

DMC
Destination
Medical Center

Destination Medical Center Corporation
Board of Directors Meeting

Thursday, May 25, 2023
9:30 A.M.

DESTINATION MEDICAL CENTER CORPORATION (DMCC)

BOARD MEETING

Thursday, May 25, 2023
9:30 A.M.

Remote Viewing: <https://us02web.zoom.us/j/83645342068>

AGENDA

	PAGE
I. Call to Order	
II. Roll Call	
III. Approval of Agenda	1
IV. Approval of Minutes: February 9, 2023	3
V. Public Comment	
VI. Chair's Report	
VII. Election of Officers and Appointments	
A. Election by Board:	
1. Chair	
2. Vice Chair	
3. Treasurer	
B. Appointment by Chair:	
1. Secretary	
2. Assistant Treasurer	
VIII. Consent Agenda	
A. April 1 Report to DEED <u>Resolution A:</u> Ratifying and Confirming the April 1, 2023 Certification to DEED Pursuant to Statute	7
B. Revisions to Bryk on Broadway Apartments Project <u>Resolution B:</u> Ratifying and Confirming Revisions to the Bryk on Broadway Apartments Project	23
C. DMCC 2023 Budget Year-to-Date Update	29
D. 2022 Capital Improvement Plan (CIP) True-Up and Update	33
E. <u>Resolution C:</u> Commending Dale Martinson, Assistant Treasurer	35
F. DMCC Data Practices Act Policy	37

IX.	DMCC Audit for Year Ending December 31, 2022 (Presenter: Craig Popenhagen, CliftonLarsonAllen)	51
X.	EDA Board President Comments	
XI.	DMC Metrics	
XII.	Discussion Items (City of Rochester, EDA)	
	A. Discovery Square (Marketing/Lead Generation and Shared Lab Infrastructure)	89
	B. District Energy (Potential Expansion of Downtown System)	93
	C. West Transit Village (Development Concepts)	94
	D. Rochester Downtown Task Force (Action Plan and Next Steps)	95
XIII.	2024 DMC Work Plan and Budget: Priorities/Points of Emphasis	97
XIV.	Status Reports	99
	A. Disadvantaged Business Enterprise Utilization	
	B. Downtown Riverfront	
	C. Heart of the City	
	D. Main Street Program	
	E. McKnight Grants	
	F. Mobility	
	G. Private Development	
	H. Equitable Economic Development	
	I. BIPOC Home Ownership	
	J. Soldiers Field Memorial Park	
XV.	Meeting Schedule	
	A. Next Regular Meeting: September 28, 2023 at 9:30 A.M.	
XVI.	Adjournment	

DESTINATION MEDICAL CENTER CORPORATION (DMCC)
SPECIAL BOARD MEETING

Thursday, February 9, 2023
9:30 A.M.

MINUTES

- I. Call to Order. Chair Pamela Wheelock called the meeting to order at 9:30 a.m.
- II. Roll Call. Doug Baker, James Campbell, Council President Brooke Carlson, Mayor Kim Norton, R.T. Rybak, Commissioner Mark Thein, Pamela Wheelock, and Paul Williams were present. Mr. Baker and Mr. Campbell participated via interactive technology because they were out of state.
- III. Approval of Agenda. Commissioner Thein moved approval of the agenda. Mayor Norton seconded the motion. Ayes: Mr. Baker, Mr. Campbell, Council President Carlson, Mayor Norton, Mr. Rybak, Commissioner Thein, Chair Wheelock, and Mr. Williams. Nays: None.
- IV. Approval of Minutes: November 10, 2022. Mr. Williams moved approval of the minutes. Mayor Norton seconded the motion. Ayes: Mr. Baker, Mr. Campbell, Council President Carlson, Mayor Norton, Mr. Rybak, Commissioner Thein, Chair Wheelock, and Mr. Williams. Nays: None.
- V. Public Comment. No public comments were offered.
- VI. Chair's Report. Chair Wheelock described the meeting discussion items and invited meeting attendees to join the collaborative work session of the DMCC, EDA, City of Rochester, and Olmsted County following the Board meeting.
- VII. Consent Agenda.
 - A. DMCC 2022 Budget: Year to Date Update. Mayor Norton moved approval of the consent agenda. Council President Carlson seconded the motion.

Ayes: Mr. Baker, Mr. Campbell, Council President Carlson, Mayor Norton, Mr. Rybak, Commissioner Thein, Chair Wheelock, and Mr. Williams. Nays: None.
- VIII. Annual Report to the Legislature. Patrick Seeb, EDA Executive Director, noted that State GSIA funds exceeded City and County DMC funds. Mayor Norton noted that this marks the first year of reaching the maximum State GSIA level.

Resolution A: Approving February 15, 2023 Report to the Legislature. Council President Carlson moved approval of the Resolution. Mr. Rybak seconded the motion. Ayes: Mr. Baker, Mr. Campbell, Council President Carlson, Mayor Norton, Mr. Rybak, Commissioner Thein, Chair Wheelock, and Mr. Williams. Nays: None.

- IX. EDA Board President Comments. Dr. Clark Otley, President of the EDA Board of Directors, noted three recent appointments to the EDA Board and described meeting action and discussion items.

- X. Metrics: Plan Updates. Mr. Seeb and Catherine Malmberg, EDA Director of Public Infrastructure and Development Strategy, discussed the continued implementation of the Development Plan. Recent planning efforts include refining the community co-design, adoption of the City of Rochester’s Unified Development Code, and the completion of recent market studies.

- XI. Requests for Action.
 - A. Resolution B: Providing Final Approval for the Expenditure of Funds from the 2023 CIP Budget for the Soldiers Field Project.

Chair Wheelock noted that after additional community engagement and collaboration, this item is returning for Board consideration. Jamie Rothe, EDA Director of Community Engagement and Experience, and Mike Nigbur, City of Rochester Parks and Forestry Division Head, presented the project update. Ms. Rothe described the proposed project’s alignment with DMC objectives and community needs. Mr. Nigbur described the proposed park improvements and construction timeline. Council President Carlson moved approval of the Resolution. Mayor Norton seconded the motion. Ayes: Mr. Baker, Mr. Campbell, Council President Carlson, Mayor Norton, Mr. Rybak, Commissioner Thein, Chair Wheelock, and Mr. Williams. Nays: None.

 - B. Resolution C: Providing Final Approval for the Expenditure of Funds from the 2023 CIP Budget for the Riverfront Redevelopment Project.

Mr. Seeb, Ms. Malmberg, and Cindy Steinhauser, City of Rochester Deputy Administrator, provided the project update. Mr. Rybak and Chair Wheelock encouraged additional recreational uses of the Zumbro River and adjacent waterfront. Council President Carlson moved approval of the Resolution. Commissioner Thein seconded the motion. Ayes: Mr. Baker, Mr. Campbell, Council President Carlson, Mayor Norton, Mr. Rybak, Commissioner Thein, Chair Wheelock, and Mr. Williams. Nays: None.

- XII. Discussions (City of Rochester, EDA).
 - A. LINK Bus Rapid Transit and West Transit Village. Ms. Malmberg and Ms. Steinhauser provided rapid transit implementation updates, including plan design and planning for West Transit Village development. They noted that the Board is expected to discuss vehicle design elements at the next meeting.

 - B. Downtown Vibrancy Task Force. Ms. Rothe described the ongoing work and next steps to assist in downtown economic and experience recovery. Downtown stakeholders are providing input to help determine action steps.

XIII. EDA Work Plan Implementation.

Business Development Market Research. Mike Flynn, EDA Senior Director of Economic Development, and Chris Schad, EDA Director of Business Development, reviewed recent business development research. The research of baseline awareness of the Rochester market, market perceptions, and known business expansion/relocation decision-drivers will inform strategies to build market awareness, support a regional life sciences ecosystem, and make infrastructure investment decisions. Mr. Schad noted that the results of a lab space market demand study will be shared at the May 2023 Board meeting.

XIV. Informational Items.

A. District Energy. Chair Wheelock requested that staff provide a district energy update at an upcoming Board meeting.

XV. Adjournment. Mayor Norton moved to adjourn the meeting. Council President Carlson seconded the motion. Ayes: Mr. Baker, Mr. Campbell, Council President Carlson, Mayor Norton, Mr. Rybak, Commissioner Thein, Chair Wheelock, and Mr. Williams. Nays: None.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ___-2023

Ratifying and Confirming the April 1, 2023 Certification 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. On March 23, 2023, pursuant to Resolution No. EC-8-2023, the Executive Committee of the DMCC Board authorized the Chair or Vice Chair of the DMCC to execute and submit the certification to DEED (the “April 1 Certification”), and to modify the report as necessary upon subsequent discussions with Mayo Clinic or the City of Rochester (the “City”).

B. The April 1 Certification is attached as Exhibit A.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, that the Destination Medical Center Corporation Board of Directors ratifies and confirms the action of its Executive Committee and the April 1 Certification and its submittal to the Minnesota Department of Employment and Economic Development as required by Minnesota Statutes, Section 469.47, and authorizes the Chair, Vice Chair, or Treasurer to make such other modifications, and to take such other actions as are necessary and appropriate to effectuate the submission of the certification to DEED.

EXHIBIT A

EXHIBIT A

DESTINATION MEDICAL CENTER CORPORATION
201 4th St. SE.
Rochester, Minnesota 55904

March 28, 2023

VIA ELECTRONIC AND U.S. MAIL

Kevin McKinnon
Interim Commissioner
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite F-200
Saint Paul MN 55101

Dear Commissioner McKinnon:

On behalf of the Destination Medical Center Corporation (“DMCC”) and Mayo Clinic, I am pleased to forward the following materials for the April 1, 2023 certification, pursuant to Minnesota Statutes Section 469.47, Subdivision 2. The expenditures set forth here are the investments that have been made by Mayo Clinic and by other private individuals or entities to advance the Destination Medical Center initiative.

1. DMCC Certification: I enclose the DMCC Certification of Expenditures made by an individual or entity, other than Mayo Clinic, for the period ending on December 31, 2022 (“Attachment 1”). The City of Rochester, Minnesota assisted with the compilation of this report. The amount of 2022 investments set forth in this report is \$26,456,228.36.
2. Mayo Clinic Certification: I enclose correspondence and accompanying materials from Christina Zorn, J.D., Chief Administrative Officer, Mayo Clinic, dated March 16, 2023 (“Attachment 2”). Mayo Clinic is certifying expenditures for the period of January 1, 2022 through December 31, 2022 in the amount of \$172,632,461.06.
3. Summary of Investments: The summary page, entitled “Certification of Expenditures, Destination Medical Center” is enclosed, setting forth total cumulative expenditures through December 31, 2022, in the amount of \$1,461,132,648.74 (“Attachment 3”).

Commissioner Steve Grove
March 28, 2023
Page 2

I would like to emphasize that Mayo Clinic invested the highest-ever annual amount in 2022 through the Destination Medical Center initiative, signaling its strong leadership in this public-private partnership. In addition, these private investments were made in 2022 despite the ongoing challenges of the COVID-19 pandemic. It is truly remarkable that the cumulative private investments in the Destination Medical Center total nearly \$1.5 billion.

Thank you for your consideration, and please do not hesitate to contact either DMCC or Mayo Clinic if you need further information. We look forward to continuing to work with the State of Minnesota, City of Rochester, Olmsted County, Mayo Clinic, and our other partners on the Destination Medical Center initiative.

Sincerely,



Pamela Wheelock

Chair

Destination Medical Center Corporation

Enclosures

cc: Destination Medical Center Corporation Board of Directors
Christina Zorn, J.D., Mayo Clinic
Jeremy LaCroix

1458578-3.DOC

ATTACHMENT 1

5 HH57 < A9BH%

Building Permits within the DMC Boundary

(Does not include Mayo Projects)

Year	Completed Projects
2018	\$ 250,000
2020	\$ 392,588
2021	\$ 4,100,399
2022	\$ 1,213,854
TOTAL	\$ 5,956,841

2022 Destination Medical Center - Partially Completed Projects Tracking

Project	Address	Total Building Permit Value To Date	2021	2022
			Partial Completed Work	
Bryk Apartments	401 N Broadway	\$ 25,000,000.00	\$ 4,500,612.64	\$ 20,499,387.36

TOTAL \$ 26,456,228.36

2016 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2016			2017			2017	2018		
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Claimed	Balance Claimed
1st Avenue Flats	400 NW 1 Avenue	\$ 4,976,244.00	R16-0024MFB	\$ 622,000.00		R16-0008MFB	\$ 8,097,735.57	6/26/2017	\$ 8,719,735.57	\$ 3,743,491.57	\$ -
Lofts at Mayo Park	123 SE 6 Avenue	\$ 6,347,552.97	R15-0079MFB	\$ 794,323.00	3/6/2017	R16-0011MFB	\$ 6,105,677.00	8/17/2017	\$ 6,900,000.00	\$ 552,447.03	\$ -
501 on First	501 SW 1 Avenue	\$ 12,534,186.96	R15-0053MFB	\$ 1,555,125.00	9/2/2016	R15-0058MFB	\$ 11,422,057.75	1/28/2018	\$ 12,977,182.75	\$ -	\$ 442,995.79
Flats on 4th (Buckeye)	412 SE 3 Avenue	\$ 8,906,937.40	R15-0107MFB	\$ 2,400,000.00	12/6/2018	R16-0009MFB	\$ 10,682,292.00	2/12/2018	\$ 13,082,292.00	\$ -	\$ 4,175,354.60
TOTAL for 2016		\$ 32,764,921.33							\$ 41,679,210.32	\$ 4,295,938.60	\$ 4,618,350.39
Dollar amount finaled in 2016		\$ 1,555,125.00									
Dollar amount submitted for partial work in 2016		\$ 31,209,796.33									
TOTAL for 2017		\$ 4,295,938.60									
TOTAL for 2018		\$ 4,618,350.39									

2017 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2017			2017			2017			2018		
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Claimed
Broadway @ Center	10 East Center Street	\$ 33,866,963.98	R15-0081CB	\$ 1,000,000.00	12/6/2018	R15-0384CB	\$ 45,000,000.00	TCO 4/1/19	R15-0447CB	\$ 38,282,463.00	7/25/2019	\$ 84,282,463.00	\$ 50,415,499.02
Discovery Square	202 4th Street SW	\$ 2,965,073.30	R17-0384CB	\$ 1,750,000.00	11/13/2018	R17-0454CB	\$ 1,290,000.00	11/13/2018	R17-0492CB	\$ 12,969,000.00	7/10/2019	\$ 16,009,000.00	\$ 13,043,926.70
TOTAL for 2017		\$ 36,832,037.28										\$ 100,291,463.00	\$ 63,459,425.72
TOTAL for 2018		\$ 63,459,425.72											

2018 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2018			2018			2018			2019	2020	
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Claimed
Ronald McDonald House	850 2nd Street SW	\$ 4,872,363.01	R18-0048CB	\$ 10,126,000.00	11/4/2019						\$ 10,126,000.00	\$ 5,253,636.99	\$ -
Hotel Indigo (Holiday Inn)	220 South Broadway	\$ 1,156,333.15	R18-0294CB	\$ 500,000.00	4/19/2021	R18-0389CB	\$ 5,000,000.00	10/22/2020	R18-0454CB	\$ 5,000,000.00	10/27/2020	\$ 10,500,000.00	\$ 9,343,666.85
Residence @ Dis. Sq.	511 3rd Ave. SW	\$ 9,820,880.09	R17-0143MFB	\$ 1,750,000.00	8/30/2019	R17-0141MFB	\$ 17,250,000.00	4/7/2020				\$ 19,000,000.00	\$ 9,179,119.91
Urban on First	429 South Broadway	\$ 12,455,954.00	R18-0003MFB	\$ 2,428,958.00	11/19/2019	R18-0015MFB	\$ 28,380,000.00	11/19/2019				\$ 30,808,958.00	\$ 18,353,004.00
Berkman (Alatus)	217 & 301 14th Ave SW	\$ 25,936,546.00	R17-0157MFB	\$ 4,900,000.00	7/15/2020	R18-0011MFB	\$ 86,237,507.00	7/15/2020	R18-0037MFB	\$ 2,178,293.00	7/14/2020	\$ 93,315,800.00	\$ 59,063,337.00
TOTAL for 2018		\$ 54,242,076.25										\$ 101,192,764.75	\$ 8,315,917.00
TOTAL for 2019		\$ 101,192,764.75											
TOTAL for 2020		\$ 8,315,917.00											

2019 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2019			2019			2019			2020	2021		
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Counted	Balance Counted
Ryan/Wells Fargo	21 1st SW	\$ 5,250,000.00	R19-0029CB	\$ 5,250,000.00	3/27/2020						\$ 5,250,000.00	\$ -	\$ -	
Hyatt House (Civic on First)	315 1st Ave. NW	\$ 6,940,448.00	R18-0467CB	\$ 3,710,000.00	2/18/2021	R19-0003D	\$ 63,000.00		R19-0078CB	\$ 28,480,475.00	2/4/2022	\$ 32,253,475.00	\$ 24,151,076.04	\$ 1,161,950.96
Eleven02	101 11th Ave. SW	\$ 4,159,810.90	R19-0206CB	\$ 6,750,000.00	2/16/2022	R19-0235CB	\$ 22,940,975.00	4/26/2021				\$ 29,690,975.00	\$ 24,377,346.96	\$ 1,153,817.14
TOTAL for 2019		\$ 16,350,258.90										\$ 48,528,423.00	\$ 2,315,768.10	\$ -
TOTAL for 2020		\$ 48,528,423.00												
TOTAL for 2021		\$ 2,315,768.10												

2020 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2020			2020			2020			2021		
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Counted
Two Discovery Square	415 2 Ave SW	\$ 5,553,179.85	R20-0243CB	\$ 7,500,000.00	12/15/2021	R20-0281CB	\$ 2,200,000.00	12/15/2021	R20-0312CB	\$ 10,461,480.00	3/2/2022	\$ 20,161,480.00	\$ 14,608,300.15
TOTAL for 2020		\$ 5,553,179.85											
TOTAL for 2021		\$ 14,608,300.15											

2021 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2021			2021			2022		
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Counted
Bryk Apartments	401 N Broadway Ave	\$ 4,500,612.64	R21-0031MFB	\$ 1,000,000.00	8/18/2022	R21-0038MFB	\$ 24,000,000.00		\$ 25,000,000.00	\$ 20,499,387.36
TOTAL for 2021		\$ 4,500,612.64								
TOTAL for 2022		\$ 20,499,387.36								

Based on the Application and Certificate for Payment for the project, the total contract price for the development is \$33,894,231

Permit Type	Permit Number	Permit Date	Parcel ID	Address	Amount	Description	Owner	Permit Status	Date
Commercial Bldg	R18-0141CB	7/31/2018	017883	7 SW 2 ST	\$250,000	New restaurant within an existing space.	Yong Hao Liu	Finald	12/9/2022
Commercial Bldg	R20-0225CB	10/26/20	82430	206 BROADWAY AVE S	\$254,588	Tenant build-out	Cornerstone Management Services	Finald	02/11/22
Commercial Bldg	R20-0153CB	07/02/20	17926	21 1 ST SW	\$100,000	Interior remodel of existing office. (Wendland-Utz Law)	Chris Wendland	C of C Issued	04/27/22
Sign	R20-0120S	12/04/20	17926	21 1 ST SW	\$38,000	Wall signs for Wells Fargo [lit]	none given	Finald	10/21/22
Commercial Bldg	R21-0047CB	3/2/2021	83795	202 SW 4 ST	\$1,900,000	Tenant fit-up of offices, conference rooms and lab spaces. (Discovery Square)	Paul Stalboerger	CO Issued	3/22/2022
Commercial Bldg	R21-0097CB	4/7/2021	79185	318 SW 1 AVE	\$1,661,399	Remodeling of the second floor of 318 Commons - offices and collaboration spaces.	GH HOLDINGS LLC	C of C Issued	4/22/2022
Commercial Bldg	R21-0326CB	9/16/2021	84934	311 NW 1 AVE	\$52,000	Fit-up of commercial space to accommodate new salon ARTIKA	CIVIC CENTER HOTEL JV LLC	C of C Issued	2/22/2022
Commercial Bldg	R21-0442CB	12/15/2021	17773	20 SW 3 ST	\$25,000	Interior finishes for Mezza Cafe	Sammi, Lawernce	Finald	9/16/2022
Commercial Bldg	R21-0443CB	12/15/2021	18097	223 N BROADWAY AVE	\$230,000	Tenant improvement for a new office space for Ironton	IRONTON LLC	C of C Issued	7/22/2022
Commercial Bldg	R21-0058MFB	12/3/2021	12780	621 SW 1 ST	\$120,000	Renovating the following units in Uptown Landings Apartments: G2, 103, 104, 203, 205 & 306	UPTOWN LANDING HOLDINGS LLC	Finald	12/16/2022
Commercial Bldg	R21-0059MFB	12/3/2021	9449	625 SW 3 ST	\$112,000	Renovations for Uptown Terrace Apartments in the following units: 2, 3, 8, 9, and 15	UPTOWN TERRACE HOLDINGS LLC	Finald	10/21/2022
Commercial Bldg	R22-0045CB	2/1/2022	83795	202 SW 4 ST	\$20,000	Tenant fit-up of a conference room for Thermo Fisher Scientific at Discovery Square	Thermo Fisher	C of C Issued	8/4/2022
Commercial Bldg	R22-0059CB	2/9/2022	81808	212 N BROADWAY AVE	\$83,490	Tenant fit-up for Queen Center Interiors by J Curry	SKIATHOS LLC	C of O Issued	7/6/2022
Commercial Bldg	R22-0060CB	2/10/2022	56916	1125 SW 2 ST	\$67,000	Replacing small amount of insulation and drywall. Flooring in eight rooms, laundry room and maintenance off	CARPENTER AND TORGERSON SSMR LLC	Finald	2/23/2022
Commercial Bldg	R22-0146CB	3/31/2022	78774	221 SW 1 AVE	\$46,000	Addition of doors to Bio Business 6	Sean Williams	Finald	10/18/2022
Commercial Bldg	R22-0214CB	5/20/2022	79921	426 SE 3 AVE	\$619,300	Interior remodel of existing space into a warming/day shelter. (The Landing)	Dan Fifield	C of O Issued	11/10/2022
Commercial Bldg	R22-0235CB	6/8/2022	83133	601 SW 2 ST	\$200,000	Towne Place Suites remodel of existing bar into Spyhouse Coffee Roasters coffee shop	TPS ROCHESTER I LLC	C of O Issued	11/22/2022
Commercial Bldg	R22-0268CB	7/7/2022	25728	27 SE 9 ST	\$99,256	Re-roof at Soldiers Field Plaza	TRCH PLAZA LLP	Finald	9/20/2022
Commercial Bldg	R22-0364CB	9/26/2022	18097	223 N BROADWAY AVE	\$78,808	Roof replacement for 223 Building	IRONTON LLC	Finald	12/2/2022

ATTACHMENT 2



March 16, 2023

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

Dear Interim Commissioner McKinnon:

Attached with this letter is Mayo Clinic's certification of qualified expenditures of the medical business entity for the Destination Medical Center (DMC) initiative from January 1, 2022, to December 31, 2022. The amount of qualified investment is approximately \$172.6 million. This figure represents Mayo Clinic's largest-ever annual investment and is a strong signal of our commitment to further solidify Rochester, Olmsted County and the state of Minnesota as a global destination medical center.

In 2022, major projects included the ongoing construction of the Anna-Maria and Stephen Kellen Building in downtown Rochester's Discovery Square and the expansion of the Mayo Clinic Proton Beam Therapy Program. Through 2022, our cumulative DMC investment totaled more than \$934.7 million. A significant share of these investments would not be possible without the community infrastructure investments enabled by the unique public resources of the DMC initiative.

Looking back on 2022, I am grateful for our hard-working staff in Minnesota and across the globe, who have put the needs of the patient first and sustained Mayo Clinic as a beacon of hope and healing. Last year, our Mayo Clinic teams served about 1.4 million patients from nearly 130 countries. In recognition of staff excellence, Mayo Clinic made unprecedented investments in our employees in 2022. Additionally, we remained focused on addressing pressing needs in our community, forging innovative partnerships to tackle social determinants of health, and strengthening the health and vibrancy of the DMC district that surrounds our downtown campus.

Looking ahead, we are confident that Mayo Clinic's Bold. Forward. strategy has positioned us to lead the transformation of health care, including the transformation of physical health care infrastructure through the construction of new physical spaces in downtown Rochester. Through thoughtful, connected physical and digital frameworks, Mayo Clinic has the potential to make health care better integrated and more seamless for our patients. The DMC initiative is an integral partner in achieving this goal and facilitating and supporting the future of health care.

Together, I trust these examples demonstrate Mayo Clinic's dedication to our patients, our staff, and the places where we live and work. We look forward to maintaining our ongoing DMC partnership with the city of Rochester, Olmsted County and the state of Minnesota.

Thank you,

Christina Zorn, J.D.
Chief Administrative Officer
Mayo Clinic

Permitted Expenditures from July 1, 2013 to December 31, 2022

Approval Date	Project/Req Number	Project/Equipment Name	Prior Years			Total Expenditures reported for 2022	Total Spent as of December 31st 2022
			2013 - 2021 Expenditures Reported	Expenditures not previously reported	2022 Expenditures		
1/30/2020	ROGO19C0080	GO Food Services Catering Area Remodeling	\$ -	\$ 29,400.00	\$ 306,430.01	\$ 335,830.01	\$ 335,830.01
9/18/2019	ROHI18C0010	HI Deionized Water Distribution	\$ -	\$ 2,750,516.63	\$ 309,670.37	\$ 3,060,187.00	\$ 3,060,187.00
6/26/2019	ROJO19C0030	Jo Infrastructure 2019 Scope B	\$ -	\$ 574.80	\$ 1,026,789.91	\$ 1,027,364.71	\$ 1,027,364.71
11/27/2019	ROMB19C0060	MB 07 Patient Lift Installation for MB 7BG	\$ -	\$ 17,450.79	\$ 526,725.86	\$ 544,176.65	\$ 544,176.65
3/11/2020	ROMB19C0110	MB Gamma Knife Upgrade	\$ -	\$ 290,258.75	\$ -	\$ 290,258.75	\$ 290,258.75
	ROMB20C0070	MB 5D-E CONVERTING TO NICU	\$ -	\$ 2,813,613.24	\$ -	\$ 2,813,613.24	\$ 2,813,613.24
4/25/2019	ROPP19C0010	PP SMC Essential Power Controls	\$ -	\$ 1,503,810.37	\$ 266,859.35	\$ 1,770,669.72	\$ 1,770,669.72
3/27/2019	ROXX18E0050	Exterior LED Lighting Energy Efficiency Improvement - Expens	\$ -	\$ 524,128.68	\$ 23,060.75	\$ 547,189.43	\$ 547,189.43
12/18/2019	ROXX19C0040	IV Transfusion Specialty Team Space	\$ -	\$ 610,050.37	\$ 1,281.89	\$ 611,332.26	\$ 611,332.26
7/7/2021	ROHI20C0020/CPC2082275	NovaSeq	\$ -	\$ -	\$ 792,850.00	\$ 792,850.00	\$ 792,850.00
6/16/2022	ROMA22C0010/CPC2080913	CT-MCR-MA3-42W-I-CT Scanner and Inj	\$ -	\$ -	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
5/12/2022	ROEI21C0030/CPC2080017	NM-MCR-EI-I-Theragnostics Treatment Center- Phase 2 - Equipment	\$ -	\$ -	\$ 1,248,423.99	\$ 1,248,423.99	\$ 1,248,423.99
4/14/2022	ROBA20C0010/CPC2073540	RAD-MCR-MA16-R-Siemens Peds Fluoro Rm	\$ -	\$ -	\$ 499,797.00	\$ 499,797.00	\$ 499,797.00
1/20/2022	RONT21C0010/CPC2078573	Rapids Food Service	\$ -	\$ -	\$ 210,072.77	\$ 210,072.77	\$ 210,072.77
1/6/2022	ROBA20C0010/CPC2073358	RAD-MCR-BA-SL-137-&138 R-Rad Rm DR Conv (2)	\$ -	\$ -	\$ 343,005.00	\$ 343,005.00	\$ 343,005.00
3/3/2022	ROCH20C0030/CPC2078959	Varian	\$ -	\$ -	\$ 77,000.01	\$ 77,000.01	\$ 77,000.01
			\$ 762,070,188.98	\$ 16,133,812.30	\$ 156,498,648.76	\$ 172,632,461.06	\$ 934,702,650.04

ATTACHMENT 3

ATTACHMENT 3

**Certification of Expenditure
Destination Medical Center**

For Calendar Year 2022

Due to Commissioner of Employment and Economic Development (DEED) by April 1, 2023

The Medical Business Entity and the Destination Medical Center Corporation (DMCC) Board of Directors (assisted by the City of Rochester) hereby submit 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 2022, 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 Entity ¹	\$172,632,461.06	1
Total Expenditures Reported This Year for other Private Entities ^{1,2}	\$26,456,228.36	2
TOTAL Expenditures This Year	\$199,088,689.42	3

All Expenditures claimed since June 30, 2013

Previous Years Expenditures (cumulative)	\$1,262,043,959.32	4
TOTAL Expenditures This Year ³ (from Box 3)	\$199,088,689.42	5
All Claimed Expenditures as of 12/31/22 (Box 4 plus Box 5)	\$1,461,132,648.74	6
Qualified Expenditures claimed in 2022 (Box 6 minus \$200,000,000)	\$1,261,132,648.74	7

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

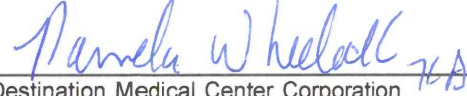
General State Infrastructure Aid Qualified for (Box 7 multiplied by .0275)	\$34,681,147.84	8
State Transit Aid Qualified for (Box 7 multiplied by .0075 and then multiplied by .6)	\$5,675,096.92	9

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 Minnesota Statutes Section 467.47 and the approved methodology as outlined in the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.

For Expenditures By the Medical Business Entity:

 3-20-23
 Mayo Clinic Chief Financial Officer Date

For all other Expenditures:

 3/28/23
 Destination Medical Center Corporation Date

¹Expenditures need to be after June 30, 2013
²Other Private Entities' certification of expenses may be certified retroactively in 2014 after the Destination Medical Center District and Development Plan are adopted.
³This 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.

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ___-2023

Ratifying and Confirming Revisions to Bryk on Broadway Apartments Project

BACKGROUND RECITALS

A. In Resolution 113-2021, the Destination Medical Center Corporation (“DMCC”) approved the Bryk on Broadway Apartments Project, which included a range of housing choices affordable according to adjusted median income (AMI) determinations (the “Project”) as a public infrastructure project. In Resolution 51-2017, the DMCC provided that the DMCC Board of Directors or the DMCC Executive Committee may reconsider prior approval of a project.

B. The Project requested a temporary revision in income eligibility due to difficulty in renting units at the 80% AMI level. By correspondence dated March 17, 2023, the City of Rochester (the “City”) and the Destination Medical Center Economic Development Agency (the “EDA”) considered the Project, the requested revisions, and current market conditions and recommended that the DMCC Executive Committee approve certain revisions given the timing needs of the Project.

C. On March 23, 2023, pursuant to Resolution No. EC-9-2023, the Executive Committee of the DMCC Board approved modifications to the development assistance agreement and related documents regarding the Project, with certain conditions. The Executive Committee Resolution EC-9-2023 is attached as Exhibit 1.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, that the Destination Medical Center Corporation Board of Directors ratifies and confirms the action of its Executive Committee and the approval of Resolution EC-9-2023 and authorizes the Chair or Treasurer to take such other actions as are necessary and appropriate to effectuate the submission of the findings and approvals of that Resolution.

EXHIBIT 1

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

RESOLUTION NO. EC-9-2023

Approving Revisions to the Bryk on Broadway Apartments Project

The following Resolution was offered by Kim Norton, seconded by Mark Thein.

BACKGROUND RECITALS

A. In Resolution 113-2021, the Destination Medical Center Corporation (“DMCC”) approved the Bryk on Broadway Apartments Project as presented therein (the “Project”) as a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11 and as consistent with the Development Plan adopted by the DMCC on April 23, 2015, as amended (the “Development Plan”). The Project included a range of housing choices affordable to persons and families who comprise the Development District’s workforce, with 30% of units at 50% of Adjusted Median Income (AMI), 10% of the units at 60% AMI, and 60% of the units at 80% AMI.

B. The DMCC further approved the Project for the purposes of Minnesota Statutes, Section 469.47, subdivision 3, of up to \$2,200,000 in funding through general state infrastructure aid, and for purposes of Minnesota Statutes, Section 469.47, subdivision 4, and supported the City of Rochester’s (the “City’s”) expenditures of up to \$2,237,354 in tax increment financing.

C. The DMCC approvals in Resolution 113-2021 were expressly contingent upon an agreement by the parties to a development assistance agreement as to both tax increment funding and general state infrastructure aid that secured public funds and enforced the income-affordability criteria for a period of at least thirty years, requiring repayment for breach or default.

D. The Project has experienced difficulty in renting units at the 80% AMI level and has requested a temporary revision in income eligibility for certain of these 80% AMI units.

E. DMCC Resolution 51-2017 provides that the DMCC Board of Directors or the DMCC Executive Committee will reconsider a prior approval of a project upon a finding presented to the DMCC from either the City or the Destination Medical Center Economic Development Agency Board of Directors (“EDA”) of a significant change in the essence or character of the project as approved.

F. By correspondence dated March 17, 2023 and attached hereto as Exhibit A, the City and the EDA have considered the Project and the income eligibility requirements in light of current market conditions. As set forth in Exhibit A, staff have found a significant change and recommend amending the development assistance agreement and related documents by a temporary revision in the income eligibility requirements, as follows:

- One-half of the Project's 80% AMI units (54 units) would be available to prospective tenants with income up to 110% or less of current AMI until October 1, 2023. Starting October 1, 2023, absent further approvals, any of these units that are or become vacant shall automatically convert to income eligibility of 80% AMI.
- The remaining 80% AMI units (54 units) would remain limited to income of 80% AMI or less.
- Any unit that has two or more unrelated adult occupants and at least as many bedrooms as occupants will be deemed eligible for 80% AMI if either (A) each unrelated adult occupant's income does not exceed 80% AMI or (B) the combined income of the unrelated adult occupants does not exceed 80% of AMI multiplied by the number of adult unrelated occupants.
- Rent for all of the Project's initially designated 80% AMI units shall remain equal to or less than 30% of 80% of AMI.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Destination Medical Center Corporation, that it approves, contingent upon approval by the City, the request of the City and the EDA as set forth in Exhibit A to modify the development assistance agreement and related documents:

(1) to permit up to one-half of the Project's 80% AMI units to be available to tenants with income up to 110% or less of current AMI until October 1, 2023. Starting October 1, 2023, absent further approvals, any of these units that are or become vacant shall automatically convert to income eligibility of 80% AMI; and

(2) to deem unrelated adult occupants eligible for 80% AMI if either (A) each unrelated adult occupant's income does not exceed 80% AMI or (B) the combined income of the unrelated adult occupants does not exceed 80% of AMI multiplied by the number of adult unrelated occupants.

The Executive Committee finds that these revisions are consistent with the Development Plan.

BE IT FURTHER RESOLVED, that these approvals are expressly contingent upon (1) the Project's remaining 80% AMI units (54 units) continuing to be limited to income of 80% AMI or less; and (2) rent for all of the Project's initially designated 80% AMI units shall remain equal to or less than 30% of 80% of AMI.

BE IT FURTHER RESOLVED, that DMCC Resolution No. 51-2017 is incorporated fully herein by reference.

BE IT FURTHER RESOLVED, that City and EDA staff are requested to provide updates with respect the Project.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

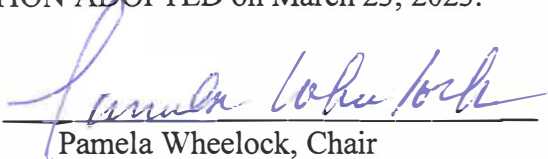
The question was on the adoption of the Resolution and there were 4 YEAS and 0 NAYS, as follows:

EXECUTIVE COMMITTEE

Destination Medical Center Corporation

	YEA	NAY	OTHER
Kim Norton	<u>X</u>	_____	_____
Mark Thein	<u>X</u>	_____	_____
Pamela Wheelock	<u>X</u>	_____	_____
Paul Williams	<u>X</u>	_____	_____

RESOLUTION ADOPTED on March 23, 2023.

ATTEST: 

Pamela Wheelock, Chair
Destination Medical Center Corporation

Bryk on Broadway Apartments Project
DMC Economic Development Agency and
City of Rochester Administration
March 17, 2023

STATEMENT OF RECOMMENDATION:

Adopt a resolution authorizing the City to amend the Developer Assistance Agreement (DAA) with Bryk Apartments Rochester, LLC that would adjust the income eligibility requirements for a portion of the units within the building.

Based on our discussions with the developer, we support amending the Development Agreement to include the following:

1. Allow half of the units (54 units) restricted to 80% AMI to be rented by persons or families whose income is 110% or less of the area median income until October 1, 2023. The rents for these units will remain at 80% AMI levels. Starting October 1, 2023, these units would convert to 80% Units for the remainder of the Qualified Project Period (30 years). Part of the timeline will be to meet with the developer leading into October 2023 to understand how this change has impacted leasing opportunities in the building. Any future change past October 1st, would be brought back to the decision-making bodies for consideration.
2. In situations where two or more unrelated adult occupants and at least as many bedrooms as occupants are living together, allow for each occupant's income will be looked at separately in determining if they meet the 80% area median income restriction.

PROJECT SUMMARY:

On March 23, 2021, the DMCC Board approved a Resolution (Resolution 113-2021) between the DMCC Board and the Bryk Apartments Rochester, LLC to provide up to \$2.2M of public infrastructure funding to support the project. The project consists of a 6-story, 180-unit workforce residential apartment building with approximately 7,260 square feet of commercial/retail space, underground and surface parking, and indoor and outdoor community spaces. The project is located along North Broadway Avenue between Civic Center Drive NW and 5th Street NW.

The project provides the following mix of units:

- 30% of the units (54 units) are affordable at 50% area median income and rents. Current income limits put the income limits at \$39,050 for a 1-person family (max rent \$976), and \$55,750 for a 4-person family (max rent \$1,394).
- 10% of the units (18 units) are affordable at 60% area median income and rents. Current income limits put the income limits at \$46,850 for a 1-person family (max rent \$1,171), and \$66,990 for a 4-person family (max rent \$1,673).
- 60% of the units (108 units) are affordable at 80% area median income and rents. Current income limits put the income limits at \$62,450 for a 1-person family (max rent \$1,561), and \$89,200 for a 4-person family (max rent \$2,230).

When the project was shared with the DMCC Board in 2021, the Bryk project was presented to the DMCC Board along with its community benefits which still remain in place. These community benefits are included below.

- Mixed Income Workforce Housing: There remain different income levels within the building, allowing for people to remain in the building if they make more money each year and providing a diversity of units at different income levels that more closely match the income makeup of Rochester.
- Neighborhood Stabilization and Revitalization: Investment in a proximate downtown area and prominent intersection with housing at various affordability levels
- Designed to meet Sustainability Performance Goals: The project is tracking to receive Green Communities Certification
- Transit Corridor Density: The Bryk project is located along a primary transit corridor as identified in the City's comprehensive plan and provides 180 housing units along this corridor
- Walkability to downtown and employment: The project is located along the transit corridor, proximate to the bike trail, and 6 blocks away from downtown, a major employment center

As outlined above, there are many community benefits to the project that remain for the occupants and City of Rochester. It is a great multifamily housing project and with this change, we anticipate the project's leasing success.

The project is nearing completion and the developer has started the lease-up phase. According to the developer, they have had initial success filling the units restricted to the 50% and 60% Area Median Income (AMI) levels. However, they have needed to turn ~40

individuals away from the units restricted to the 80% AMI level since their incomes are slightly above the 80% AMI level. Income limits are established by the Department of Housing and Urban Development (HUD) on an annual basis. The updated 2023 Income Limits report has been delayed, causing the developer to rely on 2022 Income Limits to meet the AMI requirements. The developer's goal with targeting 80% AMI levels is to provide workforce housing for Rochester's large population of residency program students, nurses, and other service industry positions. Based on current income verifications, those positions earn over the 2022 HUD income restrictions for 80% AMI. This is causing a gap in the developer's ability to lease units between 60% and 80% AMI levels.

The Bryk is a unique housing product type by targeting 80% AMI levels. Typically, affordable housing projects include a mixture of market rate and 60% or below units. A reason for this is there are no Property Tax breaks for housing units above 60% AMI. Therefore, even though the Bryk is required per the DAA to provide rents at 80% AMI, they are taxed at the full market rate for those units. This coupled with the escalating costs of construction and interest rates has made it very difficult for the developer.

With the slower than expected lease up of the 80% units, in addition to the increase in costs, staff recommend adjusting the income limits for 54 of the 108 units priced at 80% AMI rents. Increasing the rent eligibility for 54 of the units will help the build leasing process and fill the building, while also providing financial relief to the developer. Through this income change, the pool of potential eligible renters will increase by about 15% or close to 14,000 workers using average wage data provided by the Minnesota Department of Employment and Economic Development (MN DEED).

Please note that this recommendation will not alter the rental rate of the units, but only broaden the income eligibility of potential renters for 54 of the 180 units in the building. There are no recommended changes to the 50% and 60% AMI rental units.



To: Mark Thein, Treasurer
Kaela Brennan, Attorney

From: Dale Martinson, Assistant Treasurer

Date: May 15, 2023

RE: April 2023 DMCC Budget Summary

The attached budget summary through April of 2023 reflects DMCC operating expenditures totaling \$801,575 of the \$3.9 million approved 2023 budget. The remaining amount unspent represents 80% of the total budget with two thirds, or 67%, of the year remaining. An additional December DMC EDA payment application was received in May and amounting to \$30,020 of April expense that will soon be paid.

You will note that we have now included the “City Project Management Budget” to this operating statement as they act as additional agents of the DMCC.

The second and third pages of this summary provides a listing of DMCC authorized capital projects managed by the City of Rochester, and categorized by program budget type.

Approximately \$1.4 million has been spent so far on these projects so far in 2023 with the majority spent on the Riverfront Reimagined, District Energy, and Rapid Transit projects. Total life-to-date expenditures on these projects is approximately \$106.2 million.

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

Destination Medical Center Corporation
Financial Budget Summary
April 30, 2023

	2023 Approved Budget	Current Month April 2023	April 2023 Year To Date	Amount Remaining	Percent Remaining
DMCC Corporation:					
Rents and Leases	34,017		18,383	15,634	46%
Professional Services	172,300	1,528	1,647	170,653	99%
Travel/Training	6,000			6,000	100%
Insurance and Bonds	20,000		7,358		
Interest / Other Administrative		3	12		
Subtotal DMCC	232,317	1,532	27,400	192,286	83%
Third Party Costs - DMC EDA					
Employee Services	1,289,172	97,668	325,208	963,964	75%
Operating Expenses	70,974	14,706	43,725	27,249	38%
Operational Costs - Contracted			1,189	(1,189)	
Economic Development Outreach & Support	691,472	15,358	76,840	614,632	89%
Professional Services	517,410	36,696	86,886	430,524	83%
Miscellaneous Expenses	54,500			54,500	100%
Subtotal EDA	2,623,528	164,428	533,848	2,089,680	80%
Third Party Costs - City of Rochester Project Management Budget					
Employee Services	995,277	64,813	238,635	756,642	76%
Contractual Maint and Repair	38,760		48	38,712	100%
Expert and Professional Services	8,160		191	7,969	98%
Travel/Training/Memberships	13,414	67	678	12,736	95%
Operations Expenses	12,990	64	775	12,215	94%
Miscellaneous/Other	11,568			11,568	100%
Subtotal City Project Management	1,080,169	64,945	240,327	839,842	78%
Total DMCC Operations 2023	3,936,014	230,905	801,575	3,134,439	80%
Note: An additional payment request received in May that included April DMC EDA charges of \$30,020					
DMCC Working Capital Note: \$1,000					
EDA Working Capital Note: \$100,000					

**DMCC Projects by Category
Managed by City of Rochester
Through April 2023**

PROJECT	PROJECT STATUS	YEAR TO DATE EXPENSES	PROJECT BUDGET	LIFE TO DATE EXPENSES	LIFE TO DATE ENCUMBRANCE
Administration					
C.8601 - City Project Administrative Costs-DMCC (Budget-Current Yr)	Annual Budget	240,327	1,080,169	2,895,490	
C.8606 - City Staff Costs-DMCC - (Budget-Current Yr)	Annual Budget	3,140		437,618	
C.8607 - County Staff Costs-DMCC	Complete			168,754	
C.8629 - Development Plan Update	Complete		750,000	154,960	
C.8632 - Downtown Changes COVID-19	Complee		250,000	43,524	
C.8902 - FestivalAreaStdy&ConceptDesign	Complete			84,133	
Total Administration		243,467	2,080,169	3,784,479	
Econ Development/Public Realm					
C.8624 - ChateauTheatreBldgImprov/Purch	Nearly Complete	79,567	9,067,145	8,846,145	
C.8625 - Heart of the City	Nearly Complete	-	20,515,638	21,160,692	564,608
C.8633 - Strategic Development	Ongoing		10,000,000	2,200,000	
C.8634 - Riverfront Reimagined	Study	463,150	1,000,000	642,697	
C.8904 - Discovery Walk	Active Construction	27,205	15,720,000	9,149,175	7,947,616
Total Econ Development/Public Realm		569,922	56,302,783	41,998,709	8,512,224
Infrastructure					
C.8611 - San. Sewer 12th Ave from 2nd St NW to 2nd St SW	Post Construction	-	6,260,294	6,109,559	103,505
C.8612 - West Zmbro San Sewer Lift Line from CookPk to Civic C Drive	Complete		950,000	46,592	Combined w/8611
C.8626 - San. Sewer Upsize 1st Ave & 3rd Ave SE on 4th / Govt Cntr Siphon	Complete		8,500,000	8,635,287	
C.7326 - Reconst 4th St SW from 1st Ave to 6th Ave	Complete		2,205,789	2,205,789	
C.7319 - Reconst 7th Ave NW from 2nd St NwW to 4st NW	Warranty	1,611	1,532,000	1,531,800	
C.7318 - Reconst North Broadway -	Active Construction	-	4,400,000	4,400,000	Allocation Share
C.1037 - Steam Replace/District Energy	Active Construction	232,836	13,000,000	2,024,479	5,155,433
C. 4716 Downtown Sidewalk Experience Enhancement	Active Construction	-	800,000	800,000	Allocation Share
C. 7344 Reconstruct 3rd Avenue NW Between 4th St SW and 5th St SW	Design	4,779	368,434	372,076	56,319
C.7830 1st Street NW San Sewer Diversion from 1st Ave to Broadway	Post Construction	-	1,371,000	1,391,200	Allocation Share
C.7919 6th Street Bridge over Zumbro River	Design	-	280,000	279,588	
Total Infrastructure		239,226	39,667,517	27,796,371	5,315,257

**DMCC Projects by Category
Managed by City of Rochester
Through April 2023**

PROJECT	PROJECT STATUS	YEAR TO DATE EXPENSES	PROJECT BUDGET	LIFE TO DATE EXPENSES	LIFE TO DATE ENCUMBRANCE
Transit					
C.8614 - DMCTransit&InfrastrctrPgrmMgmt	Complete		3,956,739	1,874,219	
C.8617 - Broadway @ Center Parking Ramp	Complete		10,500,000	10,500,000	
C.8618 - SharedParkngStudy&PrgmDevlpmnt	Complete		2,061,854	1,874,219	
C.8620 - City Loop Plan	Complete		1,209,938	968,732	
C.8621 - Transit Circulator Study	Complete		2,241,532	1,780,877	
C.8623 - DMCC Street Use Study	Complete		3,117,708	2,885,882	
C.8628 - Downtown Circulator Project	Complete			269,941	
C.8706 - DMCTransitCirculatorTODPlnStdy	Complete			829,414	
C.8707 - Rapid Transit Projects	Design	383,908	24,136,647	9,800,774	
C.8709 - Arrive Rochester Implementatn	Ongoing	7,956	130,000	126,721	
C.8903 - Dedicated Bike Lanes-3rd/4thAve&CtrSt	Complete		2,038,300	1,745,083	-
Total Transit		391,864	49,392,718	32,655,862	-
Grand Total		1,444,479	147,443,187	106,235,420	13,827,481

DMC Capital Plan Reconciliation

To: DMCC Board of Directors

From: DMC EDA

Date: May 19, 2023

Request of the board of directors:

No action requested.

Background:

DMC EDA and City staff have reviewed the project budgets approved in the DMC Capital Improvement Program. Staff reconciled expenses and identified approved projects that have not fully expended their allocated budgets. In some cases, project costs were lower than budgeted. In others, annual changes to the DMC capital improvement program, DMC Corp. board priorities, or less-than-favorable project bids resulted in projects being postponed, redefined, or cancelled.

The reconciled balance of project budgets is presented in the table below:

Project Description	City DMC Funds	GSIA	County DMC Aid	Actual	Release of Funds
City of Rochester Administrative costs for DMC Project	838,616	-	-	649,221	189,395
Contributions to DMC Corp for DMCC & EDA expenses	2,437,000	-	-	2,041,623	395,377
San. Sewer Upsize 1st Ave & 3rd Ave SE	2,500,000	5,500,000	-	6,662,993	1,337,007
1st St NW San. Sewer Diversion < 1st Ave NW > Broadway	-	1,479,000	-	1,400,032	78,968
Arrive Rochester Implementation - Service Fees	180,000	-	-	39,400	140,600
ITS Study Repayment	1,600,000	-	-	-	1,600,000
	7,555,616	6,979,000	-	10,793,269	3,741,347

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2023

**Commending Dale Martinson and Expressing Gratitude and Appreciation
for His Service to the Destination Medical Center Corporation**

BACKGROUND RECITALS

WHEREAS, the Destination Medical Center Corporation (“DMCC”) was established by law in 2013 to exercise oversight, adopt plans, and approve projects as part of an initiative by the State of Minnesota to make Mayo Clinic, and the City of Rochester, Minnesota (the “City”), a destination medical center; and

WHEREAS, since its inception, the DMCC has worked closely with the City to accomplish the goals of the law; and

WHEREAS, Dale Martinson has served as the Director of Finance and Information Technology for the City, as well as the Assistant Treasurer for the DMCC, and has been an integral partner in the close cooperation between the DMCC and the City; and

WHEREAS, Mr. Martinson offered a unique perspective to the DMCC, by virtue of his 29 years of public service to the City, which enhanced the expertise he offered to the DMCC, including directing the City’s role as fiscal agent of the DMCC, creating the working capital loan framework among the City, the DMCC, and the Destination Medical Center Economic Development Agency, establishing appropriate approvals of expenditures of public funds, and overseeing financial reports and information; and

WHEREAS, Mr. Martinson has been instrumental in the formation and governance of the destination medical center initiative since its inception and extraordinarily helpful to the DMCC; and

WHEREAS, Mr. Martinson has been unwavering in his stewardship of the City and in his commitment to the citizens of Rochester, as well as in his service to the DMCC and the destination medical center initiative.

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors, that it commends Dale Martinson for his service to the City of Rochester, his work to advance the destination medical center initiative, and his cooperation with the Board.

BE IT FURTHER RESOLVED, that the Board expresses its gratitude and appreciation to Mr. Martinson for his willingness to share his significant expertise and experience with the DMCC in its goal to make Rochester, Minnesota, America's City for Health.

1463060-5.DOCX

DESTINATION MEDICAL CENTER CORPORATION
DATA PRACTICES POLICY

Guide for Members of the Public Requesting Information

This document is required by Minnesota Statutes, Sections 13.025 and 13.03.

Right to Access Public Data

The Data Practices Act (Minnesota Statutes, Chapter 13) presumes that all government data are public unless a state or federal law specifically classifies them differently. Government data is a term that means all data collected, created, received, maintained, or disseminated by any government entity regardless of its physical form, storage media, or conditions of use.

The Data Practices Act also provides that the Destination Medical Center Corporation (DMCC) must keep all government data in a way that makes it easy for you, as a member of the public, to access public data. You have the right to look at (inspect), free of charge, all public data that we keep. You also have the right to get copies of public data. The Data Practices Act allows us to charge for copies. You have the right to look at public data, free of charge, before deciding to request copies.

How to Request Data

To look at (inspect) data or request copies of data that DMCC keeps, make a written request. Make your written request for data to the appropriate individual listed in the Data Practices Contacts document on page 4. You may make your written request for data by fax, mail, email, or in person, using the data request form on page 6.

If you choose not to use the data request form, your written request should:

- State that you, as a member of the public, are making a request for data under the Data Practices Act, Minnesota Statutes, Chapter 13;
- State whether you would like to look at the data, get copies of the data, or both; and
- Provide a clear description of the data you would like to inspect or have copied.

You are not required to identify yourself or explain the reason for your data request. However, depending on how you want us to process your request (if, for example, you want us to mail you copies of data, you need to provide us with an address or P.O. Box), we may need some information about you. Please keep in mind that if we do not understand your request and have no way to contact you, we cannot respond to your request.

How We Respond to a Data Request

Upon receiving your request, we will review it.

- We may ask you to clarify what data you are requesting.
- If we do not have the data, we will notify you in writing as soon as reasonably possible.
- If we have the data, but we are not allowed to give it to you, we will notify you in writing as soon as reasonably possible and identify the law that prevents us from providing the data.
- If we have the data, and the data are public, we will respond to your request appropriately and promptly, within a reasonable amount of time by doing one of the following:
 - Arrange a date, time, and place to inspect data at our offices, for free, if your request is to look at the data, or
 - Provide you with copies of the data as soon as reasonably possible. You may choose to pick up your copies, or we will mail or email them to you. Information about copy

charges is on page 5. We also will arrange for you to pre-pay for the copies. If you want us to send you copies, you will need to provide us with an address or email address. We will provide electronic copies (such as email or CD-ROM) upon request, if we keep the data in that format and we can reasonably make a copy.

- Response time may be affected by the size and/or complexity of your request, and also by the number of requests you make in a given period of time.
- Following our response, if you do not make arrangements within 10 business days to inspect the data or pay for the copies, we will conclude that you no longer want the data and will consider your request closed.
- If you do not understand some of the data (technical terminology, abbreviations, or acronyms), please tell the person who provided the data to you. We will give you an explanation if you ask.

The Data Practices Act does not require us to create or collect new data in response to a data request, or to provide data in a specific form or arrangement if we do not keep the data in that form or arrangement. For example, if the data you request are on paper only, we are not required to create electronic documents to respond to your request. If we agree to create data in response to your request, we will work with you on the details of your request, including cost and response time. We are also not required to respond to questions that are not about your data requests, or requests for government data.

Requests for Summary Data

Summary data are statistical records or reports that are prepared by removing identifying information about individuals from entirely private or confidential data. The preparation of summary data is not a means to gain access to private or confidential data. DMCC will prepare summary data if you make your request in writing and pre-pay for the cost of creating the data. Upon receiving your written request (you may use the data request form on page 6) we will respond within ten business days with the data or details of when the data will be ready and how much we will charge you.

Data Practices Contacts

Responsible Authority

Kaela Brennan
General Counsel
Destination Medical Center Corporation
c/o McGrann Shea
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402
Phone: 612-338-2525
Email: kmb@mcgrannshea.com

Data Practices Compliance Official

Pamela Wheelock
Chair
Destination Medical Center Corporation
c/o City Clerk
City of Rochester
201 4th Street SE
Rochester, MN 55904
Email: pamela.wheelock@dmccorporation.org

Copy Costs – Members of the Public

Minnesota Statutes, Section 13.03, subdivision 3(c) allows us to charge for copies. You must pay for the copies before we will give them to you.

For 100 or Fewer Paper Copies - 25 Cents per Page

100 or fewer pages of black and white, letter, or legal-size paper copies cost 25¢ for a one-sided copy, or 50¢ for a two-sided copy.

Most Other Types of Copies - Actual Cost

The charge for most other types of copies, when a charge is not set by statute or rule, is the actual cost of searching for and retrieving the data and making the copies, or electronically sending the data.

In determining the actual cost of making copies, we include staff or consultant time, the cost of the materials onto which we are copying the data (paper, CD, DVD, etc.), and mailing costs (if any). If your request is for copies of data that we cannot copy ourselves, such as photographs, we will charge you the actual cost we must pay an outside vendor for the copies.

The cost of time to search for data, retrieve data, and make copies is determined according to the applicable hourly rate. If, based on your request, we find it necessary for a higher-paid person to search for and retrieve the data, we will calculate search and retrieval charges at the higher salary/wage.

**Data Request Form – Public Data
Minnesota Government Data Practices Act**

A. COMPLETED BY REQUESTER

Request date:

The public data I am requesting (Describe the data you are requesting as specifically as possible. Use additional pages, if needed):

I am requesting access to data in the following way:

- Inspection
- Copies
- Both inspection and copies

Minn. Stat. § 13.03, subd. 3 authorizes us to charge fees to recover costs to provide copies of data, including costs associated with searching, compiling, copying, mailing, or otherwise transmitting data. Prepayment is required before receiving copies of data. We do not charge for inspection of data.

Contact information (optional)**

- Name:
- Phone number:
- Email address:
- Address:

We will respond to your request as soon as reasonably possible.

** You do not have to provide any contact information. However, if you want us to mail/email you copies of data, we will need some type of contact information. We also need contact information if we do not understand your request. We will not work on your request until we can clarify it with you.

B. COMPLETED BY DMCC

<p>INFORMATION CLASSIFIED AS:</p> <p><input type="checkbox"/> Public <input type="checkbox"/> Non-Public</p> <p><input type="checkbox"/> Private <input type="checkbox"/> Protected Non-Public</p> <p><input type="checkbox"/> Confidential</p>	<p>ACTION:</p> <p><input type="checkbox"/> Approved <input type="checkbox"/> Approved in Part (explain below)</p> <p><input type="checkbox"/> Denied (explain – include statute)</p>
<p>REMARKS OR BASIS FOR DENIAL, INCLUDING STATE STATUTE:</p>	
<p>COPY CHARGES:</p> <p><input type="checkbox"/> None</p> <p><input type="checkbox"/> ___ Pages x 25¢ per page (per side) = \$ _____</p> <p><input type="checkbox"/> Employee Time (only charge if over 100 pg) = \$ _____ (15 min minimum)</p>	<p><input type="checkbox"/> Other Charges: _____ = \$ _____</p> <p><input type="checkbox"/> Special Rate: (attach explanation) = \$ _____</p> <p style="text-align: right;">Total Charges: \$ _____</p>
<p>AUTHORIZED SIGNATURE:</p>	<p>DATE:</p>

DESTINATION MEDICAL CENTER CORPORATION

DATA PRACTICES POLICY

Guide for Requests for Data About You and Your Rights as a Data Subject

Minnesota Statutes, Sections 13.025 and 13.03 require this policy.

Data about You

Under the Data Practices Act (Minnesota Statutes, Chapter 13), “government data” means all data collected, created, received, maintained, or disseminated by any government entity regardless of its physical form, storage media, or conditions of use. When you can be identified in government data, you are the “data subject” of that data. The Data Practices Act gives you, as a data subject, certain rights. This policy explains your rights as a data subject, and tells you how to request data about you, your minor child, or someone for whom you are the legal guardian.

Classification of Data about You

The DMCC may collect and keep data about you only when we have a legal purpose to have the data. We must also keep all government data in a way that makes it easy for you to access data about you. The Data Practices Act presumes that all government data are public unless a state or federal law specifically classifies them differently. Data about you are classified by state law as public, private, or confidential. See below for some examples.

Public data: We must give public data to anyone who asks. It does not matter who is asking for the data or why. The following is an example of public data: *If you are an employee of a government entity, the fact that you work for the entity, your job title, and terms and conditions of employment relationship is public.*

Private data: We cannot give private data to the general public. We can share your private data with you, with someone who has your permission, with government entity staff whose job requires or permits them to see the data, and with others as permitted by law or court order. The following are examples of private data about you that we might have: *Social security numbers are private data.*

Confidential data: Confidential data have the most protection. Neither the public nor you may access confidential data - even when the confidential data are about you. We can share confidential data about you with government entity staff who have a work assignment to see the data, and to others as permitted by law or court order. The following is an example of confidential data about you: *If you register a complaint with a government entity concerning violations of state laws or local ordinances concerning the use of real property, your identity is confidential.*

Classifying Data Not About Individuals

Nonpublic Data and Protected Nonpublic Data: As to data that does not pertain to individuals, the statutes refer to nonpublic data and protected nonpublic data. Nonpublic data is defined as data not on individuals made by statute or federal law applicable to the data: (a) not accessible to the public; and (b) accessible to the subject, if any, of the data. Protected nonpublic data is defined as data not on individuals made by statute or federal law applicable to the data (a) not public and (b) not accessible to the subject of the data.

Your Rights under the Data Practices Act

As a data subject, you have the following rights:

Access to Your Data

You have the right to look at (inspect), free of charge, public and private data that we keep about you. You also have the right to get copies of public and private data about you. The Data Practices Act allows us to charge for copies. You have the right to look at data, free of charge, before deciding to request copies. Also, if you ask, we will tell you whether we keep data about you and whether the data are public, private, or confidential.

As a parent, you have the right to look at and get copies of public and private data about your minor children (under the age of 18). As a legally appointed guardian, you have the right to look at and get copies of public and private data about an individual for whom you are appointed guardian.

Minors have the right to ask us not to give data about them to their parent or guardian. If you are a minor, we will tell you that you have this right. We will ask you to put your request in writing and to include the reasons that we should deny your parents access to the data. We will make the final decision about your request based on your best interests.

When We Collect Data from You

When we ask you to provide data about yourself that are not public, we must give you a notice called a Tennessee warning. The notice controls what we do with the data that we collect from you. Usually, we can use and release the data only in the ways described in the notice.

We will ask for your written permission if we need to use or release private data about you in a different way, or if you ask us to release the data to another person. This permission is called informed consent. If you want us to release data to another person, we must use the consent form that we provide.

Protecting Your Data

The Data Practices Act requires us to protect your data. We have established appropriate safeguards to ensure that your data are safe. In the unfortunate event that we determine a security breach has occurred and an unauthorized person has gained access to your data, we will notify you as required by law.

When your Data are Inaccurate and/or Incomplete

You have the right to challenge the accuracy and/or completeness of public and private data about you. You also have the right to appeal our decision. If you are a minor, your parent or guardian has the right to challenge data about you.

How to Make a Request for Your Data

To look at data, or request copies of data that DMCC keeps about you, your minor children, or an individual for whom you have been appointed legal guardian, make a written request. Make your request for data to the Responsible Authority listed in the Data Practices Contacts document on page 5. You may make your written request by mail, fax, or email, using the data request form on page 8. We recommend using this form.

If you do not choose to use the data request form, your request should:

- State that you are making a request as a data subject, for data about you (or your child, or person for whom you are the legal guardian), under the Government Data Practices Act (Minnesota Statutes, Chapter 13).
- Include whether you would like to inspect the data, have copies of the data, or both.
- Provide a clear description of the data you would like to inspect or have copied.
- Provide proof that you are the data subject or data subject's parent/legal guardian.

DMCC requires proof of your identity before we can respond to your request for data. If you are requesting data about your minor child, you must show proof that you are the minor's parent. If you are a legal guardian, you must show legal documentation of your guardianship. Please see the Standards for Verifying Identity on page 7. If you do not provide proof that you are the data subject (or authorized to receive the data), we cannot respond to your request.

How We Respond to a Data Request

Upon receiving your request, we will review it.

- We may ask you to clarify what data you are requesting.
- We will ask you to confirm your identity as the data subject or as a person authorized to receive the data.
- If we have the data, but the data are confidential or not public data about someone else, we will notify you within 10 business days and identify the law that prevents us from providing the data.
- If we have the data, and the data are public or private data about you, we will respond to your request within 10 business days by doing one of the following:
 - Arrange a date, time, and place to inspect data in our offices, for free, or
 - Provide you with a copy of the data within 10 business days. Information about copying costs is on page 5. We also will arrange for you to prepay for the copies. You may choose to pick up your copies, or we will mail or fax them to you. We will provide electronic copies (such as email or CD-ROM) upon request if we keep the data in electronic format.
- Following our response, if you do not make arrangements within 10 business days to inspect the data or pay for the copies, we will conclude that you no longer want the data and will consider your request closed.
- After we have provided you with your requested data, we do not have to show you the same data again for 6 months unless there is a dispute about the data or we collect or create new data about you.

If you do not understand some of the data (technical terminology, abbreviations, or acronyms), please let us know. We will give you an explanation if you ask.

The Data Practices Act does not require us to create or collect new data in response to a data request, or to provide data in a specific form or arrangement if we do not keep the data in that form or arrangement. For example, if the data you request are on paper only, we are not required to create electronic documents to respond to your request. If we agree to create data in response to your request, we will work with you on the details of your request, including cost and response

time. In addition, we are not required to respond to questions that are not about your data requests, or that are not requests for government data.

Data Practices Contacts

Responsible Authority

Kaela Brennan
General Counsel
Destination Medical Center Corporation
c/o McGrann Shea
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402
Phone: 612-338-2525
Email: kmb@mcgrannshea.com

Data Practices Compliance Official

Pamela Wheelock
Chair
Destination Medical Center Corporation
c/o City Clerk
City of Rochester
201 4th Street SE
Rochester, MN 55904
Email: pamela.wheelock@dmccorporation.org

Copy Costs – Data Subjects

The DMCC charges data subjects for copies of government data. These charges are authorized under Minnesota Statutes, Section 13.04, subdivision 3. You must pay for the copies before we will give them to you.

Actual Cost of Making the Copies

We will charge the actual cost of making copies for data about you. In determining the actual cost, we include the staff or consultant time to create and send the copies, the cost of the materials onto which we are copying the data (paper, CD, DVD, etc.), and mailing costs such as postage (if any). If your request is for copies of data that we cannot copy ourselves, such as photographs, we will charge you the actual cost we must pay an outside vendor for the copies.

The cost of time to make copies is determined according to the applicable hourly rate.

Data Request Form – Data Subject

Request date:

Contact information:

Data Subject Name:

Parent/Guardian Name (if applicable):

Phone number:

Email address:

To request data as a data subject, you must verify your identity. See reverse for acceptable forms of identification.

The data I am requesting (Describe the data you are requesting as specifically as possible):

I am requesting access to data in the following way:

- Inspection
- Copies
- Both inspection and copies

Minn. Stat. § 13.04, subd. 3 authorizes us to charge fees to recover costs to provide copies of data, including costs associated with copying, mailing, or otherwise transmitting data. Prepayment is required before receiving copies of data. We do not charge for inspection of data.

We will respond to your request within 10 business days.

To Be Completed By Staff Member Responding to Data Request:

Identity Confirmed:

INFORMATION CLASSIFIED AS: <input type="checkbox"/> Public <input type="checkbox"/> Non-Public <input type="checkbox"/> Private <input type="checkbox"/> Protected Non-Public <input type="checkbox"/> Confidential	ACTION: <input type="checkbox"/> Approved <input type="checkbox"/> Approved in Part (explain below) <input type="checkbox"/> Denied (explain – include statute)
REMARKS OR BASIS FOR DENIAL, INCLUDING STATE STATUTE:	

COPY CHARGES:

- None
 - ___ Pages x 25¢ per page (per side) = \$ _____
 - Hourly Rate Time (to create and send the copies) (15 min minimum) = \$ _____
 - Other Charges (mailing, paper, CD, DVD) = \$ _____
 - Special Rate: (attach explanation) = \$ _____
- Total Charges: \$ _____

Staff Name:

Date:

Standards for Verifying Identity

The following constitute proof of identity:

- An adult individual must provide a valid photo ID, such as
 - a driver's license
 - a state-issued ID
 - a tribal ID
 - a military ID
 - a passport
 - the foreign equivalent of any of the above

- A minor individual must provide a valid photo ID, such as
 - a driver's license
 - a state-issued ID (including a school/student ID)
 - a tribal ID
 - a military ID
 - a passport
 - the foreign equivalent of any of the above

- The parent or guardian of a minor must provide a valid photo ID and either
 - a certified copy of the minor's birth certificate or
 - a certified copy of documents that establish the parent or guardian's relationship to the child, such as
 - a court order relating to divorce, separation, custody, foster care
 - a foster care contract
 - an affidavit of parentage

- The legal guardian for an individual must provide a valid photo ID and a certified copy of appropriate documentation of formal or informal appointment as guardian, such as
 - court order(s)
 - valid power of attorney

Note: Individuals who do not inspect data or pick up copies of data in person may be required to provide either notarized or certified copies of the documents that are required or an affidavit of ID.

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

We have audited the financial statements of the governmental activities and the general fund of Destination Medical Center Corporation (the Corporation) as of and for the year ended December 31, 2022, and have issued our report thereon dated May 12, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated May 11, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements.

As described in Note 1 , the Corporation changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, Leases, in 2022. There was no material impact on the Corporation's financial position and results of operations as a result of the adoption of this accounting standard.

We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated May 12, 2023.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the listing of the board of directors. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements. * * *

This communication is intended solely for the information and use of the board of directors and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Rochester, Minnesota
May 12, 2023

**DESTINATION MEDICAL CENTER CORPORATION
(A COMPONENT UNIT OF THE CITY OF
ROCHESTER, MINNESOTA)**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

DRAFT

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INTRODUCTORY SECTION

BOARD OF DIRECTORS (UNAUDITED)

SECTION I – FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF GOVERNMENTAL FUND BALANCE SHEET AND NET POSITION	4
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES	5
NOTES TO FINANCIAL STATEMENTS	6
REQUIRED SUPPLEMENTARY INFORMATION	
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	12
SECTION II – COMPLIANCE LETTERS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	13
INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE	15

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
BOARD OF DIRECTORS (UNAUDITED)
AS OF DECEMBER 31, 2022**

BOARD OF DIRECTORS (UNAUDITED)

Pamela Wheelock	Chair
Kim Norton	Vice Chair
Paul Williams	Secretary
Mark Thein	Treasurer
James Campbell	Director
R.T Rybak	Director
Brooke Carlson	Director
Doug M. Baker	Director

SECTION I – FINANCIAL SECTION

(This page intentionally left blank)

INDEPENDENT AUDITORS' REPORT

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Destination Medical Center Corporation (the Corporation), a component unit of the City of Rochester, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Corporation, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of the board of directors but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2023, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Rochester, Minnesota
May 12, 2023

(This page intentionally left blank)

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
STATEMENT OF GOVERNMENTAL FUND BALANCE SHEET AND NET POSITION
DECEMBER 31, 2022**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 2,181	\$ -	\$ 2,181
Advances to DMC EDA	100,000	-	100,000
Due from Other Governments	168,490	-	168,490
Prepays	61,307	-	61,307
Total Assets	\$ 331,978	-	331,978
LIABILITIES			
Accounts Payable	\$ 169,671	-	169,671
Due to Other Governments	101,000	-	101,000
Unearned Revenue	61,307	-	61,307
Total Liabilities	331,978	-	331,978
FUND BALANCE/NET POSITION			
Fund Balance:			
Nonspendable	61,307	(61,307)	-
Unassigned	(61,307)	61,307	-
Total Fund Balance	-	-	-
Total Liabilities and Fund Balance	\$ 331,978		
Net Position:			
Unrestricted		-	-
Total Net Position		\$ -	\$ -

See accompanying Notes to Financial Statements.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
PROGRAM REVENUES			
Intergovernmental:			
Local Government	\$ 2,009,253	\$ -	\$ 2,009,253
Contributions and Donations	-	-	-
Total Program Revenues	<u>2,009,253</u>	<u>-</u>	<u>2,009,253</u>
 EXPENDITURES/EXPENSES			
Economic Development:			
Building Rent	22,973	-	22,973
Legal Consultants	107,351	-	107,351
Other Professional Services	8,487	-	8,487
Travel and Training	491	-	491
Insurance	13,128	-	13,128
Program Costs	<u>1,856,836</u>	<u>-</u>	<u>1,856,836</u>
Total Expenditures/Expenses	<u>2,009,266</u>	<u>-</u>	<u>2,009,266</u>
 Net Program Revenues	(13)	-	(13)
 GENERAL REVENUES			
Investment Earnings	<u>13</u>	<u>-</u>	<u>13</u>
Total General Revenues	<u>13</u>	<u>-</u>	<u>13</u>
 Change in Fund Balance/Net Position	-	-	-
 FUND BALANCE/NET POSITION			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Destination Medical Center Corporation (the Corporation) is a component unit of the City of Rochester, Minnesota, and was incorporated on July 23, 2013. The Corporation was established by the City of Rochester, Minnesota pursuant to Minnesota Statutes Section 469.41 as a Minnesota nonprofit corporation. The Corporation was established to benefit the city, and more broadly, Olmsted County and the state of Minnesota by researching, preparing, and implementing a master development plan, including facilitating public infrastructure projects and a variety of development and redevelopment projects, all to promote and provide for the establishment of the city, the County, and the state as a world destination medical center.

The Corporation is governed by a board of directors consisting of eight directors. The composition of the board of directors includes the Mayor of the City of Rochester or the Mayor's designee, the City of Rochester Council President or the President's designee, the Chair or another member of the County Board of Olmsted County, a representative of Mayo Clinic, and four directors appointed by the Governor of Minnesota.

Basis of Presentation

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America. (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as generally accepted accounting principles in the United States of America for state and local governments.

Financial Reporting Entity

The Corporation was established to oversee the planning and implementation of the Destination Medical Center initiative. The Corporation works with the City of Rochester, Minnesota and the Destination Medical Center Economic Development Agency to prepare and adopt a development plan.

Component units are legally separate entities for which the Corporation (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the Corporation.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statement Presentation

The General Fund of the Corporation meets the definition of a Special-Purpose government and is involved in only one program, as specified in Minnesota Statutes, Sections 469.40 - 469.47. Accordingly, the Corporation is allowed to combine its government-wide statements with the fund statements. At December 31, 2022, and for the year then ended, there were no reconciling items between the two types of statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all financial activities of the Corporation.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

1. Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Minnesota Statutes and U.S. generally accepted accounting principles.
2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements in advance of the year in which the item is to be used.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The Corporation adopts an annual budget, which is adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). Reported budget amounts represent the original adopted budget as amended by the board.

Assets, Liabilities, and Fund Balance/Net Position

Cash

Cash consist of deposits in a checking account and a repurchase agreement account for any available deposits at the end of the business day.

Advances

Advances consist of monies advanced to the Destination Medical Center Economic Development Agency to fund operational expenses.

Due from Other Governments

Due from other governments consists of program costs receivable from the City of Rochester, Minnesota.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed during the periods benefited.

Unearned Revenues

Unearned revenue is prepaid insurance and unspent dollars that were advanced to the Destination Medical Center Economic Development Agency.

Fund Balance

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned, or unassigned. The Corporation currently only reports nonspendable and unassigned fund balance. Restricted fund balances are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balance represents constraints on spending that the Corporation imposes upon itself by high-level formal action prior to the close of the fiscal period. The board of directors authorizes all assigned fund balances and their intended uses. Unassigned fund balances are considered remaining amounts.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Fund Balance (Continued)

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, it is the Corporation's policy to use restricted fund balance first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned cash fund balance is available, it is the Corporation's policy to use committed first, then assigned and finally unassigned fund balance.

Revenues

Intergovernmental revenues are reported under the legal and contractual requirements of the individual programs. Generally, grant revenues are recognized when the corresponding expenditures are incurred. The intergovernmental revenues are entirely provided by the City of Rochester, Minnesota.

Investment income is recognized when earned, since it is measurable and available.

Expenditures

Expenditure recognition in the general fund includes only amounts represented by current liabilities. Noncurrent liabilities are not recognized as governmental fund type expenditures or fund liabilities.

Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with Minnesota Statutes, the Corporation maintains deposits at depository banks as authorized by the Corporation's board of directors.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned in full. The Corporation's deposit policy for custodial credit risk follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

The Corporation's deposits in banks at December 31, 2022 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

B. Investments

The Corporation may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less.
- General obligations rated "A" or better; revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- BANKER'S acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The Corporation's investments consisted of a repurchase agreement with Wells Fargo Bank, N.A. having a balance of \$2,181 at December 31, 2022. The securities sold to the Corporation include U.S. Agency Bonds with an AAA rating. The repurchase agreement bears interest at .01% and matures overnight. As such, the repurchase agreement is presented as a cash and investments in the financial statements.

Interest Rate Risk – This is the risk that arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Corporation's investment policy limits investments to a maturity of one year, or lesser period that coincides with expected disbursements by the Corporation. Operating reserves may be invested in securities with a maximum maturity of up to three years.

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of a failure by the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Corporation follows state statutes which require that investment balances be fully collateralized. As of December 31, 2022, the securities underlying the repurchase agreement are held by the counterparty in the Corporation’s name.

At December 31, 2022, the Corporation had the following deposits and investments:

Repurchase Agreement - Wells Fargo Bank, N.A.	<u>\$</u>	2,181
Total Cash and Investments	<u>\$</u>	<u>2,181</u>

NOTE 3 RISK MANAGEMENT

The Corporation is exposed to various risks of loss related to torts, theft of assets, or errors and omissions. The Corporation purchases commercial insurance coverage for such risks. There has been no significant reduction in insurance coverage from the previous year in any of the Corporation’s policies. In addition, there have been no settlements in excess of the Corporation’s insurance coverage in any of the prior three fiscal years.

NOTE 4 RELATED ORGANIZATION

The Destination Medical Center Economic Development Agency (DMC EDA), a related Minnesota nonprofit corporation, was established by the Mayo Clinic pursuant to Minnesota Statutes Section 469.43. The Corporation does not have a voting majority of the board of directors of DMC EDA, which is considered a stand-alone entity apart from the Corporation and thus, is excluded from the Corporation’s financial statements. Separate financial statements are issued for the DMC EDA.

NOTE 5 CONTINGENT LIABILITIES AND COMMITMENTS

The Corporation receives financial assistance from state and local governmental agencies. The disbursement of funds received under these programs generally require compliance with the terms and conditions specified in the agreements and are subject to audit by the funding agencies, regulators, and other oversight agencies. Any disallowed claims resulting from such audits could become a liability of the Corporation. Management is not aware of any disallowed claims at this time.

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

**DESTINATION MEDICAL CENTER CORPORATION
ROCHESTER, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Local Government	\$ 2,436,317	\$ 2,436,317	\$ 2,009,253	\$ (427,064)
Investment Earnings	-	-	13	13
Total Revenues	<u>2,436,317</u>	<u>2,436,317</u>	<u>2,009,266</u>	<u>(427,051)</u>
EXPENDITURES				
Current:				
Building Rent	38,588	38,588	22,973	(15,615)
Legal Consultants	160,000	160,000	107,351	(52,649)
Other Professional Services	22,100	22,100	8,487	(13,613)
Travel and Training	6,000	6,000	491	(5,509)
Insurance	20,000	20,000	13,128	(6,872)
Program Costs	<u>2,189,629</u>	<u>2,189,629</u>	<u>1,856,836</u>	<u>(332,793)</u>
Total Expenditures	<u>2,436,317</u>	<u>2,436,317</u>	<u>2,009,266</u>	<u>(427,051)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE				
Beginning of Year			<u>-</u>	
End of Year			<u>\$ -</u>	

(This page intentionally left blank)

SECTION II – COMPLIANCE LETTERS

(This page intentionally left blank)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Destination Medical Center Corporation (the Corporation), a component unit of the City of Rochester, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated May 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Rochester, Minnesota
May 12, 2023

INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Directors
Destination Medical Center Corporation
Rochester, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Destination Medical Center Corporation (the Corporation), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated May 12, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with the provisions of the depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Rochester, Minnesota
May 12, 2023



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Destination Medical Center Corporation

Audit Results for Year Ended December 31, 2022

©2023 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Agenda

- Financial Statements
- Audit Results
- Required Communications

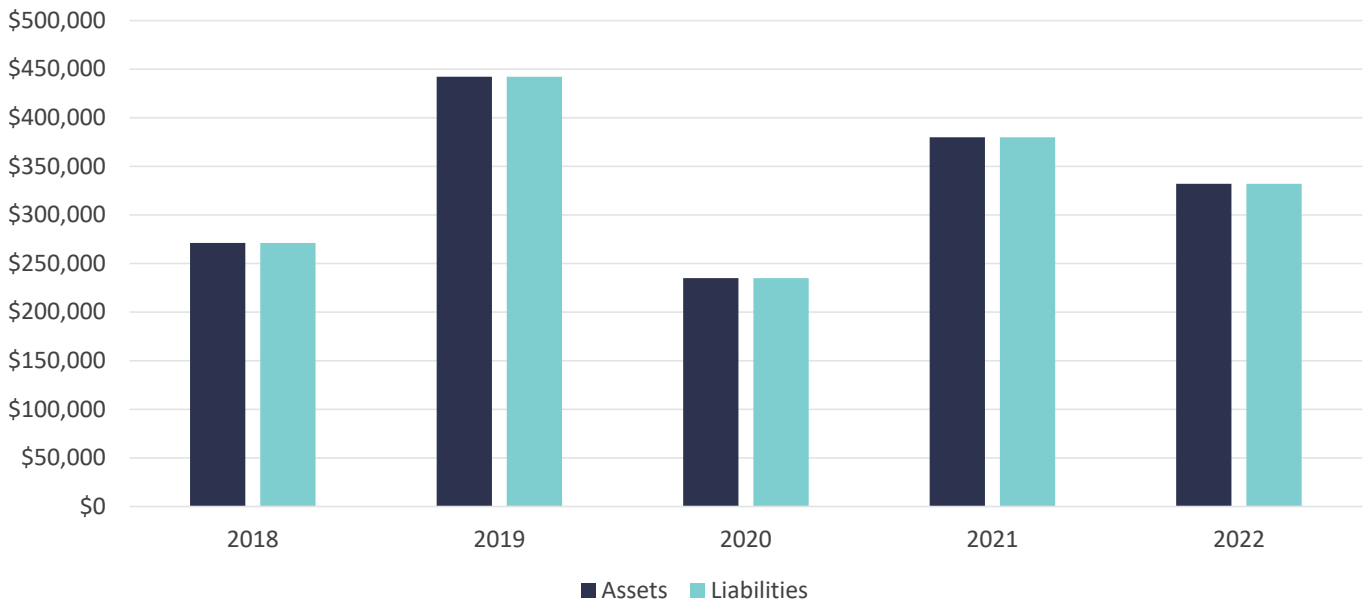


Financial Statements

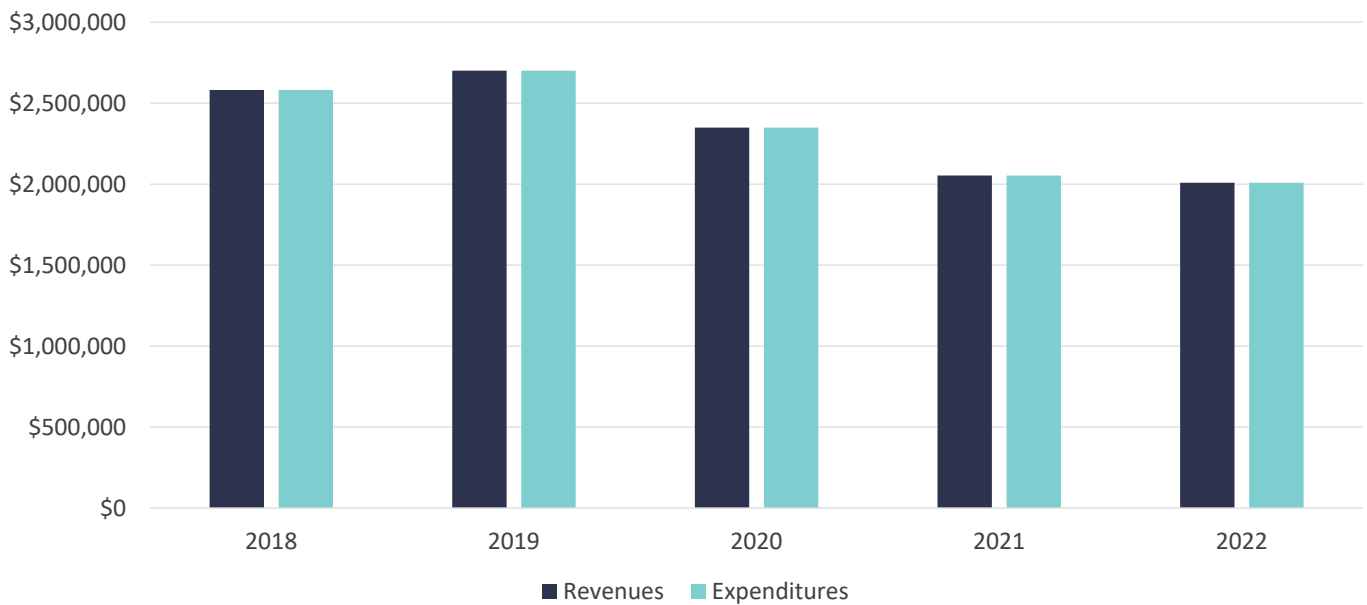
- Prepared based on Governmental Accounting Standards Board pronouncements
- Single program entity—present expenditures by type (natural classification)
- Component unit
 - DMCC is a component unit of (included in) City of Rochester’s financial statements
 - DMC EDA is *not* a component unit of DMCC
 - Will evaluate component unit reporting annually



Financial Statements : Assets & Liabilities



Financial Statements : Revenues & Expenditures



Audit Results

- Financial statements – clean opinion
- Internal controls – no findings
- Minnesota legal compliance – no findings



Required Communications

- Audit provides reasonable, but not *absolute* assurance
- Accounting policies
 - Described in Note 1 to the financial statements
 - No impact from new accounting standard for leases
- Audit adjustments – none
- No disagreement or difficulties with management



Items to Complete

- Federal and state tax filings



**Craig Popenhagen, CPA
Principal**

2689 Commerce Drive NW, Suite 201
Rochester, MN 55901
Direct (507) 280-2327
Craig.popenhagen@claconnect.com

**Luke Greden, CPA
Manager**

2689 Commerce Drive NW, Suite 201
Rochester, MN 55901
Direct (507) 280-2325
Luke.greden@claconnect.com



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2023 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Business Development, Lead Generation, & Discovery Square

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:

No action requested.

1. Build Awareness - Rochester as a business destination, DMC as a catalyst for investment, and Mayo Clinic's close connection to both.

- Industry Outreach
 - i. Concluded
 - 1. Facilitate Advanced Therapies Network, January 2023
 - 2. Arab Health (DEED), February 2023
 - 3. San Francisco lead generation event, March 2023
 - 4. Builder Owner & Manager Association Medical Office event, April 2023
 - 5. Design of Medical Devices conference, April 2023
 - 6. SelectUSA Investment Summit (DEED), May 2023
 - ii. Upcoming
 - 1. International Society of Cellular Therapies conference, May 2023
 - 2. Western Europe lead generation event, May 2023
 - 3. BIO International, June 2023
 - 4. New York lead generation event, July 2023
- "Connector" Outreach
 - i. Concluded
 - 1. Site Selector's Guild Annual Meeting (DEED), March 2023
 - 2. Minneapolis site selector outreach, March 2023
- In-Market Hosting
 - i. Concluded
 - 1. France Ambassador and trade officials, January 2023
 - 2. Victoria Trade & Investment (Australia), February 2023
 - 3. Platform Accelerate Cohort 3 launch, March 2023
 - 4. Chicago International Trade Commissioners' Association (CITCA), April 2023
 - 5. Netherlands Trade Mission, April 2023
- Digital Outreach
 - i. BD website progress
 - ii. San Francisco lead generation (181 companies)
 - iii. GoToMarket Global – UK Life Sciences

- 2. Build Infrastructure - Reduces company risk, increases speed-to-market, and allows Rochester to compete with larger markets.**
 - Facility Logix Shared Lab Study (see separate one-pager for details)
 - BioLabs market visits, December 2022, March 2023, and May 2023
 - Protolab visit, March 2023
 - Emerald Cloud Lab visit, March 2023
 - Portal Innovations lab visit, April 2023

- 3. Build the Ecosystem - Identifying partners, engaging them in productive ways to improve the “product” we market to the world.**
 - Healthcare Technology listening sessions (3), February 2023
 - Local ED stakeholder listening session (ongoing), March 2023
 - “Doing Business in Germany” education session (scheduled), June 2023
 - Facilitated meetings with Australian and Netherlands trade officials
 - Chamber After Hours in Two Discovery Square

Discovery Square—Shared Lab Infrastructure

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:

Discussion and/or direction to staff regarding development of shared lab infrastructure

Background

Study - Market Analysis and Demand

- In partnership with Mortenson, contracted with [Facility Logix](#) to conduct this study.
- Objectives:
 - Assess the local and regional markets for lab space demand.
 - Explore the current state of, and make recommendations for, improving the health of Rochester's innovation ecosystem.
 - Provide a market assessment of Rochester, MN, for a multi-tenant lab facility (MTLF) on the Discovery Square campus.
- Deliverables
 - Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis.
 - Recommendations to ensure optimal positioning with respect to its value proposition, market competition, and the ability to achieve desired economic development objectives.

SWOT Analysis Outcomes

- Strengths
 - The Mayo Clinic knowledge base draws collaborators from clinical research institutions and private sector internationally.
 - The regional strength in life sciences, with significant concentration of healthcare companies.
 - The long-term state investment in Rochester through DMC for infrastructure.
- Weaknesses
 - Rochester not adjacent to denser population centers seen as necessary for workforce development.
 - Lack of critical mass of four-year degree programs for a talent pipeline.
- Opportunities
 - Development of affordable, flexible, lab space to support early-stage life science companies.
 - Deepen commitments to entrepreneurship and innovation by incentivizing, facilitating, and educating inventors.
 - Address the challenge of creating a qualified workforce for startups with more four-year degree options.
- Threats
 - The lack of talent/workforce in the community, in particular research scientists, programmers, and engineers, as well as the lack of C-suite experience.
 - The dearth of practical lab space options and a lack of savvy/sophistication in the laboratory real estate market (including design, engineering, development/construction)

Facility Logix recommendations

- Offer affordable, ready-to-go wet and dry lab space in Discovery Square.
 - Almost every interviewee focused on the need for affordable, ready to go lab space with short-term/flexible lease option, next to Mayo.
- Incentivize innovation & entrepreneurship at Mayo Clinic and build ecosystem awareness.
 - Translate Mayo Clinic's healthy volume of invention into a thriving innovation ecosystem.
- Simplify Mayo access/navigation for collaborators.

- Provide way-finding support for early-stage companies to access Mayo Clinic opportunities.
- Increase the local talent base by adding local four-year degrees and young talent recruitment programs.
 - Focus on life sciences, engineering, and digital skills that complement existing programs.

Next Steps

- Establish relationship with Lab operator
- Confirm roles and responsibilities for partner organizations
- Design and construct space
- Pre-launch marketing
- Business Recruitment
- Launch operations

	Operator	DMC	Mayo Clinic	Mortenson
Pre-Launch				
Space design				
Capital for construction				
Space construction				
Fund-raising				
Business programming				
Business recruitment				
Launch and Ongoing Operations				
Daily operations and property mgt				
Business support services				
Business recruitment				
Events and programming				
Fund-raising				
Investment capital				

District Energy

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:

Discussion and/or direction to staff regarding DMC district energy system investment to advance DMCC goals for carbon emissions reductions.

Project Updates:

1. The City of Rochester is preparing to install heating and cooling equipment in their downtown facilities to replace an aging steam system. The City is considering leveraging the Inflation Reduction Act and other incentive programs to install a highly efficient and scalable geothermal heat pump system to heat and cool its facilities.
2. With its downtown location, proximity to infill redevelopment sites and other factors, the City and DMC EDA have been partnering for a period of years to leverage the City investment in its facilities to create an electrified district energy system.
3. A district energy system is a connected set of buildings through hot and chilled water pipes that achieve higher levels of efficiency by moving and sharing heat across a set of facilities. This creates efficiencies because heat can be moved from one facility where it isn't needed to one that has a heating need for example.
4. To create the District Energy system and install the heating hot water and chilled water pipes, the project will require additional DMC public infrastructure, beyond the \$2M already authorized. We believe this may be in the range of ~\$5M.

Background:

In 2015, DMCC adopted the DMC Development Plan, where the principles of sustainability planning are interwoven throughout, through an integrated mix of medium-to-high density uses, integrated live-work environments and green/park space features throughout the downtown. Subsequent action by the DMCC board further reinforces its commitment energy, environmental sustainability and the evaluation and strategic pursuit of district energy systems (DES):

- 2015: DMC Sustainability Goals Adoption within DMC Development Plan
- 2015: Sustainable Energy Options Report Accepted by DMCC
- 2016: District Energy System Resolution Passed by DMCC
- 2019: EIC Strategic Energy Project Plan Approval by DMCC

Recognizing the role that a downtown district energy system could have on realizing its energy consumption and carbon footprint reduction goals, DMCC authorized \$2 million in the 2021 and 2022 Capital Improvement Program, building off prior investment in preliminary engineering studies in 2019 and 2020.

Since 2007, the City of Rochester has made substantial gains toward meeting its climate goals and is on track to achieve a 50% reduction community-wide by 2030. That said, more focus is needed to achieve a 100% reduction by 2050. Electrification of heating systems for homes and buildings and electrifying car and truck fleets are critical to achieving this next stage of reduction.

District Energy helps achieve this goal by connecting buildings to the system that already has an electrified heating and cooling source, allows this to happen at scale, and at the pace of private development. The more who connect, the lower the utility rate and efficiency of the system. The DMC EDA and City staff leading this project believe this will also help attract private developers to our market aligned with the sustainability approach, and goal of realizing additional housing affordability for rent and ownership in the downtown.

West Transit Village

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023



Request of the board of directors:

Discussion and/or direction to staff regarding future public infrastructure investment to achieve DMCC goals for West Transit Village

Background:

The DMC vision for the West Transit Village is to provide an authentic place where people want to be and leverage the opportunity to make the BRT journey better than a trip in a private single occupant vehicle.

To realize this ambitious vision, Mayo Clinic, the City of Rochester, DMC and a private developer need to collaborate. The parties have agreed to a public-private partnership approach but are also mindful of the FTA transportation funding schedule for the transit elements of the site as well.

Fulfilling the DMC Vision, Mission, and/or Goals:

The DMC goal of mode shift for transportation requires a significant portion of commuting trips downtown to shift away from Single Occupant Vehicle (SOV) trips and towards other modes including Bus Rapid Transit. The West Transit Village is a key element of enabling the BRT to function well and provide an experience befitting the goal of DMC vision of a world class destination.

Approvals, milestones, and decision points:

Real estate advisory firm NTH was retained by DMC EDA and Mayo Clinic to assist in positioning the Mayo Clinic West Lot on 2nd Street SW for future development as the “West Transit Village” and to take advantage of the BRT line being developed along 2nd Street SW. Through that RFP process Mayo has selected a team of Kraus Anderson, Aeon, and Perkins + Will as the preferred development partner.

Currently, Mayo, the development partner, City staff and EDA staff are participating in a series of design charrettes to develop an agreed-upon final development site plan and BRT infrastructure plan for the site by June 1. This will allow the WTV site design and infrastructure to be incorporated into the ongoing FTA process.

The next steps include:

- Continued refinement of the potential site plan configurations under discussion
- Mayo Clinic and developer to establish base conditions of the site transaction and move towards a codified agreement, targeting fall 2023 for documentation

Downtown Rochester Task Force

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023



Request of the board of directors:

Discussion and/or direction to staff regarding role of DMC in advancing certain recommendations from the work of the Downtown Rochester Task Force.

Background:

The pandemic interrupted many aspects of our lives – changing how and where people work, shop, and conduct other activities. In many cases, downtowns will not return to how they were before the pandemic.

Downtown Rochester, like almost all cities, has suffered because of these disruptions and long-term changes. While several new businesses have opened and many have pivoted, more can be done to help during recovery. The Downtown Rochester Task Force was established to help accelerate Rochester’s path forward and build a more resilient downtown for the future.

The goal of the Task Force is to collectively create a community-based action plan that identifies (1) immediate and short-term recommendations while considering long-term needs, (2) responsible organizations/partners, and (3) timelines.

Process:

The Task Force intentionally took a collaborative approach to build the action plan. A 90-day outline guides the work and includes three phases:

- Phase 1 (February – March): Stakeholder engagement to build consensus on key themes/issues.
- Phase 2 (March – April): Determine immediate and short-term action steps and accountability.
- Phase 3 (May): Implement immediate and short-term action recommendations.

Four public working sessions, included in Phase 1, were held with the downtown stakeholder community to gather feedback. An external facilitator managed the community sessions. All information gathered during these sessions was reviewed and organized into four larger themes. The themes were shared with the community as a checkpoint and an opportunity to provide additional feedback. After community members review the themes, they are asked to complete a short survey.

The Task Force used these themes in the second phase to begin to identify immediate and short-term recommendations from the community’s phase one input. Three public working sessions were held to gain additional input from the community.

What We Learned:

Our stakeholders believe in a downtown that is vibrant, active, safe, and welcoming. Where there are always things to do and see, it is a place to visit, heal, work, live, learn, and play. It is the heartbeat of our city. Downtown should offer a variety of experiences for a variety of users.

Four Themes with Sub-themes:

Downtown Promotion, Activation, and Programming:

- Strengthen promotion, marketing, and communications
- Activate downtown in a variety of ways

Access to Downtown:

- Develop new public parking strategies
- Improve wayfinding
- Address safety concerns
- Mitigate the impact of construction

Barriers to doing Business Downtown:

- Simplify policies and processes – improve and streamline
- Decrease costs of conducting business downtown

Downtown Growth:

- Recruitment of new businesses
- Retention of small businesses
- Understand new market demands

Next steps:

The Task Force recently wrapped up phase two of community engagement sessions to gather input and feedback related to the recommended action items. The development of the action plan, prioritizing immediate and short-term recommendations and taking into consideration long-term needs, is a result of community working sessions held earlier this year.

2024 DMC EDA Workplan and Budget Development

To: DMCC Board of Directors
 From: DMC EDA
 Date: May 19, 2023

Request of the board of directors:

Consider proposed CIP priorities and assign 2-3 board members to advise staff in the development of the 2024 DMC Workplan and Budget.

Background, Process, and Timeline:

Each year, the DMC Corporation must submit a funding request to the City of Rochester. The funding request includes a proposed:

- Capital Improvement Program (with five-year projections)
- DMCC operating budget
- EDA workplan and operating budget
- Operating budget for the City of Rochester’s DMC Project Management team
- Requests for the extension of the DMCC and EDA working capital loans

The funding request is developed within a set of parameters defined in the update to the DMC Development plan (completed in 2020), describing DMC investment priorities and likely available funding for the 5 year period of 2020-2024:

	Framework (2020-2024)	Actual (2020-2024)
Public Realm	\$35-\$50M	\$40.2M
Mobility	\$60-\$75M	\$59.8M
Strategic Redevelopment	\$20-\$45M	\$23.3M
Streets and Sewers	\$35-50M	\$44.9M
Operations	\$15-\$20M	\$19.2M
<u>TOTAL</u>	\$200M +/-	\$187.4M

During Q2, DMC EDA and City staff will work with DMC EDA and DMCC board members to prepare a funding request for consideration by the DMC EDA board (September 2023), DMC Corp. board (September 2023), and Rochester City Council (October 2023).

DMCC-Approved Guiding Principles:

- **Enable Opportunity:**
New jobs, new investment, and tax base growth are critical to a vibrant city.
- **Be Extraordinary:**
Make investments befitting a global destination medical center, the state’s largest-ever economic development partnership, and an increasingly diverse community.

- **Incorporate Innovation:**
Encourage projects to focus on cutting edge business sectors, innovative collaborative processes, novel business models, new materials, new technologies, etc.
- **Be Sustainable:**
Always consider the financial, environmental, social, and other long-term effects of proposed capital projects.
- **Fulfill The Vision:**
Sustain Rochester and Mayo Clinic as a destination medical center and “economic engine” that benefits the residents of Rochester, Olmsted County, and Minnesota.

Current and Emerging Initiatives for Discussion:

- Discovery Square innovation district
 - Marketing/Business Development
 - Discovery Labs
 - 3 Discovery Square
- Downtown Vitalization
 - Downtown Rochester Task Force
 - Mainstreet Grant Program
 - Historic Preservation District
 - Commercial Space Reuse
- Public Realm and Infrastructure
 - Downtown Riverfront
 - West Transit Village
- Sustainability Initiatives
 - District Energy
- Opportunities associated with Mayo Clinic growth

Next Steps:

- May-August 2023: Staff and board members prepare the 2024 DMC Workplan and Budget
- September 28, 2023 DMCC Board approval
- October 2023: Rochester City Council approval

Disadvantaged Business Enterprise Barriers Study Summary

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:

No action requested.

Project Goal:

To understand the current ecosystem, challenges, and the barriers of key stakeholders, so that DMC and the City of Rochester can increase participation of Small, Minority/BIPOC, Women and Disadvantaged businesses in its projects.

Scope of Work:

- Identify the unique barriers of construction-related small, disadvantaged businesses from start-up through growth stages to bid on City of Rochester/Destination Medical Center (DMC) public infrastructure projects.
- Investigate the City of Rochester's bidding, bonding, and insurance policies along with any other barriers identified by MaKee Company
- Review best practices from across Minnesota or United States that could be used to address the identified obstacles.
- Provide recommendations to help the City and DMC EDA to plan next steps for reducing existing barriers for locally owned DBEs/TGBs.

Project Methodology:

1. DBE Assessment
2. Listening Sessions
3. Interviews
4. Research & Analyze
5. Review & Compare

Disadvantaged Business Enterprise (DBE) Barriers:

- Industry Specific Training
- Difficulty Navigating the System
- Procurement Training
- Centralized Portal for Businesses, Public & Private Sectors
- Prequalification Requirement & Union Affiliations with Primes

DMC/City of Rochester Barriers

1. Centralized Platform
2. Industry Training
3. Centralized Procurement
4. Data Capture
5. Bonding & Insurance
6. Contract Language

GENERAL CONTRACTOR BARRIERS

1. Prequalifications
2. Shortage Of DBEs
3. Construction Specific Training
4. Central Database

Capacity Builders Barriers

1. Resources Not Used
2. Finding Firms
3. Industry Training
4. Diversity Representation

Recommendations:

1. **Data Gathering & Parsing:** The City could develop a program or mechanism to collect data on contracting and participation as a means to measure contract/project values, awarded and rejected recipient demographics, and how such line items connect to overall spend dollars of the City, etc.
2. **Equity Procurement Team:** The City should consider creating a department that focuses entirely on growing its Diversity, Equity, Inclusion and Belonging (DEIB) procurement, contracting, workforce, and compliance.
3. **Small Business Portal:** The City could develop an online portal exclusively focused on small businesses. The system will be unique because it should have a capacity vetting mechanism for DBEs and small businesses. The portal could promote local Rochester business, designating that business with an emblem or insignia with “Buy Rochester First”. Lastly, the portal should not just be a directory, but a way to showcase the DBEs by their capability and capacity.
4. **Modify City Website:** The City could enhance its website by adding a procurement Services page inclusive of all departments and the Small Business Online Portal.
5. **Intentional Contracting Pathways:** The City could design specific contracting mechanisms using the MN Statute guidelines. Creation of these sheltered market programs could help DMC/City in creating a pathway to help build capability and capacities of DBE firms.
6. **Increase Knowledge & City Expertise:** The City could put a training program in place to assist department heads, project managers, and buyers understand procurement and contracting of small businesses. Meanwhile, support training for prime contractors to find, support and contract with small, locally-owned DBEs. Finally, develop business trainings with small DBE construction firms to provide training on business management activities, putting together competitive bids, and continuing to build intentional communications.

Next Steps:

In the remainder of 2023 and in preparation of our workplan for 2024, DMC EDA staff will coordinate with the City on elements that the DMC EDA can support to act on these recommendations and findings from the DBE analysis. Examples include supporting the development of a small business portal to access real-time information on projects, opportunities, and business training opportunities for local DBE construction firms and assisting in the training activities for local prime and small construction-related DBEs.

Riverfront

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:

No action requested.

Background:

In July 2021, the City of Rochester, in partnership with the DMC EDA, issued a request for proposals to create a Small Area Plan for the redevelopment of two sites along a portion of the Zumbro River downtown riverfront. Gamble Associates, an architecture, urban design, and planning firm, was selected to create the small area plan.

On July 18, 2022 the Rochester City Council unanimously approved adoption of the Riverfront Small Area Plan into the City's Planning 2 Succeed (P2S) Comprehensive plan. The redevelopment site is located in the Waterfront Sub-District of the DMC Development District described in the DMC Development Plan. Currently, the use of these riverfront sites is primarily public parking, including surface lots and a four-story parking garage. In contrast, the City-approved plan includes approximately two-and-a-half acres of public space and sites for 500,000-700,000 square feet of potential in-fill development.

The plan identified a series of next steps:

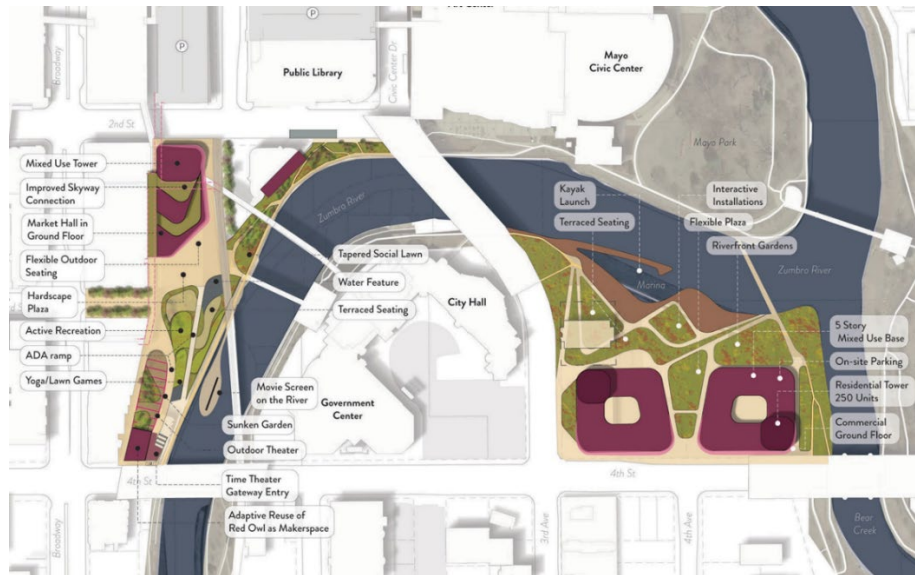
1. Conduct Interim Activation in partnership with the Rochester Downtown Alliance
2. Advance flood wall work with the Army Corps of Engineers
3. Complete due diligence analysis of Red Owl/Time Theater building
4. Site acquisition from Olmsted County (Mr. Muffler site)
5. Site preparation
6. RFQ/RFP preparation

On September 22, 2022, DMC EDA and City of Rochester staff presented the proposed 2023 DMC Funding Request to the DMC Corporation at its regular public meeting. The presentation included two elements related to the riverfront development:

- 1) An overview of the Riverfront small area plan, including an outline of next steps
- 2) 2023 Capital Improvement Program ("DMC CIP") allocation for riverfront planning and design (up to \$1,000,000)

The funding request, including the budgets noted above, was approved by the DMC Corp. Board.

Illustration of Riverfront area:



Fulfilling the DMC Vision, Mission, and/or Goals:

DMC EDA Staff are working in collaboration with the City staff and the consultant team, led by Gamble Associates, with a continued focus on the community-driven vision for the Riverfront.

Current Status:

The approved plan identified a series of next steps that were listed above, below is the current status of each:

1. Conduct Interim Activation in partnership with the Rochester Downtown Alliance: concept planning underway
2. Advance flood wall work with the Army Corps of Engineers: series of engineering meetings has commenced
3. Complete due diligence analysis of Red Owl/Time Theater building: conditions assessment underway
4. Site acquisition from Olmsted County (Mr. Muffler site): City completed the site acquisition
5. Site preparation: analysis underway
6. RFQ/RFP preparation: stakeholder meetings and visioning has commenced

Next Steps:

The completion of all of the above in 2024.

Heart of the City

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:
No Action Requested

Updates:

Heart of the City Phase 1

The first phase of Destination Medical Center's Heart of the City public realm project was a renovation of the east side of Peace Plaza and surrounding areas.

Project Update

Activation: Rochester Downtown Alliance (RDA) has kicked off its summer programming and activation downtown including the Peace Plaza. Music, a mobile art cart, enhanced seating, a mobile game cart, and exercise classes are already activating the plaza. DMC has partnered with the RDA again this year to support the Start-up Event Grant which encourages local community groups to create events downtown.

Post-occupancy Analysis

- Gehl, an urban design and research consultancy, led onsite post-occupancy analysis, in September 2022
- Final report completed, November 2022
- Additional data gathering will occur this summer, focusing on daytime, weeknight, and weekend hours
- Update to be provided at 2023 Q3 DMCC board meeting

Items to be completed:

- Catenary lighting system pole refabrication

Chateau Theatre Update

The Chateau Theatre continues to be an anchor in the Heart of the City Sub-district and downtown Rochester. The theatre has hosted plays, meetings, art exhibits, concerts, family programming, and many partners across the community. Multiple improvement projects were recently completed for the Chateau this year including adding a new ADA restroom and improved sound and lighting. Future improvements include updating non-ADA bathrooms and improvements to the HVAC system. HVAC system in design and will be out for bid in the coming weeks.

Fulfilling the DMC Vision, Mission, and/or Goals:

Heart of the City subdistrict is a long-standing priority for the DMC Corp. board. It is home to many hotels, restaurants, entertainment venues, and medical facilities, many of which have been undergoing reinvestment. Transformation of the public realm, Peace Plaza, will be an asset to the downtown core, improve the patient, visitor and resident experience, and help spur future investment.

Work plan or capital improvement budget implications:

This project is funded via state GSIA funds generated through the DMC initiative, approved by both DMCC and Rochester City Council.



Approvals, milestones, and decision points:



Main Street Economic Revitalization Program Grant

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:

No action requested.

Background

- DMC awarded \$3M by DEED for capital improvement projects in the DMC district.
- Began taking applications in March 2022, made final awards in April 2023

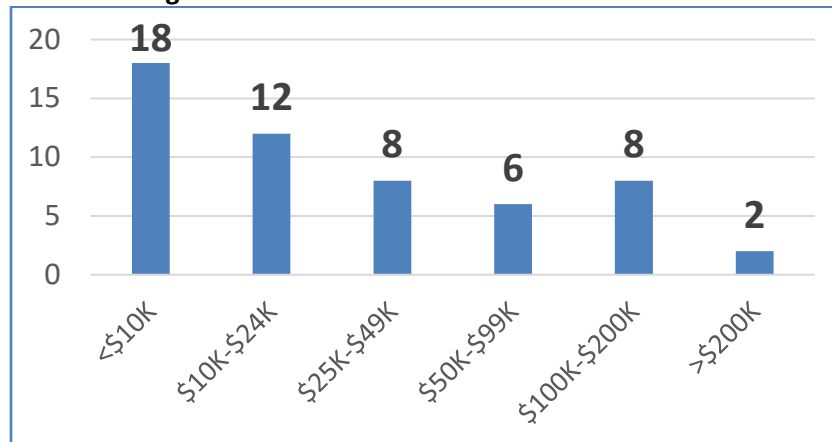
Final Round 1 Status

- 54 awards, median project award = \$23K
- 13 BIPOC awardees (24%)
- 16 non-BIPOC women-led awardees (30%)
- Project types:
 - Retail and Dining: 31
 - Office, technical and mixed use: 13
 - Non-profit: 5
 - Housing and lodging: 5
- 22 project sites were unoccupied (41%)
- Approx 270 permanent jobs created

Round 1 Lessons Learned

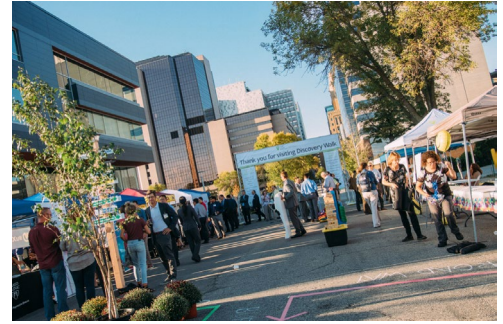
- The extent to which small businesses embrace significant financial risk is inspiring.
- Clear, concise and timely communication is critical.
- Patience is necessary - most are scrambling to assemble their capital stack.
- Building trust with minority communities is critical, and difficult.
- Assembling the 70% match is particularly challenging for BIPOC applicants.

Round 1 Range of Awards



McKnight Grant Update

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023



Request of the board of directors:

No action requested.

Project Update:

- The DMC EDA was invited to apply for another round of Climate and Energy funding for 2023-2025. Last week, the DMC EDA staff learned that McKnight has awarded \$225,000 over two years for sustainability efforts at the DMC and City of Rochester.

Background:

- The McKnight Foundation has supported the DMC EDA's sustainability activities since 2017 in the sum of \$150,000 over two-year periods.
- In 2019, the Foundation, increased their commitment to the EDA's sustainability programs by supporting its efforts for another two years, through 2021 in the sum of \$185,000 over two years.
- Toward the end of 2020 and early 2021, the City of Rochester and DMC EDA finalized another application for McKnight funding through their Climate & Energy Program, and through their Vibrant and Equitable Communities Program.
 - The Climate & Energy Program invited the DMC EDA to apply again for a \$185,000 grant over a two-year period. The DMC EDA prepared an application in collaboration with the City of Rochester. This funding will help support the following initiatives:
 - Electric Vehicle Infrastructure Community Plan
 - Active Commuter Resource Center: Community Co-Design
 - Sustainability and Resiliency Downtown Demonstration Development
 - Sustainability and Resiliency Action Plan Implementation
 - Staff Support
 - In collaboration with the City of Rochester, Diversity Council, the DMC EDA prepared an application for the Vibrant and Equitable Communities Program in the sum of \$154,000 over a 12-18 month period. This funding will help support the hire of an Equitable Development Coordinator within the DMC EDA to work on the following initiatives:
 - **Accelerate Economic Mobility:** Within this objective, the Coordinator will support local initiatives that foster economic equity and inclusion and advance ownership opportunities. This work is critically important to promote the myriad of projects and initiatives within the City, foster connections, and as possible develop strategies to form a coordinated approach and strategy to entrepreneurship.
 - **Cultivate a Fair and Just Housing System:** Over the past year, an extensive housing analysis has shown there is a considerable need for affordable housing within the DMC District and throughout the region at varied rental and price points. The DMCC and the City of Rochester have identified affordable housing as a strategic objective. With the results of the recent market demand studies in hand, the Coordinator will

research housing development models that foster ownership opportunities for BIPOC communities and identify partners to deliver on the vision.

- **Strengthen Democratic Participation:** Based on the success of piloted equitable community engagement approaches coined community co-design, the Coordinator will work to operationalize this process into DMC infrastructure projects in 2021 and beyond.

Fulfilling the DMC Mission, Vision, and/or Goals:

Energy and sustainability is a key piece of the DMC principles, development plan and goals for the project. The DMC EDA team is working to implement a range of projects, programs, and initiatives to realize the ambitious goals included in the DMC Development Plan across a range of impacts including community health, workplace health, energy, greenhouse gases, water consumption, waste, and transportation.

Work plan or capital improvement budget implications:

The current DMC work plan describes a variety of initiatives supported by the McKnight Foundation, DMC 2022 operating and CIP funds. The McKnight funds would help to support the work plan objectives outlined above.

Approvals, milestones, and decision points:

The DMC EDA team is currently working to apply for additional funds from 2023-25 to support our sustainability and equitable development programs. This new funding cycle would start in March 2023.

Mobility

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023



Request of the board of directors:

No action requested.

Background:

A multi-modal mobility strategy for the DMC has been developed that includes the implementation of a Rapid Transit Circulator, which is the current focus of DMC's mobility infrastructure investments.

Recent LINK BRT Milestones:

- Design advancing to 90% completion by Fall 2023
- Procurement process training completed

Upcoming BRT Milestones:

- Complete key state and Federal environmental reviews and risk assessments (mid-2023)
- Finalize vehicle design and place order (4Q 2023)

Vehicle Design Considerations:

Goals:

- High amenity to provide a unique experience.
- Futuristic and innovative visual features.
- Experience equal to or better than driving.

Areas of Influence:

Exterior:

- Link Brand will be used.
- Shape of bus
 - Contemporary
- Glass
 - Significant greenhouse (glass)
- 2 sets of double doors (similar to light rail operations)

Interior:

- Seating
 - Capacity and configuration to be determined, inclusive to seating and standing space.
 - Materials, TBD
- Flipped shelves for holding carry-on items, medical equipment, personal bags
- Distributed heating and air conditioning
- Bike rack inside bus
- Biofilters and air flow distribution

Technology:

- Wi-Fi provided

- In seat charging
- Route information and announcement display

Safety:

- Automated wheelchair securement
- Driver barrier
- Ride comfort and stability

Fulfilling the DMC Vision, Mission, and/or Goals:

DMC EDA Staff are working in collaboration with the City staff and the consultant team, SRF, with a continued focus on the goal of creating a world-class experience that centers equity of access and foregrounds BRT as a desirable consumer choice.

Current Status:

See above milestones.

Next Steps:

See above milestones.

Private Development

To: DMCC Board of Directors
 From: DMC EDA
 Date: May 19, 2023

Request of the board of directors:

No action requested.

Background:


While all private development projects submitted to DMC must meet the “but for” test, DMC EDA staff evaluates each submitted project against the priorities set by the Board before developing a recommendation for the Board. Below is a summary of Board priorities as staff understand them:





- Geographic priorities: Heart of the City, Discovery Square, TOD corridor
- Product Type: Preferencing med-tech and workforce housing development
- Prioritize projects most likely to achieve DMC goals: private investment, job creation, tax base growth
- Validate market demand; support first-in-market opportunities
- Meet or exceed Sustainability targets
- Contribution to City of Health experience goals

Areas of focus adopted as part of the Phase 2 development update (Nov. 2020 adoption):

- Economic diversification
- Housing affordability
- Main Street innovation
- Local entrepreneurs
- Local minority- and women-owned business capacity

Below is a summary of the active conversations underway with private developers within the DMC District. Inclusion on this list does not mean that these projects will ultimately apply for DMC funding, but rather is included to give you an overview of what kinds of projects are currently being contemplated within the district that *may* come forward in the future for a funding request.

HOUSING	
 <p>Civic Center North Lot</p>	<p>In fall 2021, The City of Rochester issued a RFP to developers for the parking lot across from the Civic Center. The City elected to enter exclusive negotiations with Sherman Associates as the preferred development partner, and are in the midst of those negotiations. Potential alignment with the District Energy system under development in downtown is also being explored with this project.</p> <p>Staff is participating in the review process and may potentially support use of funds for this project.</p>
<p>West Transit Village (WTV)</p>	<p>The western terminus of the LINK Rapid Transit line is envisioned as a transit village that will accommodate several hundred units of housing and amenity retail in addition to the transit and parking infrastructure needed on the site. Mayo Clinic is in active negotiations with their selected developer partner and has refined the project vision to two options that</p>

	include +/- 300 units of housing, retail, parking and public realm.
 <p>CityWalk Apartments</p>	This is an approximately 140-unit market rate apartment building on the south side of 2 nd Avenue and 6 th Street. They have received Main Street grant funding.
 <p>YMCA Development</p>	Redevelopment of the downtown YMCA site into approximately 215 units of multifamily housing including some ground floor live-work spaces. Thoughtful integration of the project into the adjacent Soldier's Field and the approach to affordability levels are main topics of discussion.
HOSPITALITY	
 <p>Olmsted Bank Building</p>	<p>14 units of residential on top of an adaptive reuse of the existing bank building for a restaurant/cafe use on the ground floor. Opportunity to show potential of adaptive reuse above an existing building and revitalization of a central location that can leverage existing parking infrastructure.</p> <p>The project was awarded \$300,000 in Main Street Grant funds and is in conversations regarding a second application.</p>
 <p>Post Office</p>	<p>The Post Office building on Broadway is owned by a Utah-based hospitality developer with local ties.</p> <p>Owners of the building are proposing a 140-key boutique hotel for longer-term travelers. The developer is interested in sustainability and considering a flag that aligns with this environmental approach.</p> <p>This project has submitted a TIF application to the City of Rochester and has an active application into the Main Street grant program.</p>
Post Bulletin Site	A hospitality-centered team last shared a concept with a hotel, a high rise senior residential tower and workforce housing.
OFFICE/LAB	
Three Discovery Square	<p>An application has been submitted for Mortenson's DS3 project that proposes a 7-story speculative building that is half lab space half CGMP space (clean manufacturing). DMC EDA staff is in early review of the submitted materials along with City staff.</p> <p>Mortenson has commissioned HR&A to do a complete economic impact analysis of DS1, DS2 and DS3 that is being refined, as well as signed its first lease in Discovery Square 2 with NRI and Mayo. Mortenson is seeking to hit 50% leased in 2DS before moving forward with 3 DS.</p>

Fulfilling the DMC Vision, Mission, and/or Goals:

DMC aims to support private investment that is in line with the overall mission of the DMC Initiative. The 20-year goal is to attract more than \$2.1B of non-Mayo private investment.

Approvals, milestones, and decision points:

As projects further develop their plans we will continue to update the Board and if an application for funding is submitted the formal review process will begin. Currently Discovery Square 3 is an active application under review.

Equitable Economic Development

To: DMCC Board of Directors
 From: DMC EDA
 Date: May 19, 2023

Request of the board of directors:
 No action requested.



Workplan Update:

Based on the direction of the DMCC Board, the DMC EDA has endeavored to pursue DMC economic development goals in an equitable and inclusive manner. Below, the EDA has described recent efforts to advance equitable economic development strategies.

1. Community Co-Design Updates:

- a. **Community and Individual Capacity Building:** On May 4th, we celebrated the graduation of the first cohort of community co-design facilitators. The graduates completed a 25-hour training that started in January 2023 and ended in April 2023. The training provided the 7 community members with the tools and the resources to be able to facilitate co-design projects in Rochester.

Our graduates are:

Julie Ruzek	Executive Director	Cradle 2 Career
Claudia Tabini	Community Partnerships Director	Cradle 2 Career
Fatuma Ahmed	Co-Founder	Pamoja Women
Khadija Ali	Co-Founder	Pamoja Women
Shaylene Baumbach	Health Promotion Manager	Olmsted County Public Health
Derrick Fritz	Community Health Assessment & Planning Coordinator	Olmsted County Public Health
Lida Casper	Coordinator of Community Partnership	Rochester Public Schools

- b. We completed the 2nd cohort of community co-design leadership training. We trained 44 community leaders from the City of Rochester, Olmsted County, Rochester Public Schools, and other organizations to learn about co-design and how to lead co-design efforts within their organizations. We will offer our 3rd training cohort in October 2023.
- c. We launched the community co-design bi-monthly meetings to inform the community about co-design efforts, projects, reports, and all the resources to ensure the success of community co-design. All the information related to community co-design can be found in the Rochester co-design page on the DMC website.

2. Equity Alliance Updates:

- a. **Equity Connect:** DMC, City of Rochester, and Olmsted County will be hosting the Equity Connect group in Rochester for a day of learning about how diversity, equity, and inclusion efforts are advanced in Rochester through collaboration and partnership. The Equity Connect group includes DEI

practitioners and leaders in municipalities in Edina, Richfield, Bloomington, New Brighton, St. Louis Park, Roseville, Ramsey County, and St. Paul.

- b. **Equity Series:** Both recent and historical events reveal the need for continued work on issues of diversity, equity, and inclusion in Rochester MN. The City of Rochester and Destination Medical Center formed the Equity Alliance to accelerate equitable change and impact disparities through reparations, restoration, and reformation based on radical collaboration. This summer, the equity alliance will launch the Equity Series. This series will be an opportunity to introduce diversity, equity, and inclusion best practices, build sustainable DEI community strategies, and build advocacy and allyship within the Rochester community.

3. Affordable Housing Updates:

- a. **Emerging & BIPOC Developer Assistance Program:** we continue to meet with organizations in the region to learn and understand their progress in developing assistance programs for their emerging and BIPOC developers. Since the last DMCC Board meeting, we started discussions with the City of Rochester and the Coalition for Rochester Area Housing on creating BIPOC/Emerging Developer assistance program and pre-development assistance fund.
- b. **Emerging & BIPOC Developer Expo:** DMC and the Coalition for Rochester Area Housing attended the Emerging & BIPOC Developer Expo hosted by the Greater Minnesota Housing Fund in St. Paul in April 2023. DMC and GMHF will partner to host a similar expo in Rochester this fall to create an opportunity for BIPOC & emerging developers to network and build relationships with community organizations to advance equitable development efforts.
- c. **BIPOC Home Ownership Co-design Project:** The Coalition for Rochester Area Housing, City of Rochester, and DMC concluded the BIPOC Home Ownership Co-design project. The co-design process was created to identify the barriers, evaluate opportunities, and identify funding recommendations to eliminate the barriers for new home ownership. A summary of the report is attached to the DMCC board packet.
- d. **Disadvantaged Business Enterprise Barriers Study:** This study was completed to understand the current eco-system, challenges, and the barriers of key stakeholders, so that DMC and the City of Rochester can increase participation of Small, Minority/BIPOC, Women and Disadvantaged businesses in its projects. A summary of the study is attached to the DMCC board packet.

BIPOC Home Ownership Community Co-design Project Summary

To: DMCC Board of Directors
From: DMC EDA
Date: May 19, 2023

Request of the board of directors:

No action requested.

Project Objectives:

Olmsted County has one of the Nation's largest home ownership disparities with 77% White households compared to 22% for Black/African American households. The goal of the project is to partner with the BIPOC community directly impacted by the inequitable housing systems to:

- Identify barriers to home ownership.
- Evaluate opportunities to improve BIPOC community outcomes
- Identify funding, policy, and process recommendations to eliminate barriers for home ownership for BIPOC community members

Project Process:

A co-design process follows an iterative approach consisting of design studios, sprints, and individual co-designer conversations throughout. Ten community co-designers from local communities with diverse racial, cultural, and religious backgrounds participated in the project.

Themes Identified:

- Education
- Belonging
- Structural Racial Barriers
- Representation
- Navigation
- Safety & Security
- Mentorship

Critical Stakeholders Identified:

- Financial/Lending Institutions
- Community Housing Support Stakeholders
- BIPOC Community
- Realtors
- Developers/Builders

Co-designer Recommendations:

- Education before, during, and after home ownership process.
- Diversity, Equity, and Inclusion (DEI) assessments and implementation of recommendations.
- Stakeholder workforce diversification.
- Creation of home ownership mentor network.
- Intentional relationship development with diverse BIPOC communities.

- Organizational communication improvement through translation and technology.
- Evaluation of policies and products through an equity lens.

In the upcoming months and development of our 2024 workplan, we will work with our partners at the Housing Coalition and Funders Leadership Collaborative to stand up programs and mentorship programs to act on the recommendations of the co-designers. Future workplan requests will incorporate objectives and the funding needed to curb these local inequities in collaboration with our housing partners.

Soldiers Field Memorial Park

To: DMCC Board
From: DMC EDA Staff
Date: May 19, 2023



Request of the Board of Directors:
No Action Requested

Background:

Soldiers Field Memorial Park is 150 acres in size with 4,000 feet of riverfront. It is currently comprised of memorials, active recreation space, an 18-hole golf course, aquatic amenities, a track and field facility (with winter skating), tennis courts, a baseball field, playgrounds, hockey rinks in winter, and trails. In 2022, the City of Rochester updated the Soldiers Field Memorial Park master plan, with plans to improve the aquatics features, add sport courts, and enhance the trails, playgrounds, and shelters. The update split the proposed park improvements into short- and long-term park plans.

It is anticipated construction to begin in spring 2023.

Project Update:

- January 17, 2023 – Park Board acknowledges the Alternative Plan as the preferred plan
- January 23, 2023 – City Council acknowledges the Alternative Plan as the preferred plan
- February 09, 2023 – DMCC approval of use of Capital Improvement Project budget
- April 17, 2023 – Rochester City Council approval to go to bid

DMC EDA and DMCC Actions:

- February 2023, DMCC Approval of Capital Improvement Budget, 10M

Work plan or capital improvement budget implications:

Included in the 2023 Capital Improvement Budget, 10M

Approvals, milestones, and decision points:

