



DMC  
Destination  
Medical Center

Destination Medical Center Corporation  
Board of Directors Meeting

Friday, October 18, 2019

2:00 P.M.

Mayo Civic Center  
Rochester, Minnesota



DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Friday, October 18, 2019  
2:00 P.M.

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DESTINATION MEDICAL CENTER CORPORATION (DMCC)  
BOARD MEETING

Thursday, May 23, 2019  
9:30 A.M.

MINUTES

- I. Call to Order. Chair R.T. Rybak called the meeting to order at 9:30 a.m. at Mayo Civic Center Suite 101, located at 30 Civic Center Drive, Rochester, MN 55904.

Chair Rybak noted the recent resignation of Dana Bailey from the DMCC and thanked Ms. Bailey for her service.

- II. Roll Call. Chair R.T. Rybak, Mayor Kim Norton, Michael Dougherty, Jim Campbell, Paul Williams, Commissioner Jim Bier and Council Member Nick Campion were present.

- III. Approval of Agenda. Commissioner Bier moved approval of the agenda. Mr. Campbell seconded.

Ayes (7), Nays (0). Motion approved.

- IV. Approval of Minutes: February 5, 2019. Council Member Campion moved approval of the Minutes. Mayor Norton seconded.

Ayes (7), Nays (0). Motion approved.

- V. Public Comment Period. Paula Hardin, Rochester resident, commented on the accessibility of the Mayo Civic Center, the universal design elements included in the proposed Heart of the City design, and the Rochester Public Library.

Dr. Yvonne Cariveau, director of the Minnesota State University-Mankato Center for Innovation and Entrepreneurship, commented on the assistive technology workshops MSU-Mankato has launched with the EDA.

Julie Hetlam, of Moka coffee shops, stated that Moka is opening a new location on Peace Plaza.

- VI. Chair's Report. Chair Rybak congratulated the EDA for several recent awards and commendations, including Executive Director Lisa Clarke's nomination as a 2019 top-50 "women in business" honoree by the Minneapolis-Saint Paul Business Journal; the EDA's recognition as a leading economic development non-profit by Finance & Commerce; and Patrick Seeb's (Director, Economic Development and Placemaking) nomination as one of 2019's "100 people to know" by Twin Cities Business.

Chair Rybak highlighted current DMC activities and priorities and stated that today's meeting would advance several priorities, including transportation and transit villages, community affordable housing efforts, common ground/public space, Heart of the City planning, and Chateau Theatre operations.

- A. Appointment of Secretary. Chair Rybak nominated Paul Williams as Board secretary. Mr. Dougherty seconded.

Ayes (7), Nays (0). Motion approved.

Commissioner Bier moved to elect Secretary Williams to the DMCC Executive Committee. Mayor Norton seconded.

Ayes (7), Nays (0). Motion approved.

- VII. DMC Metrics: Update. Ms. Clarke presented the DMC metrics update, and highlighted private investment to-date compared to the projected private investment that was included in the 2015 DMC Development Plan.

Mr. Dougherty asked if the EDA could provide data that illustrate the property tax revenues generated by DMC development. Ms. Clarke replied that EDA staff continue to work with City of Rochester and Olmsted County staff to collate these data and committed to distributing the information to the Board once it is available.

- VIII. Consent Agenda. Commissioner Bier moved approval of the three resolutions on the Consent Agenda. Mr. Dougherty seconded.

- A. Certification of Expenditures to DEED  
Resolution A: Ratifying and Confirming the Revised April 1 Report to DEED Pursuant to Statute
- B. Commending Dana Bailey  
Resolution B: Commending Dana Bailey for Her Service
- C. Amendment to Working Capital Loan  
Resolution C: Approving the First Amendment to and Execution of Amendments to Working Capital Loans

Ayes (7), Nays (0). Motions approved.

- IX. DMCC Audit for Year Ending December 31, 2018. Craig Popenhagen of CliftonLarsonAllen reviewed the 2018 DMCC audit. He provided required legal communications, noted that the audit opinion is "clean," and that there were no internal control or state legal compliance findings. State and federal tax return extensions have been filed.

Commissioner Bier stated that he participated in the audit exit interview and thanked Mr. Popenhagen for his work. Commissioner Bier then moved approval of the audit. Mr. Campbell seconded.

Ayes (7), Nays (0). Motion approved.

- X. 2020 DMCC Funding Request: Process and Timeline. Ms. Clarke set forth the components of the funding request and the timeline for approval of the funding request. A proposed list of 2020 priorities was presented, which tentatively included Heart of the City, Discovery Square, transportation, strategic public infrastructure, and transformative private investment.

Chair Rybak indicated support for the fifth category, and stated that the first two categories should be combined, and specificity added for housing and workforce. Mayor Norton asked for a breakdown showing funding sources to date with respect to private investment and City expenditures. Council Member Campion asked if there was a plan for strategic and transformative private investment. Mr. Williams asked how DMC would catalyze and shape the private market for housing. Ms. Clarke stated that the EDA will edit the proposed priorities to reflect the Board's discussion and distribute the revised priorities as the 2020 funding request is created.

- XI. Affordable Housing Update. Mr. Seeb introduced Kevin Bright, EDA/City of Rochester Energy and Sustainability Director, Terry Spaeth, City Assistant City Administrator, Dave Dunn, Olmsted County

Housing and Redevelopment Authority Director, and Steve Borchardt, Rochester Area Foundation Housing Initiative Director.

Mr. Dunn provided the status of current housing market conditions and outlined the four areas to which DMC could contribute: financial considerations, technical assistance, improving housing market data, and enhancing developer capacity. Mr. Borchardt described the organization, funding, and strategies of the Coalition for Rochester Area Housing (the "Coalition"). Mr. Spaeth described the City's housing efforts, noting that the Coalition arrangement has allowed the various stakeholders to leverage available local, state and federal resources. The City's most prevalent development tool is tax-increment financing, and the City's TIF standards favor affordable housing development.

Mr. Borchardt and Mr. Dunn highlighted some early Coalition successes and stated that nearly \$3 million has been invested by the Coalition to-date. Mr. Dunn suggested several ways the DMCC may be able to assist these efforts, including investing DMC funding, leveraging DMC events and the relationships of Board and staff to encourage additional development interest, or investing in a housing equity fund.

Chair Rybak asked for an additional update at the next meeting and if affordable housing development at the transit villages could create additional affordable housing supply. Mr. Williams encouraged the continued development of market-rate housing and suggested that the Board think creatively about building affordability into new development.

## XII. Project Updates.

- A. Transportation. Mr. Seeb set forth the criteria for the transit circulator route and mode, described the agreement framework for the transit villages, and outlined the timeline for applying for federal funding.

Commissioner Bier stated that the County Board would like to locate the southeast transit village at the Seneca Foods property to preserve Graham Park's green space. Council Member Champion highlighted several points related to the potential use of the Seneca Foods site as a transit village, including the final closing costs paid by the County and the importance of aligning objectives between the City, County, and DMC stakeholders. Aaron Parrish, Deputy City Administrator, stated that EDA and City staff are working with County staff to evaluate the Seneca Foods site and provide a range of options for DMCC consideration. Chair Rybak noted that creating the transit villages could potentially require amending the DMC Development District.

Mayor Norton indicated that light rail could be an appealing mode option. Mr. Seeb noted that staff are using objective criteria to determine the best route and mode, noting that effective parking and transit can eliminate congestion and reduce the need to dedicate downtown real estate to parking ramps.

- B. Heart of the City. Mr. Seeb stated that the DMCC is being asked to approve the Heart of the City phase 1 design so that construction documents can be created, and invited Shane Coen of Coen+Partners to present to the Board. Mr. Coen outlined the key goals and scope of the project.

Mayor Norton said that the design reflects a willingness to listen to the community, complimented the prototyping activities and sustainability and accessibility aspects, and thanked staff for listening to the community.

Resolution D: Approving Design Development for the Heart of the City Project. Mr. Williams moved approval of the resolution. Mr. Campbell seconded.

Ayes (7), Nays (0). Motion approved.

- C. Chateau Theatre. Mr. Seeb reported that the City has undertaken interim renovations to prepare the venue for activation. After the issuance of a request for proposals, Minnesota-based and woman-owned Exhibits Design Group (EDG) was selected as the operator. Programming will begin in 2019 and continue for three to five years until a permanent use is determined.
- D. Discovery Square. Chris Schad, EDA Business Development Director, noted that One Discovery Square will host a ribbon-cutting on June 10, 2019 and described additional investment and development activity in the subdistrict. Discovery Walk public space development efforts are ongoing, and discussions are beginning regarding the development of Two Discovery Square.

- XIII. Energy Integration Committee. Kevin Bright, EDA Energy and Sustainability Director, provided an update on energy and sustainability activities. Mr. Bright stated that the Board is being asked to endorse the ongoing work of the Energy Integration Committee, which was established by the DMCC in 2016 to coordinate efforts to realize DMC Development Plan energy goals. Mr. Bright also described current projects, including an effort to increase the size of City, County, and Mayo Clinic electric vehicle fleets. Chair Rybak thanked the McKnight Foundation for its ongoing support.

Resolution E: Receiving Energy Integration Committee Materials and Affirming Goals. Mayor Norton moved approval of the resolution. Mr. Williams seconded.

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

- XIV. EDA Update.

- A. Development Plan 5 Year Update. Ms. Clarke briefly described the draft process and timeline for completing the five-year update of the DMC Development Plan.

- XV. DMCC 2019 Budget: Year to Date Update. The update was provided in Board Members' packets.

- XVI. Meeting Schedule:

- A. Next Regular Meeting: September 26, 2019 at 9:30 A.M.

- XVII. Adjournment. Mayor Norton moved to adjourn the meeting. Commissioner Bier seconded.

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





CONNECTING & INNOVATING  
SINCE 1913

## LIABILITY COVERAGE – WAIVER FORM

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

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

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

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

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

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

Check one:

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

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

Signature \_\_\_\_\_

Position \_\_\_\_\_

## DESTINATION MEDICAL CENTER CORPORATION

## RESOLUTION NO. \_\_\_\_ -2019

## Approving the 2020 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 2020 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 2020 schedule on the website and to post notification by such other means as he determines necessary and appropriate.

<u>Date</u>	<u>Time</u>	<u>Location</u>
Thursday, February 6, 2020	9:30 a.m.	Mayo Civic Center
Thursday, May 28, 2020	9:30 a.m.	Mayo Civic Center
Thursday, September 24, 2020	9:30 a.m.	Mayo Civic Center
Thursday, November 19, 2020	9:30 a.m.	Mayo Civic Center

# Destination Medical Center Corporation

September 26, 2019

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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



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## 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 22) – contributors
- Schedule R (page 31) – related organizations
- No unrelated business income for 2018
- Filing deadline is November 15, 2019



## Charitable Organization Annual Report

- Filed with Minnesota Attorney General's Office Charities Division
- No changes in tax-exempt status (page 1)
- No changes in organizational purpose or programs (page 1)
- No changes in ability to solicit contributions (page 2)
- No compensation paid in excess of \$100,000 (page 2)
- Filing deadline November 15, 2019



## 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)

**Katherine Lutzke, Senior**

**507-280-2314**

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6



**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](http://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:** 12312018

mm/dd/yyyy

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

**Mailing Address:**

**DALE MARTINSON**

Contact Person

**201 4TH STREET SE, NO. 204**

Street Address

**ROCHESTER, MN 55904**

City, State, and ZIP Code

**507-328-2850**

Phone Number

**DMARTINSON@ROCHESTERMN.GOV**

Email Address

**Physical Address:**

**DALE MARTINSON**

Contact Person

**201 4TH STREET SE, NO. 204**

Street Address

**ROCHESTER, MN 55904**

City, State, and ZIP Code

**507-328-2850**

Phone Number

**DMARTINSON@ROCHESTERMN.GOV**

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: \$ 2,581,655.

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.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1. Grants and other assistance to governments and organizations in the U.S.				
2. Grants and other assistance to individuals in the U.S.				
3. Grants and other assistance to governments, organizations, and individuals outside the U.S.				
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 contributions (include section 401(k) and section 403(b) employer contributions)				
9. Other employee benefits				
10. Payroll taxes				
11. Fees for services (non-employees):				
a. Management				
b. Legal				
c. Accounting				
d. Lobbying				
e. Professional fundraising services				
f. Investment management fees				
g. Other				
12. Advertising and promotion				
13. Office expenses				
14. Information technology				
15. Royalties				
16. Occupancy				
17. Travel				
18. Payments of travel or entertainment expenses for any federal, state, or local public officials				
19. Conferences, conventions, and meetings				
20. Interest				
21. Payments to affiliates				
22. Depreciation, depletion, and amortization				
23. Insurance				
24. Other expenses. Itemize expenses not covered above. Expenses labeled miscellaneous may not exceed 5% of total expenses (Line 25).				
a.				
b.				
c.				
d.				
25. Total functional expenses. Add lines 1 through 24d				
26. Joint costs. 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.

JAMES V. BIER

Name (Print)

Signature

TREASURER

Title

Date

R.T. RYBAK

Name (Print)

Signature

CHAIR

Title

Date

Form **990**Department of the Treasury  
Internal Revenue Service**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.

OMB No. 1545-0047

**2018**Open to Public  
Inspection**A For the 2018 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</b> Name of organization <b>DESTINATION MEDICAL CENTER CORPORATION</b>		<b>D</b> Employer identification number <b>46-4959371</b>
	Doing business as		<b>E</b> Telephone number <b>507-328-2850</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	<b>201 4TH STREET SE</b>	<b>204</b>	<b>G</b> Gross receipts \$ <b>2,581,669.</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>ROCHESTER, MN 55904</b>		
<b>F</b> Name and address of principal officer: <b>R.T. RYBAK</b> <b>SAME AS C ABOVE</b>			<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</b> Tax-exempt status: <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</b> Website: ▶ <b>WWW.DMC.MN</b> <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ <b>L</b> Year of formation: <b>2013</b> <b>M</b> State of legal domicile: <b>MN</b>			

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>PLANNING &amp; IMPLEMENTATION OF DESTINATION MEDICAL CENTER DEVELOPMENT IN DOWNTOWN ROCHESTER, MN.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>8</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>8</b>
	<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a)	<b>5</b>	<b>0</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>8</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 38	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> <b>2,471,264.</b>	<b>Current Year</b> <b>2,581,655.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>0.</b>	<b>0.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>6.</b>	<b>14.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>0.</b>	<b>0.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,471,270.</b>	<b>2,581,669.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>2,471,270.</b>	<b>2,581,669.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>2,471,270.</b>	<b>2,581,669.</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>0.</b>	<b>0.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b> <b>485,733.</b>	<b>End of Year</b> <b>271,239.</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>485,733.</b>	<b>271,239.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>0.</b>	<b>0.</b>

**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		Date	
	<b>JAMES V. BIER, TREASURER</b> Type or print name and title			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>CRAIG POPENHAGEN</b>	Preparer's signature <b>CRAIG POPENHAGEN</b>	Date <b>08/19/19</b>	Check if self-employed <input type="checkbox"/> PTIN <b>P01587689</b>
	Firm's name ▶ <b>CLIFTONLARSONALLEN LLP</b>	Firm's EIN ▶ <b>41-0746479</b>		
	Firm's address ▶ <b>2689 COMMERCE DRIVE. NW, SUITE 201 ROCHESTER, MN 55901</b>		Phone no. <b>507-280-2300</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 ☒**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 ☒ 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 ☒ 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 \$ 2,370,604. 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 **2,370,604.**Form **990** (2018)

**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>	<b>1</b> X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<b>2</b> 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>	<b>3</b>	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>	<b>4</b>	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>	<b>5</b>	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>	<b>6</b>	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>	<b>7</b>	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>	<b>8</b>	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>	<b>9</b>	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>	<b>10</b>	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>	<b>11a</b>	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>	<b>11b</b>	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>	<b>11c</b>	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>	<b>11d</b> 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>	<b>11e</b> 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>	<b>11f</b>	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>	<b>12a</b> 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>	<b>12b</b>	X
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<b>13</b>	X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?	<b>14a</b>	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>	<b>14b</b>	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>	<b>15</b>	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>	<b>16</b>	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>	<b>17</b>	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>	<b>18</b>	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>	<b>19</b>	X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<b>20a</b>	X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<b>20b</b>	
<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>	<b>21</b>	X



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

	Yes	No
<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> .....	<b>22</b>	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> .....	<b>23</b>	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> .....	<b>24a</b>	X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....	<b>24b</b>	
<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>24c</b>	
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....	<b>24d</b>	
<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> .....	<b>25a</b>	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> .....	<b>25b</b>	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> .....	<b>26</b>	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> .....	<b>27</b>	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> .....	<b>28a</b>	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> .....	<b>28b</b>	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> .....	<b>28c</b>	X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	<b>29</b>	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> .....	<b>30</b>	X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....	<b>31</b>	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> .....	<b>32</b>	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> .....	<b>33</b>	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> .....	<b>34</b>	X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	<b>35a</b>	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>35b</b>	
<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> .....	<b>36</b>	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> .....	<b>37</b>	X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	<b>38</b>	X

**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 ☐

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....	<b>1a</b>	2
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....	<b>1b</b>	0
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	<b>1c</b>	

**Part V** Statements Regarding Other IRS Filings and Tax Compliance (continued)

	Yes	No
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b	
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
<b>b</b> If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	7d	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	9a	
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
<b>10 Section 501(c)(7) organizations.</b> Enter:		
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	10a	
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
<b>11 Section 501(c)(12) organizations.</b> Enter:		
<b>a</b> Gross income from members or shareholders	11a	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state?	13a	
<b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b> Enter the amount of reserves on hand	13c	
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	
<b>15</b> Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	15	X
If "Yes," see instructions and file Form 4720, Schedule N.		
<b>16</b> Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16	X
If "Yes," complete Form 4720, Schedule O.		

Form 990 (2018)

**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 ..... <b>1a</b> 8 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>b</b> Enter the number of voting members included in line 1a, above, who are independent ..... <b>1b</b> 8		
<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? .....	<b>2</b>	<b>X</b>
<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? .....	<b>3</b>	<b>X</b>
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....	<b>4</b>	<b>X</b>
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? .....	<b>5</b>	<b>X</b>
<b>6</b> Did the organization have members or stockholders? .....	<b>6</b>	<b>X</b>
<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? .....	<b>7a</b>	<b>X</b>
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? .....	<b>7b</b>	<b>X</b>
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? .....	<b>8a</b>	<b>X</b>
<b>b</b> Each committee with authority to act on behalf of the governing body? .....	<b>8b</b>	<b>X</b>
<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 .....	<b>9</b>	<b>X</b>

**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? .....	<b>10a</b>	<b>X</b>
<b>b</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>10b</b>	
<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? .....	<b>11a</b>	<b>X</b>
<b>b</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 .....	<b>12a</b>	<b>X</b>
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? .....	<b>12b</b>	<b>X</b>
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done .....	<b>12c</b>	<b>X</b>
<b>13</b> Did the organization have a written whistleblower policy? .....	<b>13</b>	<b>X</b>
<b>14</b> Did the organization have a written document retention and destruction policy? .....	<b>14</b>	<b>X</b>
<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>a</b> The organization's CEO, Executive Director, or top management official .....	<b>15a</b>	<b>X</b>
<b>b</b> Other officers or key employees of the organization .....	<b>15b</b>	<b>X</b>
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? .....	<b>16a</b>	<b>X</b>
<b>b</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? .....	<b>16b</b>	

**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 (1024 or 1024-A 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**



<b>1b Sub-total</b> .....	0.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b> .....	0.	0.	0.
<b>d Total (add lines 1b and 1c)</b> .....	0.	0.	0.

3	Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> .....	3	X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> .....	4	X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> .....	5	X

2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization	2
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**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>	2,581,655.					
	<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 .....	▶			2,581,655.			
<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) .....		▶		14.		14.
<b>4</b> Income from investment of tax-exempt bond proceeds .....		▶						
<b>5</b> Royalties .....		▶						
		(i) Real	(ii) Personal					
<b>6 a</b> Gross rents .....								
<b>b</b> Less: rental expenses .....								
<b>c</b> Rental income or (loss) .....								
<b>d</b> Net rental income or (loss) .....		▶						
		(i) Securities	(ii) Other					
<b>7 a</b> Gross amount from sales of assets other than inventory .....								
<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 .....		▶		2,581,669.	0.	0.	14.	

**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 .....	160,503.		160,503.	
c Accounting .....	4,050.		4,050.	
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.) .....	8,019.		8,019.	
12 Advertising and promotion .....				
13 Office expenses .....				
14 Information technology .....				
15 Royalties .....				
16 Occupancy .....	24,050.		24,050.	
17 Travel .....	272.		272.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings .....				
20 Interest .....	1,401.	1,401.		
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....				
23 Insurance .....	14,171.		14,171.	
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 <b>PROGRAM COSTS</b> .....	2,369,203.	2,369,203.		
b .....				
c .....				
d .....				
e All other expenses .....				
25 <b>Total functional expenses.</b> Add lines 1 through 24e	2,581,669.	2,370,604.	211,065.	0.
26 <b>Joint costs.</b> 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 .....	894.	<b>2</b>	1,166.
	<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 .....	103,678.	<b>9</b>	52,939.
	<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 .....	381,161.	<b>15</b>	217,134.
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	485,733.	<b>16</b>	271,239.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	331,055.	<b>17</b>	167,300.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	103,678.	<b>19</b>	52,939.
	<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</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	485,733.	<b>26</b>	271,239.
<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 .....	485,733.	<b>34</b>	271,239.	

Form 990 (2018)



**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>	2,581,669.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	2,581,669.
<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 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: 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 Consolidated basis 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 (2018)



**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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	5416446.	3605187.	2288339.	2471264.	2581655.	16362891.
<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 .....	5416446.	3605187.	2288339.	2471264.	2581655.	16362891.
<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.						16362891.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>7</b> Amounts from line 4 .....	5416446.	3605187.	2288339.	2471264.	2581655.	16362891.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...	1.	1.	1.	6.	14.	23.
<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						16362914.
<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 2018 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2017 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2018.</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 .....		
<b>b 33 1/3% support test - 2017.</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 .....		
<b>17a 10% -facts-and-circumstances test - 2018.</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 .....		
<b>b 10% -facts-and-circumstances test - 2017.</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 .....		
<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 .....		

Schedule A (Form 990 or 990-EZ) 2018

**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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2017 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2017 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2018.** 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 - 2017.** 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</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</b> <b>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 (as 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>11a</b>		
<b>b</b> A family member of a person described in (a) above?		
<b>11b</b>		
<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 <b>Part VI</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 <b>Part VI</b> 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>1</b>		
<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 <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
<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 <b>Part VI</b> 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>1</b>		
<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 <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>2</b>		
<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 <b>Part VI</b> the role the organization's supported organizations played in this regard.		
<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 <b>line 2</b> below.			
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.			
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).			
<b>2</b> Activities Test. Answer (a) and (b) below.			
<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 <b>Part VI</b> 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>2a</b>			
<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 <b>Part VI</b> 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>2b</b>			
<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 <b>Part VI</b> .			
<b>3a</b>			
<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 <b>Part VI</b> the role played by the organization in this regard.			
<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.

Section A - Adjusted Net Income		(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	

Section B - Minimum Asset Amount		(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	

Section C - Distributable Amount			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).		

Schedule A (Form 990 or 990-EZ) 2018

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

<b>Section D - Distributions</b>	<b>Current Year</b>
<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 2018 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

<b>Section E - Distribution Allocations</b> (see instructions)	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2018</b>	<b>(iii) Distributable Amount for 2018</b>
<b>1</b> Distributable amount for 2018 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2018			
<b>a</b> From 2013			
<b>b</b> From 2014			
<b>c</b> From 2015			
<b>d</b> From 2016			
<b>e</b> From 2017			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2018 distributable amount			
<b>i</b> Carryover from 2013 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2018 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2018 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2018, 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 2018. 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 2019.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2014			
<b>b</b> Excess from 2015			
<b>c</b> Excess from 2016			
<b>d</b> Excess from 2017			
<b>e</b> Excess from 2018			

Schedule A (Form 990 or 990-EZ) 2018



**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

**2018**

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) organization4947(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 (entering "N/A" in column (b) instead of the contributor name and address), 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).

Name of organization

Employer identification number

DESTINATION MEDICAL CENTER CORPORATION

46-4959371

**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	\$ 2,581,655.	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.)



Name of organization

Employer identification number

**DESTINATION MEDICAL CENTER CORPORATION****46-4959371****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
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	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

**2018****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).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> 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) 2018

**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

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other \_\_\_\_\_

c ☐ Preservation for future generations

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
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

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:

(i) unrelated organizations

(ii) related organizations

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

	Yes	No
3a(i)		
3a(ii)		
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.

Schedule D (Form 990) 2018

**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	167,134.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	217,134.

**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 D (Form 990) 2018





**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

**2018**

Open to Public  
Inspection

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

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 OLMTED 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.

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

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

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

Schedule O (Form 990 or 990-EZ) (2018)

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

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

**2018**

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

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

Schedule R (Form 990) 2018



**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.

	Yes	No
<b>1</b> 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?		
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....	<b>1a</b>	X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	<b>1b</b>	X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	<b>1c</b>	X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	<b>1d</b>	X
<b>e</b> Loans or loan guarantees by related organization(s) .....	<b>1e</b>	X
<b>f</b> Dividends from related organization(s) .....	<b>1f</b>	X
<b>g</b> Sale of assets to related organization(s) .....	<b>1g</b>	X
<b>h</b> Purchase of assets from related organization(s) .....	<b>1h</b>	X
<b>i</b> Exchange of assets with related organization(s) .....	<b>1i</b>	X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....	<b>1j</b>	X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....	<b>1k</b>	X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....	<b>1l</b>	X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	<b>1m</b>	X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	<b>1n</b>	X
<b>o</b> Sharing of paid employees with related organization(s) .....	<b>1o</b>	X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	<b>1p</b>	X
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	<b>1q</b>	X
<b>r</b> Other transfer of cash or property to related organization(s) .....	<b>1r</b>	X
<b>s</b> Other transfer of cash or property from related organization(s) .....	<b>1s</b>	X
<b>2</b> 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) NO TRANSACTIONS GREATER THAN \$50,000.		0.	
(2)			
(3)			
(4)			
(5)			
(6)			

**Part VI** **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

**Part VII** Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

DRAFT



**Application for Automatic Extension of Time To File an  
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**  
► **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits](http://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits).

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
<b>Type or print</b>  <small>File by the due date for filing your return. See instructions.</small>	Name of exempt organization or other filer, see instructions.  <b>DESTINATION MEDICAL CENTER CORPORATION</b>	Employer identification number (EIN) or  <b>46-4959371</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>201 4TH STREET SE, NO. 204</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>ROCHESTER, MN 55904</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 

0	1
---	---

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**DALE MARTINSON**

- The books are in the care of ► **201 4TH STREET SE ROOM 204 - ROCHESTER, MN 55904**  
Telephone No. ► **507-328-2850** Fax No. ► **507-328-2876**

- If the organization does not have an office or place of business in the United States, check this box ..... ►  
• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ..... If this is for the whole group, check this box ► . If it is for part of the group, check this box ► ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until **NOVEMBER 15, 2019**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☒ calendar year **2018** or  
► ☐ tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return  
Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2019**

**Approving the 2019 State of Minnesota Charitable  
Organization Annual Report and 2018 Form 990**

**BACKGROUND RECITALS**

A. On behalf of the Destination Medical Center Corporation (“DMCC”), CliftonLarsonAllen (“CLA”) prepared the 2019 State of Minnesota Charitable Organization Annual Report (the “Annual Report”) and 2018 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 26, 2019, and are on file with the DMCC.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Corporation, that the 2019 State of Minnesota Charitable Organization Annual Report and 2018 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.

## Transportation



To: DMCC Board of Directors  
From: DMC EDA  
Date: September 20, 2019

### Update & Next Steps:

#### Transit Circulator and Mobility Hubs

DMC EDA has been working with the City of Rochester to determine the final transit circulator route and mode. Evaluation criteria were developed and approved by the DMCC and the City in May 2019; these are being used to guide the recommendation. The memorandum that begins on the following pages summarizes the recommendation of DMC EDA and City staff.

In addition to the proposed mobility hubs DMC EDA and the City of Rochester have been identifying additional sites for park and ride concepts. Options will be presented at upcoming DMC meetings.

#### Parking and Transportation Management Authority (TMA)

DMC EDA and the City are beginning to discuss the long-term Arrive Rochester organization plan. Currently, the DMC and City are contracting with UrbanTrans to provide TMA services. Arrive Rochester campaigns promoting a variety of mobility types are planned throughout the rest of 2019.

As a test of micro-mobility options, the City of Rochester contracted with Lime to bring electric scooters into the city. This was launched on August 1, 2019 and will remain in effect until November 1, 2019.

#### City Loop

Bids for expected 2019 City Loop projects came in 64% over budget. City and DMC EDA staff are reviewing options.

#### Street Typology

A grand opening event for the Fourth Street SW reconstruction projects was held on August 29, 2019 showcasing the new landscaping, protected bike lanes, and other final finishes.

The final portion of the Second Street SW reconstruction (11<sup>th</sup>-16<sup>th</sup> Ave.) is being designed, with construction slated for 2021-22. The design concepts will be tested during a demonstration project in the summer of 2020.

## Background:

### Overview

The DMC state statute provides for the establishment of the DMC Development District ("District") for the purpose of guiding public investment and facilitating DMC public infrastructure projects.

The DMCC and Rochester City Council adopted the DMC Development Plan ("Plan") in spring 2015. The Plan included a transportation vision focused on access and mobility that would reduce private vehicle dependency while improving multi-modal travel connections. The vision provided for:

- Transit services connecting the District to the community and the region
- Downtown transit circulator
- Network of bike facilities providing connections to District destinations and across the District
- Safe walkable streets
- Convenient, high-turnover downtown parking
- Long-term, low-turnover peripheral/remote parking with convenient downtown connections

DMC Development Plan transportation strategies needed further study and refinement, including:

- Capital investment needs and services
- Refinement and updates of the planning-level vision
- Assessment of options and details of proposed transportation solutions
- Ensuring transportation projects best serve the needs of the City and the District
- Ensuring cost-effective solutions

### Integrated Transit Studies

To address these needs identified in the DMC Development Plan, the Rochester City Council authorized the DMC Integrated Transit Studies ("Transit Studies"). The Transit Studies assessed detailed alternatives for vehicular, transit, pedestrian, and bicycle travel in order to support the goals of the DMC Development Plan.

The Transit Studies were completed in four parts: Downtown Transit Circulator; Street Use and Operations; Parking and Travel Demand Management; and City Loop. The Transit Studies have led to the preparation of the ITS Final Report and supporting documentation for each study.

The ITS Final Report provides:

- A framework for refining the transportation solutions and strategies needed to advance DMC
- The basis for development of a DMC Transportation Strategy and Implementation Plan that supports economic development and the realization of the DMC vision

In June and July, 2018, DMCC and City Council, respectively, accepted the ITS Final Report as a framework for the development & implementation of the DMC Development Plan transportation vision. 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:

1. Mobility Hub A & B locations.
2. BRT circulator route.
3. ITS Final Report phasing.
4. Right-of-way impacts on private property.

5. Alternative uses of general purpose vehicle travel lanes.
6. Parking space replacement.

#### Mobility Hubs

To begin work to clarify and finalize Mobility Hub A & B Locations, five criteria were shared with the DMCC Board at the November 13<sup>th</sup>, 2018 Board Meeting. The five criteria are the following:

1. Accessibility (Ability to get to and from the site)
2. Route efficiency (Speed / ridership, etc)
3. Economic Development Opportunity (within the site, and along the route)
4. Site Acquisition (Costs, timing, etc.)
5. Relationship to existing amenities

Mobility hubs locations have been identified:

West mobility hub: Mayo Clinic-owned property on Second Street SW at Cascade Lake

East mobility hub: Olmsted County-owned property at Seneca Foods/Graham Park

MOU's between the City and Mayo Clinic and the City and Olmsted County have been developed, setting parameters and expectations for development of the mobility hubs.

#### Parking and Transportation Management Authority (TMA)

In February 2019, Parking Ramp 6, the newly developed downtown ramp behind the Hilton, opened.

In April 2019, the Arrive Rochester Transit Management Association (TMA) ran a campaign focused on encouraging people to carpool and recruit new members. Usership almost doubled over the course of the campaign. In May 2019, a biking-focused campaign was held.



**DESTINATION MEDICAL CENTER CORPORATION****RESOLUTION NO. \_\_\_\_-2019****Approving Downtown Circulator Locally Preferred Alternative****BACKGROUND RECITALS**

A. By Resolution 69-2018, the Destination Medical Center Corporation (“DMCC”) accepted the Integrated Transit Studies, as an updated and refined framework for the development and implementation of the transportation goals of the Development Plan. One of the elements of the Integrated Transit Studies included enhanced transit service in downtown Rochester and surrounding neighborhoods through a downtown transit circulator (the “Downtown Circulator”). In furtherance of this goal, by Resolution 79-2019, the Board preliminarily approved the locations of mobility hubs, the transit circulator route alignment, and the tentative areas for the locations of park and ride facilities, contingent upon further analysis and engineering studies, and approved the further evaluation activities as a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11 and consistent with the Development Plan, subject to approval by the DMCC and the City of Rochester (the “City”), and modification of the Development District.

B. The City, in collaboration with the Destination Medical Center Economic Development Agency (the “EDA”), Olmsted County, and the Rochester-Olmsted Council of Governments, has completed an alternatives analysis of bus rapid transit and streetcar alternatives connecting the Mayo West Lot with Saint Marys Hospital, downtown Rochester, and Graham Park or the Seneca Foods site (the “Alternatives Analysis”). The Alternatives Analysis, on file with the City, evaluated four alternatives for the Downtown Circulator, relying upon technical analysis and public engagement.

C. The Alternatives Analysis identified a locally preferred alternative that defined the mode, conceptual alignment, and general station locations that can be refined through further station-area and transit-oriented development planning, as well as environmental and engineering efforts (the “Locally Preferred Alternative”). The Locally Preferred Alternative that emerged was Alternative 2, defined as bus rapid transit along 2nd Street Southwest and Broadway Avenue South, within a business-access and transit lane for approximately four miles, connecting the Mayo West Lot with Saint Marys Hospital, downtown Rochester, Discovery Square, and Graham Park or the Seneca Foods site.

D. The joint report submitted by the City and the EDA staff, dated September 18, 2019 (the “Joint Report” attached as Exhibit A), recommends Alternative 2 as best meeting the project’s purpose, providing flexibility and timely implementation, as well as aligning with the City’s

Comprehensive Plan and the economic development contemplated in Discovery Square and the Development Plan, and minimizing disruption of existing neighborhoods along Third Avenue.

E. The Joint Report further notes that the City and its project partners intend to pursue Federal Transit Administration Capital Improvement Grant funds through the Small Starts Program, which requires documentation of commitments of funds. The DMCC has approved funding of the Downtown Circulator as part of its five year Capital Improvement Plan of even date.

F. The next phase of the Downtown Circulator, according to the Joint Report, will include further design and environmental analysis under the federal and state environmental review processes, as well as on-going public engagement.

G. Staff for the EDA and City now requests that the DMCC (1) approve the selection of Alternative 2 as the Locally Preferred Alternative for the Downtown Circulator; (2) authorize the expenditure of up to \$3.872 million in the Capital Improvement Plan, to proceed with the next stages of development and engineering; and (3) approve application to the Federal Transit Administration for federal funding.

H. Staff intends, if necessary, to request modifications to the Development District, as defined in the Development Plan (the “Development District”) to encompass the location of the Locally Preferred Alternative.

#### RESOLUTION

**NOW THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Corporation Board of Directors that it approves Alternative 2 of the Alternatives Analysis as the Locally Preferred Alternative for route and alignment (2<sup>nd</sup> Street and Broadway) and mode (bus rapid transit, or “BRT”) for the Downtown Circulator, subject to approval by the Rochester City Council.

**BE IT FURTHER RESOLVED**, that staff is directed to initiate and implement the request for proposals process for the necessary next steps for the Downtown Circulator, including, but not limited to, engineering, environmental analysis, and additional design work, based upon the Locally Preferred Alternative, and the Joint Report

**BE IT FURTHER RESOLVED**, that the joint recommendation of the City and the EDA staff in the amount of \$3.872 million in the 2020 Capital Improvement Plan of even date is approved, for the further design, engineering, environmental studies, additional analyses, and application to the Federal Transit Administration for funding of the Downtown Circulator, and the five year Capital Improvement Plan contains \$7.59 million for furthering the project in 2021.

**BE IT FURTHER RESOLVED**, upon receiving a request from the City to modify the Development District to incorporate the Locally Preferred Alternative, as set forth above, the Executive Committee is authorized to commence the modification process under Minnesota Statutes Section 469.43, subdivisions 1 and 4, including submitting the proposed modification to the City, making it available to the public, and arranging a public hearing. Any proposed



modification will be considered by the DMCC after City approval and after holding a public hearing.

**BE IT FURTHER RESOLVED**, that the further evaluation, analysis, planning and recommendations with respect to the Downtown Circulator and the Locally Preferred Alternative, including preparation for and submission to the Federal Transit Administration, are deemed to be arising from and in furtherance of the Integrated Transit Studies, and the DMCC approves this work as a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11, and consistent with the Development Plan.

**BE IT FURTHER RESOLVED**, that the Executive Committee is authorized to take such actions as are necessary and appropriate to effectuate the terms of this resolution and the timely progression of the approval process.

1160472-2.1.DOCX

**EXHIBIT A**



September 18, 2019

## Memo

**TO:** DMCC Board  
Mayor and City Council  
County Board

**From:** Aaron Parrish, Deputy City Administrator  
Patrick Seeb, DMC Director of Economic Development and Placemaking  
Jarrett Hubbard, Project Manager  
Kevin Bright, Sustainability Director  
Jenna Bowman, Communications & Engagement Manager

**RE:** Circulator Route and Mode Recommendation

### Introduction

In 2018 the City Council and Destination Medical Center Corporation (DMCC) accepted the Integrated Transit Studies (ITS) to create a framework for long term transportation investment in the Destination Medical Center (DMC) area. A key element of the ITS was the development of a downtown circulator.

The need for the circulator is driven by dramatic growth anticipated in downtown Rochester. The DMC Development Plan anticipates a 65 percent increase in downtown transportation and a 30 percent increase in population. Both the City of Rochester Downtown Master Plan and the DMC Development Plan identified the need for an aggressive increase in transit mode share, capturing 23 to 30 percent of all downtown commuters on transit.

Previously the DMCC and City Council adopted the concept of a roughly 4-mile-long circulator route with termini at Mayo-owned property on west 2<sup>nd</sup> street and the northern portion of Olmsted County's Graham Park. Figure 3 illustrates the alignment options and termini.

Both the DMCC and City Council adopted a set of evaluation criteria against which to evaluate the detailed route and mode of the circulator and directed staff to conduct such an evaluation and provide a recommendation to the respective bodies. The evaluation criteria report is available upon request.

The purpose of this memo is to summarize the analysis and recommendations.

### Alternatives

The evaluation considered two mode options for Rapid Transit: Bus or Streetcar and two alignments: 3<sup>rd</sup> Avenue or Broadway. Therefore, resulting in four options. For the purpose of this report they will be identified as Alternative 1-4:

- Alternative 1: BRT on 2nd Street and 3rd Avenue
- Alternative 2: BRT on 2nd Street and Broadway
- Alternative 3: Streetcar on 2nd Street and 3rd Avenue
- Alternative 4: Streetcar on 2nd Street and Broadway

Each alternative would have its southern terminus at either the Graham Park or former Seneca Foods locations.



## Alternatives: Evaluation Criteria & Report

To assist in the selection process the technical team developed a set of non-prioritized evaluation criteria. These criteria included both quantitative and qualitative assessments designed to be the basis for the decision-making process. DMCC and Rochester's City Council reviewed, revised, and approved the evaluation criteria in the 2<sup>nd</sup> quarter of 2019.

## Public Input

The process created for obtaining input from the community comprised of two types of engagement. The first form of engagement involved staffing a booth during the weekly summer event, Thursdays Downtown, during the month of August, for three Thursdays. The booth displayed visual aids, which presented information to residents and visitors on the core details of the circulator. Information presented included the circulator's current status and other components of the evaluation criteria including but not limited to capital (construction) costs and proposed operation metrics. Due to the popularity and high volume attendance of the Thursdays Downtown event, teammates were able to have hundreds of interactions with the public. With a mostly positive reaction to the information presented, the overall synopsis is a general agreement that steps need to be taken to improve service and ensure employees continue to have access to downtown.

As the second form of public outreach, was an online five-question survey about the circulator. It was facilitated via Polco, a new platform being used by governmental entities across the country. The online survey was used as a means to reach citizens who may not have visited the booth and allow those who did another opportunity to provide feedback. The online survey is still active and continues to generate hundreds comments and suggestions.

## Site Visits

Included as part of the process was the in-person and virtual review of many different types of rapid transit systems. The process began with the Integrated Transit Studies, which included the review of seven different modes including such recent technology advancements as magnetic levitation and autonomous vehicles. Then in May of 2019, a day long trip of the light rail transit (LRT) line between Minneapolis and Saint Paul, MN, known as the Green Line, was conducted with local and state elected officials, City and DMC teammates, and other interested parties from Rochester. Besides examining the Green Line LRT the trip also, offer the opportunity to see what a rapid transit line could do for commercial and residential development in a city.

In August, City Council members and teammates traveled to see and experience two existing BRT systems. The first trip was to Minneapolis, MN to ride and discuss Metro Transit's first BRT line, known as the A Line, on August 7, 2019. The A Line features most of the same components, such as off-board payment, as those being proposed as part of the circulator. The largest difference from the circulator is the A Line operates in traffic with signal prioritization. We are currently proposing a dedicated lane with signal prioritization. Additionally the tour offered the opportunity to experience transit oriented development (TOD) projects including housing, restaurants, and a grocery store all located on the route.

On September 17, 2019 a similar trip to Indianapolis, Indiana to experience the Nation's newest BRT, the Red Line, was conducted. The Red Line is a 13-mile BRT system that connects several city neighborhoods



to the state's largest concentration of jobs (downtown Indianapolis), including the state's largest hospital, several higher educational institutions. The Red line does run in a dedicated transit lane separated from normal traffic but the Red Line is center running and requires pedestrians and users to cross an open traffic lane(s) to board.

## Recommendation

City staff and the DMC EDA are recommending a Bus Rapid Transit line along the Broadway Corridor as the Locally Preferred Alternative to proceed with to the next stage of development, engineering. Key reasons for this recommendation include:

1. **User Experience-** Rapid Transit using bus vehicles offer an equivalent user experience when compared to streetcar including level boarding; quick loading and unloading; and station based fare payment.
2. **Future Flexibility-** Less fixed investment in infrastructure allows for flexibility to adapt the system in the future as technology evolves. Our fleet can evolve as electric bus or other technology evolves to allow for more sustainable vehicle types.
3. **Feasibility-** The bus-based Rapid Transit is less costly than the Streetcar option, so much so that it is far more likely to be implemented in a reasonable time frame. For example, the Streetcar option will trigger the FTA's New Starts application rather than the Small Starts, where we will be less competitive. Moreover, identified local sources of funds do not support the cost of a Streetcar system.
4. **Integration with Previous Plans-** The city's recently adopted Comprehensive Plan designates Broadway as a Primary Transit Network corridor where we have just adopted TOD Zoning. Additionally, the Integrated Transit Studies called for a bus-based Rapid Transit solution for the circulator route.
5. **Economic Development and Neighborhood Impact-** A Broadway alignment is consistent with the priorities outlined for the UMR/REC Zone and the investments contemplated in Discovery Square. A Broadway alignment minimizes the projected disruption of existing neighborhoods along Third Avenue.

Below are more detailed comments that provide the basis for the recommendation.

## Mode

As part of this evaluation, two modes were considered for the circulator: bus rapid transit (Rapid Transit) and modern streetcar. Rapid Transit is an all-day, frequent, high-capacity transit mode that is proposed to utilize electrically powered bus vehicles and incorporates many of the characteristics of light rail transit (LRT). Rapid Transit typically operates in mostly dedicated lanes. Stations would be spaced  $\frac{1}{4}$  to  $\frac{1}{2}$ - mile apart in order to provide quick and fast service. Rapid Transit would incorporate transit advantages such as transit signal priority or traffic signal queue jumps. The vehicles themselves are designed to replicate many of the features of light rail. Rapid Transit vehicles would be larger and not have stairs to provide improved ADA access. Other amenities include improved stations and customer information, unique vehicles and branding, and off-board fare collection that allows for faster boarding.

Modern day streetcars are electrically powered rail vehicles which function best in urban areas with high transit demand. Streetcar lines are typically less than four miles long and operate on city streets in mixed traffic, although they can also operate in exclusive rights-of-ways, like what is proposed for the





Circulator. Streetcars have a lower passenger capacity than LRT systems but have higher passenger capacity than a typical bus (similar capacity to BRT vehicles). Streetcars usually make stops every few blocks and function more as a part of a local circulation system than a regional transportation system. Streetcars can operate in single-track or double-track configurations.

Modern streetcar service is particularly suitable for high-density, mixed-use areas with short average passenger trip lengths, areas where improved transit will benefit a high number of existing riders, and as an attraction for new or infrequent transit users like shoppers or visitors. Modern streetcars have also demonstrated promise for supporting high-density, mixed-use, walkable development in urban cores where people can live without a car and become regular and frequent transit users.

### Mode Recommendation

The City and DMC EDA team recommend the development of a Rapid Transit system for the circulator and submission to the FTA's Small Starts Program. A Rapid Transit system offers greater benefits over the modern streetcar in the following areas: flexibility, FTA program alignments (schedule and competitive advantage), and funding alignment.

#### Flexibility

A BRT system has a greater capacity to adapt and be flexible. From the technology perspective, BRT guideway elements will function regardless of the specific BRT vehicle technologies selected, both in the implementation year and in the future. While the selection of streetcar includes more capital elements, including power systems and fixed rail guideways, the technology or infrastructure of a streetcar may last decades and will influence the selection of future vehicle types once implemented. For example, buses have a 12-year average lifecycle and streetcar vehicles have a 25-year average lifecycle. There is also flexibility advantage for buses during daily operations. If street construction should impact the BRT route a bus will be better suited to alter or change course but still meet the transit service needs of the community. Buses also have the advantage of being able to branch off to serve many different purposes and needs such as service to a special event or occasion and service to new neighborhoods, while rail lines take years to plan and build. Rapid Transit vehicles can also be more responsive to emergency vehicles than something that operates within fixed infrastructure.

#### FTA Program Alignments

FTA CIG Programs provide funding to select public transportation agencies for the development of transit projects such as a new fixed or non-fixed guideway, transit systems, and the expansion of existing systems (49 U.S.C. §5309). The primary two FTA CIG programs, which are funded through general federal revenue, are the Small Starts and New Starts programs. Each program has different levels of financial criteria which help determine eligibility. Both programs entail a highly competitive application processes, and only projects that receive the highest level rankings in the FTA's evaluation criteria become eligible for federal funds. Criteria used to evaluate projects include areas such as environmental benefits, operating efficiencies, and ridership counts; among others.

The Small Starts program is for transit projects, like Rapid Transit systems, with total estimated capital costs that do not exceed \$300 million. It is considered most appropriate for smaller agencies and has only one application phase to complete prior to receiving a grant agreement.

The New Starts Program, designed to grant funding for project budgets that exceed \$300 million, is the program typically sought by applicants with project budgets exceeding one billion dollars. This program

is deemed more competitive than Small Starts in that it requires two phases be completed prior to receiving a grant agreement. Unlike applicants of the Small Starts Program, New Starts applicants are jurisdictions, and geographical areas, with large populations and higher transit ridership counts than Rochester. It is projected that we would have a challenge competing within the New Starts program. Generally, it can take five to seven years to implement a project through the Small Starts program as opposed to six to ten years for a project in the New Starts Program. The graphic below illustrates the general steps and timelines.

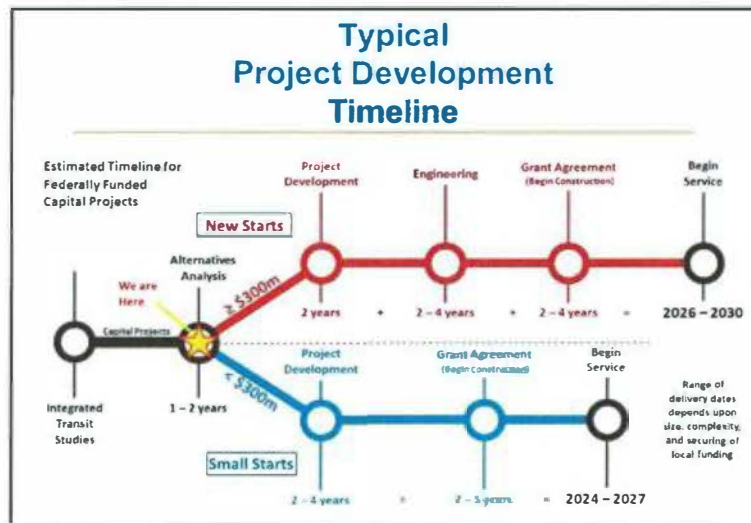


Figure 1: Example Timeline for FTA's Capital Investment Grant Programs

Based on this information, a Small Starts application process would provide Rochester the greatest success of being funded.

### Funding Alignments

Many of the Evaluation Criteria utilized to review and compare Rapid Transit to Streetcar modes returned similar performance measures, such as opening day ridership and available land for redevelopment within a ½ mile of stations. Operation of the circulator will be the same regardless of mode choice with station wait times of ten minutes or less and end-to-end trips taking 25 minutes or less. Both modes, based on recent research, are similarly equal at catalyzing new development based on the fact both will have fixed routes with dedicated lanes. It is projected that Rapid Transit will provide a positive user experience, less expensive capital costs, less expensive annual operating costs, and a lower cost per rider.

### Route

The circulator is slated to operate primarily east/west on 2<sup>nd</sup> Street SW and will travel south towards an existing Park and Ride and the proposed east transit village to be located on, or next to, Graham Park or the former Seneca Food site. To determine the route heading towards the eastern transit village the technical team analyzed the circulator operating along either South Broadway Avenue or 3<sup>rd</sup> Avenue SE. Broadway Avenue is the former US 63 Highway with two lanes of traffic each direction carrying 26,000 vehicles per day. The North end of the Broadway is characterized by downtown businesses and



transitions to highway commercial businesses on the southern end with Soldiers Field Park bordering the roadway to the west. 3<sup>rd</sup> Avenue Southeast is a 4 lane roadway carrying up to 13,400 vehicles per day and has mainly single family residential land uses.

### Route Recommendation

The City and DMC EDA team recommend the selection of Broadway Avenue as the preferred north/south route between Downtown Rochester and the Graham Park (East Transit Village) area. The benefits of the circulator operating on Broadway include, consistency with the City of Rochester 2040 Comprehensive Plan, access to key economic development destinations, and minimizing potential impact on surrounding neighborhoods.

### 2040 Comprehensive Plan: Planning to Succeed (P2S)

P2S introduces Rochester to the concept of a Primary Transit Network (PTN), a set of corridors envisioned to provide high frequency, high quality transit service that is more than a set of conventional bus routes and represents a departure from the traditional conception of transit as a service. PTN is a policy tool that identifies key corridors in Rochester where coordination of land use and transit infrastructure has the greatest opportunity to result in higher frequency and more sustainable transit service. Seven corridors were identified as having the best potential for creating a PTN including, 2nd Street SW, North Broadway, South Broadway, 4th Street SE, 37th Street NW, Valleyhigh Drive, and West Circle Drive. P2S 2040 supports the creation of TOD Zoning Districts along PTN Corridors to increase the number of people living and working near the corridor. The City Council took action on creating such a TOD Zoning District along Broadway in July of 2019.

### Key Economic Development Destinations

An additional benefit to the placing the circulator along Broadway Avenue is the presence of key economic development destinations along the route. This includes the recent development of Discovery Square and future development of a University of Minnesota Rochester campus. The Broadway alignment also includes the existing destinations of Soldiers Field and the Crossroads Shopping area.

Placing the alignment along Broadway will catalyze on existing and future economic development efforts. One of the largest ongoing efforts is the 16 block downtown sub-district known as Discovery Square which is a collaboration with Mayo Clinic to create a highly connected urban life science hub. Up until 2019, the primary focus in Discovery Square was the 2019 opening of One Discovery Square, a 90,000-square-foot biomedical sciences building currently housing, medical software company Epic, medical technology accelerator Motion Medical and the University of Minnesota Rochester.

### Neighborhood Impacts

There is no doubt that the character and look of Rochester, particularly Downtown, is changing. It is projected that the circulator route will encourage higher density transit oriented development. Third Avenue provides service to many neighborhoods that have a significant amount of naturally occurring affordable housing. Transit investments to encourage development beyond what was envisioned when these areas were recently rezoned to R2X. The Broadway alignment positions the circulator away from the single family residential neighborhood and closer to commercial development areas that have been identified and rezoned for transit oriented development.





## Summary of Next Steps

1. Rochester City Council Study Session Presentation and Discussion- September 23<sup>rd</sup>, 2019
2. DMCC Board Review and Action- September 26<sup>th</sup>, 2019
3. Rochester City Council Review and Action- October 7<sup>th</sup>, 2019
4. Olmsted County Board Review and Comment- October 15<sup>th</sup>, 2019

### Federal Transit Administration submission

Once DMCC and City Council have identified the Locally Preferred Alternative (LPA) for the circulator project, an entry letter to the Federal Transit Administration (FTA) as part of the Capital Investment Grants (CIG) Program will be submitted. The entry letter kicks off the formal process to be considered for the FTA's Small Starts program.



Figure 2: Rapid Transit Long Term Schedule

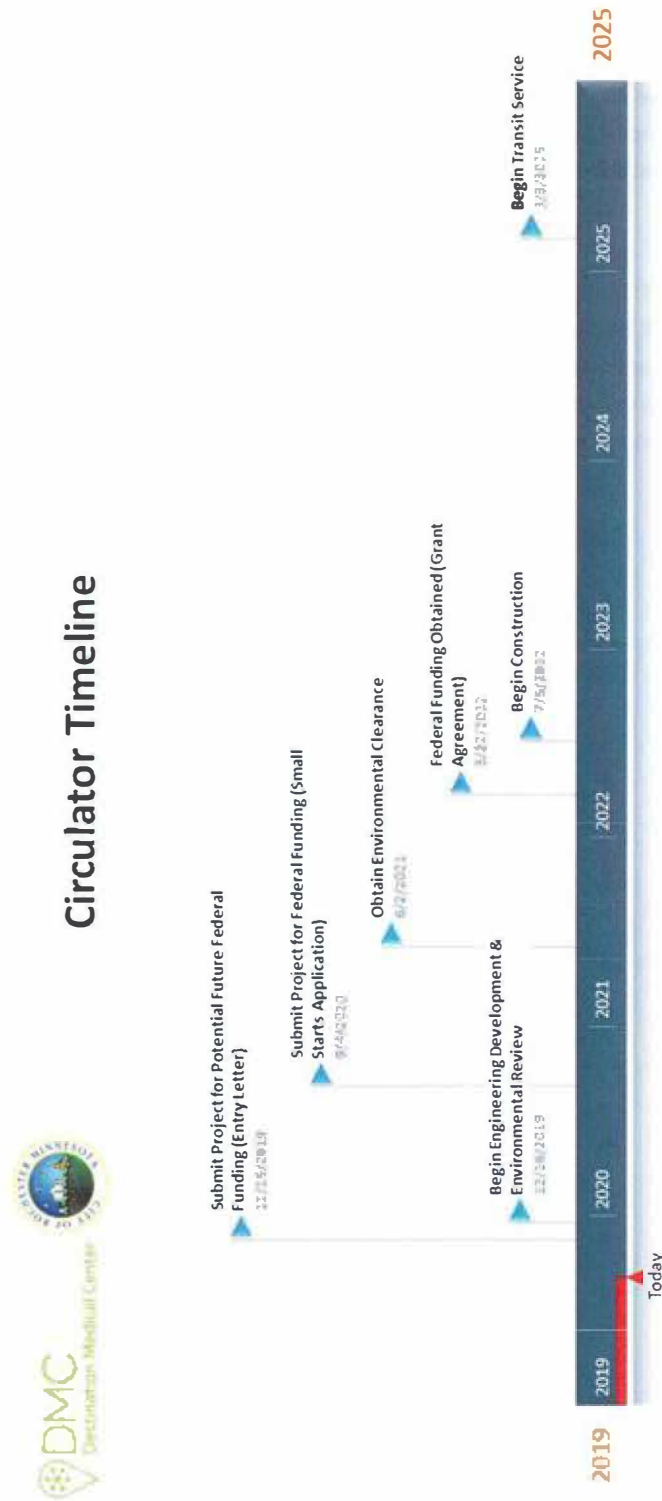
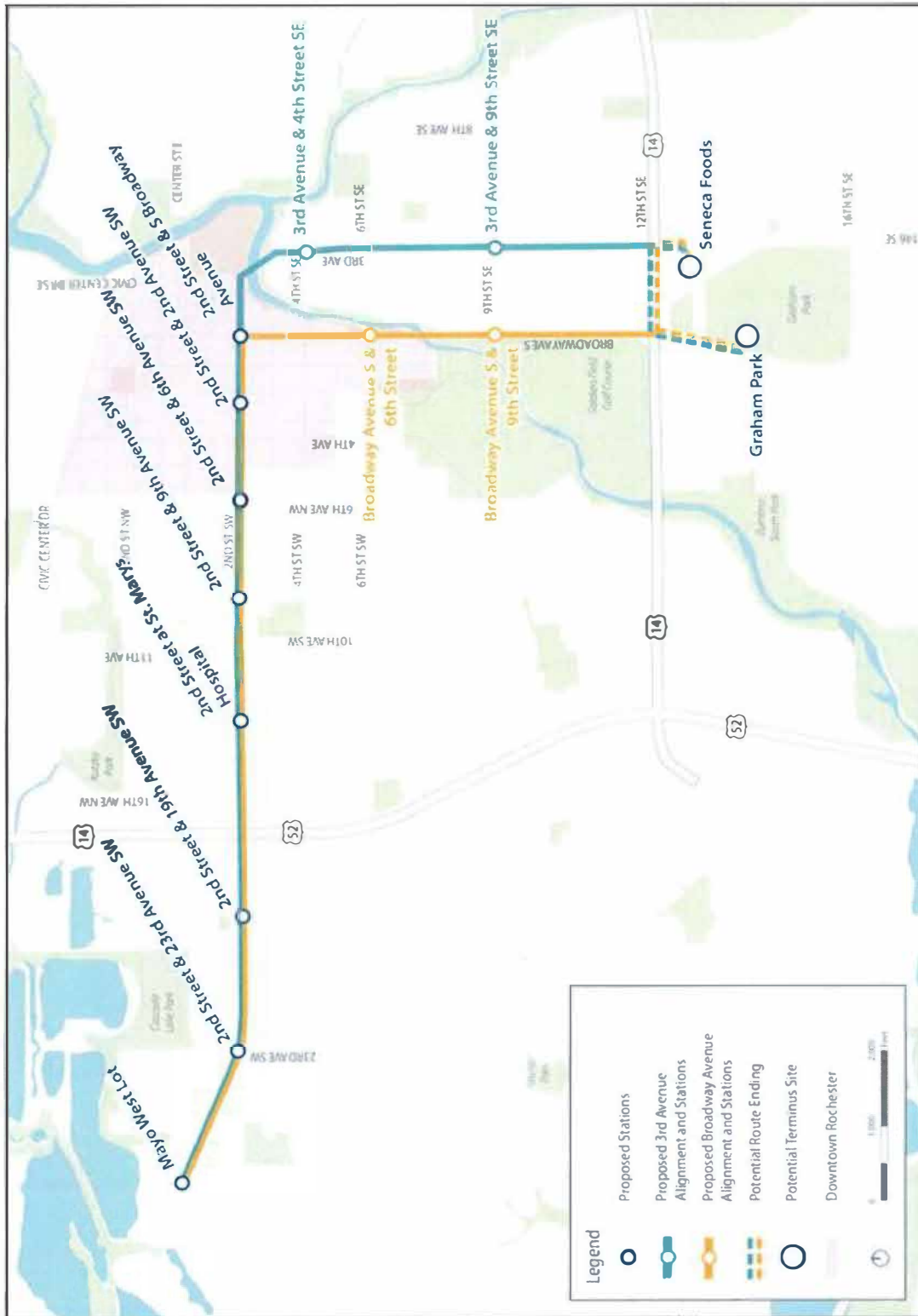


Figure 3: Rochester Downtown Circulator Alignment and Terminus Options





## 2020 DMC Funding Request

To: DMCC Board of Directors

From: DMC EDA

Date: September 20, 2019

### Update & Next Steps:

The DMC funding request includes the proposed:

- DMC EDA workplan and operating budgets
- Capital Improvement Plan (with five-year projections)
- Working capital loan extensions
- DMC Corp. operating budget

The DMC funding request reflects the following proposed investments:

- 2020 DMC EDA funding request to the Destination Medical Center Corporation of \$2,570,146, which represents a year-over-year decrease in funding of \$1,259, or approximately 0.5%.
- 2020 DMC EDA funding contributed by Mayo Clinic towards the operational, project, and program expenses of the DMC EDA totals \$1,313,742, which represents a year-over-year increase in funding of \$38,338, or approximately 3%.
- 2020 City of Rochester DMC Project Management team funding request to the Destination Medical Center Corporation of \$660,525.
- 2020 DMC Corp. operating budget of \$286,5000, which represents a year-over-year decrease in funding of \$39,5000, or approximately 12%.
- 2020 DMC investments in common ground, streets and sewers, energy and sustainability, smart city initiatives, transit, and the required DMC Development Plan update of \$36,948,898

The 2020 DMC funding request leverages additional investments being made in DMC and/or downtown Rochester by the City of Rochester, federal grants, the McKnight Foundation, and others.

The funding request reflects the 2020 DMC strategic priorities identified by the DMC Corp. and Rochester City Council:

- Transportation
- Common Ground
- Housing
- Workforce
- Transformative Projects
- Sustainability

Additionally, the DMC EDA and City of Rochester DMC project management staff have incorporated significant business development, marketing, experience, and community engagement initiatives into the 2020 DMC EDA and City project management workplan in order to support these strategic priorities. The workplan outlines the objectives and defines the resources necessary to advance the 2020 DMC strategic priorities.

The funding request also reflects the proposed operational budget for the City of Rochester's DMC Project Management team, which was created following the recommendation of the DMC EDA and approval of the DMC Corp. in January 2019. All City DMC Project Management team positions have been filled.

September 26, 2019: DMCC board considers 2020 DMC funding request  
October 2019: Rochester City Council considers 2020 DMC funding request

### **Background**

In May 2019, the members of the DMC EDA and DMC Corp. boards volunteered to advise DMC EDA and City staff in the creation of the funding request.

In August and September 2019, DMC EDA and City staff conferred with the board volunteers to refine the funding request.

The DMC EDA board approved the funding request in September 2019.

Destination Medical Center  
FIVE YEAR CAPITAL PLAN  
2020-2025

Operations and Implementation											
#		Project Number	2020	2021	2022	2023	2024	2025	2020 DMC SOURCE	2020 ADDITIONAL NON-DMC FUNDING SOURCES	DMC STATUTORY AUTHORITY
ENTITY											
1	DMCC	8602	\$286,500	\$286,500	\$286,500	\$286,500	\$286,500	\$286,500	DMC Sales Tax		469.44, SUBD. 2
2	DMC EDA	8602	\$2,570,147	\$2,570,147	\$2,570,147	\$2,570,147	\$2,570,147	\$2,570,147	DMC Sales Tax	Grants, Mayo Clinic	469.44, SUBD. 3; 469.41 SUBD. 12b
3	City DMC Project Management	8614	\$660,524	\$660,524	\$660,524	\$660,524	\$660,524	\$660,524	DMC Sales Tax		469.41 SUBD. 12a
4	City administrative support to DMCC	8601	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	DMC Sales Tax		469.41 SUBD. 12a
Operations and Implementation SUBTOTAL			\$3,617,171	\$3,617,171	\$3,617,171	\$3,617,171	\$3,617,171	\$3,617,171			

Statutory Requirement											
#		Project Number	2020	2021	2022	2023	2024	2025	2020 DMC SOURCE	2020 ADDITIONAL NON-DMC FUNDING SOURCES	DMC STATUTORY AUTHORITY
REQUIREMENT											
5	DMC Development Plan Update		\$1,000,000					\$500,000	DMC State Aid		469.40 SUBD. 11c
Statutory Requirement SUBTOTAL			\$1,000,000					\$500,000			

Common Ground											
#		Project Number	2020	2021	2022	2023	2024	2025	2020 DMC SOURCE	2020 ADDITIONAL NON-DMC FUNDING SOURCES	DMC STATUTORY AUTHORITY
DESIGN AND DEVELOPMENT											
6	Heart of the City Design and Construction	8625	\$9,000,000	\$6,000,000					DMC State Aid		469.40 SUBD. 11, #4 & #6
7	Discovery Walk Design and Construction		\$2,800,000	\$11,000,000	\$3,000,000				DMC State Aid		469.40 SUBD. 11, #4 & #6
8	Chateau Theatre Improvements	8613	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	DMC Sales Tax		469.40 SUBD. 11, #1, #2, #4 & #6
9	St Marys Place Public Realm Implementation				\$3,000,000						469.40 SUBD. 11, #4 & #6
FINANCING											
10	Repayment of City Flood Control Reserves loan	8605	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000			DMC Sales Tax		469.42 SUBD. 2
Common Ground SUBTOTAL			\$13,100,000	\$18,300,000	\$7,300,000	\$1,300,000	\$100,000	\$100,000			

Streets and Sewers											
#		Project Number	2020	2021	2022	2023	2024	2025	2020 DMC SOURCE	2020 ADDITIONAL NON-DMC FUNDING SOURCES	DMC STATUTORY AUTHORITY
DESIGN AND DEVELOPMENT											
11	Replace / upsize sanitary sewer along west side of 3rd Ave SE and along 1st Ave; from 4th St S to 1st St N. Includes new siphon under Zumbro River	8626	\$3,000,000						DMC State Aid	City	469.40 SUBD. 11, #4
12	1st St NW Sanitary Sewer Diversion from 1st Avenue NW to Broadway			\$2,958,000							469.40 SUBD. 11, #4
13	Reconstruct 6th/7th Ave NW/SW from 2nd Street SW to Cascade Creek; replace undersized sanitary sewer and storm sewer to create downtown capacity		\$2,400,000						DMC State Aid	City	469.40 SUBD. 11, #4
15	Reconstruct North Broadway Ave from Civic Center Drive to Zumbro River Bridge		\$4,000,000	\$6,100,000					DMC State Aid	City	469.40 SUBD. 11, #4
16	SS1 13th Ave Sanitary and Storm Sewer Capacity Improvements from 2nd St SW to 2nd St NW			\$5,500,000							469.40 SUBD. 11, #4
17	Construct Sanitary Sewer Capacity Bypass on 2nd Street SE from Broadway to 1st Ave SE		\$1,136,898						DMC State Aid	City	469.40 SUBD. 11, #4
18	Construct sanitary sewer capacity bypass on 3rd Ave SW from 2nd St SW to 4th St SW					\$100,000	\$3,000,000				469.40 SUBD. 11, #4
19	Reconstruct 2nd Street SW from 11th Ave to 16th Ave, includes subway crossing of 2nd St SW	7802		\$8,520,000							469.40 SUBD. 11, #4
EVALUATION AND PROTOTYPING											
20	Transit Circulator Prototyping		\$250,000						DMC State Aid		469.40 SUBD. 11, #4 & #5
Infrastructure SUBTOTAL			\$10,786,898	\$23,078,000		\$100,000	\$3,000,000				

Energy and Sustainability											
#		Project Number	2020	2021	2022	2023	2024	2025	2020 DMC SOURCE	2020 ADDITIONAL NON-DMC FUNDING SOURCES	DMC STATUTORY AUTHORITY
DESIGN AND DEVELOPMENT											
21	District Energy Evaluation & Implementation		\$100,000						DMC State Aid		469.40 SUBD. 11, #4
Energy and Sustainability SUBTOTAL			\$100,000								

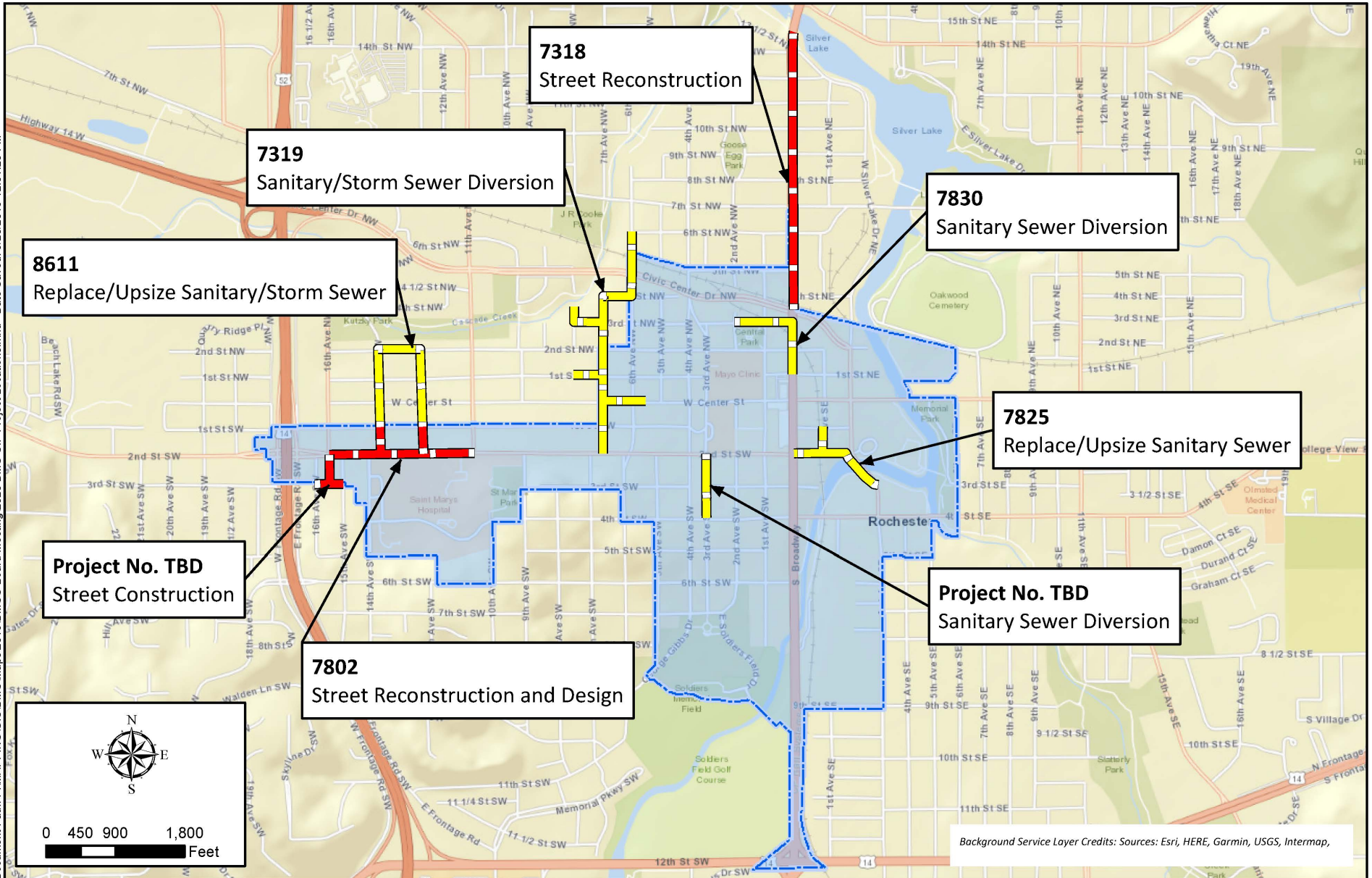
Smart City											
#		Project Number	2020	2021	2022	2023	2024	2025	2020 DMC SOURCE	2020 ADDITIONAL NON-DMC FUNDING SOURCES	DMC STATUTORY AUTHORITY
DESIGN AND DEVELOPMENT											
22	Air Quality Monitoring		\$30,000						DMC State Aid		469.40 SUBD. 11, #4
Smart City SUBTOTAL			\$30,000								

Transit											
#		Project Number	2020	2021	2022	2023	2024	2025	2020 DMC SOURCE	2020 ADDITIONAL NON-DMC FUNDING SOURCES	DMC STATUTORY AUTHORITY
DESIGN AND DEVELOPMENT											
23	St. Mary's transit station development coordinated with 2nd Street rebuild and Phase 4-3B Pedestrian tunnel	2106	\$50,000	\$3,500,000	\$8,100,000				DMC Transit Aid	Federal	469.40 SUBD. 11, #4 & #5
24	5 BRT-60' articulated electric buses and charging infrastructure		\$1,040,000	\$1,000,000					DMC Transit Aid		469.40 SUBD. 11, #4 & #5
25	Arrive Rochester Implementation		\$260,000	\$270,000	\$280,000	\$290,000	\$300,000		DMC Sales Tax	Federal	469.40 SUBD. 11, #4 & #5
26	Circulator Route development		\$3,872,000	\$7,592,000	\$47,476,000	\$22,000,000	\$17,680,000		DMC Transit Aid		469.40 SUBD. 11, #4 & #5
27	Transit Villages 1 & 2 design and land acquisition.		\$5,000,000	\$3,000,000					DMC State Aid		469.40 SUBD. 11, #4 & #6
28	Electric bus charging infrastructure		\$110,000	\$1,200,000	\$1,143,200				DMC Transit Aid	Federal	469.40 SUBD. 11, #4 & #7
29	City Loop Implementation					\$5,000,000					469.40 SUBD. 11, #4 & #5
FINANCING											
30	ITS Study Repayment		\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000			DMC Sales Tax		469.42 SUBD. 2
Transit SUBTOTAL			\$11,932,000	\$18,162,000	\$58,599,200	\$28,890,000	\$17,980,000	-			

Total DMC Investment			\$40,566,069	\$63,157,171	\$69,516,371	\$33,907,171	\$24,697,171	4,224,259			
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\*2020 DMC CIP projects are draft (9/20/19 version)  
and are not yet adopted as of this draft date.



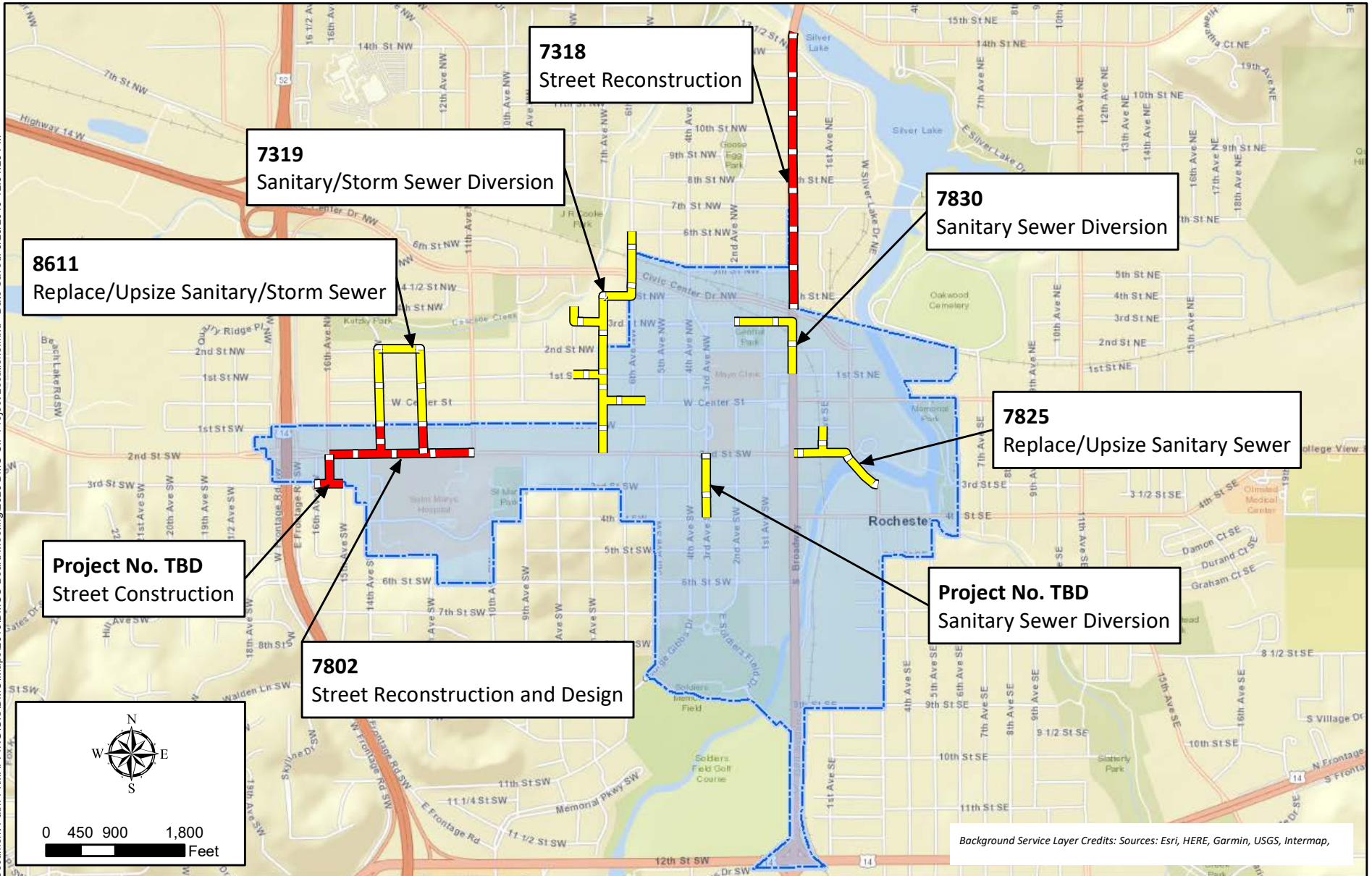
DMC Boundary

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# 2020 DMC CIP Infrastructure Projects

Document Path: P:\MAPPING\GIS\DMC\Maps\2019\DMCC Board Meeting\2020 DMC CIP Project Locations.mxd Date Saved: 9/20/2019 12:01:20 PM



\*2020 DMC CIP projects are draft (9/20/19 version) and are not yet adopted as of this draft date.



DMC Boundary

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<b>Department:</b>	City Administration	<b>Business Unit:</b>	41320
<b>Division:</b>	City Administration		
<b>Contact Person:</b>	Noloan L Schild		
<b>Project Title:</b>	Heart of the City		
<b>Location:</b>	Destination Medical Center		
<b>Department Priority:</b>	6	<b>Ward:</b>	NA

### Project Description:

The heart of the downtown, this sub-district creates a true center of the city, a cross-roads where Mayo Clinic, commercial, hospitality, retail and residential meet. The Heart of the City is connected by a primary spine which extends and enhances the Peace Plaza to create active experiences and engaging gateways to the other districts downtown.

### Purpose & Justification:

To achieve the vision and goals set forth in the Destination Medical Center (DMC) Development Plan.

## Department Funding Request (in Thousands):

Anticipated Funding Source	2020	2021	2022	2023	2024	2025	Total Current 6 Yrs
State DMC Funds	9,000	6,000	0	0	0	0	15,000
<b>Funding Request Row Total:</b>	<b>9,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>

<b>Department:</b>	City Administration	<b>Business Unit:</b>	41320
<b>Division:</b>	City Administration		
<b>Contact Person:</b>	Noloan L Schild		
<b>Project Title:</b>	Discovery Walk		
<b>Location:</b>	Destination Medical Center		
<b>Department Priority:</b>	7	<b>Ward:</b>	NA



<b>Department:</b>	City Administration	<b>Business Unit:</b>	41320
<b>Division:</b>	City Administration		
<b>Contact Person:</b>	Noloan L Schild		
<b>Project Title:</b>	Repayment to Flood Control		
<b>Location:</b>	Destination Medical Center		
<b>Department Priority:</b>	9	<b>Ward:</b>	NA

### Project Description:

These funds represent Destination Medical Center's (DMC) repayment of a loan from the City of Rochester's Flood Control Reserves that were used to initiate efforts in the beginning years of DMC.

### Purpose & Justification:

There is a City Council Resolution to provide the payment/payback of \$1,200,000 annually, starting in 2018, to pay back the Flood Control Reserves in the amount of \$7,200,000.

## Department Funding Request (in Thousands):

Anticipated Funding Source	2020	2021	2022	2023	2024	2025	Total Current 6 Yrs
Sales Tax DMC	1,200	1,200	1,200	1,200	0	0	4,800
<b>Funding Request Row Total:</b>	1,200	1,200	1,200	1,200	0	0	4,800

**Describe the status and timing details of secured or applied for grants or other non-City funding sources:**













<b>Department:</b>	City Administration	<b>Business Unit:</b>	41320
<b>Division:</b>	City Administration		
<b>Contact Person:</b>	Noloan L Schild		
<b>Project Title:</b>	2nd St SE Sanitary Sewer Capacity Bypass		
<b>Location:</b>	Destination Medical Center		
<b>Department Priority:</b>	16	<b>Ward:</b>	NA

### Project Description:

This sanitary sewer relief project adds additional sewer capacity for growth within the DMC area by replacing the existing sewer below the Zumbro River and along 2nd Street SE with a larger pipe. The project also includes the re-alignment of the existing sanitary sewer that is located below the proposed riverfront development area. Design has been completed and construction is underway. The planned completion of construction is 2020.

### Purpose & Justification:

This project is driven by the need to support DMC growth in the downtown core by adding capacity and removing an older sanitary siphon that is experiencing additional maintenance needs due to the DMC growth.

## Department Funding Request (in Thousands):

Anticipated Funding Source	2020	2021	2022	2023	2024	2025	Total Current 6 Yrs
State DMC Funds	1,138	0	0	0	0	0	1,138
Operating Transfer – From Sewer Utility	1,138	0	0	0	0	0	1,138
Funding Request Row Total:	2,276	0	0	0	0	0	2,276

Have Grants for this Project been secured: Not Applicable

**Describe the status and timing details of secured or applied for grants or other non-City funding sources:**





## 2020 Capital Improvement Program

228

Department:	City Administration	Business Unit:	41320
Division:	City Administration		
Contact Person:	Noloan L Schild		
Project Title:	Reconstruct 2nd St. SW		
Location:	Destination Medical Center		
Department Priority:	18	Ward:	NA

### Project Description:

Complete reconstruction of 2nd Street SW from 11th Avenue SW to 16th Avenue SW, including street, sidewalks and utilities. Preliminary design and public involvement has begun. The design is currently on hold pending the results of the circulator prototyping.

### Purpose & Justification:

To support St. Mary's Place growth and pedestrian activation as this corridor transitions into more transit-oriented development and support of a Bus Rapid Transit route.

### Department Funding Request (in Thousands):

Anticipated Funding Source	2020	2021	2022	2023	2024	2025	Total Current 6 Yrs
Federal Funds	0	2,370	0	0	0	0	2,370
State DMC Funds	0	1,000	0	0	0	0	1,000
Special Assessment Bonds	0	1,500	0	0	0	0	1,500
Operating Transfers – From Other Funds	0	275	0	0	0	0	275
Water Utility	0	150	0	0	0	0	150
Operating Transfer – From Sewer Utility	0	225	0	0	0	0	225
MN State Aid – Streets	0	2,050	0	0	0	0	2,050
Olmsted County	0	950	0	0	0	0	950
Funding Request Row Total:	0	8,520	0	0	0	0	8,520

Have Grants for this Project been secured: Yes

Describe the status and timing details of secured or applied for grants or other non-City funding sources:









<b>Department:</b>	City Administration	<b>Business Unit:</b>	41320
<b>Division:</b>	City Administration		
<b>Contact Person:</b>	Noloan L Schild		
<b>Project Title:</b>	District Energy Evaluation and Implementation		
<b>Location:</b>	Destination Medical Center		
<b>Department Priority:</b>	21	<b>Ward:</b>	NA

### Project Description:

<b>Department:</b>	City Administration	<b>Business Unit:</b>	41320
<b>Division:</b>	City Administration		
<b>Contact Person:</b>	Noloan L Schild		
<b>Project Title:</b>	Smart City - Air Quality Monitoring		
<b>Location:</b>	Destination Medical Center		
<b>Department Priority:</b>	22	<b>Ward:</b>	NA

### Project Description:

### Purpose & Justification:

Department Funding Request (in Thousands):



<b>Department:</b>	City Administration	<b>Business Unit:</b>	41320
<b>Division:</b>	City Administration		
<b>Contact Person:</b>	Noloan L Schild		
<b>Project Title:</b>	Integrated Transit Study Repayment		
<b>Location:</b>	Destination Medical Center		
<b>Department Priority:</b>	24	<b>Ward:</b>	NA

### Project Description:

These funds represent Destination Medical Center's (DMC) repayment of a loan from the City of Rochester that were used to initiate efforts in the beginning years of DMC related to the Integrated Transit Studies (ITS) performed.

### Purpose & Justification:

To provide the payment/payback of \$1,600,000 annually until the payback of \$8,000,000 is complete (final payment will be in 2023).

## Department Funding Request (in Thousands):

Anticipated Funding Source	2020	2021	2022	2023	2024	2025	Total Current 6 Yrs
Sales Tax DMC	1,600	1,600	1,600	1,600	0	0	6,400
<b>Funding Request Row Total:</b>	1,600	1,600	1,600	1,600	0	0	6,400

**Describe the status and timing details of secured or applied for grants or other non-City funding sources:**

















<u>Destination Medical Center</u>			<u>2020-2025</u>			<u>Capital Improvements Program</u>			<u>Schedule for Six Year Period</u>								
Special Assessment Bonds = a			Abatement District = ad			Olmsted County = c			Electric Utility = eu			Federal Funds = f			Flood Control Reserves = fr		
Food & Beverage Tax = fb			Local Gov't Aid = ga			General Obligation Bonds = go			Lodging Tax = lt			MN State Aid - Streets = ms			Operating Trfs - fr Storm Water = os		
Operating Trfs-fr General Fund = ot			Operating Trfs-fr Sewer Utility = ow			Operating Trfs-fr General Fund = ox			Private Funds = p			Project Reserves = r			GO Revenue Bonds = rb		
Retained Earnings = re			State Funds = s			Sn/Sewer Availability Chg = sa			Sales Tax DMC = sd			State DMC Funds = sm			Sales Tax 2013 = st		
Storm Water Mgmt Chg = sw			Tax Levy = t			Traffic Improvement Dist Chg = td			Tax Increments = ti			Operating Trfs - fr Other Funds = to			Water Availability Chg = wa		
												Water Utility = wu			Unfunded = u		

Sort	Map #	Project Description	Proj #	Total Budget	2019 CIP Bdgt Amts		2002-2019 CIP Bdgt Amts		2020	Priority	2021	Priority	2022	Priority	2023	Priority	2024	Priority	2025	Priority
0	0	Administrative																		
1	1	Contributions to DMC Corporation for DMCC expenses.	8602	4,885,815	360,000	sd	3,166,815	sd	286,500	sd	286,500	sd	286,500	sd	286,500	sd	286,500	sd	286,500	sd
1	2	Contributions to DMC Corporation for EDA expenses.	8602	28,824,458	2,500,000	sd	13,403,576	sd	2,570,147	sd	2,570,147	sd	2,570,147	sd	2,570,147	sd	2,570,147	sd	2,570,147	sd
2	3	City Project Management expenses	8614	6,563,144	500,000	sd	1,250,000	sd	660,524	sd	660,524	sd	660,524	sd	660,524	sd	660,524	sd	660,524	sd
3					100,000	to	250,000	c												
3					100,000	ow	562,500	to												
3					100,000	os	212,500	ow												
3							212,500	os												
3							112,500	wu												
4	4	City of Rochester Administrative costs for DMC project.	8601	1,600,000	150,000	sd	1,000,000	sd	100,000	sd	100,000	sd	100,000	sd	100,000	sd	100,000	sd	100,000	sd
5	5	Development Plan Update		1,500,000					1,000,000	sm									500,000	sm
5				4,617,171			3,617,171				3,617,171				3,617,171		3,617,171		4,117,171	
6	6	Economic Redevelopment & Public Realm																		
6	6	Heart of the City (2016-2017 design development \$600k; 2018-2022 design/construction \$46.4m).	8625	17,648,940	1,700,000	sm	697,465	sd	9,000,000	sm	6,000,000	sm								
6							1,951,475	sm												
7	7	Discovery Walk Design and Implementation		17,200,000			200,000	sd	2,800,000	sm	11,000,000	sm	3,000,000	sm						
7							200,000	sm												
8	8	Chateau Theatre Improvements	8613	10,826,802	1,400,000	sm	3,296,340	sm	100,000	sd	100,000	sd	100,000	sd	100,000	sd	100,000	sd	100,000	sd
8							6,430,462	sd												
8							500,000	p												
9	9	Sales Tax DMC - Repayment of loan from Flood Control Reserves; 7 year repayment starting in 2018.	8605	7,200,000	1,200,000	sd	2,400,000	sd	1,200,000	sd	1,200,000	sd	1,200,000	sd	1,200,000	sd				
9				3,000,000																
10	10	St Marys Place Public Realm Implementation							13,100,000		18,300,000		7,300,000	sm	1,300,000		100,000		100,000	
10																				
11	11	Infrastructure																		
11	11	Replace / upsize sanitary sewer along west side of 3rd Ave SE and along 1st Ave; from 4th St S to 1st St N. Includes new siphon under Zumbro River. (Use project #J7825 to track costs, and #J8626 as the funding source).	8626	11,000,000			2,500,000	sd												
11					1,250,000	ow	2,500,000	ow	500,000	ow										
11					1,250,000	sm	2,500,000	sm	3,000,000	sm										
12	12	1st St NW Sanitary Sewer Diversion from 1st Avenue NW to Broadway		2,958,000			-				1,479,000	ow								
12											1,479,000	sm								
13	13	Reconstruct 6th/7th Ave NW/SW from 2nd Street SW to Cascade Creek; includes replacement of undersized sanitary sewer and storm sewer to create downtown capacity.		11,730,000	2,400,000	sm	750,000	sd	2,400,000	sm										
13					250,000	sw	3,150,000	sm	1,500,000	ow										
13					700,000	a	250,000	sw	1,500,000	os										
13							700,000	a	1,480,000	ms										

Destination Medical Center			2020-2025			Capital Improvements Program			Schedule for Six Year Period											
Special Assessment Bonds = a Food & Beverage Tax = fb Operating Trfs-fr General Fund = ot Retained Earnings = re Storm Water Mgmt Chg = sw			Abatement District = ad Local Gov't Aid = ga Operating Trfs-fr Sewer Utility = ow State Funds = s Tax Levy = t			Olmsted County = c General Obligation Bonds = go Operating Trfs-fr General Fund = ox Sn/Sewer Availability Chg = sa Traffic Improvement Dist Chg = td			Electric Utility = eu Lodging Tax = lt Private Funds = p Sales Tax DMC = sd Tax Increments = ti			Federal Funds = f MN State Aid - Streets = ms Project Reserves = r State DMC Funds = sm Operating Trfs - fr Other Funds = to Water Utility = wu			Flood Control Reserves = fr Operating Trfs - fr Storm Water = os GO Revenue Bonds = rb Sales Tax 2013 = st Water Availability Chg = wa Unfunded = u					
Sort	Map #	Project Description	Proj #	Total Budget	2019 CIP Bdgt Amts		2002-2019 CIP Bdgt Amts		2020	Priority	2021	Priority	2022	Priority	2023	Priority	2024	Priority	2025	Priority
14	14	Reconstruct North Broadway Ave from Civic Center Drive to Zumbro River Bridge. Funds to be transferred from J2202 (TH63 turnback).		20,000,000	400,000	r	800,000	r	4,000,000	r	6,100,000	r								
14					400,000	sm	800,000	sm	4,000,000	sm										
14									1,600,000	ow										
14									1,300,000	wu										
14									1,400,000	a										
15	15	SS1 12th & 13th Ave Sanitary and Storm Sewer Capacity Improvements from 2nd St SW to 2nd St NW. (Project is without subway tunnel option).		8,250,000			2,750,000	sd			3,825,000	sm								
15											1,675,000	ow								
16	16	Construct Sanitary Sewer Capacity Bypass on 2nd Street SE from Broadway to 1st Ave SE.		2,275,795			-		1,137,897	ow										
16									1,137,898	sm										
17	17	Construct sanitary sewer capacity bypass on 3rd Ave SW from 2nd St SW to 4th St SW		3,100,000											50,000	ow	1,500,000	ow		
17															50,000	sm	1,500,000	sm		
18	18	Reconstruct 2nd Street SW from 11th Ave to 16th Ave. FHWA Federal funds secured (2019). Project includes subway crossing of 2nd St SW. (60/40 Split between State and County respectively)		8,520,000			-				2,370,000	f								
18											1,000,000	sm								
18											1,500,000	a								
18											275,000	to								
18											150,000	wu								
18											225,000	ow								
18											2,050,000	ms								
18											950,000	c								
20	20	Transit Circulator Prototyping		250,000					250,000	sm										
21	21	District Energy Evaluation & Implementation		100,000					100,000	sm										
22	22	Smart City Implementation; Air Quality Monitoring		30,000					30,000	sm										
22									25,335,795		23,078,000		-		100,000		3,000,000		4,500,000	
23	Transit																			
23	23	St. Mary's transit station- 2019: Continued design and planning; 2020 -2021: Improvements coordinated with DMC and 2nd Street rebuild; 2020: Phase 4-3B Pedestrian tunnel; 2021: Phase 4-3B Transit Center. Does not reflect land acquisition cost.		12,220,000			74,000	to	50,000	c	700,000	c								
23							96,000	r	200,000	f	2,800,000	f	6,480,000	f						
23							200,000	f					1,620,000	sm						
24	24	ITS Study Repayment		8,000,000	1,600,000	sd	1,600,000	sd	1,600,000	sd	1,600,000	sd	1,600,000	sd	1,600,000	sd				
25	25	Phase I DMC Transit plan implementation 2019: 5 BRT-60' articulated electric buses at \$1.3 million per unit plus charging infrastructure estimated at \$1 million. Phase II - Purchase of 4 BRT -60' articulated electric buses. Local share- County sales tax 40% , State DMC funding 60%. Added solar panels on PWTOC for energy recovery in 2021.		13,700,000	1,500,000	c	1,500,000	c	1,040,000	c	200,000	c								
25					6,000,000	f	6,000,000	f	4,160,000	f	800,000	f								
26	26	Arrive Rochester Implementation		1,810,000	250,000	sd	250,000	sd	260,000	sd	260,000	sd	260,000	sd	260,000	sd	260,000	sd	260,000	sd
27	27	ITS Implementation: Circulator Route		98,620,000					3,872,000	c	7,592,000	c	16,756,000	c	11,000,000	c	10,090,000	c		
27													30,720,000	f	11,000,000	f	7,590,000	f		
28	28	ITS Implementation: Transit Villages 1 & 2 design & land acquisition.		8,000,000	-		-		5,000,000	sm	3,000,000	sm								
28					-		-													
29	29	2020-Provides for the EV Charging for electric buses. (Assumes garage expansion and office addition and wash completed in 2019.) Federal share shown in 2020 is an approved FTA LoNo grant. Expansion of charging shown in 2022 at 80% FTA funding.		9,263,200	2,500,000	s	2,500,000	s	110,000	c	240,000	c	228,000	c						
29					3,320,000	st	3,320,000	st	990,000	f	960,000	f	915,200	f						
30	30	City Loop Implementation		5,000,000			-	sm							5,000,000	sm				
30																				

Destination Medical Center				2020-2025				Capital Improvements Program				Schedule for Six Year Period											
Special Assessment Bonds = a				Abatement District = ad				Olmsted County = c				Electric Utility = eu				Federal Funds = f				Flood Control Reserves = fr			
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																Water Utility = wu				Unfunded = u			
Sort	Map #	Project Description	Proj #	Total Budget	2019 CIP Bdgt Amts		2002-2019 CIP Bdgt Amts		2020	Priority	2021	Priority	2022	Priority	2023	Priority	2024	Priority	2025	Priority			
30									17,282,000		18,152,000		58,579,200		28,860,000		17,940,000		260,000				
30																							

2020 WORK PLAN:  
DMC EDA LEGISLATIVE RESPONSIBILITIES, OUTCOMES, AND GOALS

Facilitate Private Investment	Evaluate Development Proposals	Implement Development Plan	Transactional Services	Community Outreach Programs	Facilitate Transactions	Seek financial support	Partner with others	Administer planning to implement plan	Marketing and Promotion	Community and Public Relations	Pursue other funding	General Advisory Recommendations	2020 Outcome	Strategic Priority	Phase 2 (2025) Goal	2035 Goal	
X		X		X			X	X					Create Integrated Transit Studies implementation monitoring system	Transportation	Reduce drive-alone mode share to 58%	Reduce drive-alone mode share to 50% or less	
X	X	X	X			X	X	X	X	X	X	X	Identify five Transit-Oriented Development sites and partners				
		X				X	X	X				X	Evaluate suitability of autonomous vehicles as a transit option				
		X		X			X	X		X	X	X	Advance development of transit line				
X		X		X			X	X			X		Complete City Loop implementation and location plan				
X		X					X	X				X	Promote additional mobility modes, including last-mile & micro-mobility options				
		X					X	X				X	Establish long-term Arrive Rochester TMA governance strategy				
X		X		X			X	X		X			Increase Arrive Rochester TMA business and individual participation				
X		X		X			X	X				X	Evaluate MNDOT "lid" development process for potential project				
X	X	X		X			X	X		X		X	Facilitate/support Community and Education subdistrict development efforts	Common Ground	\$1 billion+ of new private development underway	\$5.6 billion of private investment	
X	X	X		X			X	X		X		X	Advance Saint Marys Place transit corridor and pedestrian planning				
		X		X			X	X					Renovation of first phase of Heart of the City's Peace Plaza significantly underway		Completion of Peace Plaza renovation		
		X		X			X	X			X		Heart of the City property owners report minimal business disruption				
		X		X		X	X	X	X	X			Discovery Walk stakeholder group engaged and supportive of activities and outcomes		Discovery Walk construction completed, activities take place regularly, new development is being considered	Achieve highest quality patient, visitor, resident experience	
		X		X		X	X	X	X	X			Discovery Walk design and construction documents completed, construction bids received				
X	X	X					X	X				X	Document progress towards identified housing goal from 2019 affordable housing study; include targets for affordable, senior and student housing	Housing	Will identify metrics in 2019 housing study	Show quantifiable improvements in the availability of housing in DMC District - inclusive of housing type and affordability	
		X		X			X	X	X	X			Undergrad and Mayo grad school students placed in DS businesses	Workforce	100 interns placed annually in bio-med-tech businesses, with 10% transitioning into employment in Rochester	Create 30,000 new jobs, including 3,230 in bio-med-tech	
		X		X			X	X	X	X			Operationalize MBE/WBE program for all DMC projects		Attain state MBE/WBE targets for SE MN	Ensure compliance with specific requirements of the DMC Act	
X		X					X	X			X		Affordable Discovery Square startup and bridge space available	Transformative Projects	Develop 330,000 s.f. of Bio-Med-Tech space	Develop 1.02M s.f. new bio-med, health tech space	
X	X	X					X	X					Two Discovery Square design complete and construction underway				
X	X	X		X			X	X		X		X	Advance Downtown Waterfront redevelopment planning		\$1 billion+ of new private development underway	\$5.6 billion of private investment	
X	X	X	X	X	X		X	X					One new private development project underway		Five new private development projects underway		
		X					X	X					Benchmarking program includes 120 buildings	Sustainability	Benchmarking program includes over 200 buildings. City Council is reviewing an energy disclosure policy.	Reduce energy consumption by 25% below 2012 levels by 2030	
		X					X	X					Monitor progress towards DMC's greenhouse gas, energy and sustainability goals		Reduce DMC-wide emissions per SF by 22% below 2005 levels by 2025		
		X		X			X			X			Provide 12 sustainability series in 2019 and lead in management of Earthfest celebration		Progress toward DMC and Rochester GHG, energy and sustainability goals across sectors (commercial, industrial, residential)		Reduce energy consumption by 25% below 2012 levels by 2030; Reduce potable water consumption below 2012 levels by 2030; Reduce total waste generated by 30% below 2012 levels by 2030; Reduce drive alone mode share to 50% or less; Reduce DMC-wide emissions per SF by 80% below 2005 levels by 2050
	X	X		X			X			X			Engage in at least 2 national conferences and 20 local and regional meetings		Reduce district-wide energy consumption by 20% below 2010 levels by 2025		Reduce district-wide energy consumption by 25% below 2010 levels by 2030
	X	X		X			X	X			X		Complete 9 projects identified in Phase 1 of Strategic Energy Project Plan and evaluate two district energy possibilities in DMC District				
X		X					X	X			X		Apply replicable health in design process for Discovery Walk	America's City for Health	Apply health in design process to 5 infrastructure projects	Show quantifiable improvements in community health measures	
X		X		X			X	X		X			Comprehensive communications plan is used to on-board and assimilate new Discovery Square-based businesses	Business Development and Marketing	Discovery Square organizations and their staff are integrated into the Rochester community	Achieve highest quality patient, visitor, resident experience	
		X		X			X	X	X		X		ATC2.0 completed in spring; ATC3.0 initiated in fall		Assistive Technology Challenge (ATC) enables formation of 10 new ATC-related businesses, creating 25 new jobs towards the 5-year goal of creating 510 Mayo and non-Mayo new jobs in bio-med-tech	Create 30,000 new jobs, including 3,230 in bio-med-tech	
		X		X		X	X	X		X	X		Apply for and secure grant funding to further the mission of the ATC		Grant funding enables formation of 10 new ATC-related businesses, creating 25 new jobs towards the 5-year goal of creating 510 Mayo and non-Mayo new jobs in bio-med-tech		
X	X	X		X			X	X	X				Partner with other organizations to support entrepreneurial programming		Programming supports the formation of 20 new startup companies and 100+ new jobs, towards the 5-year goal of creating 510 Mayo and non-Mayo new jobs in bio-med-tech		
X	X	X					X	X	X				New businesses operate in Discovery Square		200+ new jobs created by recruiting 20 new bio-med-tech businesses into Discovery Square, towards the 5-year goal of creating 510 Mayo and non-Mayo new jobs in bio-med-tech	\$5.6 billion of private investment	
X		X						X	X				Initiate integrated marketing campaign to targeted regional, national and international audiences, driving qualified traffic to dmc.mn and generating qualified leads		More than \$1 billion of new private development, consistent with development plan, underway		
X		X						X	X				Initiate comprehensive communications plan; secure two national media placements and a minimum of one national speaking engagement; showcase DMC model to a minimum of two regional audiences				
X	X	X	X		X			X				X	Projects reviewed in a timely fashion				
X	X	X	X	X	X	X	X	X	X	X	X	X	Five new development proposals introduced and approved		Retail strategy implemented throughout DMC district and downtown Rochester	Retail developments active across all DMC subdistricts	
X		X					X	X				X	Retail strategy completion and initial implementation				
		X	X	X				X		X		X	WMBE, Targeted Business Utilization, Prevailing Wage, American-made Steel		Ensure compliance with specific requirements of the DMC Act		
		X		X				X		X		X	Updated Development Plan				
		X		X			X	X		X			Sustain and grow community support for the DMC Development Plan	Experience and Engagement	Will identify metrics in proposed experience master plan	Achieve highest quality patient, visitor, resident experience	
		X		X			X	X		X			Create strategies, programs and services that support a world class destination and enhance the experience for patients, visitors, and residents				



# DMC

## Destination Medical Center

Destination Medical Center Economic Development Agency  
&  
City of Rochester DMC Project Management Team

## 2020 Workplan

Updated:  
August 26, 2019

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1. EXECUTIVE SUMMARY
2. CITY OF ROCHESTER DMC PROJECT MANAGEMENT RESPONSIBILITIES
3. DMC EDA STATUTORY ROLE AND RESPONSIBILITIES
4. WORKPLAN OUTCOMES TO ACHIEVE 2020 STRATEGIC PRIORITIES AND DMC GOALS
5. OPERATING BUDGET

### 1. Executive Summary

In 2020, the Destination Medical Center (“DMC”) initiative will focus on pursuing the strategic priorities endorsed by the Destination Medical Center Corporation Board of Directors and the City of Rochester Common Council in order to achieve the goals of the DMC initiative.

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”) and City of Rochester DMC project management team will continue to pursue the goals of the DMC initiative.

#### DMC GOALS

- Create a comprehensive strategic plan
- Leverage the public investment to attract more than \$5 billion in private investment
- Create approximately 30,000 new jobs
- Generate up to \$8.0 billion in new net tax revenue over 35 years
- Achieve the highest quality patient, companion, visitor, employee, and resident experience

#### 2020 STRATEGIC PRIORITIES

- Transportation
- Common Ground
- Housing
- Workforce
- Transformative Projects
- Sustainability

Additionally, the DMC EDA and City of Rochester DMC project management staff have incorporated significant business development, marketing, experience, and community engagement initiatives into the 2020 workplan in order to support these strategic priorities. The workplan outlines the objectives and defines the resources necessary to advance the 2020 DMC strategic priorities.

### 2. City of Rochester DMC Project Management Team Responsibilities

In January 2019, the Destination Medical Center Corporation approved a proposal to assign new and existing DMC-related project management responsibilities to DMC-dedicated City of Rochester staff. The City of Rochester DMC Project Management team supports the DMC initiative in these areas:

- WMBE and Targeted Business Outreach and Compliance
- Subdistrict development
- Transportation infrastructure and multi-modal transit
- Housing
- Experience
- Grant development



### 3. 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:

- 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
- 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
- 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

## 4. Workplan To Achieve 2020 Strategic Priorities and DMC Goals

### STRATEGIC PRIORITY: TRANSPORTATION

*Create the integrated transportation infrastructure necessary to provide access to and through downtown Rochester and encourage additional opportunity for development and investment.*

2035 Goal	Phase 2 (2025) Goal	2020 Outcome
Reduce drive-alone mode share to 50% or less	Reduce drive-alone mode share to 58%	Create Integrated Transit Studies implementation monitoring system
		Identify five Transit-Oriented Development sites and partners
		Evaluate suitability of autonomous vehicles as a transit option
		Advance development of transit line
		Complete City Loop implementation and location plan
		Promote additional mobility modes, including last-mile & micro-mobility options
		Establish long-term Arrive Rochester TMA governance strategy
		Increase Arrive Rochester TMA business and individual participation

### STRATEGIC PRIORITY: COMMON GROUND

*Design and develop public spaces and amenities to incentivize additional private investment, create unique experiences, and increase downtown density.*

2035 Goal	Phase 2 (2025) Goal	2020 Outcome
\$5.6 billion of private investment	\$1 billion+ of new private development underway	Facilitate/support Community and Education subdistrict development efforts
		Advance Saint Marys Place transit corridor and pedestrian experience planning
	Completion of Peace Plaza renovation	Renovation of first phase of Heart of the City's Peace Plaza significantly underway
		Heart of the City property owners report minimal business disruption
Achieve highest quality patient, visitor, resident experience	Discovery Walk construction completed, activities take place regularly, new development is being considered	Discovery Walk stakeholder group engaged and supportive of activities and outcomes
		Discovery Walk design and construction documents completed, construction bids received

### STRATEGIC PRIORITY: HOUSING

*Contribute to a robust mix of housing infrastructure in the DMC District that creates density, sustains additional commercial and entertainment activity, develops a greater sense of community, and provides for our growing workforce.*

2035 Goal	Phase 2 (2025) Goal	2020 Outcome
Show quantifiable improvements in the availability of housing in DMC District - inclusive of housing type and affordability.	Will identify metrics in 2019 housing study	Document progress towards identified housing goal from 2019 affordable housing study; include targets for affordable, senior and student housing

### STRATEGIC PRIORITY: WORKFORCE

*Contribute to our innovative workforce by supporting projects and programs that recruit and retain bio-med-tech students, employees, employers, and entrepreneurs and encourages the sustainable growth of our regional construction and building trades economy.*

<u>2035 Goal</u>	<u>Phase 2 (2025) Goal</u>	<u>2020 Outcome</u>
Create 30,000 new jobs, including 3,230 in bio-med-tech	100 interns placed annually in bio-med-tech businesses, with 10% transitioning into employment in Rochester	Students placed in Discovery Square businesses
Ensure compliance with specific requirements of the DMC Act	Attain state MBE/WBE targets for SE MN	Operationalize MBE/WBE program for all DMC projects

### STRATEGIC PRIORITY: TRANSFORMATIVE PROJECTS

*Pursue high-impact, market-changing development opportunities that advance the DMC Goals and Mission and maximally leverage DMC resources.*

<u>2035 Goal</u>	<u>Phase 2 (2025) Goal</u>	<u>2020 Outcome</u>
Develop 1.02M SF new bio-med, health tech space	Develop 330,000 SF of Bio-Med-Tech space	Affordable Discovery Square startup and bridge space available
		Two Discovery Square design complete and construction underway
\$5.6 billion of private investment	\$1 billion+ of new private development underway	Advance Downtown Waterfront redevelopment planning
	Five new private development projects underway	At least one new private development project underway

### STRATEGIC PRIORITY: AMERICA'S CITY FOR HEALTH

*Ensure that public infrastructure investment supports a more healthy community, citizenry, and built and natural environments.*

<u>2035 Goal</u>	<u>Phase 2 (2025) Goal</u>	<u>2020 Outcome</u>
Show quantifiable improvements in community health measures	Apply health in design process to 5 infrastructure projects	Apply replicable health in design process to Discovery Walk

### STRATEGIC PRIORITY: EXPERIENCE AND COMMUNITY ENGAGEMENT

*Achieve the highest quality patient, visitor, and community member experience both now and in the future.*

<u>2035 Goal</u>	<u>Phase 2 (2025) Goal</u>	<u>2020 Outcome</u>
Achieve highest quality patient, visitor, resident experience	Will identify metrics in proposed experience master plan	Sustain and grow community support for the DMC Development Plan
		Create strategies, programs and services that support a world class destination and enhance the experience for patients, visitors and residents

## STRATEGIC PRIORITY: SUSTAINABILITY

*Foster the culture, best practices, and development processes necessary to create a more healthy, sustainable community that elevates Rochester as a market for investment, development, and workforce recruitment and retention.*

<u>2035 Goal</u>	<u>Phase 2 (2025) Goal</u>	<u>2020 Outcome</u>
Reduce energy consumption by 25% below 2012 levels by 2030	Benchmarking program includes over 200 buildings. City Council is reviewing an energy disclosure policy.	Benchmarking program includes 120 buildings
	Reduce DMC-wide emissions per SF by 22% below 2005 levels by 2025	Create key metrics collection schedule to monitor progress towards DMC's greenhouse gas, energy and sustainability goals Provide 12 sustainability series in 2019 and lead in management of Earthfest celebration
Reduce: <ul style="list-style-type: none"> <li>• Energy consumption by 25% below 2012 levels by 2030</li> <li>• Potable water consumption below 2012 levels by 2030</li> <li>• Total waste generated by 30% below 2012 levels by 2030</li> <li>• Drive alone mode share to 50% or less</li> <li>• DMC-wide emissions per SF by 80% below 2005 levels by 2050</li> </ul>	Progress toward DMC and Rochester GHG, energy and sustainability goals across sectors (commercial, industrial, residential)	Engage in up to 3 national conferences and 20 local and regional meetings to learn sustainability and energy use best practices
Reduce district-wide energy consumption by 25% below 2010 levels by 2030	Reduce district-wide energy consumption by 20% below 2010 levels by 2025	Complete 9 projects identified in Phase 1 of Strategic Energy Project Plan and evaluate—and if applicable, advance—two district energy possibilities in DMC District

Continued on next page

## STRATEGIC PRIORITY: BUSINESS DEVELOPMENT AND MARKETING

*Execute business development and marketing activity to secure private investment, recruit and retain new businesses and entrepreneurs, develop our workforce, and achieve the goals of the DMC Development Plan.*

<u>2035 Goal</u>	<u>Phase 2 (2025) Goal</u>	<u>2020 Outcome</u>
Achieve highest quality patient, visitor, resident experience	Discovery Square organizations and their staff are integrated into the Rochester community	<b>Comprehensive communications plan is used to on-board and assimilate new Discovery Square-based businesses</b>
Create 30,000 new jobs, including 3,230 in bio-med-tech	Assistive Technology Challenge (ATC) enables formation of 10 new ATC-related businesses, creating 25 new jobs towards the 5-year goal of creating 510 Mayo and non-Mayo new jobs in bio-med-tech	<b>ATC2.0 completed in spring; ATC3.0 initiated in fall</b>
	Programming supports the formation of 20 new startup companies and 100+ new jobs, towards the 5-year goal of creating 510 Mayo and non-Mayo new jobs in bio-med-tech	<b>Partner with other organizations to support entrepreneurial programming</b>
	200+ new jobs created by recruiting 20 new bio-med-tech businesses into Discovery Square, towards the 5-year goal of creating 510 Mayo and non-Mayo new jobs in bio-med-tech	<b>New businesses operate in Discovery Square</b>
\$5.6 billion of private investment	More than \$1 billion of new private development, consistent with development plan, underway	<b>Drive qualified traffic to dmc.mn and generate qualified leads by executing an integrated marketing campaign to targeted regional, national and international audiences</b>
		<b>Secure two national media placements and a minimum of one national speaking engagement and showcase the DMC model to a minimum of two regional audiences by executing a comprehensive communications plan</b>
		<b>Five new development proposals introduced and approved</b>
Retail developments active across all DMC subdistricts	Retail strategy implemented throughout DMC district and downtown Rochester	<b>Retail strategy completion and initial implementation</b>
Ensure compliance with specific requirements of the DMC Act		<b>WMBE, Targeted Business Utilization, Prevailing Wage, American-made Steel</b>

## LEGISLATIVE REQUIREMENTS

<u>2035 Goal</u>	<u>Phase 2 (2025) Goal</u>	<u>2020 Outcome</u>
Ensure compliance with specific requirements of the DMC Act		<b>Update Development Plan</b>

## 5. Operating Budget

The budget, developed to achieve the strategic objectives identified in the workplan, has been prepared by DMC EDA and City of Rochester DMC Project Management teams with the advice of DMC Corporation and DMC EDA board members and City of Rochester elected and administrative leaders.

- The 2020 DMC EDA funding request to the Destination Medical Center Corporation of \$2,570,146, which represents a year-over-year decrease in funding of \$1,259, or approximately 0.5%.
- The 2020 DMC EDA funding contributed by Mayo Clinic towards the operational, project, and program expenses of the DMC EDA totals \$1,313,742, which represents a year-over-year increase in funding of \$38,338, or approximately 3%.
- The 2020 City of Rochester DMC Project Management team funding request to the Destination Medical Center Corporation is \$660,525.

2020 DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY BUDGET							
		2019 DMC Budget	2020 DMC Budget	YOY DMC Funding Change (\$)	2019 Mayo Clinic Funding	2020 Mayo Clinic Budget	YOY Mayo Clinic Funding Change (\$)
<b>DMC EDA Staff Costs</b>							
1	Payroll	\$766,566	\$809,396	\$42,830	\$965,000	\$998,775	\$33,775
2	Benefits	\$136,047	\$140,809	\$4,762	\$0		\$0
3	Payroll Expenses	\$6,600	\$6,831	\$231	\$0		\$0
4	Transportation/Transit Subsidy	\$8,160	\$8,446	\$286	\$0		\$0
5	Reimbursements	\$14,000	\$0	-\$14,000	\$0		\$0
<b>Subtotal</b>		<b>\$931,373</b>	<b>\$965,481</b>	<b>\$34,108</b>	<b>\$965,000</b>	<b>\$998,775</b>	<b>\$33,775</b>
<b>DMC EDA Operational Costs</b>							
6	Rent and Utilities	\$1,320	\$1,400	\$80	\$118,087	\$122,695	\$4,608
7	Equipment Rentals/Furniture	\$0	\$0	\$0	\$0		\$0
8	Office Supplies/Consumables	\$15,000	\$20,000	\$5,000	\$0		\$0
9	Room Rental	\$0	\$0	\$0	\$0		\$0
10	Postage, and Shipping	\$1,500	\$1,500	\$0	\$0		\$0
11	Website Drafting/Hosting	\$0	\$18,310	\$18,310	\$0		\$0
12	IT Hardware, Software and Support	\$26,300	\$25,939	-\$361	\$0		\$0
13	Miscellaneous Costs	\$2,460	\$2,546	\$86	\$0		\$0
<b>Subtotal</b>		<b>\$46,580</b>	<b>\$69,695</b>	<b>\$23,115</b>	<b>\$118,087</b>	<b>\$122,695</b>	<b>\$4,608</b>
<b>Economic Development Outreach &amp; Support</b>							
14	Print & Collateral	\$46,000	\$40,000	-\$6,000	\$0		\$0
15	Outreach and Local Events	\$150,300	\$107,000	-\$43,300	\$0		\$0
16	Subscriptions and Memberships	\$2,750	\$5,000	\$2,250	\$0		\$0
17	Conferences, Meetings, Travel & Participation	\$72,500	\$92,000	\$19,500	\$0		\$0
18	Economic Development	\$589,239	\$563,200	-\$26,039	\$193,545	\$193,500	-\$45
<b>Subtotal</b>		<b>\$860,789</b>	<b>\$807,200</b>	<b>-\$53,589</b>	<b>\$193,545</b>	<b>\$193,500</b>	<b>-\$45</b>
<b>Professional Services</b>							
19	Legal Services	\$40,232	\$45,000	\$4,768	\$0		\$0
20	Website Management and CRM	\$29,500	\$32,770	\$3,270	\$0		\$0
21	Marketing Communications & Advertising	\$400,000	\$435,000	\$35,000	\$0		\$0
22	Public Relations/Community Relations	\$70,000	\$65,000	-\$5,000	\$0		\$0
23	Contracted Support Staff	\$115,000	\$65,000	-\$50,000	\$0		\$0
24	Financial Reporting Services	\$25,432	\$35,000	\$9,568	\$0		\$0
<b>Subtotal</b>		<b>\$680,164</b>	<b>\$677,770</b>	<b>-\$2,394</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Miscellaneous Costs</b>							
25	Insurance & Taxes	\$52,500	\$50,000	-\$2,500	\$0		\$0
26	Miscellaneous Costs / Contingency	\$0	\$0	\$0	\$0		\$0
<b>Subtotal</b>		<b>\$52,500</b>	<b>\$50,000</b>	<b>-\$2,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL BUDGET</b>		<b>\$2,571,406</b>	<b>\$2,570,147</b>	<b>-\$1,259</b>	<b>\$1,276,632</b>	<b>\$1,314,970</b>	<b>\$38,338</b>
			<b>2020 DMC FUNDING</b>	<b>\$2,570,147</b>		<b>2020 MAYO CLINIC FUNDING</b>	<b>\$1,314,970</b>

# CITY OF ROCHESTER DMC PROJECT MANAGEMENT TEAM OPERATING BUDGET

	<u>Budget Category</u>	<u>2020 DMCC-Funded Budget</u>
<b>Staff Costs</b>		
1	Payroll and Benefits	\$580,808
	<b>Subtotal</b>	<b>\$580,808</b>
<b>Operational Costs</b>		
6	Professional Development	\$5,000
7	Travel	\$12,500
8	Office	\$3,900
9	Information Technology	\$42,416
10	Miscellaneous	\$15,900
	<b>Subtotal</b>	<b>\$79,737</b>
	<b>TOTAL BUDGET</b>	<b>\$660,524</b>

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**DMCC 2019 Budget Worksheet  
and Proposed 2020 Budget**

Account Description	2014 Actual	2015 Budget	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Actual(7/2019)	Proposed 2020 Budget
DMC Corporation												
<b>Revenues</b>	<b>-5,416,447</b>	<b>-3,797,803</b>	<b>-3,602,320</b>	<b>-3,985,812</b>	<b>-2,288,340</b>	<b>-3,224,870</b>	<b>-2,471,264</b>	<b>-2,852,106</b>	<b>(2,581,654)</b>		<b>1,161,491</b>	
<b>Interest Earned</b>							<b>6</b>		<b>(14)</b>		<b>6</b>	
Building Rent	3,173		21,232	25,000	18,907	25,000	32,558	35,000	24,050	35,000	21,836	35,000
<b>Rents and Leases</b>	<b>3,173</b>		<b>21,232</b>	<b>25,000</b>	<b>18,907</b>	<b>25,000</b>	<b>32,558</b>	<b>35,000</b>	<b>24,050</b>	<b>35,000</b>	<b>21,836</b>	<b>35,000</b>
Audit Services	0		2,839	3,000	3,000	3,000	2,897	3,000	3,000	3,000	3,150	3,500
Legal Consultants	455,165	400,000	324,144	400,000	217,195	350,000	172,584	250,000	160,503	225,000	71,929 (1)	200,000
Accounting Consultants	0	50,000	1,144	1,500	1,000	1,500	1,800	1,500	1,050	2,000		2,000
Other Expert & Professnl Srvc	21,927	302,673	13,913	538,312	17,333	50,000	11,145	40,000	7,994	35,000	4,502	20,000
<b>Expert &amp; Professional Services</b>	<b>477,092</b>	<b>752,673</b>	<b>342,040</b>	<b>942,812</b>	<b>238,528</b>	<b>404,500</b>	<b>188,426</b>	<b>294,500</b>	<b>172,547</b>	<b>265,000</b>	<b>79,581</b>	<b>225,500</b>
Travel and training	10,508	7,200	976	5,000	538	5,000	0	5,000	272	5,000	154	5,000
Business meal expenses		26,730	0	5,000	35	1,000	0	1,000	0	1,000		1,000
<b>Travel/Training/Business Meals</b>	<b>10,508</b>	<b>33,930</b>	<b>976</b>	<b>10,000</b>	<b>573</b>	<b>6,000</b>	<b>0</b>	<b>6,000</b>	<b>272</b>	<b>6,000</b>	<b>154</b>	<b>6,000</b>
Comprehensive Liability Ins	4,713	150,000	17,601	20,000	15,303	20,000	16,136	20,000	14,171	20,000	10,307	20,000
Insurance - Misc others		30,600										
<b>Insurance and Bonds</b>	<b>4,713</b>	<b>180,600</b>	<b>17,601</b>	<b>20,000</b>	<b>15,303</b>	<b>20,000</b>	<b>16,136</b>	<b>20,000</b>	<b>14,171</b>	<b>20,000</b>	<b>10,307</b>	<b>20,000</b>
Contractual Services												
Contractual Services												
<b>Professional &amp; Contracted Srvc</b>	<b>495,486</b>	<b>967,203</b>	<b>381,850</b>	<b>997,812</b>	<b>273,311</b>	<b>455,500</b>	<b>237,120</b>	<b>355,500</b>	<b>211,040</b>	<b>326,000</b>	<b>111,878</b>	<b>286,500</b>
Other Supplies		30,600										
Supplies		30,600										
<b>Materials and Supplies</b>		<b>30,600</b>							<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest			54		13	100	19	100	27		13	
Other Charges					25	100	25	100	25			
<b>Other Charges</b>			<b>54</b>		<b>38</b>	<b>200</b>	<b>44</b>	<b>200</b>	<b>52</b>	<b>0</b>	<b>13</b>	<b>0</b>
<b>Expenditures</b>	<b>495,486</b>	<b>997,803</b>	<b>381,903</b>	<b>997,812</b>	<b>273,349</b>	<b>455,700</b>	<b>237,164</b>	<b>355,700</b>	<b>211,093</b>	<b>326,000</b>	<b>111,891</b>	<b>286,500</b>
Other Financing Uses												
DMC EDA Corporation - Net Revs - Exps	-4,920,961	-2,800,000	-3,220,416	-2,988,000	-2,014,991	-2,769,170	2,234,105	2,496,406	2,370,576	2,571,406	1,052,444	
<b>City Support Expenses</b>				150,000		150,000	0	125,000	0			
Total DMCC & EDA							2,471,269.43	2,852,106	2,581,668.57	2,897,406.00	1,164,334.65	286,500.00

(1) This amount reflects expenses from January - May, 2019.



**DMCC REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN  
FOR 2020**

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, 2019 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 2020.
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 \$75,000.00 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, 2019

# EXHIBIT A

## DMCC Request for Extension of Working Capital Loan for 2020

DMCC Bank Account	2018						2019											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Beginning Bank Balance	1,000.66	1,000.90	1,000.74	1,003.63	897.92	1,000.68	1,280.68	34,736.00	14,580.37	1,585.86	2,386.29	1,585.91	1,585.86	36,021.98	1,397.38	1,397.38	1,397.38	1,397.38
DMCC Bank Charges	106.27	105.84	136.87	103.66	113.51	115.02	115.02	111.25	110.57	104.83	106.05	97.03	93.64	95.02				
Adjustments - bank fees returned																		
Adjustments - change in amount																		
Interest Earnings	0.70	1.41	3.44	1.31	2.70	0.18	0.25	1.47	1.22	1.29	1.57	0.59	3.43	1.71				
EDA Funding Requested	138,906.30	236,582.10	144,350.55	214,843.40	358,483.73	306,240.90	204,219.28	92,628.84	106,689.06	182,088.35	296,913.99	63,437.97	271,056.42	255,272.98				
Actual Funded	139,012.11	236,686.37	144,486.87	214,840.04	358,697.30	306,635.74	237,789.37	72,582.99	106,908.74	187,388.47	297,018.09	67,869.64	305,582.75	220,895.33				
Checks									13,104.84	4,396.15	800.00	4,335.28	153.64					
Difference	105.81	104.27	136.32	(3.36)	213.57	394.84	33,570.09	(20,045.85)	(12,885.16)	903.97	(695.90)	96.39	34,526.33	(34,531.29)	-	-	-	-
Ending Bank Balance	1,000.90	1,000.74	1,003.63	897.92	1,000.68	1,280.68	34,736.00	14,580.37	1,585.86	2,386.29	1,585.91	1,585.86	36,021.98	1,397.38	1,397.38	1,397.38	1,397.38	1,397.38
Reconciling Items																		
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	1,000.90	1,000.74	1,003.63	897.92	1,000.68	1,280.68	34,736.00	14,580.37	1,585.86	2,386.29	1,585.91	1,585.86	36,021.98	1,397.38	1,397.38	1,397.38	1,397.38	1,397.38
	1,000.90	1,000.74	1,003.63	897.92	1,000.68	1,280.68	34,736.00	14,580.37	1,585.86	2,386.29	1,585.91	1,585.86	36,021.98	1,397.38				
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	1,397.38	1,397.38	1,397.38	1,397.38

1,397.38  
-305 dividend added to WT instead of subtracted  
-305 correctly enterering the dividened  
93.64 July bank stmt fees for June  
95.02 Aug bank stmt fees for July  


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976.04

**EXHIBIT B: EDA REQUEST FOR EXTENSION OF THE  
WORKING CAPITAL LOAN FOR 2020**

## DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY

### Approving the 2020 DMC EDA Funding Request and the Extension of Working Capital Loan

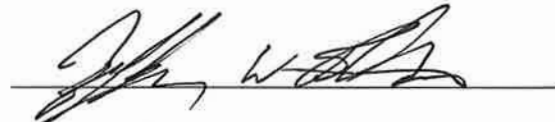
#### BACKGROUND RECITALS

**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, support costs incurred by the City of Rochester, and the Five Year Capital Plan; and

**WHEREAS**, the EDA has submitted an EDA Request for Extension of the Working Capital Loan, that the Loan Documents be extended for 2020 in the amount of \$75,000, 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 2020 EDA Funding Request, the EDA Request for Extension of the Working Capital Loan for 2020, and the Five Year Capital Plan, are approved.



Jeffrey Bolton  
President



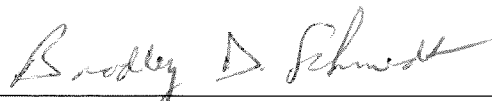


**EDA REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN  
FOR 2020**

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, 2019 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, 2020, in the Maximum Aggregate EDA Advances amount of \$75,000, 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 17<sup>th</sup>, 2019

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

**EXHIBIT A: RECONCILIATION OF EDA ADVANCES**

Through July 31, 2019

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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  
 Operating Account  
 Reconciliation of Bank Balance to Advance Total  
 Bank Balance Date: 9/28/2018

Balance per Bank		\$ 12,321.96	
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	
Receivable	\$ 1,032.15	City - Payroll 9/7	
Payroll 9/21	\$ 110.00		
	\$ 230.76		
	\$ 7,026.56		
	\$ 16,843.11		
	\$ 2,694.96	\$ 26,905.39	
		\$ (3,934.57)	Events payroll transfer 9/21
BlueCross BlueShield	\$ 6,593.31	9/21/2018	
Mitel	\$ 568.90	9/17/2018	
Less:			
Advance for expenses not cleared:			
Outstanding check			
Credit card payment	\$ 47.00	min payment 9/24	
Credit card payment	\$ 4,578.91	9/26/2018	
Misc CCC	\$ (155.82)	remaining credit card credit	
Advance Total reconciled		<u>\$ 50,000.00</u>	

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 10/31/2018

Balance per Bank		\$ 17,298.70
Add:		
Advance in transit for expense cleared bank or expenses not yet requested-		
Receivable		\$ 1,040.17 City - payroll 10/5
Transfer		\$ (2,804.37) Transfer from Events for TAR Credit card items not accepted
Payroll 10/19	\$ 110.00	
	\$ 230.76	
	\$ 7,010.56	
	\$ 16,769.44	
	\$ 2,790.50	\$ 26,911.26
Payroll 10/19		\$ (3,934.57) Transfer from Events
Payroll 11/2		\$ (4,020.68) Transfer from Events
Credit card payment		\$ 5,000.00 10/12/2018
Credit card payment		\$ 86.00 10/23/2018 minimum payment
Credit card payment		\$ 834.87 10/30/2018
Checks cleared		\$ 650.00 #5296
Checks cleared		\$ 232.47 #5297
Checks cleared		\$ 1,422.13 #5298
Checks cleared		\$ 276.60 #5299
BlueCross BlueShield		\$ 6,593.31 10/23/2018
Mitel		\$ 569.93 10/16/2018
Less:		
Advance for expenses not cleared:		
Misc CCC		\$ (155.82) remaining credit card credit
Advance Total reconciled		<u>\$ 50,000.00</u>

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 11/30/2018

Balance per Bank \$ 15,095.20

Add:

Advance in transit for expense cleared bank  
or expenses not yet requested-

Receivable	\$ 1,040.17	City - payroll 10/5
Receivable	\$ 983.64	City - payroll 10/19
Receivable	\$ 1,005.17	City - payroll 11/2
Receivable	\$ 983.64	City - payroll 11/16
Transfer	\$ (2,804.37)	Transfer from Events for TAR Credit card items not accepted
Payable	\$ (23.39)	Credit card - need to make a payment for this
Payroll 11/30	\$ 110.00	
	\$ 245.76	
	\$ 7,634.89	
	\$ 17,752.50	\$ 25,743.15
Credit card payment	\$ 1,146.13	11/27/2018
BlueCross BlueShield	\$ 6,593.31	11/21/2018
Mitel	\$ 569.93	11/15/2018

Less:

Advance for expenses not cleared:

Outstanding check	\$ (176.76)	#5302
Misc CCC	\$ (155.82)	remaining credit card credit

Advance Total reconciled \$ 50,000.00

DMC EDA  
 Operating Account  
 Reconciliation of Bank Balance to Advance Total  
 Bank Balance Date: 12/31/2018

Balance per Bank			\$ 28,903.03
Add:			
Advance in transit for expense cleared bank or expenses not yet requested-			
Receivable		\$ 1,005.17	City - payroll 12/14
Transfer		\$ (2,804.37)	Transfer from Events for TAR Credit card items not accepted
Payable		\$ (23.39)	Credit card - need to make a payment for this
Payroll 12/28	\$ 110.00		
	\$ 745.76		
	\$ 6,953.44		
	\$ 16,637.84	\$ 24,447.04	
Intuit checks		\$ 164.98	12/21/2018
Mitel		\$ 569.93	12/17/2018
Less:			
Advance for expenses not cleared:			
Credit card payment		\$ (2,106.57)	12/27/2018 payment, but credit on account
Misc CCC		\$ (155.82)	remaining credit card credit
Advance Total reconciled			<u>\$ 50,000.00</u>

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 1/31/2019

Balance per Bank		\$ 30,319.45
Add:		
Advance in transit for expense cleared bank or expenses not yet requested-		
Receivable	\$ 1,068.51	City - payroll 1/11
Transfer	\$ (2,804.37)	Transfer from Events for TAR Credit card items not accepted
Payable	\$ (23.39)	Credit card - need to make a payment for this
BlueCross BlueShield	\$ (6,593.31)	Requested the November charge twice
Payroll 1/25	\$ 135.00	
	\$ 245.76	
	\$ 8,003.00	
	\$ 2,876.26	
	\$ 16,044.06	\$ 27,304.08
BlueCross BlueShield	\$ 6,593.31	1/23/2019
Mitel	\$ 569.89	1/16/2019
Less:		
Advance for expenses not cleared:		
Outstanding Check	\$ (974.40)	Check #5317
Outstanding Check	\$ (444.23)	Check #5318
Credit card payment	\$ (2,106.57)	12/27/2018 payment, but credit on account
Credit card payment	\$ 26.00	Min payment 1/23/19
Credit card payment	\$ 114.28	1/28/2019
Credit card payment	\$ 2,374.92	1/28/2019
Credit card payment	\$ (5,268.35)	req on TAR 1/11/19
Misc CCC	\$ (155.82)	remaining credit card credit
Advance Total reconciled		<u>\$ 50,000.00</u>



DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 2/28/2019

Balance per Bank		\$ 26,026.20
Add:		
Advance in transit for expense cleared bank or expenses not yet requested-		
Receivable	\$ 1,033.51	City - payroll 2/8
Payroll 2/22	\$ 135.00	
	\$ 245.76	
	\$ 7,998.10	
	\$ 16,123.21	
	\$ 2,876.26	\$ 27,378.33
BlueCross BlueShield		
Mitel	\$ 569.89	2/26/2019
Less:		
Advance for expenses not cleared:		
Credit Card	\$ (23.39)	Credit card - need to make a payment for this
Credit card payment	\$ (2,106.57)	12/27/2018 payment, but credit on account
Credit card payment	\$ 26.00	Min payment 1/23/19
Credit card payment	\$ 114.28	1/28/2019
Credit card payment	\$ 2,374.92	1/28/2019
Credit card payment	\$ (5,268.35)	req on TAR 1/11/19
Credit card payment	\$ 31.00	Min payment 2/25/19
Misc CCC	\$ (155.82)	remaining credit card credit
Advance Total reconciled		<u><u>\$ 50,000.00</u></u>

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 3/31/2019

Balance per Bank \$ 16,333.42

Add:

Advance in transit for expense cleared bank  
or expenses not yet requested-

Receivable	\$ 1,033.51	City - payroll 2/8
Receivable	\$ 1,011.94	City - payroll 2/22
Receivable	\$ 1,033.50	City - payroll 3/8
Payroll 3/22	\$ 135.00	
	\$ 245.76	
	\$ 7,981.74	
	\$ 16,050.05	
	\$ 2,876.26	\$ 27,288.81

BlueCross BlueShield	\$ 6,593.31	3/21/2019
Mitel	\$ 569.89	3/15/2019
Tar 3/21 Staples transfer	\$ 657.54	
Check 5329	\$ 232.47	
Check 5330	\$ 263.83	

Less:

Advance for expenses not cleared:

Outstanding Check	\$ (17.29)	ER Cody check
Credit Card	\$ (23.39)	Credit card - need to make a payment for this
Credit card payment	\$ (2,106.57)	12/27/2018 payment, but credit on account
Credit card payment	\$ 26.00	Min payment 1/23/19
Credit card payment	\$ 114.28	1/28/2019
Credit card payment	\$ 2,374.92	1/28/2019
Credit card payment	\$ (5,268.35)	req on TAR 1/11/19
Credit card payment	\$ 38.00	Min payment 3/25/19
Misc CCC	\$ (155.82)	remaining credit card credit

Advance Total reconciled \$ 50,000.00

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 4/30/2019

Balance per Bank \$ 47,648.72

Add:

Advance in transit for expense cleared bank  
or expenses not yet requested-

Receivable	\$ 1,068.51	City - payroll 4/5
Receivable	\$ 1,011.93	City - payroll 4/19
Payroll		

\$ -
\$ 6,593.31 4/23/2019

BlueCross BlueShield  
Mitel

Less:

Advance for expenses not cleared:

Outstanding Check	\$ (17.29)	ER Cody check
Outstanding Check	\$ (99.75)	Smith rent
Outstanding Check	\$ (752.56)	Data smart
Outstanding Check	\$ (464.94)	Arnold's
Credit Card	\$ (23.39)	Credit card - need to make a payment for this
Credit card payment	\$ (2,106.57)	12/27/2018 payment, but credit on account
Credit card payment	\$ 26.00	Min payment 1/23/19
Credit card payment	\$ 114.28	1/28/2019
Credit card payment	\$ 2,374.92	1/28/2019
Credit card payment	\$ (5,268.35)	req on TAR 1/11/19
Credit card payment	\$ 51.00	min pmt 4.23
Misc CCC	\$ (155.82)	remaining credit card credit

Advance Total reconciled \$ 50,000.00

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 5/31/2019

Balance per Bank \$ 34,903.16

Add:

Advance in transit for expense cleared bank  
or expenses not yet requested-

Receivable	\$ 1,068.51	City - payroll 4/5
Receivable	\$ 1,011.93	City - payroll 4/19
Receivable	\$ 1,032.15	City - payroll 5/3
Receivable	\$ 1,010.30	City - payroll 5/17
Payroll	\$ 135.00	
	\$ 230.76	
	\$ 8,627.15	
	\$ 17,078.97	

\$ 26,071.88  
\$ 6,593.31 5/21/2019

BlueCross BlueShield  
Mitel

Less:

Advance for expenses not cleared:

Outstanding Check	\$ (17.29)	ER Cody check
Cash flow	\$ (15,000.00)	transfer from Events for cash flow
Credit Card	\$ (23.39)	Credit card - need to make a payment for this
Credit card payment	\$ (2,106.57)	12/27/2018 payment, but credit on account
Credit card payment	\$ 26.00	Min payment 1/23/19
Credit card payment	\$ 114.28	1/28/2019
Credit card payment	\$ 2,374.92	1/28/2019
Credit card payment	\$ (5,268.35)	req on TAR 1/11/19
Credit card payment	\$ 51.00	min pmt 4.23
Credit card payment	\$ 15.00	min pmt 5.23
Credit card payment	\$ (574.68)	CC 4/4
Credit card payment	\$ (1,126.34)	CC 5/8
Misc CCC	\$ (155.82)	remaining credit card credit

Advance Total reconciled \$ 50,000.00

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 6/30/2019

Balance per Bank \$ 17,369.60

Add:

Advance in transit for expense cleared bank  
or expenses not yet requested-

Receivable	\$ 1,068.51	City - payroll 4/5
Receivable	\$ 1,011.93	City - payroll 4/19
Receivable	\$ 1,032.15	City - payroll 5/3
Receivable	\$ 1,010.30	City - payroll 5/17
Receivable	\$ 915.03	City - payroll 5/31
Receivable	\$ 1,031.83	City - payroll 6/14
Payroll		

\$ 135.00

\$ 230.76

\$ 7,949.44

\$ 16,050.04 \$ 24,365.24

BlueCross BlueShield \$ 6,593.31 6/21/2019

Mitel \$ 569.32 6/18/2019

Less:

Advance for expenses not cleared:

Outstanding Check	\$ (17.29)	ER Cody check
Credit Card	\$ (23.39)	Credit card - need to make a payment for this
Credit card payment	\$ (2,106.57)	12/27/2018 payment, but credit on account
Credit card payment	\$ 26.00	Min payment 1/23/19
Credit card payment	\$ 114.28	1/28/2019
Credit card payment	\$ 2,374.92	1/28/2019
Credit card payment	\$ (5,268.35)	req on TAR 1/11/19
Credit card payment	\$ 51.00	min pmt 4.23
Credit card payment	\$ 15.00	min pmt 5.23
Credit card payment	\$ 23.00	min pmt 6.24
Credit card payment		

Misc CCC \$ (155.82) remaining credit card credit

Advance Total reconciled \$ 50,000.00

DMC EDA  
Operating Account  
Reconciliation of Bank Balance to Advance Total  
Bank Balance Date: 7/31/2019

Balance per Bank \$ 20,207.34

Add:

Advance in transit for expense cleared bank  
or expenses not yet requested-

Receivable	\$ 1,066.83	City - payroll 7/12
Receivable	\$ 500.00	CC pmt - receivable from Events account
Payroll	\$ 135.00	
	\$ 230.76	
	\$ 8,494.32	
	\$ 16,516.83	
	\$ 2,998.08	\$ 28,374.99
BlueCross BlueShield	\$ 6,593.31	7/23/2019
Mitel	\$ 571.96	7/16/2019

Less:

Advance for expenses not cleared:

Outstanding Check	\$ (17.29)	ER Cody check
Outstanding Check	\$ (482.68)	ER check
Outstanding Check	\$ (152.00)	ER check
Outstanding Check	\$ (566.23)	ER check
Outstanding Check	\$ (99.75)	smith
Outstanding Check	\$ (776.08)	data smart
Outstanding Check	\$ (232.47)	arnolds
Credit Card	\$ (23.39)	Credit card - need to make a payment for this
Credit card payment	\$ (2,106.57)	12/27/2018 payment, but credit on account
Credit card payment	\$ 26.00	Min payment 1/23/19
Credit card payment	\$ 114.28	1/28/2019
Credit card payment	\$ 2,374.92	1/28/2019
Credit card payment	\$ (5,268.35)	req on TAR 1/11/19
Credit card payment	\$ 51.00	min pmt 4.23
Misc CCC	\$ (155.82)	remaining credit card credit

Advance Total reconciled \$ 50,000.00

**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2019**

**Approving the 2020 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 2020, requesting that the Loan Documents be extended for 2020 in the amount of \$75,000, 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 2020 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 2020 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 2020, and the DMCC Request for Extension of the Working Capital Loan for 2020, 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 2020 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 2020 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.

1158037-3.DOCX



TO: Jim Bier, Treasurer  
Kathleen Lamb, Attorney

FR: Dale Martinson, Assistant Treasurer

Date: September 18, 2019

RE: August 2019 Budget Summary



The attached financial summary through August of 2019 reflects total year-to-date DMCC operating expenditures of \$1,348,547 of the approved 2019 budget plus carryover encumbrances totaling \$3,028,852. The remaining amount unspent represents 54% of the available budget.

The second page of this summary provides a listing of DMCC authorized projects managed by the City of Rochester. A total of \$4,573,018 has been spent on these projects so far in 2019. Total life-to-date expenditures on these projects is \$36.7 million.

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



Destination Medical Center Corporation  
Financial Budget Summary  
April 2019

	2019 Approved Approved Budget	Curent Month August 2019	August 2019 Year To Date	Amount Remaining	Percent Remaining
General Administrative Expenses	41,200	26	22,029	19,171	47%
Professional Services	265,000	94	79,674	185,326	70%
Insurance and Bonds	20,000		10,307	9,694	48%
City Support Expenses		-	-	-	
<b>Subtotal DMCC</b>	<b>326,200</b>	<b>120</b>	<b>112,010</b>	<b>214,191</b>	<b>66%</b>
<b>Third Party Costs - DMC EDA **</b>					
Payroll, Staff, Administration & Benefits-EDA	902,613	58,068	447,648	454,965	50%
Operating Expenses	28,760	13,223	97,699	(68,939)	-240%
Operational Costs - Contracted	46,580	1,429	7,397	39,183	84%
Economic Development Outreach & Support	860,789	96,475	211,932	648,857	75%
Professional Services	680,164	51,361	336,370	343,794	51%
Miscellaneous Expenses	52,500	-	45,862	6,638	13%
<b>Subtotal EDA</b>	<b>2,571,406</b>	<b>220,556</b>	<b>1,146,908</b>	<b>1,424,498</b>	<b>55%</b>
<b>Total DMCC 2018</b>	<b>2,897,606</b>	<b>220,676</b>	<b>1,258,917</b>	<b>1,638,689</b>	<b>57%</b>
<b>2018 Budget Carryover - Encumbered Funds for EDA Contracts</b>	<b>131,246</b>	<b>-</b>	<b>125,630</b>	<b>5,616</b>	<b>4%</b>
<b>Totals for 2019 Including Encumbrance</b>	<b>3,028,852</b>	<b>220,676</b>	<b>1,384,547</b>	<b>1,644,305</b>	<b>54%</b>
Note: An additional MAP request of \$76,493 has been submitted in Sept for August EDA Activity					
		DMCC	Working Capital Note	1,000	
		EDA	Working Capital Note	50,000	

DMCC Projects  
Managed by the City of Rochester  
As of August 31, 2019

Project	YTD Expenditures	Project Budget	Life To Date Expenditures
8611C- - Sn/S12AvSW/NW<2StSW>2StNW	110,959	2,850,000	526,236
8612C- - WZmbrRvrSn/SRIfLin<CookPk>CCDr		950,000	46,592
8613C- - ChateauTheatrePre-OccupancyM&O	63,047	4,726,802	334,727
8614C- - DMCTransit&InfratrctrPgrmMgmt	112,716	2,600,000	1,782,229
8617C- - Broadway @ Center Parking Ramp		10,500,000	10,500,000
8618C- - SharedParkngStudy&PrgmDevlpmnt	74,112	2,061,854	1,728,377
8620C- - City Loop Plan		1,209,938	968,732
8621C- - Transit Circulator Study	7,605	2,241,532	1,780,877
8623C- - DMCC Street Use Study		3,117,708	2,885,882
8624C- - ChateauTheatreBldgImprov/Purch	819,617		7,672,166
8625C- - Heart of the City	984,080	2,648,940	1,802,210
8626C- - Sn/SUsize1Av&3AvSE<4StS>1StN	2,020,209	5,000,000	3,881,275
7326 C - Reconst4thStSW<1stAve>6thAveSW			2,250,000
8627C- - Property & ROW Acquisition	144,547		144,547
8702C- - RPTSolarPwrdbusFleetGrntApp			51,333
8703C- - FTA TOD Pilot PrgmGrntApplctn			26,058
8704C- - FTA Low-NoEmissions PrgGrntApl			1,140
8705C- - TransitCrlctr-FTAGrntBus&Facit			19,258
8804C- - TH 52 LID Bld GrantApplication			22,145
8901C- - TH 14/52 InterchangeBldGrntApp			36,331
8902C- - FestivalAreaStdy&ConceptDesign	55,885		80,919
8903C- - Dedctd BikeLns-3rd/4thAve&CtrSt	180,242		206,316
<b>Grand Total</b>	<b>4,573,018</b>	<b>37,906,774</b>	<b>36,747,349</b>

\* Notes: Broadway @ Center Parking Ramp Maximum DMCC Local Share Credit = \$10,500,000  
4th Street Reconstruction DMCC Support set at \$2,250,000