



DMC  
Destination  
Medical Center

Destination Medical Center Corporation  
Board of Directors Meeting

Thursday, February 6, 2025  
9:30 A.M.



DESTINATION MEDICAL CENTER CORPORATION (DMCC)  
BOARD MEETING

Thursday, February 6, 2025  
9:30 A.M.

Mayo Civic Center, 30 Civic Center Dr SE, Rochester, MN

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

AGENDA

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XVI. Meeting Schedule

A. Executive Committee: March 26, 2025.

B. Next Regular Meeting: May 22, 2025 at 9:30 A.M. at Mayo Civic Center

XVII. Adjournment

30657244v3



DESTINATION MEDICAL CENTER CORPORATION (DMCC)  
BOARD MEETING

Thursday, December 5, 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, Council President Brooke Carlson, Mayor Kim Norton, R.T. Rybak, Commissioner Mark Thein, Pamela Wheelock, and Paul Williams were present. Commissioner Thein and Mr. Williams participated via videoconference due to scheduling conflicts.
- III. Approval of Agenda. Chair Wheelock entertained a motion to amend the meeting agenda 3, approving the agenda so that, following the approval of the September 26, 2024 meeting minutes and consent agenda, the board proceed to consider the meeting action items: the Downtown Property Preservation Program funding request, the proposed criteria for the use Of Link Bus Rapid Transit contingency funding, the proposed amendment to the 2025 Capital Improvement Plan (CIP), and the commendation of Council President Carlson. Council President Carlson moved to amend and approve the agenda. Mayor Norton seconded the motion. Ayes (6), Nays (0). Motion approved.
- IV. Approval of Minutes: September 26, 2024. Mr. Rybak moved to approve the September 26, 2024 minutes. Mayor Norton seconded the motion. Ayes (6), Nays (0). Motion approved.
- V. Consent Agenda.
  - A. DMCC 2024 Budget: Year to Date Update.

Council President Carlson moved to approve the consent agenda. Mayor Norton seconded the motion. Ayes (6), Nays (0). Motion approved.
- VI. Downtown Historic District Infrastructure Project Request. Patrick Seeb, DMC EDA Executive Director and Jamie Rothe, DMC EDA Director of Public Experience for Strategic Infrastructure, presented a request for downtown historic district infrastructure funding. The funding would enable infrastructure improvements at three downtown properties.

Resolution: Approving Downtown Property Preservation Program Funding Request.

Council President Carlson moved to approve the resolution. Mr. Baker seconded the motion. Ayes (6), Nays (0). Motion approved.

- VII. Criteria for use of Link Bus Rapid Transit (BRT) Contingency Funding. Mr. Seeb and Cindy Steinhauser, City of Rochester Deputy Administrator, presented the proposed criteria for the use of Link BRT contingency funding, noting that the criteria address the preservation and use of funds, the expenditure approval process, categories of anticipated expenditures, and reporting.

Resolution: Approving Criteria For Use Of Link Bus Rapid Transit Contingency Funding.

Mr. Rybak moved to approve the resolution. Council President Carlson seconded the motion. Ayes (7), Nays (0). Motion approved.

- VIII. Aligning Infrastructure: Mayo Clinic Bold. Forward. Unbound. in Rochester. Mr. Seeb and Ms. Steinhauser presented a proposed amendment to the 2025 DMC Capital Improvement Plan to provide for public infrastructure investments adjacent to upcoming Mayo Clinic capital projects.

Resolution: Amending the 2025 Capital Improvement Plan (CIP) Budget and Providing Final Approval of Expenditure of Funds for Public Infrastructure Improvements.

Council President Carlson moved to approve the resolution. Mayor Norton seconded the motion. Ayes (7), Nays (0). Motion approved.

- IX. Commendation. Board members commended Council President Carlson for her service to the DMCC and City of Rochester. Chair Wheelock read the resolution for the record.

Resolution: Commending Brooke Carlson.

Mayor Norton moved to approve the commendation. Mr. Rybak seconded the motion. Ayes (6), Nays (0), Abstains (1, Carlson). Motion approved.

- X. Public Comment. Brenda Quaye, downtown property owner, spoke regarding the DMC Joint Funding Application previously submitted by R&R Properties of Mankato, LLC.
- XI. Chair's Report. Chair Wheelock summarized recent DMC investment decisions, including support for City project management staff, public realm, workforce housing, and mobility.
- XII. Metrics. Mr. Seeb and Catherine Malmberg, DMC EDA Director of Public Infrastructure & Development Strategy, provided an overview of the retrospective



analysis staff will conduct as a part of the five-year update to the twenty-year DMC Development Plan.

- XIII. Private Development Preview. Mr. Seeb, Ms. Steinhauser, and Ms. Malmberg provided updates on the development of the West Transit Village and proposed public realm improvements and private development on the 2<sup>nd</sup> Street SW corridor. Michael Flynn, DMC EDA Senior Director of Economic Development, provided an update on shared lab planning.
- XIV. UMR Campus and Climate Action Plan. Dr. Lori Carrell, Chancellor of the University of Minnesota Rochester (UMR), presented an overview of UMR's recently-approved campus and climate action plan.
- XV. Status Reports. Chair Wheelock noted that additional status reports are included in the public board meeting materials.
- XVI. Adjournment. Chair Wheelock adjourned the meeting.



**OATH OF OFFICE**

I do solemnly swear or affirm that I will support the Constitution of the United States and the Constitution of the State of Minnesota, and that I will faithfully discharge the duties of the office of:

Board of Directors  
Destination Medical Center Corporation

to the best of my judgment and ability.

Date: \_\_\_\_\_, 2025

\_\_\_\_\_  
Randy Schubring

State of Minnesota

County of Olmsted

Signed and sworn to (or affirmed) before me on this \_\_\_\_ day of February, 2025 by  
Randy Schubring.

\_\_\_\_\_  
Notary Public

**OATH OF OFFICE**

I do solemnly swear or affirm that I will support the Constitution of the United States and the Constitution of the State of Minnesota, and that I will faithfully discharge the duties of the office of:

Board of Directors  
Destination Medical Center Corporation

to the best of my judgment and ability.

Date: \_\_\_\_\_, 2025

\_\_\_\_\_  
Mark Thein

State of Minnesota

County of Olmsted

Signed and sworn to (or affirmed) before me on this \_\_\_\_ day of February, 2025 by Mark Thein

\_\_\_\_\_  
Notary Public

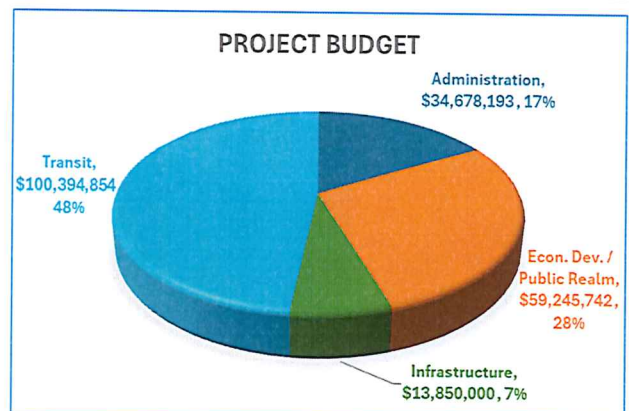
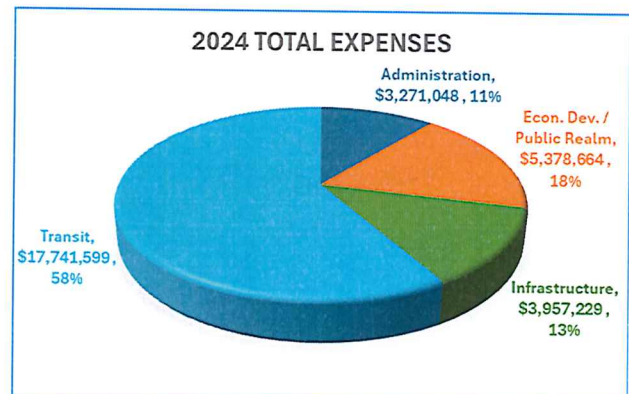
February 3, 2025

Re: DMCC Financial Budget Summary through December 29, 2024.

Dear Mr. Mark Thein, DMC Treasurer,

The attached Financial Budget Summary is through December 29, 2024. Additional transfers will continue to be made as the year 2024 closes out, so these are not the final amounts for 2024. The attached Financial Budget Summary reflects the DMCC operating expenditures in the amount of \$3,459,618 of its \$4,218,891 budget for 2024. The remaining amount unspent for the year is 18% of the total budget, primarily in the areas of Economic Development Outreach and Support and Employee and Professional Services.

The second page provides the DMCC Projects by Category through December 29, 2024, as managed by the City of Rochester and categorized by program budgets. For the year 2024, \$30,348,540 has been spent on the DMCC projects in the four major categories, while \$26,661,515 has been received in revenue. Again, additional revenue will continue to be transferred and recognized as the City continues to close out 2024. The graph on the right outlines that 58% of the total expense this year have been spent on Transit while 18% has been spent on Economic Development/Public Realm, and 13% being spent on Infrastructure. These amounts are representative of the annual project budgets as outlined in the graph on the right.



Total Life-to-Date expenditures on all projects are approximately \$208,061,615, an increase of \$13.6m from the Q3 report.

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

*Brian J. Anderson*

Director of Finance  
City of Rochester

Destination Medical Center Corporation  
Financial Budget Summary  
December 29, 2024

BUDGET ENTITY	OCTOBER EXPENSES	NOVEMBER EXPENSES	DECEMBER EXPENSES	2024 YTD EXPENSES	APPROVED BUDGET	AMOUNT REMAINING	PERCENT REMAINING
<b>DMCC Corporation:</b>							
Rents and Leases	\$ 3,528	\$ 1,042	\$ -	\$ 38,658	\$ 36,607	\$ (2,051)	-6%
Professional Services	34,818	11,494	10,242	106,983	165,000	58,017	35%
Travel/Training	172	-	-	743	6,000	5,257	88%
Insurance and Bonds	11,205	-	(485)	19,212	11,323	(7,889)	-70%
Interest / Other Administrative	3	4	4	41	-	(41)	
<b>Subtotal DMCC</b>	<b>49,726</b>	<b>12,540</b>	<b>9,760</b>	<b>165,637</b>	<b>218,930</b>	<b>53,293</b>	<b>24%</b>
<b>DMC EDA - Third Party Costs</b>							
Employee Services	125,631	123,832	208,169	1,634,090	1,714,702	80,612	5%
Operating Expenses	6,018	1,429	1,526	34,484	64,079	29,595	46%
Economic Development Outreach & Support	32,192	5,962	56,435	158,911	535,826	376,915	70%
Professional Services	28,299	66,773	19,505	379,004	467,900	88,896	19%
Miscellaneous Expenses	-	-	-	-	60,000	60,000	100%
<b>Subtotal DMC EDA</b>	<b>192,140</b>	<b>197,996</b>	<b>285,635</b>	<b>2,206,490</b>	<b>2,842,507</b>	<b>636,017</b>	<b>22%</b>
<b>City of Rochester Project Management Budget - Third Party Costs</b>							
Employee Services	135,110	93,853	113,096	1,041,288	1,032,543	(8,745)	-1%
Contractual Maint and Repair	-	99	-	697	38,760	38,063	98%
Expert and Professional Services	-	-	-	255	8,160	7,906	97%
Travel/Training/Memberships	8,642	177	167	12,921	18,197	5,276	29%
Operations Expenses	397	126	481	18,955	42,832	23,877	56%
Miscellaneous/Other	28	25	29	13,375	16,962	3,587	21%
<b>Subtotal City Project Management</b>	<b>144,177</b>	<b>94,281</b>	<b>113,773</b>	<b>1,087,491</b>	<b>1,157,454</b>	<b>69,963</b>	<b>6%</b>
<b>Total DMCC Operations</b>	<b>\$ 386,042</b>	<b>\$ 304,816</b>	<b>\$ 409,169</b>	<b>\$ 3,459,618</b>	<b>\$ 4,218,891</b>	<b>\$ 759,273</b>	<b>18%</b>

City of Rochester, MN  
DMCC Projects by Category  
Through December 29, 2024

PROJECT	OCTOBER		NOVEMBER		DECEMBER		YTD		PROJECT BUDGET	LTD EXPENSES
	REVENUE	EXPENSES	REVENUE	EXPENSES	REVENUE	EXPENSES	REVENUES	EXPENSES		
<b>Administration</b>										
C.8601 - COR Administrative Costs-DMCC	566	241,415	(11,777)	-	(7,892)	-	(11,047)	728,141	\$ 4,392,347	\$ 4,381,271
C.8602 - Contributions to DMCC Corporain	-	260,802	-	303,026	-	224,367	-	2,534,179	30,285,846	31,602,385
C.8606 - City Staff Costs-DMCC	27	27	54	54	356	356	8,727	8,727	-	451,994
C.8607 - County Staff Costs-DMCC	-	-	-	-	-	-	-	-	-	168,754
C.8629 - Development Plan Update	-	-	-	-	-	-	-	-	-	154,960
<b>Total Administration</b>	<b>593</b>	<b>502,244</b>	<b>(11,723)</b>	<b>303,080</b>	<b>(7,536)</b>	<b>224,723</b>	<b>(2,319)</b>	<b>3,271,048</b>	<b>34,678,193</b>	<b>38,377,529</b>
<b>Econ Development/Public Realm</b>										
C.8613 - Chateau Theatre Pre-Occupancy M & O	-	-	-	-	-	-	-	62	4,926,802	541,094
C.8624 - Chateau Theatre Building Improvement Purchase	-	472,830	-	49,942	-	35,722	-	1,799,795	2,350,000	11,591,383
C.8625 - Heart of the City	-	47,727	-	12,465	-	-	-	320,504	18,248,940	21,683,709
C.8627 - Property & ROW Acquisition	-	-	-	-	-	-	-	-	-	-
C.8633 - Strategic Development	-	-	-	-	-	-	-	-	-	-
C.8634 - Riverfront Reimagined	-	19,553	-	23,330	-	10,038	-	118,721	16,000,000	2,200,000
C.8904 - Discovery Walk	-	93,003	-	147,694	-	72,098	-	3,138,265	2,000,000	1,050,268
C.8905 - CnstrctnSWCpBy3AveSWR2SISW	-	-	-	-	-	-	3,182	1,316	15,720,000	17,958,623
<b>Total Econ Development/Public Realm</b>	<b>-</b>	<b>633,113</b>	<b>-</b>	<b>233,431</b>	<b>-</b>	<b>117,858</b>	<b>3,182</b>	<b>5,376,664</b>	<b>59,245,742</b>	<b>65,052,209</b>
<b>Infrastructure</b>										
C.8611 - SW/S12AVSW/NW<2SISW>2SINW	-	-	-	-	-	-	-	169	2,850,000	6,164,150
C.7319 - Reconst 7th Ave NW from 2nd St NW to 4st NW	-	-	-	-	-	-	-	-	1,250,000	9,383,953
C.7318 - Reconstruct North Broadway	-	-	-	-	-	-	-	-	300,000	22,674,050
C.1037 - Steam Replace/District Energy	-	338,907	-	49,674	-	110,953	4,000,000	10,729	2,808,786	13,212,132
C.8711 - Private District Energy Pilot	-	12,400	-	-	-	70,216	11,917,133	2,808,786	-	82,616
C.4716 - Downtown Sidewalk Experience Enhancement	-	-	-	-	-	-	-	82,616	-	2,258,016
C.7344 - Reconstruct 3rd Avenue NW Between 4th St. SW and 5th St. S	-	-	-	-	3,246	-	3,246	344	-	406,077
C.7830 - 1st Street NW San. Sewer Diversion from 1st Ave to Broadway	-	-	-	-	-	-	173	173	-	2,171,651
C.7919 - 6th Street Bridge over Zumbo River	-	30,196	-	37,436	-	189,426	392,000	988,583	-	1,482,073
<b>Total Infrastructure</b>	<b>-</b>	<b>381,503</b>	<b>-</b>	<b>87,110</b>	<b>3,246</b>	<b>370,596</b>	<b>16,312,551</b>	<b>3,957,229</b>	<b>13,850,000</b>	<b>72,952,817</b>
<b>Transit</b>										
C.8706 - DMCTransit Circulator/TODPInSidy	-	-	-	-	-	-	-	-	-	829,414
C.8707 - Rapid Transit Projects	-	893,088	-	741,605	-	11,720,431	9,348,101	17,727,319	77,007,083	29,135,347
C.8708 - Transit Villages 1&2	-	-	-	-	-	-	-	-	-	29,321
C.8709 - Arrive Rochester Implementation	-	-	-	-	-	-	-	14,280	300,000	177,717
<b>Total Transit</b>	<b>-</b>	<b>893,088</b>	<b>-</b>	<b>741,605</b>	<b>-</b>	<b>11,720,431</b>	<b>9,348,101</b>	<b>17,741,599</b>	<b>100,394,864</b>	<b>41,679,060</b>
<b>Total Project Costs</b>	<b>\$ 593</b>	<b>\$ 2,409,947</b>	<b>\$ (11,723)</b>	<b>\$ 1,365,225</b>	<b>\$ 9,123,101</b>	<b>\$ 12,433,607</b>	<b>\$ 25,661,515</b>	<b>\$ 30,348,540</b>	<b>\$ 208,168,789</b>	<b>\$ 208,061,615</b>

MEMO

To: Brian Anderson, Assistant Treasurer, DMC Corp.

From: Patrick Seeb, Executive Director, DMC EDA

Date 01/30/2025

RE: Request for 2024 Budget Encumbrance

In February 2024, the DMCC board of directors approved a request by the DMC EDA to encumber \$100,000 of 2023 DMC EDA operating funds to support 2024 website improvements. In 2024, as planning for the 2025 DMC Development Plan update progressed, staff decided to postpone any comprehensive website updates until the DMC plan update was underway. The \$100,000 of encumbered 2023 funds remains unspent.

Additionally, in December 2024, the DMC EDA entered a \$10,900 agreement with Cardo, Inc., to provide West Transit Village site visualizations, program specifics, construction costs, and other background information. Cardo is also providing project peer review related to building uses, parking entry locations, building entries, setbacks, frontage conditions, and other schematic site plan details. Through January 3, Cardo has billed \$962.50.

The DMC EDA requests that the DMC Corp. board of directors approve a 2025 operating budget encumbrance of \$110,000 in order to pay for these scopes of work, subject to the availability of funds.



**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_-2025**

**AUTHORIZING REPORT TO THE LEGISLATURE PURSUANT TO STATUTE**

**BACKGROUND RECITALS**

A. Minnesota Laws, Chapter 143, Article 10 (the “**Act**”) provides that by February 15 of each year, the Destination Medical Center Corporation (“**DMCC**”) and the City of Rochester (the “**City**”) must jointly submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over local and state government operations, economic development, and taxes, to the Commissioners of Revenue and Employment and Economic Development, and to Olmsted County. The DMCC and the City must also submit the report as provided in Minnesota Statutes, Section 3.195.

B. The DMCC and City staff have prepared a draft report, due on February 15, 2025, and attached as Exhibit A.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the DMCC Board of Directors that the Chair or Vice Chair of the DMCC is authorized to execute and submit the report to the Minnesota Legislature as required by the Act, in form similar to the report attached here as Exhibit A, as may be modified through further discussions with the City, and to take such other actions as are necessary and appropriate to effectuate the timely submission of the report to the Minnesota Legislature.

30661560v1

**EXHIBIT A**



February \_\_\_\_, 2025

The Honorable Tou Xiong  
Chair, State and Local Government and  
Veterans Committee  
Minnesota State Senate  
3203 Minnesota Senate Building  
95 University Avenue W  
St. Paul, MN 55155

The Honorable Ginny Klevorn  
Chair, State and Local Government Finance  
and Policy Committee  
Minnesota House of Representatives  
5th Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable Andrew Lang  
State and Local Government and Veterans  
Committee  
Minnesota State Senate  
2205 Minnesota Senate Building  
95 University Ave W  
St. Paul, MN 55155

The Honorable Jim Nash  
Chair, State and Local Government Finance  
and Policy Committee  
Minnesota House of Representatives  
2nd Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable Bobby Joe Champion  
Chair, Jobs and Economic Development  
Committee  
Minnesota State Senate  
3401 Minnesota Senate Building  
95 University Ave W  
St. Paul, MN 55155

The Honorable Dave Pinto  
Chair, Workforce Development Finance and  
Policy Committee  
Minnesota House of Representatives  
5th Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable Rich Draheim  
Jobs and Economic Development Committee  
Minnesota State Senate  
2225 Minnesota Senate Building  
95 University Ave W  
St. Paul, MN 55155

The Honorable Dave Baker  
Chair, Workforce Development Finance and  
Policy Committee  
Minnesota House of Representatives  
2nd Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable John Marty  
Chair, Finance Committee  
Minnesota State Senate  
3235 Minnesota Senate Building  
95 University Ave W  
St. Paul, MN 55155

The Honorable Zack Stephenson  
Chair, Ways and Means Committee  
Minnesota House of Representatives  
5th Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable Eric Pratt  
Finance Committee  
Minnesota State Senate  
2217 Minnesota Senate Building  
95 University Ave W  
St. Paul, MN 55155

The Honorable Paul Torkelson  
Chair, Ways and Means Committee  
Minnesota House of Representatives  
2nd Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable Ann Rest  
Chair, Taxes Committee  
Minnesota State Senate  
328 Capitol  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155

The Honorable Aisha Gomez  
Chair, Taxes Committee  
Minnesota House of Representatives  
5th Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable Bill Weber  
Taxes Committee  
Minnesota State Senate  
2211 Minnesota Senate Building  
95 University Ave W  
St. Paul, MN 55155

The Honorable Greg Davids  
Chair, Taxes Committee  
Minnesota House of Representatives  
2nd Floor, Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

The Honorable Matt Varilek  
Commissioner, Minnesota Department of  
Employment and  
Economic Development  
180 E. 5th Street, Suite 1200  
St. Paul, MN 55101

The Honorable Mark Thein  
Chair, Olmsted County  
Board of Commissioners  
151 4th St SE  
Rochester, MN 55904

The Honorable Paul Marquart  
Commissioner, Minnesota Department of  
Revenue  
600 North Robert Street  
St. Paul, MN 55101

Re: Destination Medical Center – February 15, 2025 Report

Dear Senators, Representatives, Commissioners, and Chairs:

On behalf of the Destination Medical Center Corporation (the “DMCC”) and the City of Rochester (the “City”), we are pleased to submit this report on the progress of the Destination Medical Center (“DMC”) initiative, in accordance with Minnesota Statutes, Sections 469.40 – 469.47 (the “Act”).

The Act requires that this report include five elements: (1) the DMC development plan and any proposed changes; (2) progress of projects; (3) costs and financing sources, including

State funding and required local contributions, for recent projects; (4) estimated costs and financing sources for future projects; and (5) debt service schedules for all outstanding obligations of the City for debt issued for DMC projects. We discuss each of these elements in the report. Below, we provide a summary of DMC's 2024 milestones, as well as a brief background of Minnesota's largest economic development initiative.

### **Destination Medical Center: 2024 Milestones**

The DMC public-private partnership continued to flourish in 2024, and two highlights of the year deserve particular attention in the mission to sustain Rochester, Minnesota as the world's premier destination for health and wellness. First, Mayo Clinic has commenced its momentous investment in the *Bold. Forward. Unbound. in Rochester* initiative, a five-billion-dollar, 2.4-million-square-foot expansion of its Rochester campus, the largest investment in Mayo's 160-year history and the largest investment in Minnesota history, unlocking significant opportunity and providing a catalyst for additional investment. Second, qualified private investments from 2013 through 2023 exceeded \$1.6 billion.

As to private investment certifications, in 2024, we certified a total of \$146,235,676 for the year ending December 31, 2023, which includes \$133,652,089 in Mayo Clinic investments and \$12,583,587 in other private investments. The cumulative total of Mayo Clinic and other private investments through 2023 is \$1,607,368,325. The City of Rochester has contributed \$67,066,994 in certified expenditures from June 30, 2013 through December 31, 2023. The City also certified transit contributions of \$966,934 for 2023, qualifying for the maximum disbursement of State transit aid of \$7,500,000.

These strategic public investments and continued private market momentum have created new and evolving opportunities for collaborative public infrastructure projects and private development. Currently, the City of Rochester and the DMC Economic Development Agency (the "EDA") are in active discussions with 14 different developers who are interested in investing in downtown Rochester. The projects under discussion include nearly 900 affordable housing units, 1,200 market-rate housing units, and 200 hotel rooms. The scope and scale of development interest is an encouraging sign that Rochester and the surrounding area will continue to lead Minnesota in economic growth.

Indeed, in October 2024, the Minnesota Department of Employment and Economic Development ("DEED") reported that the Rochester Metropolitan Statistical Area ("MSA") leads the state in job growth, adding about 7,000 jobs for a year-over-year growth rate of 6.3%. For comparison, the entire Minnesota workforce grew by just 1.2% in that same period.

To build on this position of economic strength, in 2024 DMC executed an intensive national and international business development program, leveraging Minnesota's reputation as home to the world's largest health and med-tech industry cluster to "pitch" Rochester and Minnesota to more than 1,300 companies.

In addition to these certified investments and economic development activities, there are many capital projects proposed or under construction, the majority of which are private investments with no direct DMC public assistance. A map of the DMC development district and key public and private projects is attached as **Exhibit A** to the report. A summary of significant projects is attached as **Exhibit B** to the report.

### **Destination Medical Center: Background.**

The Act requires that private investment lead the way for this private-public model of partnership: over \$200,000,000 in Mayo Clinic and other private investment had to occur before any state funding would begin to flow. That threshold was surpassed in 2017.

The Act further established the partnership between the DMCC, the City, Mayo Clinic, and Olmsted County (the “County”). The DMCC Board of Directors is appointed by the Governor of Minnesota, the City, the County, and Mayo Clinic. Key funding and strategy decisions require approval by both the DMCC and the City Council. Specifically, the Act required the preparation and joint approval of a development plan (the “Development Plan”), which serves as the strategic framework for DMC’s business and economic development strategy. It includes land use, transportation and infrastructure planning, market research, funding priorities, business and economic development, and market strategies.

After City approval, the DMCC adopted the Development Plan on April 23, 2015. The Development Plan must be updated not less than every five years. The Five-Year update was approved by the City and by the DMCC in 2020. The second Five-Year update is underway. It is scheduled for approval by the end of 2025.

For more information, including viewing the DMC Development Plan, public meeting materials, project updates, investor and developer information, and market research, visit [www.dmc.mn](http://www.dmc.mn). The City’s website, [www.rochestermn.gov](http://www.rochestermn.gov), also provides information on the DMC initiative.

Thank you for your consideration of this annual report. With the promise of Mayo Clinic’s continued growth and investment, increasing private development interest, and a job market that is growing more than five times faster than the state average, it is clear that the DMC economic development model is working and delivering results for Minnesota.

On behalf of both the DMCC and the City, we welcome your comments or questions. We look forward to continued progress on the Destination Medical Center initiative in 2025.

**DRAFT**

**DRAFT**

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Pamela Wheelock, Chair  
Destination Medical Center Corporation

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Kim Norton, Mayor  
City of Rochester

Enclosures  
cc: Legislative Reference Library

DRAFT







# ANNUAL

REPORT Destination Medical Center Corporation  
& City of Rochester

February 15, 2025



City of Rochester: 507.328.2900



City of Rochester  
DMC Corporation  
201 4th St. SE  
Rochester, MN 55904




rochestermn.gov  
dmc.mn

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# The Act requires that five elements be included in this annual report.



01  
The Development Plan and any proposed changes to the Development Plan.

02  
Progress of projects identified in the Development Plan.

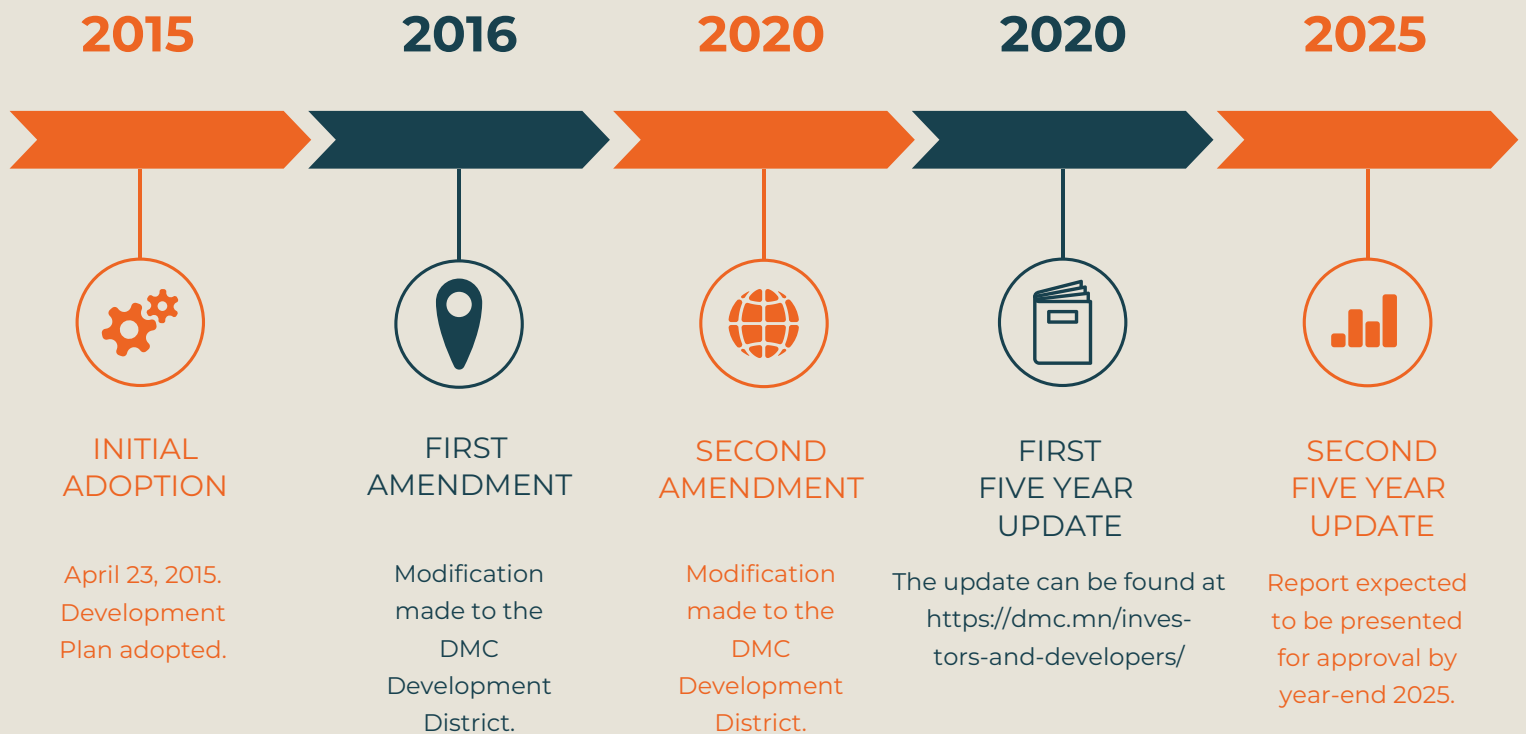
03  
Actual costs and financing sources, including the amount paid under Minnesota Statutes Section 469.47, and required local contributions of projects completed in the previous two years by the DMCC, the City, County, and Mayo Clinic.

04  
Estimated costs and financing sources for projects to be started in the next two years by the DMCC, the City, County, and Mayo Clinic.

05  
Debt service schedules for all outstanding obligations of the City for debt issued for projects identified in the plan.

# 01

The Development Plan and any proposed changes to the Development Plan.



## Development Plan.

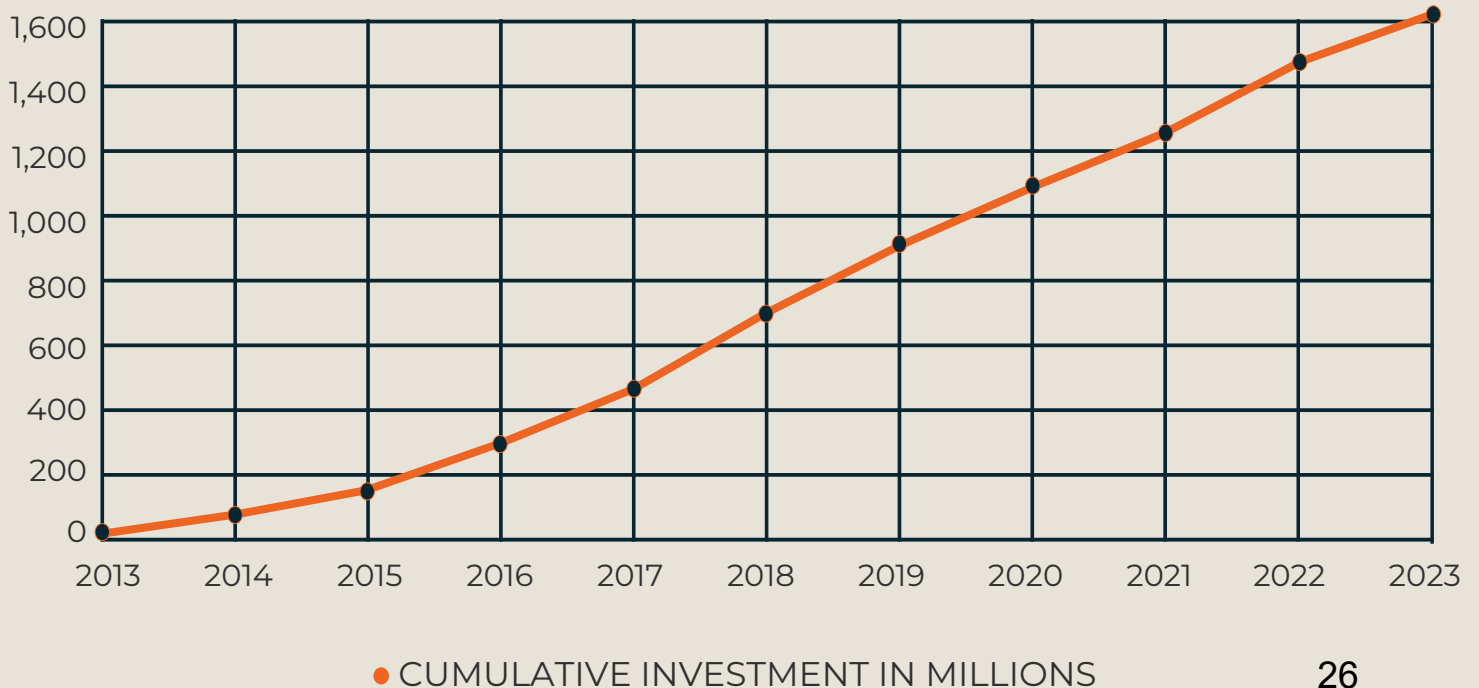
One of the primary goals of the Act was the adoption of a Development Plan. In September 2013, the DMCC established specific goals and objectives for the Development Plan: to create a comprehensive strategic plan, and over the life of the project, to stimulate over \$5 billion in private investment that will be supported by \$585 million in public funds, create 35,000-45,000 new jobs, generate \$7.5 billion to \$8.5 billion in net new tax revenue, and achieve the highest quality patient, visitor, and resident experience.

The Development Plan is the strategic framework for the DMC initiative, establishing a comprehensive business and economic development strategy. It includes land use, transportation and infrastructure planning, market research, funding priorities, business and economic development, and market strategies. Upon making the findings set forth in the Act, including finding that the City had approved the Development Plan, the DMCC adopted the Development Plan on April 23, 2015. The Act requires that the Development Plan be updated not less than every five years. The Five-Year Update was approved by the City and by the DMCC in 2020. The next Five-Year Update to the Twenty-Year DMC Development Plan is underway and scheduled for approval by the end of 2025.



### Private Investment Leads Public Investment.

The Act requires that private investment lead the way for this private-public model of partnership. The required private investment of \$200,000,000 before state funding would begin under the Act was met in 2017. The graph below depicts the cumulative private investment, in millions of dollars, since 2013.



# Progress of projects identified in the Development Plan.



According to the Act, a public infrastructure project must be approved by the DMCC before it is proposed to the City. The DMCC must review the project proposal for consistency with the Development Plan.

Since the adoption of the Development Plan on April 23, 2015, a number of projects have been approved by the DMCC and the City. A map of the DMC Development District and key projects is included as Exhibit A. A summary of major approved projects in the DMC Development District is attached as Exhibit B.

We wish to highlight the progress in 2024 of certain approved projects:

- Discovery Walk
- Riverfront Reimagined
- Downtown Property Preservation
- Soldiers Field Memorial Park
- Mobility
- West Transit Village
- Capital Improvement Plan





## DISCOVERY WALK

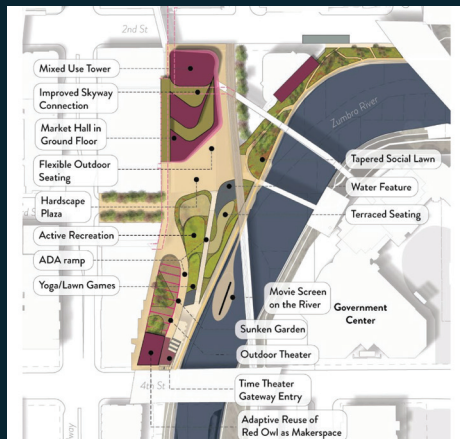
Discovery Walk is a four-block linear parkway along 2nd Avenue SW. It connects Annenberg Plaza to Soldiers Field Memorial Park and functions as an extension of the Heart of the City public realm project. Discovery Walk is designed to feel like a park and to promote health, wellness, and innovation by creating a high amenity pedestrian experience while also maintaining flexibility for bike and vehicular access as well as civic events and future development. It also serves as a catalyst for future private development in Discovery Square. Construction was substantially completed in 2024 and, in addition to significant upgrades and upsizing of below-grade sewer and street infrastructure that can accommodate future development, includes a pedestrian ramp, pedestrian lighting art, and a snow melt system.



# RIVERFRONT REIMAGINED

Following a City-initiated small area plan study for a portion of the 60+ acre area located southeast of the downtown core on the Zumbro River, the City continues to lead development of this “front door” to the river to a gateway into downtown. In July of 2022, the City adopted a preferred plan to guide the transformation of the redevelopment area to a future mixed-use neighborhood. In August of 2022, the City was awarded a federal RAISE grant in the amount of \$19.9 million for the Sixth Street Bridge crossing the Zumbro River. In 2024, DMC worked in collaboration with City staff to select the consultant team and will continue to participate in the planning and development process, focusing on the public realm experience and linkages between this site and the rest of the district.

East and West side renderings of Riverfront Area.



Downtown Waterfront Southeast



# DOWNTOWN PROPERTY PRESERVATION



The DMC Development Plan “states 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 incentivize historic preservation [in the] DMC District.” On January 22, 2024, the City established a thirty-two-property, commercial historic district located within the DMC District.

On May 23, 2024, the DMCC approved the creation of a downtown property preservation program, providing funding for public infrastructure projects within the commercial historic district. Since the programs establishment in May of 2024, four funding requests have been approved by the DMCC resulting in preservation, improvement, and adaptive reuse, and substantial private investment, into four historic properties within the district.

# SOLDIERS FIELD MEMORIAL PARK

Soldiers Field contains 150 acres of memorials and active recreation space, including 4,000 feet of riverfront. The northern portion lies within the DMC district and is featured in the DMC Development Plan as an anchor of the Education and Recreation subdistrict. This project also maximizes connections to other key features of the DMC district: Discovery Walk connects the Heart of the City to Soldiers Field and the Sixth Street Bridge will link Soldiers Field to the downtown waterfront area. The public realm improvements within the district feature an aquatics center, with lap pool, bath house, wading pool, and outdoor seating, new basketball courts, adding a trail through the northeast corner of the park, nature play area, community shelter, public restrooms, and new public parking. Construction was completed in 2024 resulting in a record number of visits by community members.



# MOBILITY

Progress continued on the approximately three-mile bus rapid transit project known as “Link BRT.” In 2022, the City and Mayo Clinic entered a twenty-year operating agreement in which Mayo Clinic will cover the annual local match for operating costs and all riders may use the system without paying fares. In 2023, design work was nearly completed, and state and federal environmental reviews concluded. With the significant progress in project planning and qualifying expenditure, the City certified, and DEED approved, \$10,999,434.78 in transit contributions for 2023, qualifying for the State’s disbursement of \$7,500,000 as the annual maximum of state transit aid. In 2024, the City and DMC hosted members of the Federal Transit Administration in order to receive approximately \$58,000,000 in funding for Link BRT and DMCC approved \$13,740,000 in contingency funding for the project. City, DMC and Mayo Clinic are currently working with consultants with the goal of creating a world-class experience that centers equity of access and foregrounds BRT as a desirable consumer choice.



A critical component of the Link experience is the future development of the West Transit Village at the western terminus at Second Street SW. The vision for the West Transit Village extends far beyond parking, with the potential uses of mixed income housing, retail, and childcare.

In 2023, Mayo Clinic selected a team of development partners to prepare design options for a final site plan.



Service early in the morning to late at night.



Service every 5 minutes during rush hours & 10 minutes other times.



Fare-free service for all riders.

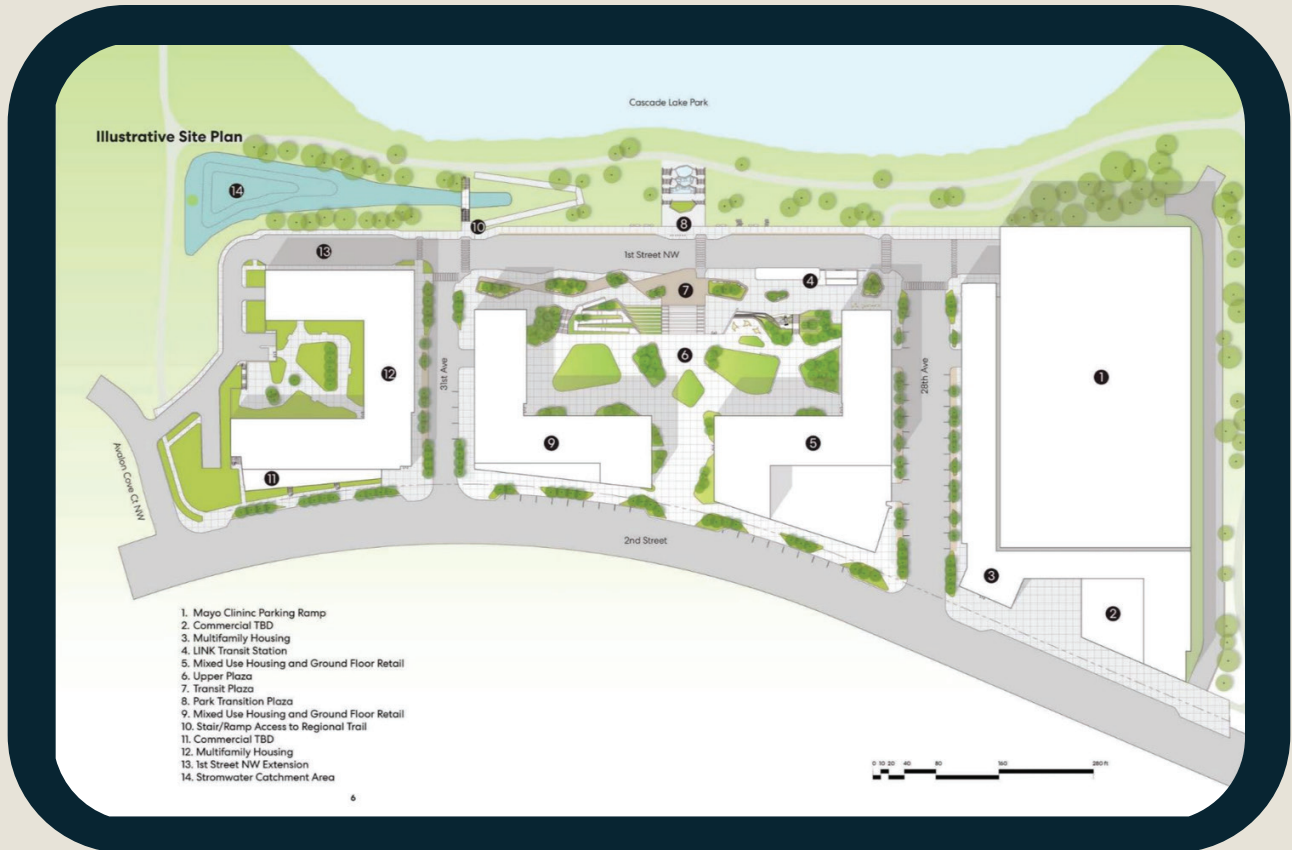


Fully electric bus fleet with on-route chargers.



Stations with shelter, heating, light, and real-time signage.





# WEST TRANSIT VILLAGE



The West Transit Village is a key element of enabling Link Bus Rapid Transit to function and provide an experience benefiting the DMC vision of Rochester as a world-class destination. In 2024, the project team worked with the private sector with the goal of shifting a significant portion of commuting trips downtown away from single occupant vehicles to other modes including bus rapid transit, building 500 units of market rate and affordable housing, and service-oriented retail and childcare. Construction of the West Transit Village will begin in 2025.

# CAPITAL IMPROVEMENT PLAN (CIP)

In addition to previously noted projects, the DMCC and the City have approved a Capital Improvement Plan (“CIP”) for public infrastructure projects for 2025. Projects identified in the CIP are categorized as follows: Public Realm, Mobility, Strategic Redevelopment, and Streets and Sewers.

PUBLIC REALM	MOBILITY	STRATEGIC REDEVELOPMENT	STREETS AND SEWERS
<ul style="list-style-type: none"><li>● Chateau Theatre Improvements and Assets Preservation</li><li>● Heart of the City</li></ul>	<ul style="list-style-type: none"><li>● LINK Bus Rapid Transit, including Second Street Reconstruction and Streetscape</li><li>● Interim Wayfinding</li></ul>	<ul style="list-style-type: none"><li>● Continued funding of a “strategic redevelopment fund” supporting the DMCC and City in its response to DMC funding applications.</li></ul>	<ul style="list-style-type: none"><li>● Sixth Street Corridor: Sixth Street Bridge, Sixth Street SE, Waterfront Connectivity</li><li>● Aligning infrastructure: Bold. Forward. Unbound. in Rochester</li><li>● Aligning infrastructure: West Transit Village</li></ul>
			

DMC funding remains available to advance previously approved projects, including strategic development, riverfront pre-development, St. Marys Place sub-district public realm, a thermal energy network, multi-modal streets, and implementation of Rochester’s Downtown Task Force recommendations.



The DMC CIP reflects only a portion of the number and type of public and private development projects in the DMC district. Early strategic DMC investments in public infrastructure and commercial and residential projects successfully established Rochester as a destination for investment and development. Additionally, DMC projects continue to benefit from community co-design, a process that recruits those most impacted by a project to assist in advocating for underrepresented communities and perspectives. Other projects, which are now proceeding without the need for public DMC support, include workforce and market-rate housing, world-class medical care and research facilities, retail and dining spaces, small business improvements, and more.

In addition to these transformative capital investments, the City and the EDA have successfully secured economic revitalization, sustainability, workforce, and equitable community-building grants, including through DEED's Main Street Economic Revitalization Program, Bloomberg Philanthropies Global Mayors Challenge, and the McKnight Foundation. These grant awards, secured by the DMCC's partners, support and augment the advancement of DMC priorities.

# 03

## Actual Cost and Financing Sources

**Actual costs and financing sources, including the amount paid under Minnesota Statutes, Section 469.47, and required local contributions of projects completed in the previous two years by the DMCC, City, Olmsted County, and Mayo Clinic.**

The Act requires that an annual certification of private investment by Mayo Clinic and other private investors be made to DEED by April 1 of each year, and DEED must certify that \$200,000,000 of private investment has been made before any state funding may be paid. This threshold was met and exceeded in 2017. The cumulative total amount of certified Mayo Clinic and other private investments to date is \$1,607,368,325.



In compliance with Minnesota Statutes Section 469.47, the annual certification of Mayo Clinic and other private investment that was submitted to DEED on March 27, 2024 is attached as Exhibit C. Also, attached as Exhibit D, is the annual certification of City expenditures, which was submitted to DEED on March 26, 2024. DEED conducted its own audit process of the certified expenditures and then approved the expenditures. The DEED certifications, dated June 28, 2024, are attached as Exhibit E. In addition, we offer the following information:

● \$38,486,379

● The 2025 combined operating and capital improvements budget for the DMC totals \$38,486,379. Of this amount \$4,675,660 will be provided by the County from its 0.25% sales tax. The remaining amount is to be provided by the City of Rochester from a variety of City funding sources, including its 0.25% DMC sales tax. In addition, Mayo Clinic has pledged financial and in-kind funding to the EDA in the amount of \$1,555,400.

● \$172,591,189

● Through December 31, 2024, General State Infrastructure Aid in the amount of \$157,591,189 has been received. State Transit Aid in the amount of \$15,000,000 has been received through December 31, 2024.

● \$22,500,000

● Through December 31, 2024, Olmsted County has contributed \$22,500,000.

● \$72,327,933

● Actual costs paid by the City from commencement through December 31, 2024 have totaled \$72,327,933, based on year-end unaudited costs. The funding source was initially City internal borrowing, which is being repaid, along with the costs for new projects and initiatives, by the City's 0.25% DMC sales tax. The City has also issued capital debt for a parking ramp in the district. Just as the Mayo Clinic investments and other private investments have underscored the commitment to DMC, so too have the City contributions.

# 04

Estimated Costs  
and Financing  
Sources for  
Projects to be  
started in the  
next two years  
by the DMCC,  
City, County,  
and Mayo Clinic.

- The Development Plan sets forth a framework and examples of projects that may be considered for funding in the next several years. Each project will be approved on an individual basis. See also the report response to statutory elements “2” and “3”.

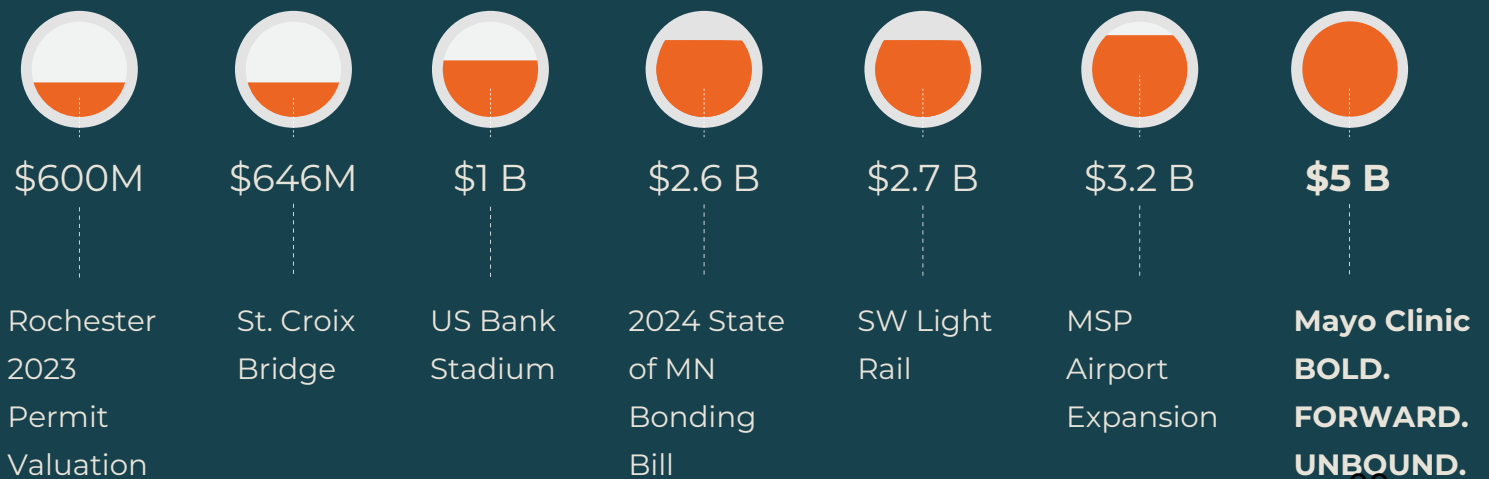


Rendering of planned new Mayo Clinic facilities in downtown Rochester

**Highlights of the project:**

- \$5 billion investment
- 2.4 million square feet of new space
- Project complete by 2030
- First buildings open in 2029
- \$500 million in sustaining projects

**Comparative Investments within Minnesota**



# DMC CAPITAL IMPROVEMENT PLAN

PROPOSED 2025  
DMC FUNDING

PUBLIC REALM		DMC SOURCE	
<b>DESCRIPTION</b>			
Chateau Theatre: Asset Preservation		DMC GSIA	\$100,000
Interim Wayfinding		DMC GSIA	\$100,000
			<b>Subtotal \$200,000</b>
<b>MOBILITY</b>			
<b>DESCRIPTION</b>			
Rapid Transit, including Second Street Reconstruction and Streetscape	—	DMC COUNTY TRANSIT AID	\$4,948,292
		DMC STATE TRANSIT AID	\$7,422,437
FTA-required Rapid Transit Contingency		DMC COUNTY TRANSIT AID	\$13,740,000
			<b>Subtotal \$26,110,729</b>
<b>STRATEGIC DEVELOPMENT</b>			
<b>DESCRIPTION</b>			
Strategic Redevelopment		DMC GSIA	\$3,000,000
			<b>Subtotal \$3,000,000</b>
<b>STREETS AND SEWERS</b>			
<b>DESCRIPTION</b>			
Sixth Street Bridge, Sixth St. SE, Waterfront Connectivity		DMC GSIA	\$2,500,000
Aligning Infrastructure: Bold. Forward. Unbound. in Rochester		DMC GSIA	\$1,000,000
Aligning Infrastructure: West Transit Village		DMC GSIA	\$1,000,000
			<b>Subtotal \$4,500,00</b>
<b>OPERATIONS</b>			
<b>DESCRIPTION</b>			
DMC Corporation		CITY DMC AID	\$229,877
DMC Administrative Support by City of Rochester		CITY DMC AID	\$100,000
DMC EDA		CITY DMC AID	\$2,984,632
City DMC Project Management		CITY DMC AID	\$1,361,141
			<b>Subtotal \$4,675,650</b>
			<b>2025 DMC FUNDING TOTAL</b>
			<b>\$38,486,379</b>
			<b>40</b>

# 05

Debt service schedules for all outstanding obligations of the City for debt issued for projects identified in the plan.

**\$21,265,000**

**Rochester, Minnesota**

**General Obligation Tax Increment Revenue Bonds, Series 2017B  
(Parking Ramp Project)**

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I
02/01/2018	-	-	-	-
08/01/2018	-	-	540,639.84	540,639.84
02/01/2019	550,000.00	5.000%	381,628.13	931,628.13
08/01/2019	-	-	367,878.13	367,878.13
02/01/2020	735,000.00	5.000%	367,878.13	1,102,878.13
08/01/2020	-	-	349,503.13	349,503.13
02/01/2021	775,000.00	5.000%	349,503.13	1,124,503.13
08/01/2021	-	-	330,128.13	330,128.13
02/01/2022	815,000.00	5.000%	330,128.13	1,145,128.13
08/01/2022	-	-	309,753.13	309,753.13
02/01/2023	855,000.00	5.000%	309,753.13	1,164,753.13
08/01/2023	-	-	288,378.13	288,378.13
02/01/2024	895,000.00	5.000%	288,378.13	1,183,378.13
08/01/2024	-	-	266,003.13	266,003.13
02/01/2025	940,000.00	5.000%	266,003.13	1,206,003.13
08/01/2025	-	-	242,503.13	242,503.13
02/01/2026	990,000.00	5.000%	242,503.13	1,232,503.13
08/01/2026	-	-	217,753.13	217,753.13
02/01/2027	1,035,000.00	5.000%	217,753.13	1,252,753.13
08/01/2027	-	-	191,878.13	191,878.13
02/01/2028	1,090,000.00	2.000%	191,878.13	1,281,878.13
08/01/2028	-	-	180,978.13	180,978.13
02/01/2029	1,110,000.00	2.250%	180,978.13	1,290,978.13
08/01/2029	-	-	168,490.63	168,490.63
02/01/2030	1,135,000.00	3.000%	168,490.63	1,303,490.63
08/01/2030	-	-	151,465.63	151,465.63
02/01/2031	1,170,000.00	2.750%	151,465.63	1,321,465.63
08/01/2031	-	-	135,378.13	135,378.13
02/01/2032	1,200,000.00	2.750%	135,378.13	1,335,378.13
08/01/2032	-	-	118,878.13	118,878.13
02/01/2033	1,235,000.00	2.875%	118,878.13	1,353,878.13
08/01/2033	-	-	101,125.00	101,125.00
02/01/2034	1,270,000.00	2.875%	101,125.00	1,371,125.00
08/01/2034	-	-	82,868.75	82,868.75
02/01/2035	1,305,000.00	3.000%	82,868.75	1,387,868.75
08/01/2035	-	-	63,293.75	63,293.75
02/01/2036	1,345,000.00	3.000%	63,293.75	1,408,293.75
08/01/2036	-	-	43,118.75	43,118.75
02/01/2037	1,385,000.00	3.000%	43,118.75	1,428,118.75
08/01/2037	-	-	22,343.75	22,343.75
02/01/2038	1,430,000.00	3.125%	22,343.75	1,452,343.75
<b>Total</b>	<b>\$21,265,000.00</b>	<b>-</b>	<b>\$8,185,705.47</b>	<b>\$29,450,705.47</b>

**SIGNIFICANT DATES**

Dated Date.....	11/16/2017
Delivery Date.....	11/16/2017
First Coupon Date.....	8/01/2018

**Yield Statistics**

Bond Year Dollars.....	\$254,390.21
AaverageLife.....	11.963 Years
AaverageCoupon.....	3.2177754%
Net Interest Cost (NIC).....	2.7176241%
True Interest Cost (TIC).....	2.6417803%
Bond Yield for Arbitrage Purposes.....	2.6130470%
All Inclusive Cost (AIC).....	2.6889724%

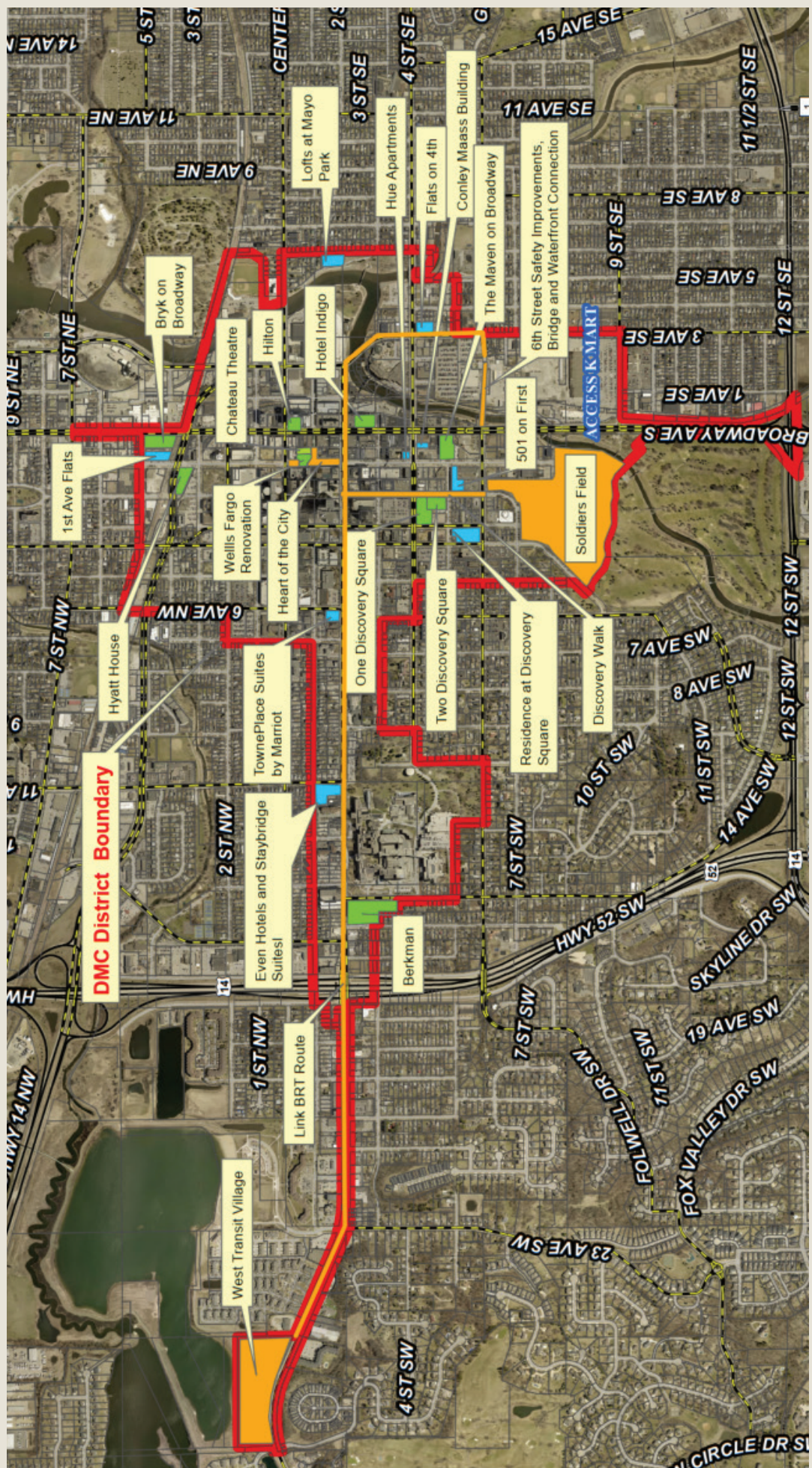
**IRS Form 8038**

Net Interest Cost.....	2.6154299%
Weighted Average Maturity.....	11.612 Years

# EXHIBIT



## MAP OF DMC DEVELOPMENT DISTRICT AND KEY PROJECTS

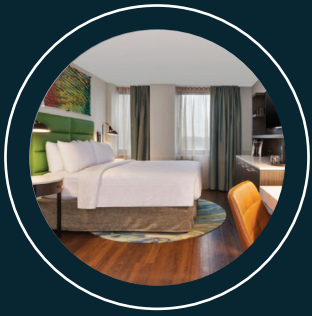




# EXHIBIT

# B

# SUMMARY OF MAJOR PROJECTS



## **HOTEL INDIGO RENOVATIONS**

The Hotel Indigo involved the renovation of an existing 172- room Holiday Inn, located in the “Downtown Waterfront” subdistrict as described in the Development Plan. Approved in 2018, the \$42 million redevelopment included the addition of 33,000 square feet to the existing 114,500 square feet and provided approximately 111 construction jobs and 28 new permanent jobs. Opening of the new hotel and restaurant occurred in 2020.



## **HYATT HOUSE**

The Hyatt House project is located in the “Central Station” subdistrict as described in the Development Plan. Approved in 2018, the \$44 million project includes an eight-story, 172- room extended-stay hotel, and provided approximately 257 construction jobs while creating 38 permanent jobs. This project was completed in 2021.



## **TWO DISCOVERY SQUARE**

Located at 209 5th St SW, this expansion of the DMC bio-medical, research, and technology innovation campus is a 125,000 square foot bioscience building. It features tech-forward tenant spaces designed with flexible lab capacity and leading-edge technology. Construction was completed in 2022.



## **BRYK ON BROADWAY**

The Bryk on Broadway is located at 401 Broadway Ave N. It is a mixed-use, mixed-income apartment building consisting of 180 workforce housing apartments, providing rent at varying levels. Construction was completed in 2023.



## **HILTON MAYO**

The Hilton Rochester Mayo Clinic Area (formerly known as the “Broadway at Center” project) is located in the “Downtown Waterfront” subdistrict as described in the Development Plan. Approved in 2015, this 371,000 square foot mixed-use project includes a 264-room hotel, restaurants, retail space, a skyway connection, and a five-level public parking ramp with 540 public spaces and 90 private spaces. The restaurants and hotel opened in 2019.



## **THE BERKMAN**

The Berkman Apartments (formerly known as the “Alatus Project”) is located on 2nd Street SW in the “Saint Marys” subdistrict as described in the Development Plan. Approved in 2016, this mixed-use project involved the construction of an approximately 350,000 square foot, thirteen-level commercial and residential complex. It includes 350 market-rate rental units, created an estimated 235 construction jobs and eight permanent jobs, and generated a total of \$115 million in private investment. The Berkman was completed in 2020.



## **ONE DISCOVERY SQUARE**

One Discovery Square (formerly known as Discovery Square Phase One) is on First Avenue SW in the “Discovery Square” subdistrict as described in the Development Plan.

Approved in 2017, this approximately \$35 million bio-science building is a center of innovation and is housing companies whose mission is to accelerate bioscience and technology discoveries to market. The four story, 89,000 square foot building includes office, collaborative, and retail space. As noted above, this project is the first phase of achieving a key component of the Development Plan: providing jobs in the bio-science sector. One Discovery Square was completed in 2019.



## **WELLS FARGO RENOVATION**

This project is a renovation of a 92,000 square foot existing building, located in the “Heart of the City” subdistrict as described in the Development Plan. Approved in 2018, this project is a catalyst for the public realm in the Heart of the City subdistrict and includes connections to the street and pedestrian skyway. The renovation has made approximately 23,000 additional square feet of commercial or office space available. The project created an estimated 30 construction jobs and provided 115 permanent jobs. This project was completed in 2020.



## **THE MAVEN ON BROADWAY**

The Maven on Broadway (formerly known as Urban on First) is located south of 4th Street SW between 1st Avenue SW and Broadway Avenue and is in the “Discovery Square” subdistrict as described in the Development Plan. Approved in 2017, this approximately \$38 million mixed use project includes a six-story building with 156 market rate rental units, parking, and street level commercial and retail space for a total of 238,700 square feet. The Maven on Broadway was completed in 2019.

# PROJECTS WITHOUT DMC FUNDING



## **CONLEY MAASS BUILDING**

A renovated historic building featuring a restaurant and space for high-tech companies. The renovation was completed in 2016.

## **501 ON FIRST**

A five-story, mixed-use development consisting of 84 rental apartment units and 21,000 square feet of commercial/retail spaces opened in 2018.

## **RESIDENCE AT DISCOVERY SQUARE**

A six-story, mixed use development consisting of 143 rental apartment units, with 20% of the units affordable to persons at 60% of the area median income, and 15,400 square feet of commercial/retail space opened in 2019.

## **HUE APARTMENTS**

A six-story, mixed use development consisting of 50 rental apartment units and 2,000 square feet of commercial/retail space opened in 2020.

## **FIRST & BANKS**

A seven-story, 219-unit rental apartment development being constructed east of Soldiers Memorial Field. Site preparation is underway.

## **1ST AVENUE FLATS**

A 68-unit affordable housing building, and all of the units are income-restricted to persons at or below 60% of the area median income opened in 2017.

## **FLATS ON 4TH**

A six-story mixed-use development consisting of 92 rental apartment units, with 19 units affordable to persons at 50% of the area median income, and 2,300 square feet of retail space opened in 2018.

## **TOWNEPLACE SUITES BY MARRIOTT**

A 110 room hotel with two levels of underground parking opened in 2021.

## **UNIVERSITY OF MINNESOTA ROCHESTER STUDENT HOUSING**

A 400-person-capacity student housing development created via the renovation of a former DoubleTree Hotel opened in 2023.

## **LOFTS AT MAYO PARK**

A five-story, 29-unit market-rate rental apartment project completed in 2017.

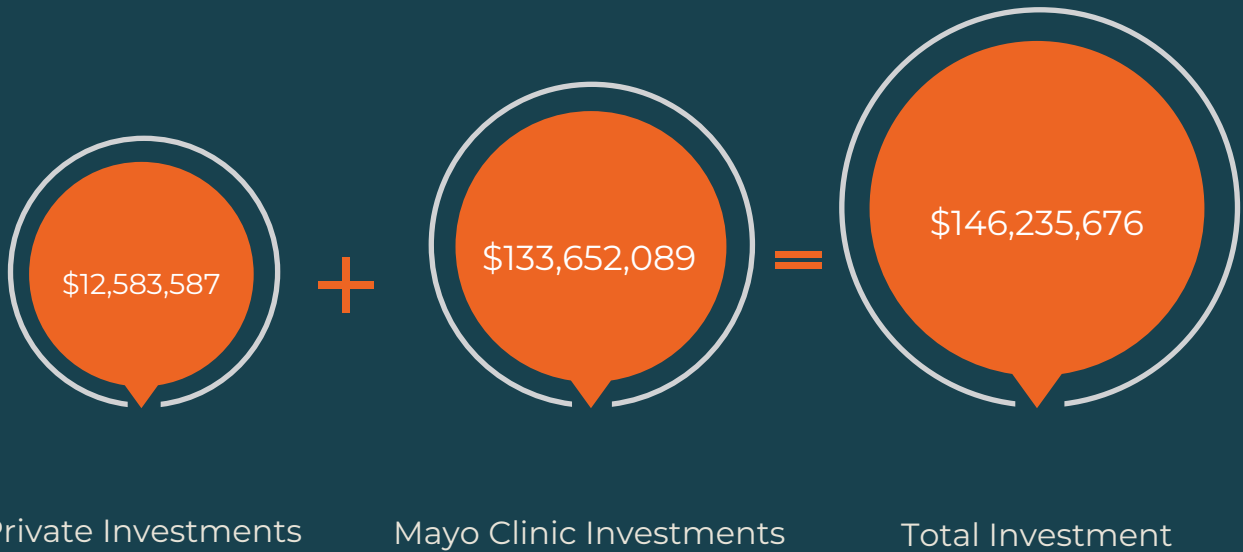
## **EVEN HOTELS AND STAYBRIDGE SUITES**

A 246 room dual-branded hotel opened in 2021.

# EXHIBIT



## ANNUAL CERTIFICATION OF MAYO CLINIC AND OTHER PRIVATE INVESTMENTS



As to private investment certifications, in 2024, we certified a total of \$146,235,676 for the year ending December 31, 2023, which includes \$133,652,089 in Mayo Clinic investments and \$12,583,587 in other private investments. The cumulative total of Mayo Clinic and other private investments through 2023 is \$1,607,368,325.

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

March 27, 2024

**VIA ELECTRONIC AND U.S. MAIL**

Matt Varilek  
Commissioner  
Minnesota Department of Employment and Economic Development  
Great Northern Building  
180 E 5th St Suite 1200  
St. Paul, MN 55101

Dear Commissioner Varilek:

On behalf of the Destination Medical Center Corporation (“DMCC”) and Mayo Clinic, I am pleased to forward the following materials for the April 1, 2024 certification, pursuant to Minnesota Statutes Section 469.47, Subdivision 2. The expenditures set forth here are the investments that have been made by Mayo Clinic and by other private individuals or entities to advance the Destination Medical Center initiative.

1. DMCC Certification: I enclose the DMCC Certification of Expenditures made by an individual or entity, other than Mayo Clinic, for the period ending on December 31, 2023 (“Attachment 1”). The City of Rochester, Minnesota assisted with the compilation of this report. The amount of 2023 investments set forth in this report is \$12,583,587.
2. Mayo Clinic Certification: I enclose correspondence and accompanying materials from Christina Zorn, J.D., Chief Administrative Officer, Mayo Clinic, dated March 25, 2024 (“Attachment 2”). Mayo Clinic is certifying expenditures for the period of January 1, 2023 through December 31, 2023 in the amount of \$133,652,089.33.
3. Summary of Investments: The summary page, entitled “Certification of Expenditures, Destination Medical Center” is enclosed, setting forth total cumulative expenditures through December 31, 2023, in the amount of \$1,607,368,325.07 (“Attachment 3”).

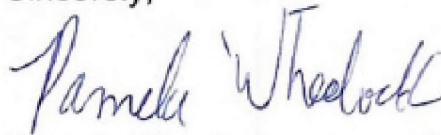


Commissioner Matt Varilek  
March 27, 2024  
Page 2

I would like to highlight that these private investments exceed a remarkable \$1.6 billion cumulatively. It is also noteworthy that these private investments occurred despite a challenging environment as to interest rates and construction costs, demonstrating the success of this public-private partnership.

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

Sincerely,



Pamela Wheelock <sup>745</sup>  
Chair  
Destination Medical Center Corporation

Enclosures

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



# ATTACHMENT 1

Permit Type	Permit Number	Permit Date	Parcel ID	Address	Valuation	Description	Owner	Permit Status	Date
Commercial Bldg	R18-0020CB	1/30/2018	018054	121 N Broadway	\$88,000	Interior demolition on all three levels	Castle Community LLC	Finalized	8/28/2023
Commercial Bldg	R19-0249CB	9/20/2019	17897	101 SW 1 Ave	\$210,500	build out for a salad shop	WMAR 1st Avenue SW LLC	Closed	3/20/2023
Multi-Family Bldg	R20-0037MFB	8/21/2020	17969	22 N Broadway	\$374,222	Re-roof and new wall panels	Com Housing Service	Closed	4/11/2023
Commercial Bldg	R21-0329CB	10/11/2021	78774	221 SW 1 Ave	\$120,000	Remodel of Suite 102 for lab equipment	Rion Health	Closed	4/9/2022
Commercial Bldg	R22-0160CB	6/27/2022	79686	255 SW 1 Ave	\$991,508	Remodel of existing space for use as a new restaurant, The Well	Powers Ventures -Joe Powers	C of C Issued	2/13/2023
Commercial Bldg	R22-0185CB	11/4/2022	18477	401 N Broadway Ave	\$49,188	Installing flush, roof-mounted 45.6 kW (DC) PV solar system	Bryk Apartment Rochester LLC	Closed	5/12/2023
Commercial Bldg	R22-0249CB	10/4/2022	14431	330 S Broadway Ave	\$250,000	Build-out for future restaurant, Marrow	Robert Beeman	Closed	6/2/2023
Commercial Bldg	R22-0254CB	9/1/2022	82430	206 S Broadway Ave	\$625,000	Tenant build-out for Region 05 SSA Field Office	Bloom International Realty LLC	Finalized	10/2/2023
Commercial Bldg	R22-0400CB	1/25/2023	17882	150 S Broadway Ave	\$3,000,000	Renovation of 212 guest rooms to convert into dorm rooms for UMR Student Housing	BGD5 Hotel LLC	C of O Issued	10/13/2023
Commercial Bldg	R22-0423CB	12/28/2022	11552	1227 SW 2 St	\$82,000	Interior remodel of existing building to accommodate new Luona Bubble Tea	B PAS LLC	C of O Issued	6/13/2023
Commercial Bldg	R22-0435CB	12/20/2022	17894	155 SW 1 Ave	\$350,000	Removal of escalator and installation of a structural steel stair for Centerplace.	BGD5 Office LLC	Closed	5/1/2023
Commercial Bldg	R22-0035CB	4/4/2022	84104	217 SW 14 Ave	\$1,400,000	Interior build-out of existing tenant space for Red Cow restaurant and bar	RochesterMN Properties LLC	C of O Issued	1/23/2023
Commercial Bldg	R23-0001CB	2/12/2023	18477	401 N Broadway Ave	\$500,000	Fit-up of first floor lease spaces #1 (bike shop) and #3 (Office)	Bryk Apartments Rochester LLC	Closed	6/13/2023
Commercial Bldg	R23-0016CB	3/1/2023	17926	21 SW 1 St.	\$558,679	Fit out for Word on Fire Rochester Studio Facility on the second floor	Rochester Property Owner LLC	C of O Issued	12/4/2023
Commercial Bldg	R23-0045CB	4/21/2023	17882	150 S Broadway Ave	\$1,500,000	Renovation of existing ballrooms to become a full service kitchen and dining center	BGD5 Hotel LLC	C of O Issued	10/13/2023
Commercial Bldg	R23-0194CB	7/20/2023	57422	20 SE 4 St	\$56,000	Fit up for Our Paladar Restaurant	Porch and Cellar LLC	C of O Issued	8/3/2023
Commercial Bldg	R23-0336CB	10/12/2023	85691	415 SW 2 Ave	\$1,100,000	Tenant fit out for Suite 240	Rochester 2 Associates	C of O Issued	12/29/2023
Commercial Bldg	R23-0151CB	6/27/2023	085691	415 SW 2 Ave	\$700,000	Tenant fit out for Suite 1300	Rochester 2 Associates	C of O Issued	8/31/2023
Commercial Bldg	R23-0069CB	3/2/2023	77149	1203 SW 2 St	\$85,717	Re-roof for Canadian Honker restaurant	Canadian Honker Restaurant	Closed	5/22/2023
Commercial Bldg	R23-0153CB	6/6/2023	079185	318 SW 1 Ave	\$42,775	Tenant improvements for Phase 1 Regus at 318 Commons	GH HOLDINGS LLC	C of O Issued	8/22/2023
Commercial Bldg	R23-0201CB	6/29/2023	083133	601 SW 2 St	\$150,000	Remodeling the existing Meeting Room in the Townplace Hotel	TPS Rochester 1 LLC	Closed	9/7/2023
Commercial Bldg	R23-0320CB	9/19/2023	083795	202 SW 4 St	\$250,000	lab fit-up for Rion Health-Phase 3 Fourth level Discovery Square building	Rion	C of O Issued	11/29/2023

\$12,589,587



## Building Permits within the DMC Boundary

(Does not include Mayo Projects)

Year	Completed Projects
2018	\$ 88,000.00
2019	\$ 210,500.00
2020	\$ 374,222
2021	\$ 120,000
2022	\$ 6,747,694
2023	\$ 5,043,171
<b>TOTAL</b>	<b>\$ 12,583,587</b>

## ATTACHMENT 2



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

March 25, 2024

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

Dear Commissioner Varilek:

Enclosed is Mayo Clinic's certification of qualified expenditures of the Medical Business Entity for the Destination Medical Center (DMC) initiative from January 1, 2023, to December 31, 2023. The amount of qualified investment is approximately \$133.7 million. This figure is a strong signal of our commitment to further solidify Rochester, Olmsted County, and the state of Minnesota as a global destination medical center.

In 2023, major projects included the substantial completion of the Anna-Maria and Stephen Kellen Building in downtown Rochester's Discovery Square innovation district and the continued expansion of the Mayo Clinic Proton Beam Therapy Program. Our cumulative investment in Rochester associated with the DMC initiative now totals more than \$1 billion.

I am grateful for our hardworking staff in Minnesota and across the country, who have put the needs of our patients first and sustained Mayo Clinic as a beacon of hope and healing. In 2023, we welcomed about 14,000 staff to new positions at Mayo Clinic and invested \$10.5 billion in salaries and benefits. Our Mayo Clinic teams cared for 1.3 million patients from over 130 countries, and our plans for growth and investment will sustain our mission for generations to come.

In November 2023, Mayo Clinic announced Bold. Forward. Unbound. in Rochester, a \$5 billion multiyear initiative that advances Mayo Clinic's strategy to Cure, Connect, and Transform healthcare for the benefit of patients everywhere. Bold. Forward. Unbound. in Rochester introduces a combination of innovative care concepts, digital technologies, and new facilities that will give Mayo Clinic the ability to scale transformation in ways never before imagined. Preparatory work is underway, with more significant construction beginning later in 2024. The project is expected to be completed by 2030.

Additionally, we remained focused on addressing pressing needs in our community. In 2023, Mayo Clinic contributed more than \$20 million to Rochester area community efforts, including a significant, one-time contribution to the Rochester Public School District as well as funding for local affordable housing development and homelessness relief efforts.

I trust these examples demonstrate Mayo Clinic's deep commitment to our patients, staff, and communities. We look forward to maintaining our ongoing DMC partnership with the city of Rochester, Olmsted County, and the state of Minnesota.

Sincerely,

A handwritten signature in black ink, appearing to read "Christina Zorn".

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

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

# Permitted Expenditures from July 1, 2013 to December 31, 2023

Project/Equipment Name	2013 - 2022	Prior Years	2023	Total	Total Spent as of
	Expenditures Reported	Expenditures not previously reported	Expenditures	Expenditures reported for 2023	December 31st 2023
Mary Brigh East Expansion	\$ 2,065,139.65	\$ -	\$ -	\$ -	\$ 2,065,139.65
Dermatology Remodel	\$ 9,123,648.24	\$ -	\$ -	\$ -	\$ 9,123,648.24
Sports Medicine Center	\$ 5,666,939.49	\$ -	\$ -	\$ -	\$ 5,666,939.49
2915 Warehouse Infrastructure	\$ 693,219.52	\$ -	\$ -	\$ -	\$ 693,219.52
Core 200 SMH Operating Room Renovation	\$ 1,411,411.46	\$ -	\$ -	\$ -	\$ 1,411,411.46
Anatomic Pathology Office Remodel	\$ 476,041.94	\$ -	\$ -	\$ -	\$ 476,041.94
Psychiatry and Psychology Master Plan, Phase 1A - Genero	\$ 1,213,985.91	\$ -	\$ -	\$ -	\$ 1,213,985.91
Development Remodel	\$ 2,679,274.32	\$ -	\$ -	\$ -	\$ 2,679,274.32
Bed Tower Modernization MB east	\$ 44,118,257.74	\$ -	\$ -	\$ -	\$ 44,118,257.74
Domitilla 3 Modernization	\$ 7,762,425.78	\$ -	\$ -	\$ -	\$ 7,762,425.78
Remodeling laboratory space on Guggenheim 5.	\$ 265,065.75	\$ -	\$ -	\$ -	\$ 265,065.75
Saint Marys Hospital Chiller Addition	\$ 4,631,632.46	\$ -	\$ -	\$ -	\$ 4,631,632.46
Institute Hills Chiller Replacement	\$ 441,903.16	\$ -	\$ -	\$ -	\$ 441,903.16
Radiation Oncology Room "E" Linear Accelerator Replacem	\$ 188,793.94	\$ -	\$ -	\$ -	\$ 188,793.94
DLMP Phlebotomy Remodel	\$ 1,615,648.60	\$ -	\$ -	\$ -	\$ 1,615,648.60
Mary Brigh Electrical Upgrades (Phase 3)	\$ 2,002,781.62	\$ -	\$ -	\$ -	\$ 2,002,781.62
SDSC Expansion Construction Only	\$ 21,500,990.14	\$ -	\$ -	\$ -	\$ 21,500,990.14
Creation of the consolidated freezer and BAP facility at the 2	\$ 4,006,693.46	\$ -	\$ -	\$ -	\$ 4,006,693.46
Remodeling of multiple laboratories on Guggenheim 8	\$ 774,090.58	\$ -	\$ -	\$ -	\$ 774,090.58
Four Operating Rooms Off Core 700	\$ 3,082,756.73	\$ -	\$ -	\$ -	\$ 3,082,756.73
Remodeling within the Metabolomics Core on Alfred 5	\$ 616,212.48	\$ -	\$ -	\$ -	\$ 616,212.48
Thermo TSQ Triple Quadrapole MS (assets 147506 & 14534	\$ 596,292.00	\$ -	\$ -	\$ -	\$ 596,292.00
Remodeling within Opus 1 to accommodate space for a new	\$ 480,162.90	\$ -	\$ -	\$ -	\$ 480,162.90
Employee and Community Health Southeast Clinic	\$ 4,326,200.60	\$ -	\$ -	\$ -	\$ 4,326,200.60
Cardiac Catheterization Procedure Room 103 Remodel - Sa	\$ 412,584.91	\$ -	\$ -	\$ -	\$ 412,584.91
Gonda 5, 5th PET/CT Installation & Uptake	\$ 301,874.69	\$ -	\$ -	\$ -	\$ 301,874.69
Executive, Development and International Program Expansic	\$ 1,389,522.23	\$ -	\$ -	\$ -	\$ 1,389,522.23
DOM 3/4 Infrastructure Revisions for Remodeling	\$ 2,109,759.78	\$ -	\$ -	\$ -	\$ 2,109,759.78
Clinical Genome Sequencing, Lab Expansion	\$ 296,600.82	\$ -	\$ -	\$ -	\$ 296,600.82
Varian Medical Systems (asset 145374)	\$ 3,334,879.00	\$ -	\$ -	\$ -	\$ 3,334,879.00
CMCT and Prev. Med. Relocation Gonda 18 to Mayo East 1	\$ 358,383.16	\$ -	\$ -	\$ -	\$ 358,383.16
Cancer Center Station Eisenberg 4-3	\$ 892,147.20	\$ -	\$ -	\$ -	\$ 892,147.20
CT Simulator I Replacement Charlton S-259, S-261	\$ 191,170.81	\$ -	\$ -	\$ -	\$ 191,170.81
CT Scanner - 5yr (Asset 162815)	\$ 687,812.80	\$ -	\$ -	\$ -	\$ 687,812.80
Charlton 2 Incremental 3T Body Scanner	\$ 749,773.48	\$ -	\$ -	\$ -	\$ 749,773.48
3T Siemens Skyra MRI (asest 166875, 167065-167082)	\$ 1,637,261.00	\$ -	\$ -	\$ -	\$ 1,637,261.00
SMC, Mary Brigh Main NH, MR-MCR 1.5T Replacement Sc	\$ 448,573.83	\$ -	\$ -	\$ -	\$ 448,573.83
GE; 1.5T Optima MR450W (asest 165084, 165346-165359	\$ 1,130,292.00	\$ -	\$ -	\$ -	\$ 1,130,292.00
SMC, Mary Brigh Main NH, MR-MCR 1.5T Replacement Sc	\$ 595,824.88	\$ -	\$ -	\$ -	\$ 595,824.88
DISCOVERY MRI Mary Brigh (assets 169437,171643, 1716	\$ 1,513,704.55	\$ -	\$ -	\$ -	\$ 1,513,704.55
Renovation Mary Brigh Main, PACU - Phase 4	\$ 2,059,423.01	\$ -	\$ -	\$ -	\$ 2,059,423.01
SMH Mary Brigh East Corridor Relocation	\$ 4,918,632.07	\$ -	\$ -	\$ -	\$ 4,918,632.07
Dr. Lee Diamond Reactor Lab Remodel on Med Sci SL	\$ 226,408.57	\$ -	\$ -	\$ -	\$ 226,408.57
MR-RO-CN-1-MR/PET installation	\$ 781,558.09	\$ -	\$ -	\$ -	\$ 781,558.09
GE; DISCOVERY MR750 PET (Assets 149876, ,150145-15	\$ 3,698,538.02	\$ -	\$ -	\$ -	\$ 3,698,538.02
CT Scanner Replacements (3L, 3Z & 4J) - somatom - CH 2	\$ 561,057.62	\$ -	\$ -	\$ -	\$ 561,057.62
Somatom Force CT (Asset 157628)	\$ 1,831,372.00	\$ -	\$ -	\$ -	\$ 1,831,372.00
Linear Acc Replace Rm "C"	\$ 185,937.00	\$ -	\$ -	\$ -	\$ 185,937.00
VARATHON MEDICAL; TRUE BEAM (Asset 162800)	\$ 2,895,908.00	\$ -	\$ -	\$ -	\$ 2,895,908.00
SIEMENS; CT EDGE (Asset 163463)	\$ 856,459.02	\$ -	\$ -	\$ -	\$ 856,459.02
SIEMENS; SOMATOM DEFINITION (Asset 164325)	\$ 862,578.20	\$ -	\$ -	\$ -	\$ 862,578.20
Incremental MRI Body Scanner	\$ 603,049.87	\$ -	\$ -	\$ -	\$ 603,049.87
SIEMENS; SKYRA 3TMRI (Asset 157191, 157322-157339)	\$ 1,859,239.00	\$ -	\$ -	\$ -	\$ 1,859,239.00
GO3 Build 2 CT Bays	\$ 656,293.35	\$ -	\$ -	\$ -	\$ 656,293.35
SIEMENS; SOMATOM FORCE CT (Asset 149843)	\$ 1,750,000.00	\$ -	\$ -	\$ -	\$ 1,750,000.00
PHILIPS; XPER FD20 (Assets 147302, 147339, 147392)	\$ 1,649,213.30	\$ -	\$ -	\$ -	\$ 1,649,213.30
Neurology Renovation, Mayo 8	\$ 4,989,615.93	\$ -	\$ -	\$ -	\$ 4,989,615.93
Mayo 8 - Lobby Remodel	\$ 1,137,290.91	\$ -	\$ -	\$ -	\$ 1,137,290.91
Vascular OR Core 801 SMH	\$ 1,059,949.88	\$ -	\$ -	\$ -	\$ 1,059,949.88
Rad Vascular Imaging Ste 90	\$ 144,461.29	\$ -	\$ -	\$ -	\$ 144,461.29
SIEMENS MEDICAL; ARTIS ZEE (Asset 146871,146872)	\$ 985,408.00	\$ -	\$ -	\$ -	\$ 985,408.00
CT MBM Incremental Interventional CT	\$ 1,268,114.01	\$ -	\$ -	\$ -	\$ 1,268,114.01
SIEMENS; DEFINITION EDGE CT (Asset 148622, 148623)	\$ 1,315,697.00	\$ -	\$ -	\$ -	\$ 1,315,697.00
CH N Neuro Scanner CN I-119C	\$ 561,796.54	\$ -	\$ -	\$ -	\$ 561,796.54
SIEMENS; PRISMA 3T MRI and Accessories (Asset 157677	\$ 2,241,875.00	\$ -	\$ -	\$ -	\$ 2,241,875.00
USPS Building Purchase (Asset 156757, 156758)	\$ 2,185,017.25	\$ -	\$ -	\$ -	\$ 2,185,017.25
Land for Ronald McDonald House (Asset 147588, 147589)	\$ 1,000,203.16	\$ -	\$ -	\$ -	\$ 1,000,203.16
GE; DISCOVERY 710 PET Scanner (Asset 148389)	\$ 2,103,046.58	\$ -	\$ -	\$ -	\$ 2,103,046.58
Fixed Wing Building	\$ 533,262.51	\$ -	\$ -	\$ -	\$ 533,262.51
Hematopathology Consolidation, Hilton Building 7th Floor	\$ 2,018,886.34	\$ -	\$ -	\$ -	\$ 2,018,886.34
Vacate Ei 7-1/7-2 Dermatology Phototherapy Phototherapy F	\$ 439,830.58	\$ -	\$ -	\$ -	\$ 439,830.58
Relocation of Respiratory Care Unit	\$ 1,184,489.68	\$ -	\$ -	\$ -	\$ 1,184,489.68
Linen Service Depot-3939 Building	\$ 1,882,309.32	\$ -	\$ -	\$ -	\$ 1,882,309.32
Media On Demand Replacement Project	\$ 699,440.19	\$ -	\$ -	\$ -	\$ 699,440.19
Temporal Bone Lab remodel (original \$600K)	\$ 126,259.12	\$ -	\$ -	\$ -	\$ 126,259.12
Dr. Misra Laboratory, Gugg 6	\$ 314,232.69	\$ -	\$ -	\$ -	\$ 314,232.69

# Permitted Expenditures from July 1, 2013 to December 31, 2023

Project/Equipment Name	2013 - 2022	Prior Years		Total	Total Spent as of
	Expenditures Reported	Expenditures not previously reported	2023 Expenditures	Expenditures reported for 2023	December 31st 2023
Lab Remodel Gugg 17 and 18	\$ 507,816.33	\$ -	\$ -	\$ -	\$ 507,816.33
Space assignment for Dr. Burns and Dr. Scarisbrick surgery	\$ 372,474.03	\$ -	\$ -	\$ -	\$ 372,474.03
Guggenheim 13 Space Remodel	\$ 286,997.78	\$ -	\$ -	\$ -	\$ 286,997.78
Charlton Desk R Lobby Remodel	\$ 397,223.24	\$ -	\$ -	\$ -	\$ 397,223.24
Jacobson Building Operating Rooms	\$ 23,568,520.11	\$ -	\$ -	\$ -	\$ 23,568,520.11
Charlton 1 PET/CT (DRX- 1 Replacement) E-3006	\$ 132,948.22	\$ -	\$ -	\$ -	\$ 132,948.22
GE - Discovery PET/CT 710 (Asset 178322)	\$ 1,500,726.20	\$ -	\$ -	\$ -	\$ 1,500,726.20
Gastroenterology & Hepatology Renovation	\$ 7,362,527.52	\$ -	\$ -	\$ -	\$ 7,362,527.52
Stryker Sales Corporation - Alfred 6 Integration (Assets 1805	\$ 1,126,322.95	\$ -	\$ -	\$ -	\$ 1,126,322.95
Philips Fluoroscopy (Assets 181122-181123)	\$ 1,335,625.38	\$ -	\$ -	\$ -	\$ 1,335,625.38
7T MRI Scanner	\$ 1,916,246.30	\$ -	\$ -	\$ -	\$ 1,916,246.30
SMH Campus Radiology Consolidation	\$ 23,568,544.51	\$ -	\$ -	\$ -	\$ 23,568,544.51
Mary Brigh East Tower Additional Floors	\$ 17,320,752.84	\$ -	\$ -	\$ -	\$ 17,320,752.84
Eisenberg 7-1 and 7-2	\$ 6,312,270.07	\$ -	\$ -	\$ -	\$ 6,312,270.07
Pre Post Expansion on Gonda 2 Gonda 2-467	\$ 266,028.69	\$ -	\$ -	\$ -	\$ 266,028.69
Franklin Heating Station Chiller #4 Replacement	\$ 2,286,167.61	\$ -	\$ -	\$ -	\$ 2,286,167.61
Mary Brigh 4, Room 106 Heart Rhythm Services Remodeling	\$ 538,995.91	\$ -	\$ -	\$ -	\$ 538,995.91
Siemens - Fluoroscopy 106 (Asset 172294)	\$ 1,508,299.00	\$ -	\$ -	\$ -	\$ 1,508,299.00
Mary Brigh 4, Room 111 Heart Rhythm for Equipment Replac	\$ 217,834.13	\$ -	\$ -	\$ -	\$ 217,834.13
Siemens - Siemens fluoroscopy room 111 (Asset 179164)	\$ 801,942.00	\$ -	\$ -	\$ -	\$ 801,942.00
Charlton North MR-MCR NU 3T Replacement Scanner	\$ 354,930.50	\$ -	\$ -	\$ -	\$ 354,930.50
MAGNETOM Prisma 3T (asset 173601)	\$ 2,184,842.00	\$ -	\$ -	\$ -	\$ 2,184,842.00
Charlton North MR-MCR NT 1.5 Replacement Scanner	\$ 587,509.18	\$ -	\$ -	\$ -	\$ 587,509.18
SIEMENS; 1.5T OPEN 70CM (assets 169436,171642,17164	\$ 1,188,732.00	\$ -	\$ -	\$ -	\$ 1,188,732.00
Research Biplane Angiography System Replacement	\$ 78,970.28	\$ -	\$ -	\$ -	\$ 78,970.28
SIEMENS; ARTIS ZEE BIPLANE (asset 165045-165046)	\$ 1,158,442.00	\$ -	\$ -	\$ -	\$ 1,158,442.00
41st Street Professional Complex	\$ 9,831,862.38	\$ -	\$ -	\$ -	\$ 9,831,862.38
Precision Medicine Initiative	\$ -	\$ -	\$ -	\$ -	\$ -
Motoman (Asset 184543)	\$ 8,392,748.33	\$ -	\$ -	\$ -	\$ 8,392,748.33
Autogen (Assets 175437-175447)	\$ 4,031,557.00	\$ -	\$ -	\$ -	\$ 4,031,557.00
Hamilton Star (Assets 171685, 172326)	\$ 2,023,074.27	\$ -	\$ -	\$ -	\$ 2,023,074.27
Hamilton Star (Assets 171685, 172326)	\$ 440,763.20	\$ -	\$ -	\$ -	\$ 440,763.20
Hamilton Bios Freezer (Asset 186447)	\$ 5,127,252.84	\$ -	\$ -	\$ -	\$ 5,127,252.84
PerkinElmer Spectrophotometer (Asset 169459)	\$ 39,920.00	\$ -	\$ -	\$ -	\$ 39,920.00
Hamilton Robotic Upgrades	\$ 45,951.00	\$ -	\$ -	\$ -	\$ 45,951.00
Hamilton Star (Asset 179090)	\$ 235,653.10	\$ -	\$ -	\$ -	\$ 235,653.10
Hamilton Tube Handler - REQ# 2027700	\$ 34,358.20	\$ -	\$ -	\$ -	\$ 34,358.20
Hamilton Capper/Decapper Motoman Line (Asset 183593)	\$ 77,010.00	\$ -	\$ -	\$ -	\$ 77,010.00
Hamilton Star EasyBlood Liquid Handler (Assets 181647-18	\$ 776,489.90	\$ -	\$ -	\$ -	\$ 776,489.90
Verso M2 - (Asset 179334)	\$ 729,256.34	\$ -	\$ -	\$ -	\$ 729,256.34
Hamilton EasyBlood Units (Assets 176522-176524)	\$ 721,818.90	\$ -	\$ -	\$ -	\$ 721,818.90
Hamilton Bios PMI #3 (PO 20028966)	\$ 4,030,363.09	\$ -	\$ -	\$ -	\$ 4,030,363.09
Hamilton Freezer Bios HL20 (PO 20031301)	\$ 2,509,226.94	\$ -	\$ -	\$ -	\$ 2,509,226.94
Mary Brigh East Operating Rooms	\$ 727,108.67	\$ -	\$ -	\$ -	\$ 727,108.67
Siemens - Artis Zeeog Card. Thorax (Asset 180570)	\$ 1,466,062.00	\$ -	\$ -	\$ -	\$ 1,466,062.00
GE - Discovery IGS 740 (Asset 179172)	\$ 1,363,946.45	\$ -	\$ -	\$ -	\$ 1,363,946.45
Gonda 14 Radiographic Room DR Conversion E15-3011 RA	\$ 112,034.00	\$ -	\$ -	\$ -	\$ 112,034.00
Gonda 14-158 Duo DR Replacement, E15-3014 RAD-MCR-	\$ 154,034.23	\$ -	\$ -	\$ -	\$ 154,034.23
West Pre/Post Remodel, Mary Brigh Main	\$ 2,022,954.79	\$ -	\$ -	\$ -	\$ 2,022,954.79
Radiology - Charlton 1, VG6 Replacement E15-3003	\$ 138,704.91	\$ -	\$ -	\$ -	\$ 138,704.91
GE; DISCOVERY 670 PRO	\$ 948,408.45	\$ -	\$ -	\$ -	\$ 948,408.45
Cardiovascular Diseases Patient Appointment Coordinator	\$ 200,409.53	\$ -	\$ -	\$ -	\$ 200,409.53
Reproductive Endocrinology and Infertility Relocation	\$ 2,378,634.23	\$ -	\$ -	\$ -	\$ 2,378,634.23
Remodel Mary Brigh 6 to increase Medical ICU capacity	\$ 1,954,174.55	\$ -	\$ -	\$ -	\$ 1,954,174.55
Mayo Building - Substation MA-E-5 Replacement	\$ 612,251.93	\$ -	\$ -	\$ -	\$ 612,251.93
Pharmacokinetics Core Relocation	\$ 469,019.61	\$ -	\$ -	\$ -	\$ 469,019.61
Remodel Baldwin 1 for ISP / Baldwin 1 Entry Vestibule Repl	\$ 4,186,165.25	\$ -	\$ -	\$ -	\$ 4,186,165.25
Mycology/TB Expansion Hilton 8	\$ 3,256,953.15	\$ -	\$ -	\$ -	\$ 3,256,953.15
CMIL/NIL Relocation and Expansion, Hilton 7	\$ 1,511,410.88	\$ -	\$ -	\$ -	\$ 1,511,410.88
Human Cellular Therapy N2 Tank Storage Facility	\$ 491,016.90	\$ -	\$ -	\$ -	\$ 491,016.90
Conversion of OR 609 from Hybrid OR to Conventional OR	\$ 496,613.67	\$ -	\$ -	\$ -	\$ 496,613.67
Gonda 2 Decontamination Space Remodeling	\$ 285,911.99	\$ -	\$ -	\$ -	\$ 285,911.99
Eisenberg AHU S-55 Replacement to Support REI Practice f	\$ 803,858.23	\$ -	\$ -	\$ -	\$ 803,858.23
41st Street.	\$ 4,892,701.70	\$ -	\$ -	\$ -	\$ 4,892,701.70
Guggenheim 15-02 integration of core facility and laboratory	\$ 368,357.82	\$ -	\$ -	\$ -	\$ 368,357.82
Aging Center Space Remodel, Guggenheim 7	\$ 551,139.89	\$ -	\$ -	\$ -	\$ 551,139.89
Stable 11 Lab construction - Revzin	\$ 314,372.07	\$ -	\$ -	\$ -	\$ 314,372.07
Installation of Open MRI System, Opus 1	\$ 590,676.24	\$ -	\$ -	\$ -	\$ 590,676.24
Lab renovation ST 11, CRM recruit, Dr. Quinn Peterson	\$ 121,165.35	\$ -	\$ -	\$ -	\$ 121,165.35
Saint Marys Campus Complex Intervention Unit	\$ 2,237,613.54	\$ -	\$ -	\$ -	\$ 2,237,613.54
E16-3005 MR MCR-GO3 1.5 MR Scanner #1	\$ 1,276,416.38	\$ -	\$ -	\$ -	\$ 1,276,416.38
Siemens - MAGNETOM Aera (Asset 182886; 182863-18288	\$ 1,688,565.00	\$ -	\$ -	\$ -	\$ 1,688,565.00
RMC S-8 AHU Replacement	\$ 599,281.36	\$ -	\$ -	\$ -	\$ 599,281.36
SMOP/Radiology Desk	\$ 3,571,641.14	\$ -	\$ -	\$ -	\$ 3,571,641.14
Mary Brigh Main SMC Radiology Hybrid Procedural Suite - M	\$ 2,180,505.45	\$ -	\$ -	\$ -	\$ 2,180,505.45
Philips - Ingenia 1.5T Omega HP R5 Q1 (Asset 183632; 183	\$ 1,474,847.09	\$ -	\$ -	\$ -	\$ 1,474,847.09

# Permitted Expenditures from July 1, 2013 to December 31, 2023

Project/Equipment Name	2013 - 2022 Expenditures Reported	Prior Years Expenditures not previously reported	2023 Expenditures	Total Expenditures reported for 2023	Total Spent as of December 31st 2023
SMH Bulk Medical Gas Systems Replacement	\$ 977,452.73	\$ -	\$ -	\$ -	\$ 977,452.73
Mary Brigh Main West Entrance Upgrades	\$ 1,136,995.31	\$ -	\$ -	\$ -	\$ 1,136,995.31
Neurology EEG/Epilepsy Remodel - DO 2 & JO 2	\$ 1,149,596.73	\$ -	\$ -	\$ -	\$ 1,149,596.73
Gugg 13 Remodel	\$ 484,303.51	\$ -	\$ -	\$ -	\$ 484,303.51
Plummer Library Renovations Phase 3&4	\$ 433,105.21	\$ -	\$ -	\$ -	\$ 433,105.21
Philips Healthcare (Asset 196890)	\$ 423,890.40	\$ -	\$ -	\$ -	\$ 423,890.40
Office of Information Security Consolidation	\$ 1,117,001.99	\$ -	\$ -	\$ -	\$ 1,117,001.99
Brackenridge Education Room Build out	\$ 526,051.76	\$ -	\$ -	\$ -	\$ 526,051.76
USP 800 Haszardous Drug Handling Remodel	\$ 1,045,577.42	\$ -	\$ -	\$ -	\$ 1,045,577.42
SMC Chilled Water Distribution Loop	\$ 934,150.96	\$ -	\$ -	\$ -	\$ 934,150.96
Joseph Bldg Scope A Centralized Infrastructure	\$ 3,276,910.54	\$ -	\$ -	\$ -	\$ 3,276,910.54
RMC S-5 Air Handling Unit Replacement	\$ 952,822.05	\$ -	\$ -	\$ -	\$ 952,822.05
Tissue Typing Lab Pre-DNA Extraction Contamination Control	\$ 353,779.74	\$ -	\$ -	\$ -	\$ 353,779.74
Retrofitting Med Sci 5 large animal facility; DCM Phase I	\$ 637,314.97	\$ -	\$ -	\$ -	\$ 637,314.97
Consolidation/Relocation of Revenue Cycle	\$ 2,129,432.35	\$ -	\$ -	\$ -	\$ 2,129,432.35
Gonda 15 Conversion of Family Waiting Room to Pre/Post Space	\$ 587,084.72	\$ -	\$ -	\$ -	\$ 587,084.72
GU 5-Chakraborty lab construction, remodel west bay of GU 5	\$ 848,596.35	\$ -	\$ -	\$ -	\$ 848,596.35
SMC OR 604,608, and 600 Decontamination Room Remodel, MB 1	\$ 1,118,164.67	\$ -	\$ -	\$ -	\$ 1,118,164.67
E-18-3009 NM-MCR-CH1-R-PET/CT DRX2	\$ 159,572.79	\$ -	\$ -	\$ -	\$ 159,572.79
SC18-3002 RAD-MCR-MAE4-I-Thoracic Reading Rooms	\$ 253,593.73	\$ -	\$ -	\$ -	\$ 253,593.73
Medical Sciences 3 (Dr. A. Pandey and Proteomics Core)	\$ 231,534.87	\$ -	\$ -	\$ -	\$ 231,534.87
Pandey Biosafety Hoods--REQ#--R2050798 (PO 20033617) (Assets 190234-190235)	\$ 13,362.24	\$ -	\$ -	\$ -	\$ 13,362.24
Pandey BIOGNOSYS License--REQ#--R2050806 (PO 20033762) (Asset 192318)	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 12,000.00
Pandey Fusion Lumos_2018--REQ#--R2050567 (PO 20033606) (Assets 190958-190960, 192300)	\$ 1,308,079.83	\$ -	\$ -	\$ -	\$ 1,308,079.83
Pandey Lab Fisher Capital 1--REQ#--R2049967 (PO 20033266) (Assets 189861,190212,190906,193852)	\$ 57,209.39	\$ -	\$ -	\$ -	\$ 57,209.39
Pandey VWR shaker--REQ#--R2050783 (PO 20033611) (Asset 190242)	\$ 6,893.59	\$ -	\$ -	\$ -	\$ 6,893.59
Pandey Nikon scope--REQ#--R2050789 (PO 20033602) (Asset 190249)	\$ 18,799.83	\$ -	\$ -	\$ -	\$ 18,799.83
Centralized Distribution of Utilities 41st Street	\$ 4,944,173.53	\$ -	\$ -	\$ -	\$ 4,944,173.53
Hilton Substation Replacement	\$ 2,479,367.29	\$ -	\$ -	\$ -	\$ 2,479,367.29
E17-3006 CT-MCR-GO3-R-3V Scanner	\$ 59,889.05	\$ -	\$ -	\$ -	\$ 59,889.05
Siemens Somatom Force CT (Asset 185457)	\$ 1,930,400.00	\$ -	\$ -	\$ -	\$ 1,930,400.00
Psychiatry & Psychology Master Plan Phase II	\$ 1,482,321.51	\$ -	\$ -	\$ -	\$ 1,482,321.51
Upgrade of Medium Voltage Switch Center	\$ 1,034,828.91	\$ -	\$ -	\$ -	\$ 1,034,828.91
Mary Brigh Kitchen Replacement East Tower Ground Level	\$ 1,646,319.22	\$ -	\$ -	\$ -	\$ 1,646,319.22
E16-3010 MCR-DT-I-Incremental Downtown CT Scanner #1	\$ 1,726,161.72	\$ -	\$ -	\$ -	\$ 1,726,161.72
Siemens; Somatom Force CT (Asset 188881)	\$ 2,084,921.00	\$ -	\$ -	\$ -	\$ 2,084,921.00
E16-3009 RAD-MCR-GO14 Radiographic Room DR Conversion	\$ 308,593.62	\$ -	\$ -	\$ -	\$ 308,593.62
Patient Lifts for Mary Brigh PCU 5C & 5F	\$ 829,680.46	\$ -	\$ -	\$ -	\$ 829,680.46
Mary Brigh Shell Space Fit-Up (NICU & PICU)	\$ 411,886.88	\$ -	\$ -	\$ -	\$ 411,886.88
Antibody/Protein Immunology & Cincial Immunoassay Lab Relocation	\$ 3,644,272.87	\$ -	\$ -	\$ -	\$ 3,644,272.87
Saint Marys Dialysis Unit	\$ 3,452,808.69	\$ -	\$ -	\$ -	\$ 3,452,808.69
E17-3005 MR-MCR-MBM-R-MR29 Replacement	\$ 780,175.64	\$ -	\$ -	\$ -	\$ 780,175.64
GE; Signa Artist 1.5T (Assets 188037-188049)	\$ 990,208.00	\$ -	\$ -	\$ -	\$ 990,208.00
Enhanced Critical Care Expansion	\$ 171,586.57	\$ -	\$ -	\$ -	\$ 171,586.57
Relocation of Dr. Rajiv Kumar's Laboratory to GU 6, Drs. J. Grande and V. Lowe, and C-SIG	\$ 280,649.20	\$ -	\$ -	\$ -	\$ 280,649.20
Gonda 19 space remodel	\$ 267,061.02	\$ -	\$ -	\$ -	\$ 267,061.02
SMC Mary Brigh Surgical Services AHU Replacement	\$ 2,047,419.63	\$ -	\$ -	\$ -	\$ 2,047,419.63
Mary Brigh 3rd Floor OR Rooms Fit Out	\$ 24,543,539.46	\$ -	\$ -	\$ -	\$ 24,543,539.46
Research PET/CT Charlton 6	\$ 2,291,819.29	\$ -	\$ -	\$ -	\$ 2,291,819.29
Biograph Vision 600 (asset 192309)	\$ 2,015,000.00	\$ -	\$ -	\$ -	\$ 2,015,000.00
REO Makeup and Export Water Tank	\$ 831,767.94	\$ -	\$ -	\$ -	\$ 831,767.94
Global Business Solutions Consolidation	\$ 353,569.35	\$ -	\$ -	\$ -	\$ 353,569.35
RST SMC/RMC Visitor Cafeteria	\$ 20,786.96	\$ -	\$ -	\$ -	\$ 20,786.96
Mail Order Pharmacy Relocation	\$ 7,545,680.99	\$ -	\$ -	\$ -	\$ 7,545,680.99
Pharmacy Automation - Innovation (Asset 195397)	\$ 2,722,535.76	\$ -	\$ -	\$ -	\$ 2,722,535.76

# Permitted Expenditures from July 1, 2013 to December 31, 2023

Project/Equipment Name	2013 - 2022 Expenditures Reported	Prior Years Expenditures not previously reported	2023 Expenditures	Total Expenditures reported for 2023	Total Spent as of December 31st 2023
Discovery Square	\$ 11,282,293.00	\$ -	\$ -	\$ -	\$ 11,282,293.00
SMC Modernization and Growth	\$ 131,478,396.07	\$ -	\$ 7,366,087.95	\$ 7,366,087.95	\$ 138,844,484.02
Sports Medicine Relocaton to DAHLC 4	\$ 1,059,766.35	\$ -	\$ -	\$ -	\$ 1,059,766.35
Archives Warehouse Tissue Registry Expansion	\$ 6,288,919.63	\$ -	\$ -	\$ -	\$ 6,288,919.63
Redesign of Jacobson Locker Room	\$ 186,270.76	\$ -	\$ -	\$ -	\$ 186,270.76
Remodel of GIH Research Space GU 17, Phase 1	\$ 1,287,712.21	\$ -	\$ -	\$ -	\$ 1,287,712.21
SMH River Room	\$ 861,050.41	\$ -	\$ -	\$ -	\$ 861,050.41
RST E18-3008 MR-MCR-GO3-I-3T MR Scanner	\$ 851,472.87	\$ -	\$ -	\$ -	\$ 851,472.87
Discovery MI 25CM (Asset 189900)	\$ 2,697,744.00	\$ -	\$ -	\$ -	\$ 2,697,744.00
Radiology Office Space and 3D Lab on Joseph 6	\$ 3,470,339.73	\$ -	\$ -	\$ -	\$ 3,470,339.73
SMC Decontamination Remodel Equipment and Replacement	\$ 1,285,541.44	\$ -	\$ -	\$ -	\$ 1,285,541.44
RST Impact Lab Expansion CAR-T Cell Initiative	\$ 5,722,895.79	\$ -	\$ 18,879.92	\$ 18,879.92	\$ 5,741,775.71
0068-18 E18-3021-RAD-MCR-MSH-MMB-R-RAD DR Conversion	\$ 413,802.12	\$ -	\$ -	\$ -	\$ 413,802.12
Eisenberg Dumbwaiter Replaceme	\$ 2,743,257.67	\$ -	\$ -	\$ -	\$ 2,743,257.67
Administrative Drop In Center	\$ 799,099.21	\$ -	\$ -	\$ -	\$ 799,099.21
Dr. Pipe Lab-DiscSq1	\$ 849,865.92	\$ -	\$ -	\$ -	\$ 849,865.92
Mayo Clinic Food Service, RMC	\$ 531,733.01	\$ -	\$ -	\$ -	\$ 531,733.01
3D Metal Printer for Div of Engineering	\$ 720,429.73	\$ -	\$ -	\$ -	\$ 720,429.73
41st Street Complex Employee Cafeteria	\$ 5,716,239.14	\$ -	\$ -	\$ -	\$ 5,716,239.14
RMC Eisenberg AHU-S62 Replacement	\$ 1,020,508.13	\$ -	\$ -	\$ -	\$ 1,020,508.13
41st St Complex Infrastructure Upgrades- Phase 3	\$ 2,050,934.06	\$ -	\$ -	\$ -	\$ 2,050,934.06
Joseph 1 Northwest Local Infrastructure-SMC River Room Expansion	\$ 110,586.26	\$ -	\$ -	\$ -	\$ 110,586.26
0050-19 RST Creation of New MED 13 Hospital Service	\$ 5,028,032.77	\$ -	\$ -	\$ -	\$ 5,028,032.77
Mayo 11 Remodel	\$ 7,283,353.56	\$ -	\$ -	\$ -	\$ 7,283,353.56
RST SMC Sterile Processing Renovations	\$ 702,992.55	\$ -	\$ -	\$ -	\$ 702,992.55
Opus MRI install	\$ 153,097.45	\$ -	\$ -	\$ -	\$ 153,097.45
3T GE Signa MRI (Assets 200174-200180; 200183)	\$ 1,506,529.08	\$ -	\$ -	\$ -	\$ 1,506,529.08
Healthcare Technology Management Expansion at 1937 Building	\$ 261,827.59	\$ -	\$ -	\$ -	\$ 261,827.59
RST Practice Optimization Acceleration	\$ 240,840.07	\$ -	\$ -	\$ -	\$ 240,840.07
E17-3007 DE-MCR-CT-MBM-I-MP Hybrid Suite Phase 2	\$ 1,292,174.34	\$ -	\$ -	\$ -	\$ 1,292,174.34
PHILIPS; AZURION 7 M20 (Asset 192750)	\$ 1,259,678.14	\$ -	\$ -	\$ -	\$ 1,259,678.14
Human Cellular Therapy Expansion	\$ 2,652,952.98	\$ -	\$ 7,009.31	\$ 7,009.31	\$ 2,659,962.29
Revenue cycle consolidation / relocation	\$ 3,978,716.31	\$ -	\$ -	\$ -	\$ 3,978,716.31
Subway Refresh Project	\$ 20,168,310.33	\$ -	\$ 2,073.51	\$ 2,073.51	\$ 20,170,383.84
GE; SIGNA PREMIER 3T (Assets 197210; 197272-197290)	\$ 2,635,208.68	\$ -	\$ -	\$ -	\$ 2,635,208.68
Remodel Mayo W15 Lobby and Reception	\$ 1,250,873.00	\$ -	\$ -	\$ -	\$ 1,250,873.00
Block 6 Parking Ramp Disco Square	\$ 32,543,394.71	\$ -	\$ 1,466,213.38	\$ 1,466,213.38	\$ 34,009,608.09
Saint Marys Hopsital Shared Procedural/Simulation/Techolog	\$ 2,217,737.54	\$ -	\$ -	\$ -	\$ 2,217,737.54
RMC Surgical Remodel Phase 2 of 5	\$ 17,501,791.55	\$ -	\$ 3,789.87	\$ 3,789.87	\$ 17,505,581.42
Patient Lift Installations Mary Brigh 6D	\$ 515,547.62	\$ -	\$ -	\$ -	\$ 515,547.62
Gonda 9 GIH Endoscopy Remodel	\$ 2,119,372.99	\$ -	\$ -	\$ -	\$ 2,119,372.99
E18-3004 CT-MCR-ETM-I-MP-HPS-Phase 3	\$ 2,470,853.52	\$ -	\$ 24,125.36	\$ 24,125.36	\$ 2,494,978.88
2018 Nurse Call System Replacement	\$ 271,831.84	\$ -	\$ -	\$ -	\$ 271,831.84
CV Echo/Stress Consolidation with Renovation on Joseph 4	\$ 4,845,441.25	\$ -	\$ 7,431.56	\$ 7,431.56	\$ 4,852,872.81
E19-3007 MR-CMR-NCL-I 3T	\$ 714,188.30	\$ -	\$ -	\$ -	\$ 714,188.30
SIEMENS; MAGNETOM VIDA ( Assets 203494-203498; 203499)	\$ 2,303,782.00	\$ -	\$ -	\$ -	\$ 2,303,782.00
E19-3004 MR-MCR-CNLR-NP MR Scanner	\$ 517,723.41	\$ -	\$ -	\$ -	\$ 517,723.41
GE; SIGNA PREMIER 3T (Assets 206384,207102,207104,207105)	\$ 2,350,807.00	\$ -	\$ -	\$ -	\$ 2,350,807.00
Saint Marys Campus Peace Garden Landscaping	\$ 1,414,062.95	\$ -	\$ -	\$ -	\$ 1,414,062.95
EI 07 Eisenberg 7-4 Remodel	\$ 2,965,890.17	\$ -	\$ -	\$ -	\$ 2,965,890.17
FF 01 Comprehensive Occupational Recovery and Care Coc	\$ 1,464,900.83	\$ -	\$ -	\$ -	\$ 1,464,900.83
GE Inpatient Units Safety Updates and Renovation	\$ 4,186,184.14	\$ -	\$ -	\$ -	\$ 4,186,184.14
GE 03 Generose 3W and 3E Safety and Renovations	\$ 3,624,730.31	\$ -	\$ -	\$ -	\$ 3,624,730.31
GO 12 Center for Aesthetic Medicine and Surgery	\$ 1,501,853.35	\$ -	\$ -	\$ -	\$ 1,501,853.35
GO 03 SC19-3003 MR-MCR-GO3-I-Patient Prep Remodel	\$ 1,660,015.18	\$ -	\$ -	\$ -	\$ 1,660,015.18
GO 06 Exam Buildout	\$ 4,452,955.80	\$ -	\$ -	\$ -	\$ 4,452,955.80
GO Increase in Capacity for Chemo Chairs	\$ 2,332,557.63	\$ -	\$ -	\$ -	\$ 2,332,557.63
GO 12 Medivator Redesign	\$ 300,845.46	\$ -	\$ -	\$ -	\$ 300,845.46
JO Relocation of Occupants to Consolidate Echo Stress	\$ 96,170.24	\$ -	\$ -	\$ -	\$ 96,170.24
MB 01 Frozen Section Laboratory Remodel	\$ 3,033,319.01	\$ -	\$ 34,360.00	\$ 34,360.00	\$ 3,067,679.01
MB MN SC19-3002 DE-MCR-MBM-R-MP Reading Rooms	\$ 657,674.41	\$ -	\$ -	\$ -	\$ 657,674.41
MB Core 500 West OR Renovation - North and South	\$ 3,304,053.52	\$ -	\$ -	\$ -	\$ 3,304,053.52
SI 04 Conferencing Center Refurbish	\$ 3,386,764.63	\$ -	\$ -	\$ -	\$ 3,386,764.63



# Permitted Expenditures from July 1, 2013 to December 31, 2023

Project/Equipment Name	2013 - 2022	Prior Years	2023	Total	Total Spent as of
	Expenditures Reported	Expenditures not previously reported	Expenditures	Expenditures reported for 2023	December 31st 2023
E19-3005 CT-MCR-DT#1-I-CT Scanner	\$ 631,036.71			\$ -	\$ 631,036.71
SIEMENS; SOMATOM DEFINITION (Asset 205102)	\$ 1,979,199.00			\$ -	\$ 1,979,199.00
Outpatient Hematology & CAR-T Move to Charlton-Eisenber	\$ 4,258,056.97			\$ -	\$ 4,258,056.97
E21-3005 VNI-MCR-ETMN-R-Angio Rm 6	\$ 101,325.23			\$ -	\$ 101,325.23
SIEMENS; ARTIS Q (Asset 209373)	\$ 921,342.00			\$ -	\$ 921,342.00
GO 15 Pain Procedure Room Fluoro Equipment Replacemer	\$ 201,242.61			\$ -	\$ 201,242.61
JB Shell Space to an Incremental OR	\$ 667,800.76			\$ -	\$ 667,800.76
RST SDSC Office to Lab Conversion	\$ 3,629,887.53			\$ -	\$ 3,629,887.53
OP SL Opus and Kellen Utility	\$ 8,811,658.08		\$ 8,425,470.39	\$ 8,425,470.39	\$ 17,237,128.47
Kellen Building	\$ 51,295,794.16		\$ 30,062,855.07	\$ 30,062,855.07	\$ 81,358,649.23
General Care Pediatric Unit PI	\$ 698,670.34		\$ 228.60	\$ 228.60	\$ 698,898.94
E21-3009 Rad-MCR-BA-SL-137-&13	\$ 809,292.62			\$ -	\$ 809,292.62
CH E21-X-CH-R-Varian-Ethos Lin	\$ 353,775.21		\$ 226,856.90	\$ 226,856.90	\$ 580,632.11
CH E20-X-CH-R-Siemens-CT Scann	\$ 264,257.24		\$ 133,105.88	\$ 133,105.88	\$ 397,363.12
DO Domitilla Cart Washer	\$ 401,803.49			\$ -	\$ 401,803.49
EI Expanded Space for Home Dia	\$ 165,916.07			\$ -	\$ 165,916.07
E22-3032 NM-MCR-EI-I-Theranos	\$ 1,232,495.36		\$ 1,352,915.34	\$ 1,352,915.34	\$ 2,585,410.70
FF ECH Northwest Clinic Phase	\$ 884,252.84		\$ 137,790.63	\$ 137,790.63	\$ 1,022,043.47
FR GT Francis Staff Cafe & By	\$ 1,534,248.08		\$ 27,746.28	\$ 27,746.28	\$ 1,561,994.36
FR 03 Lift Installation Peds E	\$ 362,341.50			\$ -	\$ 362,341.50
GO 10 Remodel Chemo Pharmacy f	\$ 552,363.88			\$ -	\$ 552,363.88
GO Remodel Oncology Team Space	\$ 651,587.06	\$ 1,608.75		\$ 1,608.75	\$ 653,195.81
E22-3004 MR-MCR-GO3-R-NY Repla	\$ 97,070.00		\$ 966,844.65	\$ 966,844.65	\$ 1,063,914.65
HA 05 Data Center Cooling Equi	\$ 710,971.89			\$ -	\$ 710,971.89
HI 05 CGSL Expansion on Hilton	\$ 1,267,936.02		\$ 103,706.19	\$ 103,706.19	\$ 1,371,642.21
MA 04 Remodel Finish Updates o	\$ 141,080.16		\$ 1,019,200.57	\$ 1,019,200.57	\$ 1,160,280.73
MA 04 Remodel of Instrumentati	\$ 267,719.42			\$ -	\$ 267,719.42
MA 17 International Exam Room	\$ 1,055,262.05	\$ 12,920.31	\$ 42,381.17	\$ 55,301.48	\$ 1,110,563.53
E22-3012 CT-MCR-MA3-42W-I-CT S	\$ 335,834.54		\$ 2,235.86	\$ 2,235.86	\$ 338,070.40
MB SMC Core 400 West OR Renova	\$ 2,211,624.68		\$ 29,689.50	\$ 29,689.50	\$ 2,241,314.18
MB Nursing Simulation and Skil	\$ 1,802,518.17		\$ 27,724.76	\$ 27,724.76	\$ 1,830,242.93
MB SMC IORT	\$ 378,631.65		\$ 69,816.37	\$ 69,816.37	\$ 448,448.02
MB Procedure Room Remodel 108	\$ 51,819.10		\$ 443,512.50	\$ 443,512.50	\$ 495,331.60
NT Nassef Tower Kitchen Remode	\$ 306,172.33		\$ 176,967.08	\$ 176,967.08	\$ 483,139.41
Siebens 4 Food Services Server	\$ 1,173,299.18			\$ -	\$ 1,173,299.18
Language Services Space	\$ 487,370.93			\$ -	\$ 487,370.93
Palliative Medicine Outpatient	\$ 185,123.81		\$ 7,817.81	\$ 7,817.81	\$ 192,941.62
Mayo Clinic Blood Donor Progra	\$ 286,649.94		\$ 526,478.93	\$ 526,478.93	\$ 813,128.87
Gonda 6 Echo-Exam, Mayo 6 Core	\$ 2,861,177.64		\$ 912.05	\$ 912.05	\$ 2,862,089.69
Brace Shop Relocation from EI	\$ 195,079.60			\$ -	\$ 195,079.60
Relocation of Loading Dock for	\$ 12,731,732.36		\$ 431,335.07	\$ 431,335.07	\$ 13,163,067.43
Utility Tunnel Extension, Pede	\$ 13,333,688.59		\$ 1,196,342.87	\$ 1,196,342.87	\$ 14,530,031.46
Mayo Clinic Store - Rochester	\$ 1,368,800.09		\$ 60,995.67	\$ 60,995.67	\$ 1,429,795.76
IHF Infrastructure Phase 1	\$ 156,812.01	\$ 215,658.82	\$ 996,541.51	\$ 1,212,200.33	\$ 1,369,012.34
GO 15 Incremental Procedure Room	\$ 514,885.06			\$ -	\$ 514,885.06
SDSC Employee Cafeteria	\$ 4,919,859.04			\$ -	\$ 4,919,859.04
Allergy Procedural Area (L-15) Revnovation	\$ 910,183.44			\$ -	\$ 910,183.44
Outpatient Eisenberg Pharmacy Relocation	\$ 724,993.73			\$ -	\$ 724,993.73
CH 01 E19-3008 NM-MCR-CH1-265J-I-PET CT6 and Uptak	\$ 205,103.94			\$ -	\$ 205,103.94
GO Food Services Catering Area Remodeling	\$ 335,830.01			\$ -	\$ 335,830.01
HI Deionized Water Distribution	\$ 3,060,187.00		\$ 28,117.60	\$ 28,117.60	\$ 3,088,304.60
Jo Infrastructure 2019 Scope B	\$ 1,027,364.71			\$ -	\$ 1,027,364.71
MB 07 Patient Lift Installation for MB 7BG	\$ 544,176.65		\$ 8,629.84	\$ 8,629.84	\$ 552,806.49
MB Gamma Knife Upgrade	\$ 290,258.75			\$ -	\$ 290,258.75
MB 5D-E CONVERTING TO NICU	\$ 2,813,613.24			\$ -	\$ 2,813,613.24
PP SMC Essential Power Controls	\$ 1,770,669.72			\$ -	\$ 1,770,669.72
Exterior LED Lighting Energy Efficiency Improvement - Expei	\$ 547,189.43			\$ -	\$ 547,189.43
IV Transfusion Specialty Team Space	\$ 611,332.26			\$ -	\$ 611,332.26
NovaSeq	\$ 792,850.00			\$ -	\$ 792,850.00
CT-MCR-MA3-42W-I-CT Scanner and Inj	\$ 1,000,000.00			\$ -	\$ 1,000,000.00
NM-MCR-EI-I-Theranostics Treatment Center- Phase 2 - Eqi	\$ 1,248,423.99			\$ -	\$ 1,248,423.99
RAD-MCR-MA16-R-Siemens Peds Fluoro Rm	\$ 499,797.00			\$ -	\$ 499,797.00
Rapids Food Service	\$ 210,072.77			\$ -	\$ 210,072.77
RAD-MCR-BA-SL-137-&138 R-Rad Rm DR Conv (2)	\$ 343,005.00			\$ -	\$ 343,005.00
Varian	\$ 77,000.01			\$ -	\$ 77,000.01
Mayo Loading Dock Safety and Parking	\$ -	\$ 1,108,427.87	\$ 20,265.51	\$ 1,128,693.38	\$ 1,128,693.38
City Water Connection to IHRF		\$ 517.50	\$ 1,374,390.58	\$ 1,374,908.08	\$ 1,374,908.08
RST Francis 4th Tower Remodel		\$ 18,108.78	\$ 83,324.64	\$ 101,433.42	\$ 101,433.42
Patient Lift Installation Mary Brigh 5B&G			\$ 46,493.08	\$ 46,493.08	\$ 46,493.08
AW Slide Scanning Expansion		\$ 39,010.13	\$ 166,093.69	\$ 205,103.82	\$ 205,103.82
BA DOE Micro-fabrication and SLS 3D Printer Facility		\$ 161,957.52	\$ 597,377.95	\$ 759,335.47	\$ 759,335.47
DA DAHLC Locker Room Renovation		\$ 81,559.38	\$ 64,205.90	\$ 145,765.28	\$ 145,765.28
DO DS-4 and DS-6 AHU Replacement		\$ 2,422.66	\$ 3,514,742.34	\$ 3,517,165.00	\$ 3,517,165.00
EI LO RMC Eisenberg Lobby Coffee Kiosk		\$ 34,020.00	\$ 276,745.00	\$ 310,765.00	\$ 310,765.00
EI RMC Core 8 Renovations - East			\$ 10,936,750.10	\$ 10,936,750.10	\$ 10,936,750.10
FF Air Handler Replacement		\$ 7,894.15	\$ 1,702,921.77	\$ 1,710,815.92	\$ 1,710,815.92
GE DHW DCW Waste and Vent Piping			\$ 1,008,762.19	\$ 1,008,762.19	\$ 1,008,762.19

# Permitted Expenditures from July 1, 2013 to December 31, 2023

Project/Equipment Name	2013 - 2022 Expenditures Reported	Prior Years Expenditures not previously reported	2023 Expenditures	Total Expenditures reported for 2023	Total Spent as of December 31st 2023
GO Return Fans Replacement		\$ 145,107.51	\$ 2,101,536.88	\$ 2,246,644.39	\$ 2,246,644.39
BI-MCR-GO2-BI MP-Reading Rooms			\$ 110,105.73	\$ 110,105.73	\$ 110,105.73
HA Kitchen Hood and Exhaust System	\$	25,000.00	\$ 11,555.44	\$ 36,555.44	\$ 36,555.44
Harwick Cafeteria Remodel	\$	13,149.44	\$ 219,963.75	\$ 233,113.19	\$ 233,113.19
HI Lab Automation-Digital Microbiology	\$	76,680.49	\$ 550,478.40	\$ 627,158.89	\$ 627,158.89
JB 01 RMC OR 27 Soffit Remova	\$	10,799.28	\$ 134,601.23	\$ 145,400.51	\$ 145,400.51
JB UPS Replacement			\$ 11,303.62	\$ 11,303.62	\$ 11,303.62
MA 05 Finishes Refresh	\$	174,591.03	\$ 730,897.01	\$ 905,488.04	\$ 905,488.04
Mayo 11 Office Space Reconfiguration			\$ 293,309.10	\$ 293,309.10	\$ 293,309.10
MB 03 Pediatric CV-ICU	\$	59,416.73	\$ 2,941,173.74	\$ 3,000,590.47	\$ 3,000,590.47
MB ED Behavioral Health Unit	\$	25,541.50	\$ 99,523.22	\$ 125,064.72	\$ 125,064.72
MB Procedure Room Remodel 107	\$	18,338.61	\$ 119,748.58	\$ 138,087.19	\$ 138,087.19
MB Procedure Room Remodel 112	\$	51,276.13	\$ 184,872.67	\$ 236,148.80	\$ 236,148.80
MB Procedure Room Remodel 110	\$	46,579.55	\$ 677,679.95	\$ 724,259.50	\$ 724,259.50
MB Helipad AFFF Fire Suppression	\$	6,531.13	\$ 301,876.13	\$ 308,407.26	\$ 308,407.26
E22-3014 RAD-MCR-MBM-R-Incr. CT Phase 1			\$ 191,963.55	\$ 191,963.55	\$ 191,963.55
ST 12 Lab Remodel	\$	14,185.50	\$ 50,064.20	\$ 64,249.70	\$ 64,249.70
SDSC Remaining Thin-Walled Sprinkler			\$ 276,263.48	\$ 276,263.48	\$ 276,263.48
TN Marvin Security Enhancements			\$ 201,998.66	\$ 201,998.66	\$ 201,998.66
Chilled Water Supply to B201			\$ 31,956.26	\$ 31,956.26	\$ 31,956.26
Proton Therapy Expansion			\$ 9,502,610.63	\$ 9,502,610.63	\$ 9,502,610.63
Proton Specific Equipment			\$ 13,660,000.00	\$ 13,660,000.00	\$ 13,660,000.00
MB and FR Domestic Water Heater	\$	4,757.70	\$ 875,969.43	\$ 880,727.13	\$ 880,727.13
Outpatient Ambulatory Patient and Visitor	\$	54,388.96	\$ 366,500.52	\$ 420,889.48	\$ 420,889.48
DLMP Master Space Plan Phase 2	\$	12,583,106.87	\$ 2,765,992.41	\$ 15,349,099.28	\$ 15,349,099.28
2021 Annual Elevator Modernization	\$	43,420.65	\$ 341,679.44	\$ 385,100.09	\$ 385,100.09
2021 Annual Fire Alarm System	\$	50,210.24	\$ 125,986.43	\$ 176,196.67	\$ 176,196.67
Biomanufacturing Facility	\$	-	\$ 2,561,440.70	\$ 2,561,440.70	\$ 2,561,440.70
E22-3001 DE-MCR-I-Children's Imaging Center	\$	138,750.63	\$ 231,682.12	\$ 370,432.75	\$ 370,432.75
Avaya Gateway Infrastructure			\$ 548,410.23	\$ 548,410.23	\$ 548,410.23
SMC Medical and Lab Vacuum Pump	\$	13,981.58	\$ 62,321.68	\$ 76,303.26	\$ 76,303.26
Magnetoencephalography (MEG)	\$	23,225.17	\$ 106,198.93	\$ 129,424.10	\$ 129,424.10
Communication Closet Security			\$ 197,325.75	\$ 197,325.75	\$ 197,325.75
EI Center Street Kitchen and SMC FR	\$	29,768.57	\$ 725,725.90	\$ 755,494.47	\$ 755,494.47
Discovery Walk Snowmelt System			\$ 190,796.00	\$ 190,796.00	\$ 190,796.00
IHF Infrastructure Phase 2			\$ 136,106.04	\$ 136,106.04	\$ 136,106.04
GU HI ST Building Lab Vacuum			\$ 28,053.57	\$ 28,053.57	\$ 28,053.57
2023 Annual Roof Replacement			\$ 1,369,502.07	\$ 1,369,502.07	\$ 1,369,502.07
2023 Annual Fire Suppression	\$	-	\$ -	\$ -	\$ -
Demolition of 2nd Street Hotel	\$	-	\$ 93,720.04	\$ 93,720.04	\$ 93,720.04

\$ 934,702,650.04 \$ 15,292,913.14 \$ 118,359,156.19 \$ 133,652,069.33 \$ 1,068,354,719.37



# ATTACHMENT 3

## Certification of Expenditure Destination Medical Center

For Calendar Year 2023

Due to Commissioner of Employment and Economic Development (DEED) by April 1, 2024

The Medical Business Entity and the Destination Medical Center Corporation (DMCC) Board of Directors (assisted by the City of Rochester) hereby submit to the Department of Employment and Economic Development (DEED) the following report for expenditures that relate to the Destination Medical Center (DMC) Development for the calendar year 2023, and the certifications required to support the documentation under the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.

**Expenditures Reported this Year**

Total Expenditures Reported This Year by Medical Business Entity <sup>1</sup>	\$133,652,089.33	1
Total Expenditures Reported This Year for other Private Entities <sup>1,2</sup>	\$12,583,587.00	2
<b>TOTAL Expenditures This Year</b>	<b>\$146,235,676.33</b>	<b>3</b>

**All Expenditures claimed since June 30, 2013**


Previous Years Expenditures (cumulative)	\$1,461,132,648.74	4
TOTAL Expenditures This Year <sup>3</sup> (from Box 3)	\$146,235,676.33	5
All Claimed Expenditures as of 12/31/23 (Box 4 plus Box 5)	\$1,607,368,325.07	6
Qualified Expenditures claimed in 2023 (Box 6 minus \$200,000,000)	\$1,407,368,325.07	7

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

General State Infrastructure Aid Qualified for (Box 7 multiplied by .0275)	\$38,702,628.94	8
State Transit Aid Qualified for (Box 7 multiplied by .0075 and then multiplied by .6)	\$6,333,157.46	9

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

**For Expenditures By the Medical Business Entity:**

	3-15-24
Mayo Clinic Chief Financial Officer	Date

**For all other Expenditures:**

Destination Medical Center Corporation	Date
--	------

<sup>1</sup>Expenditures need to be after June 30, 2013

<sup>2</sup>Other Private Entities' certification of expenses may be certified retroactively in 2014 after the Destination Medical Center District and Development Plan are adopted.

<sup>3</sup>This figure is based solely upon project building permit costs. Minn. Stat. § 469.47, subd 1(d) permits additional expenditures, and discussion is underway as to how to document such additional expenditures, which may result in adjustments.

# EXHIBIT

# D

## ANNUAL CERTIFICATION OF CITY EXPENDITURES.

**CITY OF ROCHESTER'S  
CERTIFIED  
EXPENDITURES  
JUNE 2013 THROUGH  
DECEMBER 2022**



Total Expenditures

March 26, 2024

Commissioner Matt Varilek  
Minnesota Department of Employment and Economic Development  
Economic Development Division  
1<sup>st</sup> National Bank Building  
332 Minnesota Street Suite E200  
St Paul, MN 55101-1351

RE: City of Rochester Certificate of Contributions for January 1, 2023 through December 31, 2023 related to the Destination Medical Center (DMC)

Dear Commissioner Varilek:

The City of Rochester is hereby certifying local contributions of \$6,151,979.13 under General Aid Contributions and \$966,934.93 under Transit Aid Contributions for calendar year 2023 towards the local matching contributions for the Destination Medical Center development. This amount is in addition to the City's previous certification of \$60,915,015.66 for the period from June 30, 2013 through December 31, 2022. This brings the total amount for the period from June 30, 2013, to December 31, 2023, to \$67,066,994.79 under General Aid Contributions and \$10,048,215.06 under Transit Aid Contributions on the attached Certification of Contributions. This certification is pursuant to the executed agreement between DEED and the City of Rochester. The certification is made based on unaudited numbers. Pursuant to that agreement, the City may revise this certification based on adjustments made prior to June 1 of this year.

The City looks forward to working with your staff to review this information and to provide any explanations or documentation that they should require.

The City sincerely appreciates the assistance that has been and continues to be provided to us from your staff as we undertake this important DMC Development for Minnesota.

Sincerely,



Kim Norton, Mayor  
City of Rochester

cc: Jeremy LaCroix  
Brent Svenby  
Pamela Wheelock

Alison Zelms  
Aaron Parrish

Cindy Steinhauser  
Brian Anderson  
Amanda Mack

Kaela Brennan  
Patrick Seeb

## Certification of Contributions

### City of Rochester

For Calendar Year 2023

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

The City of Rochester hereby submits to the Department of Employment and Economic Development (DEED) the following report for Contributions that relate to the Destination Medical Center (DMC) Development for the calendar year 2023, as required by the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement. The city may revise this certification based on audit adjustments prior to June 1.

#### GENERAL STATE AID

##### General Aid Contributions Reported this Year

TOTAL Contributions Reported This Year by the City of Rochester <sup>1</sup>	\$ 6,151,979.13	1
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##### General State Aid Qualified for this Year (Medical Entity/DMCC match also required)

General State Infrastructure Aid Qualified for (Annual Exp. multiplied by \$2.55)	\$ 15,687,546.78	2
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##### Cumulative City General Aid Contributions

Cumulative Previous Contributions	\$ 60,915,015.66	3
-----------------------------------	------------------	---

Contributions This Year	\$ 6,151,979.13	4
-------------------------	-----------------	---

Cumulative Contributions as of 12/31/2023	\$ 67,066,994.79	5
---	------------------	---

Cumulative State Aid Qualified for as of 12/31/2023	\$ 171,020,836.71	6
---	-------------------	---

State GSIA expended this year	\$ 21,653,282.43	7
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#### TRANSIT AID

##### Transit Aid Contributions Reported this Year

Transit Aid Contributions Reported This Year by the City of Rochester <sup>1,2</sup>	\$ 966,934.93	8
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##### Transit State Aid Qualified for this Year (Medical Entity/DMCC match also required)

State Transit Aid Aid Qualified for	\$ 1,450,402.40	9
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##### Cumulative City Transit Aid Contributions

Cumulative Previous Contributions	\$ 9,081,280.13	10
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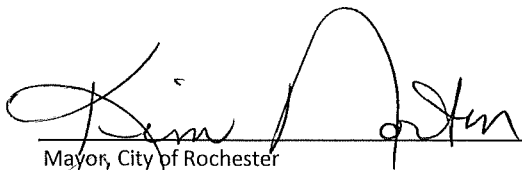
Contributions This Year (from Box 8)	\$ 966,934.93	11
--------------------------------------	---------------	----

Cumulative Contributions as of 12/31/2023	\$ 10,048,215.06	12
---	------------------	----

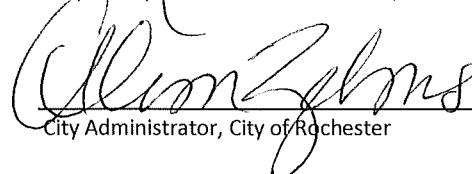
Cumulative State Aid Qualified for as of 12/31/2023	\$ 15,072,322.59	13
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State Transit Aid expended this year	\$ 1,072,322.60	14
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By providing my signature below, I am hereby certifying the information stated herein is accurate, true and complies with the provisions of Statute 469.47 of the State of Minnesota and the approved methodology as outlined in the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.

  
 \_\_\_\_\_  
 Mayor, City of Rochester

3/25/24  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 City Administrator, City of Rochester

3/26/24  
 \_\_\_\_\_  
 Date

<sup>1</sup> Funds expended need to be after June 30, 2013

<sup>2</sup> Transit Aid match may come from the City or Olmsted County

**EXHIBIT**

**E**

**DEED  
CERTIFICATIONS**

June 28, 2024

Pamela Wheelock, Chair  
Destination Medical Center Corporation  
C/O Kaela Brennan  
McGrann Shea Carnival Straughn & Lamb, Chartered  
800 Nicollet Mall, Suite 2600  
Minneapolis, MN 55402-7035

Dennis Dahlen, Chief Financial Officer  
Mayo Clinic  
200 First Street SW  
Rochester, MN 55905

Dear Ms. Wheelock and Mr. Dahlen:

Thank you for submitting the 2023 Certification of Expenditures for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

Your certification listed \$133,652,089.33 in Mayo Clinic expenditures and \$12,583,587 in other expenditures. The Mayo Clinic provided DEED with information on all invoices and payments (more than 6,600 entries) to account for their certification amount. You also provided an independent third party report from Ernst & Young LLP stating the law and procedures for certifying expenditures are being followed properly. Additionally, DEED staff reviewed invoices and payments in your certification. We selected 61 expenditures totaling \$20,724,368. We selected one expenditure from each of the 51 new projects listed. All invoices for the selected expenditures were on file and payments were made in a timely fashion. DEED staff also confirmed that projects had building permits after June 30, 2013. DEED acknowledges the expenses and payments met guidelines and the internal accounting and auditing system the Mayo Clinic has in place is sufficient.

Additionally, the DMCC and the City of Rochester provided DEED with a list of 22 projects for \$12,583,587 in expenditures. DEED randomly selected 10 permits and was provided the permit application, permit, project closeout, and map of projects. From this information, DEED confirmed 10 projects' values, dates, eligibility, and completion. DMCC contracted with Clifton Larson Allen (CLA) to complete a review on its Certification to insure it is correct. CLA issued an opinion that the DMCC certification process was correct.

As required by law, I have determined that the amount of 2023 Destination Medical Center Expenditures are the \$146,235,676.33 as you certified. DMC cumulative Expenditures are now \$1,607,368,325.07. As directed by statute, \$200 million is subtracted from this amount to provide Qualified Expenditures of \$1,407,368,325.07. Based on this figure and adequate general aid Contributions from the city, I have determined the City of Rochester has qualified for \$30,000,000 of



General State Infrastructure Aid in 2024. As per state statute, this payment will be made prior to September 1.

Also based on Qualified Expenditures of \$1,407,368,325.07 and adequate Transit Aid Contributions from the city, I have determined the City of Rochester has qualified for \$7,500,000 of Transit State Aid in 2024. This payment will be made prior to September 1.

Thank you again for your efforts on this groundbreaking economic development effort.

Regards,

A handwritten signature in black ink, appearing to read 'Matt Varilek', written in a cursive style.

Matt Varilek  
Commissioner

C: Patrick Seeb, Economic Development Agency Executive Director  
Brent Svenby, City of Rochester

June 28, 2024

The Honorable Kim Norton  
Mayor, City of Rochester  
201 4<sup>th</sup> Street SE – Room 281  
Rochester, MN 55904-3708

Dear Mayor Norton:

Thank you for submitting the 2023 Certification of Contributions for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

Your 2023 Certification listed \$6,151,979.13 in city general aid contributions between July 1, 2013 and December 31, 2023. You provided a detailed listing of 1,758 expenditures. These expenditures consisted of direct DMC expenses paid by the city as well as DMC Corporation and DMC Economic Development Authority expenses paid for by the city. From that list, DEED randomly selected 41 expenses for review. We reviewed invoices, payments and city payroll files for accuracy and eligibility.

Your 2023 Certification also listed \$966,034.93 in city transit contributions between July 1, 2013 and December 31, 2023. You provided a detailed listing of 64 expenditures. These expenditures consisted of DMC expenses paid by the city for transit projects. From that list, DEED randomly selected 3 expenses for review. We reviewed invoices, payments and city payroll files for accuracy and eligibility.

Additionally, the city provided DEED with an independent third party report from Clifton Larson Allen stating the law and procedures for certifying contributions are being followed properly.

The amount of your general aid contributions qualifies you for the annual maximum of \$30,000,000 of general state infrastructure aid and the annual maximum of state transit aid of \$7,500,000. We will be providing these payments prior to September 1 as mandated by statute.

Thank you again for your efforts on this groundbreaking economic development effort.

Regards,



Matt Varilek  
Commissioner

C: Pamela Wheelock, Chair of Destination Medical Center Corporation  
Dennis Dahlen, Chief Financial Officer Mayo Clinic  
Patrick Seeb, Economic Development Agency Executive Director

## 5-Year Update to the 20-Year DMC Development Plan

To: DMCC Board of Directors

From: DMC EDA

Date: January 31, 2025

### **Request of the board of directors:**

Authorize staff to select a consultant team to work on the forward-looking portion of the DMC Development Plan update utilizing the suggested “Proposal evaluation criteria” in this memorandum.

### **Overview:**

The support of external consultants is needed to complete this work and the overall scope (below) has been split into two main components:

1. A “look backward” that gathers information about the past 10 years and measures what has happened against what was initially projected
2. A “look ahead” that affirms the overall vision for DMC and projects with greater detail the work that lies head to realizes the DMC goals.

Ultimately this exercise rolls up to the 5 major DMC goals: integrated strategic planning, job creation, private investment, tax revenues, and a world-class experience.

An RFP process for the “look backward” was completed and the team of [Econsult Solutions](#) and [Ninigret Partners](#) was selected to complete this work. The work has commenced and the overall deliverables will be completed by April 15, 2025.

As to the “look ahead”, on December 30, 2024, EDA staff issued a Request for Qualifications (“RFQ”) seeking qualified professional firms or teams to assist in a comprehensive update to the Development Plan, with responses due no later than January 15, 2025.

The RFQ sought to identify individuals, firms, or teams of firms that demonstrate expertise and experience in preparing the required update to the Development Plan, including descriptions of past projects of comparable complexity, scale, and economic and fiscal impact. The EDA and City, to solicit maximum qualified responses, posted the RFP to the websites of the EDA, City, and American Planning Association (“APA”) and informed more than forty planning, engineering, design, and economic/fiscal consultancies and firms of the opportunity.

By the RFQ submission deadline, the EDA received 9 submittals.

### **Proposal evaluation criteria:**

EDA and City staff suggest evaluating respondent proposals using the following criteria:

- Sense that the respondent “understands the assignment”; specifically, to:
  - Review all past DMC, City of Rochester and other partner planning work (both final documents and outcomes from past community engagement) to surface what is still relevant and call out what is no longer current.
  - Synthesize that previous work and presenting it back to stakeholders and broader community, incorporating and evolving understanding of the DMC vision through the process.
  - Create a newly articulated deliverable that sets out the visionary aspects of the DMC plan. This becomes a *Shared, Actionable, Vision*.
  - Identify projects and priorities, along with framework for evaluating and prioritizing future DMC capital investment opportunities, taking into account potential leveraging with other programs at in the private sector and from local, State, and Federal governments.
  - Assist the EDA in preparing final deliverables that meet the requirements of the DMC Act.
- Respondent expertise and experience, including:
  - Projects respondents cite as relevant experience, including projects that are healthcare-anchored or located in similar-sized cities
  - Key staff proposed to be assigned to perform work
  - Past performance
- Community engagement and communications, including:
  - The ability to collect data efficiently and communicate findings succinctly
  - Proven examples of successful, widespread community engagement activities

### **Background of update scope:**

The DMC Act requires that the DMC Development Plan be updated not less than every five years. Following adoption of the plan on April 23, 2015, the plan has been amended twice and updated once, on November 19, 2020.

To support the 2025 update to the plan, on September 28, 2023 the DMCC approved a budget of \$750,000. The update will ensure that the plan meets legislative requirements and stakeholder expectations.

Specifically, 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:**

The “look backwards” scope of work is expected to be complete by mid-April 2025.

The “look ahead” consultant team will be selected following a review and acceptance of a proposal from a qualified team.



**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2025**

**A RESOLUTION AUTHORIZING NEGOTIATION WITH QUALIFIED FIRMS IN  
SUPPORT OF THE DMC FIVE-YEAR DEVELOPMENT PLAN UPDATE AND  
APPROVAL FOR EXPENDITURES RELATED TO SUCH UPDATE**

**BACKGROUND RECITALS**

A. Pursuant to Minnesota Statutes Section 469.43, the Destination Medical Center Corporation (“**DMCC**”), working with the City of Rochester (the “**City**”) and the Destination Medical Center Economic Development Agency (the “**EDA**”), adopted a development plan on April 23, 2015, as amended (the “**Development Plan**”).

B. The statute requires that the DMCC update the Development Plan not less than every five years. A modification or update must be adopted by the DMCC upon notice and after the public hearing and findings required for the original adoption of the Development Plan, including approval by the City. The most recent update to the Development Plan was approved by the City on October 19, 2020 and by the DMCC on November 19, 2020.

C. On September 28, 2023, the DMCC approved a budget of \$750,000 to support the next statutorily required update to the Development Plan.

D. On December 30, 2024, the EDA issued a Request for Qualifications (“**RFQ**”) seeking qualified professional firms or teams to assist in a comprehensive update to the Development Plan, with responses due by 4:00 P.M. on January 15, 2025. The RFQ is attached as **Exhibit A**.

E. The RFQ sought to identify individuals, firms, or teams of firms that demonstrate expertise and experience in preparing the required update to the Development Plan, including descriptions of past projects of comparable complexity, scale, and economic and fiscal impact.

F. The EDA and City, to solicit maximum qualified responses, posted the RFP to the websites of the EDA, City, and American Planning Association (“**APA**”) and informed more than forty planning, engineering, design, and economic/fiscal consultancies and firms of the opportunity.

G. By the RFQ submission deadline, the EDA received nine responses.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the DMCC Board of Directors, that the DMCC (i) directs the EDA to invite detailed proposals from qualified applicants, (ii) authorized the EDA, pending review and acceptance of a proposal from one of the qualified applicants, to negotiate and execute an agreement with the proposed firm to assist in a comprehensive update to the Development Plan, and (iii) approves the use of the Development Plan update budget approved

in the 2024 Capital Improvement Program ( the “CIP”) to pay for costs related to the preparation of the update as such costs are deemed a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, Subdivision 11, provided that the following conditions are satisfied:

1. The Development Plan update must:
  - a. Provide a framework for implementing the DMC mission;
  - b. Comport with the goals and objectives adopted by the DMCC and as detailed in the Development Plan as modified and updated;
  - c. Meet the requirements of Minnesota Statutes Section 469.43, including that:
    - i. the 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;
    - ii. the proposed development 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;
    - iii. the proposed development conforms to the general plan for the development of the city and is consistent with the city comprehensive plan;
    - iv. the plan includes:
      - a) 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, and health and wellness;
      - b) estimates of short- and long-range fiscal and economic impacts;
      - c) a framework to identify and prioritize short- and long-term public investment and public infra-structure project development and to facilitate private investment and development, including the criteria and process for evaluating and underwriting development proposals;
      - d) land use planning;
      - e) transportation and transit planning;



f) operational planning required to support the medical center development district; and

g) ongoing market research plans.

2. The EDA is directed to provide opportunities for public engagement throughout the update process, and that the DMCC encourages community member participation in the preparation of the Development Plan update.

3. The DMCC provides final approval for the use of the Development Plan update budget approved in the CIP to pay for costs related to the preparation of the Development Plan update.

4. The EDA is to provide regular updates as to the status of the Development Plan update.

**BE IT FURTHER RESOLVED**, that the Chair and Treasurer are hereby authorized and directed to transmit this Resolution to the City and to take such actions as are necessary or convenient to effectuate the approvals of this Resolution.

30657245v4

**EXHIBIT A**  
**REQUEST FOR QUALIFICATIONS**

December 31, 2024

Greetings,

Destination Medical Center (DMC), a state-supported economic development initiative in Rochester, MN, home to Mayo Clinic's global headquarters, will be updating its Development Plan, a tool intended to guide more than \$585 million of public infrastructure investment.

The original plan of 2015, and subsequently updated in 2020, has contributed to measurable success in advancing Rochester's economic success, as measured by job and business growth, public and private capital investment, and a significantly enhanced tax base. Recently Mayo Clinic announced and has begun a \$5 billion dollar expansion, known as Bold. Forward. Unbound. In Rochester.

With this success and momentum, DMC is seeking qualified firms or teams of firms to assist in updating the DMC Development plan.

We are looking to hear about your capabilities, experiences, history, and interest in this incredible opportunity. The submittal process and next steps are described in the attached is a Request for Qualifications. Looking forward to engaging.

Best wishes,



Patrick Seeb, Executive Director  
DMC EDA



**DESTINATION MEDICAL CENTER  
ECONOMIC DEVELOPMENT AGENCY  
195 BROADWAY AVENUE SOUTH  
ROCHESTER, MN 55904**

**REQUEST FOR QUALIFICATIONS  
(RFQ)**

**2025 UPDATE TO THE DMC DEVELOPMENT PLAN**

REQUEST FOR QUALIFICATIONS  
DMC EDA  
**2025 UPDATE TO THE DMC DEVELOPMENT PLAN**

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**REQUEST FOR QUALIFICATIONS  
2025 UPDATE TO THE DMC DEVELOPMENT PLAN**

**I. INTRODUCTION AND PROCUREMENT PROCESS**

The Destination Medical Center Economic Development Agency (the “EDA”), pursuant to its contract with the Destination Medical Center Corporation (the “DMCC”), a public, non-profit corporation organized under the laws of the State of Minnesota, is seeking a qualified professional firm or team (the “Subconsultant” or “Respondent”) to assist in a comprehensive update to the 20-year DMC Development Plan (the “Plan”).

The State of Minnesota has a history of making significant investments in medical research, innovation and education to stimulate activity and opportunity in key economic sectors. In 2013, Mayo Clinic – the state’s largest private employer – with the City of Rochester, County of Olmsted and other community stakeholders, brought forward the DMC economic development initiative to secure Rochester’s and Minnesota’s future as a global medical destination. After careful deliberation, the Minnesota Legislature concluded there was a compelling public interest for the State to assist in the development of DMC and to create in State statute the financing tools and public governance structure necessary to realize this transformational initiative. In June 2013, the legislation (DMC Act) was signed into law.

Pursuant to the DMC Act, the DMC Development Plan was prepared and adopted in April 2015. The Plan serves as a strategic business plan and framework to guide the implementation of the DMC Initiative. By law, the Development Plan is required to be updated at least every 5 years to direct strategic initiatives to be responsive to the changing market conditions. This Plan outlines the long-term vision and planning framework for the 20-year initiative, which reaches its half-way point in 2025. DMC EDA is the staff that assists the DMCC in planning and executing the DMC Development Plan in Rochester, MN. The EDA consists of an experienced team of professionals who execute a comprehensive strategy to steward \$585 million of public investment and leverage that investment with the goal of attracting over \$5 billion in private investment and more than 30,000 new jobs to the market.

The issuance of this Request for Qualifications (“RFQ”) constitutes only an invitation to submit responses to the EDA. It is not to be construed as an official and customary request for bids, but as a means by which the EDA can facilitate the acquisition of information related to the purchase of services. Any response submitted as provided herein constitutes a suggestion to supply information/negotiate and NOT A BID.

The EDA reserves the right to determine, in its sole and absolute discretion, whether any aspect of the proposal satisfactorily meets the criteria established in this RFQ, the right to seek clarification from any Respondent(s), the right to negotiate with any Respondent(s) whether or not they submitted a response, the right to reject any or all responses with or without cause, and the right to cancel and/or amend, in part or entirely, the RFQ.

The RFQ does not commit the EDA either to award a contract or to pay for any costs incurred in the preparation of a response. Submission of a response as provided herein shall neither obligate nor entitle a prospective Respondent to enter into an Agreement with the EDA.

It is understood that any response received and evaluated by the EDA can be used as a basis for direct negotiation of the cost and terms of a contract between the EDA and the Respondent submitting Qualifications. The EDA reserves the right to negotiate pertinent contract terms concurrently with any number of firms as it deems in its best interest, whether such firm has submitted a response. In submitting this response, it is understood by the Respondent that the EDA reserves the right to accept any response, to reject any and all response and to waive any irregularities or informalities that the EDA deems is in its best interest.

If this RFQ is withdrawn by the EDA for any reason, including but not limited to, the failure of any of those things or events set forth herein to occur, the EDA shall have no liability to Respondent for any costs or expenses incurred in connection with this RFQ or otherwise. Accordingly, each response should be submitted in the most favorable terms of costs and programmatic considerations and in a complete and understandable form. The EDA reserves the right to request additional data, oral discussion, or a presentation in support of the written response. The EDA is not obligated to respond to any response submitted nor is it legally bound in any manner whatsoever by the submission of a response. It is the intention of the EDA to enter into a contract with the firm(s) with which the EDA can make the most satisfactory arrangements for its needs.

The EDA has broad rights with respect to the procurement and contracting processes as detailed in this request. The EDA may decide to contract with more than one entity to develop the services contemplated herein.

## II. SCOPE OF SERVICES AND DELIVERABLES

The EDA is soliciting requests for qualifications from individuals, firms, or teams of firms that demonstrate expertise and experience in preparing the required update to the 20-year Destination Medical Center (DMC) Development Plan. The [Plan](#) was first adopted in 2015, [updated in 2020](#), and will be updated again in 2025, consistent with requirements of Minnesota state law. The minimum required elements of the Plan and subsequent updates defined in state law (Minnesota Statutes 469.40.-469.50) are the following:

- Provide 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;
- the proposed development 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;
- the proposed development conforms to the general plan for the development of the city and is consistent with the city comprehensive plan;
- the 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, and health and wellness;
  - estimates of short- and long-range fiscal and economic impacts;
  - 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;
  - land use planning;
  - transportation and transit planning;
  - operational planning required to support the medical center development district; and
  - ongoing market research plans.

Qualified Respondents will describe past projects of comparable complexity, scale, and economic and fiscal impact. Also, Respondents should consider that this scope of services will serve as an update to, not a wholesale replacement of, the Plan adopted in 2015 and previously updated in 2020 (both documents are available at <https://dmc.mn/investors-and-developers/>). Additionally, several plans and studies have been prepared since the 2015 plan adoption and 2020 plan update. A non-exclusive list of such plans and studies are available for reference as Exhibit B.

As a first step in the update process, the EDA also recently published a Request for Proposals (RFP) seeking qualified firms to assist in a comprehensive analysis of the economic, fiscal, and community impacts resulting from the implementation of the DMC economic development initiative from 2015-2024. Proposal evaluations are ongoing, with work expected to commence in mid-January 2025 and conclude by mid-April 2025. That RFP may be viewed here: <https://dmc.mn/wp-content/uploads/2024/11/DMC-Impact-Analysis-RFP.pdf>. It is anticipated that the selected team responding to this RFQ will have access to the “lookback” data as it is developed from January-April.

The EDA anticipates a project launch of March 1, 2025 with an intensive engagement schedule, public milestones, and in-person meetings, through December 2025. Details are to be worked out during contract negotiations.

The EDA has provided for an anticipated project budget of roughly \$500,000.

## SUBMISSION OF QUALIFICATIONS

Each Respondent must submit a PDF response as an email attachment or cloud-sharing link sent to [info@dmc.mn](mailto:info@dmc.mn). The EDA must receive responses no later than 4:00 p.m., Central Time (CT), January 15, 2025.

The EDA reserves the right to accept proposals after the date specified above.

## TIMELINE

December 31, 2024 – Advertisement of Request for Qualifications.  
January 15, 2025; 4:00 P.M. – Responses Due.  
January 21-22, 2025 – Selected firm Interviews.  
February 6, 2025 – Preferred firm publicly disclosed.  
March 3, 2025 – Contract finalized, work begins  
April 24, 2025 – Project Milestone 1  
September 4, 2025 – Project Milestone 2  
November 13, 2025 – Project Milestone 3  
December 15, 2025 – Project Completion

Additional meetings, progress deadlines, and other dates will be delineated while collaborating on a final contract.

## III. CONTENT OF RESPONSE

Responses should highlight firm or team qualifications that would be applicable to the overall scope outlined in Section II above, and must include the following information, preferably in the following order:

### A. QUALIFICATIONS (KNOWLEDGE, EXPERTISE, CAPABILITIES)

1. **Respondent History** - A statement giving a brief history of the Respondent's organization; how it is organized, and how its available resources will be utilized for the EDA.



2. **Respondent Qualifications** - Information which highlights and demonstrates Respondent's particular expertise and experience in preparing the required update to the 20-year Destination Medical Center (DMC) Development Plan. Provide examples of similar projects in size and scope with the appropriate references. Specific precedents and sample approaches, imagery, diagrams or processes that Respondent feels would be particularly relevant to the scope of requirements noted in Section II (above) are considered especially helpful.
3. **Assignment of Professional Staff** - The Respondent must identify the specific staff that will be responsible for the contemplated services. This project is envisioned as a relatively short, fast exercise starting with negotiating the contract in February to mid-December 2025, so please consider that timeline when assigning staff.

## B. BUDGET INFORMATION

1. Fees, expenses, and other cost terms will be determined in a final executed contract. Currently, the EDA assumes a budget of \$500,000 for the completion of this scope of services. Final scope and project budget will be defined via a collaborative process between the selected Respondent and the DMC EDA staff as part of the contract negotiations phase.

## C. ADDITIONAL PROPOSAL CONTENTS

1. **Supplemental Information** - Any supplemental information which the Respondent thinks will be valuable to the EDA in evaluating the qualifications of the Respondent and its individual personnel to provide services as described herein.
2. **Diversity** - Commitment to diversity as evidenced by such factors as the diversity among proposed staff/employees or the existence of a plan addressing the diversity issues in recruitment, retention, and promotion of staff.
3. **Community Engagement and Participation** – The EDA expect the Plan update effort to include and be responsive to community priorities. Respondents should describe successful community engagement efforts and/or methodologies used in past planning or analysis efforts.
4. **Conflict of Interest** - Any current relationships of the Proposer or its staff/employees with the Destination Medical Center Corporation, Economic Development Agency, the City of Rochester, Olmsted County, Mayo Clinic, or other parties having an interest in the project that may be construed to be a conflict of interest.
5. **Exceptions to the General Provisions** - Respondent should identify any concern or objection to the General Provisions. The EDA reserves the right to require compliance with these provisions and to negotiate final terms, conditions, and requirements with the successful Respondent, at the EDA's discretion.
6. **Insurance** - Ability to ensure appropriate professional liability coverage.

#### IV. SELECTION OF QUALIFIED FIRM(S)

##### A. RESPONSE RECOMMENDATION

1. **Evaluation Committee**- The Executive Director of the EDA shall have final decision-making regarding the EDA award of any and all contract(s) resulting from this RFQ. The Executive Director may designate an Evaluation Committee to assist in Proposal evaluation.
2. **Evaluation of Proposals** - Evaluation of proposals by the Evaluation Committee, EDA staff, or by any other group, individual or entity, are advisory only. Such evaluations are for the sole benefit of the Executive Director and may not be relied upon by any Respondent.

##### B. SELECTION PROCESS

1. **Evaluation Factors** - Evaluation factors shall include, but are not limited to, the following:
  - Respondent's expertise and experience
  - Respondent's key staff proposed to be assigned to perform work
  - Respondent's past performance
  - Respondent's ability to collect data efficiently and communicate findings succinctly
  - Respondent's telephone, videoconference, or in-person interview if requested
2. **Criteria Compliance** - The EDA reserves the right to determine, in its sole and absolute discretion, whether any aspect of a response satisfactorily meets the criteria established in this RFQ.
3. **Submission of Alternatives** - Although this RFQ specifies minimum requirements and should be responded to in all respects, Respondents are invited and encouraged to submit alternatives and additions that may be of interest to the EDA.
4. **Additional Information Requests** - The EDA reserves the right to request additional information from Respondents during any phase of the proposal evaluation process. During the evaluation and selection process, the EDA may require the presence of Respondent's representatives to make presentations and answer specific questions. Notification of any such requirements will be given as necessary.
5. **Conditions of Award** - The EDA may elect not to award a contract solely on the basis of this RFP, and will not pay for the information solicited or obtained. The information obtained will be used in determining the alternative that best meets the needs of the EDA.

#### V. RULES GOVERNING RFQ PROCESS

##### A. INSTRUCTIONS FOR PREPARING AND SUBMITTING QUALIFICATIONS

1. **Response Status** - The issuance of this RFQ constitutes only an invitation to submit qualifications to the EDA. It is to be distinguished from a bidding situation and is not to be construed as an official and customary request for bids, but as a means by which the EDA can facilitate the acquisition of information related to the purchase of Respondent services. Any response submitted, as provided herein, constitutes a desire to negotiate and recognition that the response is not a bid and is not being submitted as part of a bid process.
2. **Economy of Preparation** - Responses should be prepared as simply and economically as possible while providing straight-forward and concise delineation of the Respondent's capabilities to satisfy the requirements of the RFQ.

Technical literature about the Respondent's experience and qualifications may be included. However, the emphasis should be on completeness and clarity of content. In order to expedite the evaluations, it is essential that specifications and instructions contained in this document be followed as closely as possible. **Proposals shall be limited to 50 pages** (8 ½ x 11 page size), inclusive of all covers, dividers, team resumes, etc.

3. **Response Signature** - Each response shall be signed by a principal of the Respondent firm, or another person, who is fully authorized to act on behalf of the Respondent.
4. **Modification or Withdrawal of Response** - Unauthorized conditions, limitations, or provisions attached to a response may cause its rejection. No oral, telephonic, or facsimile (FAX) responses or modifications will be considered.

A response may not be modified, withdrawn, or canceled by the Respondent for a period of three months following the time and date designated for receipt of responses. Each Respondent so agrees in submitting a response. Any such modification, withdrawal or cancellation shall be submitted in writing to the Contact Person at the address contained in Section V (D) (1) herein.

Before the time and date designated for receipt of responses, no response may be released or withdrawn, but any response submitted may be modified, canceled, or withdrawn by written notice to said Contact Person at the place designated in Section V (D)(1), Contact Between Respondent and the DMCC - Questions. Such notice shall be in writing over the signature of Respondent. Written withdrawal or cancellation by Respondent of a response prior to the response opening will nullify the response. Withdrawn or canceled responses may be resubmitted up to the time designated for the receipt of responses, provided that the resubmitted response is in conformance with this RFQ.

5. **Extension of Time** - The EDA reserves the right to extend the qualifications due date. If a Respondent needs an extension of time to prepare the response a written request should be forwarded no later than two business days prior to the due date of this RFQ. The request should be directed to the address noted in Section V (D) (1), Contact between Respondent and the EDA - Questions. The granting of an extension will be based on the number of such requests, and the reason(s) for each request. The EDA reserves the right to extend the submission deadline only at the discretion of the EDA and not at the mere request of the Respondent(s). In the event of an extension, prospective Respondent(s) will be notified immediately and appropriate addenda will be issued.
6. **Addenda** - The EDA reserves the right to add, change, or delete any provision or statement in the RFQ at any time prior to the proposal due date. If it becomes necessary to revise any part of the RFQ, addenda to the RFQ will be provided to all Respondents who received a copy of the RFQ. It is the responsibility of each prospective Respondent to assure receipt of all addenda.
7. **Right to Withdraw RFQ** - The EDA reserves the right to withdraw, cancel, and/or amend, in part or entirely, this RFQ for any reason and at any time with no liability to any prospective Respondent for any costs or expenses incurred in connection with the RFQ or otherwise.

## B. **RESPONSE CONDITIONS**

1. **Public Record** - Responses submitted become a matter of public record. For additional information regarding those portions of a response that the Respondent might regard as a trade secret or confidential, Respondent should review the pertinent provisions of Exhibit A, General Provisions, herein attached.

2. **Service Method Variations** - It is recognized that each Respondent may have unique or typical methods of service delivery. It is not the intention of the RFQ to disqualify a Respondent due to variations in service delivery that do not affect quality and performance. Any proposal offering professional services of quality and performance equivalent to or better than requested, which provides the necessary service, will receive full consideration for award.
3. **Award** - The EDA reserves the right not to award a contract to any Respondent. If the EDA decides to award a contract(s), the EDA will award a contract(s) to the qualified Respondent(s) whose response the EDA determines best meets the needs of the EDA. The EDA reserves the right to award a contract(s) other than to the lowest priced response. The EDA reserves the right to award a contract(s) to a non-Respondent(s).
4. **Ownership of Materials Submitted** - All material submitted becomes the property of the EDA and will not be returned.
5. **Respondents' Costs** - The EDA shall not be responsible for any costs incurred by Respondent in connection with this RFQ. Respondent(s) shall bear all costs associated with preparation, submission and attendance at presentation interviews, or any other activity associated with this RFQ or otherwise.
6. **Use of Response Ideas** - The EDA reserves the right to use any or all Respondent service ideas presented. Selection or rejection of the response does not affect this right.
7. **Sub consultants** - If the response represents offerings to be provided by different firms or other organizations, the contract will be solely with the Respondent (Consultant/Contractor), who will be required to assume responsibility for the total project. Any proposed sub consultant(s) will be subject to the EDA's approval. The EDA recognizes that respondents may wish to supplement services from skilled specialty sub consultants.
8. **Performance Standards** - If awarded the contract, the Respondent warrants and agrees to use its best efforts to perform all services in accordance with the contract terms and in accordance with generally accepted professional standards. The prospective Contractor further warrants and agrees that it shall employ whatever resources are necessary to meet the requirements specified in such contract.
9. **Licenses and Permits** - The Contractor shall be required to obtain any necessary licenses and permits and shall comply with all Federal, State, and local laws, codes and ordinances without cost to the EDA.
10. **Insurance** - The Consultant or anyone providing services herein shall be required to comply with insurance provisions contained in the contract.

C. **CONTRACT AWARD AND CONTRACT**

1. **Award Discretion** - While the EDA may ultimately decide to enter into a contract with that person or firm with which the EDA can make the most satisfactory arrangement for meeting its needs, the EDA is not obligated to award any contract or respond to proposals submitted, nor is it legally bound in any manner whatsoever by the submission of a proposal.
2. **Multiple Firms** - The EDA may retain more than one firm.

3. **Changes** - The EDA shall have the right at all times to require changes in, additions to, or deletions from the work contemplated by the contract documents, and the same shall in no way make void the contract. Changes and additions resulting in increased costs shall be made only pursuant to a written contract amendment issued by the EDA and bearing the acceptance endorsement of the Consultant. Deletions from the scope of work required may be made at the sole discretion of the EDA.
4. **General Provisions** - The General Provisions, which include the General Insurance Provisions for Consultant contracts, are included as Exhibit A and are herein incorporated by reference. If a Respondent has a concern or objection to any of these provisions, it should so indicate in its proposal. The EDA reserves the right to require compliance with these provisions and to negotiate final terms, conditions, and requirements with the successful Respondent, at the EDA's discretion.
5. **Non-Waiver of Defaults** - Any failure by the EDA to enforce or require the strict keeping and performance of any of the terms and conditions of the contract shall not constitute a waiver of such terms and conditions, nor shall it affect or impair the right of the EDA to avail itself of such remedies as may be available for any breach of the contract terms and conditions.

#### D. CONTACT BETWEEN RESPONDENT AND THE EDA

1. **Questions** - Respondents should submit any questions in writing via the [info@dmc.mn](mailto:info@dmc.mn) at their earliest convenience, but no later than January 8, 2025 to get a response in advance of the submission deadline. Questions and responses will be posted on the DMC website.
2. **Interpretation of Documents** - If any Respondent contemplating submission of a response is in doubt as to the true meaning of any part of the RFQ or other proposed Contract Documents; the Respondent may submit to the EDA, at the address noted in Section V (D)(1) above, a written request for an interpretation thereof.
3. **Errors** - Should the Respondent believe that an error appears in the RFQ documents, Respondent shall notify the EDA immediately, at the address noted in Section V (D)(1) above, in writing no later than January 8, 2025, by 12:00 P.M. CT.

## VI. GENERAL PROVISIONS

### A. CONFIDENTIALITY

Information supplied by the Respondent to the EDA is subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Sections 13.01 et seq. Such information shall become public unless it falls within one of the exceptions in the Act, such as security information, trade secret information, or labor relations' information pursuant to Minnesota Statute Section 13.37. If the Respondent believes any non-public information will be supplied in response to the RFQ, the Respondent shall take reasonable steps to identify and provide reasonable justification to the EDA regarding which data, if any, falls within the Minnesota Government Data Practices Act exceptions. However, the Respondent agrees as a condition of submitting a proposal that the EDA will not be held liable or accountable for any loss or damage which may result from a breach of confidentiality as may be related to the responses submitted.

The EDA will not consider any cost information and references submitted by the Respondent to be non-public, confidential or trade secret material. Simply stating that the document is confidential or making a blanket claim of confidentiality without proper supporting justification is also not a valid reason to declare the document confidential.

The language contained in Exhibit A, attached and incorporated herein by this reference, is mandatory language which will be included in any contract entered into between the EDA and the successful Respondent(s).

## EXHIBIT A

### GENERAL PROVISIONS

1. Independent Contractor.

The Contractor shall select the means, method, and manner of performing the services herein. Nothing is intended or should be construed in any manner as creating or establishing the relationship of a partnership or joint venture between the parties hereto or as constituting the Contractor as an employee of the EDA for any purpose or in any manner whatsoever. The Contractor is to be and shall remain an independent contractor with respect to all services performed under this Agreement. The Contractor represents that it has or will secure at its own expense all personnel required in performing services under this Agreement. Any and all personnel of the Contractor or other persons while engaged in the performance of any work or services required by the Contractor under this Agreement shall have no contractual relationship with the EDA, and shall not be considered employees of the EDA. Any and all claims that may or might arise under the Minnesota Economic Security Law or the Workers' Compensation Act of the State of Minnesota on behalf of said personnel, arising out of employment or alleged employment, including, without limitation, claims of discrimination against the Contractor, its officers, agents, contractors, or employees shall in no way be the responsibility of the EDA. The Contractor shall defend, indemnify, and hold harmless the EDA, its officials, officers, agents, volunteers, and employees from any and all such claims irrespective of any determination of any pertinent tribunal, agency, board, commission, or court. Such personnel or other persons shall neither require nor be entitled to any compensation, rights, or benefits of any kind whatsoever from the EDA, including, without limitation, tenure rights, medical and hospital care, sick and vacation leave, Workers' Compensation, Re-employment Compensation, disability, severance pay, and retirement benefits.

2. Successors, Subcontracting and Assignment.

The Contractor binds itself, its partners, successors, assigns and legal representatives to the EDA in respect to all covenants, agreements and obligations contained in the contract documents. The Contractor shall not assign, subcontract, transfer or pledge this Agreement and/or the services to be performed hereunder, whether in whole or in part, nor assign any monies due or to become due to it hereunder without the prior written consent of the EDA.

Permission to subcontract, however, shall under no circumstances relieve the Contractor of its liabilities and obligations under the Agreement. Further, the Contractor shall be fully responsible for the acts, omissions, and failure of its subcontractors in the performance of the herein specified contractual services, and of person(s) directly or indirectly employed by subcontractors. Contracts between the Contractor and each subcontractor shall require that the subcontractor's services be performed in accordance with the terms and conditions herein specified. A consent to assign shall be accomplished by execution of a form prepared by the EDA and signed by the Contractor, the assignee and the EDA.

Contractor shall notify the EDA in writing if another person/entity acquires, directly or indirectly, more than 50 percent of the voting power of the shares entitled to vote for directors of the Contractor. Notice shall be given within ten days of such acquisition and shall specify the name and business address of the acquiring person/entity. The EDA reserves the right to require the acquiring person/entity to promptly become a signatory to this Agreement by amendment or other document so as to help assure the full performance of this Agreement.

3. Default and Cancellation

a. If the Contractor fails to perform any of the provisions of this Agreement or so fails to administer the

work as to endanger the performance of the Agreement, this shall constitute a default. Unless the Contractor's default is excused by the EDA, the EDA may upon written notice immediately cancel this Agreement in its entirety. Additionally, failure to comply with the terms of this Agreement shall be just cause for the EDA for delaying payment until the Contractor's compliance. In the event of a decision to withhold payment, the EDA shall furnish prior written notice to the Contractor.

b. Upon cancellation or termination of this Agreement:

1. At the discretion of the EDA and as specified in writing by the Contract Administrator, Contractor, to the extent permitted by statute and rule, shall deliver to the Contract Administrator copies of all writings so specified by the EDA and prepared by the Contractor pursuant to this Agreement. The term "writings" shall be construed to mean and include:

Handwriting, typewriting, printing, photocopying, photographing, facsimile transmitting, and every other means of recording, including electronic media, any form of communication or representation, including letters, works, pictures, drawings, sounds, or symbols, or combinations thereof.

2. The EDA shall have full ownership and control of all such writings. The Contractor shall have the right to retain copies of said writings. However, it is agreed that the Contractor without the advance written consent of the EDA shall not assign, license, loan, sell, copyright, patent and/or transfer any or all of such writings; and shall not do anything that in the opinion of the EDA would affect the EDA's ownership and/or control of such writings.
- c. Notwithstanding any provision of this Agreement to the contrary, the Contractor shall not be relieved of liability to the EDA for damages sustained by the EDA by virtue of any breach of this Agreement by the Contractor. Upon notice to the Contractor of the claimed breach and the amount of the claimed damage, the EDA may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due the EDA from the Contractor is determined. Following notice from the EDA of the claimed breach and damage, the Contractor and the EDA shall attempt to resolve the dispute in good faith.
- d. The above remedies shall be in addition to any other right or remedy available to the DMCC under this Agreement, law, statute, rule, and/or equity.
- e. The EDA's failure to insist upon strict performance of any provision or to exercise any right under this Agreement shall not be deemed a relinquishment or waiver of the same, unless consented to in writing. Such consent shall not constitute a general waiver or relinquishment throughout the entire term of the Agreement.
- f. This Agreement may be canceled with or without cause by either party upon thirty (30) calendar days' written notice.

4. Indemnification and Insurance

- a. Contractor agrees to defend, indemnify, and hold harmless the EDA, its officials, representatives, officers, agents, volunteers and employees and their heirs, executors, legal representatives, and assigns from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of the Contractor, including its former partners, lawyers and employees, a subcontractor, anyone directly or indirectly employed by them, and/or anyone for whose acts and/or omissions they may be liable in the performance of the services required by this Agreement, and against all loss by reason of the failure of the Contractor to perform fully, in any respect, all obligations under this contract.



- b. In order to protect the Contractor and those listed above under the indemnification provision, the Contractor agrees at all times during the term of this Agreement, and beyond such term when so required, to have and keep in force the following minimum insurance coverage's:

Limits

- |     |   |             |
|-----|---|-------------|
| (1) | Commercial General Liability on an occurrence basis with contractual liability coverage:  |             |
|     | General Aggregate – per project (The full limits of coverage must be dedicated to apply to this project, per ISO form CG2501, or equivalent.) | \$3,000,000 |
|     | Products - Completed Operations Aggregate   | 3,000,000   |
|     | Personal and Advertising Injury   | 3,000,000   |
|     | Each Occurrence - Combined Bodily Injury and Property Damage  | 3,000,000   |
| (2) | Workers' Compensation and Employer's Liability:   |             |
|     | Workers' Compensation   | Statutory   |
|     | If the Contractor is based outside the State of Minnesota, coverage must apply to Minnesota law   |             |
|     | Employer's Liability. Bodily injury by: Accident—Each Accident  | 500,000     |
|     | Disease—Policy Limit  | 500,000     |
|     | Disease—Each Employee   | 500,000     |
| (3) | Professional Liability—Per Claim and Annual Aggregate* (*Aggregate shall be unimpaired as Respects EDA contract)                              | 3,000,000   |

The professional liability insurance must be maintained continuously for a period of two years after the termination of this Agreement.

- c. An umbrella or excess policy over primary liability insurance coverages is an acceptable method to provide the required insurance limits.

The above establishes minimum insurance requirements. It is the sole responsibility of the Contractor to determine the need for and to procure additional insurance which may be needed in connection with this Agreement. Copies of insurance policies shall be promptly submitted to the EDA upon written request.

The Contractor shall not commence work until it has obtained required insurance and filed with the EDA, a properly executed Certificate of Insurance which clearly evidences required insurance coverages. The certificate(s) shall name EDA as the certificate holder and as an additional insured for the liability coverage(s) with respect to operations covered under the Agreement.

The Contractor shall furnish to the EDA updated certificates during the term of this Agreement as insurance policies expire. If the Contractor fails to furnish proof of insurance coverages, the DMCC

may withhold payments and/or pursue any other right or remedy allowed under the contract, law, equity, and/or statute. The EDA does not waive any rights or assume any obligations by not strictly enforcing the requirements set forth in this section.

- d. Duty to Notify. The Contractor shall promptly notify the DA of any claim, action, cause of action or litigation brought against Contractor, its employees, officers, agents or subcontractors, which arises out of the services contained in this Agreement. The Contractor shall also notify the EDA whenever Contractor has a reasonable basis for believing that Contractor and/or its employees, officers, agents or subcontractors, and/or the EDA, might become the subject of a claim, action, cause of action, criminal arrest, criminal charge or litigation arising out of and/or related to the services contained in this Agreement. Failure to provide the notices required by this section is a material violation of the terms and conditions of this Agreement.

## 5. Data Privacy

Contractor, its officers, agents, owners, partners, employees, volunteers and subcontractors shall abide by the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 (MGDPA), the Health Insurance Portability and Accountability Act and implementing regulations, if applicable, and all other applicable state and federal laws, rules, regulations and orders relating to data privacy or confidentiality, and as any of the same may be amended. If Contractor creates, collects, receives, stores, uses, maintains or disseminates data because it performs functions of the EDA pursuant to this Agreement, then Contractor must comply with the requirements of the MGDPA as if it were a government entity, and may be held liable under the MGDPA for noncompliance. Contractor agrees to defend, indemnify and hold harmless the EDA, its officials, officers, agents, employees, and volunteers from any claims resulting from Contractor's officers', agents', owners', partners', employees', volunteers', assignees' or subcontractors' unlawful disclosure and/or use of such protected data, or other noncompliance with the requirements of this section. Contractor agrees to promptly notify the EDA if it becomes aware of any potential claims, or facts giving rise to such, under the MGDPA. The terms of this section shall survive the cancellation or termination of this Agreement.

If Respondent desires that any data be kept confidential, it shall clearly state on the cover of the first page of such document the words "Trade Secret" or "Non-public" information. It is understood and agreed that for purposes of this RFP and the contract resulting here from, the terms "Trade Secret" and "non-public" shall be construed to be equivalent with respect to the EDA's obligation under the Minnesota Data Privacy Act, this RFP, and the contract. The EDA must independently assess its obligations under the MGDPA, and it cannot guarantee that information marked as "non-public," "confidential," or "trade secret" will remain inaccessible to the public. Nothing herein shall preclude a Respondent at any time from exercising its rights under applicable Minnesota law to protect its trade secret data from public access.

After execution of the contract by the successful Respondent, upon request of a Respondent, all documents labeled as Trade Secret shall be returned to that requesting Respondent.

All trade secret designation of data by Proposer shall also be subject to the following additional provisions:

The Respondent is advised that for purposes of this RFP, Minnesota law permits data to be labeled and treated as trade secret information only if the information is the subject of the Respondent's efforts that are reasonable under the circumstances to maintain its secrecy and derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use.

No portion of the Proposal or any attachments thereto may be designated as trade secret information unless the Respondent in good faith determines that such designation is clearly allowed by the foregoing trade secret criteria. In this regard, Proposer is advised that in Minnesota nearly all – if not all – bid/proposal

information submitted by Proposers are open to the public scrutiny after the date set for receipt. (Generally, data in such bid/proposal documents usually considered to be public include--but are not limited to--price, description and type of commodity and/or service and quantity and quality thereof, warranty, maintenance, support, indemnification, delivery, time frame, specification compliance, equipment title, and software title or licensing.) The EDA reserves the right to decline any such designation by Respondent if upon evaluation by the EDA; the EDA determines that the information so designated is clearly and commonly regarded as public data in the State of Minnesota.

If the Respondent designated data as trade secret, Respondent shall attach to such data an explanatory document that identifies the data and in careful detail sets forth the factual and/or legal justification for such treatment of the data.

In addition to the Respondent's indemnity obligations set forth in the contract documents, the Respondent shall defend, indemnify and hold harmless the EDA, its members, officers, agents, volunteers, and employees against and from any costs, damages, judgments, expenses (including reasonable attorney fees) arising from, directly or indirectly, any challenge or request made or suit brought by any person in connection with any effort in any type of proceeding or hearing whatsoever to obtain or access data designated as trade secret by the Respondent.

Respondent, at its sole expense, shall at all times be responsible for promptly defending and/or responding to any request for access to and/or copies of data designated by Respondent as trade secret, provided that the EDA shall inform persons seeking such data of its trade secret designation and promptly notify proposer of the fact of such request and the EDA's response thereto.

Failure of the Proposer to so defend, respond to any request or EDA notification (as aforesaid), and/or to pursue its rights in a timely manner shall relieve the EDA from any and all liability whatsoever (including without limitation liability under any statute, the common-law or equity) with respect to any aspect of the disclosure or furnishing to any person any such trade secret designated data. Further, the EDA shall not in any manner be liable for the disclosure or furnishing to any person any trade secret designated data when such disclosure or furnishing is pursuant to the EDA's independent determination of its obligations, or a ruling or order of any pertinent tribunal, agency, board, commission, panel, court, or other entity or person determining such matter.

6. Non-Discrimination

- a. In accordance with the EDA's policies against discrimination, Contractor agrees that it shall not exclude any person from full employment rights or participation in, or the benefits of, any program, service or activity on the grounds of race, color, creed, religion, age, sex, disability, marital status, sexual orientation, public assistance status, or national origin; and no person who is protected by applicable Federal or State laws against discrimination shall be otherwise subjected to discrimination.
- b. Contractor will provide any current Certificates of Compliance as approved by the Minnesota Department of Human Rights. Contractor shall maintain that Certificate of Compliance. If any change in status occurs, the Contractor shall promptly notify the Authority of that change.

7. Records — Availability/Access

Subject to the requirements of Minnesota Statutes Section 16C.05, Subd. 5 (as may be amended), the Contractor agrees that the EDA, the DMCC, the Legislative Auditor or any of their duly authorized representatives, at any time during normal business hours, and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Contractor and involve representation under this Agreement. Such materials shall be maintained and such access and rights shall be in force and effect during the period of the Agreement and for six years

after its termination or cancellation.

8. Notice. Any notice or demand, which may or must be given or made by a party hereto, under the terms of this Agreement or any statute or ordinance, shall be in writing and shall be sent registered or certified mail to the other party addressed as follows:

To Contractor:

(Information to be inserted upon contract award)

To EDA: Patrick Seeb, Executive Director  
Destination Medical Center Economic Development Agency  
195 Broadway Ave. South  
Rochester, MN 55904

Any party may designate a different addressee or address at any time by giving written notice thereof, as above provided. Any notice, if mailed, properly addressed, postage prepaid, registered or certified mail, shall be deemed dispatched on the registered date or that stamped on the certified mail receipt and shall be deemed received within the third business day thereafter or when it is actually received, whichever is sooner. Any notice delivered by hand shall be deemed received upon actual delivery.

9. License and Permits. The Contractor shall be required to obtain any necessary licenses, certifications and permits.
10. Compliance with Applicable Law. The Contractor shall comply with all applicable Federal, State and local laws or ordinances, and all applicable rules, regulations, and standards established by the EDA, which are now or hereafter promulgated insofar as they relate to the Contractor's performance of the provisions of this Agreement.
11. Conflict of Interest. The Contractor affirms that, to the best of Contractor's knowledge, Contractor's involvement in this contract does not result in a conflict of interest with any party or entity which may be affected by the terms of this contract. The Contractor agrees that, should any conflict or potential conflict of interest become known to Contractor, Contractor will immediately notify the EDA of the conflict or potential conflict, specifying the part of this contract giving rise to the conflict or potential conflict, and will advise the EDA whether Contractor will or will not resign from the other engagement.
12. Governing Law/Jurisdiction. The Laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Agreement and the legal relations between the herein parties and performance under it. The appropriate venue and jurisdiction for any litigation hereunder will be those courts located within the County of Olmsted, State of Minnesota. Litigation, however, in the federal courts involving the herein parties will be in the appropriate federal court within the State of Minnesota. If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.
13. Time Importance. Time is of the essence of this Agreement.
14. Headings. Any descriptive heading used in the Agreement is for purposes of convenience only and does not constitute a part of the Agreement.

15. Remedies Not Exclusive. It is agreed that any right or remedy of the EDA shall not be considered as its exclusive right or remedy for any default in any respect by the Contractor; but such right or remedy shall be considered to be in addition to any other right or remedy allowed under this RFP, the contract, law, equity, or statute.
  
16. Non-waiver of Rights. EDA's failure to insist upon strict performance of any covenant, agreement, or stipulation of the contract or to exercise any right herein contained shall not be a waiver or relinquishment of the future of such covenant, agreement, stipulation, or right, unless the DMCC consents thereto in writing. Any such written consent shall not constitute a waiver or relinquishment of the future of such covenant, agreement, stipulation, or right

**EXHIBIT B**

<b>Plan or Study</b>	<b>Website Link</b>
City Comprehensive Plan	<a href="https://www.rochestermn.gov/home/showpublisheddocument/24222/636903969909230000">https://www.rochestermn.gov/home/showpublisheddocument/24222/636903969909230000</a>
DMC District Design Guidelines	<a href="https://www.rochestermn.gov/home/showpublisheddocument/14350/636367654730970000">https://www.rochestermn.gov/home/showpublisheddocument/14350/636367654730970000</a>
DMC Integrated Transit Studies	<a href="https://www.rochestermn.gov/departments/community-development/plans-studies-reports/dmc-related-transit-studies">https://www.rochestermn.gov/departments/community-development/plans-studies-reports/dmc-related-transit-studies</a>
Downtown Waterfront South East (DSWE) Small Area Plan	<a href="https://www.rochestermn.gov/home/showpublisheddocument/36821/638049646462830000">https://www.rochestermn.gov/home/showpublisheddocument/36821/638049646462830000</a>
Mayo Clinic Five Year Plan	<a href="https://www.rochestermn.gov/home/showpublisheddocument/39925/638375486670970000">https://www.rochestermn.gov/home/showpublisheddocument/39925/638375486670970000</a>
University of Minnesota Campus and Climate Action Plan	<a href="https://r.umn.edu/sites/r.umn.edu/files/2024-09/CCAP%20Executive%20Summary%20%281%29.pdf">https://r.umn.edu/sites/r.umn.edu/files/2024-09/CCAP%20Executive%20Summary%20%281%29.pdf</a>
UDC	<a href="https://www.rochestermn.gov/home/showpublisheddocument/36333/638695059544470000">https://www.rochestermn.gov/home/showpublisheddocument/36333/638695059544470000</a>
DMC Development Plan (2020 Update)	<a href="https://dmc.mn/wp-content/uploads/2020/12/DMC_5YearUpdate_DRAFT_Nov30_FINAL_WebFile.pdf">https://dmc.mn/wp-content/uploads/2020/12/DMC_5YearUpdate_DRAFT_Nov30_FINAL_WebFile.pdf</a>
DMC Development Plan (2015)	<a href="https://dmc.mn/wp-content/uploads/2018/07/DMC-Development-Plan.pdf">https://dmc.mn/wp-content/uploads/2018/07/DMC-Development-Plan.pdf</a>

**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_-2025**

**A RESOLUTION APPROVING EXPENDITURE OF DMC STRATEGIC  
REDEVELOPMENT FUNDS IN SUPPORT OF 2ND STREET PUBLIC REALM  
ENHANCEMENT**

**BACKGROUND RECITALS**

A. A critical component of the Development Plan adopted by the Destination Medical Center Corporation (“**DMCC**”) on April 23, 2015, as amended (the “**Development Plan**”) concerned mobility, transformative transportation strategies, and related development. The Development Plan highlighted the goal of a mode shift in transportation in which a significant portion of community trips downtown shift away from single occupant vehicle trips and towards other modes, including the LINK Bus Rapid Transit running down 2nd Street.

B. The 2nd Street corridor is a critical East West connection within the Destination Medical Center (“**DMC**”) District and is the location of the LINK Bus Rapid Transit. The creation of public realm spaces within the neighborhoods along 2nd Street, designed to achieve neighborhood connections to this key transportation corridor, align with the DMC goal set forth in the Development Plan. More specifically, creation of a mid-block pedestrian passageway to divide-up “superblocks” that exist along the 2nd Street corridor, bringing human-scaled dimension back to the street, has been identified as a significant component of neighborhood connectivity (the “**Public Realm Improvements**”).

C. The City of Rochester (the “**City**”) has identified an opportunity to acquire land and, working in partnership with staff of the DMC Economic Development Agency (the “**EDA**”), is requesting DMC financial support for (i) acquisition of the land and (ii) the cost of the Public Realm Improvements all as further detailed on **Exhibit A** attached hereto (the “**Proposed Project**”).

D. The DMCC Board approved the 2025 Five Year Capital Improvement Plan (the “**2025 CIP**”) on September 26, 2024 and approved the projects set forth in the first year of the 2025 CIP as public infrastructure projects within the meaning of Minnesota Statutes Section 469.40, subdivision 11, and consistent with the Development Plan. The 2025 CIP was later approved by the City.

E. The 2025 CIP provided funding for the Strategic Redevelopment Fund, which was first approved in the 2021 Five Year Capital Improvement Plan. The DMC EDA has informed the DMCC that a portion of the funds from the Strategic Redevelopment Fund are available for reallocation. As set forth in **Exhibit A**, the DMC EDA staff requests that the DMCC allocate funds in an amount not to exceed \$2,372,500 from the Strategic Redevelopment Fund to the Proposed Project, subject to the conditions set forth in this Resolution.

F. The DMC EDA has recommended approval of the Proposed Projects based on the summary and recommendation attached as **Exhibit A** and the 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 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.
3. The Proposed Project is consistent with the Development Plan.

**BE IT FURTHER RESOLVED**, that the DMCC Board of Directors approves allocating funds reserved for the Strategic Redevelopment Fund to the Proposed Project in an amount not-to-exceed \$2,372,500 subject to contingencies set forth in the attached Exhibit A, as well as the following conditions:

1. The Proposed Project must meet all City requirements.
2. The scope of approval for the Proposed Project is set forth in the attached Exhibit A.
3. Any modifications to the scope of the Proposed Project will be subject to subsequent approval by the DMCC.
4. The DMCC Board of Directors shall receive periodic updates as to the status of the satisfaction of the contingencies set forth on Exhibit A and the conditions set forth in this Resolution, the Proposed Project expenditures, and the ongoing status of development of the Proposed Project.

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

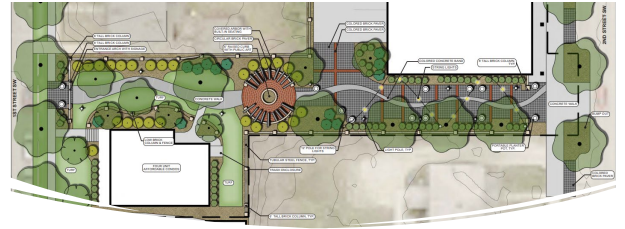
**BE IT FURTHER RESOLVED**, that the Chair or the Treasurer of the DMCC is authorized to transmit this Resolution to the City of Rochester, and to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.



**EXHIBIT A**

## 2nd Street Public Realm Enhancement

To: DMCC Board of Directors  
 From: DMC EDA  
 Date: January 31, 2025



**Request of the board of directors:**

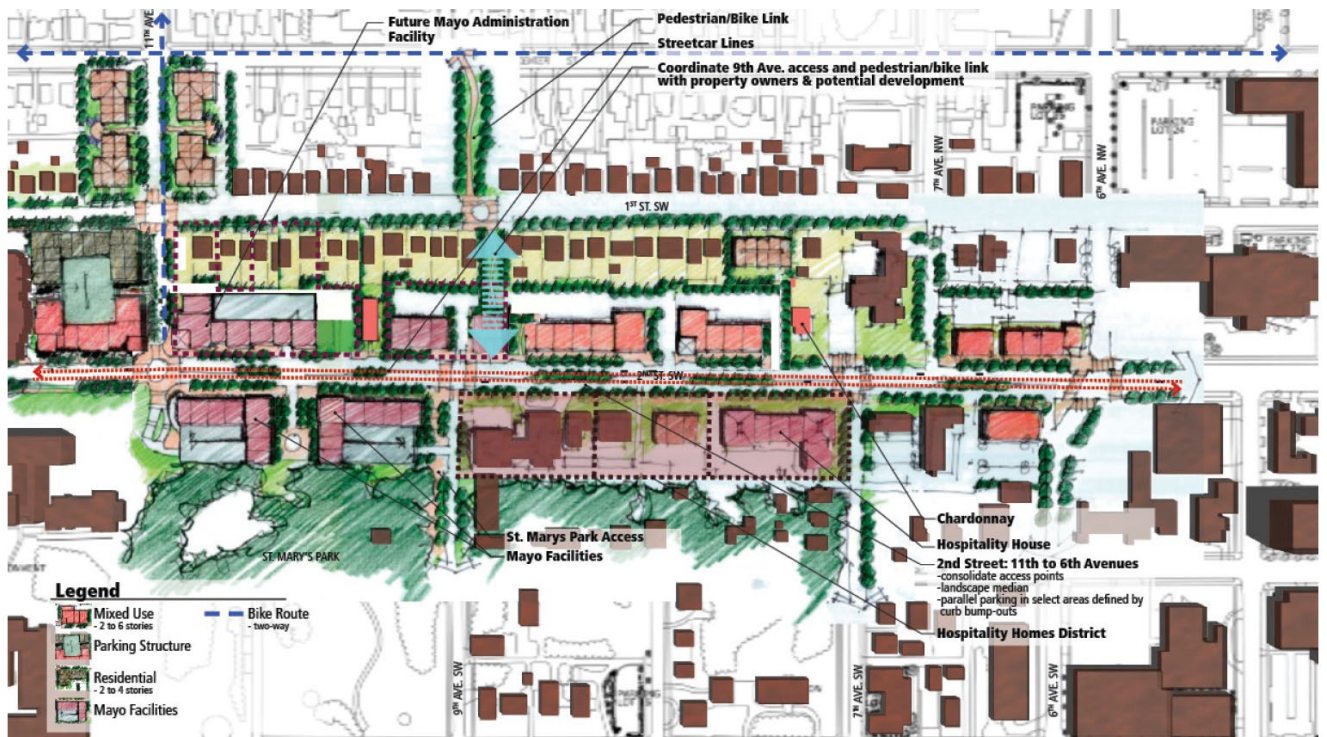
Authorize the use of DMC GSIA funds to support City request for land and public realm improvements. The request is for \$2,372,500, contingent upon:

- Mutually agreed upon final design for the public space and the pending private development
- Mutually agreed upon Maintenance and Operation agreement for term of at least 20 years
- Coincides with the development of the housing adjacent to the public realm
- Drawing upon the pre-approved CIP Strategic Redevelopment funds
- Site development commences before year-end 2025

**Background:**

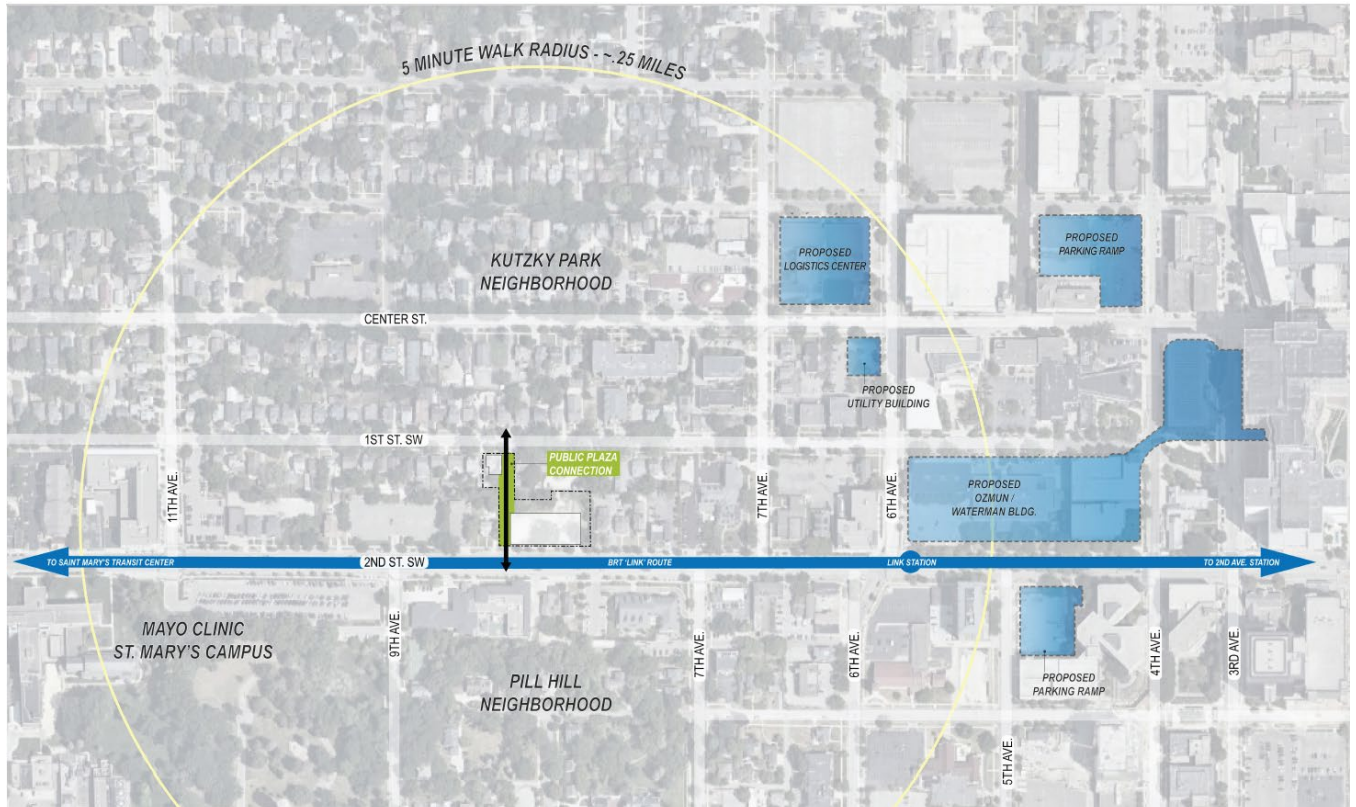
The Second Street corridor is a critical connection in the DMC District and will be home to the first major transportation investment with LINK Bus Rapid Transit running down Second Street with high-frequency service.

It is anticipated that the transportation investment will have a transformative effect along the corridor and the neighborhoods that fall within the walkshed of the BRT line. Since at least 2009, there have been City- and community-led plans that call out opportunities to build public realm spaces to better connect neighborhoods to Second Street (see below from 2009 Second Street Corridor study).



One of the more significant components of these plans is to create mid-block pedestrian passageways to break up the long “superblocks” that exist along the corridor and bring a more human-scaled dimension back to the street grid.

The creation of these mid-block passageways is not possible without the participation of willing landowners. The City of Rochester has identified a developer and landowner that is interested in participating in the creation of this type of public space in conjunction with a plan to develop market rate and affordable housing on adjacent parcels.



The City and DMC staff have been working in partnership with the owner/developer to shape a potential project and the City of Rochester has requested DMC financial support to acquire the land needed to support the land acquisition and park improvement costs. No public funds are being requested for the market rate housing development component of the project.

**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 creation of neighborhood connections to this corridor through breaking up a long superblock aligns well with DMC vision and goals.

**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2025**

**A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A TAX INCREMENT  
FINANCING DISTRICT TO SUPPORT THE DEVELOPMENT OF THE WEST  
TRANSIT VILLAGE**

**BACKGROUND RECITALS**

A. A critical component of the development plan adopted by the Destination Medical Center Corporation (“**DMCC**”) on April 23, 2015, as amended (the “**Development Plan**”) concerned mobility, transformative transportation strategies, and related development. The Development Plan highlighted the goal of a mode shift in which a significant portion of commuting trips downtown shifts away from single occupant vehicle trips and towards other modes.

B. To implement these goals, the DMCC has provided significant approvals concerning mobility and transportation. By Resolutions 87- and 89-2019, the DMCC adopted a local preferred alternative for the route alignment and transit mode for the downtown bus rapid transit project now known as “LINK.” The DMCC has consistently emphasized the importance of a transit village destination anchoring LINK at its terminus. In Resolution 79-2019, the DMCC approved the location of mobility hubs and park and ride facilities, on the western end of the route now known as the West Transit Village. By Resolution 100-2020, the DMCC approved a boundary modification to adjust the development district, the geographic area in the City identified in the Development Plan in which public infrastructure projects are implemented (the “**Development District**”) to include the route and transit village location for Phase 1 of the locally preferred alternative. By Resolution 104-2020, the DMCC approved an application for funding to the Federal Transit Agency Small Starts Program for the LINK project.

C. Under Minnesota Statutes, Section 469.45, the City of Rochester (the “**City**”) has authority to establish one or more redevelopment tax increment financing districts within the area of the Development District to fund public infrastructure projects.

D. The DMC EDA and the City recommend establishment of a DMC tax increment financing district, pursuant to Minnesota Statutes, Section 469.45, subdivision 4, for West Transit Village (the “**TIF District**”) as further set forth in the attached **Exhibit A** (the “**TIF District Proposal**”), without seeking credit towards the City’s \$128,000,000 local DMC contribution.

E. The DMC EDA has recommended approval of the TIF District Proposal based on the summary and recommendation attached as **Exhibit A** and the DMCC must now act on the request.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the DMCC Board of Directors that the DMCC approves the TIF District Proposal for the purposes of Minnesota Statutes, Section 469.45, subdivision 4 and supports the City’s establishment of the TIF District, as identified in the TIF District Proposal, upon final approval by the City.

**BE IT FURTHER RESOLVED**, that the approvals contained herein are expressly conditioned upon:

1. Further review and approval by the DMCC Board of Directors with respect to allocation of the TIF District increment to various West Transit Village site components, including, without limitation, private development.
2. The City and DMC EDA staff are requested to provide updates with respect to status of development of components of West Transit Village and allocation of the TIF District increment.

**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 take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

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**EXHIBIT A**

# West Transit Village

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025



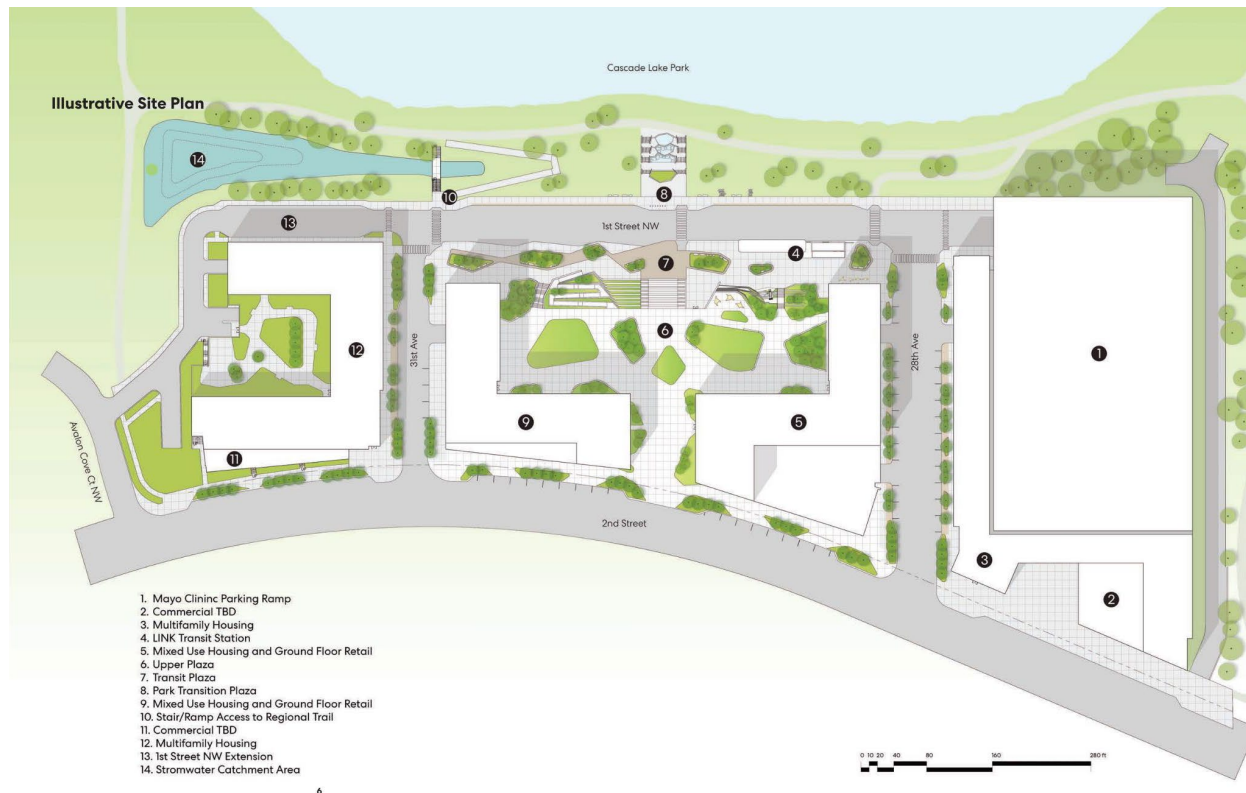
### Request of the board of directors:

Authorize the City’s use of DMC tax increment financing (TIF) district establishment authority for the West Transit Village, without crediting the TIF toward the City’s \$128 million DMC obligation. It is estimated that the amount of tax increment that will be generated over the life of the TIF District is in the range of \$40 million.

### Background:

The DMC vision for the West Transit Village is to provide an authentic place for living, shopping and recreating (the “village”) in addition to the transit infrastructure that forms the western terminus of the BRT LINK corridor, which will 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 almost two years. 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.

The next step in advancing this vision is to establish a TIF district that captures the area shown for the WTV. The TIF district must be established prior to permits being pulled for construction on the site. The anticipated first component of construction will be the Mayo 2,500-car parking ramp, which is scheduled to start in March 2025. Thus the TIF district needs to be established prior to March 1, 2025. The use of DMC TIF enables the flexibility needed to achieve the mixed-use development components shown as part of the overall vision. According to the City's TIF plan for this site, it is estimated that the amount of tax increment that will be generated over the life of the TIF District is Approximately \$45 million, less the deduction by the Office of the State Auditor. The City of Rochester would then determine, in partnership with DMC, how that increment would be allocated to various site components including private developments.

**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:**

- February 6, 2025: DMCC considers the use of DMC TIF designation
- February 19, 2025: City of Rochester EDA/City Council meeting establishing Economic Development District No. 84 and Redevelopment Tax Increment Financing District No. 84-1 for the West Transit Village Project (this includes the TIF Plan)
- Ongoing: review of housing and infrastructure components of WTV site to evaluate against the TIF opportunity for potential request later in 2025



## Historic District Investment Program

To: DMCC Board of Directors

From: DMC EDA

Date: January 31, 2025

### **Request of the board of directors:**

Consider the downtown historic district property program funding request.

### **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.

### **As of December 13, 2024 (the deadline for consideration at this board meeting) staff have assisted in the following:**

- **6 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.** One proposed project funding request is presented for consideration at the February 6, 2025, board meeting. The memo that follows this report provides further detail regarding the recommended board action and proposed projects.

### **Application for consideration:**

<b>Address</b>	<b>Recommended DMC Funding</b>	<b>Total Project Cost</b>	<b>Category of Investment</b>	<b>Project Description</b>
224 First Ave SW	\$22,500	\$45,000	Building System Upgrades	Electrical code upgrades in rental units and the building

**Prior-approved Projects:**

<b>Address</b>	<b>Recommended DMC Funding</b>	<b>Total Project Cost</b>	<b>Category of Investment</b>	<b>Project Description</b>
216 1 <sup>st</sup> Ave. SW	\$84,912.00	\$169,824.00	Building Safety & Preservation	Roof replacement
330 Broadway Ave S	\$125,288.04	\$250,576.09	Adaptive Reuse	Renovation of a 2 <sup>nd</sup> story into an apartment
400 Broadway Ave S	\$202,274.33	\$404,549.67	Building Safety & Preservation	Roof replacement, brick tuck-pointing, interior bathroom renovation
212 1 <sup>st</sup> Ave SW	\$380,985.00	\$761,970.00	Building Safety & Preservation Building System Upgrades	Roof & trusses replacement, mechanical upgrades

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
- **Funding guidelines:**
  - DMC funding covers up to 50% 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.
- **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 legacy properties in relation to ADA or other regulatory compliance, preparation of reuse, future reinvestment, sale, etc.

**Public Realm Update:**

The City of Rochester received six responses to their Public Realm Request for Proposals. City and DMC staff are currently reviewing the proposals and plan to interview final candidates the first week in February. The outcome of this work will be a set of recommendations or strategies to develop a cohesive public realm experience that reinforces to the Historic District. This may include wayfinding signage, historic markers, lighting and street furniture standards, etc.



**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2025**

**A RESOLUTION APPROVING DOWNTOWN HISTORIC DISTRICT  
INFRASTRUCTURE PROJECT REQUESTS**

**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 following project has been submitted for funding consideration under the Program: the owner of the property located at 224 First Ave SW has requested funding for a project involving building system upgrades (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 costs 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 cost of the Proposed Project.
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: January 31, 2025

**RE: Downtown Property Preservation Program Recommendation**

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

Specifically, the DMC EDA recommends 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
224 First Ave SW	\$22,500	\$45,000	Building System Upgrades	Electrical code upgrades in rental units and the building

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)



**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. \_\_\_\_-2025**

**A RESOLUTION APPROVING AMENDMENT TO THE 2025 FIVE YEAR CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR NEAR-TERM IMPROVEMENTS AND TECHNICAL ANALYSIS**

**BACKGROUND RECITALS**

A. The Development Plan was adopted by the Destination Medical Center Corporation (“**DMCC**”) on April 23, 2015, as amended (the “**Development Plan**”), and includes the “Heart of the City” as a subdistrict.

B. In 2023, construction was completed on Peace Plaza which was phase one of the Heart of the City project. This public realm project entailed renovating the east elements of the plaza and surrounding areas, including universal design elements, sustainability, integrated art and improvement infrastructure, and a catenary lighting system.

C. The DMCC adopted the 2025 Five Year Capital Improvement Plan (the “**2025 CIP**”) on September 26, 2024 per Resolution No. 154-2024.

D. Since completion of the construction of Peace Plaza the DMC Economic Development Agency (“**EDA**”) has continued to review the design of certain components of Peace Plaza and consideration of improvements that would create a more equitable experience within the plaza, as further detailed in the attached **Exhibit A**, not included within the 2025 CIP (the “**Capital Project**”).

E. The DMC EDA requests that the DMCC approve an increase in the 2025 CIP in the amount of \$175,000 to fund the Capital Project.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED**, by the DMCC Board of Directors, that the DMCC approves an amendment to the 2025 CIP in the increased amount of \$175,000 to fund the Capital Project and that the DMCC hereby approves the Capital Project as a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, Subdivision 11, and consistent with the Development Plan; provided that:

1. The scope of approval for the Capital Project is set forth in the attached **Exhibit A**;
2. Any material deviation from the scope of approval for the 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; and
3. The EDA and City are directed to provide the DMCC Board of Directors with regular updates with respect to the scope and costs of the Capital Project.

**BE IT FURTHER RESOLVED**, that the Chair and Treasurer are hereby authorized and directed to transmit this Resolution to the City and to take such actions as are necessary or convenient to effectuate this amendment to the 2025 CIP.

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**EXHIBIT A**

## Heart of the City

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

### **Request of the board of directors:**

Consider amending the 2025 DMC Capital Improvement Plan (CIP) to provide up to \$175,000 in DMC General State Infrastructure Aid (GSIA) to support near-term improvements to the pedestrian experience, and to provide additional technical analysis of, Peace Plaza and 1<sup>st</sup> Ave. SW.

If approved, DMC funding will be used to execute two simultaneous streams of work:

1. Immediately expand and enhance the area of smooth paver pathways on the plaza. This proposed work is directly responsive to the pedestrian navigation concerns identified through community member interviews, including with individuals affected by mobility, vision, and other conditions. This will include resetting of existing smooth pavers, replacing some of the raised letter pavers with smooth pavers, and providing visual cues to distinguish between walkway and the art experience. This will be completed as soon as weather conditions allow and in time for the 2025 summer event season.
2. Conduct engineering, surveying, and cost estimating to inform future decision-making. This proposed work is expected to be complete in late summer 2025 and would inform any future capital improvements considered by the DMCC board of directors and Rochester City Council.

### **Background:**

The City of Rochester and DMC EDA have continued to evaluate the functionality and pedestrian experience of Peace Plaza. RDG, a planning and design firm, has assisted the City and DMC EDA in studying the original Peace Plaza design and interviewed approximately a dozen community members with different abilities to get direct feedback about the plaza experience.

The interviews resulted in five key themes:

1. The artwork and message are inspiring, but experiencing it can be a challenge for some people
2. The raised lettering creates mobility and comfort challenges
3. Accessible routes and vehicular areas are difficult to discern
4. Special events make traversing the space difficult
5. A need for improved communication regarding work in progress

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

The 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, improving the patient, visitor, and resident experience, and helping spur future investment.

### **Work plan or capital improvement budget implications:**

The first-phase project capital costs were financed via DMC GSIA and approved by the DMCC board of directors and Rochester City Council.

## City/Mayo/DMC Collaboration

Mayo Clinic, the City of Rochester, and Destination Medical Center are committed to a vibrant downtown that meets the needs of residents and visitors. As downtown Rochester continues to transform through projects like Bold. Forward. Unbound. In Rochester, Link Bus Rapid Transit and the West Transit Village, we are aligned on principles that will guide an approach that contributes to growth and vibrancy with a people-first approach.

### **Guiding Principles:**

- I. Provide the best experience possible throughout construction.
- II. Maximize opportunities.
- III. Connectivity.
- IV. Elevated experience in and around development.
- V. Communication and engagement.



## Chateau Theatre

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

### 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 local art boutique.
- The winter schedule includes multiple events including:
  - Concert by Rochester Symphony
  - Pie Day Celebration
  - Castle Con (a gaming convention)
- City and DMC staff have been working closely together to learn how to improve operations of the Historic Chateau Theatre to create a new operating model including meeting with operators and experts of other historic theatres.
  - o The City has retained Amy Reher, owner/operator of the Granada Theatre in Minneapolis to support this work.
  - o A final report is expected in the second quarter of 2025.

### 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 Walk

To: DMCC Board of Directors

From: DMC EDA

Date: January 31, 2025

### Request of the board of directors:

No action requested.

### Background:

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



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

### Updates:

- The construction punch list is now complete.
- Winter season performance is being monitored.
- DMC, City Staff, and Rochester Farmers Market met to review 2024 operations, focusing on lessons learned for future programming and partnership.
- DMC and City staff are working together to create a SOP for 2025 operations and maintenance.

### 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:

Construction of Discovery Walk was budgeted for within the DMC CIP.



## Downtown Riverfront

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

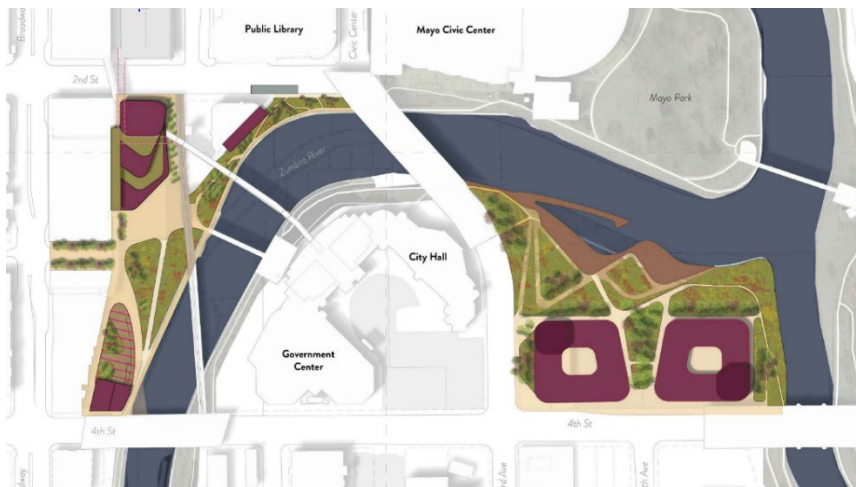


### Request of the board of directors:

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:

City of Rochester in collaboration with Destination Medical Center are 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. Additional work continues with Hunden Partners related to financial feasibility and economic impact.

### Additional Anticipated 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
- Lighting improvements to alley
- In current conversations with a light engineer about a winter light installation along the river and site

**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.

## Mobility: LINK BRT

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025



**Request of the board of directors:**  
No action requested.

### Background:

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

### Project Update:

#### Link BRT Vehicle Design

- City, DMC and Mayo Clinic are currently working with New Flyer of America on optimizing interior vehicle design. Final material as being determined.
- The exterior bus design has been finalized.
- The first bus will begin being built in April – with a delivery date of June 2025. 12 buses in total will be delivered by the end of 2026.

#### Construction Management Services Contract

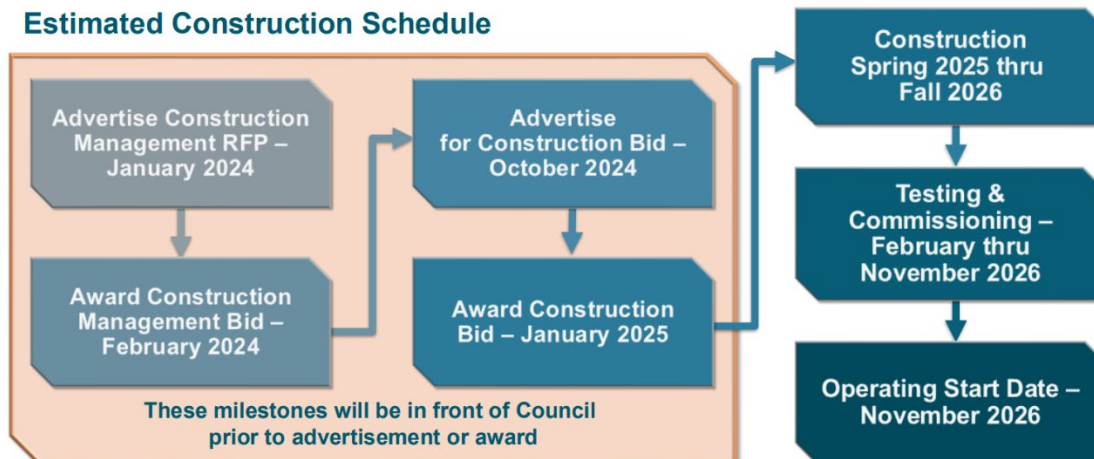
- The City released multiple RFP packages in November 2024 related to the construction of Link BRT, but there were no responses. The City has re-released the bid packages with clarification to bidder questions. Bids are now due February 4, 2025, with a February 19, 2025, City Council date.

### 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



# Thermal Energy Network

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

## 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. A pro forma analysis for a full TEN was completed in November 2024. City and DMC EDA staff reviewed and were continuing discussions for potential operating models.
3. On December 9<sup>th</sup>, 2024 City Council approved a Request for Council Action (RCA) for DBET II. The project scaled back the total number of wells, decreasing capacity for future private connection, but does still include base system upgrades to the City facilities that would facilitate system expansion. Reducing the number of wells does impact the Sherman development project on the Civic Center Lot, as there will not be enough well capacity to support connection of their buildings. The DMC board previously approved \$3M towards the Sherman development to support electrification of their buildings and connection to the City's TEN. The RCA also stated that continued evaluation and development of a TEN would pause until the fate of the Inflation Reduction Act (IRA) was determined under the incoming President. An RFP/RFQ process to identify a developer/operator has also paused.

## Background:

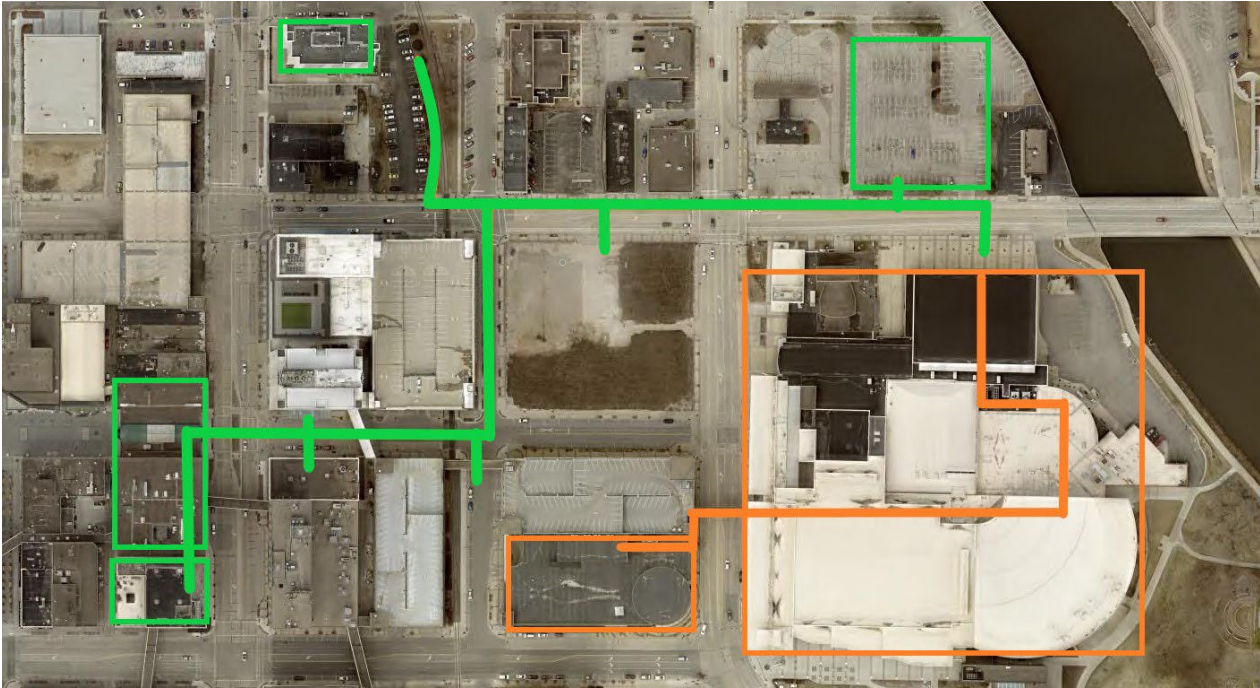
In 2015, DMCC adopted the DMC Development Plan, where the principles of sustainability planning are interwoven throughout, through an integrated mix of medium-to-high density uses, integrated live-work environments and green/park space features throughout the downtown. Subsequent action by the DMCC board 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: DBET II
  - January: Phase 2 budget approved
  - March: Request for Qualifications for construction management services
  - June/July: Phase 2 out for bid
  - August: Phase 2 construction was pushed to spring 2025 due to newly required NEPA (National Environmental Policy Act) and SHPO (State Historic Preservation Office) reviews.
  - December 9, 2024: City Council approved an RCA for the DBET II project bid. Bid came in \$5M over original approved budget, from \$22.9M to \$28M.

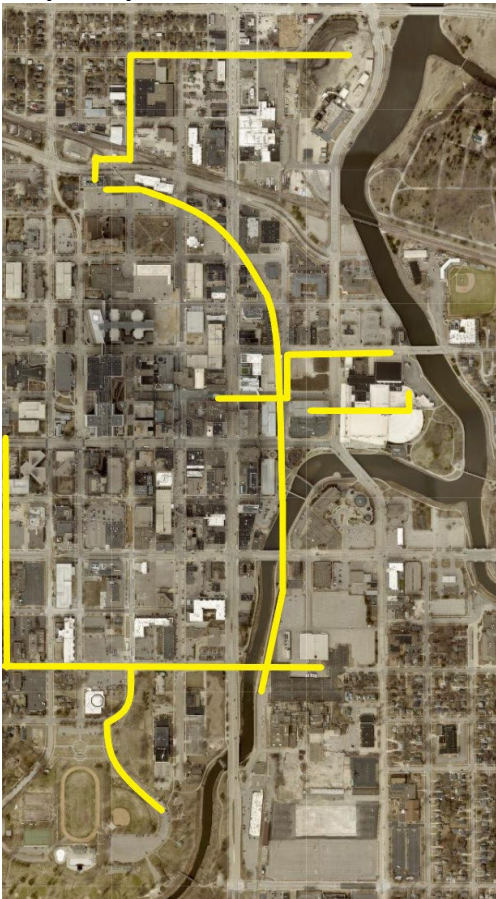
Since 2007, the City of Rochester has made substantial gains toward meeting its climate goals and is on track to achieve a 50% reduction community-wide by 2030. That said, more focus is needed to achieve a 100% reduction by 2050. Electrification of heating systems for homes and buildings and electrifying 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: DBET II (orange), Thermal Energy Network 1 (Green)**



**Map: Proposed Downtown Thermal Energy Network (full)**



## Business Forward Strategy

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

**Request of the board of directors:**

No action requested.



**Background:**

The Business Forward Strategy is a construction mitigation approach used by the City of Rochester on DMC funded project during the construction of public infrastructure in downtown Rochester. It prioritizes collaboration with local businesses and users of public spaces to minimize disruptions that are caused by construction.

**Project Update:**

DMC and the City of Rochester are working with consultant Jess Roberts of Culture of Health By Design, who also helped to build the Community Co-Design Toolkit, to develop the *Business Forward Playbook*. A new tool will allow project managers to implement Business Forward in future public infrastructure projects. A copy of the new *Business Forward Playbook* will be available at the February 06, 2025 DMCC Board meeting.

## Discovery Square Infrastructure: Shared Lab

To: DMCC Board of Directors

From: DMC EDA

Date: January 31, 2025

### **Request of the board of directors:**

No action requested.

### **Background**

DMC EDA staff continue to evaluate the concept of a shared lab, referred to as “Discovery Labs,” to be located at Two Discovery Square.

**Vision:** Discovery Labs is envisioned to be a collaborative, multi-user laboratory space designed to support research, innovation, and company formation across a wide variety of life science, MedTech, and healthcare disciplines.

**Values:** High-quality, Flexible, Low-cost, Collaborative, Dynamic

### **Goals**

- Lab Space Utilization (% occupancy)
- Equipment Usage (monthly hours of usage)
- Collaborations (clinical trials, know how agreements, etc)
- User Satisfaction (quarterly satisfaction survey)
- Knowledge Sharing (mentorship, workshops, networking, fund raising)
- Revenue Generation/Fundraising (dilutive and non-dilutive)
- Patents (applications and awards)
- Employment (total headcount of tenants)

### **Primary Customer Groups for Discovery Labs**

1. Rochester Innovator
2. International Innovator
3. Regional Innovator
4. Strategic Acquirers & Ecosystem Partners

## Discovery Square Ecosystem Program

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

### **Request of the board of directors:**

No action required.

### **Background**

Destination Medical Center (DMC) has a three-pronged business development strategy around expanding Discovery Square into a top tier innovation district. This strategy involves 1) building awareness of the Rochester area as a place to launch and grow a business; 2) building the physical and operational infrastructure necessary to support business growth; and 3) building a supportive ecosystem that accelerates business success.

Here we articulate the framework for the first comprehensive strategy for the Rochester biotechnology ecosystem, referred to here under the working title of “RST Bio”.

### **RST Bio ecosystem strategy objectives**

We aspire to have an effective and self-sustaining ecosystem that 1) helps tech companies and individual innovators advance their technologies advance, thus improving patient care around the world; and 2) attracts more tech companies to the region.

### **What is ecosystem**

Ecosystem can be defined as a set of trusted relationships within a defined geography that are aligned to a common goal. For RST Bio, the ecosystem includes relationships among people working in and adjacent to healthcare technology industries. For this effort, we define the RST Bio ecosystem components as follows:

1. **Service providers:** the total collection of knowledge and expertise in the Rochester-to-Twin-Cities region (the “Medical Alley”, or “MA” region) required to help companies in the industry node be successful.
2. **Education:** sources of talent for our industry node. Primarily higher ed institutions in the upper Midwest
3. **Investment Capital:** the network of organizations who invest in promising technology companies.
4. **Biotech Companies:** These are the “end users” at the center of our ecosystem support work, the startups and established companies in the Rochester MSA.
5. **Economic development professionals:** local, regional, state, national and international partners charged with assisting our industry in economic growth.
6. **Clinical and research organizations:** the source of new intellectual property emerging from clinical operations and research-funding initiatives. This is primarily Mayo Clinic, though there are untapped opportunities with other higher education institutions.



Staff have developed a list of local healthcare technology companies, including approximately 50 early- to mid-stage companies. These are the ‘customers’ of our ecosystem efforts.

Staff worked with Akros Advisory to conduct three different censuses. These lists are not fully comprehensive but are focused on the types of organizations we’re likely to work with. We will add organizations to the list as they become known.

1. Service providers in Twin Cities -to – Rochester ecosystem.
  - a. Identified ~150 service providers across multiple expertise domains with staff in the region, excluding single-person consultancies.
2. Higher education institutions in the Upper Midwest.
  - a. Identified ~30 institutions
3. Investment groups
  - a. Identified ~150 organizations that can provide capital to healthcare technology companies, excluding traditional lending organizations (e.g. banks).

### **Next Steps**

Staff will meet with a prioritized list of organizations from each of the three census groups plus local technology companies.

### **Local Companies**

- Objectives
  - Awareness of DMC initiatives
  - Understanding of their technology, gaps they’re experiencing, current and future needs for 1) workforce; 2) capital; 3) infrastructure; and 4) service providers.
  - Determine how they want to engage in DMC-initiated activities, e.g. 1) what they want to hear from us (marketing/communications); and 2) the kinds of programming that would be helpful to them
  - Their input on what other RST companies that should be on our list
- Priority groups
  - Focus on startups and small to mid-size companies (n ~ 50)
- Tactics
  - Schedule calls/mtgs with each company
  - Develop a marketing/communications strategy
  - Develop a programming strategy that supports their needs.

### **Service Providers**

- Objectives
  - Awareness of the RST ecosystem and DMC initiatives
  - Understanding of their experience, capabilities and profile of companies they support
  - Determine their current RST-based activities and parameters of their willingness to engage in the future
  - Their input on who else should be on our list
- Priority groups
  - HQ state is Minnesota, and firms that support med device + diagnostics/therapeutics, n = 46. In other words, no firms that are medical device only.
- Tactics

- Schedule calls/mtgs with priority firms
- Develop a marketing/communications strategy targeting service providers

#### Investment Capital

- Objectives
  - Awareness of the RST ecosystem and DMC initiatives
  - Get RST companies in front of investor groups
- Priority groups
  - Preferred investments in upper Midwest, preferred investments in more than one healthcare vertical, not firms with many preferred investment verticals, none that are lenders only
- Tactics
  - Develop a marketing/communications strategy targeting investor groups
  - Refer RST companies to Mayo BD and/or Medical Alley for introductions to investors – as MAA maintains a comprehensive database of investor groups

#### Higher Education

- Objectives
  - Awareness of RST ecosystem and DMC initiatives
  - Understand programmatic/education strengths as they align with RST ecosystem needs
  - Understand the landscape of innovation and entrepreneurship
  - Identify collaboration opportunities
- Tactics
  - Campus visits with priority universities
  - Develop a marketing/communications strategy targeting service providers
  - Develop a framework of collaboration programs that can be executed by/with specific institutions.

# 2024 Business Development Metrics

To: DMCC Board of Directors  
 From: DMC EDA  
 Date: January 31, 2025

**Request of the board of directors:**  
 None

**Background**  
2024 Business Development Program

- Building Awareness
  - Addition of two staff members to allow for increased activity, and improved process.
    - *Business Development Manager*: responsibilities include out-of-market lead generation, networking with key decision influencers, and supporting DMC’s Ecosystem building work.
    - *Data Research, and Analytics Coordinator*: responsibilities include improving lead generation processes, CRM and reporting management, and supporting DMC’s Ecosystem building work.
  - Digital marketing initiative to allow for “always on” awareness building.
    - Overhaul of DMC’s BD-focused website
    - Refinement of DMC pitch materials
    - Creation of DMC sales collateral
    - Development of DMC communications strategy and processes

To complement the above initiatives, metrics were developed to track progress and set a baseline for our 2025 workplan.

**2024 Metrics Summary**

Metric	Goal	Actual	Attainment
Lead Generation Campaigns	8	22	(275%)
Company Pitches	1,000	1,329	(133%)
Opportunities Generated	200	215	(108%)
Familiarization Tour	1	1	(100%)
Industry Events Attended	30	42	(140%)
Industry Exposures	250,000	223,466	(89%)
Amplifier Visits (Now, Amplifier Pitches)	150	259	(173%)

## Outcomes + Insights

- We met 6/7 of our goals for 2024.
    - Industry exposures are estimated by event organizers which contributed to the gap between the goal and actual exposures achieved.
  - The success of our Familiarization Tour has led to a second tour in 2025.
  - With a more refined process around lead generation and additional staff members, we are increasing the goals of some of our metrics. We are planning for 7 additional Lead Generation Campaigns and 50 additional Opportunities.
- 

## 2025 Goals

### 1. Awareness Metrics Goals

- a. 15 Lead Generation Campaigns
- b. 1,000 Company Pitches
- c. 250 Opportunities Generated
- d. 30 Industry Events
- e. 100 Amplifier Pitches

### 2. Ecosystem Metrics Goals

- a. 200+ Ecosystem Partner Connects
  - b. 3 Ecosystem Events – Higher Ed
  - c. 3 Ecosystem Events – Investment Groups
  - d. 3 Ecosystem Events – Local Startups
  - e. 1 Ecosystem Research Project
- 

## Metrics Defined

1. **Lead Generation Campaigns:** individual, targeted outreach to prescreened companies based on a validated set of assumptions. Often aligned with a specific geographies, industries, or events (ie medical device companies in San Francisco, or attendees at AdvaMed).
2. **Company Pitches:** number of companies that receive the Rochester value proposition as part of a formal “pitch.”
3. **Opportunities Generated:** companies pitched that choose to further engage with the Rochester ecosystem, often by receiving an introduction to an ecosystem partner at Mayo Clinic
4. **In-Market Familiarization Tours:** multi-day in-market awareness event hosted by DMC with a focus on the Greater-Minnesota life science market, the Rochester ecosystem, and working with Mayo Clinic
5. **Industry Events:** life science and MedTech focused networking events, technical conferences, or technology specific functions where a variety of target companies and ecosystem partners, may be present. These events are attended by and not hosted by DMC.
6. **Industry Exposures:** maximum number of potential exposures to the Rochester value proposition, as measured by the total number of attendees at an industry event

7. **Amplifier Pitches (Previously Amplifier Visits):** Number of key industry partners that received the DMC value proposition and are now better suited to carry it to their specific stakeholders.
8. **Ecosystem Partner Connects\*:** *number of meetings with ecosystem partners.*
  - a. **Ecosystem Partners Include:** *Rochester-area startups, regional service providers, upper Midwest higher ed and investor groups. (definition subject to change)*
9. **Ecosystem Events – Higher Ed\*:** *number of activities such as job fairs, campus presentations and more to be developed*
10. **Ecosystem Events – Investment Groups\*:** *number of curated events that include investors*
11. **Ecosystem Events – Local Startups\*:** *number of curated events that include local startups*
12. **Ecosystem Research Project\*:** *topic to be informed by conversations with ecosystem partners*

*\*Ecosystem metric definitions will continue to be refined as we complete our workplan*

## Equitable Economic Development

To: DMCC Board of Directors

From: DMC EDA

Date: January 31, 2025

### Request of the board of directors:

No action requested.

### Workplan Update:



#### 1. Community Co-Design Updates:

- a. **Community Co-design 2025 Plans:** We are exploring different methods of equitable engagement, and we plan to identify 2.0 version of community co-design as a method of growing democratic participation in decision making. We look forward to updating the “Community Co-design Guide” to include recommendations, and recent co-design case studies and reports.
- b. **Rochester Public Library Co-design Project:** The Rochester Public Library and MSR Design are collaborating on developing strategic goals and priorities that will guide future RPL programming and facility design. City of Rochester, DMC EDA, and By Design LLC are partnering with the RPL team to assist with the identifying of co-designers and facilitators for the project. Two of the Co-design Facilitator Training graduates were hired to facilitate this project to hear from the communities who currently don’t utilize the library resources and services. Surveys, assessments of current library members, and listening sessions are some resources that helped identify the missing perspectives from the following populations: residents who live in the 55904 ZIP code area, BIPOC communities who specifically speak Spanish and Somali, and the Seniors community. We will complete the co-design sessions in mid-February.

#### 2. Equity Alliance Updates:

- a. **“Pathways to a Vibrant, Just, and Equitable Rochester” Equity Series event-December 11<sup>th</sup>, 2024:** We hosted the in-person Equity Series episode at the Chateau Theatre where more than 84 attendees of Community Leaders, City Council Members, Olmsted County Commissioners, and DEI practitioners. The event included a panel discussion from: Dr. Caroline Davidge-Pitts-Mayo Clinic, Wafa Elkhalfifa-Destination Medical Center, Chao Mwatela-City of Rochester, Nikki Niles-Olmsted County, Amanda Pelley-Rochester Area Foundation, Will Ruffin II-Rochester Public Schools. The panel discussion was moderated by Barbershop Talks. The event included a special viewing of Rochester’s Black Legacy Traveling Exhibit. The event’s outcome is to increase the Equity Series audience, build awareness in the Rochester community about the Equity Alliance, and foster an environment of organization’s diversity, equity, and inclusion’s accountability and transparency in Rochester, MN. The event was recorded and available on the DMC EDA’s YouTube channel.
- b. **Equity Alliance Growth in 2025:** DMC EDA and City of Rochester will continue to invite Rochester organizations to participate in the Equity Alliance. We are planning to schedule quarterly meetings for the DEI leaders from large organizations in Rochester to foster open dialogue around our organizations’ DEI commitments, share experiences, and discuss challenges. These meetings will aim to create an opportunity to share the best practices, resources, and create the community wide DEI plan for Rochester, MN.

- c. **Equity Series:** We continue to host the Equity Series on the 2<sup>nd</sup> 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.

**3. Community Connections and Capacity Building:**

- a. **Certification Workshops:** DMC EDA in partnership with City of Rochester, Equity in the Built Environment Program, Minnesota Department of Administration (Equity in Procurement), and the Minnesota Department of Administration (APEX Accelerator) hosted the first certification workshop of a series of four (virtual and in person) on Saturday November 9<sup>th</sup>, 2024, in John Marshall High School. Our 2<sup>nd</sup> workshop will be hosted on Saturday February 1<sup>st</sup> via zoom to provide information about the following certifications: CERT, MNUCP, TG/ED.
- b. **The Pitch Event November 20th, 2024:** The Equity in the Built Environment Program (Bloomberg Philanthropies Mayor’s Challenge) hosted the fall edition of the “Pitch” event in the Chateau Theatre. This event is focused on career exposure and promotes innovations while introducing students to the world of design-thinking and built environment. The students are eleventh grade Economics students from John Marshall High School. DMC, City of Rochester, and Workforce Development Inc. partnered to provide the students with an opportunity to experience great Downtown Rochester tours, presentations from entrepreneurs and community leaders, and provide mentorship opportunities for their proposed projects.
- c. **Targeted Business/Targeted Workforce Goals and Reports on Current Active Projects (Discovery Walk, Soldiers’ Field, Chateau Theatre HVAC Upgrade):**

<b>Targeted Business</b>	
<b>Goals</b>	<b>Results on Active Projects (as of December 2024)</b>
<b>Targeted Business Contracts: 7%</b>	17.8%
<b>Workforce Participation</b>	
<b>Goals</b>	<b>Results on Active Projects (as of December 2024)</b>
<b>Workforce Participation (Women): 9%</b>	5%
<b>Workforce Participation (Minorities): 15%</b>	8%

**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.

## Minnesota Main Street Economic Revitalization Program

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

### **Request of the board of directors:**

No action requested.

### **Update:**

A third round of the Main Street Economic Revitalization Program was announced the week of October 23, 2024. DMC EDA staff and the City of Rochester partnered to submit a proposal by the due date of Friday, November 22, 2024.

Selected partner organizations will use the awarded grant funds to establish funding programs that provide assistance – 30% matching grants for eligible recipients and projects that support community and economic development within one or more defined commercial corridors or main street districts.

DEED will select and announce the partner organizations at the end of January 2025, followed by posting the organizations' contact information and instructions on how to request assistance for eligible projects on the Mainstreet Economic Revitalization Program web page.

### **Background:**

On March 6, 2024, the Minnesota Department of Employment and Economic Development (DEED) informed the DMC EDA that state law authorizes DEED to reclaim any unused grant funds so a third round of grantmaking could potentially be launched. On March 6, 2024, we were given a 60-day notice to submit any final grant approval forms to DEED. Any funds not committed by May 5<sup>th</sup>, 2024, to an approved project would be unencumbered from our allocation.

One project from round one and one project from round two were not submitted by the deadline due to project changes which were directed to us from the applicant. These funds were unencumbered from our allocation and returned to DEED.

#### **Final Round 1 AND 2 Outcomes:**

- \$3.9M awarded to 71 awards
- Average project award = \$54,900, median award \$20,500
- 20 BIPOC awardees (28%)
- 18 non-BIPOC women-led awardees (25%)
- Project types:
  - Retail and Dining: 43
  - Office, technical and mixed use: 16
  - Non-profit: 6
  - Housing and lodging: 6
- 22 project sites were unoccupied (31%)
- Approx 350 permanent jobs created



## Rochester Downtown Task Force

To: DMCC Board of Directors  
From: DMC EDA  
Date: January 31, 2025

### 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:

The Task Force has continued to change their focus from pandemic recovery to construction risk mitigation. The Task Force will begin to meet monthly starting January 2025 to focus on *Thriving During Transformation* to work together while large transformational projects are being completed downtown.

### Goals:

- Sustain economic activity and public confidence in downtown Rochester.
- Foster community engagement and pride during a period of change.
- Set a national example of how transformative growth can prioritize people and place

The group will use the Business Forward Strategy as a guide to work toward developing a collective work plan. As construction plans continue to be finalized, DMC will work with Task Force members to mitigate the impact of downtown in key areas including construction phasing, communications, marketing, wayfinding, and business vitality.