  - Launch of TMA (Arrive Rochester)
  - Land acquisition for circulator and park and ride system
  - Study of the H52 decking concept



Destination Medical Center  
Economic Development Agency  
**2018 Workplan**

Updated: September 17, 2018

## 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.

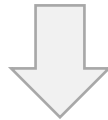
The DMC legislation identified several key responsibilities of the DMC EDA in addition to its role as an advisory agency to the DMCC and City. The 2018 DMC EDA workplan references these responsibilities, which have been organized as follows: (A) development planning and promotion, (B) development services,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

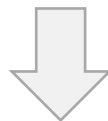
Create a comprehensive Strategic plan with a compelling vision that harnesses the energy and creativity of the entire community

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

Completed

On Track

Delayed

Postponed

**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	Updated to Q3	Lead
3. Finalize Retail market demand study initiated in 2017	Q1	Updated to Q3	Lead
4. Review and update commercial office space market demand study	Q1-Q2	Updated to Q3	Lead
5. Review and update BioScience market demand study	Q1-Q2	Updated to Q3	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	Updated to Q3	Lead
4. Host Minnesota Real Estate Journal Summit	Q2	Updated to Q4	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
<b>Strategic Objective D: Identify, refine, and diversify public and private financial investment tools, to maximize available DMC resources</b> *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	Updated to Q4	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
<b>Strategic Objective E: Provide leadership and convene community stakeholders to drive environmental outcomes outlined in the DMC plan for the DMC District</b> *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
<b>Strategic Objective F: To meet the DMC environmental goals associated with new development, generate a Sustainable Building Policy for DMC-funded projects</b> *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
<b>Strategic Objective G: Build a community culture around sustainability through education and awareness to meet the environmental outcomes for the DMC District</b> *Statutory Responsibilities: C. Marketing, Outreach, and Communications			
<b>Action Step</b>	<b>When</b>	<b>Status</b>	<b>DMC EDA Role</b>
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
<b>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</b> *Statutory Responsibilities: A. Development Planning and Promotion & C. Marketing, Outreach, and Communications			
<b>Action Step</b>	<b>When</b>	<b>Status</b>	<b>DMC EDA Role</b>
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
<b>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</b> *Statutory Responsibilities: A. Development Planning and Promotion & C. Marketing, Outreach, and Communications			
<b>Action Step</b>	<b>When</b>	<b>Status</b>	<b>DMC EDA Role</b>
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
<b>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</b> *Statutory Responsibilities: C. Marketing, Outreach, and Communications			
<b>Action Step</b>	<b>When</b>	<b>Status</b>	<b>DMC EDA Role</b>
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	Update to Q4	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	Start in Q3	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	Won't pursue, site now for sale and not available	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	Won't pursue	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	On Track	Participate
2. Work with the City to identify funding stream for agreed upon priority	Q2-Q4	On Track	Participate
3. Develop 2-4 demonstration projects to test transportation solutions,	Q1-Q4	Delayed	Participate
4. Participate with appropriate work teams & advisory groups with stakeholders, experts, and users	Q2-Q4	On Track	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	On Track	Participate
2. Collaborate with City to create CIP priority list	Q3	Start in Q3	Participate
3. Consult with City to overcome obstacles to allow on time construction of CIP projects	Q1-Q4	On Track	Participate

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

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

Completed

On Track

Delayed

Postponed

## DMC Market Studies

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: September 17, 2018

### **Overview:**

Part of the original DMC Plan included a market study to evaluate the needs of the DMC District. This study was completed by AECOM in 2015. Due to the growth projected for the DMC an updated market study was commissioned to measure the progress of the district against the original plan and projections. AECOM was selected through an RFP process to update the original document. At present they are analyzing the initial data and will be providing a high-level preliminary assessment of where the progress to date compares against the original plan.

### **Next Steps:**

The AECOM Team will develop estimates for market opportunities in the DMC for the next five years for Hotels, Residential, Office/Med-Tech, and Retail development. Highlights, trends and key considerations will be presented at this year's Rochester DMC Real Estate Summit on October 12, 2018. A final completed report will be made available in October to review.

## Energy and Sustainability Update

To: DMC Corporation Board of Directors  
From: DMC EDA Staff  
Date: September 17, 2018



### Overview:

Kevin Bright, DMC EDA's Energy and Sustainability Director, started on March 6, 2017. His position is split between the DMC EDA and the City of Rochester where 80% of his time is with the EDA and the remaining 20% with the City. Over the past year and a half, he has continued to work with the City, community partners, environmental organizations and the Energy Integration Committee (EIC) on a variety of initiatives outlined below. Additionally, the energy and sustainability appendix to the DMC Jointing Application for Funding, which was referenced at the June 28, 2018 DMC Corporation board of directors meeting, immediately follows this memorandum.

### Progress To-Date:

- Individual Development Projects
  - In order to clearly outline the expected environmental and energy outcomes of DMC projects, last board meeting a Sustainable Building guidance was approved and integrated into the DMC Application. This change will ensure the environmental and energy outcomes expected for projects will be incorporated. A project has not yet come forward and used the new sustainable building guidance.
- DMC District
  - District Energy – A draft process document has been created for individual projects to inquire about connecting to a downtown district energy system. In the 4<sup>th</sup> quarter of 2018, the Energy Integration Committee is meeting to identify a path to meet the DMC's ambitious sustainability and energy reduction goals. The goal of this work is to identify a group of projects to develop for input from the DMCC to create a path for the DMCC to meet its environmental goals.
  - Voluntary Commercial Energy Benchmarking – The EIC is moving forward with the launch of a voluntary commercial energy benchmarking program with several partners in the City and County. The City and County have combined their benchmarking data and the landing page for the program is being established. This program would be open to buildings both inside and outside the DMC District.
- Culture of Sustainability
  - In collaboration with local environmental and government commissions, the DMC launched a Sustainability Series in late 2017 meant to convene interested parties to learn more about a variety of environmental topics over lunch, once a month. This Lunch and Learn concept is meant to accomplish a few items: (1) connect those in the community working on environmental topics; (2) share best practices across disciplines; (3) cultivate new working relationships and collaborations; and (4) grow environmental awareness throughout the community. Thus far, presentations have covered the DMC sustainability goals, net zero building design in Minnesota, Mayo's methods to achieving their energy reduction goal and other topics. To date we have hosted 10 series over the past 10 months.

## **Destination Medical Center Economic Development Agency (DMC EDA) Sustainable Building Appendix**

The Destination Medical Center (DMC) Economic Development Agency will seek to meet its energy and sustainability performance goals through the implementation of these guidelines. This document provides a measureable, outcome-based approach to ensure that new construction and renovation projects in the Destination Medical Center (DMC) District are designed, constructed and operated with explicit performance metrics. If the project plans to apply for DMC funding assistance, the goals outlined in the document below must be integrated into the Project's application.

### **Design Path:**

Developers will use the design process outlined below and incorporate its findings into the project's funding application.

#### **1. Design Process**

- a. In order to apply for DMC Funding, the Project Team (Owner, Design Team, Others) will engage in a whole-building energy performance evaluation process. This will serve to establish energy performance goals for the intended facility. As part of this process, the Team will define a measureable energy performance target for the project. To complete this task, all projects must participate in the [Minnesota Sustainable Buildings 2030](#) energy targeting exercise. The predicted energy use of the building must meet or exceed those identified through the [Minnesota Sustainable Building 2030 "Energy Standards."](#) The conditions for meeting the "Energy Standards" are subject to the "Cost Effectiveness" Protocol of SB 2030. All applications for DMC funding need to include the energy target for the project, as well as a commitment to measure and verify the building's performance while in operation for its first three years. The design and construction team is responsible for setting up a measurement system that can verify the building is meeting its expected whole building energy performance target after construction. Utility information will be reported by the building owner or operator.
- b. Note: Predicted energy design strategies are subject to the Cost Effectiveness Protocol of SB 2030.
- c. During the first three years of operation, project performance will be verified with the use of ENERGY STAR Portfolio Manager to report and share the building's energy performance on a monthly basis. During and after the three year period, the building owner will be responsible for reporting facility performance data to ENERGY STAR, where it will be made public.
- d. Note: Predicted energy design strategies are subject to the Cost Effectiveness Protocol of SB 2030.

### **Other Design Requirements:**

The following requirements will be incorporated and documented as part of each project within the Developer's chosen rating system. Projects must invite the DMC EDA to the project team as official members for the specific Developer-selected rating system for review.

1. Predicted use of potable water in the building must be at least 35% below the Energy Policy Act of 1992
2. Predicted water use for landscaping must be at least 50% less than a traditionally irrigated site using typical water consumption for underground irrigations systems standards. Projects should use EPA Watersense or comparable program for modeling. Only native or adapted species to Minnesota should be included in building plans.
3. Actual solid waste of construction materials, excluding regulated waste, must be at least 75% recycled or diverted from landfills or waste incineration facilities.
4. Site and landscape design shall enhance or develop the site's green infrastructure. The design, construction and site restoration shall include elements that enhance the site and landscape for water conservation,

stormwater retention and filtration, habitat and biodiversity as well as ensuring pedestrian and bike safety. Improve storm water infiltration compared to previous site conditions.

5. As applicable to project scope, evaluate and assess the integration of a renewable energy system into the building that provides 2% or more of its annual energy consumption. If this is not financially feasible, provide a life-cycle analysis for the system that meets the “Cost Effectiveness” Protocol of SB 2030. If a renewable energy system is not possible, evaluate and prepare the building to be renewable ready both structurally and mechanically or electrically to ensure the ease of a renewable energy installation at a later date. Possibilities include but are not limited to solar photovoltaic, solar thermal, and wind.
6. As applicable to the project scope, provide electric vehicle (EV) parking infrastructure in order to provide charging access for building residents and occupants. For references suggesting an appropriate amount of vehicle charging stations, please refer to third party green building rating systems, like LEED. If the cost of EV charging stations are proven to be overly financially burdensome for a project, the facility should provide the infrastructure to allow chargers to be installed at a later date.
7. As design documents develop, please ensure the building design incorporates the goals and guidelines from the following documents as applicable:
  - a. [Destination Medical Center – District Design Guidelines](#)
  - b. [Destination Medical Center – Development Plan](#)

#### Third Party Green Building Certification Requirements:

The Developer must choose for the project one of the following rating systems and levels which to minimally comply:

##### Commercial Projects:

1. LEED for Building Design and Construction (BD+C) Version 4 or other as appropriate
2. Living Building Challenge
3. Other rating systems as proposed by the Developer (such as State Guidelines Building Benchmarking and Beyond (B3) Compliant) will be considered

##### Residential or Multi-Family Projects:

1. LEED for Homes, LEED Multi-Family or LEED BD+C Version 4
2. Minnesota Green Star Silver
3. Green Communities 2015

#### Reporting:

1. During the first three years of operation, project performance will be verified with the use of ENERGY STAR Portfolio Manager to report and share the building’s energy performance on a monthly basis. During and after the three year period, the building owner will be responsible for reporting facility performance data to ENERGY STAR, where it will be made public through the City of Rochester’s Voluntary Energy Benchmarking Program.
  - a. Predicted Greenhouse Gas Emissions must be reported to the DMC EDA by the design team.<sup>1</sup> These data will be included in the City of Rochester’s Voluntary Energy Benchmarking Program.

---

<sup>1</sup> Using EPA and eGrid fuel and electricity emission factors, available at: [https://www.epa.gov/sites/production/files/2015-07/documents/emission-factors\\_2014.pdf](https://www.epa.gov/sites/production/files/2015-07/documents/emission-factors_2014.pdf)

- b. Annually, provide actual energy data to ENERGY STAR Portfolio Manager and DMC EDA by the building Owner, or by the building's utility service provider with permission of the Owner. These data will be included in the City of Rochester's Voluntary Energy Benchmarking Program.
  - c. Annually, provide actual water data to ENERGY STAR Portfolio Manager and DMC EDA by the building Owner, or by the building's utility service provider with permission of the Owner. These data will be included in the City of Rochester's Voluntary Energy Benchmarking Program.
2. For buildings not achieving the contractual performance target during operation, an as-built energy model may be produced to demonstrate achievement. The as-built model must include all changes to the design that occur during construction (such as final glazing assembly NFRC rated thermal performance, wall insulation and thermal bridging, light fixtures, HVAC equipment or control systems). For an as-built model tenant fit-out spaces, multi-family dwelling units and hotel guest rooms may be modeled using assumptions for occupancy density, occupancy schedule, receptacle power and service water found in the following documents: ASHRAE 90.1-2013 User's Manual Appendix G, 2015 ASHRAE Handbook – HVAC Applications, ASHRAE 62.1-2016, 2015 ENERGY STAR Multifamily High Rise Simulation Guidelines and Building America House Simulation Protocols<sup>2</sup>.
  3. If the energy performance target is not achieved according to metered energy consumption and the design was not substantially changed, a report shall be provided to the building owner and to the DMC identifying reasons for non-achievement and recommendations for improving performance. Follow-up meetings may be scheduled as necessary to assist with developing next steps to improve the building's energy performance.

Incentive Opportunities:

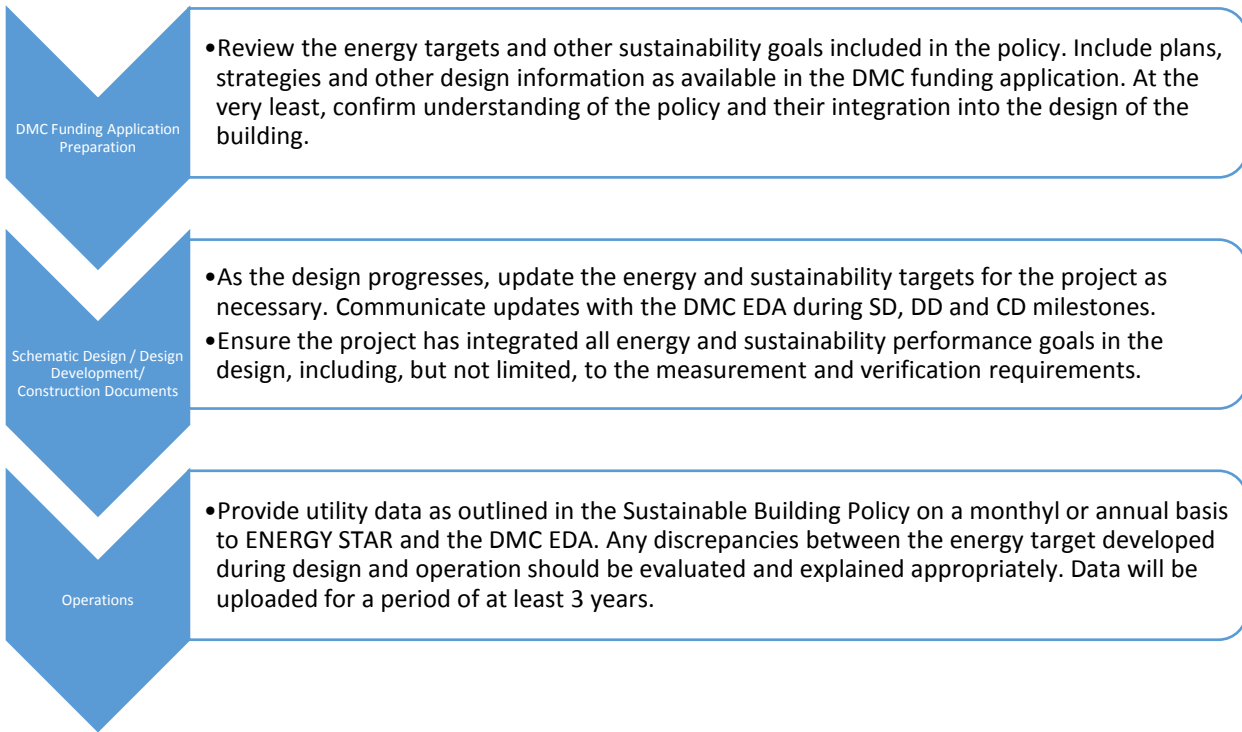
1. Commercial and Multifamily Housing Projects
  - a. Project teams, typically the mechanical and electrical design engineers, are expected to assist with the specification of lighting, mechanical and other applicable fixtures and equipment that are eligible for utility incentive programs.
  - b. Incentives discussions shall occur during the goal setting and early discussions in the integrated planning and design process.
  - c. During conceptual design, project teams should contact Rochester Public Utilities (RPU) and Minnesota Energy Resources Corporation (MERC) to learn about their incentive opportunities and which programs will be applicable to their project
  - d. Projects must pursue all available incentives as applicable to the project
2. Federal or State Tax Incentives
  - a. Projects must pursue any available energy efficiency-related federal or state tax incentives as applicable to the project. Examples include Federal Tax Incentive 179D.

Each project's compliance with the Green Building Policy must be verified, in accordance with the verification method specified by the Developer-selected rating system and the DMC EDA. Projects must invite the DMC EDA to the project team for the specific Developer-selected rating system for review. In the event of notification of non-compliance, and reasonable opportunity to cure, the DMC EDA will consider remedial action, and possibly limit the amount of funds to the project. The Policy will apply to projects for which schematic design is initiated after June 28, 2018.

---

<sup>2</sup> Hendron, Robert and Cheryn Engebrecht. *Building America House Simulation Protocols*. National Renewable Energy Laboratory, October 2010. Found at: <http://www.nrel.gov/docs/fy11osti/49246.pdf>

## Project Timeline





## DMC Experience Strategy

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: September 17, 2018



### Overview:

The Destination Medical Center (DMC) Initiative sets forth a plan to transform Rochester from what is perceived to be largely a medical campus, into a vibrant urban center and one of America's model cities. To accomplish this, an over-all "Experience Strategy" is being created and aligned to enhance the quality of experience for patients, visitors and community members in Rochester. This comprehensive strategy is built upon the research and recommendations within the DMC Development Plan and collaboration with community partners/stakeholders.

DMC Development Plan Goal #5: Achieve the highest quality patient, companion, visitor, employee, and resident experience, now and in the future

#### Specific Objectives:

- Create strategies, programs and services that support a world class destination
- Develop strategies to enhance the quality of the experience for patients, visitors and residents In Rochester

#### Experience Strategy

- DMC worked with RSP Architects/Dreambox to help facilitate the creation of the DMC Experience Framework and Scorecard
- Workshops with primary Partners (Rochester Downtown Alliance, Experience Rochester, Mayo Clinic and DMC EDA) were held in June and July 2018
- A draft of the DMC Experience Framework and Scorecard have been created and are ready for testing

#### Rochester App Project

- For the past 12 months Experience Rochester, Mayo Clinic and DMC have been partnering on the development of a mobile app that will serve the needs of community members, patients and visitors

#### RST Airport Experience Improvement Project

- The Rochester community is dependent on the Rochester International Airport for patient, leisure and business travel. In Q1 2018 DMC, Mayo Clinic and RST Airport came together to build a plan to improve the over-all experience at the airport.
- In June 2018, the project moved into experimentation phase - a total of 5 experiments were be tested to improve the over-all experience at the airport. Experiments included:
  - o Patient Travel:

- Will destination travelers choose to fly RST if ground transportation is included?
- Anticipation of the patient traveler by greeting patient travelers by name as they arrive off the plane.

**Next Steps:**

Experience Strategy

- DMC is identifying test experience concepts for 2018 and 2019

Rochester App Project

- The app is expected to be completed in Q4 of 2018

RST Airport Experience Improvement Project

- Project teams are being identified for implementation



## Marketing & Communications Update 2018 Year-to-Date

---

### DMC Marketing Plan Objectives 2018 Year-to-Date:

- Build awareness and support DMC and Discovery Square development by driving qualified investor/developer, entrepreneur and life science leads and engagement
- Demonstrate continued momentum
- Drive traffic to targeted pages on DMC.mn, specifically Investor & Developer and Discovery Square pages
- Target Markets: Regional (upper Midwest) and select national audiences

### 2018 Results to Date:

#### Advertising Key Highlights

Investor & Developer landing page visits up 5x- now accounting for 14% of total traffic

131 leads generated through social media platforms

Robust digital strategy yielding high click through rate of 0.26% (national benchmark ranges from 0.08 – 0.15%)

Highest engaged markets: Colorado, Minnesota, Wisconsin, Illinois, Texas, Florida and Arizona

#### Website Analytics

DMC marketing efforts have been successful in driving increased traffic to key pages, including Investor & Developer, Discovery Square and Contact Us pages, with increased time spent on site and number of pages visited.

#### WEBSITE SESSIONS (VISITS), TIME ON SITE, PAGES VISITED

---

YTD Sessions	Time on Site	Pages Visits/Session	Developer Visits	Disc. Square Visits
61,165	+27.3%*	+11.5%*	+168.6%*	+169.3%*

(\*Compared to 2017)

---

## 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 = 77% Q2 = 81% Q3 = 81%**
<b>Geographic reach beyond Minnesota</b>	67% beyond Minnesota	Q1 = 69% Q2 = 72% Q3 = 72%**  **through 8/31

Marketing efforts to audiences beyond Rochester and Minnesota are producing impressive results. Current geographic reach includes about 75 cities across U.S. Fluctuations occur depending on content (i.e. local events will spike visits from local traffic) however goal is to be above 67% outside Minnesota consistently

Top cities beyond Rochester in order of visits include: Minneapolis, Chicago, Coffeyville, New York, Houston, St. Paul, San Francisco, Ashburn, St. Louis, Dallas, Philadelphia, LA, Washington D.C, Phoenix, Miami, Boston, Detroit, Seattle.

### Blogs and e-Newsletters (as of 8/31/18)

---

Blogs Published	Newsletter Sent	Subscribers Reached
<b>53</b>	<b>18</b>	<b>53,387</b>

Open rate is 31.8% over the past eight months/18 newsletters. (Industry avg. = 22%)

Click rate is 6.85% over the past eight months/18 newsletters. (Industry avg. = 2.2%)

---

### Social Media

In 2018, DMC has been increasing social media posting and presence to communicate progress on projects, events, educational resources & information available on the website with strong increases in followers and engagement over 2017.

---

Facebook Likes

Twitter Followers

LinkedIn Followers

6,693  
+11.1%

3,698  
+7.4%

364  
+243.4%

## Popular Posts: Mayo Clinic #1 Hospital in U.S., DMCC Board Projects Approval, Maps Page

The social media audience showed great interest in the Mayo Clinic #1 Hospital in the U.S. Banner dedication. The post reached an astounding 11,256 people organically, 526 reactions, and was shared 35 times. (This has been DMC's most popular post)

11,256 People Reached		
526 Reactions, Comments & Shares #		
426 Like	144 On Post	282 On Shares
44 Love	15 On Post	29 On Shares
2 Wow	1 On Post	1 On Shares
17 Comments	3 On Post	14 On Shares
37 Shares	35 On Post	2 On Shares
1,187 Post Clicks		
555 Photo Views	1 Link Clicks	631 Other Clicks #
NEGATIVE FEEDBACK		
1 Hide Post	0 Hide All Posts	
0 Report as Spam	0 Unlike Page	

DMCC Board approving new projects had strong engagement: 4,924 organically reached, 891 people clicked through to read more.

4,924 People Reached		
97 Reactions, Comments & Shares #		
64 Like	46 On Post	18 On Shares
4 Love	4 On Post	0 On Shares
4 Wow	4 On Post	0 On Shares
12 Comments	9 On Post	3 On Shares
14 Shares	13 On Post	1 On Shares
891 Post Clicks		
0 Photo Views	478 Link Clicks	413 Other Clicks #
NEGATIVE FEEDBACK		
1 Hide Post	1 Hide All Posts	
0 Report as Spam	0 Unlike Page	

## **Earned Media**

From January 1, 2018 – August 31, 2018, 1,416 DMC-related stories in the media were tracked.

Year-to-date story highlights include: Bloom Waterfront Project, Discovery Walk, Chateau Theater, New DMCC Board Members, Integrated Transit Studies, Games on the Grass, Alatus Groundbreaking, Vyriad Rochester Expansion, Ken Burns Mayo Clinic Documentary, DMCC Board Meeting/Development Approvals, One Discovery Square Topping Off, New Mayo Clinic CEO, Mayo Clinic #1 Hospital, DMC Twin Cities Visit,

## **DMC in the Community**



One Discovery Square Topping Off



Medical Alley Networking Event in Rochester



Minneapolis Best Practices Visit

## Discovery Square Trademark Update

To: DMC Corporation Board of Directors

From: DMC EDA Staff

Date: September 17, 2018



### **Overview:**

Discovery Square Trademark Applications have been filed and allowed in seven classifications which include: software; business services; business incubation; educational services; scientific and biomedical research; restaurant and catering services; legal services.

### **Next Steps:**

A Resolution granting DMC EDA authorization to act on behalf of the Destination Medical Center Corporation (DMCC) regarding the Discovery Square trademark will be presented to the DMCC board at its September 25, 2018 meeting.

Upon approval of the resolution, DMC EDA may begin licensing the Discovery Square mark to approved businesses and organizations via a trademark license agreement.





**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_-2018**

**Authorizing EDA as Agent for Discovery Square Trademark Licensing  
On Behalf of DMCC**

BACKGROUND RECITALS

A. The Destination Medical Center Development Plan (the “Plan”) presented a 16-block sub-district known as Discovery Square (the “Sub-District”) as a focal point to expand research, technology, and related businesses and to foster the continued growth of the bio-medical and bio-technology community.

B. The Destination Medical Center Corporation (“DMCC”) applied for federal registration of and owns the rights to the trademark known as DISCOVERY SQUARE (the “Licensed Mark”). The DMCC, the City of Rochester, Minnesota (the “City”), and the Destination Medical Center Economic Development Agency (“EDA”) have worked cooperatively and expended funds and other resources to develop and market the Sub-District and to create value in the Licensed Mark. Third parties doing business in the Sub-District may desire to be licensed to use the Licensed Mark for private business purposes.

C. The DMCC wishes to ensure the quality of the Licensed Mark, and to protect against any potential infringements or unauthorized uses. The DMCC and the EDA entered the Agreement for Destination Medical Center Services dated February 1, 2014 (the “Services Agreement”). The DMCC previously granted the EDA an oral license to use the Licensed Mark to perform its marketing duties under the Services Agreement and now wishes to reduce this oral agreement to writing. The DMCC wishes to authorize the EDA, as its authorized agent (“Agent”), to grant and monitor license rights to the Licensed Mark and to provide quality control, all as Work performed under the Services Agreement and as otherwise directed from time to time by the DMCC.

RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Corporation Board of Directors that the EDA is hereby granted a royalty-free, non-exclusive right, license and privilege with no right of sublicense, retroactive to May 31, 2017, to use the Licensed Mark to perform the Work as defined under and subject to the terms and conditions of the Services Agreement, and consistent with the Development Plan. The DMCC remains the sole owner of the Licensed Mark and retains the right to control the nature and quality of the services provided.

**BE IT FURTHER RESOLVED**, that the EDA is hereby designated as the Agent of the DMCC to grant to worthy applicants (“Third Party Licensees”) by written agreement (“License Agreement”) a non-exclusive, right, license and privilege to use the Licensed Mark consistent with the Development Plan and the Services Agreement. Such uses may include, without limitation, use of the Licensed Mark as part of a building name for any buildings located within the Sub-District (with internal and external signage and directories for said buildings); use in print and

digital marketing materials distributed to current and prospective tenants for said building; and use in online materials that describe said building and the other tenants of the building. A License Agreement may be executed only by the Executive Director or Chair of the Board of Directors of EDA after written approval by the Board of Directors of the EDA, and a License Agreement may include a fee payable by a Third Party Licensee to the EDA, as further provided below.

**BE IT FURTHER RESOLVED**, that as the Agent, the Board of Directors of the EDA may propose reasonable and appropriate annual fees for use of the Licensed Mark for review and approval by the DMCC. The EDA may not charge any fee to the City or any other public entity for use of the Licensed Mark. Unless otherwise directed by the DMCC, the fees shall be used by EDA to defray the cost of quality control, enforcement, review and approvals and other administrative time dedicated to the Licensed Mark, as well as the further development and marketing of the Sub-District, and other sub-districts identified in the Development Plan. The EDA shall provide regular updates to the DMCC, at least annually, as to the Work performed relating to the Licensed Mark, the Third Party Licensees, enforcement efforts and brand integrity, and the receipt and use of all fees received from Third Party Licensees of the Licensed Mark.

**BE IT FURTHER RESOLVED**, that as the Agent, the EDA shall safeguard and enforce the Licensed Mark against potential infringements or unauthorized users, and the DMCC shall assist with such efforts as reasonably needed. The EDA shall maintain federal registrations for the Licensed Mark consistent with the current use of the Licensed Mark. The EDA, as Agent, is hereby designated for the execution of documents required by the United States Patent and Trademark Office in connection with the registration and maintenance of the Licensed Mark (the “Trademark Documents”). Such Trademark Documents may include, without limitation, requests for extensions of time to file a Statement of Use, Statements of Use, Declarations of Use, Declarations of Incontestability, and Applications for Renewal. Only the Executive Director or Chair of the Board of Directors of the EDA may execute the Trademark Documents.

**BE IT FURTHER RESOLVED**, that the EDA shall, both on its own behalf and, as the Agent, require any Third Party Licensee to recognize and acknowledge by License Agreement that: (1) the Licensed Mark and all rights and goodwill pertaining thereto belong exclusively to DMCC, that all rights resulting from licensee’s use of the Licensed Mark inure to the benefit of DMCC, and that upon termination of the License Agreement, all rights in the Licensed Mark shall remain the property of DMCC; (2) it will in no way represent that it has any right, title or interest in the Licensed Mark other than those expressly granted hereunder or under the Agreement; (3) it will not use or attempt to register in any country or jurisdiction, (a) any mark comprising or containing the Licensed Mark, (b) any translations or other language versions of the Licensed Mark, or (c) any other trademark, trade name, domain name, internet keyword, social networking identifier, or other designation similar in whole or in part to the Licensed Mark or to any other trademark of the DMCC or the EDA; and (4) it will not challenge the DMCC’s rights in, or the validity or scope of, the Licensed Mark, or any application or registration therefor, or the EDA’s rights as the Agent, to enforce the Agreement.

**BE IT FURTHER RESOLVED**, that as the Agent, the EDA may establish reasonable use guidelines for the Licensed Mark, including a requirement that, except for signage and building directory listings, the most prominent use a licensee makes of the Licensed Mark must contain a trademark notice that states that “DISCOVERY SQUARE is a trademark owned by Destination

Medical Center Corporation and used under license” and that as a licensee EDA must follow such guidelines.

**BE IT FURTHER RESOLVED,** that this license and appointment as the Agent shall be valid for the duration of the Services Agreement, subject to further direction from time to time by written resolution of the DMCC. This resolution shall take effect upon the adoption by the EDA Board of Directors of a resolution acknowledging and accepting the terms and conditions of this resolution.





## 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 Campbell, Treasurer  
Kathleen Lamb, Attorney

FR: Dale Martinson, Assistant Treasurer

Date: September 18, 2018

RE: August 2018 Budget Summary



The attached financial summary through August 2018 reflects year-to-date DMCC expenditures of \$1,461,462 out of the approved 2018 budget plus carryover encumbrances totaling \$2,963,974. The remaining amount unspent represents 51% of the available budget with 4 months, or 33% of the year remaining.

You will remember at the end of 2017, DMC EDA staff received approval of a budget carryover encumbrance of \$111,868.49 which represented open contracts at year-end 2017. There was still \$9,601 of this encumbrance remaining on August 31<sup>st</sup> of this year.

The second page of this summary provides a listing of DMCC authorized projects managed by the City of Rochester. A total of \$3.2 million has been spent on these projects in 2018 through August 31<sup>st</sup>. The largest share of spending was for the construction of the Broadway @ Center Parking Ramp followed by the DMCC Street Use Study. Total life-to-date expenditures on these projects was approaching \$28.6 million.

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





Destination Medical Center Corporation  
**Financial Budget Summary**  
**August 2018**

	2018 Approved Approved Budget	Curent Month August 2018	August 2018 Year To Date	Amount Remaining	Percent Remaining
<b>General Administrative Expenses</b>	41,200	2	16,142	25,058	61%
<b>Professional Services</b>	294,500	19,054	102,482	192,018	65%
<b>Insurance and Bonds</b>	20,000		11,041	8,959	45%
<b>City Support Expenses</b>		-	-	-	
<b>Subtotal DMCC</b>	<b>355,700</b>	<b>19,056</b>	<b>129,665</b>	<b>226,036</b>	<b>64%</b>
<b>Third Party Costs - DMC EDA **</b>					
Payroll, Staff, Administration & Benefits-EDA	724,740	66,986	386,874	337,866	47%
Operating Expenses	30,220	17,438	92,716	(62,496)	-207%
Operational Costs - Contracted	43,880	1,179	16,103	27,777	63%
Economic Development Outreach & Support	760,672	63,502	272,002	488,670	64%
Professional Services	871,894	87,451	416,917	454,977	52%
Miscellaneous Expenses	65,000		44,917	20,083	31%
<b>Subtotal EDA</b>	<b>2,496,406</b>	<b>236,557</b>	<b>1,229,530</b>	<b>1,266,876</b>	<b>51%</b>
<b>Total DMCC 2018</b>	<b>2,852,106</b>	<b>255,613</b>	<b>1,359,194</b>	<b>1,492,912</b>	<b>52%</b>
<b>2017 Budget Carryover - Encumbered Funds for Contracts</b>	<b>111,868</b>	<b>-</b>	<b>102,267</b>	<b>9,601</b>	<b>9%</b>
<b>Totals in 2018 Including Encumbrance</b>	<b>2,963,974</b>	<b>255,613</b>	<b>1,461,462</b>	<b>1,502,513</b>	<b>51%</b>
** An additional MAP request in the amount of \$84,508.97 was received in September for August DMC EDA expenses					
		DMCC	Working Capital Note	1,000	
		EDA	Working Capital Note	50,000	

DMCC Projects  
 Managed by the City of Rochester  
 As of August 31, 2018

Project	YTD Expenditures	Project Budget	Life To Date Expenditures
8611C- - Sn/S12AvSW/NW<2StSW>2StNW	194,381	2,850,000	302,012
8612C- - WZmbrRvrSn/SRIfLin<CookPk>CCDr	8,079	950,000	46,036
8613C- - ChateauTheatrePre-OccupancyM&O	40,295	3,326,802	238,801
8614C- - DMCTransit&InfrastrctrPgrmMgmt	379,393	1,800,000	1,523,554
8617C- - Broadway @ Center Parking Ramp	733,913	10,500,000	10,500,000
8618C- - SharedParkngStudy&PrgmDevlpmnt	252,354	2,061,854	1,526,013
8620C- - City Loop Plan	221,305	1,209,938	942,126
8621C- - Transit Circulator Study	343,808	2,241,532	1,641,817
8623C- - DMCC Street Use Study	673,493	3,117,708	2,769,189
8624C- - ChateauTheatreBldgImprov/Purch	74,388		6,822,917
8625C- - Heart of the City		948,940	598,936
8626C- - Sn/SUsize1Av&3AvSE<4StS>1StN	273,890	5,000,000	1,715,377
<b>Grand Total</b>	<b>3,195,300</b>	<b>34,006,774</b>	<b>28,626,778</b>

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. \_\_\_-2018

Approving the 2019 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 2019 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 2019 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>
Tuesday, February 5, 2019	9:30 a.m.	Mayo Civic Center
Thursday, May 23, 2019	9:30 a.m.	Mayo Civic Center
Thursday, September 26, 2019	9:30 a.m.	Mayo Civic Center
Tuesday, November 12, 2019	9:30 a.m.	Mayo Civic Center