



DMC
Destination
Medical Center

Destination Medical Center Corporation
Executive Committee Meeting

Thursday, March 21, 2019

9:30 A.M.

Mayo Civic Center

Rochester, Minnesota

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

March 21, 2019
9:30 A.M.

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes: February 1, 2018
- V. April 1 Report to DEED (Presenters: Doug Holtan, Mayo Clinic; Terry Spaeth, City)
Resolution No. EC-5-2019: Authorizing April 1 Report to DEED Pursuant to Statute
- VI. EDA: Request for 2018 Budget Encumbrance
- VII. Other
- VIII. Adjournment

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

February 1, 2018

MINUTES

- I. Call to Order. Acting Chair Jim Bier called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Suite 111, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Acting Chair Bier and R.T. Rybak. Mayor Ardell Brede was present.
- III. Approval of Agenda. Mr. Rybak moved approval of the agenda. Mr. Bier seconded.
Ayes (2), Nays (0), Motion carried.
- IV. Approval of Minutes: May 24, 2017. Mr. Rybak moved approval of the Minutes. Mr. Bier seconded.
Ayes (2), Nays (0), Motion carried.
- V. DMCC/City Report to the Legislature, Due by February 15, 2018. Mr. Bier invited Lisa Clarke, EDA Executive Director, to present the proposed DMC annual report to the Legislature. Mr. Bier noted that reporting on an annual basis allows the Board and public to take a full view of the strategic, incremental implementation of the DMC development plan and realize the depth and breadth of economic development activity.

Ms. Clarke presented the proposed report. She specifically noted the certification of more than \$297 million in private investment and the strategic efforts being made by community, regional, and state stakeholders to fulfill the goals of the DMC development plan.

Resolution No. EC-4-2018: Authorizing Report to the Legislature Pursuant to Statute. Mr. Bier moved approval of the annual report to the Legislature. Mr. Rybak seconded.
Ayes (2), Nays (0), Motion carried.
- VI. EDA: Request for 2017 Budget Encumbrance. Patrick Seeb, EDA Economic Development and Placemaking Director and Gary Neumann, Assistant City Administrator, presented the joint City-EDA budget encumbrance request. The request allocates funds for the purpose of public realm design work for Heart of the City and Discovery Walk that was budgeted for and initiated in 2017, and includes a

portion of work that continued into 2018. Mr. Neumann noted that the DMCC had previously encumbered funds to complete work activities.

Mr. Bier congratulated Mr. Neumann on his impending retirement.

Mr. Rybak moved approval of the encumbrance request. Mr. Bier seconded.

Ayes (2), Nays (0), Motion carried.

VII. Other. Mr. Bier invited members of the public to review the annual report to the Legislature.

VIII. Adjournment. Mr. Rybak moved to adjourn the meeting. Mr. Bier seconded.

Ayes (2), Nays (0), Motion carried.

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

RESOLUTION NO. EC-5-2019

Authorizing April 1 Report to DEED Pursuant to Statute

BACKGROUND RECITALS

A. Minnesota Statutes, Section 469.47, provides that by April 1 of each year, the medical business entity (Mayo Clinic) must certify to the Commissioner of the Department of Employment and Economic Development (“DEED”) the amount of expenditures made by Mayo Clinic in the preceding year. For expenditures made by an individual or entity other than Mayo Clinic, the Destination Medical Center Corporation (“DMCC”) must compile the information on the expenditures and may certify the amount to DEED. The certification to DEED must be in the form prescribed by DEED and include any documentation and supporting information regarding the expenditures that DEED requires. By August 1 of each year, DEED must determine the amount of expenditures for the previous year.

B. Staff from the City of Rochester and the Destination Medical Center Economic Development Agency (“EDA”) have prepared the draft report, due on April 1, 2019, attached hereto as Exhibit A.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Destination Medical Center Corporation Board of Directors that the Chair or Treasurer of the DMCC is authorized to execute and submit the report to the Minnesota Department of Employment and Economic Development as required by Minnesota Statutes, Section 469.47, in form similar to the form attached hereto as Exhibit A, as may be modified through further discussions with Mayo Clinic or the City of Rochester, and to take such other actions as are necessary and appropriate to effectuate the timely submission of the report to DEED.

EXHIBIT A

MEMO

To: Jim Bier, DMC Corporation Treasurer

From Dale Martinson, DMC Corporation Assistant Treasurer

Date: 3/13/2019

RE: Request for 2018 Budget Encumbrance

The DMC EDA, from time to time, uses consultants to complete the work designated in the DMC plan. This work varies in scope and complexity and due to the detailed nature of some of this work it may take several months to complete once we have a signed contract.

Two projects were planned, budgeted, and scheduled as part of the 2018 work plan and were to be paid out of the Master Application for Payment (MAP) process. These projects are the Rochester Visitor and Experience application software (APP) and the schematic design associated with Transportation Development by the Minnesota Design Center. The APP is a joint venture between Experience Rochester and The DMC with its goal to provide residents and visitors a method of navigating their way through the DMC District and the city of Rochester. The schematic design associated with Transportation Development is part of the larger Transit Circulator planned for the downtown Rochester area. This deliverable will be used as a basis for discussion as the final planning proceeds.

For the APP we have an agreement in principal and are finalizing the contract and no funding has been contributed to date. For the Transportation Development schematic design we executed an agreement in 2018 for this work and have begun processing the invoices as the work progresses.

The amount of encumbrance for each of these projects is

- \$100,000 for the development of the APP
- \$31,426 for the schematic design associated with Transportation Development

Work on both 2018 projects continues and will be complete in 2019. The combined outstanding balance is \$131,426 (see table below).

The DMC EDA, with agreement from the City, is requesting the DMC Corporation Board allow the total funding for these projects of \$131,426 be carried forward to the 2019 budget as this represents funding scheduled and agreed to in 2018 but not yet completed.

	Original 2018 Budget	Actual 2018 Budget Expenditures Through December 2018	2018 Budget Surplus as of 12/31/2018	Projects Approved and Under Contract in 2018 not completed
Master Application for Payment		\$ 1,382,086		
Tranche Advance Requests		<u>815,971</u>		
Total	\$ 2,496,406	<u>\$ 2,198,057</u>	<u>\$ 298,349</u>	\$ 131,426
REQUEST				
2019 Approved Budget	\$ 2,571,406			
Encumbrance of Contracts Not Complete	<u>131,426</u>			
Ammended 2019 Budget w/ Carryforward	<u>\$ 2,702,832</u>			