



DMC
Destination
Medical Center

Destination Medical Center Corporation
Board of Directors
Executive Committee Meeting

Wednesday, March 26, 2025
3:00 P.M.

DESTINATION MEDICAL CENTER CORPORATION (DMCC)

EXECUTIVE COMMITTEE SPECIAL MEETING

Wednesday, March 26, 2025
3:00 P.M.

Remote Viewing: <https://www.youtube.com/@DestinationMedicalCenter>

AGENDA

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I. Call to Order	
II. Roll Call	
III. Approval of Agenda	1
IV. Approval of Minutes: March 14, 2024 and June 28, 2024	3
V. April 1, 2025 Certification to DEED (Presenters: Patrick Seeb, EDA; Doug Holtan, Mayo Clinic; Cindy Steinhauser, City of Rochester).	5
<u>Resolution A:</u> Authorizing and Approving the April 1, 2025 Certification to DEED Pursuant to Statute	
VI. DMC Updates (Presenter: Patrick Seeb, EDA)	
VII. Adjourn	

DESTINATION MEDICAL CENTER CORPORATION (DMCC)
EXECUTIVE COMMITTEE SPECIAL MEETING

Thursday, March 14, 2024
1:00 P.M.

MINUTES

- I. Call to Order. Chair Pamela Wheelock called the meeting to order at 1:00 p.m.
- II. Roll Call. Chair Pamela Wheelock, Vice Chair Kim Norton, Treasurer Mark Thein, and Secretary Paul Williams were present. James Campbell and R.T. Rybak also attended the meeting. Chair Wheelock and Secretary Williams participated via interactive technology due to a scheduling conflict.
- III. Approval of Agenda. Vice Chair Norton moved approval of the agenda. Treasurer Thein seconded the motion. Ayes: Vice Chair Norton, Treasurer Thein, and Chair Wheelock. Nays: None.
- IV. Approval of Minutes: March 23, 2023. Treasurer Thein moved approval of the minutes. Vice Chair Norton seconded the motion. Ayes: Vice Chair Norton, Treasurer Thein, and Chair Wheelock. Nays: None.
- V. April 1, 2024 Certification to DEED. Patrick Seeb, DMC EDA Executive Director, Doug Holtan, Mayo Clinic Department of Facilities and Support Services Chair, and Alison Zelms, City Administrator of the City of Rochester, presented the 2023 DMCC private expenditures report. Mr. Seeb reported that in 2023, the eligible private expenditures exceeded \$146 million. Final certification will result in the release of General State Infrastructure Aid (GSIA) and State Transit Aid. Mr. Holtan stated that Mayo Clinic invested over \$133 million in 2023. Ms. Zelms presented non-Mayo-Clinic private investments, including retail and med-tech projects. Board members suggested that staff present efforts to incentivize additional private investment at a future board meeting.

Resolution A: Authorizing and Approving the April 1, 2024 Certification to DEED Pursuant to Statute. Vice Chair Norton moved approval of the resolution. Treasurer Thein seconded the motion. Ayes: Vice Chair Norton, Treasurer Thein, Chair Wheelock, and Secretary Williams. Nays: None.
- VI. Updates from February 1, 2024 Meeting Items. Mr. Seeb noted that staff continue to advance work directed by the board, including: efforts to encourage additional housing development; consideration of a downtown historic district; collaboration in the Minnesota MedTech 3.0 initiative; shared lab due diligence; and City staffing plans being developed to support private development.
- VII. Adjourn. Treasurer Thein moved to adjourn the meeting. Vice Chair Norton seconded the motion. Ayes: Vice Chair Norton, Treasurer Thein, Chair Wheelock, and Secretary Williams. Nays: None.

DESTINATION MEDICAL CENTER CORPORATION (DMCC)
EXECUTIVE COMMITTEE SPECIAL MEETING

Friday, June 28, 2024
11:00 A.M.

MINUTES

- I. Call to Order. Chair Pamela Wheelock called the meeting to order at 11:00 a.m.
- II. Roll Call. Chair Pamela Wheelock, Treasurer Mark Thein, and Secretary Paul Williams were present. James Campbell also attended the meeting. Secretary Williams participated via interactive technology due to a scheduling conflict.
- III. Approval of Agenda. Treasurer Thein moved approval of the agenda. Secretary Williams seconded the motion. Ayes: Treasurer Thein, Chair Wheelock, and Secretary Williams. Nays: None.
- IV. Selection of Outside Legal Counsel. Chair Wheelock described the process leading to the recommendation of Winthrop & Weinstine, P.A., as outside legal counsel, including the issuance of a request for proposals and firm interviews.

Resolution A: Approving the Appointment of Winthrop & Weinstine, P.A. as Legal Counsel, Subject to Successful Negotiation and Execution of Agreement. Secretary Williams moved approval of the resolution. Treasurer Thein seconded the motion. Ayes: Treasurer Thein, Chair Wheelock, and Secretary Williams. Nays: None.

- V. Commending Kaela M. Brennan. Chair Wheelock, Treasurer Thein, and Secretary Williams commended outgoing DMCC legal counsel Kaela Brennan for her service to the board.

Resolution B: Commending Kaela M. Brennan. Treasurer Thein moved approval of the resolution. Secretary Williams seconded the motion. Ayes: Treasurer Thein, Chair Wheelock, and Secretary Williams. Nays: None.

- VI. Adjourn. Chair Wheelock adjourned the meeting.

**APRIL 1 REPORT TO
THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT (DEED)**

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MEMO

TO: Destination Medical Center Corporation

FROM: Destination Medical Center Economic Development Agency

RE: 2024 DMC PRIVATE INVESTMENT

By April 1 of each year, the DMC Corporation and Mayo Clinic must report DMC private investment to the State of Minnesota Department of Employment and Economic Development (DEED). This reporting relationship is one aspect of the unique DMC economic development model, which requires the annual reporting of local public and private expenditures to receive the annual state DMC contribution. The formal report follows this summary memo.

New private investment in 2024, comprised of expenditures by Mayo Clinic and other private developers, totals nearly \$185.5 million, a nearly \$40 million increase over 2023:

- Mayo Clinic private investment: \$176.2 million
- Non-Mayo-Clinic private investment: \$9.3 million

Investments include the ongoing improvement and expansion of Mayo Clinic facilities across the city of Rochester as well as housing, health tech, retail, and other non-Mayo-Clinic expenditures across the DMC development district.

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

RESOLUTION NO. EC ____-2025

**AUTHORIZING APRIL 1, 2025 CERTIFICATION TO DEED
PURSUANT TO STATUTE**

BACKGROUND RECITALS

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

B. Staff from the City of Rochester and the Destination Medical Center Economic Development Agency (“**EDA**”) have prepared the draft certification, due on April 1, 2025, attached hereto as Exhibit A.

RESOLUTION

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

EXHIBIT A

**Certification of Expenditure
Destination Medical Center**

For Calendar Year 2024

Due to Commissioner of Employment and Economic Development (DEED) by April 1, 2025

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 2024, and the certifications required to support the documentation under the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.

Expenditures Reported this Year

Total Expenditures Reported This Year by Medical Business Entity¹

\$176,220,326.41	1
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Total Expenditures Reported This Year for other Private Entities^{1,2}

\$9,280,986.00	2
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TOTAL Expenditures This Year

\$185,501,312.41	3
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All Expenditures claimed since June 30, 2013

Previous Years Expenditures (cumulative)

\$1,607,368,325.07	4
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TOTAL Expenditures This Year³ (from Box 3)

\$185,501,312.41	5
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All Claimed Expenditures as of 12/31/24 (Box 4 plus Box 5)

\$1,792,869,637.48	6
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Qualified Expenditures claimed in 2024 (Box 6 minus \$200,000,000)

\$1,592,869,637.48	7
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State Aid Qualified for This Year (local government match also required)

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

\$43,803,915.03	8
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State Transit Aid Qualified for (Box 7 multiplied by .0075 and then multiplied by .6)

\$7,167,913.37	9
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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 469.47 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:

Mayo Clinic Chief Financial Officer

Date

For all other Expenditures:

Destination Medical Center Corporation

Date

¹Expenditures need to be after June 30, 2013

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

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

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

March 27, 2025

VIA ELECTRONIC AND U.S. MAIL

Mr. 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, and pursuant to Minnesota Statutes Section 469.47, subdivision 2, I am pleased to forward the following 2024 certification of expenditures. These expenditures 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, 2024 (“Attachment 1”). The City of Rochester, Minnesota assisted with the compilation of this report. The amount of 2024 investments set forth in this report is \$9,280,985.
2. Mayo Clinic Certification: I enclose correspondence and accompanying materials from Natalie Caine, Chief Administrative Officer, Mayo Clinic in Rochester, dated March 18, 2025 (“Attachment 2”). Mayo Clinic is certifying expenditures for the period of January 1, 2024 through December 31, 2024 in the amount of \$176,220,326.
3. Summary of Investments: The summary page, entitled “Certification of Expenditures, Destination Medical Center” is enclosed, setting forth total cumulative expenditures through December 31, 2024, in the amount of \$1,792,869,637.

I would like to highlight that Mayo Clinic’s 2024 investment represents its largest-ever annual investment in destination medical care, education, and research. It is also noteworthy that these private investments, from Mayo Clinic and others, occurred in a challenging environment as to interest rates, construction labor constraints, and inflation, demonstrating the success of this public-private partnership even in the face of these economic headwinds.

Looking ahead, the DMCC is confident that the Destination Medical Center (“DMC”) economic development and partnership model will continue to produce the benefits promised to the State of Minnesota and Rochester residents, employees, patients, and visitors when the DMC was launched nearly a decade ago: new jobs, increased investment and development, and a high-quality community experience. Currently, the City of Rochester and the DMC Economic Development Agency are in active discussions with 14 different developers 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. Also, in October 2024, the Minnesota Department of Employment and Economic Development (“DEED”) reported that the Rochester Metropolitan Statistical Area leads the state in job growth, adding about 7,000 jobs for a year-over-year growth rate of 6.3%. Together, these positive indicators signal that Rochester and the surrounding area will continue to lead Minnesota in economic development. Thank you for your consideration, and please do not hesitate to contact either the 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 DMC initiative.

Sincerely,

Pamela Wheelock
Chair
Destination Medical Center Corporation

Enclosures

cc: Destination Medical Center Corporation Board of Directors
Natalie Caine, Mayo Clinic
Jeremy LaCroix, DEED
Patrick Seeb, DMC Economic Development Agency



March 18, 2025

Matt Varilek
Commissioner
MN 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 Jan. 1, 2024, to Dec. 31, 2024. The amount of qualified investment is approximately \$176.2 million. This represents an over 30% increase from 2023.

In November 2023, Mayo Clinic announced Bold. Forward. Unbound. in Rochester to advance our overall Bold. Forward. strategy to Cure, Connect and Transform healthcare for the benefit of patients everywhere. Bold. Forward. Unbound. in Rochester is a \$5 billion investment over six years, the largest in Mayo Clinic's history. In 2024, work began in earnest with the start of major utility and infrastructure work, including expansion of the Prospect Utility Plant, a facility critical to meeting future energy needs with sustainability at its core. In addition to progress on Bold. Forward. Unbound. in Rochester, we also celebrated the "topping-off" of the Andersen Building to meet the increasing demand of patients seeking advanced cancer treatment.

Mayo Clinic continues to make significant investments in our staff. In 2024, we welcomed 13,000 new staff to Mayo Clinic and provided salaries and benefits totaling \$10.5 billion. Together, our Mayo Clinic teams cared for patients from every state and 135 countries.

The scale of investment and opportunity in Rochester is unlike anywhere else in the state. We are confident that our investments in the transformation of healthcare and our staff 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 cursive script that reads "Natalie Caine".

Natalie Caine
Chief Administrative Officer – Rochester
Mayo Clinic

2024 Non-Mayo Clinic Investment in the DMC Development District

Permit Type	Permit Number	Permit Date	Parcel ID	Address	Valuation	Description	Owner	Permit Status	Date
Alteration	R18-0097CB	7/17/2018	77285	808 S Broadway Ave	\$302,000	Build-out for casual Mexican restaurant from white box space	Taco JED/Steve Dunn	Finald	2/21/2024
Alteration	R22-0305CB	8/12/2022	83045	10 E Center Street	\$248,484	Expansion of existing private dining area for Benedict's second floor of the Hilton hotel	Legacy Fund I LLC	Finald	4/8/2024
Alteration	R22-0447CB	12/5/2022	83795	202 SW 4 Street	\$800,000	Tenant fit-up of remaining shell space on fourth floor for Rion Health Phase 2	Rion Health	C of O Issued	3/18/2024
Demolition	R22-0017D	8/26/2022	71302	201 SE 9 ST	\$403,000	Full Building Demo (K-Mart)	CAMEGARAN LLC	Closed	4/12/2024
Demolition	R22-0018D	8/26/2022	25713	201 SE 9 ST	\$24,000	Full Building Demo (K-Mart - Building 4)	CAMEGARAN LLC	Closed	4/12/2024
Demolition	R22-0019D	8/26/2022	18601	201 SE 9 ST	\$15,000	Full Building Demo (K-Mart - Building 3)	CAMEGARAN LLC	Closed	4/12/2024
Demolition	R22-0020D	8/26/2022	25252	201 SE 9 ST	\$49,000	Full Building Demo (K-Mart - Building 2)	CAMEGARAN LLC	Closed	4/12/2024
Demolition	R22-0021D	8/26/2022	18601	201 SE 9 ST	\$35,000	Full Building Demo (K-Mart - Building 1)	CAMEGARAN LLC	Closed	4/12/2024
Demolition	R22-0022D	8/26/2022	25702	201 SE 9 ST	\$80,000	Full Building Demo (K-Mart - Building 5)	CAMEGARAN LLC	Closed	4/12/2024
Demolition	R22-0023D	9/9/2022	9432	217 SW 5 AVE	\$50,000	Demolition of 2 structures, sewer and water abandonments	TRINITY EVAN LUTHERAN CHURCH U	Closed	4/12/2024
Alteration	R23-0158CB	5/10/2023	17867	215 SW 1st Avenue	\$340,400	Tenant fit up of an existing restaurant to new restaurant, 2 levels. Hero Be-Bop	Wellington Square Properties LLC	C of C Issued	2/28/204
Alteration	R23-0202CB	6/8/2023	11576	1111 SW 2 ST	\$200,000	Renovation of existing space to accommodate new Anderson Wheelchair retail space	TD BULLDOG INVESTMENTS LLC	Finald	6/17/2024
Alteration	R23-0262CB	7/18/2023	81707	20 SW 2 AVE	\$1,949,272	Fit-up of the existing restaurant space in the Kahler Hotel to a Ruth's Chris Steakhouse	KAH 20 2ND AVENUE LLC	C of C Issued	6/13/2024
Alteration	R23-0301CB	8/15/2023	79892	300 SE 3 AVE, UNIT 201	\$100,000	Office renovation for Ironwood Square	IRONWOOD SQUARE ASSOCIATION	C of O Issued	1/18/2024
Alteration	R23-0105MFB	8/30/2023	83687	511 SW 3 AVE	\$1,800,000	Buildout on the first floor of the Residence @ Discovery Square building to include twenty new apartment units	Black Swan Real Estate/Nick Stageberg	C of O Issued	7/1/2024
Alteration	R23-0366CB	10/9/2023	11576	1111 SW 2nd Street	\$47,866	Re-roof Anderson Wheelchair	Anderson Wheelchair	Finald	2/5/2024
Alteration	R23-0395CB	10/31/2023	83045	10 East Center Street	\$110,000	Expansion of current fitness room into adjacent empty space	Legacy Fund I LLC	Finald	3/21/2024
Alteration	R23-0152CB	5/4/2023	85691	415 SW 2 Avenue	\$420,000	Relocation of 2DS Café into Two Discovery Square		C of O Issued	2/22/2024
Alteration	R24-0362CB	10/22/2024	9274	512 SW 3rd Street	\$145,500	Removal of Shingles, install new roof system	First Presbyterian Church of Rochester	Finald	11/13/2024
Alteration	R24-0070CB	3/8/2024	14306	321 S Boradway Ave	\$35,731.50	Remove existing fully adhered EPDM roof with a paver ballasted EPDM roof	JLB Properties LLC	Finald	6/10/2024
Alteration	R24-0071CB	3/8/2024	14307	323 S Broadway Ave	\$35,731.50	Remove existing fully adhered EPDM roof with a paver ballasted EPDM roof	JLB Properties LLC	Finald	11/22/2024
Alteration	R24-0042CB	2/12/2024	82430	206 S Broadway Ave	\$35,000	Turning cubicle areas in to 2 sperate offices	Bloom International Realty LLC	Finald	5/8/2024
Demolition	R24-0030D	6/3/2024	4984	507 NW 2 ST	\$15,000	Demolition of structure. Foundation to be left and filled with dirt.	5th Avenue Rental Partners LLC	Closed	9/23/2024
Demolition	R24-0029D	6/3/2024	4985	503 NW 2 ST	\$15,000	Demolition of structure. Foundation to be left and filled with dirt.	5th Avenue Rental Partners LLC	Closed	9/23/2024
Demolition	R24-0031D	6/3/2024	4986	509 NW 2 ST	\$15,000	Demolition of structure. Foundation to be left and filled with dirt.	5th Avenue Rental Partners LLC	Closed	9/23/2024
Demolition	R24-0024D	6/3/2024	4987	209 NW 5 AVE	\$15,000	Demolition of structure. Foundation to be left and filled with dirt.	5th Avenue Rental Partners LLC	Closed	9/23/2024
Demolition	R24-0027D	6/3/2024	4988	215 NW 5 AVE	\$15,000	Demolition of structure. Foundation to be left in place and filled with dirt.	5th Avenue Rental Partners LLC	Closed	9/23/2024
Demolition	R24-0028D	6/3/2024	4989	219 NW 5 AVE	\$15,000	Demolition of structure. Foundation to be left in place and filled with dirt.	5th Avenue Rental Partners LLC	Closed	9/23/2024
Demolition	R24-0033D	6/18/2024	4990	512 NW 3 ST	\$15,000	Demolition of home structure and garage onsite. Foundation to be left and filled with dirt.	Aaron Horsman	Closed	9/23/2024
Demolition	R24-0032D	6/18/2024	4991	221 NW 5 AVE	\$15,000	Demolition of home structure and garage onsite. Foundation to be left and filled with dirt.	Darren Peterson	Closed	9/23/2024
Demolition	R24-0020D	6/3/2024	4993	516 NW 3 ST	\$15,000	Demolition of home structure and garage. Foundation to be left and filled with dirt.	6th Avenue Rental Partners LLC	Closed	9/23/2024
Demolition	R24-0022D	6/3/2024	4994	522 NW 3 Street	\$15,000	Demolition of home structure and garage. Foundation to be left and filled with dirt.	6th Avenue Rental Partners LLC	Closed	9/24/2024
Demolition	R24-0025D	6/3/2024	4995	210 NW 6 Avenue	\$15,000	Demo of home and garage. Foundation to be left and filled with dirt.	6th Avenue Rental Partners LLC	Closed	9/24/2024
Demolition	R24-0019D	9/23/2024	4998	513 NW 2 Street	\$15,000	Demolition of structure. Foundation to be left and filled with dirt.	6th Avenue Rental Partners LLC	Closed	9/23/2024
Alteration	R24-0026CB	1/29/2024	17882	150 S Broadway	\$725,000	Renovating the old Pescara Restaurant	BGDS Hotel LLC	C of O Issued	9/20/2024
Alteration	R24-0198CB	6/18/2024	17894	155 SW 1 Avenue	\$500,000	Renovation of eisting bank to a new bank on the second floor	BGDS Office LLC	Finald	11/27/2024
Alteration	R24-0142CB	5/6/2024	56916	1125 SW 2 Street	\$200,000	Window replacement and structural repairs	Carpenter and Torgerson SSMR LLC	Finald	9/10/2024
Alteration	R24-0233CB	7/19/2024	81707	20 SW 2 Avenue	\$350,000	Interior fit up of existing building	KAH 20 2nd Avenue LLC	C of C Issued	12/10/2024
Alteration	R24-0213CB	6/27/2024	88155	401 N Broadway	\$100,000	Fit-up of leased space on the 1st level	Bryk Apartments Rochester LLC	C of O Issued	11/25/2024

\$9,280,985