



DMC
Destination
Medical Center

Destination Medical Center Corporation
Executive Committee Meeting

Thursday, March 26, 2020

9:30 A.M.

DMC EDA

Rochester, Minnesota

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

March 26, 2020
9:30 A.M.

AGENDA

PAGE

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes: March 21, 2019
- V. Coronavirus Pandemic: Discussion
- VI. April 1 Report to DEED
(Presenters: Lisa Clarke, EDA;
Doug Holtan, Mayo Clinic; Terry Spaeth, City)

Resolution No. EC-6-2020:
Authorizing April 1 Report to DEED Pursuant to Statute
- VII. EDA: Five Year Development Plan Update
- VIII. Other
- IX. Adjournment

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

March 21, 2019
9:30 A.M.

MINUTES

- I. Call to Order. Vice Chair Kim Norton called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Suite 101, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Mayor Kim Norton and Commissioner Jim Bier. Chair R.T. Rybak participated via telephone.
- III. Approval of Agenda. Commissioner Bier moved approval of the agenda. Vice Chair Norton seconded.

Ayes (2), Nays (0). Motion approved.
- IV. Approval of Minutes: February 1, 2018. Commissioner Bier moved approval of the Minutes from February 1, 2018. Vice Chair Norton seconded.

Ayes (2), Nays (0). Motion approved.
- V. April 1 Report to DEED

Resolution No. EC-5-2019: Authorizing April 1 Report to DEED Pursuant to Statute

Lisa Clarke, DMC Economic Development Agency Executive Director, described the April 1 Report to DEED, noting that the private investment figures reflect the commitment of the community, the work and engagement from DMC partners, and the success of the DMC economic development model. The report summarizes qualified DMC investments made by Mayo Clinic throughout the City of Rochester and non-Mayo-Clinic private investment in the DMC development district. The 2018 private investment total of more than \$262 million represents the largest-ever single-year total for both Mayo Clinic and non-Mayo investment and brings DMC's cumulative private investment total to more than \$690.5 million. This private investment should trigger the release of approximately \$13.5 million in State DMC infrastructure support.

Terry Spaeth, Assistant City Administrator, briefly described the non-Mayo Clinic private investments, including \$50.4 million invested in the Hilton hotel, \$13 million invested in One Discovery Square, and \$26 million invested at the Berkman apartment complex. Several other developments, including Residence at Discovery Square, the Ronald McDonald House, and the addition of a downtown childcare center at Christ United Methodist Church, all contributed to the total.

Mr. Spaeth noted that current practices for tracking non-Mayo investment allow staff to capture only construction permit costs, and that staff are evaluating ways to capture the total costs of development for future reporting.

Doug Holtan, Mayo Clinic Facilities and Support Services Chair, described Mayo Clinic's annual investment, which totaled approximately \$126.5 million. Mr. Holtan noted that this DMC-qualified investment represents just a portion of Mayo's 2018 investment in Rochester, which totaled nearly \$274 million.

Commissioner Bier moved approval of the resolution. Mayor Norton seconded.

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

- VI. EDA: Request for 2018 Budget Encumbrance. Commissioner Bier described the EDA's request, noting that \$131,000 would be encumbered to complete design of the experience mobile application and transit village schematic design. Commissioner Bier moved approval. Mayor Norton seconded.

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

- VII. Other.

- VIII. Adjournment. Commissioner Bier moved to adjourn. Mayor Norton seconded.

Ayes (2), Nays (0). Meeting adjourned.

Report to DEED

**DMCC Executive Committee Materials
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Page 16: Construction permits opened in 2018 and completed in 2019

Page 18: Construction permits opened in 2019 and completed in 2019

Page 21: Letter from Mayo Clinic to MN DEED

MEMO

TO: Destination Medical Center Corporation

FROM: Destination Medical Center Economic Development Agency

RE: 2019 DMC PRIVATE INVESTMENT

By April 1 of each year, the DMC Corporation must report DMC private investment to the State of Minnesota. The State of Minnesota uses this information to affirm the success of the DMC initiative and determine the required amount of annual State DMC funding. This productive reporting relationship is one aspect of the unique DMC economic development model. The formal report follows this summary memo.

2019 was another record-setting year for the DMC initiative

1. **Cumulative private investment:** \$272 million, a new annual record
2. **Mayo Clinic private investment:** \$139.1 million, a new annual record
3. **Non-Mayo-Clinic private investment:** \$133 million, the second consecutive year of more than \$100 million in non-Mayo-Clinic downtown investment

Private investment in 2019, and in previous years, demonstrates the positive market response generated by DMC's economic development, marketing and business development, workforce and entrepreneurship, community engagement, experience, sustainability and resiliency, and transportation strategies.

As we acknowledge 2019's successful private investment figures, we are aware of the challenges before us with the COVID-19 pandemic. We are currently evaluating all of DMC's tools and resources and collaborating with business and community organizations to support and assist. We remained focused on growing the Rochester, regional and Minnesota economies. We look forward and appreciate your feedback as we navigate through this unprecedented time.

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

RESOLUTION NO. EC-6-2020

Authorizing April 1 Report to DEED Pursuant to Statute

BACKGROUND RECITALS

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

B. Staff from the City of Rochester and the Destination Medical Center Economic Development Agency (“EDA”) have prepared the draft report, due on April 1, 2020, attached hereto as Exhibit A.

RESOLUTION

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

EXHIBIT A

Certification of Expenditures Destination Medical Center

For Calendar Year 2019

Due to Commissioner of Employment and Economic Development (DEED) by April 1

The Medical Business Entity and the Destination Medical Center Corporation (DMCC) Board of Directors (assisted by the City of Rochester) hereby submits to the Department of Employment and Economic Development (DEED) the following report for expenditures that relate to the Destination Medical Center (DMC) Development for the calendar year 2019, and the certifications required to support the documentation under the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.

Expenditures Reported this Year

Total Expenditures Reported This Year by Medical Business Entity¹

\$139,126,160.79

1

Total Expenditures Reported This Year for other Private Entities^{1,2}

\$133,004,080.65

2

TOTAL Expenditures This Year

\$272,130,241.44

3

All Expenditures claimed since June 30, 2013

Previous Years Expenditures (cumulative)

\$690,664,413.37

4

TOTAL Expenditures This Year (from Box 3)

\$272,130,241.44

5

All Claimed Expenditures as of 12/31/19 (Box 4 plus Box 5)

\$962,794,654.81

6

Qualified Expenditures claimed in 2019 (Box 6 minus \$200,000,000)

\$762,794,654.81

7

State Aid Qualified for this Year (local government match also required)

General State Infrastructure Aid Qualified for (Box 7 multiplied by .0275)

\$20,976,853.01

8

State Transit Aid Qualified for (Box 7 multiplied by .0075 and then multiplied by .6)

\$3,432,575.95

9

By providing my signature below, I am hereby certifying that, to the best of my knowledge, the information stated herein is accurate, true and complies with the provisions of Statute 467.47 of the State of Minnesota and the approved methodology as outlined in the City of Rochester Commissioner of Employment and Economic Development State

For Expenditures By the Medical Business Entity:

Mayo Clinic Chief Financial Officer

Date

For all other Expenditures:

Destination Medical Center Corporation

Date

¹ Expenditures need to be after June 30, 2013

² Other Private Entities' certification of expenses may be certified retroactively in 2014 after the Destination Medical Center District and Development Plan are adopted. This figure is based solely upon project building permit costs. Minn. Stat. § 469.47, subd 1(d) permits additional expenditures, and discussion is underway as to how to document such additional expenditures, which may result in adjustments.

2019 Tracking Worksheet

Building Permits within the DMC Boundary

(Does not include Mayo Projects)

Year	Completed Projects
2017	\$ 2,050,000.00
2018	\$ 7,748,655.00
2019	\$ 5,662,402.00
TOTAL	\$ 15,461,057.00

2018/2019 Destination Medical Center - Partially Completed Projects Tracking

Project	Address	Total Building Permit Value	2018	2019
			Partial Completed Work Claimed	Completed Work Claimed
Ronald McDonald House	850 2nd Street SW	\$ 10,126,000.00	\$ 4,872,363.01	\$ 5,253,636.99
Hotel Indigo (Holiday Inn)	220 South Broadway	\$ 10,500,000.00	\$ 1,156,333.15	\$ 9,343,666.85
Residence @ Dis. Sq.	511 3rd Ave. SW	\$ 19,000,000.00	\$ 9,820,880.09	\$ 9,179,119.91
Urban on First	429 South Broadway	\$ 30,808,958.00	\$ 12,455,954.00	\$ 18,353,004.00
Berkman (Alatus)	217 & 301 14th Ave SW	\$ 93,315,800.00	\$ 25,936,546.00	\$ 59,063,337.00
		\$ 163,750,758.00	\$ 54,242,076.25	\$ 101,192,764.75

2019/2020 Destination Medical Center - Partially Completed Projects Tracking

Project	Address	Total Building Permit Value	2019	2020
			Partial Completed Work Claimed	Completed Work Claimed
Ryan/Wells Fargo	21 1st SW	\$ 5,250,000.00	\$ 5,250,000.00	
Hyatt House	315 1st Ave. NW	\$ 32,253,475.00	\$ 6,940,448.00	
Eleven02	101 11th Ave. SW	\$ 30,255,765.00	\$ 4,159,810.90	
		\$ 67,759,240.00	\$ 16,350,258.90	\$ -

TOTAL \$ 133,004,080.65

2017 Building Permits
COMPLETED/PARTIAL BUILDING PERMITS
(Within DMC Boundary, does not include Mayo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Within DMC Boundary	Parcel Number	Address Info	Permit Valuation	Work Description	Mayo Project	Lic Prof	Owner	Current Permit Status	Current Permit Status Date
Commercial Bldg	Alteration	R16-0348CB	2/23/2017	Yes	082430	206 S BROADWAY AVE, ROCHESTER, MN 55904	\$2,050,000	Alterations of phase 1B for offices on 5, 6,7 levels only and roof top chiller (Associated Bank)	No	ALVIN E BENIKE, INC AARON E BENIKE 2960 W Hwy 14 ROCHESTER, MN 55901	BLOOM INTERNATIONAL REALTY LLC 206 BROADWAY S SUITE 400 ROCHESTER, MN 55904	C of C	10/4/2019
Commercial Bldg	Phased Partial Permit	R15-0384CB	4/4/2017	Yes	017936	10 E CENTER ST, ROCHESTER, MN 55904	\$45,000,000	CP-4 package: Core building and shell, no MEP's (Hilton on Broadway)	No	KRAUS-ANDERSON CONSTRUCTION CO NICK LEIMER 416 S BROADWAY ROCHESTER, MN 55904	Legacy Fund I, LLC 30 3 St SE ROCHESTER, MN 55904	Finaled	3/29/2019
Commercial Bldg	New	R15-0447CB	11/8/2017	Yes	017936	10 E CENTER ST, ROCHESTER, MN 55904	\$38,282,469	CP-6 interior fit-up for 396,570 sq ft, 19 story, 264 hotel rooms (Hilton on Broadway)	No	KRAUS-ANDERSON CONSTRUCTION CO NICK LEIMER 416 S BROADWAY ROCHESTER, MN 55904	Legacy Fund I, LLC 30 3 St SE ROCHESTER, MN 55904	Finaled	7/25/2019
				Included on the Partial Expenditure Credit Worksheet			\$ 2,050,000						

2018 Building Permits
COMPLETED / PARTIAL BUILDING PERMITS
 (Within DMC Boundary, does not include Mayo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Owner	Current Permit Status	Current Permit Status Date
Commercial Bldg	Alteration	R17-0435CB	1/16/2018	082430	206 S BROADWAY AVE, ROCHESTER, MN 55904	\$299,000	Interior renovation for office fit out (Associated Bank 5th floor, Suite 500)	Oxford Management 206 BROADWAY S STE 400 ROCHESTER, MN 55904	CO	5/16/2019
Commercial Bldg	Phased Partial Permit	R17-0492CB	4/24/2018	050075	202 SW 4 ST, ROCHESTER, MN 55902	\$12,969,000	Phased partial permit for complete core and shell. (Discovery Square Phase 1)	Mortenson Properties, Inc. 700 Meadow Lane N Minneapolis, MN 55422	CO	7/10/2019
Commercial Bldg	Addition	R18-0048CB	7/9/2018	082445	850 SW 2 ST, ROCHESTER, MN 55902	\$10,126,000	Addition of 30 guest rooms and parking stalls. (7R150200 / Ronald McDonald House)	Ronald McDonald House Dave Eide 850 2nd St SW Rochester, MN 55902	CO	11/4/2019
Commercial Bldg	Alteration	R18-0104CB	8/13/2018	018054	121 N BROADWAY AVE, ROCHESTER, MN 55906	\$1,989,204	Historic renovation of former armory building. (Castle Community)	CASTLE COMMUNITY LLC Scott Hoss 115-1/2 North Broadway ROCHESTER, MN 55906	CO	2/8/2019
Commercial Bldg	Alteration	R18-0294CB	9/10/2018	080524	220 S BROADWAY AVE, ROCHESTER, MN 55904	\$500,000	Selective demolition of the interior, exterior façade and roof structure to prepare for future building alteration. (Holiday Inn - Rochester)	Ebbie Nakhjavani 220 Newport Center Dr Suite 11-262 Newport Beach, CA 92660	Issued	9/10/2018
Commercial Bldg	Alteration	R18-0335CB	9/12/2018	017926	21 SW 1 ST, ROCHESTER, MN 55902	\$98,000	Demolition of 6th floor space to shell condition. Interior only for future tenant. (Wells Fargo)	ROCHESTER PROPERTY OWNER LLC - Timothy Gray 533 SOUTH THIRD ST STE 100 MINNEAPOLIS, MN 55415	Finald	4/8/2019
Commercial Bldg	Alteration	R18-0239CB	9/24/2018	082439	412 SE 3 AVE A & B, ROCHESTER, MN 55904	\$450,000	Tenant build out of space A & B into a bar, café and lounge. (Fiddlehead Café)	Flats on 4th 412 3rd Ave SE Rochester, MN 55904	CO	4/4/2019
Commercial Bldg	Alteration	R18-0289CB	10/9/2018	017887	100 SW 1 AVE, ROCHESTER, MN 55902	\$283,665	Interior fit-up of leased space for a coffee shop adjacent to Peace Plaza. (MOKA Coffee - Peace Plaza)	Joan Wilson 513 Main St Suite C LaCrosse, WI 54601	CC	8/5/2019
Commercial Bldg	Addition	R18-0221CB	10/25/2018	018448	301 N BROADWAY AVE, ROCHESTER, MN 55906	\$1,175,000	2920 sq. ft. addition with some remodeling inside to white box main (The Bistro--1st floor); one new apartment and one existing (3rd floor). (Avalon Building)	ABM IDEATIONS LLC 4004 AUTUMN LAKE CT SW ROCHESTER, MN 55902	CO	12/5/2019
Commercial Bldg	Alteration	R18-0399CB	11/16/2018	082430	206 S BROADWAY AVE, ROCHESTER, MN 55904	\$230,000	Fit up of the third floor Northwest corner of building for new tenant. (Meyer Borgman Johnson Rochester Office)	Alan Hiniker 3270 19th St NW #210 Rochester, MN 55901	CO	2/11/2019
Commercial Bldg	New	R18-0323CB	11/27/2018	083795	202 SW 4 ST, ROCHESTER, MN 55902	\$2,012,000	Tenant fit-out on two levels of the new Discovery Square building. Building collaboration and lab space on the floors. (Discovery Square - U of M)	SILVER LAKE INVESTORS / MAYO CLINIC 700 Meadow Lane North ROCHESTER, MN 55422	CO	7/10/2019
Commercial Bldg	New	R18-0404CB	12/3/2018	083795	202 SW 4 ST, ROCHESTER, MN 55902	\$726,786	Tenant build out of office space on first floor. (Epic Systems)	Epic Systems Corp 1979 Milky Way Verona, WI 53593	CO	4/24/2019
Commercial Bldg	Alteration	R18-0389CB	12/7/2018	080524	220 S BROADWAY AVE, ROCHESTER, MN 55904	\$5,000,000	Remodel of existing hotel rooms floors 4-8. (Hotel Indigo - Old Holiday Inn)	Jim Toninato 5713 Grand Ave Suite B Duluth, MN 55807	TCO Issued	1/10/2020
Commercial Bldg	Alteration	R18-0407CB	12/10/2018	017887	20 SW 1 ST, ROCHESTER, MN 55902	\$145,000	Fit-up for a new restaurant. (Jerk King Restaurant)	Johnson Osei 20 1st St SW Rochester, MN 55902	CO	5/14/2019
Multi-Family Bldg	Phased Partial Permit	R17-0157MFB	2/21/2018	002495	217 SW 14 AVE, ROCHESTER, MN 55902	\$4,900,000	Alatus - Footing & Foundation "Tower Only" (2nd Street Housing Mixed-Use Development)	Rochester MN Properties, LLC 800 NICOLLET MALL STE 2850 MINNEAPOLIS, MN 55402	Issued	2/21/2018

2018 Building Permits
COMPLETED / PARTIAL BUILDING PERMITS
 (Within DMC Boundary, does not include Mayo Projects)

Multi-Family Bldg	Phased Partial Permit	R17-0143MFB	2/27/2018	083687	511 SW 3 AVE, ROCHESTER, MN 55902	\$1,750,000	6 Story Multi-Family Apartment Building with Mixed-Use Commercial (Residence at Discovery Square) Footing/Foundation including Precast Plank Installation	RESIDENCE AT DISCOVERY SQUARE LLC 206 SOUTH BROADWAY ROCHESTER, MN 55904	Finald	8/30/2019
Multi-Family Bldg	New	R17-0141MFB	5/16/2018	017718	511 SW 3 AVE, Rochester, MN 55902	\$17,250,000	6 Story Multi-Family Apartment Building with Mixed-Use Commercial (Residence at Discovery Square)	RESIDENCE AT DISCOVERY SQUARE LLC 206 SOUTH BROADWAY ROCHESTER, MN 55904	TCO Issued	8/28/2019
Multi-Family Bldg	Phased Partial Permit	R18-0003MFB	5/21/2018	017770	425 S BROADWAY AVE, ROCHESTER, MN 55904	\$2,428,958	Foundation permit application for new multi-family housing development. Two levels of parking and 5 levels of residential housing. (Urban on First)	URBAN ON FIRST LLC - Titan Development 30 3 ST SE STE 600 ROCHESTER, MN 55904	Finald	11/19/2019
Multi-Family Bldg	New	R18-0011MFB	8/9/2018	002495	217 SW 14 AVE, ROCHESTER, MN 55902	\$86,237,507	New multi-use residential apartment building with retail and parking (2nd St Mixed Use Development Tower Only)	Ashley Bisner 800 Nicollet Mall Suite 2850 Minneapolis, MN 55402	TCO Issued	1/16/2020
Multi-Family Bldg	Alteration	R18-0012MFB	8/23/2018	014472	431 SE 3 AVE, ROCHESTER, MN 55904	\$340,000	Existing R-2 apartment alteration to convert from 54 units to 25. (Clinic Suites)	Andy Friedrichs 10817 110 ST SE CHATFIELD, MN 55923	CO	10/18/2019
Multi-Family Bldg	New	R18-0015MFB	9/5/2018	017770	425 S BROADWAY AVE, ROCHESTER, MN 55904	\$28,380,000	New multi-family housing development. Two levels of parking and 5 levels of residential housing. (Urban on First)	URBAN ON FIRST LLC - Titan Development 30 3 ST SE STE 600 ROCHESTER, MN 55904	CO	11/19/2019
Multi-Family Bldg	New	R18-0037MFB	10/3/2018	084104	301 SW 14 AVE, ROCHESTER, MN 55902	\$2,178,293	Low rise 45 unit apartment building with 2 walk up units (EWU1 & EWU2) attached to tower building (R18-0011MFB). (Berkman)	ROCHESTER MN PROPERTIES LLC 800 NICOLLET MALL STE 2850 MINNEAPOLIS, MN 55402	Issued	10/3/2018
Included on the Partial Expenditure Credit Worksheet						\$ 7,748,655				

2019 Building Permits
Completed / Partial Building Projects
(within DMC Boundary, does not include Mayo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Owner	Current Permit Status	Current Permit Status Date
Commercial Bldg	Alteration	R18-0324CB	1/4/2019	081707	20 SW 2 AVE, ROCHESTER, MN 55902	\$200,000	Replacement of exterior emergency egress stair. (Kahler Grand Hotel)	KAH 20 2ND AVENUE LLC - Christopher Ness 20 2 AVE SW ROCHESTER, MN 55902	Finald	4/1/2019
Commercial Bldg	Alteration	R18-0376CB	1/8/2019	083045	10 E CENTER ST, ROCHESTER, MN 55904	\$1,650,000	Tenant improvement in first floor space of LF-I Broadway at Center project. (Pittsburgh Blue Restaurant)	Titan Development - Brian Moser 30 3 ST SE STE 600 ROCHESTER, MN 55904	C of O Issued	7/8/2019
Commercial Bldg	Alteration	R18-0454CB	3/8/2019	080524	220 S BROADWAY AVE, ROCHESTER, MN 55904	\$5,000,000	Remodel of existing hotel rooms and support spaces on floors 1, 2, & 3. (Hotel Indigo)	Jim Toninato 5713 Grand Ave Suite B Duluth, MN 55807	TCO Issued	1/13/2020
Commercial Bldg	Alteration	R18-0227CB	3/15/2019	017882	150 S BROADWAY AVE, ROCHESTER, MN 55904	\$161,000	Front entry and bar reconfiguration. Upgrade of interior finishes. (Pescara - Double Tree Hotel)	BGD5 HOTEL LLC 30 3 ST SE STE 600 ROCHESTER, MN 55904	Finald	5/30/2019
Commercial Bldg	Alteration	R19-0044CB	4/2/2019	068011	15 SE 1 ST, ROCHESTER, MN 55904	\$143,850	Skyway level corridor fit-up and whitebox tenant space. (Broadway Plaza)	ROCHESTER DEVELOPMENT INC 7619 LITTLE RIVER TPKE STE 650 ANNANDALE, VA 22003	Finald	6/17/2019
Commercial Bldg	Alteration	R19-0032CB	4/9/2019	081707	20 SW 2 AVE, ROCHESTER, MN 55902	\$505,000	Interior tenant finish for new Qdoba Mexican Restaurant. (Qdoba Mexican Eats)	CMP Foods - Mark or Leigh Miller 16694 206th Circle Hutchinson, MN 55350	C of C Issued	10/9/2019
Commercial Bldg	Alteration	R19-0037CB	4/15/2019	083045	10 E CENTER ST 2A, ROCHESTER, MN 55904	\$655,000	Restaurant tenant fit up. (Hilton Café)	LEGACY FUND 1 LLC 30 3 ST SE STE 600 ROCHESTER, MN 55904	C of O Issued	7/26/2019
Commercial Bldg	Alteration	R19-0104CB	4/29/2019	083045	10 E CENTER ST, ROCHESTER, MN 55904	\$152,580	Tenant improvement including completion of electrical and mechanical as well as finishes. (Cambria Gallery)	Cambria 31496 Cambria Ave LeSueur, MN 56058	C of O Issued	8/26/2019
Commercial Bldg	Alteration	R19-0016CB	5/13/2019	083795	202 SW 4 ST, ROCHESTER, MN 55902	\$250,300	Build out for a café on level one. (Discovery Square)	Silver Lake Investors 700 Meadow Lane North Minneapolis, MN 55422	C of O Issued	8/2/2019
Commercial Bldg	Alteration	R19-0127CB	5/23/2019	081707	20 SW 2 AVE, ROCHESTER, MN 55902	\$45,000	Installation of new MUA and EF unit, and all associated duct for kitchen exhaust for new tenant space. (Kahler/Qdoba grease duct improvement)	Kahler Hospitality Group 717 3rd Ave SE Rochester, MN 55904	Finald	11/19/2019
Commercial Bldg	Alteration	R19-0115CB	6/18/2019	082430	206 S BROADWAY AVE, ROCHESTER, MN 55904	\$549,212	Renovation of existing branch bank. (Associated Bank)	Doug Harber 2655 Campus Dr Plymouth, MN 55441	C of C Issued	11/21/2019
Commercial Bldg	Alteration	R19-0186CB	6/18/2019	080419	519 SW 1 AVE, ROCHESTER, MN 55902	\$22,576	Remove and replace walls and ceilings in the meat prep room. Layout to remain the same. (People's Food Co-op)	People's Food Co-op 519 1st Ave SW Rochester, MN 55902	Finald	6/28/2019
Commercial Bldg	Alteration	R19-0069CB	7/5/2019	083045	10 E CENTER ST 141, ROCHESTER, MN 55904	\$65,000	Tenant improvements to include completion of mechanical, plumbing and electrical as well as finishes. (Hilton Lobby Bar)	Rochester Hospitality Group, LLC 212 2nd St Se Suite 225 Minneapolis, MN 55414	C of O Issued	12/27/2019
Commercial Bldg	Alteration	R19-0101CB	7/9/2019	083795	202 SW 4 ST, ROCHESTER, MN 55902	\$543,294	Tenant improvement occupies space on the third level of the new Discovery Square Building. Build out includes offices and lab space. (Wuxi Diagnostics)	Silver Lake Investors 700 Meadows Lane North Minneapolis, MN 55422	C of O Issued	9/30/2019

Commercial Bldg	Alteration	R19-0244CB	7/24/2019	082430	206 S BROADWAY AVE, ROCHESTER, MN 55904	\$98,600	Repair to elevator shaft walls and stairway walls and fire stopping of penetrations. (Associated Bank Building)	BLOOM INTERNATIONAL REALTY LLC 206 BROADWAY AVE S STE 500 ROCHESTER, MN 55904	C of C Issued	8/27/2019
Commercial Bldg	Alteration	R19-0175CB	8/16/2019	083795	202 SW 4 ST 220, ROCHESTER, MN 55902	\$460,990	New office/lab tenant improvement. (Suite 220 Discovery Square Building)	Silver Lake Investors 700 Meadow Lane North Minneapolis, MN 55422	C of O Issued	11/1/2019
Commercial Bldg	Alteration	R19-0286CB	10/14/2019	017897	101 SW 1 AVE, ROCHESTER, MN 55902	\$100,000	Expanding Caribou Coffee into the neighboring tenant space -Freshens. Increasing seating. (Caribou Coffee)	Matt Masica 2900 Lakebreeze Ave North Brooklyn Center, MN 55429	C of C Issued	11/8/2019
Multi-Family Bldg	Alteration	R19-0002MFB	1/29/2019	018102	211 NW 2 ST 2010, ROCHESTER, MN 55901	\$45,000	Alteration to suite 2010.	CHARTERHOUSE INC - Deborah Kenitz 211 2 ST NW ROCHESTER, MN 55901	Finalized	4/15/2019
Multi-Family Bldg	Alteration	R19-0054MFB	8/7/2019	018102	211 NW 2 ST 1816, ROCHESTER, MN 55901	\$15,000	Apartment renovation. (Charter House)	CHARTERHOUSE INC - Scott Green 211 2 ST NW ROCHESTER, MN 55901	Finalized	11/13/2019
Commercial Bldg	Addition	R19-0029CB	5/16/2019	017926	21 SW 1 ST, ROCHESTER, MN 55902	\$5,250,000	Addition of Jewel Box, re-skinning of exterior façade, relocating domestic water in Peace Plaza and installation of new elevator. (Wells Fargo Downtown)	ROCHESTER PROPERTY OWNER LLC - Tony Barronco 533 SOUTH THIRD ST STE 100 MINNEAPOLIS, MN 55415	Issued	5/16/2019
Demolition	Commercial	R19-0003D	2/28/2019	075697	315 NW 1 AVE, ROCHESTER, MN 55901	\$63,000	Demolition of existing American Legion building, including removal of existing asphalt parking lot/curbs; for future construction of Civic on First-Hyatt House hotel project	EKN Development Group 220 Newport Center DR Newport Beach, CA 92660	Issued	2/28/2019
Commercial Bldg	Phased Partial Permit	R18-0467CB	5/16/2019	075697	315 NW 1 AVE, ROCHESTER, MN 55901	\$3,710,000	Placement of new footings, drilled piers, structural foundations and 3 levels of post tensioned concrete for a new 8 story hotel. (Civic on First)	EKN Development Group - Ebbie Nakhjavani 220 Newport Center Dr Suite 11-262 Newport Beach, CA 92660	Issued	5/16/2019
Commercial Bldg	New	R19-0078CB	7/30/2019	075697	315 NW 1 AVE, ROCHESTER, MN 55901	\$28,480,475	New 172 room hotel with 2 levels of parking. Common amenities on 1st floor include meeting rooms, swimming pool, guest kitchen and lobby bar. (Civic on First)	Civic Center Hotel JV, LLC 180 North University Ave Suite 200 Provo, UT 84601	Issued	7/30/2019
Commercial Bldg	Phased Partial Permit	R19-0206CB	10/2/2019	075680 085073	101 SW 11 AVE, ROCHESTER, MN 55902	\$6,750,000	Footings, foundation and underground utilities for new hotel package. (Eleven02 Hotel)	Tyler Miles 1018 West Atherton Drive Taylorville, UT 84123	Issued	10/2/2019
Included on the Partial Expenditure Credit Worksheet						\$ 5,662,402				



200 First Street SW
Rochester, Minnesota 55905
507-284-2511
mayoclinic.org

March 20, 2020

Steve Grove
Commissioner
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E-200
Saint Paul, MN, 55101-1351

Dear Commissioner Grove:

Attached with this letter is Mayo Clinic's certification of qualified expenditures of the medical business entity for the Destination Medical Center (DMC) initiative for the period starting January 1, 2019 and ending December 31, 2019. The amount of qualified investment is approximately \$139.1 million. Major projects included the continued modernization and expansion of Mayo Clinic Hospital, Saint Marys Campus, many improvements to Mayo Clinic's downtown Rochester campus and Discovery Square and several research/lab upgrades.

As in prior years, Mayo Clinic is taking a conservative approach when counting DMC-eligible capital expenditures, and we remain committed to achieving the long-term DMC development and investment goals. Overall, Mayo Clinic expended more than \$283 million on capital projects and equipment in Rochester, Minnesota in 2019. In addition to our commitment to DMC, these investments include continued improvements to our IT infrastructure and electronic health record, the purchase of world-class medical equipment, and more. In total, Mayo Clinic will invest more than \$1 billion in Rochester facilities and equipment between now and 2022. Through 2019, Mayo's DMC investment totals more than \$590 million.

Our commitment and collaboration with the State of Minnesota, City of Rochester, Olmsted County, and other stakeholders continues to strengthen our economy and affirms Minnesota's position as the world's premier destination medical center.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Bolton", with a stylized flourish at the end.

Jeffrey W. Bolton
Chief Administrative Officer
Mayo Clinic

cc: Kevin McKinnon, Deputy Commissioner Economic Development,
Minnesota Department of Employment and Economic Development

TO: DMC Corporation Board of Directors

FROM: Destination Medical Center Economic Development Agency

RE: FIVE-YEAR UPDATE OF THE DMC DEVELOPMENT PLAN

At the February 6, 2020 DMC Corporation board of directors meeting, the members of the DMC Corp. board executive committee agreed to advise DMC EDA staff as the 5-year update is prepared.

On that same date, participants in the DMC-City-County collaborative session reviewed the input provided by professional staff from the City of Rochester, Olmsted County, Rochester Area Builders, the Rochester Downtown Alliance, the Rochester Area Chamber of Commerce, Rochester Area Economic Development, Inc., Experience Rochester, and Mayo Clinic. The input was presented as three recommendations: keep the plan understandable and succinct; demonstrate progress toward DMC goals; do not create “just another plan”.

The update strategy reflects the recommendations of these community economic development partners.

Keep the plan understandable and succinct:

- Sixty pages or fewer in total length
- Digital version
- Recognize that DMC is in the midst of implementation and has established priorities and projects informed by prior planning, market demand, and community input
- Synthesize and incorporate the additional plans generated by DMC and others since 2015
- Keep the update focused on high-level DMC priorities

Demonstrate progress toward DMC goals:

- Benchmark against 2015 plan assumptions and forecasts, peer regions, and market analyses
- Establish a new set of five-year economic and fiscal assumptions
- Demonstrate how the DMC economic development initiative creates tangible benefits to City, County, regional, and State residents

Don't create “just another plan”:

- Focus on implementation
- Highlight progress toward the current plan and establish the current state of DMC priorities (public realm, mobility, private development, streets and sewers, DMC operations)
- Create a five-year strategic implementation framework for DMC priorities, including an initial allocation of DMC resources to achieve five- and fifteen-year goals.
- Identify potential areas of opportunity or additional research
- Summarize the collaborative efforts led or supported by various community, regional, and state partners in numerous areas (housing, transportation, workforce, energy, etc.)
- Direct interested readers to additional in-depth resources

A graphic representation of the proposed plan outline is on the reverse side. It is intended to illustrate how a reader could proceed through the document, from DMC goals and principles to a summary of past and contemporary activities to the 2020-2025 implementation strategies to an index of additional, more in-depth resources. At the March 26 DMC Corp. board executive committee meeting, this information, as well as a project timeline and draft plan update content, will be discussed.

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