



DMC
Destination
Medical Center

Destination Medical Center Corporation
Board of Directors Meeting

Thursday, September 26, 2024
9:30 A.M.

DESTINATION MEDICAL CENTER CORPORATION (DMCC) BOARD MEETING

Thursday, September 26, 2024, 9:30 A.M.

Two Discovery Square, 415 2nd Ave. SW, Rochester, MN 55904

To View the Meeting Remotely: <https://www.youtube.com/@DestinationMedicalCenter>

AGENDA

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IX. Metrics	

¹ For public comments, please indicate that you wish to speak either in-person at the meeting, through the chat feature on the web link, or by emailing info@dmc.mn by 9:00 A.M. on Thursday, September 26. Written comments may also be submitted to info@dmc.mn.

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	1. Discovery Walk	
	2. Downtown Riverfront	
	3. Heart of the City	
	4. Soldiers Memorial Field	
	5. 6 th Street Bridge	

- I. Private Development Project Previews
- J. Rochester Downtown Task Force
- K. Thermal Energy Network
- L. West Transit Village
- XV. Meeting Schedule
 - A. Next Regular Meeting: December 5, 2024 at 9:30 A.M.
- XVI. Adjournment

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DESTINATION MEDICAL CENTER CORPORATION (DMCC)
SPECIAL BOARD MEETING

Thursday, May 23, 2024
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, Chair Pamela Wheelock, and Paul Williams were present.
- III. Approval of Agenda. Mr. Williams moved to approve the agenda. Mayor Norton seconded the motion. Ayes (8), Nays (0). Motion approved.
- IV. Approval of Minutes: February 1, 2024. Mr. Rybak moved to approve the February 1, 2024 minutes. Mr. Baker seconded the motion. Ayes (8), Nays (0). Motion approved.
- V. Public Comment. Mike Nigbur, City of Rochester Parks and Forestry Director, provided an update on the improvements to Soldiers Memorial Field. Casey McGregor commented on public school and airport investments. Carol Bitton, downtown property owner, commented on downtown wayfinding. Bucky Beeman, local real estate broker and investor, commented on the commercial real estate environment. Shawn Fagan, downtown business owners, spoke regarding the proposed historic property support program.
- VI. Chair's Report. Chair Wheelock thanked staff for compiling and submitting the annual report of private investment to the Minnesota Department of Employment and Economic Development. The chair also noted that DMCC executive committee will hold a public meeting to confirm the appointment of legal counsel and invited the public to attend the collaborative session that follows the board meeting.
- VII. Election of Officers and Appointments.
 - A. Election by Board. Chair Wheelock nominated Mayor Norton as Vice Chair and Commissioner Thein as Treasurer. Mayor Norton offered a friendly amendment re-appointing Chair Wheelock. Ayes (8), Nays (0). Motion approved.
 - B. Appointment by Chair. Chair Wheelock re-appointed Mr. Williams as secretary, and City of Rochester Director of Finance Brian Anderson as Assistant Treasurer.
- VIII. Consent Agenda.
 - A. DMCC 2024 Budget Year-to-Date Update.
 - B. 2024 Capital Improvement Plan (CIP) True-Up and Update.

Mr. Williams moved to approve the consent agenda. Council President Carlson seconded the motion. Ayes (8), Nays (0). Motion approved.

- IX. DMCC Audit for Year Ending December 31, 2023. Craig Popenhagen, CliftonLarsonAllen, presented the audited financial statements. He noted the highest level of assurance; no audit findings, internal controls, or Minnesota legal compliance findings were reported. Commissioner Thein moved to accept the financial statements and audit results. Mayor Norton seconded the motion. Ayes (8), Nays (0). Motion approved.
- X. DMC EDA Board President Comments. Dr. Clark Otley, DMC EDA President, described the board agenda action items.
- XI. DMC Metrics. Patrick Seeb, DMC EDA Executive Director, and Wafa Elkhailifa, DMC EDA Equitable Economic Development Coordinator, provided an update on the DMC targeted business and workforce utilization program.
- XII. Housing. Mr. Seeb and Catherine Malmberg, DMC EDA Director of Public Infrastructure & Development Strategy, presented several recommended housing projects.
- Resolution A : Approving Further Revisions to the Bryk on Broadway Apartments Project. Mr. Rybak moved to approve the resolution. Mr. Baker seconded the motion. Ayes (8), Nays (0). Motion approved.
- Resolution B: Approving Civic Center North Apartments Project. Mr. Campbell moved to approve the resolution. Mr. Rybak seconded the motion. Ayes (8), Nays (0). Motion approved.
- Resolution C: Approving the West Transit Village Liner Housing Project. Council President Carlson moved to approve the resolution. Mr. Rybak seconded the motion. Ayes (8), Nays (0). Motion approved.
- XIII. Supporting Transformation. Mr. Seeb and Cindy Steinhauser, City of Rochester Deputy Administrator, presented the proposed capital improvement plan amendment and strategy.
- Resolution D: Approving Amendment to the 2024 Five Year Capital Improvement Plan as to the City DMC Project Management Team. Mayor Norton moved to approve the resolution. Council President Carlson seconded the motion. Ayes (8), Nays (0). Motion approved.
- XIV. Commercial Historic District. Jamie Rothe, Director of Public Experience for Strategic Infrastructure, and Ms. Steinhauser presented the proposed historic property infrastructure program.
- Resolution E: Approving Downtown Property Preservation Program. Mr. Rybak moved to approve the resolution. Mr. Baker seconded the motion. Ayes (8), Nays (0). Motion approved.
- XV. Business Development and Lead Generation. Michael Flynn, DMC EDA Senior Director of Economic Development, and Chris Schad, DMC EDA Director of Business Development, updated the board on business development and lead generation activities.
- XVI. 2025 DMC Work Plan and Budget: Priorities/Points of Emphasis. Mr. Seeb described the process and priorities related to the 2025 budget, work plan, and capital improvement plan.
- XVII. Adjournment. Chair Wheelock adjourned the meeting.



LIABILITY COVERAGE WAIVER FORM

Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before their effective date of coverage. [Email completed form to your city’s underwriter, to pstech@lmc.org](mailto:pstech@lmc.org), or fax to 651.281.1298.

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. *The decision to waive or not waive the statutory tort limits must be made annually by the member’s governing body, in consultation with its attorney if necessary.* The decision has the following effects:

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

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

LMCIT Member Name: Destination Medical Center Corporation

Check one:

The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#).

The member **WAIVES** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#), to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member’s governing body meeting: September 26, 2024

Signature: _____

Position: Chair

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2024

**A RESOLUTION APPROVING THE 2025-2026 DMCC BOARD
REGULAR MEETING SCHEDULE**

BACKGROUND RECITALS

The Minnesota Open Meeting Law provides that a schedule of the regular meetings of a public body shall be kept on file at its primary office. If a public body decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided for a special meeting.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation (“**DMCC**”) Board of Directors that the schedule of regular meetings for 2025 and 2026 is set forth below. The Secretary is directed to post the schedule on the website and to post notification by such other means as he determines necessary and appropriate.

<u>Date</u>	<u>Time</u>	<u>Location</u>
<u>2025</u>		
Thursday, February 6, 2025	9:30 a.m.	Mayo Civic Center Suite 102 30 Civic Center Drive SE Rochester, MN 55902
Thursday, May 22, 2025	9:30 a.m.	Mayo Civic Center Suite 106 30 Civic Center Drive SE Rochester, MN 55902
Thursday, September 25, 2025	9:30 a.m.	Mayo Civic Center Suite 102 30 Civic Center Drive SE Rochester, MN 55902
Thursday, December 4, 2025	9:30 a.m.	Mayo Civic Center Suite 102 30 Civic Center Drive SE Rochester, MN 55902
<u>2026</u>		
Thursday, February 5, 2026	9:30 a.m.	TBD
Thursday, May 21, 2026	9:30 a.m.	TBD
Thursday, September 24, 2026	9:30 a.m.	TBD
Thursday, December 3, 2026	9:30 a.m.	TBD



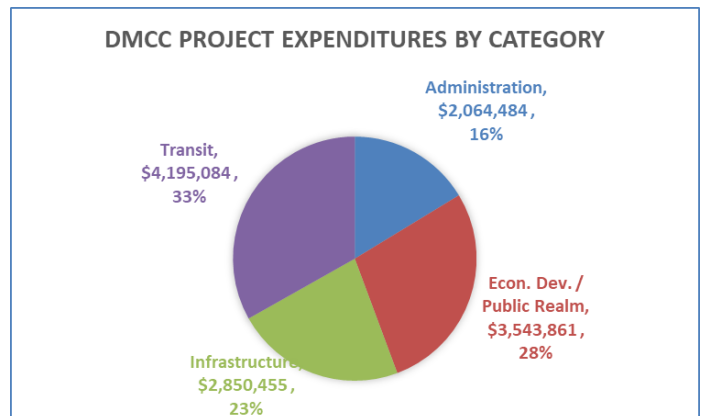
September 26, 2024

Re: September 2024 DMCC Budget Summary

Dear Mr. Mark Thein, DMC Treasurer,

The attached Financial Budget Summary through August 2024 reflects the DMCC operating expenditures totaling \$1,957,002 of its \$4,218,891 budget for 2024. Thus far, the remaining amount unspent is 54% of the total budget, which appears to be on track given usual timing issues for certain categories.

The second page provides an outline of the DMCC Projects by Category managed by the City of Rochester and categorized by program budgets. Approximately \$12,653,884 has been spent on these projects in 2024 while \$16,523,514 has been received in revenue. The graph on the right outlines that 33% of the total expense this year have been spent on Transit while 28% has been spent on Economic Development/Public Realm, and 23% being spent on Infrastructure. Total Life-to-Date expenditures on all projects are approximately \$190,530,585.



Please note that we have removed the completed projects at this time in order to consolidate and focus our attention on the current projects.

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

Brian J. Anderson
Director of Finance
City of Rochester

Destination Medical Center Corporation
Financial Budget Summary
August 31, 2024

BUDGET ENTITY	APRIL EXPENSES	MAY EXPENSES	JUNE EXPENSES	JULY EXPENSES	AUGUST EXPENSES	2024 YTD	APPROVED BUDGET	AMOUNT REMAINING	PERCENT REMAINING
DMCC Corporation:									
Rents and Leases	\$ 5,675	\$ -	\$ 19,743	\$ -	\$ -	\$ 34,088	\$ 36,607	\$ 2,519	7%
Professional Services	2,118	7,117	18,881	3,688	125	50,308	165,000	114,692	70%
Travel/Training	-	-	183	-	-	183	6,000	5,817	97%
Insurance and Bonds	-	-	-	-	-	8,492	11,323	2,831	25%
Interest / Other Administrative	4	4	4	3	3	28	-	(28)	
Subtotal DMCC	7,797	7,120	38,810	3,691	128	93,100	218,930	125,830	57%
DMC EDA - Third Party Costs									
Employee Services	125,436	126,703	130,839	136,130	131,409	984,316	1,714,702	730,386	43%
Operating Expenses	1,429	1,429	9,049	1,429	-	22,653	64,079	41,426	65%
Economic Development Outreach & Support	5,000	5,000	20,605	-	-	34,319	535,826	501,507	94%
Professional Services	4,086	19,736	31,757	25,853	-	189,709	467,900	278,191	59%
Miscellaneous Expenses	-	-	-	-	-	-	60,000	60,000	100%
Subtotal DMC EDA	135,951	152,868	192,250	163,411	131,409	1,230,998	2,842,507	1,611,509	57%
City of Rochester Project Management Budget - Third Party Costs									
Employee Services	74,315	112,024	74,571	51,557	85,637	613,926	1,032,543	418,617	41%
Contractual Maint and Repair	-	-	-	298	-	598	38,760	38,162	98%
Expert and Professional Services	-	-	-	-	-	-	8,160	8,160	100%
Travel/Training/Memberships	206	1,169	1,293	4	1,134	3,805	12,547	8,742	70%
Operations Expenses	-	-	-	62	1,178	1,340	48,482	47,142	97%
Miscellaneous/Other	78	46	12,939	65	21	13,235	16,962	3,727	22%
Subtotal City Project Management	74,599	113,238	88,803	51,986	87,970	632,904	1,157,454	524,550	45%
Total DMCC Operations	\$ 218,347	\$ 273,226	\$ 319,862	\$ 219,088	\$ 219,507	\$ 1,957,002	\$ 4,218,891	\$ 2,261,889	54%

**City of Rochester, MN
DMCC Projects by Category
Through August 2024**

PROJECT	APRIL		MAY		JUNE		JULY		AUGUST		YTD REVENUES	YTD EXPENSES	LTD EXPENSES
	REVENUE	EXPENSES	REVENUE	EXPENSES	REVENUE	EXPENSES	REVENUE	EXPENSES	REVENUE	EXPENSES			
Administration													
C.8601 - COR Administrative Costs-DMCC	1,854	213,818	(5,460)	-	(8,700)	-	(3,912)	272,908	(9,317)	-	(21,395)	486,726	\$ 4,139,856
C.8602 - Contributions to DMC Corporatn		159,376		274,113		172,894		318,449		191,470	-	1,570,309	30,638,514
C.8603 - Comprehensive Plan Update											-	-	1,350,508
C.8604 - Rochester/DMCC Preservation Planning											-	-	140,000
C.8606 - City Staff Costs-DMCC	1,974	1,974	1,275	1,275	3,077	3,077	95	95	300	300	7,449	7,449	450,716
C.8629 - Development Plan Update											-	-	154,960
Total Administration	3,827	375,168	(4,185)	275,388	(5,623)	175,971	(3,817)	591,452	(9,018)	191,770	(13,946)	2,064,484	37,170,965
Econ Development/Public Realm													
C.8613 - Chateau Theatre Pre-Occupancy M & O										62	-	62	541,094
C.8624 - Chateau Theatre Building Improvement Purchase		320,306		207,937		57,948		860		8,592	-	1,192,466	10,987,053
C.8625 - Heart of the City				98,821		141,724		-		-	-	260,313	21,623,518
C.8627 - Property & ROW Acquisition											-	-	-
C.8633 - Strategic Development											-	-	2,200,000
C.8634 - Riverfront Reimagined				48,300		-		8,000		-	-	65,800	997,348
C.8904 - Discovery Walk		31,726		831,500		420,099		8,499		695,476	-	2,023,904	16,844,262
C.8905 - CnstrctSnSwCpBys3AveSWfr2StSW		96		-		-		-	3,182	98	3,182	1,316	27,132
Total Econ Development/Public Realm	-	352,127	-	1,186,558	-	619,772	-	17,358	3,182	704,228	3,182	3,543,861	53,220,406
Infrastructure													
C.8611 - Sn/S12AvSW/NW<2StSW>2StNW				-		-		-		-	-	169	6,164,150
C.7319 - Reconst 7th Ave NW from 2nd St NwW to 4st NW											-	-	9,383,953
C.7318 - Reconstruct North Broadway	4,000,000	2,640	-	389	-	127	-	88	-	-	4,000,000	10,729	22,674,050
C.1037 - Steam Replace/District Energy		217,930		1,051,343		79,861	11,328,089	303,902	589,017	49,267	11,917,106	2,110,784	12,674,757
C.8711 - Private District Energy Pilot											-	-	-
C.4716 - Downtown Sidewalk Experience Enhancement				542		54,969		10,143		176	-	65,830	2,258,016
C.7344 - Reconstruct 3rd Avenue NW Between 4th St. SW and 5th St SW				91		253		-		-	-	344	406,077
C.7830 - 1st Stret NW San. Sewer Diversion from 1st Ave to Broadway				-		-		-	173	-	173	173	2,171,651
C.7919 - 6th Street Bridge over Zumbro River		113,420		81,755		-		-	392,000	270,284	392,000	662,427	1,155,918
Total Infrastructure	4,000,000	333,990	-	1,134,120	-	135,210	11,328,089	314,133	981,189	319,727	16,309,278	2,850,455	72,006,669
Transit													
C.8702 - RPTSolarPwrdBusFleetGrntApp											-	-	51,333
C.8703 - FTA TOD Pilot PrgmGrntApplctn											-	-	26,058
C.8704 - FTA Low-NoEmissions PrgGrntApl											-	-	1,140
C.8705 - Transit Circulator-FTAGrntBus&Fact											-	-	19,258
C.8707 - Rapid Transit Projects		763,352		397,028		47,587		128,086	225,000	1,174,596	225,000	4,180,804	15,588,832
C.8708 - Transit Villages 1&2											-	-	29,321
C.8709 - Arrive Rochester Implementation		3,570		3,570		-		-		-	-	14,280	177,717
C.8804 - TH 52 LID Bld GrantApplication											-	-	22,145
C.8901 - TH 14/52 InterchangeBldGrntApp											-	-	36,331
Total Transit	-	766,922	-	400,598	-	47,587	-	128,086	225,000	1,174,596	225,000	4,195,084	28,132,545
Total Project Costs	\$ 4,003,827	\$ 1,828,208	\$ (4,185)	\$ 2,996,663	\$ (5,623)	\$ 978,540	\$ 11,324,272	\$ 1,051,029	\$ 1,200,354	\$ 2,390,321	\$ 16,523,514	\$ 12,653,884	\$ 190,530,585

CLIFTONLARSONALLEN LLP
2689 COMMERCE DRIVE NW, SUITE 201
ROCHESTER, MN 55901

DESTINATION MEDICAL CENTER CORPORATION
201 4TH STREET SE, 204
ROCHESTER, MN 55904

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Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat, select the "Actual Size" in the Adobe "Print" dialog.

CLIENT ' S COPY



September 19, 2024

Destination Medical Center Corporation
201 4th Street SE 204
Rochester, MN 55904

Destination Medical Center Corporation:

Enclosed is the organization's 2023 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-TE to our office. We will transmit the return electronically to the IRS and no further action is required. Please return Form 8879-TE to us as soon as possible, but no later than by November 15, 2024 the filing deadline.

In addition, tax-exempt organizations must make available for public inspection a copy of their annual returns for the preceding three years and exemption application, if applicable. An organization generally must furnish filings to anyone who requests them in person or in writing. An exempt organization may meet this requirement by posting all the documents on its website or at another organizations site as part of a database of similar materials. Specific requirements must be met to meet this exception.

MINNESOTA ANNUAL REPORT:

The Minnesota Annual Report should be mailed on or before November 15, 2024 to:

Minnesota Attorney Generals Office
Charities Division
445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130

Enclose a check or money order for \$25, payable to State of Minnesota.

Include the organization's Federal Employer Identification Number and 2023 Annual Report on the remittance.

The report should be signed and dated by the authorized individual(s).

Please include the following items with your MN Charities Annual Report submission:

- Copy of the Form 990 plus all schedules
- Copy of the Audited Financial Statements
- Full listing of the board of directors including names, titles, addresses, and compensation paid to each
- Full listing of banks the organization's funds are deposited with
- \$25 registration fee

The documents can be mailed to the address listed above, or send via email to:

charity.registration@ag.state.mn.us. You may pay the \$25 registration fee via check, or credit card. If you would like to pay via credit card you may do so at: www.ag.state.mn.us/Charity/CharFees.aspx.

A few final reminders relating to your tax return filings:

- There are substantial penalties for failure to properly disclose and report foreign financial accounts and foreign activity. Please make sure you have informed us of any foreign financial accounts or foreign activity so that we have the necessary information to complete any required disclosures or filings.
- Be sure to review the returns prior to signing as you have final responsibility for all information included in the returns. Please contact us if you have any questions or concerns.
- We recommend you keep a paper or electronic copy of your tax returns permanently. Supporting documentation should be kept for a minimum of seven years based on IRS guidance.

CLA exists to create opportunities – for our clients, our people, and our communities. We value our relationship with you and thank you for your trust and confidence in allowing us to serve you. If we can assist you in making strategic, informed decisions in areas of tax or beyond, please contact us as questions arise throughout the year.

Sincerely,

CliftonLarsonAllen LLP



CliftonLarsonAllen LLP
CLAconnect.com

DESTINATION MEDICAL CENTER CORPORATION

FORM 990 INCOME TAX RETURN

FOR YEAR ENDED DECEMBER 31, 2023

IRS E-file Signature Authorization for a Tax Exempt Entity

For calendar year 2023, or fiscal year beginning _____, 2023, and ending _____, 20____

2023

Department of the Treasury
Internal Revenue Service

Do not send to the IRS. Keep for your records.
Go to www.irs.gov/Form8879TE for the latest information.

Name of filer **DESTINATION MEDICAL CENTER CORPORATION** EIN or SSN **46-4959371**

Name and title of officer or person subject to tax **MARK THEIN
TREASURER**

Part I Type of Return and Return Information

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not complete more than one line in Part I.**

1a Form 990 check here <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>2,402,541.</u>
2a Form 990-EZ check here <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part V, line 5)	4b _____
5a Form 8868 check here <input type="checkbox"/>	b Balance due (Form 8868, line 3c)	5b _____
6a Form 990-T check here <input type="checkbox"/>	b Total tax (Form 990-T, Part III, line 4)	6b _____
7a Form 4720 check here <input type="checkbox"/>	b Total tax (Form 4720, Part III, line 1)	7b _____
8a Form 5227 check here <input type="checkbox"/>	b FMV of assets at end of tax year (Form 5227, Item D)	8b _____
9a Form 5330 check here <input type="checkbox"/>	b Tax due (Form 5330, Part II, line 19)	9b _____
10a Form 8038-CP check here <input type="checkbox"/>	b Amount of credit payment requested (Form 8038-CP, Part III, line 22)	10b _____

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that I am an officer of the above entity or I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2023 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

I authorize **CLIFTONLARSONALLEN LLP** to enter my PIN **82924**
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the tax year 2023 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2023 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax _____

Date _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

41051913129

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2023 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature **CRAIG POPENHAGEN**

Date **09/19/24**

ERO Must Retain This Form - See Instructions

Do Not Submit This Form to the IRS Unless Requested To Do So

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8879-TE** (2023)

**Application for Extension of Time To File an Exempt Organization
Return or Excise Taxes Related to Employee Benefit Plans**

Department of the Treasury
Internal Revenue Service

File a separate application for each return.
Go to www.irs.gov/Form8868 for the latest information.

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

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

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

Part I - Identification

Type or Print	Name of exempt organization, employer, or other filer, see instructions. DESTINATION MEDICAL CENTER CORPORATION	Taxpayer identification number (TIN) 46-4959371
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 201 4TH STREET SE, 204	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ROCHESTER, MN 55904	

Enter the Return Code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 4720 (other than individual)	09
Form 4720 (individual)	03	Form 5227	10
Form 990-PF	04	Form 6069	11
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 8870	12
Form 990-T (trust other than above)	06	Form 5330 (individual)	13
Form 990-T (corporation)	07	Form 5330 (other than individual)	14
Form 1041-A	08		

• After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330.

• If this application is for an extension of time to file Form 5330, you must enter the following information.

Plan Name _____
 Plan Number _____
 Plan Year Ending (MM/DD/YYYY) _____

Part II - Automatic Extension of Time To File for Exempt Organizations (see instructions)

The books are in the care of **BRIAN ANDERSON**
201 4TH STREET SE, ROOM 204 - ROCHESTER, MN 55904

Telephone No. **(507) 328-2850** Fax No. _____

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

1 I request an automatic 6-month extension of time until **NOVEMBER 15**, 20 **24**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 calendar year 20 **23** or
 tax year beginning _____, 20 _____, and ending _____, 20 _____

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

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

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
 Go to www.irs.gov/Form990 for instructions and the latest information.

2023

Open to Public Inspection

A For the **2023** calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization DESTINATION MEDICAL CENTER CORPORATION		D Employer identification number 46-4959371
	Doing business as		E Telephone number 507-328-2850
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 2,402,541.
	201 4TH STREET SE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code ROCHESTER, MN 55904		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No

F Name and address of principal officer: **MARK THEIN**
SAME AS C ABOVE

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: **WWW.DMC.MN**

K Form of organization: Corporation Trust Association Other

L Year of formation: **2013** **M** State of legal domicile: **MN**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PLANNING & IMPLEMENTATION OF DESTINATION MEDICAL CENTER DEVELOPMENT IN DOWNTOWN ROCHESTER, MN.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5 Total number of individuals employed in calendar year 2023 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	8
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 2,009,253.	Current Year 2,402,468.
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13.	73.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,009,266.	2,402,541.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
14 Benefits paid to or for members (Part IX, column (A), line 4)		0.	0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		0.	0.
16a Professional fundraising fees (Part IX, column (A), line 11e)		0.	0.
b Total fundraising expenses (Part IX, column (D), line 25)		0.	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		2,009,266.	2,402,541.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		2,009,266.	2,402,541.
19 Revenue less expenses. Subtract line 18 from line 12	0.	0.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 331,978.	End of Year 476,415.
	21 Total liabilities (Part X, line 26)	331,978.	476,415.
	22 Net assets or fund balances. Subtract line 21 from line 20	0.	0.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date			
	MARK THEIN, TREASURER Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name CRAIG POPENHAGEN	Preparer's signature CRAIG POPENHAGEN	Date 09/19/24	Check if self-employed <input type="checkbox"/>	PTIN P01587689
	Firm's name CLIFTONLARSONALLEN LLP	Firm's EIN 41-0746749	Phone no. 507-280-2300		
Firm's address 2689 COMMERCE DRIVE NW, SUITE 201 ROCHESTER, MN 55901					

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: WITH MAYO CLINIC AT ITS HEART, THE DESTINATION MEDICAL CENTER (DMC) INITIATIVE WILL BE THE CATALYST TO POSITION ROCHESTER, MINNESOTA AS THE WORLD'S PREMIER DESTINATION CENTER FOR HEALTH AND WELLNESS; ATTRACTING PEOPLE, INVESTMENT, AND JOBS TO AMERICA'S CITY FOR HEALTH

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 2,236,768. including grants of \$ 0.) (Revenue \$ 0.) OVERSIGHT, PREPARATION AND IMPLEMENTATION OF THE DEVELOPMENT PLAN - AN IN DEPTH STUDY OF INFRASTRUCTURE, PLANNING, AND DEVELOPMENT OPPORTUNITIES, AND FRAMEWORK TO SUPPORT THE DEVELOPMENT OF ROCHESTER AS A DESTINATION MEDICAL CENTER.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 2,236,768.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 21 regarding organizational requirements and financial reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 22 through 38 regarding grants, compensation, tax-exempt bonds, excess benefits, and controlled entities.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V []

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1a, 1b, and 1c regarding Form 1096, Forms W-2G, and backup withholding rules.

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

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 17 regarding employee reporting, tax shelter transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body?; 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe on Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MN
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[] Own website [] Another's website [X] Upon request [] Other (explain on Schedule O)
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records
BRIAN ANDERSON - (507) 328-2850
201 4TH STREET SE, ROOM 204, ROCHESTER, MN 55904

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) PAMELA WHEELOCK CHAIR	6.00 0.00	X		X				0.	0.	0.
(2) KIM NORTON VICE CHAIR	4.00 0.00	X		X				0.	0.	0.
(3) MARK THEIN TREASURER	4.00 0.00	X		X				0.	0.	0.
(4) PAUL WILLIAMS SECRETARY	4.00 0.00	X		X				0.	0.	0.
(5) JAMES CAMPBELL DIRECTOR	4.00 0.00	X						0.	0.	0.
(6) R.T. RYBAK DIRECTOR	4.00 0.00	X						0.	0.	0.
(7) DOUG M. BAKER DIRECTOR	4.00 0.00	X						0.	0.	0.
(8) BROOKE CARLSON DIRECTOR	4.00 0.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes subtotal rows 1b, 1c, 1d.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 0

Table with 3 columns: Question number, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Lists contractors like DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT PLAN and MCGRANN SHEA CARNIVAL STRAUGHN & LAMB.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 2

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	2,402,468.				
	f	All other contributions, gifts, grants, and similar amounts not included above ...	1f					
	g	Noncash contributions included in lines 1a-1f	1g	\$				
	h	Total. Add lines 1a-1f		2,402,468.				
Program Service Revenue	2 a	_____	Business Code					
	b	_____						
	c	_____						
	d	_____						
	e	_____						
	f	All other program service revenue						
	g	Total. Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		73.			73.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	6a	(i) Real				
				(ii) Personal				
	b	Less: rental expenses ...	6b					
	c	Rental income or (loss)	6c					
	d	Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	7a	(i) Securities				
				(ii) Other				
	b	Less: cost or other basis and sales expenses	7b					
	c	Gain or (loss)	7c					
	d	Net gain or (loss)						
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a					
b	Less: direct expenses	8b						
c	Net income or (loss) from fundraising events							
9 a	Gross income from gaming activities. See Part IV, line 19	9a						
b	Less: direct expenses	9b						
c	Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances	10a						
b	Less: cost of goods sold	10b						
c	Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a	_____	Business Code					
	b	_____						
	c	_____						
	d	All other revenue						
	e	Total. Add lines 11a-11d						
12	Total revenue. See instructions			2,402,541.	0.	0.	73.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management				
b Legal	106,706.		106,706.	
c Accounting	6,398.		6,398.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	9,335.		9,335.	
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	31,778.		31,778.	
17 Travel	1,857.		1,857.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest	4,097.	4,097.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	9,699.		9,699.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a PROGRAM COSTS	2,232,671.	2,232,671.		
b _____				
c _____				
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	2,402,541.	2,236,768.	165,773.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	2,181.	2	879.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	61,307.	9	51,854.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	268,490.	15	423,682.
16 Total assets. Add lines 1 through 15 (must equal line 33)	331,978.	16	476,415.	
Liabilities	17 Accounts payable and accrued expenses	169,671.	17	323,561.
	18 Grants payable		18	
	19 Deferred revenue	61,307.	19	51,854.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	101,000.	25	101,000.
	26 Total liabilities. Add lines 17 through 25	331,978.	26	476,415.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions		27	
	28 Net assets with donor restrictions		28	
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	0.	32	0.
	33 Total liabilities and net assets/fund balances	331,978.	33	476,415.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,402,541.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,402,541.
3	Revenue less expenses. Subtract line 2 from line 1	3	0.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	0.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	0.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- 2b Were the organization's financial statements audited by an independent accountant?
- 2c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F?
- 3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2700723.	2349677.	2053572.	2009253.	2402468.	11515693.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	2700723.	2349677.	2053572.	2009253.	2402468.	11515693.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						11515693.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
7 Amounts from line 4	2700723.	2349677.	2053572.	2009253.	2402468.	11515693.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...	14.			13.	73.	100.
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						11515793.
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2023 (line 6, column (f), divided by line 11, column (f))	14	100.00	%
15 Public support percentage from 2022 Schedule A, Part II, line 14	15	100.00	%
16a 33 1/3% support test - 2023. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			<input checked="" type="checkbox"/>
b 33 1/3% support test - 2022. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2023. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2023. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2022. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described on line 11a above?		
c A 35% controlled entity of a person described on line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		
1		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	Yes	No
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer lines 3a and 3b below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		
2a		
2b		
3a		
3b		

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

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). See instructions.
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2023 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2023	(iii) Distributable Amount for 2023
1 Distributable amount for 2023 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2023 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2023			
a From 2018			
b From 2019			
c From 2020			
d From 2021			
e From 2022			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2023 distributable amount			
i Carryover from 2018 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2023 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2023 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2023, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2024. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2019			
b Excess from 2020			
c Excess from 2021			
d Excess from 2022			
e Excess from 2023			

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Attach to Form 990, 990-EZ, or 990-PF.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990) (2023)

Name of organization DESTINATION MEDICAL CENTER CORPORATION	Employer identification number 46-4959371
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CITY OF ROCHESTER 201 4TH STREET SE ROCHESTER, MN 55904	\$ 2,402,468.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization DESTINATION MEDICAL CENTER CORPORATION	Employer identification number 46-4959371
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____

Name of organization DESTINATION MEDICAL CENTER CORPORATION	Employer identification number 46-4959371
---	---

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public Inspection

Name of the organization DESTINATION MEDICAL CENTER CORPORATION Employer identification number 46-4959371

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2d above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: \$. Rows include: 1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items. (i) Revenue included on Form 990, Part VIII, line 1. (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items: a Revenue included on Form 990, Part VIII, line 1. b Assets included in Form 990, Part X.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2023

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply).
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations? | 3a(i) | |
| (ii) Related organizations? | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B)) 0.

Part VII Investments - Other Securities

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, line 12, col. (B))		

Part VIII Investments - Program Related

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, line 13, col. (B))		

Part IX Other Assets

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) ADVANCE TO DMC EDA	100,000.
(2) DUE FROM OTHER GOVERNMENTS	323,682.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 15, col. (B))	423,682.

Part X Other Liabilities

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO OTHER GOVERNMENTS	101,000.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	101,000.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:
AND SUPPORTING THE ECONOMIC GROWTH OF MINNESOTA AND ITS BIOSCIENCES
SECTOR.

FORM 990, PART VI, SECTION A, LINE 1A:

THE EXECUTIVE COMMITTEE IS COMPRISED OF THE CHAIR, TREASURER, AND SUCH
OTHER PERSONS, IF ANY, ELECTED BY THE BOARD OF DIRECTORS. THE MARJORITY OF
THE MEMBERS OF THE EXECUTIVE COMMITTEE SHALL BE DIRECTORS. THE EXECUTIVE
COMMITTEE SHALL ACT ONLY DURING INTERVALS BETWEEN MEETINGS OF THE BOARD OF
DIRECTORS AND SHALL AT ALL TIMES BE SUBJECT TO THE CONTROL AND DIRECTION OF
THE BOARD OF DIRECTIONS. DURING SUCH INTERVALS AND SUBJECT TO SUCH CONTROL
AND DIRECTION, THE EXECUTIVE COMMITTEE SHALL HAVE AND MAY EXERCISE ALL OF
THE AUTHORITY AND POWERS OF THE BOARD OF DIRECTORS IN THE MANAGEMENT OF THE
AFFAIRS OF THE ORGANIZATION.

FORM 990, PART VI, SECTION A, LINE 7A:

THE GOVERNING DOCUMENTS PROVIDE THAT THE FILING ORGANIZATION'S BOARD OF
DIRECTORS ARE APPOINTED AS FOLLOWS:

"THE MAYOR OF ROCHESTER, MN (OR DESIGNEE) SUBJECT TO APPROVAL BY THE CITY
COUNCIL.

"THE CITY COUNCIL PRESIDENT, (OR DESIGNEE) SUBJECT TO APPROVAL BY THE CITY
COUNCIL.

"THE CHAIR OR ANOTHER MEMBER OF THE COUNTY BOARD OF OLMSTED COUNTY,
APPOINTED BY THE COUNTY BOARD.

"A REPRESENTATIVE OF MAYO CLINIC APPOINTED BY MAYO CLINIC

"FOUR DIRECTORS APPOINTED BY THE GOVERNOR OF MINNESOTA, SUBJECT TO

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

Schedule O (Form 990) 2023

LHA 332211 11-14-23

Name of the organization DESTINATION MEDICAL CENTER CORPORATION	Employer identification number 46-4959371
--	--

CONFIRMATION BY THE MINNESOTA SENATE.

FORM 990, PART VI, SECTION A, LINE 7B:

THE GOVERNING DOCUMENTS PROVIDE THAT THE FILING ORGANIZATION CAN AMEND THE ARTICLES OF INCORPORATION SUBJECT TO APPROVAL BY THE CITY OF ROCHESTER, MINNESOTA. THE CITY OF ROCHESTER, MINNESOTA ALSO HAS RIGHTS AND POWERS OF APPROVAL RELATED TO THE FILING ORGANIZATION'S ANNUAL BUDGET/FUNDING REQUEST AND INCURRENCE OF LONG-TERM DEBT.

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

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

FORM 990, PART VI, SECTION B, LINE 12C:

THE DMCC HAS A WRITTEN CONFLICT OF INTEREST POLICY. IN ADDITION, THE DMCC DIRECTORS ARE PUBLIC OFFICIALS UNDER MINNESOTA STATUTES SECTION 10A.01, SUBD. 35. SEE MINN. STAT. SECTION 469.41, SUBD. 10. PUBLIC OFFICIALS ARE SUBJECT TO STATUTORY CONFLICT OF INTEREST REQUIREMENTS. MINN. STAT. SECTION 10A.07.

FORM 990, PART VI, SECTION C, LINE 19:

THE DESTINATION MEDICAL CENTER CORPORATION IS SUBJECT TO THE MINNESOTA GOVERNMENT DATA PRACTICES ACT AND OPEN MEETING LAW, AND THEREFORE MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART XII, LINE 2C:

THE CORPORATION'S BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF

Name of the organization

DESTINATION MEDICAL CENTER CORPORATION

Employer identification number

46-4959371

ITS INDEPENDENT ACCOUNTANT.

Lined area for providing details of independent accountants.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public Inspection

Name of the organization **DESTINATION MEDICAL CENTER CORPORATION** Employer identification number **46-4959371**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
DESTINATION MEDICAL CENTER ECONOMIC DEVELOPMENT AGENCY - 46-4893585, 201 1ST STREET SW, ROCHESTER, MN 55905	PROVIDE SERVICES TO THE DMCC	MINNESOTA	501(C)(3)	LINE 7	N/A		X

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		X
1b		X
1c		X
1d	X	
1e		X
1f		X
1g		X
1h		X
1i		X
1j		X
1k		X
1l		X
1m	X	
1n		X
1o		X
1p	X	
1q		X
1r		X
1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VII Supplemental Information

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

Multiple horizontal lines for supplemental information.

Mail To:

Minnesota Attorney General's Office
Charities Division
445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130

**STATE OF MINNESOTA
CHARITABLE ORGANIZATION
ANNUAL REPORT FORM**

C2

Website Address:

www.ag.state.mn.us/charity

(Pursuant to Minn. Stat. ch. 309)

SECTION A: Organization Information

Legal Name of Organization DESTINATION MEDICAL CENTER CORPORATION

Federal EIN: 46-4959371

Fiscal Year-End: 12312023

mm/dd/yyyy

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

Mailing Address: MARK THEIN	Physical Address: MARK THEIN
Contact Person 201 4TH STREET SE, NO. 204	Contact Person 201 4TH STREET SE, NO. 204
Street Address ROCHESTER, MN 55904	Street Address ROCHESTER, MN 55904
City, State, and ZIP Code 507-328-2850	City, State, and ZIP Code 507-328-2850
Phone Number MARK.THEIN@OLMSTEDCOUNTY.GOV	Phone Number MARK.THEIN@OLMSTEDCOUNTY.GOV
Email Address	Email Address

1. Organization's website: WWW.DMC.MN

2. List all of the organization's alternate and former names (attach list if more space is needed).

Alternate Former
 Alternate Former

3. List all names under which the organization solicits contributions (attach list if more space is needed).

DESTINATION MEDICAL CENTER CORPORATION

4. Is the organization incorporated pursuant to Minn. Stat. ch. 317A? Yes No

5. Total amount of contributions the organization received from Minnesota donors: \$ 2,402,468.

6. Has the organization's tax-exempt status with the IRS changed?

Yes No If yes, attach explanation.

7. Has the organization significantly changed its purpose(s) or program(s)?

Yes No If yes, attach explanation.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

8. Has the organization been denied the right to solicit contributions by any court or government agency?
 Yes No If yes, attach explanation.

9. Does the organization use the services of a professional fundraiser (outside solicitor or consultant) to solicit contributions in Minnesota? Yes No
If yes, provide the following information for each (attach list if more space is needed):

Name of Professional Fundraiser	Compensation
Street Address	City, State, and ZIP Code

10. Is the organization a food shelf? Yes No
If yes, is the organization required to file an audit? Yes, audit attached No

Note: An organization that has total revenue of more than \$750,000 is required to file an audit prepared in accordance with generally accepted accounting principles by an independent CPA or LPA. The value of donated food to a nonprofit food shelf may be excluded from the total revenue if the food is donated for subsequent distribution at no charge and is not resold.

11. Do any directors, officers, or employees of the organization or its related organization(s) receive total compensation* of more than \$100,000? Yes No
If yes, provide the following information for the five highest paid individuals:

Name and title	Compensation*	Other compensation

*Compensation is defined as the total amount reported on Form W-2 (Box 5) or Form 1099-MISC (Box 7) issued by the organization and its related organizations to the individual. See Minn. Stat. § 309.53, subd. 3(i) and Minn. Stat. § 317A.011 for definitions.

12. A full list of the organization's board of directors, including names, addresses, and total compensation paid to each (attach list if more space is needed).

SEE STATEMENT 1

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

13. A full list of the names of all banks or other financial institutions in which the organization's funds are deposited. DO NOT include account numbers. (Attach list if more space is needed.)
WELLS FARGO

SECTION B: Financial Information

This section must be completed by organizations that file an IRS Form 990-EZ, 990-PF, or 990-N.
Organizations that file an IRS Form 990 may skip Section B and go directly to Section C.

INCOME

1. Contributions Received	\$ _____	1
2. Government Grants	\$ _____	2
3. Program Service Revenue	\$ _____	3
4. Other Revenue	\$ _____	4
5. TOTAL INCOME	\$ _____	5

EXPENSES

6. Program Expenses	\$ _____	6
7. Management & General Expenses	\$ _____	7
8. Fund-raising Expenses	\$ _____	8
9. TOTAL EXPENSES	\$ _____	9
10. EXCESS or DEFICIT	\$ _____	10
(Line 5 minus Line 9)		

ASSETS

11. Cash	\$ _____	11
12. Land, Buildings & Equipment	\$ _____	12
13. Other Assets	\$ _____	13
14. TOTAL ASSETS	\$ _____	14

LIABILITIES

15. Accounts Payable	\$ _____	15
16. Grants Payable	\$ _____	16
17. Other Liabilities	\$ _____	17
18. TOTAL LIABILITIES	\$ _____	18

FUND BALANCE/NET WORTH

\$ _____

(Line 14 minus Line 18)

**CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)**

Section B (continued): Statement of Functional Expenses

This expense statement must be prepared in accordance with generally accepted accounting principles. Each column must be completed, and Columns B, C, and D must equal Column A. The amount on Line 25, Column A must match Line 17 of IRS Form 990-EZ or Line 26 of IRS Form 990-PF.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1. Grants and other assistance to governments and organizations in the U.S.				
2. Grants and other assistance to individuals in the U.S.				
3. Grants and other assistance to governments, organizations, and individuals outside the U.S.				
4. Benefits paid to or for members				
5. Compensation of current officers, directors, trustees, and key employees				
6. Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B)				
7. Other salaries and wages				
8. Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9. Other employee benefits				
10. Payroll taxes				
11. Fees for services (non-employees):				
a. Management				
b. Legal				
c. Accounting				
d. Lobbying				
e. Professional fundraising services				
f. Investment management fees				
g. Other				
12. Advertising and promotion				
13. Office expenses				
14. Information technology				
15. Royalties				
16. Occupancy				
17. Travel				
18. Payments of travel or entertainment expenses for any federal, state, or local public officials				
19. Conferences, conventions, and meetings				
20. Interest				
21. Payments to affiliates				
22. Depreciation, depletion, and amortization				
23. Insurance				
24. Other expenses. Itemize expenses not covered above. Expenses labeled miscellaneous may not exceed 5% of total expenses (Line 25).				
a. _____				
b. _____				
c. _____				
d. _____				
25. Total functional expenses. Add lines 1 through 24d				
26. Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in Column B joint costs from a combined educational campaign and fundraising solicitation				

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

Section C: Board of Directors Signatures and Acknowledgment

The form must be executed pursuant to a resolution of the board of directors, trustees, or managing group and must be signed by two officers of the organization. See Minn. Stat. § 309.52, subd. 3.

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

TREASURER (Title) and CHAIR (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

BOARD OF DIRECTORS (Board of Directors, Trustees, or Managing Group) adopted on the _____

day of _____, 20____, approving the contents of the document, and do hereby certify that the

BOARD OF DIRECTORS (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the operations and finances of the organization. We further state that the information supplied is true, correct and complete to the best of our knowledge.

MARK THEIN
Name (Print)

Signature

TREASURER
Title

Date

PAMELA WHEELOCK
Name (Print)

Signature

CHAIR
Title

Date

ANNUAL REPORT
INITIAL REGISTRATION

BOARD OF DIRECTORS

STATEMENT 1

<u>NAME AND ADDRESS</u>	<u>COMPENSATION</u>
PAMELA WHEELLOCK	0.
KIM NORTON	0.
MARK THEIN	0.
PAUL WILLIAMS	0.
JAMES CAMPBELL	0.
R.T. RYBAK	0.
DOUG M. BAKER	0.
BROOKE CARLSON	0.



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Destination Medical Center Corporation

September 2024


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Form 990 Overview – Key Areas



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Part III – Mission and Program Service Accomplishments

- The Form 990 is the annual tax return filed with the IRS for organizations that have been granted tax-exempt status
 - It tells the organization’s story (mission, financial, leadership, funders, and community it serves)
- Part III – Question 1: (page 3) – statement of DMCC’s organizational purpose
- Part III – Question 4a: (page 3) – annual program service accomplishments
 - Narrative can be updated each year to list what activities were conducted.
 - Can go into specifics (number of projects, communities service, etc.)



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Part VI – Governance, Management, and Disclosure

- Section A & B (page 6) – describes what type of governance the organization has, and oversight conducted
 - Question 11a/b – describes the process for board review of the 990 prior to submission
 - Question 12a/b/c – describes the organization’s conflict of interest policy and how that is monitored



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Part VII – Board Listing & Independent Contractors

- Section A (page 7) – lists all board members that served in a voting board member capacity during 2023
 - No individual was compensated for their time as a board member
- Section B (page 8) – lists any independent contractor that was paid more than \$100,000 for services during 2023



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Part VIII, IX and X – Financial Information

- Part VIII (page 9) – Statement of Revenue
- Part IX (page 10) – Statement of Functional Expenses
 - Program expenses = 93.10%
 - Management expenses = 6.89%
- Part X (page 11) – Balance Sheet



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Schedule A – Public Support Test & Schedule B – Contributor Information

- Schedule A, Part II (page 2) – shows the organization’s support from the public over a 5 year historic period
 - DMCC is 100% supported by funds from the City of Rochester
 - Public Support Percentage test for 2023 (line 14) = 100%
 - must be at least 33% to pass test
 - Other revenue minimal (line 9) – interest income
- Schedule B, Part I (page 2) – lists revenue received from donors
 - DMCC is 100% supported by funds from the City of Rochester
 - Historical context – creation of DMCC/funding process



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Schedule O – Narratives to Form 990

- Schedule O – continuation of narratives from questions throughout Form 990
 - Examples:
 - How the executive committee is comprised
 - How the board of directors are appointed
 - How the board reviews a draft of the 990



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Schedule R – Related Organizations

- Schedule R, Part II – lists the related organization to DMCC: Destination Medical Center Economic Development Agency
- Schedule R, Part V – lists the types of transactions between DMCC & DMCEDA



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IRS Form 990 - Summary

- Filing deadline is November 15, 2024
- Once board approves, CLA will gather signatures and electronically file the 990 with the IRS



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Minnesota Charitable Organization Annual Report

- Page 1, Line 6 – no changes to tax exempt status
- Page 1, Line 7 – no changes to purpose or programs
- Page 2, Line 8 – no changes in ability to solicit contributions
- Page 2, Line 11 – no compensation paid in excess of \$100,000
- Page 3, Line 13 – new in 2023 – organizations are required to disclose all banks where funds are deposited



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Minnesota Charitable Organization Annual Report - Summary

- Filing deadline is November 15, 2024
- Once board approves, signatures needed on page 5 of the report, and then organization to submit (paper) & pay \$25 registration fee



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Minnesota Secretary of State – Annual Renewal

- Filed online with Minnesota Secretary of State
- In good standing through December 31, 2024
- Annual renewal to be filed (online) for 2025

Minnesota Business Name	
Destination Medical Center Corporation	
Business Type Nonprofit Corporation (Domestic)	MN Statute 317A
File Number 682686400038	Home Jurisdiction Minnesota
Filing Date 7/23/2013	Status Active / In Good Standing
Renewal Due Date 12/31/2024	Registered Office Address 201 4th Str SE Rochester, MN 55904 USA
Registered Agent(s) (Optional) Currently No Agent	President Pamela Wheelock Destination Medical Center Corporation 201 4th Street SE Rochester, MN 55904 USA



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THANK YOU

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DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2024

A RESOLUTION DENYING A REQUEST FOR PRIVATE DEVELOPMENT FUNDING

BACKGROUND RECITALS

A. Under Minnesota Statutes, Section 469.41 Subdivision 13, a project must be approved by the Destination Medical Center Corporation (“**DMCC**”) before it is proposed to the City of Rochester (the “**City**”). The DMCC must review the proposed project for consistency with the Development Plan, adopted by the DMCC on April 23, 2015, as amended (the “**Development Plan**”).

B. The Development Plan established certain goals and objectives of economic development, which include creating approximately 35,000 – 45,000 new jobs, leveraging the public investment to attract private investment, attracting new business, and expanding existing business, as well as implementing strategies to attract, retain, and foster the development of a highly skilled workforce. The Development Plan also directed a comprehensive strategy to address all facets of building and sustaining the development district boundaries as adopted in the Development Plan (the “**Development District**”).

C. The Development Plan identified a desired housing mix that includes affordable and workforce units, as well as market-rate housing. The Five-Year Update to the Development Plan, adopted by the DMCC on November 19, 2020 in Resolution No. 109-2020, further emphasized the need for housing, particularly with a range of income accessibility, workforce housing, and housing near public transit. The DMCC has determined that affordable and workforce housing within the Development District forms a necessary component of workforce development to support the overall economic development goals and strategies.

D. The Development Plan further states that Destination Medical Center funding should provide gap financing to support extraordinary growth in the market.

E. The DMCC is charged with evaluating whether a proposed project (i) is consistent with the DMC vision, goals and objectives; (ii) is consistent with the Development Plan and any updates; (iii) is consistent with adopted strategies, phasing and capital improvement planning; (iv) is financially viable; and (v) complies with or support the economic-fiscal goals and objectives of the DMC initiatives (collectively, the “**Evaluation Criteria**”).

F. On July 17, 2024, R&R Properties of Mankato, LLP (the “**Applicant**”) submitted a joint funding application (the “**Request**”) for funding to facilitate the construction of a 94-unit multi-family rental development located at 503, 505 and 511 2nd Avenue Southwest (Discovery Walk) known as the R&R Properties Project (the “**Proposed Project**”).

G. Staff from the City and the Destination Medical Center Economic Development Agency (the “**EDA**”) have reviewed the Request and the Proposed Project in light of the Evaluation Criteria.

H. On September 12, 2024, the EDA voted to recommend denial of the Request. A detailed summary of the EDA review is attached hereto as **Exhibit A**. The recommendation of denial was based on an application of the evaluation factors contained in the Development Plan.

I. As set forth on Exhibit A, the Proposed Project does not sufficiently advance the goals of the Development Plan.

J. The DMCC has carefully considered the recommendation of the EDA and based on the materials submitted, has independently evaluated whether the Proposed Project is consistent with the Development Plan and the goals of the DMCC.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the DMCC **DENIES** the Request based on the following findings of fact:

1. While the Proposed Project meets the definition of a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11, the Proposed Project is inconsistent with the goal and priorities set forth pursuant to the Development Plan.

2. The Proposed Project does not support a housing mix which is identified as a priority within the Development Plan.

3. The Proposed Project requests in excess of \$8,440,000 in DMC funding (Destination Medical Center general state infrastructure aid) to contribute towards the approximate \$34,000,000 total project costs.

4. The level of public funding requested is inconsistent with the economic goals contained in the Development Plan related to public and private investment.

5. While the Proposed Project may not proceed without the public funding, evolving market conditions experienced throughout the market (i.e., interest rates, labor and supply costs, construction costs, operating expenses, etc.) are a commonality experienced by all developers in the market. These conditions are not a substantive consideration nor in line with the intended use for Destination Medical Center funding as contemplated within the Development Plan, which is that funding should provide gap financing to support extraordinary growth in the market.

6. The Proposed Project will not serve as a catalyst or anchor development in a subdistrict.

7. The Proposed Project does not activate the area through the introduction of commercial space or visible residential building amenity uses on street level.

8. The Request fails to provide sufficient evidence of financial viability.

9. The Request does not support the economic strategies of the Development Plan by providing civic/cultural uses and/or public amenities that support strategic growth in the DMC

Development District and/or specific business development and economic development strategies that are adopted as part of the DMC Development Plan.

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

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EXHIBIT A



**DESTINATION MEDICAL
CENTER ECONOMIC
DEVELOPMENT AGENCY**

Private Development Funding Request: R&R Properties of Mankato, LLP

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:

Consider attached resolution, "A RESOLUTION DENYING A REQUEST FOR PRIVATE DEVELOPMENT FUNDING"

Background:

The DMC EDA and City of Rochester evaluations and recommendation are included in this packet:

- Letter from DMC EDA Board of Directors President and Executive Director
- Summary DMC EDA staff memorandum
- DMC EDA Evaluation Report

Next Steps:

To be determined based on board action.

MEMORANDUM

EXHIBIT A

To: Chair Pam Wheelock and the Destination Medical Center Corporation Board of Directors

From: Dr. Clark Otley, President of the Board of Directors
Patrick Seeb, Executive Director
Destination Medical Center Economic Development Agency

Date: September 20, 2024

Re: **R&R Properties of Mankato, LLP DMC Funding Recommendation**

Dear Chair Wheelock and member of the DMCC Board of Directors:

The DMC legislation provides that the DMC EDA must assist the DMCC by “evaluating proposals for development and evaluating and making recommendations to the (DMCC) and the city regarding those proposals.” Accordingly, please find enclosed with this letter the DMC EDA staff evaluation of the DMC Joint Funding Application submitted by R&R Properties of Mankato, LLP on July 17, 2024, for a multifamily rental apartment building at 503, 505 and 511 2nd Avenue SW. Following our evaluation, the DMC EDA board of directors recommends that the DMCC board of directors decline to approve the applicant's request for funding.

We provide this recommendation following thorough consideration of the project as described in the Joint Funding Application and the evaluation prepared by staff, the priorities expressed by the DMCC, and the goals and objectives of the DMC Development Plan. The evaluation report outlines our analysis of the proposed project.

In addition to our project-specific evaluation, we believe it is incumbent upon us to note other factors that may weigh in your independent consideration of this funding request and our recommendation. These factors include:

- **Opportunity cost.** Major infrastructure needs at the West Transit Village and along the riverfront, as well as the opportunity to coordinate infrastructure investments with Mayo Clinic’s Bold. Forward. Unbound. in Rochester program, are top-of-mind for the DMC EDA as we prepare capital investment recommendations. These same considerations are reflected in the recommended 2025 DMC Capital Improvement Plan.

- **DMCC practice and priorities.** To date, the DMCC has not supported a market-rate-only housing development with resources beyond the property’s own tax increment financing (TIF) capacity. Given the blighted nature of this development site DMC TIF is not necessary, as the developer can apply for redevelopment TIF through the City of Rochester. Additionally, the housing developments that have received non-TIF support from the DMCC have incorporated elements that advance DMC priorities, including senior, workforce, and affordable housing or a commitment to connect to the downtown thermal energy network.
- **Prior DMC investments in the Discovery Square subdistrict.** Recent DMC-supported improvements include replacement and upsizing of below-grade infrastructure, major improvements to the streetscape and public realm, multi-modal transit infrastructure, and the development of One and Two Discovery Square.

These considerations are not unique to this project and, absent contrary direction from the DMCC, will be considered in any future evaluation and recommendation prepared by the DMC EDA. For the reasons detailed in the staff evaluation and the considerations noted above, we believe that the applicant’s request is not the highest and best use of DMC resources at this time.

In closing, we wish to emphasize that this recommendation is not an assessment of the appeal or appropriateness of the proposed project; indeed, we wish to see the successful redevelopment of this site along the recently completed Discovery Walk. Additionally, we are acutely aware of the need for more housing at all price points and are deeply appreciative of all developers currently working to add needed housing units across the DMC district.

Thank you for considering this recommendation.

Respectfully,

Clark Otley, M.D.
President of the Board of Directors

Patrick Seeb
Executive Director

To: DMC EDA Board of Directors
From: DMC EDA Staff
Date: August 30, 2024

RE: Review of the DMC Joint Funding Application submitted by R&R Properties of Mankato, LLP

We received a Joint Funding Application from R&R Properties of Mankato, LLP on July 17, 2024, for a multifamily rental apartment building at 503, 505 and 511 2nd Ave SW (Discovery Walk). The developer is looking for an understanding of what level of public support is possible for the project *as submitted*. Thus the level of project development is at the conceptual level, and project details (e.g. energy model, cladding materials, final unit count, land value, loan sizing, TIF valuation, etc.) are not yet fully developed, but the main characteristics of the project are clear:

- A. The proposed project is 94 units of rental market rate housing, in a district that has already had significant public and private investment;
- B. The request for public subsidy in excess of \$11,000,000 (TIF and DMC GSIA funds), far exceeding any prior housing support on a per/unit basis and as a percent of the total project cost;

Staff and DMC EDA board members have reviewed the project and **do not** find this to be a significantly transformative project that warrants the use of DMC resources, given current DMC priorities and competing demands for limited public infrastructure funds.

While it is likely the project could meet all necessary minimum requirements to be considered for DMC funding, in addition to establishing the minimum project evaluation criteria, the DMC Development Plan describes key DMC funding assumptions, including that: 1) DMC funds should be invested to “support goals, objectives and strategic priorities” and 2) “DMC funds should provide gap financing to support extraordinary growth in the market.” As further described in the more detailed report that follows this memo, the proposed project does not sufficiently align with DMC goals, objectives, and strategic priorities (specifically affordable housing) as affirmed by the DMCC board of directors, and does not result in extraordinary growth in the market.

Evolving market conditions are experienced by many development proposals and, therefore, are too common to be a substantive consideration in this evaluation (interest rates, labor and supply costs, operating expenses, etc.).

Finding: Without public financial support, the project would likely not proceed in its current configuration. However, the level of public funding requested far exceeds any precedent levels of support for a project of this type and does not maximize the use of private equity typically seen in such projects.

This project would add rental housing capacity to the market, advancing a community goal to add downtown housing units and support the employment, retail and recreational opportunities that are within walking distance. Given its proximity to Discovery Square and Mayo Clinic, where demand will likely grow, we expect a project at this location could be successful. However, we do not find this to be a significantly transformative project that warrants the use of DMC resources, given current DMC priorities and competing demands for limited public infrastructure funds.

R&R Properties of Mankato, LLP Housing Development

EVALUATION REPORT

September 20, 2024

EXECUTIVE SUMMARY / RECOMMENDATION

STATEMENT OF RECOMMENDATION:

Based upon information provided to the DMC EDA by R&R Properties of Mankato, LLP (the “Applicant”), the Proposed Project aligns with the Destination Medical Center (“DMC”) vision but is not fully consistent with the DMC priority goals, objectives and values. The following complete report evaluates the Proposed Project on all criteria as required by the DMC Development Plan. The proposed project is a 121,350 GSF new construction building that provides approximately 94 units of market rate rental housing using 5 stories of wood-frame construction, above 3 concrete floors of structured garage containing 89 parking spaces and bike storage. It is walkable to major employers and the People’s Food Co-op. The site currently contains several boarded up single-family homes and has been designated a blighted site in the Discovery Square subdistrict;

The DMC EDA concludes that this project is largely consistent with the current development pattern in the area, except for not including ground floor space that activates the streetfront along Discovery Walk.

The DMC EDA analysis has determined that the level of public support requested far exceeds any precedent levels of support for a project of this type and does not maximize the use of private equity typically seen in projects of this type. We do not find this to be a significantly transformative project that warrants the use of DMC resources, given current DMC priorities and competing demands for limited public infrastructure funds.

The following complete report evaluates the Proposed Project on all criteria as required by the Development Plan.

STATEMENT OF ELIGIBILITY:

Based upon information provided by the R&R Properties of Mankato, LLP, the Proposed R&R Properties of Mankato, LLP 2nd Street Development Project includes elements qualifying it for consideration to be designated a “public infrastructure project” under the DMC Act, and the Proposed Project falls within the DMC Development District boundaries (Discovery Square subdistrict).

PROJECT SUMMARY:

The R&R Properties of Mankato, LLP 2nd Street Development includes construction of an approximately 121,350 GSF new construction building, an infill project that provides 94 units of market rate rental housing using wood-frame construction, above 3 concrete floors of structured garage containing 89 parking spaces and bike storage, walkable to major employers and the People’s Food Co-op. The newly completed Discovery Walk is directly outside the 2nd Avenue frontage of the building.

Currently there are vacant and boarded up houses on the land that have been owned by developer/applicant since 2014. The properties were purchased for \$914,600 in 2014 and have remained vacant since. The applicant has applied for Redevelopment TIF to the City of Rochester and it is expected that the priorities would meet the blight test, as the applicant has left the properties in a boarded up condition for the past decade.

The Olmsted County property assessor has estimated that the proposed building will be worth approximately \$21,700,000 upon completion. The proposed development would redevelop and replace 3 existing parcels including 3 single family homes. The proposed unit mix in the residential tower is to have 5 studios, 50 alcove studios, 30 one-bedroom, and 9 two-bedroom apartment units. The amenity package for use by all residents will include a club room, parking for cars and bicycles and roof terrace overlooking Discovery Walk. The Proposed Project falls on a site that has been deemed Blighted by the City of Rochester which qualifies the site as a “Redevelopment District”.

RELEVANT PROJECT HIGHLIGHTS:

The following list outlines relevant project highlights for consideration:

- Located in Discovery Square DMC Subdistrict;
- Provides capital investment of \$34 million;
- Create 2 full-time and 2 part-time permanent jobs for property management;
- It will create short-term construction jobs;
- Local property taxes will increase from \$15,000 to \$220,000 per year; (if TIF is granted by City of Rochester a portion of this would be captured within the TIF district)
- Project is aspiring to meet LEED certification standards;
- Project will provide high quality, higher density housing within a block of Rochester's employment hub, providing opportunities for many residents to access jobs with use of automobiles.

EVALUATION REPORT

SECTION 1.0 PROJECT OVERVIEW

The R&R Properties of Mankato, LLP 2nd Street Development includes construction of a 121,350 GSF new construction building that provides approximately 94 units of market rate rental housing using 5 stories of wood-frame construction, above 3 concrete floors of structured garage containing 89 parking spaces and bike storage. It is walkable to major employers and the People's Food Co-op. The site currently contains several boarded up single-family homes and has been designated a blighted site in the Discovery Square subdistrict. The proposed development would redevelop and replace 3 existing parcels including 3 single-family homes.

R&R Properties of Mankato, LLP has requested \$8,443,000 in DMC Infrastructure funds, as well as assuming \$3,472,000 in Redevelopment TIF, for a total of \$11,915,000 in public funds. That equates to \$126,755 in public subsidy per unit of market rate rental housing. The Olmsted County property assessor department, has estimated that the proposed building will be worth approximately \$21,700,000 upon completion. The TIF amount requested in this application was generated utilizing this assumed property value along with local tax rates and current associated financing fees.

SECTION 2.0 MINIMUM ELIGIBILITY REQUIREMENTS OF DMC ACT

Check the following that apply to the Project:

"Public Infrastructure Project"

- General Infrastructure Project or Transit/Transp. Project
 Within DMC Development District Boundaries

In order for a project to be eligible for DMC Funding, the project must be (1) a "public infrastructure project" and (2) within the DMC Development District Boundaries.

Per Minnesota Statutes, Section 469.40, Subdivision 11, a "Public Infrastructure Project" is described as a project financed in part or in whole with public money in order to support Mayo Clinic's development plans, as identified in the DMCC Development Plan. Based upon information provided by and representations made by the Applicant, the Proposed Project would qualify as a "Public Infrastructure Project" as required by the DMC Act.

SECTION 3.0 EVALUATION CRITERIA

The EDA's recommendation for the project outlined herein was formed in consideration of the following criteria:

- 3.1 DMC Vision, Goals and Objectives / Development Plan Strategies
- 3.2 Consistency with Development Plan and Other Planning Documents
- 3.3 Financial Viability
- 3.4 Consistency with Adopted Strategies, Phasing and Capital Improvement Planning
- 3.5 Targeted Business Enterprise Strategies
- 3.6 Compliance with Economic-Fiscal Goals and Objectives
- 3.7 Other Project Policy Considerations

SECTION 3.1 DMC VISION, GOALS AND OBJECTIVES / DEVELOPMENT PLAN STRATEGIES

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

Is the project consistent with the stated DMC Goals & Objectives and specifically contributing to job creation?

- **Does the project meet one or more of the goals and objectives established for the Development Plan?**

The Proposed Project is somewhat consistent with the DMC Goals and Objectives. It is new development but does not maximize the potential to leverage public investment to attract private investment, due to the large percent of the project's capital stack being sourced from public funds. It creates a small amount of permanent new jobs, generates future tax revenues, and offers new choices to enhance resident options for housing.

Is the project consistent with the DMC Vision?

- **Is the project part of a bold and aspirational concept for the future?**

The DMC initiative was designed to position Rochester, MN, as the world's premier destination center for health and wellness; attracting people, investment and jobs to America's City for Health and to support the economic growth of Minnesota and its biosciences sector. In considering projects for DMC funding, a project's ability to support and advance this aspirational vision should carry significant weight. The Applicant has not provided evidence that the Proposed Project has the potential to significantly contribute to the Plan's aspirational concept for the future of Rochester and Minnesota as a whole.

- **Does the project fit with the principles of the vision?**

The DMC plan is inclusive of a series of "guiding principles", established to provide guidance in completion and execution of the Plan. The Proposed Project herein reasonably adheres to the overall principles of the DMC plan, and possess the potential to substantially advance the DMC vision, with the exception of the parking ratio and lack of ground floor activation along Discovery Walk. It will advance principles of sustainability, as a LEED certified building.

- **Does the project provide a framework for growth in this sub-district?**

As DMC progresses, it is imperative that all projects/developments offer an established framework that is both visionary and flexible to respond to changing market conditions. This project is consistent with the emerging vision for more housing throughout the DMC District, but the level of public subsidy needed to support 94 units could send a message to the market that market rate housing is not supportable solely by private capital. There is currently a market rate multifamily housing project within 4 blocks of this project that is being built without any public subsidy.

Does the project build infrastructure to support growth and drive investment?

- **Would the investment occur without the public infrastructure to be funded?**

In evaluating projects for DMC Funding, the approving bodies must consider the "but for" test: Determining whether the proposed development would reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The Applicant states the assistance is necessary to develop the proposed site. Due to the current construction cost and interest rate

environment, as well as lack of additional private equity capital interested in the proposed project, the improvements to the public infrastructure would not be financially viable without financial assistance under the DMC guidelines. Through discussions and correspondence, the Developer has sufficiently demonstrated that the proposed project is unlikely to occur “but---for” the use of DMC funding. However, there are number of project elements that are still in flux.

• Is the proposed public infrastructure solely for the benefit of the project or does it also support the broader vision of the DMC District?

As identified in the Infrastructure Master Plan, there are six (6) key areas of infrastructure requirements: (1) public utilities, (2) bridges, subways and skyways, (3) shared parking, (4) parcel development, (5) civic uses, cultural uses and public amenities, and (6) technology improvement. The proposed project includes parcel improvement.

- Will the public funding accelerate private investment in the Development District or applicable subdistrict?**

The Proposed Project may not proceed without the requested public funding.

Does the project provide a catalyst for/or anchor for an approved strategy?

- Can the project reasonably be expected to catalyze or anchor development in one of the six subdistricts?**

No, but it will replace blighted properties.

- Can the project reasonably be expected to catalyze necessary transportation/transit strategies?**

The details provided in the project proposal indicate a parking ratio of nearly 1:1, though it is anticipated that many of the residents would not need a car for work commuting or grocery shopping due to the location. The garage is for the sole use of residents to warehouse cars for use. Bike parking for residents will also be included.

SECTION 3.2 CONSISTENCY WITH DEVELOPMENT PLAN, OTHER PLANNING DOCUMENTS

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

Is the project consistent with the DMC Planning Documents?

- **Is the project consistent with the current DMC Master Plan, Transportation Master Plan, and/or Infrastructure Master Plan?**

The Proposed Project replaces blighted properties along the newly completed Discovery Walk. The streetscape situated along 2nd Avenue will provide a low-activation pedestrian experience for both residents and visitors of Rochester, as there is no addition of commercial space or visible residential building amenity uses at the street level. It will provide needed housing at a highly walkable location.

- **Is the project consistent and/or supportive of the Finance Plan, Business Development Plan and other Implementation strategies of the DMC?**

The Business Development Plan and strategic framework/implementation plans for DMC have been developed around a series of objectives designed to achieve the goals of the DMC initiative. The R&R Properties of Mankato, LLP project will contribute an additional housing option to the Rochester market.

Is the project consistent with the City/County Planning Documents?

- **Is the project consistent with the RDMP Plan or City Comprehensive Plan?**

The R&R Properties of Mankato, LLP project also meets supporting principles of the City Comprehensive Plan: expand housing choices; enhance the integrity of existing neighborhoods and encourage compact; mixed-use developments.

Does the project support sustainability principles as a core objective in the development and operations of the project?

The Proposed Project has a preliminary conceptual commitment to supporting sustainability principles through development and operations of the project. No project specifics are yet known beyond a commitment to LEED certification.

SECTION 3.3 FINANCIAL VIABILITY [Form may vary based on size/scope of project]

Does the project include a plan that is financially viable?

Does the project include:

- Project Summary (e.g. concepts, detailed program, project team, etc.)
- Total Project Budget
- Sources of funding, demonstrating a verifiable gap that justifies DMC Funding
- Project Operating Pro Forma including an overview of any operations and maintenance funding that may be required
- A Project Plan and/or Market Study supporting the demand/need for the project
- Demonstration of financial capacity to support the project

Is the project supported by current market conditions and comprehensive feasibility studies?

The Proposed Project is supported by the overall Olmsted County Housing Needs Assessment that indicated housing needs across the economic spectrum.

Does the project leverage additional private funds, maximizing the use of DMC Funds?

Of the - total project costs, private contributions will consist of contributed land value (the valuation of which is not yet agreed to by DMC EDA staff) and a deferred developer fee, debt financing, \$3,472,000 in TIF requested from the City (staff anticipates that actual TIF capacity will be lower) which leaves the requested \$8,443,000 DMC Funding. This is lower leverage of DMC funds than has been utilized to date in prior projects.

Is the preliminary project finance plan comprehensive and viable based upon Project Team and financial capacity?

Given the early stage of project development, the DMC EDA has not been provided with a finance plan that is sufficiently comprehensive to evaluate for project viability.

Is the project inclusive of an Operation and Maintenance pro forma?

Yes; however, given the early stage of project development, the DMC EDA cannot independently verify the pro forma operating and maintenance assumptions. Key details, such as building energy use under DMC sustainable building standards, are not known.

Is there a verifiable gap for funding based upon a reasonable return on private investment?

Given the early stage of project development, the DMC EDA has not been able to verify several key financial assumptions made by the project team, including land value and operating costs. Absent this information, the DMC EDA cannot verify the exact amount of any funding gap and/or its effect on the return on private investment.

Is the proposed operating structure sustainable?

The proposed cash flows demonstrate that the project will cover the operating costs and debt service and will provide an acceptable return on investment if supported by public funds as requested.

Does the Project impose any financial obligations on the DMC or City for ongoing operational or maintenance support?

No.

Has the project applicant agreed to execute the DMC Development Agreement?

Yes.

SECTION 3.4 CONSISTENCY WITH ADOPTED STRATEGIES, PHASING, AND CAPITAL IMPROVEMENT PLANNING

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

Is the project part of an approved strategy and current focus? Is the project outlined as an approved strategy for the project within the Development Plan?

The Proposed Project is located in the Discovery Square subdistrict. Its program, market rate housing, is consistent with the Development Plan strategy except for the lack of street front retail.

Is the project recommended as a focus for the particular phase of the project in the Development Plan?

No, the project is not recommended as a part of any particular phase of DMC plan implementation.

Is the project consistent with the DMC---CIP?

The primary goals of the DMC-CIP are – (1) create a catalyst to begin the process– public or private projects measured by whether they support making Rochester the global center for health; and (2) investing in strategic projects – that lay a foundation for future growth and investment in the DMC District. The City of Rochester will benefit from the significant improvements the R&R Properties of Mankato, LLP project will make in the expansion of housing options for the anticipated growth in Mayo Clinic employees serving as a catalyst for growth.

- ***If public, is the project specifically listed in the DMC---CIP? Or is the project necessary to facilitate a DMC related strategy?***

N/A

- ***If private, is the project otherwise compatible with the planned public improvements in the DMC---CIP?***

The housing above does add density at a very compatible location. The ground floor does not maximize the opportunity for activation along Discovery Walk.

SECTION 3.5 TARGETED BUSINESS ENTERPRISE STRATEGIES [Form may vary based on size/scope of project]

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

The R&R Properties of Mankato, LLP 2nd Street Development project team has stated they will be designed and constructed in conformance with the requirements of the DMC Act regarding prevailing wage, American Made Steel, M/WBE construction targets and other minority and disadvantage business participation guidelines. There is no specific plan yet developed.

Has the applicant agreed to execute the DMC Development Agreement? (the terms of which are provided in form to all applicants)?

Yes – the Applicant has agreed to execute the DMC Development Agreement.

SECTION 3.6 COMPLIANCE WITH ECONOMIC-FISCAL GOALS AND OBJECTIVES

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

Does the project generate substantial economic-fiscal gain based upon job projections?

Based upon the applicants’ job projections, the project has the potential to create approximately up to one hundred and fifty (150) new construction jobs for all trades of the construction and development process. Once operational, it is anticipated that two (2) new full-time positions and two part-time positions are created to efficiently run the ongoing management of the property.

Does the project generate substantial economic---fiscal gain based upon tax base projections?

The current property taxes for all 3 parcels that the R&R Properties of Mankato, LLP 2nd Street Development will encompass total of approximately \$15,000. The estimated annual property tax revenue after completion of the R&R Properties of Mankato, LLP project is anticipated to be in excess of \$220,000, which is a significant increase to the current property taxes stated above. The majority of

the tax increase would be captured within TIF for the duration of the TIF district.

Does the project maximize the opportunity for investment by attracting other private capital?

Other market rate multifamily projects have been built in the surrounding blocks, including another project currently under construction that is receiving no public support. If it is constructed and succeeds, this project could serve as a precedent for higher levels of public subsidy requested by other potential investors.

Is the project required (e.g. public works) to continue to seed investment in the DMC District?

No.

Does the project support the economic strategies of the project by providing civic/cultural uses and/or public amenities that support strategic growth in the DMC Development District and/or specific business development and economic development strategies that are adopted as part of the DMC Development Plan?

The R&R Properties of Mankato, LLP 2nd Street Development does not include civic/cultural uses and/or public amenities which supports growth in the DMC Development District. The applicant has put a focus on developing housing in the immediate timeframe. The R&R Properties of Mankato, LLP development supports and will utilize local businesses and labor as well as will be constructed in conformance with the requirements of the DMC Act regarding prevailing wage, American Made Steel, M/WBE construction targets and other minority and disadvantage business participation guidelines.

SECTION 3.7 OTHER PROJECT POLICY CONSIDERATIONS

Is the project inside the DMC Development District?

Yes.

If the project is not inside the DMC Development District, are they asking for a boundary change?

N/A

Does the project include any distinctive social and/or community benefits that are not specifically required by the DMC Act?

N/A

###

Downtown Property Preservation Program

To: DMCC Board of Directors

From: DMC EDA

Date: September 20,
2024

Request of the board of directors:

- Consider recommendation described in attached memorandum, “Downtown Property Preservation Program Recommendation”

Overview:

In response to both the DMCC board and City Council supporting the Downtown Commercial Historic District, DMC and City staff prepared funding applications, webpages and marketing materials, and created shared processes to administer this program.

In partnership with the City of Rochester, the Downtown Historic District preservation program was launched on July 1, 2024. Since that time, City and DMC EDA staff have engaged with the property owners and tenants of eligible properties to inform them of the various historic district property preservation programs.

Since July 1, 2024, staff have assisted in the following:

- **5 submitted intake forms.** The intake form is the first step in the application process and provides the minimum information necessary for staff to assist in further developing the project scope and funding needs. Staff continue to engage with these proposed projects.
- **1 funding application ready for board consideration.** The proposed project funding request will be presented for consideration at the September 12, 2024 board meeting. The memo that follows this report provides further detail regarding the recommended board action and proposed project.

When the DMCC board of directors approved the historic district property preservation program, it did so with the following conditions, to which staff adhere:

- **Approval conditions:**
 - Meet the DMC statutory definition of “public infrastructure project”
 - Proposed projects must result in a capital improvement that is intended to be a permanent asset of the downtown historic district
 - Proposed projects must occur at a contributing property of the current City of Rochester downtown commercial historic district, excluding properties owned by a public or Mayo Clinic entity

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2024

**A RESOLUTION APPROVING DOWNTOWN PROPERTY PRESERVATION
PROGRAM FUNDING REQUEST**

BACKGROUND RECITALS

A. The Destination Medical Center Corporation (“**DMCC**”) established five long-term goals for the Destination Medical Center (“**DMC**”) initiative, including creating a comprehensive and strategic plan, new jobs, tax revenues, and achieving the highest quality patient, companion, visitor, employee, and resident experience.

B. The DMCC has long recognized the important role of historic preservation to achieve these goals. The Development Plan adopted by the DMCC on April 23, 2015, as amended (the “**Development Plan**”) recommended strategies and programs to encourage preservation efforts: “The preservation of historic landmarks and districts is an important part of a City’s historic fabric. . . . As the DMC implementation process moves forward, we recommend the EDA work with federal agencies, state agencies and local organizations to evolve strategies and programs to incent historic preservation [in the] DMC District.”

C. On January 22, 2024, the City of Rochester (the “**City**”) established a downtown commercial historic district of thirty-two properties (the “**Commercial Historic District**”) located within the development district boundaries as adopted in the Development Plan (the “**Development District**”).

D. On May 23, 2024 the DMCC established a downtown property preservation program (the “**Program**”). The Program provides an application and general state infrastructure aid funding process for public infrastructure projects within the Commercial Historic District.

E. The Program provides an opportunity of funding up to 50% of a capital improvement project (not to exceed \$500,000 per property) within the Commercial Historic District if such project (i) meets the definition of a “public infrastructure project” (as defined in Minnesota Statutes, Section 469.40, subdivision 11); (ii) lies within the Development District and is defined as a “contributing property” within the Commercial Historic District; (iii) is consistent with the Development Plan; (iv) achieves a capital improvement that is intended to be a permanent asset of the Commercial Historic District; and (v) satisfies certain statutory requirements, including prevailing wages and use of American-made structural steel, as well as local requirements, such as sustainable building standard, women- and minority-owned construction contracting, and workforce development (collectively, the “**Program Requirements**”).

F. The owner of property located at 216 1st Avenue SW has requested funding under the Program for a project that will include the removal of existing roofing material and replacement of roof and installation of insulation (the “**Proposed Project**”).

G. DMC EDA has recommended approval of the Proposed Project based on the summary and recommendation attached as **Exhibit A** and DMCC must now act on the request.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors, that the DMCC approves the Proposed Project cost based on the following findings:

1. The Proposed Project is a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11.
2. The Proposed Project lies within the Development District and is defined as a contributing property within the Commercial Historic District.
3. The Proposed Project is consistent with the Development Plan.
4. The Proposed Project achieves a capital improvement that is intended to be a permanent asset of the Commercial Historic District.
5. The Proposed Project will satisfy the necessary statutory and local requirements set forth in the Program.

BE IT FURTHER RESOLVED, that the approval of the Proposed Project is expressly subject to the following conditions:

1. The Proposed Project must meet all City requirements.
2. The final payment will be based on the actual costs and will not exceed 50% of the Proposed Project cost.
3. The funds provided to the Proposed Project must satisfy the terms and conditions of this Resolution, including, but not limited to, the parameters of the Program and the Program Requirements as set forth in the Recitals, which are incorporated herein.
4. The recipient of the funds must provide certification that the Program requirements have been satisfied, including but not limited to the statutory and local requirements of the Program.
5. The DMCC Board shall receive an annual report concerning Program updates, expenditures, metrics to evaluate the success of the Program, and recommendations concerning future funding in the capital improvement plan.

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

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

EXHIBIT A



To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

RE: Downtown Property Preservation Program Recommendation

The DMC EDA recommends that the following project(s) be considered by the DMC Corporation and City of Rochester for funding under the DMC Downtown Property Preservation Program. This recommendation follows DMC EDA and City staff review and evaluation of the project funding request(s).

Specifically, staff recommend that the DMCC and City:

- Designate the proposed project(s) as a DMC “public infrastructure project”
- Approve the recommended project(s) as consistent with the DMC Development Plan
- Allocate DMC funding to the project(s) and in the amount(s) described in the table below

Address	Recommended DMC Funding	Total Project Cost	Category of Investment	Project Description
216 1 st Ave. SW	\$84,912.00	\$169,824.00	Building Safety & Preservation	Roof replacement

If approved for funding, the project(s) will be required to meet DMC development requirements, including:

- Prevailing wage
- American made steel
- Targeted business and workforce utilization
- Sustainable building standards

Additionally, prior to the distribution of DMC funds the project(s) must:

- Meet all City of Rochester planning, zoning and entitlement requirements
- Provide project and financing documentation
- Execute any necessary agreements with the City of Rochester
(Funding made available on a reimbursement basis upon project completion)

- **Funding guidelines:**
 - DMC funding covers fifty percent of any eligible expenditure.
 - DMC funding be limited to a maximum of \$500,000 per property, as determined by the parcel identification number (PIN)
 - To allow property owners and tenants maximum opportunity to prioritize capital investments, funding may be applied for and received more than once, subject to the \$500,000 maximum described above
 - To align historic district construction activity with other major downtown improvements, including Link BRT and Bold. Forward. Unbound. in Rochester., program funding will remain available for request through December 31, 2029 or until rescinded by action of the DMCC and Rochester City Council

- **Reporting and program evaluation categories:**
 - Adaptive Reuse: Conversion of property use, such as office to retail or restaurant, or renovating vacant second-story space for housing or commerce, etc.
 - Building System Upgrades: HVAC, electrical, plumbing, etc.
 - Building Safety and Preservation: Exterior envelope sealing, accessibility improvements, etc.
 - Code Modernization: Improvements made to legacied properties in relation to ADA or other regulatory compliance, preparation of reuse, future reinvestment, sale, etc.

2025 DMC CIP, Work Plan, and Operating Budget

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:

Approve the 2025 DMCC Funding Request, Extension of the Working Capital Loan, and Authorize Transmittal to the City of Rochester

Background:

Each year, the DMCC prepares and submits a funding request to the City of Rochester that includes:

- An annual Capital Improvement Program (with five-year projections)
- An annual work plan and operating budget
- An annual operating budget for the City of Rochester's DMC Project Management team
- Requests for the extension of a working capital loan

Next Steps:

- October 7, 2024: Rochester City Council considers 2025 DMC CIP, Work Plan, and Operating Budget

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. ____-2024

**A RESOLUTION APPROVING THE 2025 DMCC FUNDING REQUEST, THE
EXTENSION OF WORKING CAPITAL LOAN, AND AUTHORIZING TRANSMITTAL
TO THE CITY OF ROCHESTER**

BACKGROUND RECITALS

A. The Destination Medical Center Corporation (“**DMCC**”) must adopt an annual Funding Request and Five Year Capital Plan. The DMCC Funding Request includes the DMCC annual budget, the Destination Medical Center Economic Development Agency (“**EDA**”) annual budget and work plan, and support costs incurred by the City of Rochester.

B. On February 26, 2015, the DMCC adopted Resolution No. 26-2015, approving the form of and authorizing the Chair and Treasurer to execute, amend, and take other actions to implement the working capital loan documents to provide for advance funding of DMCC and EDA operations (collectively, the “**Loan Documents**”).

C. The DMCC has completed the required annual reconciliation of the advances to the DMCC and the DMCC eligible expenses and has prepared a DMCC Request for Extension of the Working Capital Loan for 2025 in the amount of \$1,000.00, as such amount may be adjusted by the City pursuant to Section 2.8(c) of the Working Capital Loan Agreement (DMCC-City) effective April 1, 2014, as amended.

D. The EDA has submitted an EDA Request for Extension of the Working Capital Loan for 2025, requesting that the Loan Documents be extended for 2025 in the amount of \$100,000.00, as such amount may be adjusted by the City pursuant to Section 2.8(c) of the Working Capital Loan Agreement (DMCC-EDA), effective April 1, 2014, as amended, and has provided the required annual reconciliation of advances and eligible expenses paid from such advances.

E. The DMCC and EDA Requests for Extension of the Working Capital Loan for 2025 are attached as **Exhibit A**.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the DMCC Board of Directors that the 2025 DMCC Funding Request and the Five Year Capital Plan, each on file with the DMCC, are approved. Further, the DMCC hereby approves the projects set forth in the first year of the Five Year Capital Plan as public infrastructure projects within the meaning of Minnesota Statutes Section 469.40, Subdivision 11, and consistent with the Development Plan, adopted on April 23, 2015, as amended (each, an “**Approved Capital Project**” and collectively, the “**Approved Capital Projects**”); provided that:

1. The scope of approval for each Approved Capital Project is set forth in the 2025 DMC Capital Improvement Program Summary attached as **Exhibit B**.

2. Final approval of funding for each Approved Capital Project will be subject to subsequent approval by the DMCC, which approval shall be based upon final determination and review of scope, costs, and availability of funds;

3. For the Chateau Theatre project, the current authorized funding is restricted to expenditures which may be necessary to facilitate the development of a plan for future capital needs, potential funding sources, anticipated uses and ongoing operating and business modeling, it being understood that any additional funding for the Chateau Theatre project is subject to future approval by DMCC; and

4. Staff is directed to provide the Board with an annual reconciliation of budget amounts and expenditures for each of the Approved Capital Projects.

BE IT FURTHER RESOLVED, that the EDA Request for Extension of the Working Capital Loan for 2025, and the DMCC Request for Extension of the Working Capital Loan for 2025, attached as **Exhibit A** and on file with the DMCC, are approved.

BE IT FURTHER RESOLVED, that the Chair and Treasurer are hereby authorized and directed to transmit this Resolution to the City of Rochester and to take such actions as are necessary or convenient to effectuate the 2025 DMCC Funding Request, the Five Year Capital Plan, and the extension of the Loan Documents, including, but not limited to, the authority to execute, deliver, and perform, in the name of and on behalf of the DMCC, the DMCC Request for Extension of the Working Capital Loan for 2025 and the Loan Documents to which the DMCC is a party, with such modifications, additions, deletions, or other changes as the Chair and Treasurer may deem necessary or appropriate to accomplish the requested extension, all which may be performed without further action of this Board.

EXHIBIT B

Description of Approved Capital Projects

Chateau Theatre

Project Description:

DMC funds have served as the primary source of capital investment in the Chateau Theatre since DMC and Mayo Clinic resources funded the City of Rochester's purchase of the building in 2015. Since that time additional DMC funds have been authorized to support the preservation, functionality, and activation of the building, with occasional from non-DMC sources (including City-secured federal grant funding). In 2022, the City of Rochester entered an operating agreement with Threshold Arts, a local non-profit corporation. The agreement included details related to operations, cost- and revenue-sharing, performance indicators, and more.

Most recently, in September 2023, the DMC Corp. board of directors authorized 2024 CIP funding for HVAC improvements at the property, but conditioned any additional funding on receiving "further detail and information regarding future capital needs, potential funding sources, anticipated uses, operating and business model, and expected operating duration."

The 2024 DMC CIP includes \$100,000 to complete the analysis and planning necessary to respond to the September 2023 DMCC board direction. Any future planning, capital improvement, or operating DMC funding requests will be informed by the recommended analysis and planning.

Interim Wayfinding

Project Description:

The anticipated commencement of major construction in the DMC development district, including LINK bus rapid transit and Mayo Clinic's "Bold. Forward. Unbound" program, will create frequently evolving mobility and commuting circumstances for employees, residents, patients, and visitors. Interim wayfinding assets and strategies will be deployed to ensure that pedestrians, transit and micro-mobility users, and drivers can successfully navigate to and through transformation-impacted areas. Assets could include items like signage providing direction to retail and dining amenities, hotels and recreation assets, Mayo Clinic campuses and Discovery Square, and other areas of interest.

Rapid Transit

Project Description:

Link rapid transit is a planned 2.8 mile route along 2nd Street that will connect downtown Rochester, Mayo Civic Center, Mayo Clinic campuses, and the Downtown Waterfront Southeast area. Link will be operated by Rochester Public Transit and will be free for all users. Link buses are high amenity, 60-foot electric buses which will provide service to 7 stations across the city. Service intervals will be every 5 minutes on weekdays from 6 to 9 a.m. and 3 to 6 p.m., and every 10 to 15 minutes at other times. Link will operate from 5 a.m. to midnight on weekdays and 8 a.m. to midnight on weekends.

The project is being completed using funds from DMC and a U.S. Federal Transit Administration (FTA) grant. In August 2022, the total project budget was estimated to be \$143,373,300, with \$57,349,320 being paid from DMC resources and \$86,023,980 financed by the federal grant.

As the project has continued to proceed through the federal review and grant approval process, the FTA has required that additional contingency funding in the amount of \$13,740,000 be allocated to the project budget. These funds would be allocated from DMC State and County Transit Aid.

Staff will continue to report on project progress. The overall committed share of DMC funding remains at \$57,349,200. The additional contingency funds of \$13,740,000 will be expended based on criteria developed at the direction of the DMCC board and following approval by DMC and City staff made prior to use.

Strategic Redevelopment

Project Description:

In 2020, the DMCC board and Rochester City Council began the practice of allocating a portion of DMC General State Infrastructure Aid to support requests for public infrastructure supportive of private development. Approved funding included \$7 million in 2021, \$3 million in 2022, \$3 million in 2023, and \$10 million in 2024, for a total of \$23 million.

This allocation of funds provides the DMCC board and City Council with an additional tool with which to respond to requests for DMC funding. Previously, all approved requests for DMC funding were supported through tax increment financing (TIF).

Through May 23, 2024, the DMCC board has approved funding for several projects, including: \$2.2 million for Bryk on Broadway, \$3 million for the civic center north lot redevelopment proposed by Sherman Associates, \$3.9 million for the first-phase senior housing development proposed by Aeon at the West Transit Village, and \$5 million for eligible properties of the City of Rochester's Downtown Commercial Historic District. All of these approvals were offered via board resolution.

Developer interest in downtown Rochester continues to rise, particularly in the housing and life science markets, making this capital budget a useful asset in board and council decision-making.

Sixth Street Corridor

Project Description:

The 6th Street Bridge, Roadway Safety and Riverfront Improvements project will construct a bridge over the Zumbro River that connects East and West 6th Street South as well as redevelop the area's existing flood control system into an accessible riverfront space. In 2020, the City led the Downtown Waterfront Southeast Small Area Plan to create a vision for the area. The 6th Street Bridge and Riverfront Improvements project was a key component of this plan and during the study process a preferred bridge concept was identified.

The project is intended to: provide a safe multimodal east-west connection to Discovery Walk, southeast neighborhoods and downtown; provide greater access to the Zumbro River by creating an active, accessible, welcoming space that takes advantage of this natural amenity while also providing flood protection; improve access to support redevelopment areas in the near-term (AMPI plant site, Kmart site) and to support the economic vitality goals of the DWSE Plan; provide equitable transportation access to all through enhanced pedestrian and bicycle infrastructure and Complete Streets; implement traffic calming and other safety improvements that limit traffic volumes and speeds in adjacent neighborhood; and commit to social and economic equity and environmental sustainability throughout the project design and implementation processes.

The project cost is \$29.9 million and is being funded by a U.S. Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant award of \$19.9 million and a required local grant match of \$10 million, which is sourced from DMC GSIA. No additional DMC funds have been requested or approved. Construction is expected to begin in 2026.

Supporting Infrastructure Alignment: Bold. Forward. Unbound.

Project Description:

Beginning with the demolition of portions of Mayo Clinic’s Ozmun Building in late 2024, approximately fifteen blocks of Mayo Clinic’s downtown campus will be impacted by the “Bold. Forward. Unbound.” program in 2025. As Mayo Clinic plans for and initiates its transformative private investment, the DMC EDA and City of Rochester will coordinate public infrastructure improvements to ensure maximum public benefit with minimum public impact. The proposed 2025 DMC CIP budget of \$1,000,000 is a placeholder figure while staff and consultants from Mayo, City, and DMC evaluate infrastructure needs, develop a proposed construction and responsibility matrix, and make recommendations to optimize project schedules. These funds are not intended to support specific physical improvement, and any future capital requests in the affected area will be informed by these coordinating activities.

Supporting Infrastructure Alignment: West Transit Village

Project Description:

Mayo Clinic, the City of Rochester, DMC, and the master development team (Kraus Anderson and Aeon) are partnering to develop the West Transit Village. In May 2024, the first major DMC capital investment in the West Transit Village was approved, \$3.9 million in DMC GSIA to support the senior housing development proposed by Aeon. Timely development of the site remains a priority, as the transit-related elements of the site plan must be constructed in time to serve the users of the LINK rapid transit system.

There are more than 42 different major plan components that need to align to realize the vision for the site. As the development team advances toward construction, the DMC EDA and City of Rochester will coordinate public infrastructure improvements to ensure maximum public benefit with minimum public impact. The proposed 2025 DMC CIP budget of \$1,000,000 is a placeholder figure while staff and consultants from Mayo, City, and DMC evaluate infrastructure needs,

develop a proposed construction and responsibility matrix, and make recommendations to optimize project schedules. These funds are not intended to support specific physical improvement, and any future capital requests in the affected area will be informed by these coordinating activities.

DMC Corporation

Project Description:

The annual operating budget of the DMC Corporation provides funding for professional services, including audit and tax preparation and legal counsel; insurance and required non-profit filings; board meetings; and eligible board member travel, per diem, and reimbursable expenses.

City of Rochester DMC Project Management Team

Project Description:

The annual operating budget of the City of Rochester DMC Project Management Team for 8 employees (7.5 FTE) engaged in project, program, and technical support of the DMC initiative. Supported projects include LINK Rapid Transit, 6th Street Connectivity, West Transit Village development, Heart of City, Riverfront development, and project coordination related to “Bold. Forward. Unbound.” Supported programs include targeted business and workforce utilization, the downtown task force, the Downtown Commercial Historic District property preservation program, active transportation, and “Business Forward” construction enhancement and impact mitigation strategies. Annual project management activities are presented in an annual work plan.

City of Rochester administrative support to the DMCC

Project Description:

The City of Rochester provides administrative support to the DMC Corporation, including serving at the DMCC’s fiscal agent, coordinating the completion of its annual financial audit and tax filings, posting meeting agendas and other required notices.

DMC EDA

Project Description:

The DMC EDA provides ongoing program and advisory services to the DMCC. The scopes of services are informed by the DMC EDA’s responsibilities under the DMC Act, the services agreement between the DMCC and the DMC EDA, and the approved annual work plan.

DMC CAPITAL PLAN

Public Realm			
	<u>DESCRIPTION</u>	<u>2025 DMC FUNDING SOURCE</u>	<u>PROPOSED 2025 DMC FUNDING</u>
1	Chateau Theatre: Asset Preservation	DMC GSIA	\$100,000
2	Interim Wayfinding	DMC GSIA	\$100,000
			2025 Subtotal \$200,000
Mobility			
	<u>DESCRIPTION</u>	<u>2025 DMC FUNDING SOURCE</u>	<u>PROPOSED 2025 DMC FUNDING</u>
3	Rapid Transit, including Second Street Reconstruction & Streetscape	DMC County Transit Aid	\$4,948,292
		DMC State Transit Aid	\$7,422,437
4	FTA-required Rapid Transit Contingency	DMC State Transit Aid	\$13,740,000
			2025 Subtotal \$26,110,729
Strategic Redevelopment			
	<u>DESCRIPTION</u>	<u>2025 DMC FUNDING SOURCE</u>	<u>PROPOSED 2025 DMC FUNDING</u>
5	Strategic Redevelopment	DMC GSIA	\$3,000,000
			2025 Subtotal \$3,000,000
Streets and Sewers			
	<u>DESCRIPTION</u>	<u>2025 DMC FUNDING SOURCE</u>	<u>PROPOSED 2025 DMC FUNDING</u>
6	Streets: Sixth Street Bridge, Sixth Street S.E., Waterfront Connectivity	DMC GSIA	\$2,500,000
7	Public Infrastructure Alignment: Bold. Forward. Unbound.	DMC GSIA	\$1,000,000
8	Public Infrastructure Alignment: West Transit Village	DMC GSIA	\$1,000,000
			2025 Subtotal \$4,500,000
Operations			
	<u>DESCRIPTION</u>	<u>2025 DMC FUNDING SOURCE</u>	<u>PROPOSED 2025 DMC FUNDING</u>
9	DMC Corp.	City DMC Aid	\$229,877
10	DMC administrative support by City of Rochester	City DMC Aid	\$100,000
11	DMC EDA	City DMC Aid	\$2,984,632
12	City DMC Project Management	City DMC Aid	\$1,361,141
			2025 Subtotal \$4,675,650
			2025 DMC Funding Total \$38,486,379

2025 DMC GSIA:	\$7,700,000
2025 City DMC Aid:	\$4,675,650
2025 County DMC Transit Aid:	\$4,948,292
2025 State DMC Transit Aid:	\$21,162,437
2025 DMC Total:	\$38,486,379



DMC

Destination Medical Center

Destination Medical Center Economic Development Agency

&

City of Rochester DMC Project Management Team

2025 Workplan

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1. Executive Summary

2025 will be a pivotal year for the DMC initiative. From new affordable and senior housing developments along the riverfront and at the West Transit Village, to acceleration of construction activity related to the development of LINK bus rapid transit and Mayo Clinic's *Bold. Forward. Unbound. in Rochester.* program, downtown Rochester will soon be enveloped by transformation. These activities will mark the unofficial beginning of an unprecedented period of community growth, investment, and opportunity.

To thrive in this moment and realize DMC goals, the DMC EDA has prepared a work plan that:

- Improves public experience and satisfaction through investment of strategic infrastructure using a community centric approach in all stages of planning, developing and maintaining new public infrastructure.
- Leverages known public and private investments such as LINK BRT and *Bold. Forward. Unbound.*, as well as Rochester's high quality of life, to attract additional private real estate development and investment
- Identifies and recruits high-potential med-tech businesses ideal for relocation or expansion in Rochester, capitalizing on the expanding regional life-science ecosystem, adjacency and access to Mayo Clinic, and presence in Minnesota's Medical Alley to create new capital investment, tax revenues, employment opportunities, and workforce growth
- Communicates with members of the Rochester community—residents, employees, patients, and visitors—regarding the progress, effects, and benefits of these economic development activities

When implementing these efforts to create America's City for Health, the DMC EDA will follow the guiding principles and implementation strategies of the DMC Development Plan, including equitable economic development, sustainability, and economic and environmental resiliency.

DMC GOALS

- Create a comprehensive strategic plan with a compelling vision that harnesses the energy and creativity of the entire community
- Leverage the public investment to attract more than \$5 billion in private investment to Rochester and the region
- Create approximately 35,000 – 45,000 new jobs, with workforce development strategies that support that growth
- Generate approximately \$7.5 - \$8.0 billion in new net tax revenue over 35 years
- Achieve the highest quality patient, companion, visitor, employee, and resident experience, now and in the future

2. City of Rochester DMC Project Management Team Responsibilities

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

- **Project and technical support**, including Link Rapid Transit, 6th Street Connectivity, West Transit Village development, Heart of City, Riverfront Development and supporting transformation
- **Program support**, including targeted business and workforce utilization, the Downtown Task Force, Downtown Commercial Historic District infrastructure investment, active transportation, and “Business Forward” experience enhancement and construction impact mitigation.

3. DMC EDA Statutory Role and Responsibilities

The DMC EDA assists the Destination Medical Center Corporation (“DMCC”) and the City of Rochester (“City”) in implementing the development planning and promotion, development services, and marketing, outreach and communication activities required to achieve the goals of the DMC development plan.

The DMC legislation identified several key responsibilities of the DMC EDA in addition to its role as an advisory agency to the DMCC and City:

- Drafting and implementing the development plan, including soliciting and evaluating proposals for development and evaluating and making recommendations to the DMCC and the City regarding those proposals
- Seeking financial support for the DMCC, the City, and projects
- Partnering with other development agencies and organizations, the city, and the county in joint efforts to promote economic development and establish a destination medical center
- Supporting and administering the planning and development activities required to implement the development plan
- Developing and updating the criteria for evaluating and underwriting development proposals
- Providing transactional services in connection with approved projects
- Working with the corporation to acquire and facilitate the sale, lease, or other transactions involving land and real property
- Assisting the DMCC or City and others in applications for federal grants, tax credits, and other sources of funding to aid both private and public development
- Facilitating private investment through development of a comprehensive marketing program to global interests
- Developing patient, visitor, and community outreach programs
- Preparing and supporting the marketing and promotion of DMC
- Preparing and implementing a program for community and public relations

4. 2025 Workplan

The DMC EDA workplan is organized to support the advancement of DMC strategies in the core areas of business development and lead generation; public infrastructure and experience; private investment and development; and communications.

A. BUSINESS DEVELOPMENT AND LEAD GENERATION

DMC EDA business development and lead generation activities are intended to:

- **Identify and recruit high-potential med-tech businesses ideal for relocation or expansion in Rochester, capitalizing on the expanding regional life-science ecosystem, adjacency and access to Mayo Clinic, and presence in Minnesota's Medical Alley to create new capital investment, tax revenues, employment opportunities, and workforce growth.**
- **Identify and recruit housing, retail, dining, and entertainment developers and investors to Rochester and the DMC development district to increase capital investment and tax revenues and support a growing workforce.**

Strategies and tactics to achieve these aims will include:

- Industry-specific in-person and digital engagement and recruitment at key events throughout the world
- Strategic partnerships with Mayo Clinic innovation leaders
- Targeted life science and med-tech lead generation campaigns
- Development of Rochester's life science industry ecosystem, including engagement, awareness, and education opportunities
- Evaluation/development of DMC district life science infrastructure, including business and operational planning for a shared laboratory enterprise
- Identification and recruitment of housing, retail, dining, and entertainment investors and developers
- Marketing and industry research

B. PUBLIC INFRASTRUCTURE AND EXPERIENCE

DMC EDA public infrastructure and experience activities are intended to:

- **Improve public experience and satisfaction through investment of strategic infrastructure using a community centric approach in all stages of planning, developing and maintaining new public infrastructure.**

Strategies and tactics to achieve this aim will include:

- Leading and participating in the planning, development, delivery and maintenance of key infrastructure initiatives
- Developing and maintaining measurement tools to evaluate public experience effectiveness
- Enhancing and developing new tools to support the transformation of public infrastructure of downtown Rochester
- Managing and improving outreach with downtown stakeholders
- Mitigating disruption of long-term downtown construction through the development and implementation of construction risk management strategy

C. PRIVATE INVESTMENT AND DEVELOPMENT

DMC EDA investment and development activities are intended to:

- **Support the construction and completion of private real estate development projects in the DMC development district to meet market demand and achieve DMC investment, tax revenue, workforce, and experience goals.**
- **Facilitate DMC-supported projects through financial, design, and other analysis.**

Strategies and tactics to achieve these aims will include:

- Providing improved tax increment financing (TIF) analysis
- Evaluating opportunities to leverage DMC funds with State, Federal, and other public and private funding sources
- Evaluation of private development funding requests
- Cultivate developer relationships in priority markets, including workforce housing and new-to-market partners
- Targeted construction business and workforce utilization capacity-building

C. COMMUNICATIONS

DMC EDA communications activities are intended to:

- **Improve understanding of and appreciation for DMC efforts among key local stakeholders – Mayo Clinic leaders, community leaders, government officials, and other decision makers.**
- **Encourage engagement by those in and around Rochester and create local partner-ambassadors to help champion DMC efforts.**
- **Reignite relationships and connections paused during the pandemic to navigate our new reality—and opportunities—**together.

Strategies and tactics to achieve these aims will include:

- Executing dynamic and targeted outreach and communication campaigns to sustain community support for DMC
- Participating in community events to gather stakeholder input and feedback on DMC projects and programs
- Reaching regional and national media to highlight Rochester and the DMC development district as an ideal location for investment and growth

5. 2025 DMC EDA AND PROJECT MANAGEMENT TEAM BUDGETS

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

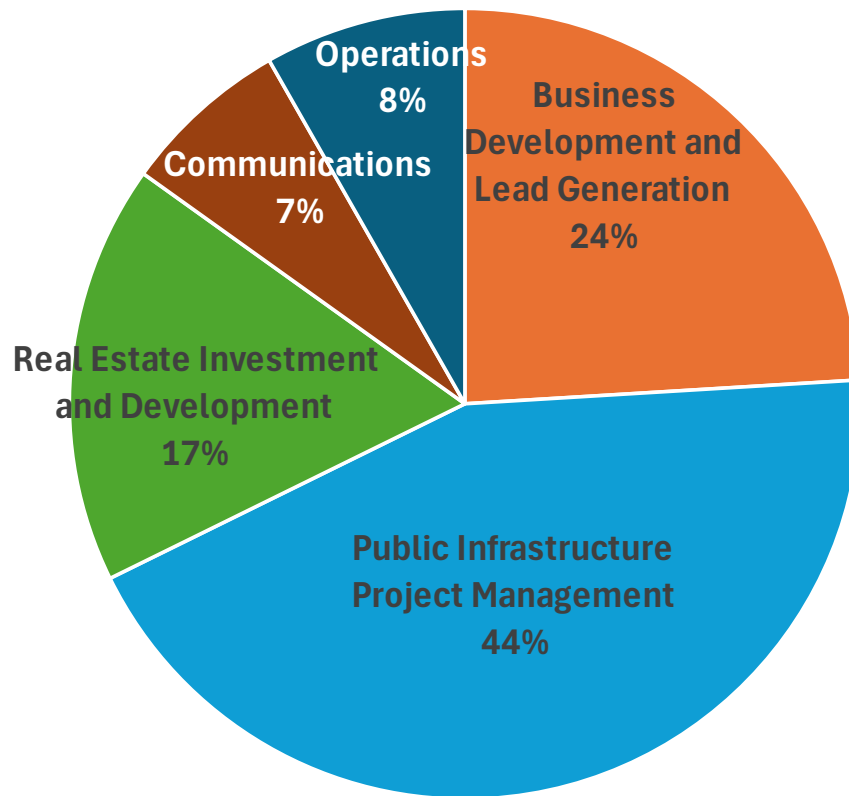
- The 2025 DMC EDA funding request to the Destination Medical Center Corporation of \$2,984,632.
- 2025 DMC EDA funding contributed by Mayo Clinic towards the operational, project, and program expenses of the DMC EDA totals \$1,627,910.
- The 2025 DMC City of Rochester Project Management team funding request to the Destination Medical Center Corporation is \$1,361,141.
- DMC-funded costs noted above are accounted for in the 2025 Capital Plan.

2025 DMC EDA Operating Budget

		2025 DMC Funding	2025 Mayo Clinic Funding
	Staff		
1	Payroll	\$1,519,504	\$552,000
2	Benefits	\$496,111	
3	Payroll Expenses	\$6,963	
4	Transit Subsidy	\$12,000	
5	Reimbursements		
	<i>SUBTOTAL</i>	<i>\$2,034,578</i>	<i>\$552,000</i>
	Agency Operations		
6	Rent and Utilities	\$1,296	\$153,000
7	Equipment Rentals and Furniture		
8	Office Supplies and Consumables	\$10,000	
9	Room Rental		
10	Postage and Shipping	\$1,500	
11	Website Drafting and Hosting	\$19,560	
12	IT Hardware, Software, and Support	\$42,936	
13	Miscellaneous Costs	\$7,020	\$8,000
	<i>SUBTOTAL</i>	<i>\$82,312</i>	<i>\$161,000</i>
	Economic Development		
14	Print and Collateral	\$5,000	
15	Outreach and Local Events		\$111,000
16	Subscriptions and Memberships	\$8,932	\$3,200
17	Conferences, Meetings, Travel, and Participation	\$48,000	
18	Economic Development Programming	\$514,820	\$475,200
	<i>SUBTOTAL</i>	<i>\$576,752</i>	<i>\$589,400</i>
	Professional Services		
19	Legal	\$30,000	
20	Website Management and CRM	\$12,000	
21	Marketing, Communications, and Advertising	\$110,308	\$197,000
22	Strategic Public Relations		\$28,000
23	Contracted Support Staff		\$100,000
24	Financial Reporting Services	\$81,700	
	<i>SUBTOTAL</i>	<i>\$234,008</i>	<i>\$325,000</i>
	Miscellaneous		
25	Insurance and Taxes	\$56,492	
26	Contingency		
	<i>SUBTOTAL</i>	<i>\$56,492</i>	
	TOTAL	\$2,984,142	\$1,627,400

2025 City Project Management Budget			
Staff Costs		2024 Budget	2025 Budget
	Employee Services	\$ 1,032,543	\$ 1,304,032
	Subtotal	\$ 1,032,543	\$ 1,304,032
Operational Costs			
	Rents and Leases	\$ 500	\$ 500
	Adv, Publishing, & Printing	\$ 7,778	7,778
	Contractual Mtce & Repair	\$ 38,760	38,760
	Expert & Professional Services	\$ 8,160	8,405
	Communications	\$ 4,356	4,356
	Travel/Training/Business Meals	\$ 12,547	12,627
	Subscriptions/Bks/Memberships	\$ 5,650	5,650
	Insurance and Bonds	\$ 27,398	\$ 20,000
	Materials and Supplies	\$ 2,800	2,800
	Other Charges	\$ 16,962	17,663
	Miscellaneous	\$ -	\$ -
	Professional Development	\$ -	\$ -
	Office	\$ -	\$ -
	Information	\$ -	\$ -
	Subtotal	\$ 124,911	\$ 118,539
	TOTAL	\$ 1,157,454	\$ 1,422,571

Allocation of 2025 Staff and Work Plan Resources
DMC EDA and City Project Managers



**DMCC Corporation
2025 Budget Worksheet**

Account Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2024 Actual8/31	Proposed 2025 Budget
DMC Corporation							
Revenues							
Interest Earned							
Building Rent	8,190	2,546	22,973	31,778	36,607	34,088	36,607
Equipment Rent				3,909			
Rents and Leases	8,190	2,546	22,973	35,687	36,607	34,088	36,607
Audit Services	3,300	4,500	4,550	4,830	6,000	7,000	7,000
Legal Consultants	148,749	132,323	107,351	106,706	140,000	40,291	140,000
Accounting Consultants	1,150	1,300	1,325	1,567	4,000	-	4,000
Other Expert & Professnl Srvc	7,865	15,771	2,612	5,400	15,000	3,018	15,000
Expert & Professional Services	161,064	153,894	115,837	118,503	165,000	50,309	166,000
Travel and training	153	146	491	1,857	5,000	183	5,000
Business meal expenses	-	-			1,000	-	1,000
Travel/Training/Business Meals	153	146	491	1,857	6,000	183	6,000
Comprehensive Liability Ins Insurance - Misc others	14,055	13,596	13,128	9,699	11,323	8,492	20,000
Insurance and Bonds	14,055	13,596	13,128	9,699	11,323	8,492	20,000
Contractual Services							
Contractual Services							
Professional & Contracted Srvcs	183,462	170,182	152,430	165,746	218,930	93,072	228,607
Other Supplies							
Supplies							
Materials and Supplies							
Interest	5	9	30	41		28	
Other Charges	25	25	25	25			
Other Charges	30	34	55	66	-	28	-
Expenditures	183,493	170,216	152,485	165,812	218,930	93,100	228,607
Other Financing Uses							
DMC EDA Corporation - Net Revs - Exps	2,129,448	1,883,356	1,853,782	2,236,728	2,842,507	1,529,146	
City Support:							
City DMCC Project Management	402,178	593,285	671,461	931,810	1,157,454	486,726	1,304,032
DMCC Administrative Support by City		18,887	28,041	8,420	100,000	6,209	100,000
Keep It Local Grants - COVID-19 Response	51,078						
Total DMCC & EDA Expenditures	2,766,197	2,665,744	2,705,769	3,342,770	4,318,891	2,115,181	

EXHIBIT A

**DMCC REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN
FOR 2025**

To: City of Rochester, Minnesota (the “City”)

1. The undersigned authorized representative (the “Representative”) of the Destination Medical Center Corporation (“DMCC”) hereby authorizes and requests an extension of the Term of the Working Capital Loan Agreement (DMCC-City), dated April 30, 2015, as amended, by and between the City and the DMCC (the “Agreement”) and renewals of the DMCC Note and the EDA Note, in the amount and on the date specified below, in order to pay certain DMCC Eligible Expenses and to provide the EDA Tranche to pay certain EDA Eligible Expenses, pursuant to the terms and conditions of the Agreement. Capitalized terms not otherwise defined herein shall have the meanings given them in the Agreement.
2. The Representative certifies that (i) attached as Attachment 1 is a true and correct annual reconciliation of the DMCC Tranche Advances made through August 31, 2024 and the DMCC Eligible Expenses paid from such Advances, as required by Section 2.6 of the Agreement; (ii) each item for which the DMCC sought payment in Attachment 1 was a DMCC Eligible Expense; and (iii) the Advances received by the DMCC have not exceeded the limitations set out in Section 2.4(a) of the Agreement.
3. The Representative further certifies that attached as Attachment 2 is a true and correct copy of the EDA Request for Extension of the Working Capital Loan for 2024.
4. The DMCC hereby requests an extension of the Agreement Term and renewals of the DMCC Note and the EDA Note, in the amount of \$1,000.00 as the DMCC Tranche Advance and in the amount of \$100,000.00 as the EDA Tranche Advance, as such amounts may be adjusted by the City pursuant to Section 2.8(c) of the Agreement, for payment of DMCC Eligible Expenses and, as to the EDA Tranche, for payment of EDA Eligible Expenses.
5. The Representative further certifies that no portion of the amount requested in paragraph 4 above constitutes a DMCC Excess Request under Section 2.3 of the Agreement.
6. The Representative further certifies that this statement and all exhibits and attachments hereto, and documents furnished in connection herewith, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection, and authority to the City for its actions taken pursuant hereto.

Dated: _____, 2024

Authorized DMCC Representative

ATTACHMENT 1

DMCC Working Capital Loan Account Reconciliation 2024

DMCC Bank Account	2024											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Beginning Bank Balance	1004.97	1026.17	2374.55	1002.82	887.85	889.56	13817.53	892.84	885.47	885.47	885.47	885.47
DMCC Bank Charges	126.08	118.55	118.12	116.68	120.39	118.94	124.90	120.25				
Adjustments - bank fees returned												
Adjustments - change in amount												
Interest Earnings	26.76	10.91	4.82	4.53	9.95	8.89	17.74	5.72				
EDA Funding Requested	316576.09	254503.34	196579.17	151319.8	272121.9	140917.42	305005.8	187781.7				
Actual Funded	323994.11	255959.36	196693.66	158992.4	273734.1	172530.56	318098.7	191157.7				
Checks	7297.5	0	1372.92	7675.38	1500	18575.12	25910.43	3268.81				
Difference	120.52	1456.02	-1258.43	-2.82	112.15	13038.02	-12817.5	107.16	0	0	0	0
Ending Bank Balance	1026.17	2374.55	1002.82	887.85	889.56	13817.53	892.84	885.47	885.47	885.47	885.47	885.47
Reconciling Items												
Interest												
Bank Fees												
Net	1,026.17	2374.55	1002.82	887.85	889.56	13817.53	892.84	885.47	885.47	885.47	885.47	885.47
Ending Bank Balance	1,026.17 (0.00)	2,374.55 0.00	1,002.82 (0.00)	887.85 (0.00)	889.56 (0.00)	13,817.53 (0.00)	892.84 (0.00)	885.47 (0.00)	885.47	885.47	885.47	885.47

DMCC Working Capital Loan
Account Reconciliation
2023

DMCC Bank Account	2023											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Beginning Bank Balance	1,002.06	3,183.45	1,003.42	1,000.96	1,001.71	1,004.48	134,000.39	1,003.12	1,001.21	1,121.40	1,001.98	7,630.75
DMCC Bank Charges	113.79	118.90	110.91	114.67	114.45	113.92	113.15	115.89	111.89	115.24	115.65	111.90
Adjustments - bank fees returned												
Adjustments - change in amount	1,293.00											
Interest Earnings	3.24	4.91	4.64	3.92	5.05	4.87	16.47	3.45	7.98	5.15	6.38	4.99
EDA Funding Requested	187,944.61	126,146.94	201,229.07	164,428.41	225,818.79	116,442.38	372,526.04	143,760.00	121,334.32	137,104.40	239,441.53	143,595.72
Actual Funded	194,343.55	133,632.28	201,332.88	170,278.58	232,328.34	249,547.34	243,921.07	143,870.53	123,125.92	148,560.97	246,179.57	147,094.35
Checks	5,400.00	9,551.38		5,738.67	6,397.38		4,295.62		1,567.50	11,465.90	-	10,017.50
Difference	998.94	(2,066.04)	103.81	111.50	112.17	133,104.96	(132,900.59)	110.53	224.10	(9.33)	6,738.04	(6,518.87)
Ending Bank Balance	3,183.45	1,003.42	1,000.96	1,001.71	1,004.48	134,000.39	1,003.12	1,001.21	1,121.40	1,001.98	7,630.75	1,004.97
Reconciling Items												
Interest		-	-	-	-	-	-	-	-	-	-	-
Bank Fees		-	-	-	-	-	-	-	-	-	-	-
Net	3,183.45	1,003.42	1,000.96	1,001.71	1,004.48	134,000.39	1,003.12	1,001.21	1,121.40	1,001.98	7,630.75	1,004.97
Ending Bank Balance	3,183.45	1,003.42	1,000.96	1,001.71	1,004.48	134,000.39	1,003.12	1,001.21	1,121.40	1,001.98	7,630.75	1,004.97
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	-	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

**EDA REQUEST FOR EXTENSION OF WORKING CAPITAL LOAN
FOR 2025**

To: Destination Medical Center Corporation
City of Rochester, Minnesota

1. The undersigned authorized representative (the “Representative”) of the Destination Medical Center Economic Development Agency (“EDA”) hereby authorizes and requests an extension of the Term of the Working Capital Loan Agreement (DMCC-EDA), dated April 30, 2015, by and between the Destination Medical Center Corporation (“DMCC”) and the EDA (the “Agreement”), and a renewal of the EDA Note, in the amount and on the date specified below, in order to pay certain EDA Eligible Expenses pursuant to the terms and conditions of the Agreement. Capitalized terms not otherwise defined herein shall have the meanings given them in the Agreement.
2. The Representative certifies that (i) attached as Exhibit A is a true and correct annual reconciliation of the Advances made through July 31, 2024 and EDA Eligible Expenses paid from such Advances, as required by Section 2.6 of the Agreement; (ii) each item for which the EDA sought payment in Exhibit A was an EDA Eligible Expense; and (iii) the Advances received by the EDA have not exceeded the limitations set out in Section 2.4(b) of the Agreement.
3. The Representative hereby requests an extension of the Agreement Term and a renewal of the EDA Note through the period December 31, 2025, in the Maximum Aggregate EDA Advances amount of \$100,000, as such amount may be adjusted by the City as provided in Section 2.8(c) of the Agreement, for payment of EDA Eligible Expenses pursuant to the terms and conditions of the Agreement.
4. The Representative further certifies that no portion of the amount requested in paragraph 3 above constitutes an EDA Excess Request under Section 2.3 of the Agreement.
5. The Representative further certifies that this statement and all exhibits and attachments hereto, and documents furnished in connection herewith, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection, and authority to the DMCC for its actions taken pursuant hereto.

Dated: September 12, 2024


Authorized EDA Representative

EXHIBIT A: RECONCILIATION OF EDA ADVANCES

Through July 31, 2024

EXHIBIT A

**DMC EDA
Operating Account
Reconciliation of Bank Balance to Advance Total
Bank Balance Date: 7/31/2023**

Balance per Bank: \$ 117,354.26

Add:

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

Payroll

\$ -

Payable:

Mitel

\$ 556.43 6/20/2023

BlueCross BlueShield

\$ 10,829.60 7/21/2023

Checks cleared

\$ 65.00 #5531

Checks cleared

\$ 345.28 Amazon 4/18

Checks cleared

\$ 153.06 Amazon 6/21

Receivable

\$ 849.47 Due from Events account

Less:

Advance for expenses not cleared:

Misc CCC

\$ (155.82) remaining credit card credit

CCC

\$ 10.00 min pmt

CCC

\$ 32.00 min pmt

Payable:

\$ (39.28) Additional due to Mike due to ER change

Transfer

\$ (50,000.00) cash flow

Transfer

\$ 20,000.00 cash flow

Advance Total reconciled

\$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 8/31/2023

Balance per Bank:		\$	103,079.14
Add:			
Advance in transit for expense cleared bank or expenses not yet requested-			
Payroll 9/1	\$		146.15
	\$		230.76
	\$		12,848.68
	\$		30,010.92
		\$	43,236.51
Payable:	\$		4,183.64 8/18 McKnight payroll
Mitel	\$		556.43 8/22/2023
BlueCross BlueShield	\$		11,030.34 8/22/2023
Checks cleared	\$		65.00 #5531
Checks cleared	\$		345.28 Amazon 4/18
Checks cleared	\$		153.06 Amazon 6/21
Checks cleared	\$		43.24 Amazon 8/28
Checks cleared	\$		19.45 Amazon 8/28
Receivable	\$		849.47 Due from Events account
Receivable	\$		678.36 Due from Events account
Less:			
Advance for expenses not cleared:			
Misc CCC	\$		(155.82) remaining credit card credit
CCC	\$		10.00 min pmt
CCC	\$		32.00 min pmt
Outstanding check	\$		(102.52) Smith Schafer 9/1
Outstanding check	\$		(2,104.43) Data Smart (5 invoices)
Outstanding check	\$		(237.88) C to Shining C
Outstanding check	\$		(282.21) Squeegee Squad
Outstanding check	\$		(305.99) Mike
Outstanding check	\$		(1,093.07) Patrick
Payable:			
Transfer	\$		(50,000.00) cash flow
Transfer	\$		20,000.00 cash flow
Transfer	\$		(30,000.00) cash flow
Advance Total reconciled		\$	100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 9/30/2023

Balance per Bank:		\$	67,885.94
Add:			
Advance in transit for expense cleared bank or expenses not yet requested-			
Payroll 9/29	\$	230.76	
	\$	12,153.74	
	\$	31,448.67	
	\$	43,833.17	
Payable:	\$	4,183.64	8/18 McKnight payroll
Payable:	\$	4,298.05	9/1 McKnight payroll
Payable:	\$	1,000.00	Sept DEED payroll
Mitel	\$	556.52	9/20/2023
BlueCross BlueShield	\$	6,024.26	9/21/2023
Checks cleared	\$	65.00	#5531
Checks cleared	\$	345.28	Amazon 4/18
Checks cleared	\$	153.06	Amazon 6/21
Checks cleared	\$	85.52	9/15 Amazon
Checks cleared	\$	155.55	9/14 Amazon
Receivable	\$	849.47	Due from Events account
Receivable	\$	678.36	Due from Events account
Less:			
Advance for expenses not cleared:			
Misc CCC	\$	(155.82)	remaining credit card credit
CCC	\$	10.00	min pmt
CCC	\$	32.00	min pmt
Transfer	\$	(50,000.00)	cash flow
Transfer	\$	20,000.00	cash flow
Advance Total reconciled	\$	100,000.00	

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 10/31/2023

Balance per Bank: \$ 41,558.44

Add:

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

Payroll 10/28	\$ 245.76		
	\$ 12,020.04		
	\$ 31,360.06		
	\$ 4,276.54	\$ 47,902.40	
Payable:		\$ 1,000.00	Oct DEED payroll
Mitel		\$ 558.71	10/20/2023
BlueCross BlueShield		\$ 8,527.30	10/23/2023
Checks cleared		\$ 65.00	#5531
Checks cleared		\$ 85.52	9/15 Amazon
Checks cleared		\$ 155.55	9/14 Amazon
Checks cleared		\$ 1,186.56	10/27 Amazon
Checks cleared		\$ 45.23	10/3 Amazon
Checks cleared		\$ 19.45	10/4 Amazon
Checks cleared		\$ 3.74	10/16 Amazon
Checks cleared		\$ 98.47	10/16 Amazon
Checks cleared		\$ 27.03	10/16 Amazon

Less:

Advance for expenses not cleared:

Misc CCC	\$ (155.82)	remaining credit card credit
CCC	\$ 10.00	min pmt
CCC	\$ 32.00	min pmt
Outstanding checks	\$ (564.42)	Squeegee Squad
Outstanding checks	\$ (455.16)	Mike Flynn ER
Outstanding checks	\$ (100.00)	Anna Hicok ER

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 11/30/2023

Balance per Bank: \$ 39,658.69

Add:

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

Payroll	\$ 245.76	
	\$ 13,047.11	
	\$ 32,456.04	
	\$ 4,578.85	\$ 50,327.76
Payable:	\$ 1,000.00	Nov DEED payroll
Mitel	\$ 558.62	11/24/2023
BlueCross BlueShield	\$ 8,527.30	11/21/2023
Checks cleared	\$ 45.23	10/3 Amazon
Checks cleared	\$ 19.45	10/4 Amazon
Checks cleared	\$ 24.34	11/20 Amazon
Checks cleared	\$ 38.66	11/21 Amazon
Checks cleared	\$ 109.40	11/14 Amazon
Checks cleared	\$ 86.49	11/13 Amazon

Less:

Advance for expenses not cleared:

Misc CCC	\$ (155.82)	remaining credit card credit
CCC	\$ 10.00	min pmt
CCC	\$ 32.00	min pmt
Outstanding checks	\$ (282.21)	Squeegee Squad
Misc	\$ 0.09	rounding

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 12/31/2023

Balance per Bank: \$ 45,411.69

Add:

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

Payroll	\$ 30.00	
	\$ 780.33	
	\$ 11,094.87	
	\$ 34,708.52	
	\$ 2,573.77	\$ 49,187.49
Payable:	\$ 1,000.00	Nov DEED payroll
Payable:	\$ 1,000.00	Dec DEED payroll
BlueCross BlueShield	\$ 10,305.43	11/21/2023
Checks cleared	\$ 45.23	10/3 Amazon
Checks cleared	\$ 19.45	10/4 Amazon

Less:

Advance for expenses not cleared:

Misc CCC	\$ (155.82)	remaining credit card credit
CCC	\$ 10.00	min pmt
CCC	\$ 32.00	min pmt
Outstanding checks	\$ (6,855.56)	PS ER Check
Misc	\$ 0.09	rounding

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 1/31/2024

Balance per Bank: \$ 164,088.38

Add:

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

Payroll 1/19	\$ 176.15	
	\$ 465.33	
	\$ 14,335.90	
	\$ 30,946.18	
	\$ 6,091.66	\$ 52,015.22
BlueCross BlueShield		\$ 9,120.01 1/23/2024
Checks cleared		\$ 17.23 Amazon
Checks cleared		\$ 43.24 Amazon
Checks cleared		\$ 30.64 Amazon
Checks cleared		\$ 37.50 NSF fee

Less:

Advance for expenses not cleared:

Misc CCC	\$ (155.82)	remaining credit card credit
CCC	\$ 10.00	min pmt
CCC	\$ 32.00	min pmt
Outstanding checks	\$ (1,752.60)	Data Smart
Outstanding checks	\$ (237.88)	C to Shining C
Payable:	\$ (103,247.92)	2023 Credit Card pmts to transfer to Events account
Payable:	\$ (20,000.00)	Cash flow 1/5

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: **2/29/2024**

Balance per Bank: **\$ 54,788.37**

Add:

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

Payroll 3/1	\$	176.15	
	\$	255.06	
	\$	14,861.28	
	\$	32,259.43	
	\$	47,551.92	
BlueCross BlueShield	\$	9,120.01	2/21/2024
Checks cleared	\$	18.79	Amazon 2/5
Checks cleared	\$	46.83	Amazon 2/5
Checks cleared	\$	181.16	Amazon 2/5
Checks cleared	\$	54.39	Amazon 2/6
Checks cleared	\$	27.03	Amazon 2/16
Checks cleared	\$	43.44	Amazon 2/20
Checks cleared	\$	45.92	Amazon 2/20
Checks cleared	\$	22.62	Amazon 2/26
Checks cleared	\$	165.39	Amazon 2/28

Less:

Advance for expenses not cleared:

Misc CCC	\$	(155.82)	remaining credit card credit
CCC	\$	10.00	min pmt
CCC	\$	32.00	min pmt
Outstanding checks	\$	(1,752.60)	Data Smart Jan
Outstanding checks	\$	(237.88)	C to Shining C Jan
Outstanding checks	\$	(102.52)	Smith Schafer
Outstanding checks	\$	(1,687.94)	Data Smart Feb
Outstanding checks	\$	(297.34)	C to Shining C Feb
Outstanding checks	\$	(282.21)	Squeegee Squad
Payable:	\$	(4,077.47)	Jan credit card
Payable:	\$	(3,514.09)	Feb credit card

Advance Total reconciled **\$ 100,000.00**

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 3/31/2024

Balance per Bank: \$ 72,863.77

Add:

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

Payroll 3/29	\$	176.15	
	\$	255.06	
	\$	17,892.55	
	\$	38,034.41	
	\$	56,358.17	
Receivable:	\$	1,000.00	March DEED
BlueCross BlueShield	\$	9,120.01	3/21/24
Checks cleared	\$	18.79	Amazon 2/5
Checks cleared	\$	46.83	Amazon 2/5
Checks cleared	\$	54.39	Amazon 2/6
Checks cleared	\$	16.06	Amazon 3/22
Checks cleared	\$	67.02	Amazon 3/25
Checks cleared	\$	69.98	Amazon 3/25

Less:

Advance for expenses not cleared:

Misc CCC	\$	(155.82)	remaining credit card credit
CCC	\$	10.00	min pmt
CCC	\$	32.00	min pmt
Cash flow	\$	(20,000.00)	3/14/24
Outstanding checks	\$	(745.65)	Patrick Seeb
Outstanding checks	\$	(209.07)	Michael Flynn
Outstanding checks	\$	(1,052.00)	Metro Sales
Outstanding checks	\$	(2,538.09)	Data Smart
Payable:	\$	(4,077.47)	Jan credit card
Payable:	\$	(3,514.09)	Feb credit card
Payable:	\$	(7,364.83)	March credit card

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 4/30/2024

Balance per Bank: \$ 70,243.05

Add:

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

Payroll 4/26	\$ 255.06	
	\$ 551.15	
	\$ 16,941.02	
	\$ 35,661.79	
	\$ (283.10)	
	\$ 9,056.93	\$ 62,182.85
Receivable:	\$ 1,000.00	April DEED
BlueCross BlueShield	\$ 16,896.37	4/23/2024
Checks cleared	\$ 18.79	Amazon 2/5
Checks cleared	\$ 46.83	Amazon 2/5
Checks cleared	\$ 54.39	Amazon 2/6
Checks cleared	\$ 63.87	Amazon 4/11
Checks cleared	\$ 26.44	Amazon 4/16
Checks cleared	\$ 73.97	Amazon 4/16
Checks cleared	\$ 64.52	Amazon 4/26

Less:

Advance for expenses not cleared:

Misc CCC	\$ (155.82)	remaining credit card credit
Cash flow	\$ (50,000.00)	cash flow
Outstanding checks	\$ (4,029.35)	Data Smart
Payable:	\$ 3,514.09	Feb CC stmt

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 5/31/2024

Balance per Bank: \$ 212,627.56

Add:

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

	\$		Under-requested 4/26 payroll by \$1274.16 / Fidelity posted for a different amount than on payroll reports
Payroll	1,274.16		Over-requested 5/10 payroll by 20 cents / Fidelity posted for a different amount than on payroll reports
Payroll	(0.20)		
Receivable:	\$ 1,000.00		April DEED
Receivable:	\$ 1,000.00		May DEED
Checks cleared	\$ 18.79		Amazon 2/5
Checks cleared	\$ 46.83		Amazon 2/5
Checks cleared	\$ 54.39		Amazon 2/6
Checks cleared	\$ 73.97		Amazon 4/16
Checks cleared	\$ 28.79		Amazon 5/21
Checks cleared	\$ 26.44		Amazon 5/28

Less:

Advance for expenses not cleared:

Misc CCC	\$		(155.82) remaining credit card credit
Cash flow	\$	(50,000.00)	cash flow
Cash flow	\$	(25,000.00)	cash flow
Outstanding checks	\$	(137.00)	Amazon 3/18
Outstanding checks	\$	(16.06)	Amazon 3/20
Outstanding checks	\$	(26.99)	Amazon 4/23
Outstanding checks	\$	(237.88)	C to Shining C 3/31
Outstanding checks	\$	(1,992.86)	Data Smart 5/1
Outstanding checks	\$	(237.88)	C to Shining C 4/29
Outstanding checks	\$	(19,159.00)	Aon
Outstanding checks	\$	(104.00)	Smith Shafer 6/1
Outstanding checks	\$	(2,609.69)	Data Smart 5/16
Outstanding checks	\$	(1,052.00)	Metro Sales 5/20
Outstanding checks	\$	(846.63)	Squeegee Squad March-May
Receivable:	\$	3,514.09	Feb CC stmt
Payable:	\$	(18,089.01)	April CC stmt

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 6/30/2024

Balance per Bank: \$ 59,523.52

Add:

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

Payroll 6/21:	\$ 255.06		
	\$ 256.15		
	\$ 18,124.36		
	\$ 38,150.59		
	\$ 9,523.38	\$	66,309.54
			Under-requested 4/26 payroll by \$1274.16 / Fidelity posted
Payroll	\$ 1,274.16		for a different amount than on payroll reports
			Over-requested 5/10 payroll by 20 cents / Fidelity posted for
Payroll	\$ (0.20)		a different amount than on payroll reports
Checks cleared	\$ 18.79		Amazon 2/5
Checks cleared	\$ 46.83		Amazon 2/5
Checks cleared	\$ 54.39		Amazon 2/6
Checks cleared	\$ 73.97		Amazon 4/16
Checks cleared	\$ 28.79		Amazon 5/21
Checks cleared	\$ 26.44		Amazon 5/28
Checks cleared	\$ 104.88		Amazon 6/12
Checks cleared	\$ 11,712.13		BlueCross BlueShield 6/21
Checks cleared	\$ 29.73		Amazon 6/25

Less:

Advance for expenses not cleared:

Misc CCC	\$	(155.82)	remaining credit card credit
Outstanding checks	\$	(137.00)	Amazon 3/18
Outstanding checks	\$	(16.06)	Amazon 3/20
Outstanding checks	\$	(26.99)	Amazon 4/23
Outstanding checks	\$	(3,452.01)	Data Smart
Outstanding checks	\$	(297.34)	C to Shining C
Outstanding checks	\$	(32,730.66)	AON
Outstanding checks	\$	(1,656.49)	Hartford
Outstanding checks	\$	(730.60)	Patrick Seeb ER

Advance Total reconciled \$ 100,000.00

EXHIBIT A

DMC EDA
 Operating Account
 Reconciliation of Bank Balance to Advance Total
 Bank Balance Date: 7/31/2024

Balance per Bank:	\$	153,650.04	
Add:			
Advance in transit for expense cleared bank or expenses not yet requested-			
Payroll	\$	1,274.16	Under-requested 4/26 payroll by \$1274.16 / Fidelity posted for a different amount than on payroll reports
Payroll	\$	(0.20)	Over-requested 5/10 payroll by 20 cents / Fidelity posted for a different amount than on payroll reports
Checks cleared	\$	18.79	Amazon 2/5
Checks cleared	\$	46.83	Amazon 2/5
Checks cleared	\$	54.39	Amazon 2/6
Checks cleared	\$	73.97	Amazon 4/16
Checks cleared	\$	28.79	Amazon 5/21
Checks cleared	\$	26.44	Amazon 5/28
Checks cleared	\$	104.88	Amazon 6/12
Checks cleared	\$	11,712.13	BlueCross BlueShield 7/23
Checks cleared	\$	29.73	Amazon 6/25
Checks cleared	\$	16.20	Amazon 7/23
Checks cleared	\$	29.38	Amazon 7/23
Checks cleared	\$	929.29	Amazon 7/23
Checks cleared	\$	18.84	Amazon 7/29
Checks cleared	\$	39.65	Amazon 7/29
Less:			
Advance for expenses not cleared:			
Misc CCC	\$	(155.82)	remaining credit card credit
CCC	\$	56.00	CC Min. payment
Outstanding checks	\$	(137.00)	Amazon 3/18
Outstanding checks	\$	(16.06)	Amazon 3/20
Outstanding checks	\$	(26.99)	Amazon 4/23
Outstanding checks	\$	(104.00)	8/1 Smith Schafer
Outstanding checks	\$	(216.25)	6/30 C to Shining C
Outstanding checks	\$	(282.21)	6/13 Squeegee Squad
Outstanding checks	\$	(1,772.00)	7/8 The Hartford
Outstanding checks	\$	(751.42)	Lauren ER
Outstanding checks	\$	(318.01)	Geno ER
Outstanding checks	\$	(315.86)	Wafa ER
Outstanding checks	\$	(4,013.69)	Catherine ER
Cash Flow	\$	(60,000.00)	7/2 Cash Flow
Advance Total reconciled	\$	<u>100,000.00</u>	

2025 DMC Development Plan Update

To: DMCC Board of Directors

From: DMC EDA

Date: September 20, 2024

Request of the board of directors:

No action requested.

Overview:

In accordance with the DMC Act, the DMC EDA will prepare an updated DMC Development Plan for DMCC and Rochester City Council consideration in 2025. The update will ensure that the plan meets legislative requirements and stakeholder expectations.

The DMC Act requires that the DMC development plan:

- Provides an outline for the development of the City as a destination medical center, and the Plan is sufficiently complete, including the identification of planned and anticipated projects, to indicate its relationship to definite State and local objectives;
- Affords maximum opportunity, consistent with the needs of the City, County, and State, for the development of the City by private enterprise as a destination medical center;
- Conforms to the general plan for the development of the City and is consistent with the city Comprehensive Plan;
- Includes strategic planning consistent with a destination medical center in the core areas of:
 - commercial research and technology
 - learning environment
 - hospitality and convention
 - sports and recreation
 - livable communities, including mixed-use urban development and neighborhood residential development, retail/dining/entertainment, health and wellness, and transportation
- Estimates short- and long-range fiscal and economic impacts
- Provides a framework to identify and prioritize short- and long-term public investment and public infrastructure project development and to facilitate private investment and development, including the criteria and process for evaluating and underwriting development proposals
- Includes land use planning; transportation and transit planning; operational planning required to support the medical center development district; and ongoing market research plans

Additionally, as the 2020 DMC plan update did, this update can:

- Reflect the progress to-date against agreed-upon DMC goals
- Incorporate and/or complement other plans and strategies which may impact DMC
- Address community priorities
- Create opportunity to share and reaffirm DMC's primary mission, vision, and purpose

Next Steps:

Staff have been working in collaboration with City staff to ensure alignment in goals and opportunities. The first RFP is ready to go out to bring on a consulting team that will perform the retrospective analysis to gather the data from the past 10 years. The scope of that request could include the following:

Taxes

- Property taxes
- Income taxes
- Medical Provider taxes
- Sales taxes
- Hotel/Motel tax
- TIF financing and future projections

Private Investment

- Annual certification amounts
- SF by type (8 different categories)
- Housing (by units, types, affordability)
- Hotel (# of keys)
- Office/Lab
- Retail
- Mayo (including parking)
- Cultural Investment

Public Investment

- Annual Spent
- Fully Committed
- Baseline exists
- Leveraged funds (Federal, etc.)

Jobs

- Total number
- Mayo vs. non-Mayo
- Qualitative factors (equity/targeted workforce, AMI data, life sciences employees/# of new establishments-startups, RD&E jobs downtown post-COVID)

Experience

- Foot traffic volumes - PlacerAI
- Length of Stay
- # of event permits pulled
- Commuting experience - wait times, etc.

By subdistrict

- Public Infrastructure, Private investments
- Experience

Business Development

To: DMCC Board of Directors

From: DMC EDA

Date: September 20, 2024

Request of the board of directors:

No action requested.

Overview:

BUILD AWARENESS

1. Awareness Metrics Update through Q2 2024
 - a. 13/8 Lead Generation Campaigns Completed
 - b. 731/1,000 Company Pitches Made
 - c. 94/200 Opportunities Generated
 - d. 0/1 In-Market Familiarization Tours Completed
 - e. 28/30 Industry Events Attended
 - f. 79,800/250,000 Industry Exposures Generated
 - g. 94/150 Amplifier Visits Completed
2. Retail, Dining, and Entertainment (RDE) Awareness Activity
 - a. Through July 2024, DMC's RDE contract with Kruger Real Estate has produced:
 - i. An assessment of **more than a dozen** unique retail properties in downtown Rochester.
 - ii. Discussions and presentations with **more than 30** targeted retailers from around the country.
 - iii. Downtown Rochester marketing and promotion at **five different** retail focused events.
 - iv. Discussions with **more than 20 brokers and developers** about retail opportunities in Rochester.
3. Mayo Clinic Innovation Exchange (MCIE) Partnership
 - a. DMC and MCIE partnered on two different lead generation events in June 2024.
 - i. **Oslo, Norway**: Met with more than 50 innovators from throughout Norway and discussed partnership opportunities with Mayo Clinic. Presented DMC at multiple events with potential public and private tenants of Discovery Square.
 - ii. **London, UK**: Presented DMC and Discovery Square to more than 25 companies and innovators at a private event hosted by MCIE and Mayo Clinic-London.
 - b. DMC and MCIE are tentatively scheduled to partner on two additional lead generation events in the fall of 2024.
 - i. **Singapore**: multiple events where we can present Rochester, DMC, and Discovery Square to innovators interested in expansion to the US.
 - ii. **Norway 2.0**: A follow-up on the activity of June, with the potential to meet with additional, new innovators and start-ups.

4. Investment in Healing Familiarization Tour, October 2-4
 - a. DMC is hosting four national life science and MedTech amplifiers as part of the 2024 Investment in Healing conference in Rochester. Events to include:
 - i. A St Paul-based lunch with partners from DEED, Medical Alley, GreaterMSP, Mortenson, and JP Morgan.
 1. Topics to include Rochester’s connection to, and partnership with, the Minneapolis-St Paul life science and MedTech ecosystem.
 - ii. An opening night reception at Two Discovery Square with all attendees of the event.
 - iii. A Rochester dinner with members of the DMC EDA and DMCC Boards, along with other community partners.
 1. Topics to include infrastructure development, workforce, ecosystem, and support for the MedTech and life sciences industries in Rochester.

BUILD INFRASTRUCTURE

5. Shared Lab
 - a. DMC & Mortenson continue to ideate on shared lab design concepts and layouts, meeting weekly to work through needs and capabilities.
 - i. Suite 160 in One Discovery Square is acting as a Discovery Labs “proxy,” currently housing three innovators and start-ups working with Mayo Clinic.
 - b. DMC has engaged HDR, the architect responsible for the design of the new Kellen research building at Mayo Clinic, to support a more organized process around the development of a shared lab vision and concept.
 - c. DMC continues to meet with Mayo Clinic innovators to better understand their innovation journey, and the areas where a properly equipped shared lab could have been valuable.
 - i. Dr Emanuel Trabuco (Chair of Innovation, Department of Obstetrics & Gynecology)
 - ii. Clifton R. Haider, Ph.D. (Consultant, Department of Physiology & Biomedical Engineering)
6. Workforce Development
 - a. DMC is working with Mayo Clinic Center for Regenerative Biotherapeutics on developing a workforce development concept for Rochester.

BUILD ECOSYSTEM

7. Please see the “Developing the Rochester Healthcare Technology Innovation Ecosystem” one sheet in the packet

Chateau Theatre



To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:
No action requested.

Background:

To-date, the DMCC and City Council have approved approximately \$7.7 million in DMC funding for the purchase, maintenance and operation of Chateau Theatre. The DMCC and City Council approved an additional \$1 million for HVAC upgrades in 2024.

The City of Rochester also secured a U.S. Economic Development Administration tourism grant to support restroom renovations.

Chateau Theatre

- Facility Update:
 - o City staff have been evaluating the Chateau Theatre building integrity including specific areas of the building that need special attention due to the historic nature (internal facade). A final report is pending.
- The Chateau Theatre is open daily for guests to explore the space and shop at Threshold Art’s art local artist boutique.
- Foot traffic on Peace Plaza continues to increase during evenings and weekends, Threshold Arts continues to adjust hours and programming at the Chateau to reflect this change.
- City, DMC and Threshold Arts have been working closely to identify key learnings from the past 2+ years of interim operations to inform programming moving forward. Key learning include:
 - o The flexible nature of the Chateau makes it a great fit for a wide variety of events, and is set up to facilitate multiple uses in the same day, even concurrently:
 - Full theatrical productions are amazing and impressive, however, they limit the use of the building during the show
 - Exploring new approaches to theatrical productions will be key moving forward.
 - o Improved catering prep space (refrigeration, ice, sinks) is a necessity for more professional and efficient events
 - o Challenges include acoustics, technology and engineering in the building to support events

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.

Discovery Square: Developing the Rochester Healthcare Technology Innovation Ecosystem

To: DMCC Board of Directors
From: DMC EDA
Date: Sept 20, 2024

Request of the board of directors:

No action requested.

Background:

Destination Medical Center (DMC) has a three-pronged business development strategy around building awareness of the Rochester area in the national and global marketplace, building infrastructure necessary to support business growth, and building a supportive ecosystem that accelerate business success.

This update focuses on developing the local ecosystem, the set of trusted relationships among people working in and adjacent to healthcare technology industries. For our purposes, the ecosystem nodes are 1) Industry; 2) Clinical and research organizations; 3) Higher Education; 4) Service providers; 5) Investment Capital; and 6) Economic development professionals.

Near Term Deliverables – Ecosystem node census and analysis

1. Establishing a contract with a consulting firm to conduct the following analyses:
 - a. Higher Education Analysis: Identify higher education institutions in the Upper Midwest to determine their relevance to the Rochester innovation ecosystem. This includes identifying programs that align with the needs of the ecosystem, such as undergrad, PhD, and entrepreneurship programs, as well as tech transfer offices and affiliated research parks.
 - b. Investment Capital Analysis: Identify and evaluate the network of organizations that invest in promising technology companies within the region. This includes detailing the investment verticals, size of funds, company stages of focus, and key contacts.
 - c. Service Providers: Identify and categorize the service providers in the Medical Alley super-region that can support the companies here in the local ecosystem. This includes experts in design, manufacturing, regulatory, reimbursement, strategy development, and multiple other verticals.
2. Internally we are identifying all relevant healthcare tech companies within the Rochester MSA, documenting key attributes such as technology verticals, personnel count, investment secured, and stage of operations.
3. Separately we will identify key innovators and connectors at the University of MN innovators and connectors, as well as economic development groups and cluster organizations locally, regionally, nationally and internationally.
4. Once the above “census” work is completed for each ecosystem node, we will undertake an in- depth analysis that will enable us to develop a fully informed

ecosystem strategy for technology commercialization support activities. The node census and analysis activities and expected outcomes are described here:

Deliverable	Partner Orgs	2024/2025 Activities	Outcomes
Business Gap Analysis	<input checked="" type="checkbox"/> RST Bio companies <input type="checkbox"/> Service Providers <input type="checkbox"/> Higher Ed <input type="checkbox"/> Clin/Res org <input type="checkbox"/> Econ Dev orgs <input type="checkbox"/> Venture Capital orgs <input checked="" type="checkbox"/> Other: Contractor	<ul style="list-style-type: none"> • Gap analysis survey of RST Bio companies • Individual and group meetings with RST Bio companies to understand what they need to be successful. 	<ul style="list-style-type: none"> • Up to date census of businesses • Understanding of the ecosystem resources they need
MA service provider awareness	<input type="checkbox"/> RST Bio companies <input checked="" type="checkbox"/> Service Providers <input type="checkbox"/> Higher Ed <input type="checkbox"/> Clin/Res org <input type="checkbox"/> Econ Dev orgs <input type="checkbox"/> Venture Capital orgs <input checked="" type="checkbox"/> Other: Contractor	<ul style="list-style-type: none"> • Perception and awareness survey of MA regional service providers • Individual and group meetings with service providers and investor groups 	<ul style="list-style-type: none"> • Up to date census of service providers interested in supporting RST Bio companies. • Greater awareness of the RST Bio ecosystem
Higher Ed engagement plan	<input checked="" type="checkbox"/> RST Bio companies <input type="checkbox"/> Service Providers <input checked="" type="checkbox"/> Higher Ed <input type="checkbox"/> Clin/Res org <input type="checkbox"/> Econ Dev orgs <input type="checkbox"/> Venture Capital orgs <input checked="" type="checkbox"/> Other: Contractor	<ul style="list-style-type: none"> • Identify high priority institutions aligned with RST Bio workforce needs. • Build relationships with key partners at high priority institutions. 	<ul style="list-style-type: none"> • Institution-specific engagement plans that supports RST Bio workforce needs. • Greater awareness of the RST Bio ecosystem
UMN engagement plan	<input checked="" type="checkbox"/> RST Bio companies <input type="checkbox"/> Service Providers <input type="checkbox"/> Higher Ed <input type="checkbox"/> Clin/Res org <input type="checkbox"/> Econ Dev orgs <input type="checkbox"/> Venture Capital orgs <input checked="" type="checkbox"/> Other: UMN	<ul style="list-style-type: none"> • Start building relationships with key innovators and groups within UMN 	<ul style="list-style-type: none"> • Engagement plan that brings UM innovators here. • Greater awareness of the RST Bio ecosystem – for talent development AND innovator awareness
Commercialization support events	<input checked="" type="checkbox"/> RST Bio companies <input checked="" type="checkbox"/> Service Providers <input checked="" type="checkbox"/> Higher Ed <input checked="" type="checkbox"/> Clin/Res org <input checked="" type="checkbox"/> Econ Dev orgs <input checked="" type="checkbox"/> Venture Capital orgs <input checked="" type="checkbox"/> Other: MCIE	<ul style="list-style-type: none"> • Work with RST Bio businesses, Mayo Clinic partner groups, local partners and MA collaborators to develop a programming model. 	<ul style="list-style-type: none"> • A programming plan '25 that supports RST Bio businesses.

Long Term Deliverables – Ecosystem governance and self-sustainability

1. Kicked off a 2-year engagement with the Global Institute for Innovation Districts (GIID) in a cohort with nine other innovation districts around the world. Activities include multiple cohort-based discussions and several 1:1 sessions with GIID experts, participation in benchmarking activities and a global innovation district summit.
2. Year 1 focus will be on developing a governance and self-sustainability model that will carry the Discovery Square work through and beyond the 20-year DMC initiative.
3. Year 2 focus is to be determined during the Year 1 work and related to full-scale launch of the near-term ecosystem deliverables and long-term governance deliverables.

Equitable Economic Development

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:

No action requested.

Workplan Update:



1. Community Co-Design Updates:

- a. DMC EDA hosted a graduation celebration for the third cohort of Community Co-design Facilitators on May 15, 2024. The graduates are from the following organizations: United Way of Olmsted County, Olmsted County, Cradle 2 Career, Rochester Public Schools, IMAA, Mayo Clinic, and NAACP. Currently we have 22 Community Co-design Facilitators who have completed the training.
- b. We will offer the Community Co-design Leadership Training in October 2024. The training will consist of two sessions of over five hours total to provide leaders in our community with introductory information about Community Co-design. The total number of community leaders who received the training so far is 68.
- c. We hosted the League of Minnesota Cities Community Co-design tour as part of the League of Minnesota Cities' annual conference in Rochester from June 26th to the 28th. More than 40 registered conference attendees joined the tour to learn more about Community Co-design applications in the Discovery Walk Linear Park project and the Main Street Grant program.

2. Equity Alliance Updates:

- a. **Equity Series:** We continue to host the Equity Series on the 2nd Wednesday of every month, and we have been successful in convening leaders from City of Rochester, RAEDI, Rochester Area Foundation, Mayo Clinic, United Way, Rochester Public Schools, Olmsted County, and many other organizations and non-profits to attend the virtual series. The topics we covered so far in 2024 are: Working Toward Equality for Those of Asian and Pacific Islander Heritage, Equitable Planning and Design Strategies, and How Organizations Can Commit to Accessibility. Our next Episode will be on September 11th from Noon to 1pm.
- b. **Equity Alliance Growth:** City of Rochester and DMC EDA continue to share DEI best practices through the Equity Alliance. We invited many organizations in Rochester to join this effort to collaborate and partner in achieving the following initiatives:
 - i. Co-design (Use and Training).
 - ii. Coalition Building (Interest in DEI, Community of Practice).
 - iii. Equitable Policy Transformation/Improvement & Change.

3. Community Connections and Capacity Building:

- a. Housing Event at Two Discovery:** In partnership with the Coalition for Rochester Area Housing, the FDIC, and the OCC, we will be hosting a housing event with a focus on the banking community. The agenda will include presentations from City of Rochester, DMC, and Mayo Clinic to share the housing needs of our community. Other topics will include: the Minnesota Housing Tax Credit, and an overview of the BIPOC Home Ownership Co-design project. This event will be on Wednesday October 2nd from 9am to 2pm at Two Discovery.
- b. August Trades Readiness:** Lauren Jensen and Wafa Elkhailifa have presented a presentation to a cohort of participants of the August Trades Readiness program at Workforce Development Inc, which it is part of the Bloomberg Philanthropies Mayor’s Challenge Equity in the Built Environment program. The presentations included valuable information about built environment careers, community resources, and connection and networks.

c. Targeted Business/Targeted Workforce Goals and Reports:

Professional Technical & Construction Administration Projects

Goals	Results on Active Projects (as of June 2024)
Targeted Business Contracts: 7%	9.5%
Workforce Participation (Women): 9%	34.7%
Workforce Participation (Minorities): 15%	13.8%

Construction Projects

Goals	Results on Active Projects (as of June 2024)
Targeted Business Contracts: 7% Commercial	19.4%
Targeted Business Contracts: 4% Heavy Civil	15.7%
Workforce Participation (Women): 9%	3%
Workforce Participation (Minorities): 15%	16.0%

4. Affordable Housing Updates:

- a. Housing Developers Monthly Check-ins:** We are continuing our monthly check-ins with 10 developers who are interested in the Rochester community. We provide the developers monthly updates about the following sites: Riverfront, West Transit, and Kmart. We will continue to provide DMC district site opportunities and City of Rochester opportunities to housing developers, and emerging/BIPOC developers.

- b. U.S. Housing Community Development Conference & Expo- Dallas Texas:** Wafa Elkhalfifa attended the conference on May 30th to the 31st. The conference included many sessions and presentations about: workforce housing, affordable housing, and attainable housing while providing results and case studies. The conference resulted in establishing a connection with the Association of Improvement of American Infrastructure (AIAI), and many housing developers. We hosted one of the developers we connected with in the conference here in Rochester on August 7th. The Michael's Organization is a housing developer from New Jersey and currently has housing projects in 35 states across the US. Our City of Rochester partners provided the organization with a tour of the Riverfront site, followed by a meeting at the Coalition for Rochester Area Housing.

Minnesota MedTech 3.0

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:

No action requested.

Background

- The U.S. Economic Development Agency posted a notice of funding opportunity (NOFO) for the 31 federally recognized Regional Tech Hubs, as authorized by the 2022 CHIPS and Science Act.
- The grant opportunity was for \$40-70M over 2-5 years for each of 5-10 regional tech hubs.
- The Minnesota Tech Hub, referred to Mn MedTech 3.0 (MMT3.0) is based on our rich history in medical devices.
 - Led by GREATER MSP, the MN coalition includes 140+ individuals from ~30 organizations, including Mayo Clinic, Destination Medical Center, University of MN, Medtronic, Allina Health, Boston Scientific, Fogarty Innovation, gener8tor, HealthPartners, Medical Alley Association, Minnesota State Universities, Shakopee Mdewakanton Sioux Community, Office of Governor Tim Walz, and many more.
- MMT3.0 is A strategy to grow Minnesota’s global market share in the medical technology industry by building an ecosystem that is even more connected, more strategic, and “smarter” through the incorporation of cutting-edge technologies, such as artificial intelligence, machine learning, and data science.

Update

Minnesota application was not awarded, but work continues:

- **Full-Time Leader:** Greater MSP will be receiving a \$500,000 grant from the U.S. Economic Development Administration to be used to hire a full time Minnesota MedTech 3.0 “Regional Innovation Officer” and ensure our coalition is positioned to begin implementing key initiatives and pursue federal funding and other capital in 2025 and beyond.
- **Other Resources:**
 - Exploring opportunities for state funding for some but not all MedTech 3.0 projects.
 - Need to raise \$500k-\$1m in private funding (companies, foundations) to stand up the hub and get initiatives off the ground ahead of spring 2025, assuming no state funding could come until next summer
 - Pursuing other federal grant proposals with our designation (e.g. EDA for startups & workforce, ARPA-H for data).
- **Minnesota Site Visit:** Federal Tech Hubs leaders will visit Minnesota on Tuesday, October 1 to learn more about our region and state’s MedTech leadership and get a first-hand look at our collaboration. The visit will be important to our ongoing efforts to secure federal funding, but it’s also an opportunity to communicate next steps across our coalition and to Minnesota leaders, media, and others.
- **Near-Term Objectives:** We will use the federal visit as a deadline for several next steps in Minnesota MedTech 3.0, including establishing annual objectives for three priority areas – Startup Incubation (MNCubator), Data Access (North Star Data Alliance), and talent (NextGen Talent). Advancing these initiatives over the next 12 months will require alignment of millions in new capital and assets from other public and private sources (e.g. foundations, companies, and government agencies) and alignment of key personnel (e.g. executives-in-residence) and physical infrastructure (e.g. office and lab space) across the coalition.
- **Next Milestone:** There will be a federal innovation summit in early December by which we’d like to have a momentum story to share with federal agencies and national foundation leaders. By then, it will also be helpful to have a clear and compelling narrative headed into legislative session.

Mobility

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024



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.

Bus Procurement

- City, DMC and Mayo Clinic staff are currently working with New Flyer of America on vehicle design.

Right of Way (ROW) / Land Acquisition

- Negotiations Underway

Construction Management Services Contract

- City Council authorized a contract with Kimley-Horn and Associates, Inc. for Construction Management Services as a professional services agreement to review design documents, construction plans and specifications, complete construction management services of contracts and close-out and deliver the Link Rapid Transit Project.
- Project team has been established including communications and Business Forward.

Timeline

Project Timeline

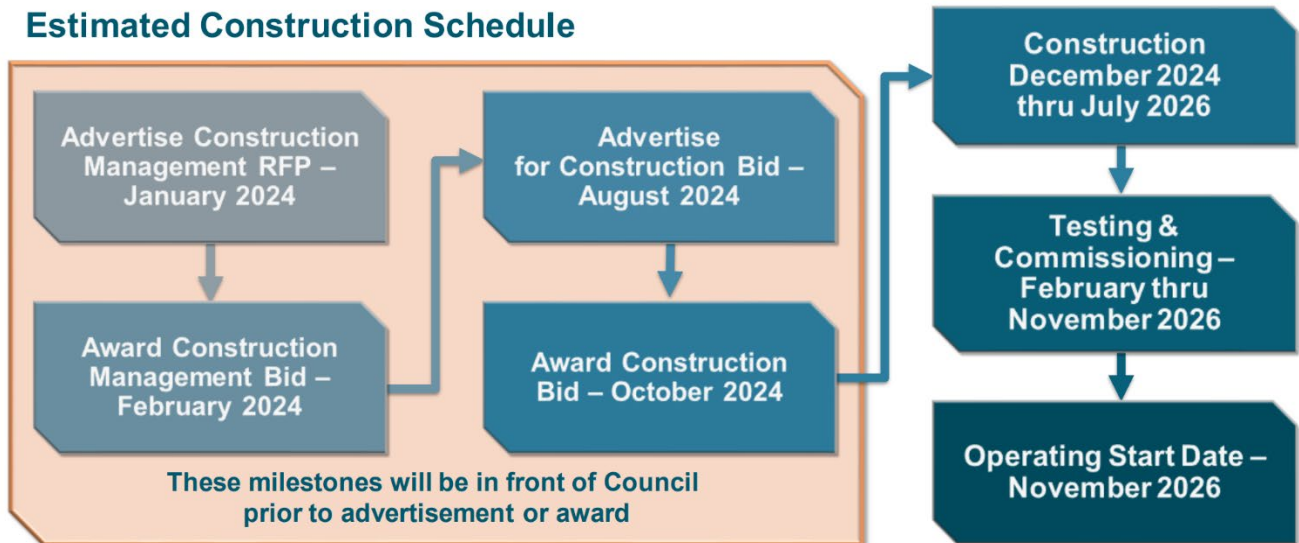


Fulfilling the DMC Vision, Mission, and/or Goals:

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.

Next Steps:

Estimated Construction Schedule



Public Realm: Discovery Walk

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:
No action requested.

Background:

Discovery Walk is a linear parkway along 2nd Avenue SW in downtown Rochester that will serve pedestrians as well as vehicle access.

Discovery Walk connects Heart of the City to Soldiers Memorial Field and will create a high amenity pedestrian experience while also maintaining flexibility for bike and vehicular access, civic events, and future development.

Updates:

- Construction crews are currently wrapping up projects and punch-listing the site.
- DMC staff have worked closely with the Rochester Farmers Market to move their mid-week Wednesday market to Discovery Walk. The goal is to test the use case while gathering information to inform future activation and programming. 8 Wednesday markets have been held so far.
- Food Trucks will be back on Discovery Walk.
- Formal acknowledgement of Discovery Walk completion will happen at the DMC Annual Meeting on September 19.

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

Discovery Square is a new address for the future of bio-medical, research and technology innovation and a keystone to the DMC economic development strategy. The sub-district borrows from Mayo Clinic's integrated care model to create an integrated district founded in the principles of translational medicine.

Work plan or capital improvement budget implications:

Completion of Discovery Walk has been budgeted for within the DMC CIP.



Public Realm: Downtown Riverfront

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024



Request of the board of directors:
No action requested.

Background:

To create a bold vision for future use of the Riverfront Small Area Plan site, it will be essential to leverage both the east and west sites together. The east-side focus being higher density and the west-side focused on civic and community engagement.



Update:

Gamble Associates continues to make progress on their current scope of work that includes:

- Working with the Army Corps of Engineers
- Advancing Design
- Evaluating the integrity of existing structures
- Pre-development investment strategy

City of Rochester in collaboration with Destination Medical Center is working with Hunden Partners to provide preliminary market assessments and strategic advisory related to a developer RFQ solicitation and selection process for the redevelopment/reuse of the two city-owned riverfront parcels.

The assessment offered detailed information regarding the timing of the release of an RFQ and the current market environment. The project team is anticipating that an RFQ be ready in late 2024.

Pre-Development Improvements:

Several pre-development improvements are in progress. Including:

- Replacement wood decking, the area was previously closed to the public because of soft wood panels
- Consolidated garbage enclosure for businesses along Riverfront alley, individual containers were being used along the alley way
- Lighting improvements to alley
- In current conversations with a light engineer about a winter light installation along the river and site
- Graphics to be placed on site to draw interest from Third street and alley way

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

DMC EDA staff worked in collaboration with City staff to select the consultant team, and DMC staff will continue to participate through the planning and development process. DMC is particularly focused on the public realm experience and linkages between this site and the rest of the district.

Public Realm: Heart of the City

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:

No action requested.

Background:

Heart of the City Phase 1:

- Paver Update: City and DMC project teams are working together to address the condition of the pavers. A report from Braun Intertec Corporation identifies the issues where pavers are not performing as expected. The project team is also working with RDG Planning and Design to determine an approach to each issue. More detailed information will be provided at the next board meeting.

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

Heart of the City subdistrict is a long-standing priority for the DMCC 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, is 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.



Public Realm: Soldiers Memorial Field

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

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.

Project improvements include a new aquatics area with a lazy river, 3 waterslides, 50-meter lap pool, a renovated bathhouse, a shallow pool, and a splash pad. Additional improvements also include an inclusive playground and shelter at Roy Sutherland Park (east side), new basketball courts, and a SW trail connection.

Project Update:

All construction activities related to this project have now been completed. The project team and construction partners completed the project on time while using a Business Forward strategy to mitigate the impact of construction on businesses and stakeholders.

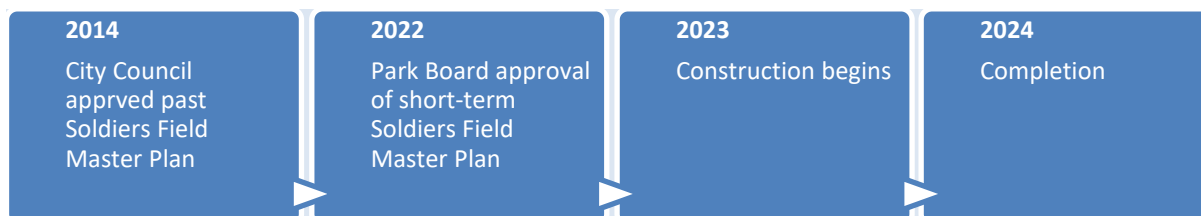
The park opened this summer to the public. The new aquatic center saw approximately 63,700 visits this summer between June 10 and August 25.

Work plan or capital improvement budget implications:

Included in the 2023 Capital Improvement Budget: \$10 million.

The project's funding totals \$22 million and comes from federal grants (\$5 million), state grants (\$250k), Destination Medical Center (\$10 million) and the local park referendum (\$7 million).

Approvals, milestones, and decision points:



6th Street Bridge, Roadway Safety & Riverfront Improvements

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024



Request of the board of directors:
No action requested.

Background:

The 6th Street Bridge, Roadway Safety and Riverfront Improvements project will construct a bridge over the Zumbro River that connects East and West 6th Street South as well as redevelop the area's existing flood control system into an accessible riverfront space. In 2020, the City led the Downtown Waterfront Southeast Small Area Plan to create a vision for the area. The 6th Street Bridge and Riverfront Improvements project was a key component of this plan and during the study process, a preferred bridge concept was identified. This next phase of the project will develop the detailed design for the preferred concept in preparation for construction in 2026.

In addition to the bridge and riverfront access, additional roadway improvements will be constructed including:

- Streetscape enhancements along Sixth Street SW between Second Avenue SW (Discovery Walk) and South Broadway
- Traffic calming features for a new Sixth Street SE between the new bridge and Third Avenue SE
- Traffic mitigation for the existing Sixth Street SE between Third Avenue SE and Ninth Avenue SE

During the summer of 2023, the project team kicked off the preliminary design & engineering efforts. They began a significant public engagement effort for the project in the spring of 2024.



Funding:

In September 2022, The City of Rochester was awarded \$19 million through the Rebuilding American Infrastructure with Sustainability & Equity (RAISE) federal grant program. DMC has committed \$10 as the local match.

Private Development

To: DMCC Board of Directors
 From: DMC EDA
 Date: September 20, 2024

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
- Leveraging existing infrastructure investments to catalyze more opportunity

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

- Economic diversification
- Housing affordability
- Mainstreet 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>Action was taken by the DMCC Board at the 2Q2024 meeting, and subsequently by City Council to authorize public support for this project. DMC support is for \$3M in GSIA infrastructure support to enable the project to be the first private customer of the downtown district energy system, as well make an enhanced public realm experience surrounding the project, including the Riverfront.</p> <p>The project will include 243 market rate units and 76 affordable housing units available to those making at or below 60% AMI.</p>



Gerrard 2nd Street

Proposing a mid-to-large apartment building (~125 units) with a small amount of ground floor commercial space on 2nd Street near 6th. A smaller (4-unit) building planned as affordable for-sale units in partnership with First Homes, and a mid-block pedestrian path are also part of the project and it is anticipated that there would be a DMC request to support the land and construction of this public realm connection, which would be deeded to the City while the developer would oversee ongoing maintenance for a term of at least 20 years.

The developer is looking to proceed with this project and brought the project back to the City for an updated Pre-development meeting. Once the City has solidified on their interest in the mid-block park, and First Homes is clear that this property is what will work for their customers, a DMC funding request is expected.

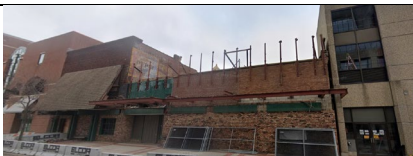


West Transit Village (WTV)

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 Kraus Anderson as their developer partner and has refined the project vision to two options that include +/- 300 units of housing, retail, parking and public realm.

At the 2Q2024 DMCC Board meeting action was taken to support \$3.9M in DMC GSIA funding to support the first phase of residential development by Aeon – a 94 unit senior affordable housing building that wraps 2 sides of the planned Mayo parking ramp. City Council subsequently also voted to support this allocation of funds.

Significant additional work is being done and it is expected that an additional request for this project will come forth in the 4Q2024 meeting that include other components of site infrastructure needed to support additional housing and commercial space (potentially including a daycare) on this site.



Michael's Site

A high-rise housing, retail and university building is in the early planning stages for this Broadway location. A skyway connection is also included as part of this portfolio. Demolition of the existing building started in August 2022.

This project is still in planning, and the development team has continued active conversations with City and DMC staff. The project recently came before City Council to indicate their interest in advancing conversation around a development agreement. This project would also potentially be a district energy customer.



CityWalk Apartments

This is an approximately 400-unit market rate apartment building on the south side of 2nd Avenue and 6th Street. They have received Main Street grant funding for the enhanced public realm space on the corner.

There is an active TIF application in front of the City that is expected to be brought forth in early October for requested action. The TIF would be under redevelopment TIF authority and would include a long-term agreement to maintain and preserve the NOAH units next door to this new construction.



Civic Center Drive Site

A development team has come forward with a proposed 2-phase, 250 unit affordable housing project on Civic Center Drive spanning 4th Avenue to 6th Avenue.



YMCA Development

Redevelopment of the downtown YMCA site into approximately 215 units of multifamily housing including some ground floor live-work spaces.

Construction is currently underway on this project, with topping out already completed.

HOSPITALITY



Olmsted Bank Building

The project was awarded \$200,000 in Main Street Grant funds and then received additional Main Street grant funds. However it is likely this project site will be put up for sale.



Post Office

The Post Office building on Broadway is owned by a Utah-based hospitality developer with local ties.

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.

This project has submitted a TIF application to the City of Rochester. However, currently interest rate environment has added additional project costs and widened the gap for feasibility, so the project is under continued review for possible solutions. There are several hurdles the developer has outlined (access to a long-term parking agreement, TIF) that need to be crossed for this project to proceed.

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.

Downtown Task Force

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:

No action requested.



Background:

In early 2023, the Downtown Rochester Task Force was established to help accelerate Rochester's path forward and build a more resilient downtown.

DMC took the lead in focusing on growth strategies related to task force priorities. DMC developed the "Grow Downtown Together" strategy that focuses on strengthening the demand drivers of downtown which include workforce, education, downtown housing, cultural anchors (Mayo Civic Center, Art Center, Civic Theatre, Chateau Theatre), and catalytic retail

This work leads to the most impactful work DMC and downtown stakeholders can do together: attracting people downtown.

Task Force Progress:

Task Force members have continued to meet twice a month to work together on tactics identified in the plan. Over the past 2 months, the Task Force has begun to change their focus from pandemic recovery to construction risk mitigation. *Thriving During Transformation* will be the new focus on the task force with the goal of working together while large transformational projects are being completed downtown. The group will use the Business Forward Strategy methodology as a guide to work towards developing a collective work plan.

Thermal Energy Network

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

Request of the board of directors:

No action requested.

Project Updates:

1. To create the Thermal Energy Network (TEN) and install the heating hot water and chilled water pipes, DMC investment totaling \$7.2 million was approved in the 2024 DMC CIP.
2. The City of Rochester is preparing for Phase 2 of the project, which will include Rochester Public Library, Rochester Art Center, Mayo Civic Center and the Civic Theater. Phase 2 is designed with connection points for adjacent development parcels including the Civic Center Lot where funding was approved at the May 2024 board meeting for the Sherman Associates multifamily development project.
3. Mayo Clinic is investing in the expansion of their downtown utility plant, incorporating geothermal technology and evaluating an open loop system. Their system will remain private.
4. The City and DMC EDA staff have agreed to move forward with a Request for Proposals/Request for Qualifications process to identify a system operator and determine an owner/operator agreement model.
5. The City is currently evaluating a proposal to verify the business model of an ambient loop vs four pipe system based on Inflation Reduction Act (IRA) tax credit interpretations.

Background:

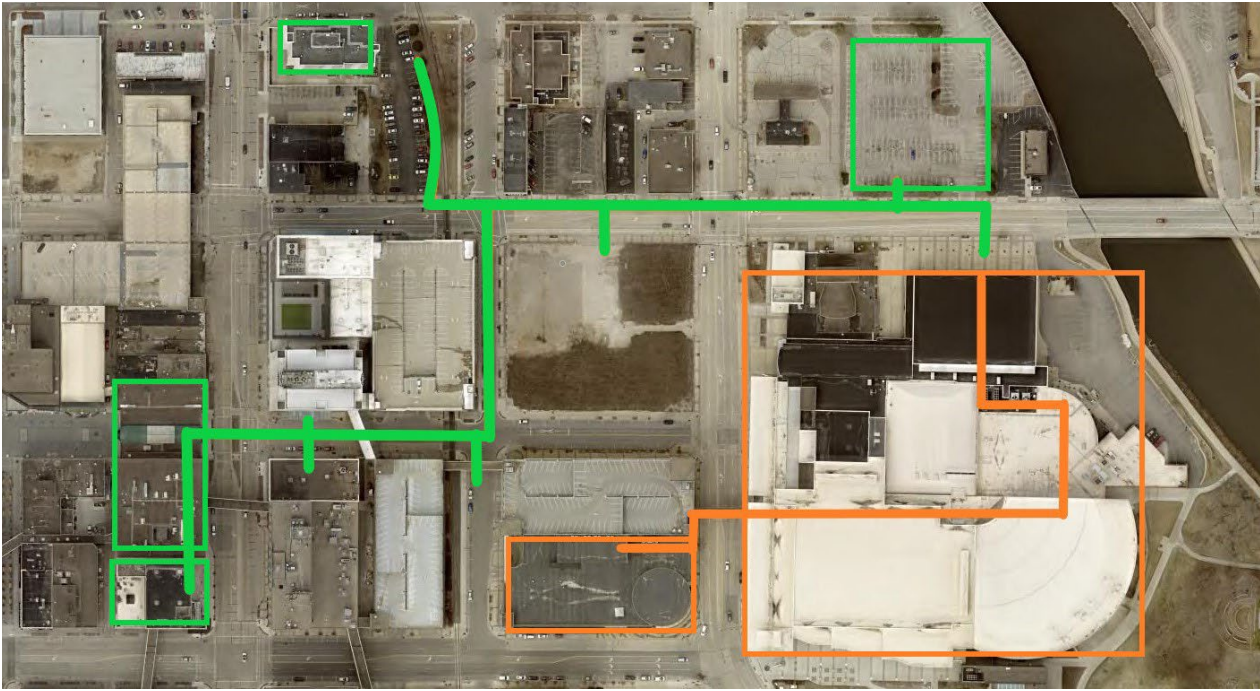
In 2015, DMCC adopted the DMC Development Plan, where the principles of sustainability planning are interwoven throughout, through an integrated mix of medium-to-high density uses, integrated live-work environments and green/park space features throughout the downtown. Subsequent action by the DMCC board 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
- 2023: Rochester City Hall installs first downtown geothermal wells
- 2024: Downtown Building Energy Transition Phase 2
 - January: Phase 2 budget approved
 - March: Request for Qualifications for construction management services
 - June/July: Phase 2 out for bid
 - August: Phase 2 construction begins
 - *Update: Construction will begin in spring of 2025 once the newly required NEPA (National Environmental Policy Act) and SHPO (State Historic Preservation Office) reviews are completed.*
 - Winter 2024-2025: RFQ/RFP process

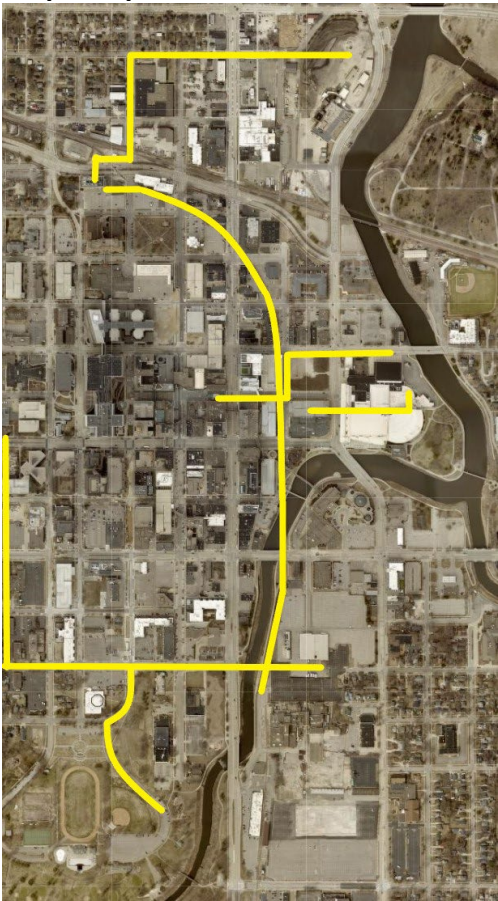
Since 2007, the City of Rochester has made substantial gains toward meeting its climate goals and is on track to achieve a 50% reduction community-wide by 2030. That said, more focus is needed to achieve a 100% reduction by 2050. Electrification of heating systems for homes and buildings and electrifying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

Map: Thermal Energy Network 1



Map: Proposed Downtown Thermal Energy Network



West Transit Village: Housing

To: DMCC Board of Directors
From: DMC EDA
Date: September 20, 2024

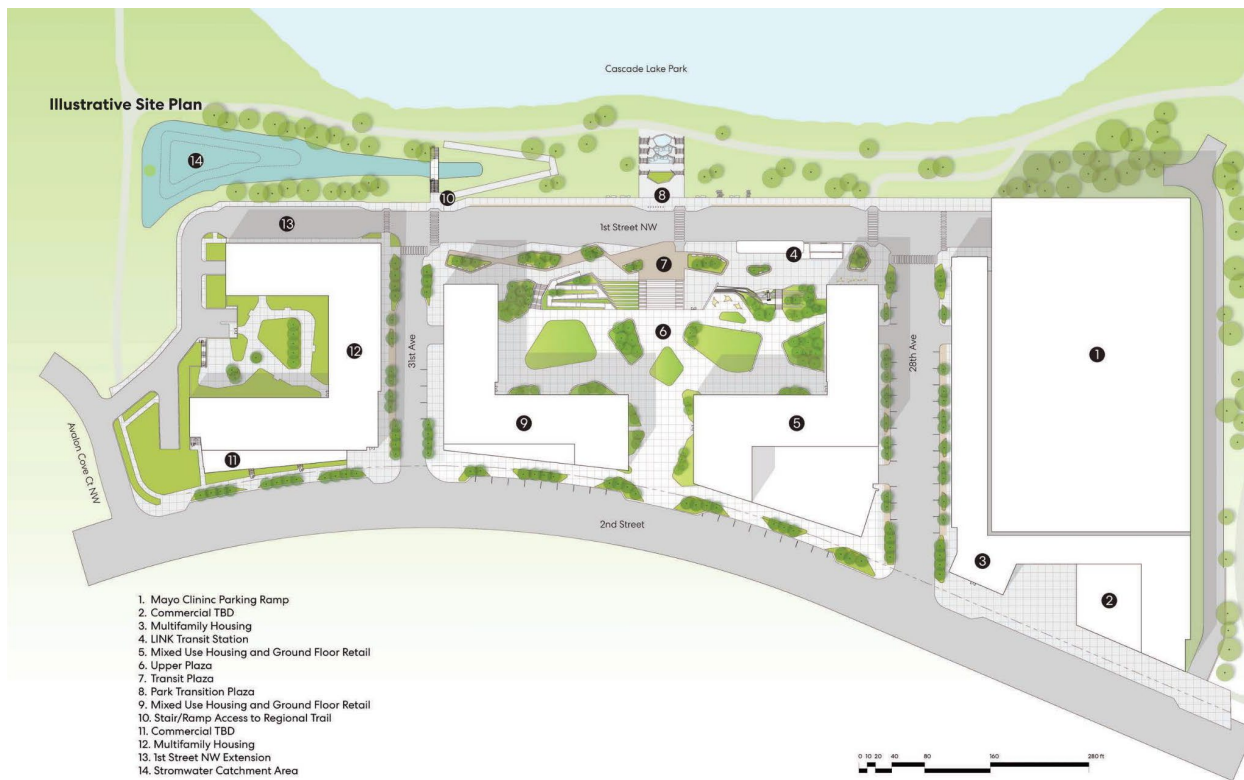


Request of the board of directors:
No action requested.

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 the selected developer team of Kraus Anderson (master developer and market rate housing) and Aeon (affordable housing developer) have worked in collaboration for over a year. The parties have agreed to a public-private partnership approach and are also driven by the FTA transportation funding schedule for the transit elements of the site as well. A master plan has been developed by the development team in close coordination and partnership with Mayo Clinic, DMC, and the City of Rochester:



To realize this vision will require additional infrastructure outside of the Federal BRT project scope as well as support for the housing components of the project.

At this juncture there are over 42 different major components of the site that need to come together to realize the above vision. Partners are working together to fully develop a detailed matrix of those responsibilities and a schedule in order to maintain the overall project schedule which is built off of the expected opening day of the BRT system in 4Q2026.

In the proposed 2025 CIP budget elsewhere in this packet there are funds requested to support further advancement of the design of the infrastructure components of the site in order to understand the scope of future infrastructure funds needed to realize the overall vision. In addition, the market rate housing component is also preparing to submit an application for funding, potentially as soon as 4Q2024.

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. The inclusion of affordable and market rate housing, as well as amenity and service retail is critical for this site if it is to realize the DMCC Board vision.

Approvals, milestones, and decision points:

- DMCC and City Council approved \$3.9 million to support the phase 1 affordable housing component under development by Aeon
- MHFA did not elect to fund the request from the project in September 2024, so Aeon will need to re-submit in 2025
- Partners continue to develop and refine the overall site infrastructure and market rate housing needs
- Anticipate a full WTV plan presentation and financial analysis in 4Q 2024