



## APPLICATION FOR FUNDING

<b>Return to:</b>	<b>Destination Medical Center Corporation (“DMCC”)</b> <b>c/o</b> <b>Destination Medical Center Economic Development Agency (“DMC EDA”)</b> 195 S Broadway Rochester, MN 55904	and	<b>City of Rochester</b>  201 4 <sup>th</sup> Street SE Rochester, MN 55904 ATTN: Administration
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GENERAL INFORMATION	
Name of Applicant:	Address:
CONTACT PERSON	
Name:	Title:
Tel #:	Fax #:
Email:	
TYPE OF ENTITY (CHECK ONE)	
<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Public Entity <input type="checkbox"/> Other	
State of Incorporation or Organization:	
Nature of Business (attached additional materials, if available):	

PROJECT TEAM / CONSULTANTS	
ARCHITECTURAL FIRM:	ENGINEERING FIRM:
Contact Person:	Contact Person:
Address:	Address:
Tel #:	Tel #:
Fax #:	Fax #:
Email:	Email:
GENERAL CONTRACTOR:	LEGAL COUNSEL:
Contact Person:	Contact Person:
Address:	Address:
Tel #:	Tel #:
Fax #:	Fax #:
Email:	Email:
ACCOUNTING FIRM:	FINANCIAL ADVISER:
Contact Person:	Contact Person:
Address:	Address:
Tel #:	Tel #:
Fax #:	Fax #:
Email:	Email:
MARKETING CONSULTANT:	OTHER:
Contact Person:	Contact Person:
Address:	Address:
Tel #:	Tel #:
Fax #:	Fax #:
Email:	Email:



**PROJECT INFORMATION**

<p><b>Name of Project:</b></p>	<p><b>Location/Address:</b></p>																						
<p><b>1. Location</b> Attach (and label <u>Exhibit A</u>) information that fully describes and illustrates the location and boundaries of the proposed project. Include map(s), legal description(s), property identification numbers, addresses and area (in sq. ft. or acres).</p>	<p><b>4. Estimated Project Costs:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Land Acquisition/Land Value</td><td style="text-align: right;">\$ _____</td></tr> <tr><td>Site Development</td><td style="text-align: right;">_____</td></tr> <tr><td>Building Cost</td><td style="text-align: right;">_____</td></tr> <tr><td>Equipment</td><td style="text-align: right;">_____</td></tr> <tr><td>Architectural/Engineering Fees</td><td style="text-align: right;">_____</td></tr> <tr><td>Legal Fees</td><td style="text-align: right;">_____</td></tr> <tr><td>Financing Costs</td><td style="text-align: right;">_____</td></tr> <tr><td>Broker Costs</td><td style="text-align: right;">_____</td></tr> <tr><td>Contingencies</td><td style="text-align: right;">_____</td></tr> <tr><td>Other (specify)</td><td style="text-align: right;">_____</td></tr> <tr><td><b>Total Costs</b></td><td style="text-align: right;"><b>\$ _____</b></td></tr> </table>	Land Acquisition/Land Value	\$ _____	Site Development	_____	Building Cost	_____	Equipment	_____	Architectural/Engineering Fees	_____	Legal Fees	_____	Financing Costs	_____	Broker Costs	_____	Contingencies	_____	Other (specify)	_____	<b>Total Costs</b>	<b>\$ _____</b>
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<p><b>2. Ownership and Legal Structure</b> Attach (and label <u>Exhibit B</u>) the full name of each entity that will own the project, and fully describe their legal structure (i.e. principals, ownership interests, relationship to parent organization, subsidiaries, etc.). If available provide federal and state tax ID #s.</p>	<p><b>5. Sources of Financing</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Developer Equity</td><td style="text-align: right;">\$ _____</td></tr> <tr><td>Bank Loan/Private Financing Institution</td><td style="text-align: right;">_____</td></tr> <tr><td>Public Infrastructure Funding</td><td style="text-align: right;">_____</td></tr> <tr><td>Other</td><td style="text-align: right;">_____</td></tr> <tr><td><b>Total Sources</b></td><td style="text-align: right;"><b>\$ _____</b></td></tr> </table>	Developer Equity	\$ _____	Bank Loan/Private Financing Institution	_____	Public Infrastructure Funding	_____	Other	_____	<b>Total Sources</b>	<b>\$ _____</b>												
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<b>Total Sources</b>	<b>\$ _____</b>																						
<p><b>3. Zoning and Planning Analysis</b> Attach (and label <u>Exhibit C</u>) information that describes the current and proposed zoning, variances required, property consolidations or subdivisions, etc.</p>	<p><b>6. Market Value</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Total current market value* prior to construction:</td><td style="text-align: right;">\$ _____</td></tr> <tr><td>Total estimated market value** at completion:</td><td style="text-align: right;">\$ _____</td></tr> </table> <p><small>* Based upon Olmsted County Property Records information ** Based upon Olmsted County Property Records staff review</small></p> <p>What will the estimated real estate taxes of the project be upon completion? Please respond and include your calculations (and label <u>Exhibit D</u>):</p> <p>_____</p> <p>_____</p>	Total current market value* prior to construction:	\$ _____	Total estimated market value** at completion:	\$ _____																		
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**REQUESTED FUNDING**

Is the project a "public infrastructure project" eligible for funding under the DMC Act?  Yes  No

If yes, specify which section of Minnesota Statutes, Section 469.40, Subdivision 11(a)(1)-(10) (see Attachment 1 hereto):

Does the project use American Made Steel as required under the DMC Act?  Yes  No

Does the project include MBE/WBE construction targets as required under the DMC Act?  Yes  No

Amount of requested funds:

Purpose of requested funds and specific reasons why funding is necessary (why project will not occur "but-for" requested funding):

If funds are not provided, will the project (1) proceed as previously described utilizing other financing, (2) proceed in some alternative form, or (3) not proceed at all? If requested funds are not provided, explain what alternative(s) will be considered.

Other requested public financial assistance (federal, state or local):

**PROJECT CONSTRUCTION SCHEDULE**

Anticipated Construction Start Date:	Construction Completion Date:	
If a phased project:		
Phase Designation	% Completed	By Year

Describe expected general traffic impacts of the project, including (but not limited to) on and off street parking, projected auto/truck counts, traffic flow, peak traffic periods, etc. (Note: Rochester Land Development Ordinance should be consulted to identify if a Traffic Impact Report may be required for the project.):

\_\_\_\_\_

\_\_\_\_\_



**CURRENT AND PROJECTED EMPLOYMENT**

Indicate below how many new construction jobs will be **created** by the project:

TYPE	NUMBER OF JOBS CREATED		AVERAGE HOURLY WAGE	BENEFITS
	FT:	PT:	\$	
Professional/Managerial	FT:		\$	
	PT:		\$	
Technical/Skilled	FT:		\$	
	PT:		\$	
Unskilled/Semi-skilled	FT:		\$	
	PT:		\$	

Indicate below how many new post-construction jobs will be **created** by the project:

TYPE	NUMBER OF JOBS CREATED		AVERAGE HOURLY WAGE	BENEFITS
	FT:	PT:	\$	
Professional/Managerial	FT:		\$	
	PT:		\$	
Technical/Skilled	FT:		\$	
	PT:		\$	
Unskilled/Semi-skilled	FT:		\$	
	PT:		\$	

Indicate below how many existing jobs will be **retained** by the project:

TYPE	NUMBER OF JOBS CREATED		AVERAGE HOURLY WAGE	BENEFITS
	FT:	PT:	\$	
Professional/Managerial	FT:		\$	
	PT:		\$	
Technical/Skilled	FT:		\$	
	PT:		\$	
Unskilled/Semi-skilled	FT:		\$	
	PT:		\$	

**FINANCIAL INFORMATION**

Have you personally, your entity, or any entity managed by, controlled by, or affiliated with you ever filed for bankruptcy?

YES  NO If **yes**, provide details on separate sheet.

Have you personally, your entity, or any entity managed by, controlled by, or affiliated with you ever defaulted on any bond or mortgage commitment?

YES  NO If **yes**, provide details on separate sheet.

Have you applied for conventional financing for the project?

YES  NO If **no**, explain why; if yes, provide details on a separate sheet.

List financial references (include contact person and phone number)

Reference	Phone Number

**ADDITIONAL DETAILED PROJECT INFORMATION REQUIRED FOR APPLICATION**

**1. Description**

Attach (and label Exhibit E) a complete and detailed description of the proposed project. If the project will proceed in phases, then provide information for each phase as well as the total project. Minimally, provide the following information:

- a. Do you have control of the project site? Explain in detail. Please list the owner(s) for each parcel of the site.
- b. Details of all known or suspected environmental issues with the site. Has any testing been completed or is any underway?
- c. Type of project (retail, office, industrial, rental housing, home ownership, etc.).
- d. New construction or rehabilitation/renovation. If renovation, provide details.
- e. Description of structure(s), if any, that will need to be demolished.
- f. Description of owners/tenants who will need to be relocated.
- g. Details of any historic preservation designations and/or related issues.
- h. List of key personnel, resumes for complete project team, including experience for similar types of projects.
- i. Details of any market studies and economic/fiscal impact analysis completed or underway (attach and label Exhibit D-1) (include input/output models used, input assumptions [costs, project program and sf. allocation by use], multipliers and tax rates used, trade area assumptions, demographic overviews, absorption rates, etc.)
- j. For commercial/industrial:
  - Number and size of structures (sq. ft.)
  - Type of construction and materials
  - Terms of sale (if applicable)
  - Details/terms of signed leases (rates, duration, etc.)
  - Projected terms for space not currently under lease
- k. For ownership housing:
  - Type, number and size of units (sq. ft. & number of bedrooms)
  - Type of construction and materials
  - Anticipated sales price
  - Number of affordable housing units (units must meet Minnesota Housing Finance Agency (MHFA) purchase price limitation or lower)
- l. For rental housing:
  - Type and size of building (# of floors, units, etc.)
  - Type of construction and materials
  - Size of units (sq. ft.) and number of bedrooms
  - Description of building/unit amenities
  - List of utilities included in rent
  - Monthly rental rates by unit type
  - Number of affordable housing units (units must have rents at or below 60% AMI)

**2. Evaluation Criteria**

Attach (and label as Exhibit F) a description of how the proposed project meets the Evaluation Criteria set forth in the Development Plan (see Attachment 2 hereto). Also include a live excel version of the information requested in items 3, 4, and 5 below.

**3. Detailed Budget and Financing Costs – During Construction Period**

Attach (and label as Exhibit G) a complete budget for the project. This budget shall include a detailed listing of all financing sources and uses of funds, and shall include development costs such as pre-opening and marketing costs, development management fees and legal services.

For each “use” of funds, indicate the methodology or means by which this estimated cost was derived (i.e. appraisal, contractor estimate, actual cost, etc.)

For each “source” of funds (debt, equity, public assistance, etc.), indicate the status of the funding source (committed, pending, projected, etc.), and the actual or anticipated financing terms/details.

Other requested information:

- a. Construction Loan Information
  - Terms of construction loan
  - Loan to cost information
  - Amount of equity by applicant
- b. Construction Costs
  - Hard Costs
  - Soft Costs inclusive of design fees, permit costs, developer fees, contingency, market studies and other consulting fees
- c. Financing terms
  - Interest rate



- Term (I/O, temp to perm)
- Debt to equity information
- If lender has not been selected, please provide details from term sheets from the lenders that are under consideration

**4. Detailed Budget and Financing Costs – Permanent Financing**

If ownership of the project is being retained by the applicant (or affiliate or subsidiary) and permanent financing will be obtained, attach (and label as Exhibit G-1) a complete budget based upon permanent financing. Please identify the contractor that has been selected. As part of the documentation for this requirement, please include the construction costs as outlined under item 3b, and the financing information as identified under 3b.

**5. Operating Cash Flow Proforma (10 year)**

If ownership of the project is being retained by the applicant (or affiliate or subsidiary), attach (and label as Exhibit G-2) a projected 10-year operating cash flow proforma for the project. The proforma should clearly identify all assumptions (including investor returns and escalators), and should provide a detailed listing of all anticipated revenues, expenses, capital contributions/distributions, etc. The cash flow should clearly identify “Net Operating Income (NOI), “Cash Flow Before Taxes (CFBT)” and “Cash Flow After Taxes (CFAT).”

a. Additionally, please include the following:

- Stabilized 10-year proforma
- Depending on the project type, all applicable fixed and variable expenditures
- All revenue from all sources
- Internal rate of return (IRR) – leveraged and unleveraged

**6. Payment of Application Fee**

Two \$5,000 non-refundable filing fees must be submitted with this application to cover out of pocket costs incurred by the DMCC, City and / or EDA associated with evaluating the application. One check shall be made out to the Destination Medical Center Economic Development Agency and the second shall be made out to the City of Rochester. If warranted by the complexity of the application, additional deposits may be required.

NOTE: Signed authorization allows the EDA and City of Rochester to check background of personnel involved in project.

Application Fee Addresses:

- a. City of Rochester  
201 4<sup>th</sup> Street SE, Room 266  
Rochester, MN 55904
- b. Destination Medical Center Economic Development Agency  
195 S Broadway  
Rochester, MN 55904



## OTHER PROJECT CONSIDERATIONS

### 1. Affordable Housing

For any development project consisting of a housing component, attach (and label as Exhibit F) and describe in detail, any measures being taken to create housing units that are affordable to persons at or below the 60% median income level. For projects proposed for market rate housing, please provide information as to the funding gap per unit that needs to be addressed to create affordable housing.

### 2. Historic Preservation

Attach (and label as Exhibit H) and describe in detail, any proposed strategy being implemented into the development project that encourages historic preservation. This may include, but is not limited to, use of Historic Tax Credits (HTC's), grants or funding distributed for historic and cultural preservation, redevelopment of historic assets, etc.

### 3. Integration of Arts and/or Cultural Amenities

Attach (and label as Exhibit I) and describe in detail, any proposed integration of arts and/or cultural amenities into the development project. This may include, but is not limited to, retail, entertainment, experience, arts & culture, etc.

### 4. Public Space, Green Space, Shared Uses and Public Amenities

Attach (and label as Exhibit J) and describe in detail, any proposed public space, green space, shared use and/or public amenities being incorporated into the development project.

### 5. Sustainable Elements

Attach (and label as Exhibit K) and describe in detail, any proposed sustainability elements that you are intending to incorporate into the development project. These may include, but are not limited to, building design measures, energy efficiency measures, stormwater management measures, alternative transportation measures, etc. Please refer to Appendix A which contains more information pertaining to the elements described below which are applicable to projects pursuing DMC funding.

Please acknowledge the following goals and requirements for new construction and major renovation projects from the DMC Plan are in the application submittal. For partial renovations, portions of the criteria below may be applicable. Please contact the DMC EDA for additional guidance pertaining to interior design and construction projects.

1. Adherence to the elements included in the [Destination Medical Center District Design Guidelines](#) and [Destination Medical Center Development Plan](#)
2. Ability of the project to meet an EUI target generated by the [Minnesota Sustainable Building 2030 standards](#) and confirmed through an energy model generated by the project Team
3. 75% construction waste and demolition diversion rate documented during the construction process
4. 35% water reduction below the EPAct of 1992
5. 50% irrigation reduction (as applicable to the project scope) using EPA Watersense Calculator
6. Alternative transportation provisions including but not limited to covered bike racks, shower facilities for staff, EV charging stations, preferred parking for green vehicles
7. Pursue and achieve Third Party Green Building Certification (LEED, Living Building Challenge, etc)
8. Participation in the City of Rochester's Voluntary Energy Benchmarking Program for a period of 3 years
9. Pursuit of all applicable utility incentive program opportunities through Rochester Public Utilities (RPU) and Minnesota Energy Resources Corporation (MERC)

### 6. Workforce Development and Training Programs

Attach (and label as Exhibit L) and describe in detail, any proposed workforce development and training programs that you or tenants are intending to incorporate into the development project. These may include, but are not limited to, training, apprenticeships, small business development, and local business development, etc.

### 7. Health & Wellness Elements



Attach (and label as Exhibit M) and describe in detail, any proposed health and wellness elements that you are intending to incorporate into the development project. These include such things as public safety, proximity to bike / pedestrian trails, parks & open space, shopping, schools, access to public transportation, measures ensuring accessibility to all citizens, walkability, healthy building standards, etc.

**APPLICANT / OWNER SIGNATURE**

The undersigned certifies that the above information is true and correct to the best of his or her knowledge. The undersigned further understands that the giving of false information in this application, regardless of when it is discovered, and/or the failure to give required pertinent information, constitutes cause for the immediate revocation of any and all approvals issued hereunder.

The undersigned acknowledges and agrees that the \$ \_\_\_\_\_ application fee associated with this application is nonrefundable and that background and references may be checked by the DMC EDA or the City of Rochester.

Applicant Signature:	Date:
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Name and Title:
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If the above-signed party is not the current owner of ALL affected parcels, such owners shall also sign below.

Owner Signature (if not same as applicant):	Date:
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Name and Title:	Property:
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Owner Signature (if not same as applicant):	Date:
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Name and Title:	Property:
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**FOR DMC EDA/CITY USE ONLY**

Complete application received:     /     /	Staff Initials:
Non-Refundable Application Fee Paid:     /     /	Check #:

**DATA PRACTICES ADVISORY AND AUTHORIZATION FOR RELEASE OF INFORMATION**

The Minnesota Data Practices Act requires that you be advised of the following information. This application includes private and/or confidential information that will be used to research and evaluate past experience, qualifications, financial data, criminal history, and other relevant information. You may refuse to provide this information; however, should you refuse, our evaluation cannot be completed and will result in your application not being processed. The information provided in the application is public, unless specifically classified otherwise by law, and will be used by the City of Rochester, DMCC, and DMC EDA to evaluate the application and any request for public funding. Public information is accessible by the general public.

On behalf of the applicant, I hereby give my consent to research and confirm the accuracy of the contents of the application, including, but not limited to, business history, bankruptcy filings, references, criminal history, and other relevant information provided in the application. I authorize the contacting of financial and other references provided in the application. I understand that there is no legal obligation to consent to this background research, but if the applicant refuses to so consent, the evaluation cannot be completed and the application will not be processed.

I release the City of Rochester, DMCC, and DMC EDA, and any of its agents or employees from any and all liability for their receipt and use of information and records received pursuant to this consent. I further acknowledge that I have carefully read this release, fully understand its terms, and execute it voluntarily. This Authorization for Release of Information will expire one year from the signature date.

**I HAVE READ AND UNDERSTAND THE ABOVE DATA PRACTICES ADVISORY AND AUTHORIZATION FOR RELEASE OF INFORMATION.**

Applicant Signature:	Date:
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**NOTICE: NON-DMC CITY FUNDING**

In the event the proposed project is not approved by both the DMCC and the City for DMC funding, the City may continue to consider this application and the information provided herein for non-DMC City funding. In such case, the DMC Act will not apply; however, additional City requirements may apply.

**ATTACHMENT 1**

**Minnesota Statutes, Section 469.40, Subd. 11.**

**Public Infrastructure Project**

- (a) "Public infrastructure project" means a project financed in part or in whole with public money in order to support Mayo Clinic's development plans, as identified in the DMCC development plan. A public infrastructure project may:
- (1) acquire real property and other assets associated with the real property;
  - (2) demolish, repair, or rehabilitate buildings;
  - (3) remediate land and buildings as required to prepare the property for acquisition or development;
  - (4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, streets, roadways, utilities systems and related facilities, utility relocations and replacements, network and communication systems, streetscape improvements, drainage systems, sewer and water systems, subgrade structures and associated improvements, landscaping, façade construction and restoration, wayfinding and signage, and other components of community infrastructure;
  - (5) acquire, construct or reconstruct, and equip parking facilities and other facilities to encourage intermodal transportation and public transit;
  - (6) install, construct or reconstruct, furnish, and equip parks, cultural, and recreational facilities, facilities to promote tourism and hospitality, conferencing and conventions, and broadcast and related multimedia infrastructure;
  - (7) make related site improvements including, without limitation, excavation, earth retention, soil stabilization and correction, and site improvements to support the destination medical center development district;
  - (8) prepare land for private development and to sell or lease land;
  - (9) provide costs of relocation benefits to occupants of acquired properties; and
  - (10) construct and equip all or a portion of one or more suitable structures on land owned by the city for sale or lease to private development; provided, however, that the portion of any structure directly financed by the city as a public infrastructure project must not be sold or leased to a medical business entity.



## ATTACHMENT 2: EVALUATION CRITERIA

### 1. Does the project include a plan for achieving the DMC vision, goals and objectives? Is it critical to driving the strategies included in the Development Plan?

- a) Is the project consistent with the stated DMC Goals & Objectives and specifically contributing to job creation?
  - Does the project meet one or more of the goals and objectives established for the Development Plan?
- b) How is the project consistent with the DMC Vision?
  - Is the project part of a bold and aspirational concept for the future that fits with the principles of the vision?
  - How does the project build infrastructure to support growth, drive and ideally accelerate investment? Further, is the proposed public infrastructure solely for the benefit of the Project or does it also support the broader DMC District?
  - How does the project provide a catalyst for or anchor for an approved strategy? Can the project reasonably be expected to catalyze or anchor development in one of the six sub-districts?
  - Can the project reasonably be expected to catalyze necessary transportation/transit strategies? How is the project engaging or supporting the transportation strategy?

### 2. Does the project include a plan for achieving consistency with the Development Plan (and any updates thereto) and other relevant planning documents?

- a) Explain how the project is consistent with the following DMC Planning Documents:
  - DMC Master Plan
  - DMC District Design Guidelines
  - Public Realm Planning
  - Is the project supportive of other implementation strategies of the DMC? Please explain.
  - Does the project provide a demonstrated need in the market and/or an identified need in the DMC Plan and [metrics](#)?
- b) Is the project consistent with the City/County Planning Documents?
  - Explain how the project consistent with the RDMP Plan and City Comprehensive Plan?
  - If a Transit/Transportation project, is the project consistent with the ROCOG long-range Transportation Plan and the City of Rochester / DMC's Downtown Transportation Plan?

### 3. Does the project include a plan that is financially viable?

- a) Projects are required to provide a preliminary finance plan with their applications. The required information, beyond the requirements listed in item 3 on page 4 includes:
  - Project Summary (e.g. concepts, detailed program, project team, etc.) Sources of funding, demonstrating a verifiable gap that justifies DMC Funding
  - A Project Plan and/or Market Study supporting the demand/need for the project
  - Demonstration of financial capacity to support the project
  - Hard and soft costs attributed to the Public Infrastructure definitions listed on page 9.
- b) The project-specific finance plan will be evaluated based upon the following criteria
  - Is the project supported by current market conditions and comprehensive feasibility studies?
  - Does the project leverage additional private funds, maximizing the use of DMC Funds?
  - Has the applicant shown a good faith effort to apply for other sources of funding that will leverage the DMC funds (i.e. New Market Tax Credits (NMTTC), Low-Income Housing Tax Credit, Historic Tax Credits, etc.)
  - Is the preliminary project finance plan comprehensive and viable based upon Project Team and financial capacity?
    - Is there a verifiable gap for funding based upon a reasonable return on private investment?
  - Is the proposed operating structure sustainable?
  - Does the Project impose any financial obligations on the DMC or City for ongoing operational or maintenance support?
  - Has the project applicant agreed to the DMC Development Agreement?

**4. Is the project consistent with adopted strategies and/or one or more projects for the current implementation phase of the DMC Initiative?**

The Development Plan outlines projects and strategies that are recommended as the focus in each phase of the DMC Initiative. These recommendations and the list of anticipated projects shall be reaffirmed and/or updated each year in the DMC-Capital Improvement Plan (CIP) that is incorporated as part of the DMC's annual budget process and as necessitated by private investment in the Development District.

Criteria will include:

- Is the project part of an approved strategy and current focus within the DMC Plan?
- Is the project recommended as a focus for the particular phase of the project in the Development Plan?
- Is the project consistent or complimentary with the planned public improvements in the DMC-CIP?
- If public, is the project specifically listed in the DMC-CIP? Or is the project necessary to facilitate a DMC related strategy?

**5. Does the project include a plan for achieving Local Business, S/M/WBE Project Requirements and other project requirements, as applicable?**

The DMC is established to drive economic and fiscal benefits to State and local jurisdictions and to benefit the community as a whole. Each project will be evaluated for its ability to realize and/or support growth occurring within the DMC District. The information that will be required to make the evaluation will include:

- Agreement to execute the DMC Development Agreement, the terms of which shall be provided in form to all applicants
- Agreements will include requirements of the DMC Act (e.g. American Made Steel, MBE/WBE Construction Targets)

**6. Does the project include a plan to comply with or support the economic-fiscal goals and objectives of the DMC Initiative?**

The DMC is established to drive economic and fiscal benefits to State and local jurisdictions and to benefit the community as a whole. Each project will be evaluated for its ability to realize and/or support growth occurring within the DMC District. Beyond the jobs projections included on page 4 of this application, the information that will be required to make the evaluation will include:

- a) Tax Base Projections (through 2049), if applicable
- b) Capacity or other support to demand (e.g., public works)

The economic-fiscal analysis will be evaluated based on the following criteria

- Does the project generate substantial economic-fiscal gain based upon job projections?
- Does the project generate substantial economic-fiscal gain based upon tax base projections?
- Does the project maximize the opportunity for investment by attracting other private capital?
- Is the project required (e.g. public works) to continue to seed investment in the DMC District?
- Does the project support the economic strategies of the project by providing civic/ cultural uses and/or public amenities that support strategic growth in the DMC Development
- District and/or specific business development and economic development strategies that are adopted as part of the DMC Development Plan?

**7. Other Considerations**

A summary will be provided of other considerations that the DMCC Board may take into account when evaluating projects. These include:

- a) Is the project inside the DMC Development District?

To be funded, projects must be within the boundaries of the DMC Development District. From time to time, the DMCC and City may consider expanding the DMC Development District to support the execution of specific projects or strategies that are outside of the current boundaries. The DMCC and City may choose to do this by amending the current Development District or creating a new district, which may or may not be contiguous to the existing Development Districts or Sub-districts.

An amendment can happen at any time, but it is recommended that it only be done with an accompanying project request.

The criteria to be considered include:

- Limited to the area required to support the project request?
- Consistent with the core strategies and planning documents?
- Essential to the strategies and/or catalytic to growth under the DMC Development Plan?

- b) Are there specific policies the DMCC wishes to include/consider as implementation of the DMC Development Plan moves forward?

During the implementation phase of the DMC Initiative, the DMCC and/or City may wish to provide special consideration to projects with certain social and/or community benefits that are not specifically required by the DMC Act. The prioritization of these considerations within the DMC Development Plan and the role of the DMCC and/or City in implementing these considerations will be dependent on many factors, including: the completion of certain planning efforts, including but not limited to, the City Comprehensive Plan, the adoption of policies and/or ordinances by the City and/or County; identifying sources of funding to support programs and/or operations; and other implementation or operational considerations. The DMCC Board may direct the EDA to work with the City, County and community organizations to develop and recommend specific policies, ordinances and programs that may incentivize the integration of these types of benefits in the DMC Development District.

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

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

### **Design Path:**

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

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

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

### **Other Design Requirements:**

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

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

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

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

#### Third Party Green Building Certification Requirements:

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

##### Commercial Projects:

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

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

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

#### Reporting:

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

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

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

#### Incentive Opportunities:

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

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

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

## Project Timeline

