

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 47-2017

Authorizing Report to the Legislature Pursuant to Statute

The following Resolution was offered by Mark Hickey, seconded by James Bier.

BACKGROUND RECITALS

A. Minnesota Laws, Chapter 143, Article 10 (the “Act”) provides that by February 15th 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 and to the Commissioners of Revenue and employment and economic development, and Olmsted County. The DMCC and the City must also submit the report as provided in Minnesota Statutes Section 3.195. The report must include the following specific elements:

- (1) the development plan and any proposed changes to the development plan;
- (2) progress of projects identified in the development plan;
- (3) actual costs and financing sources, including the amount paid with state aid under section 469.47, and required local contributions of projects completed in the previous two years by the corporation, city, county, and the medical business entity;
- (4) estimated costs and financing sources for projects to be stated in the next two years by the corporation, city, county, and the medical business entity; and
- (5) debt service schedules for all outstanding obligations of the city for debt issued for projects identified in the plan.

B. The DMCC and City staff have prepared a draft report, due on February 15, 2017, and attached here as Exhibit A.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation 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.

The question was on the adoption of the Resolution and there were 6 YEAS and 0 NAYS, as follows:

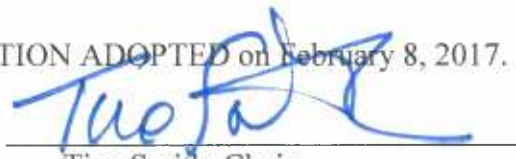
BOARD OF DIRECTORS

Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
James V. Bier	<u>X</u>	_____	_____
Ardell F. Brede	<u>X</u>	_____	_____
James R. Campbell	_____	_____	_____
Michael E. Dougherty	_____	_____	_____
Mark Hickey	<u>X</u>	_____	_____
Susan Park Rani	<u>X</u>	_____	_____
R. T. Rybak	<u>X</u>	_____	_____
Tina Smith	<u>X</u>	_____	_____

RESOLUTION ADOPTED on February 8, 2017.

ATTEST:



Tina Smith, Chair
Destination Medical Center Corporation

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February 2, 2017

The Honorable Dan Hall
Chair, Local Government Committee
Minnesota State Senate
3111 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Tim O'Driscoll
Chair, Government Operations and Elections
Policy Committee
Minnesota House of Representatives
559 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Patricia Torres Ray
Local Government Committee
Minnesota State Senate
2225 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Michael Nelson
Government Operations and Elections Policy
Committee
Minnesota House of Representatives
351 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Jeremy Miller
Chair, Jobs and Economic Growth Finance
and Policy Committee
Minnesota State Senate
3107 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Patrick Garafolo
Chair, Job Growth and Energy Affordability
Policy and Finance Committee
Minnesota House of Representatives
485 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Bobby Joe Champion
Jobs and Economic Growth Finance and
Policy Committee
Minnesota State Senate
2303 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Tim Mahoney
Job Growth and Energy Affordability Policy
and Finance Committee
Minnesota House of Representatives
345 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

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

The Honorable Jim Knoblach
Chair, Ways and Means Committee
Minnesota House of Representatives
453 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Richard Cohen
Finance Committee
Minnesota State Senate
2301 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Lyndon Carlson Sr.
Ways and Means Committee
Minnesota House of Representatives
283 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Roger Chamberlain
Chair, Taxes Committee
Minnesota State Senate
3225 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Greg Davids
Chair, Taxes Committee
Minnesota House of Representatives
585 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Ann Rest
Taxes Committee
Minnesota State Senate
2217 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Paul Marquart
Taxes Committee
Minnesota House of Representatives
261 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

Commissioner Cynthia Bauerly
Minnesota Department of Revenue
600 North Robert Street
St. Paul, MN 55101

Commissioner Shawntera Hardy
Minnesota Department of Employment and
Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351

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

Re: Destination Medical Center
February 15, 2017 Report

Dear Senators, Representatives, Commissioners and Chairs:

Pursuant to 2013 Minnesota Laws, Chapter 143, Article 10 (the "Act"), the Destination Medical Center Corporation (the "DMCC") and the City of Rochester (the "City") must jointly submit a report by February 15 of each year with respect to the status of the Destination Medical Center initiative. On behalf of the DMCC and the City, we are pleased to submit this report, setting forth the progress that has been made since the last report, dated February 12, 2016.

As this report will illustrate, 2016 was an exciting year for the Destination Medical Center initiative, as we pivoted from planning to the approval of public and private projects and the consideration of several more projects in the pipeline for 2017. The private investment, combined with Mayo Clinic's certified expenditures to date, indicate that we will be on track in

2017 to exceed the \$200,000,000 threshold in private investment established by the Legislature before any state funding may occur. This early success clearly underscores the legislative intent to have the private investment lead the way for this initiative.

I. Destination Medical Center: In General.

A. 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 Destination Medical Center initiative, establishing a comprehensive business and economic development strategy. As described in the Act, the Development Plan must address several items, including 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 Development Plan is posted on the DMCC website: www.dmc.mn.

B. Website.

The DMCC's website is: www.dmc.mn. The website contains the regular meeting schedule, meeting agendas, minutes and other information on DMCC activities and activities of the Destination Medical Center Economic Development Agency ("DMC EDA"). The City's website, www.rochester.mn.gov, also has a link to the DMCC website.

II. Specific Elements Required to Be Included in the Report.

The Act requires that certain elements be included in this annual report. Some of what is presented here has been referenced above.

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

The Development Plan was adopted on April 23, 2015. It can be found at the DMCC website: www.dmc.mn.

The DMCC approved a modification to the Destination Medical Center Development District, the geographic area in the City of Rochester in which public infrastructure projects are implemented. That modification is attached as Exhibit A.

B. "Progress of projects identified in the Development Plan."

According to the Act, a 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 adopted

Development Plan. Since the adoption of the Development Plan on April 23, 2015, three projects have been approved by the DMCC.

The first project involves the historic Chateau Theatre Building, located in the development district boundaries and in the "Heart of the City" district as described in the Development Plan. The DMCC approved the acquisition of the Chateau Theatre Building by the City in the purchase price amount of \$6,000,000, of which Mayo Clinic contributed \$500,000. The acquisition of this historically-designated landmark is considered key to the planning and enhancement of the Heart of the City district. The City, DMCC and Mayo Clinic have agreed to work cooperatively to determine the best use of this building and a comprehensive planning process and feasibility study is currently underway.

The second project approved by the DMCC is the Broadway at Center project, located within the development district boundaries and in the "Downtown Waterfront" district as described in the Development Plan. This mixed-use project includes a 264-room hotel, restaurants, a skyway, and a five level parking ramp with 630 spaces. The project is expected to generate approximately \$125 million in private investment and create 200-250 jobs.

The third project approved by the DMCC is known as the Alatus Project, located on 2nd Street SW. This project required a modification of the Development District, and is located in the "Saint Marys" district as described in the Development Plan. This mixed-use project involves the construction of an approximately 327,965 square foot, thirteen level commercial and residential complex. It will include 347 market-rate rental units, create 240 jobs and is expected to generate \$115 million in private investment.

Finally, there are several other projects underway in the initial stages of planning, and are expected to come to fruition in 2017. The status of these projects will be reported in a future annual report.

In addition to the approved projects noted above, the DMCC and the City have approved a Capital Improvement Plan ("CIP") for 2017. Projects identified in the 2017 CIP are as follows:

1. 3rd Street SW Reconstruct/Design
2. Broadway at Center Development
3. SS1 12th Avenue Sewer Capacity
4. SS2 Cooke Park Sewer Capacity
5. Broadway at Center Ramp
6. Parking and Travel Demand Study
7. City Loop Plan
8. Transit/Transportation/Infrastructure Management
9. Transit Circulator Study
10. Heart of the City Public Realm Study
11. Chateau Theatre Re-Use Study
12. Downtown Street Use and Operations Study

C. “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.”

1. Through December 31, 2016, no State Infrastructure Aid or State Transit Aid has been received.
2. Actual costs paid by the City from commencement through December 31, 2016 have totaled \$19,077,618, based on year-end unaudited costs. The funding source has been City internal borrowing, which will be repaid by the City's 0.25% DMC sales tax.
3. Out of pocket costs incurred by Olmsted County through December 31, 2016 total \$1,500,000.
4. All operating costs for the DMCC through December 31, 2016 have been funded by the City of Rochester.
5. The 2017 operating and capital improvements budget for the DMCC totals \$14,427,642. Of this amount \$3,000,000 will be provided by Olmsted County from its 0.25% DMC sales tax. The remaining \$11,427,642 is to be provided by the City of Rochester from a variety of City funding sources.
6. Mayo Clinic has provided \$500,000 in 2016 for the Chateau Theatre project described in Section II B.
7. Additionally, Mayo Clinic has supported the DMC EDA both financially and with in-kind contributions. In 2016, Mayo Clinic's support to the DMC EDA was in the amount of \$935,000.

With respect to private projects, the Act requires that DEED must certify that \$200,000,000 of private investment has been made before any state funding may be paid. Mayo Clinic certified \$85,708,731 in qualified expenditures for the Destination Medical Center initiative in 2015. When added to Mayo Clinic's qualified expenditures in 2013 and 2014 in the amount of \$46,210,615, the total Mayo Clinic qualified expenditures through December 31, 2015 equal \$131,919,346. In addition, there were other private (non-Mayo Clinic) qualified expenditures in the amount of \$20,487,686. The Act requires that an annual certification of private investment by Mayo Clinic or other private investors be made to DEED by April 1 of each year. It is expected that additional private (non-Mayo Clinic) qualified expenditures and additional Mayo Clinic qualified expenditures for calendar year 2016 will be submitted in connection with the April 1, 2017 filing to DEED.

Attached is the annual certification of private investment that was submitted to DEED on March 31, 2016 (Exhibit B), as well as the DEED certification, dated July 13, 2016 (Exhibit C).

D. “Estimated costs and financing sources for projects to be started in the next two years by the DMCC, City, Olmsted County and Mayo.”

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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 response to "B" and "C," above.

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

The City has provided the funding required for approved projects thus far, and no debt has been issued as yet.

Thank you for your consideration of this annual report. 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 2017.

Tina F. Smith, Chair
Destination Medical Center Corporation

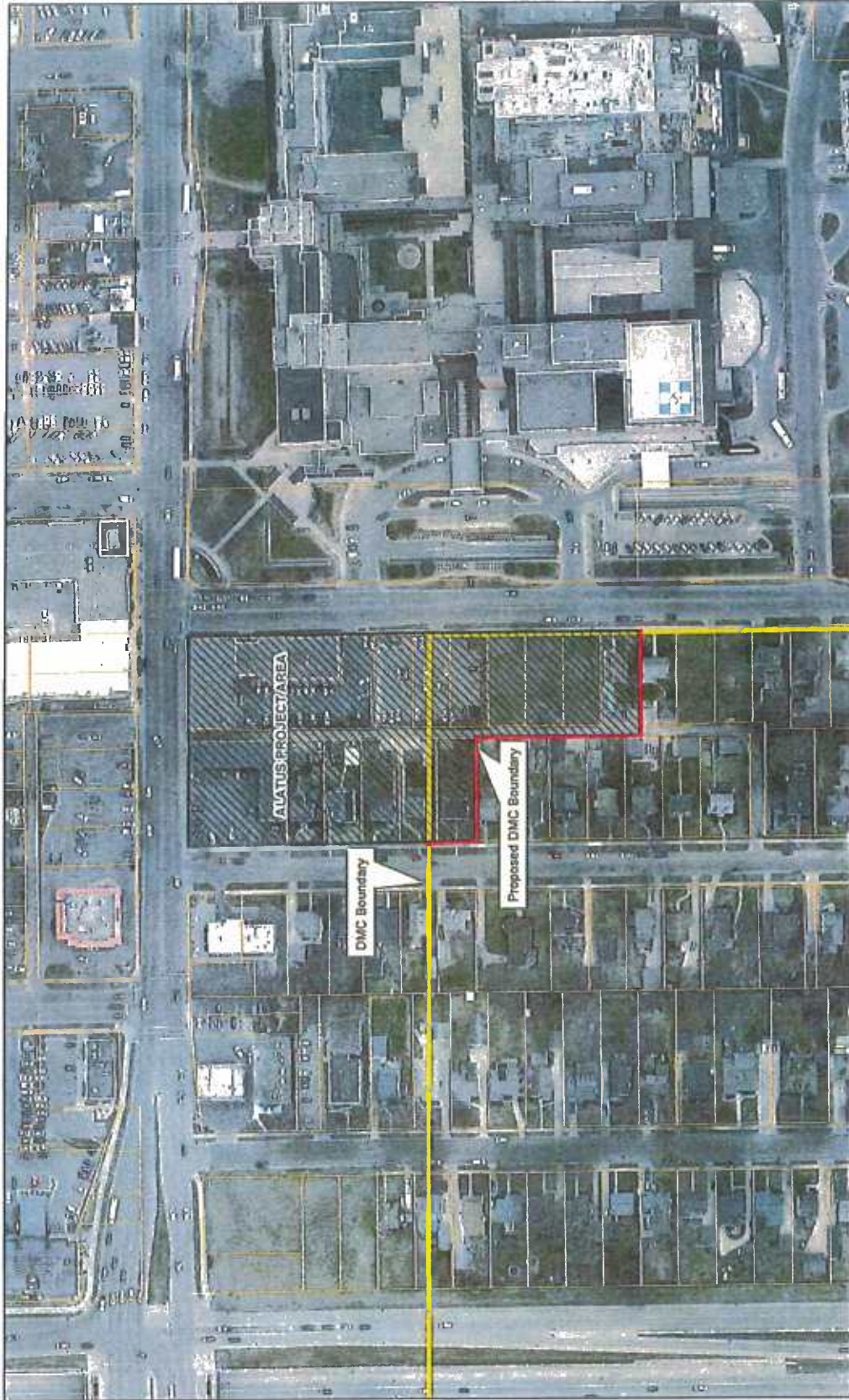
Ardell F. Brede, Mayor
City of Rochester

Enclosures

cc: Legislative Reference Library

867428-5.DOC

EXHIBIT A



DATA DISCLAIMER - Destination Medical Center (DMC) Boundary
The DMC Boundary is a boundary for an Economic Development Initiative and was approved in the Spring of 2015. The boundary polygon was created based on the "description" of the DMC area.
The DMC area was not a surveyed legal description and was subject to interpretation. Please note that this boundary is for informational purposes only and is subject to change.



EXHIBIT B

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

March 31, 2016

Katie Clark Sieben
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 Sieben:

On behalf of the Destination Medical Center Corporation ("DMCC") and Mayo Clinic, I am pleased to forward the following materials for the April 1, 2016 certification, pursuant to Minnesota Statutes Section 469.47, Subdivision 2:

1. DMCC Certification: I enclose the DMCC certification of expenditures made by an individual or entity, other than Mayo Clinic, for the period of July 1, 2013 through December 31, 2015. The City of Rochester, Minnesota, assisted with the compilation of this report. The amount of expenditures set forth in this report is \$20,487,686.
2. Mayo Clinic Certification: I enclose correspondence and accompanying materials from Jeffrey W. Bolton, Vice President of Administration at Mayo Clinic, dated March 31, 2016. Mayo Clinic is certifying expenditures for the period of January 1, 2015 through December 31, 2015 in the amount of \$85,708,731.
3. Summary of Expenditures: The summary page entitled "Certification of Expenditures, Destination Medical Center" sets forth total cumulative expenditures through December 31, 2015, in the amount of \$153,789,385.

Commissioner Katie Clark Sieben
March 31, 2016
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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,

A handwritten signature in blue ink, appearing to read "Tina F. Smith", with a stylized flourish at the end.

Tina F. Smith
Chair
Destination Medical Center Corporation

Encl.

cc: Destination Medical Center Corporation Board of Directors
Jeffrey W. Bolton, Mayo Clinic

Building Permits within DMC Boundary

(Does not include Mayo Projects)

(Updated 3-16-2016 to omit public buildings)

Quarters	Completed
2013 3rd	\$829,770
4th	\$2,495,795
2014 1st	\$7,036,528
2nd	\$2,106,466
3rd	\$2,754,403
4th	\$3,383,504
2015 1st	\$868,500
2nd	\$490,000
3rd	\$424,085
4th	\$98,635
	\$20,487,686

DMC Report
 2015 Building Permits (4th Quarter - October 1st to December 31st)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

500 Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Owner	Current Permit Status	Current Permit Status Date
1 Demolition	Multi-Family	R15-00210	12/18/2015 006687		812 SW 2 ST, ROCHESTER, MN 55902	\$45,000	Complete demolition of apartment building R648	FRASER CONSTRUCTION RICK T. PENZ 3785 ENTERPRISE DR SW ROCHESTER, MN 55902	RONALD MADONALD HOUSE 1850 2ND ST SW ROCHESTER, MN 55902	Final	7/8/2016
2 Demolition	Multi-Family	R15-00210	12/18/2015 006682		808 SW 2 ST, ROCHESTER, MN 55902	\$28,100	Complete demolition of apartment building R648	FRASER CONSTRUCTION RICK T. PENZ 3785 ENTERPRISE DR SW ROCHESTER, MN 55902	RONALD MADONALD HOUSE 1850 2ND ST SW ROCHESTER, MN 55902	Final	1/8/2016
3 Multi-Family Bldg	Abandon	R15-01615	12/09/2015 006570		733 SW 2 ST, ROCHESTER, MN 55902	\$0,000	Remove door and install new egress window; remove stairs (rental)	OWNER	SAVAGE REAL ESTATE HOLDINGS OF ROCHESTER PO BOX 474 ROCHESTER, MN 55903	Final	11/6/2015
4 Residential Bldg	Abandon	R15-107288	12/17/2015 006183		850 SW 1 ST, ROCHESTER, MN 55902	\$2,735	Install window installation on 2nd floor 2 sills - 1 at stairs other 1 at door (RENTAL)	BOER CONSTRUCTION INC. KELLY MADSON 4008 HWY 14 E ROCHESTER, MN 55904	HILCH, BRUN 850 1ST ST SW ROCHESTER, MN 55902	Final	12/18/2015
5 Sign	Business	R15-01615	12/09/2015 006570		733 SW 2 ST, ROCHESTER, MN 55902	\$7,500.00	Sign "McGlostery"	OWNER	BRENT MOREY 1630 GREENVIEW DR SW 213F ROCHESTER, MN 55901	Final	7/22/2016

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DMC Report
 2015 Building Permits (3rd Quarter - July 1st to September 30th)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Owner	Current Permit Status	Current Permit Issue Date
1 Commercial Bldg	Alteration	R1B-0254CB	7/14/2015 03:44:02	20425015004402	30 SE 3 ST, ROCHESTER, MN 55904	\$400,000	New second measurement, 3rd floor (i.e. 3rd floor) - Phase on Historic Sid	Bullington, Inc. Brian Moser 30 3 SE BE	New Residential Group 9400 Flying Cloud Dr Suite 215 Eden Prairie, MN 55944	Permit	8/20/2015
2 Commercial Bldg	Alteration	R1B-0254CB	8/5/2015 01:78:57		100 SW 1 AVE, BTEB T04, ROCHESTER, MN 55902	\$5,000	Alterations to existing space (Cloud 8 Sign Bldg) & Salon - 100 1 Ave Bldg)	Rocheater, MN 55904	Rocheater, MN 55904	C of D Issued	11/2/2015
3 Commercial Bldg	Alteration	R1B-0368CB	9/18/2015 01:79:55		101 E CENTER ST, ROCHESTER, MN 55904	\$18,000	Re-roofing hotel		ROCHESTER, MN 55902 FRIEDRICH, ANDY 10817 110 ST SE	Finished	10/23/2015
4 Multi-Family Bldg	Alteration	R14-0055MFB	9/2/2015 00:49:55		212 NW 5 AVE, ROCHESTER, MN 55901	\$500	Repairs steps, handrail and guardrail on existing deck for apartment #2	OWNER	CHATFIELD, MN 55923 STORM, GREG	Finished	9/14/2015
5 Sign	Business	R1B-0709S	9/18/2015 00:53:26		438 BE 3 AVE, ROCHESTER, MN 55904	\$300	Wall sign "Buckeye LIQUOR"	OWNER	ROCHESTER, MN 55901 TGM REAL ESTATE LLC 438 3 AVE SE	Finished	8/22/2015

\$424,000

DMC Report
 2015 Building Permits (1st Quarter - January 1st to March 31st)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

Bus Type Level	Category Level	Permit Number	Permit Issue Date	Permit Number	Address Info	Permit Valuation	Work Description	Uc Pref	Owner	Current Permit Status	Current Permit Status Date
1 Commercial Bldg	Partial Permit	R15-00828	1/22/2015 01:43:18		4 SW 3 ST, ROCHESTER, MN 55902	\$10,000	Partial phase interior demolition only for Alterations to existing restaurant to include a brewery and bar (Grand Rounds Brew Pub)		KRALJE-ANDERSON CONSTRUCTION CO Adam Krumer 418 S BROADWAY ROCHESTER, MN 55904	Issued	6/6/2015
2 Commercial Bldg	Alteration	R15-001328	1/29/2015 01:78:87		100 SW 1 AVE, 5789 202, ROCHESTER, MN 55902	\$500	Alterations to existing space (Johnny Mango - 100 1 Ave Food Court)		JT Egan Construction Joel Egan 17595 Kenwood Trail Suite 290 Lakewood, MN 55044	Finalized	1/10/2016
3 Commercial Bldg	Alteration	R14-045628	1/16/2014 07:01:74		662 ANGLA AVE, ROCHESTER, MN 55902	\$50,000	Alterations to existing space (BnB Business 3rd level - Cardio 3) Center for Regenerative Medicine		ALVIN E BARNER, INC Adam E Barnier 6940 W Hwy 14 ROCHESTER, MN 55901	Issued	11/16/2014
4 Commercial Bldg	Alteration	R15-007728	3/17/2015 01:11:08		RTI AVE 2 BY 508, ROCHESTER, MN 55901	\$8,000	Alterations to unit #508 (Mayo Clinic - Chaper House)		Deborah Keady 211 S ST NW ROCHESTER, MN 55901	Finalized	9/24/2015

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DMC Report
 2014 Building Permits (4th Quarter - October 1st to December 31st)
 Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Owner	Current Permit Status	Current Permit Status Date
1 Commercial Bldg	New	R14-0328CB	10/20/2014	012242	38 SE 3 ST	\$1,130,000	Development 3, 4 & 5 floors (classie 3rd - Dunlop Seeger)	SCHOEPNER, INC BRYAN SCHOEPNER 1770 76 ST NE ROCHESTER, MN 55902	CITY CENTER LLC 2211 AVE SW # 300 ROCHESTER, MN 55902	C of O Issued	3/26/2015
2 Commercial Bldg	Alteration	R14-0382CB	10/16/2014	017187	100 SW 1 AVE STE# 204 ROCHESTER, MN 55902	\$3,000,000	Storage units for food court, second floor Avenue Food Court	SHI Contractors Joe Bernhard 27240 SD Hwy 115 Harrisburg, SD 57038	Barays, LLC PO Box 143 Kasson, MN 55944 Respony Hotel Management 3211 Seniore Dr Brazos Falls, SD 57107	Permitted	10/26/2014
3 Commercial Bldg	Alteration	R14-0365CB	10/14/2014	011566	1915 SW 2 ST, ROCHESTER, MN 55902	\$125,000	Minor remodel for accessible rooms, breakfast room, electrical upgrade service (Phedal Hotel)	SHI Contractors Joe Bernhard 27240 SD Hwy 115 Harrisburg, SD 57038	TRINITY EVANGELICAL LUTHERAN CHURCH 529 3 ST SW ROCHESTER, MN 55902	C of O Issued	4/29/2015
4 Commercial Bldg	Alteration	R14-0413CB	10/27/2014	011068	222 SW 6 AVE, ROCHESTER, MN 55902	\$10,200	Replacement of a Modular Block Retaining Wall (Trinity Lutheran Church)			Finished	11/10/2014
5 Commercial Bldg	Alteration	R14-0418CB	10/27/2014	011061	1117 SW 2 ST, ROCHESTER, MN 55902	\$13,250	Re-Roofing with 40 mil Duro-Last PVC membrane.	All Alternatives, Inc Paul LeVine 301 Chelsea Road Mendota, MN 55302	ROCHESTER, MN 55902 1117 2 ST SW ROCHESTER, MN 55902	Permitted	3/27/2015
6 Commercial Bldg	Alteration	R14-0400CB	11/8/2014	078774	221 SW 1 AVE, ROCHESTER, MN 55902	\$30,000	Tenant flip for office phase II (Bio-Business 2nd- Mayo Childs Business Accelerator)	ALVIN E RENAIKE, INC Mike E Renaike 7080 W Hwy 14 ROCHESTER, MN 55901	CITY OF ROCHESTER 901 4 ST SE ROCHESTER, MN 55904	Finished	1/12/2016
7 Commercial Bldg	Alteration	R14-0383CB	11/4/2014	011524	1407 SW 8 ST, Rochester 55902	\$43,781	Finish whitewash space for salon (West End Salon - Homewood Suites by Hilton)		Nelson Robinson 127 14 St NE Rochester, MN 55904	C of O Issued	2/28/2016
8 Commercial Bldg	Alteration	R14-0384CB	11/12/2014	025717	717 SE 3 AVE, ROCHESTER, MN 55904	\$25,000	Alterations for office space on lower and main levels on north side (Omstead Medical Center)	McGough Construction Office Dan McLeod 2656 S ST NW STE 100 ROCHESTER, MN 55901	ROCHESTER, MN 55904 Omstead Medical Center 210 S S SE ROCHESTER, MN 55904	C of O Issued	3/9/2016
9 Commercial Bldg	Phased Permit	R14-0348CB	11/12/2014	026717	717 SE 3 AVE, ROCHESTER, MN 55904	\$30,000	Interior demolition for future office space (SEH - Yaggy Associates)	McGough Construction Office Dan McLeod 2656 S ST NW STE 100 ROCHESTER, MN 55901	Yaggy Cooby Building of Rochester 700 1 AVE SE ROCHESTER, MN 55904	Closed	2/10/2015
10 Commercial Bldg	Alteration	R14-0329CB	11/17/2014	010593	224 SW 3 AVE, ROCHESTER, MN 55902	\$26,000	New roof top cooling equipment (Zumbro Evangelical Lutheran Church)	VALOR MECHANICAL INC TY BESTOR 416 SOUTH BROADWAY #2 ROCHESTER, MN 55904	ZUMBRO EVANGELICAL LUTHERAN CHURCH 284 3 AVE SW ROCHESTER, MN 55902	Finished	11/26/2014
11 Commercial Bldg	Alteration	R14-0381CB	11/21/2014	014449	30 SE 2 ST	\$330,000	Fixed Cantilever dental office from whitewash (Fred Carlson - 2nd level east - Hinckman 3rd)	ALVIN E RENAIKE, INC Mary E. Kullweck 2080 W Hwy 14 ROCHESTER, MN 55901	Fred Carlson 206 South Broadway ROCHESTER, MN 55904	C of O Issued	3/13/2015
12 Commercial Bldg	Alteration	R14-0401CB	12/22/2014	014470	30 SE 3 ST	\$1,000,000	Expansion from dental office, infrastructure (Italian Cobos Restaurant - main level - Plaza on Heald 3rd)	Blum Sherman 2027 7 ST NW ROCHESTER, MN 55901	Blum Sherman 1420 Flying Cloud Dr Suite 216 Farmdale, MN 55844	C of O Issued	3/13/2016
13 Commercial Bldg	Alteration	R14-0330CB	12/18/2014	025717	717 SE 3 AVE, ROCHESTER, MN 55904	\$40,000	Alterations for office space on south main level (SEH - Yaggy Associates)	McGough Construction Office Dan McLeod 2656 S ST NW STE 100 ROCHESTER, MN 55901	SEH (Yaggy Cooby) 717 3 AVE SE ROCHESTER, MN 55904	C of O Issued	5/10/2015
14 Sign	Business	R14-0314CB	11/19/2014	011059	1215 SW 2 ST, ROCHESTER, MN 55902	\$20,500	New Sign (Japan Street)		US HOTEL ROCHESTER VENTURES LLP 8211 WEST SENORE DR BROOK FALLS, SD 57107	Closed	4/17/2015

DMC Report
 2014 Building Permits (4th Quarter - October 1st to December 31st)
 Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

16 Sign	Bushman	PI4-01623	12/2/2014-076185	518 SW 1 AVE 120, ROCHESTER, MN 55902	\$5,000 Wall Sign to replace prior owner (Greiner Bank)	CARRIER	Greiner Bank 3553 Eagle Point Blvd Lake Elmo, MN 55304	Finished	4/18/2015
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\$0,300,004

DMC Report
 2014 Building Permits (3rd Quarter - July 1st to September 30th)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)
 (Report updated 3-16-2016 to omit public buildings)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic. Prof.	Owner	Current Permit Status	Current Permit Status Date
Commercial Bldg	Alteration	R14-02492B	7/9/2014 01:43:38	789201401776	810 S BROADWAY AVE, ROCHESTER, MN 55904	\$490,000	Tenant finish from Whitebox (BANKER Media Group - Main level - City Centre Building)	ALVIN E BENIKE, INC Mary E O'Connell 2980 W Hwy 14 ROCHESTER, MN 55901	CITY CENTRE ROCHESTER LLC 3227 7 ST NW ROCHESTER, MN 55901	C of O Issued	10/24/2014
Commercial Bldg	Alteration	R14-02492B	8/20/2014 01:44:42	8022014016442	402 NW 2 AVE, ROCHESTER, MN 55901	\$13,000	New wall at bathroom, utility remodel, new furnace (Collins Feed & Seed)	RONALD CARLSON 2925 Schuster Ln NW Rochester, MN 55901	COLLINS BRANDALLA 411 2 AVE NW ROCHESTER, MN 55901	C of O Issued	11/12/2014
Commercial Bldg	Alteration	R14-03142B	8/20/2014 01:44:42	802201401776	18 SW 3 ST, ROCHESTER, MN 55902	\$15,300	New stress studio tenant (Studio on 3rd - Merchants Exchange Bldg - Unit 2)	Josh Sillig 1053 1 Ave SE Rochester, MN 55904	Sarah Prochowl 830 S Ave SW ROCHESTER, MN 55902	Final	11/26/2014
Commercial Bldg	Planned Partial Permit	R14-03142B	8/20/2014 01:44:42	802201401776	304 SW 1 AVE, ROCHESTER, MN 55902	\$3,000	Interior partial demolition for alterations to existing dining area, bar area and window improvements (Blind's Pizza)	Blind's Pizza 1850 S Ave SE ROCHESTER, MN 55902	Vista Savvy ROCHESTER, MN 55902	Checked	11/24/2014
Commercial Bldg	Alteration	R14-02762B	8/12/2014 01:78:54	8122014017854	281 SW 1 AVE, ROCHESTER, MN 55902	\$108,500	Office 3rd floor (Brands 67 - Bio Business Center)	CONSTRUCTION COLLABORATIVE Grant Michael 280 S BROADWAY ROCHESTER, MN 55904	Aston Edge 801 1 Ave SW ROCHESTER, MN 55902	C of O Issued	10/21/2014
Commercial Bldg	Alteration	R14-03132B	8/25/2014 01:77:00	8252014017700	304 SW 1 AVE, ROCHESTER, MN 55902	\$49,000	Alterations to existing dining area, bar area and window improvements (Blind's Pizza)	Blind's Pizza 1850 S Ave SE ROCHESTER, MN 55902	Vista Savvy ROCHESTER, MN 55902	C of O Issued	12/22/2014
Commercial Bldg	Planned Partial Permit	R14-03542B	8/27/2014 01:44:42	807201401442	307 S 4 3 ST	\$1,500,000	Final phase finish of common areas throughout; plumbing, electrical and mechanical infrastructure. No tenant fit-out (Plaza on Hibbing 3rd)	WEST BUILDERS Scott Sankle 2237 7 ST NW ROCHESTER, MN 55901	ROCHESTER, MN 55902 Plaza on Hibbing 3rd ROCHESTER, MN 55902	C of O Issued	9/25/2015
Commercial Bldg	Addition	R14-01542B	8/19/2014 01:43:16	8192014014316	10 SW 3 ST, ROCHESTER, MN 55902	\$130,000	Elevated deck addition (Top House - 3rd St SW)	ALVIN E BENIKE, INC Steve E Benike 2980 W Hwy 14 ROCHESTER, MN 55901	Natalie Victoria 103 ST SW ROCHESTER, MN 55902	Final	11/22/2015
Commercial Bldg	Alteration	R14-03712B	8/25/2014 01:79:17	8252014017917	8 E CENTER ST, ROCHESTER, MN 55904	\$1,000,000	Interior (SLK Law Firm)	SLK LAW FIRM 290 W Hwy 14 ROCHESTER, MN 55901	BLK CHAMBERS JAMES 800 CLOVER LN SW ROCHESTER, MN 55902	Final	10/29/2014
Multi-Family Bldg	New	R14-03542B	8/17/2014 01:40:07	8172014014007	323 N BROADWAY, ROCHESTER, MN 55903	\$200,000	Conversion of second floor to two apartments (Runkle Residence)	EXCEL HOMES MICKEY HOWLAND PO BOX 5481 ROCHESTER, MN 55903	ROCHESTER, MN 55902 RUNKLE, TONY 223 NORTH BROADWAY ROCHESTER, MN 55901	Final	8/26/2015
Residential Bldg	Alteration	R14-10492B	8/7/2014 04:23:48	8072014042348	507 SW 8 AVE TR3, ROCHESTER, MN 55902	\$80,700	Basement, remodel of laundry, bathroom, kitchen, bedrooms, closets.	WEST BUILDERS BRAD CLEMENS 7440 LECHE DR SW STE A ROCHESTER, MN 55902	LAVIN TRANE 807 ST HAVEN SW #1003 ROCHESTER, MN 55902	Final	8/18/2015

\$2,754,403

DMC Report
 2014 Building Permits (2nd Quarter - April 1st to June 30th)
Commercial Building Permits
 (Within DMC Boundary, does not include Mayo Projects)
 (Report updated 3-16-2016 to omit public buildings)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Permit Number	Address Info	Permit Valuation	Work Description	Le Prof	Owner	Current Permit Status	Current Permit Issue Date
1 Commercial Bldg	Alteration	R14-010628	4/17/2014 020495		1408 SW 2 ST, ROCHESTER, MN 55902	\$14,000	Alteration of window, custom sized, 2nd & 3rd floors	RYAN WINDOWS & SIGNS, INC Bruce Ryan Box 5837 Rochester, MN 55903	BRENTWOOD ON 2ND 1408 2 ST SW ROCHESTER, MN 55902	Final	5/14/2014
2 Commercial Bldg	Alteration	R14-004603	4/29/2014 028269		405 S BROADWAY, STE# 106, ROCHESTER, MN 55902	\$205,000	Tenant flip on main level (Cambria - Riverside Building)	ALVIN E BENKE, INC Steve E Benke 2900 W Hwy 14 Rochester, MN 55901	ALVIN E BENKE, INC 2900 W Hwy 14 Rochester, MN 55901	Final	6/17/2014
3 Commercial Bldg	Alteration	R14-013053	4/15/2014 014312		303 S BROADWAY, ROCHESTER, MN 55904	\$900	Interior site approach for accessibility to rear of building (Big Brads on Broadway)	STEVE E GENTRY 2307 7 ST NW ROCHESTER, MN 55901	Eric Peterson 1608 South Broadway ROCHESTER, MN 55904	Final	4/28/2014
4 Commercial Bldg	Alteration	R14-012323	4/29/2014 017713		200 SW 2 AVE, ROCHESTER, MN 55902	\$15,000	Barber shop relocation (Kahler Hospitality Group - Subway level)	STEVE E GENTRY 2307 7 ST NW ROCHESTER, MN 55901	ALVIN E BENKE, INC Steve E Benke 2900 W Hwy 14 Rochester, MN 55901	C of O Issued	7/29/2014
5 Commercial Bldg	Alteration	R14-009623	4/29/2014 017887		101 SW 1 AVE, ROCHESTER, MN 55902	\$180,000	New tenant in existing space (Fashions - Marriott Subway level)	KEY BUILDERS, INC BRAD CLEMENS 7840 LEQUE DR SW STE# A ROCHESTER, MN 55902	KEY BUILDERS, INC 200 1 ST SW ROCHESTER, MN 55902 ALVIN E BENKE, INC Steve E Benke 2900 W Hwy 14 Rochester, MN 55901	C of O Issued	1/12/2015
6 Commercial Bldg	Alteration	R14-014823	4/29/2014 017888		150 S BROADWAY, ROCHESTER, MN 55904	\$2,750	First floor conference room glass wall replacement (Double Tree)	CONSTRUCTION COLLABORATIVE 320 S BROADWAY ROCHESTER, MN 55904	ERD'S HOTEL, LLC 181 23 AVE SW # 105 ROCHESTER, MN 55902	Final	6/19/2014
7 Commercial Bldg	Alteration	R14-017823	6/13/2014 050074		524 SE 4 ST, ROCHESTER, MN 55904	\$1,541	Neutral 2,187 sq ft to enhanced EPCW (Pearl Auto Body)	ALVIN E BENKE, INC Steve E Benke 2900 W Hwy 14 Rochester, MN 55901	ROBERT MICHAEL 1814 ST SE ROCHESTER, MN 55904	Final	5/29/2014
8 Commercial Bldg	Phased Permit	R14-017823	5/22/2014 017423		313 S BROADWAY AVE, ROCHESTER, MN 55904	\$14,500	Concrete floor finish with US electrical plumbing, no tenant finishes (City Centre Building)	ALVIN E BENKE, INC Steve E Benke 2900 W Hwy 14 Rochester, MN 55901	CITY CENTRE ROCHESTER LLC 2277 S TNW ROCHESTER, MN 55901	Final	10/29/2014
9 Commercial Bldg	Alteration	R14-018623	6/9/2014 017771		402 SW 1 AVE, ROCHESTER, MN 55902	\$720,000	Removal of existing portion of building and deep-up canopy/external remediation (US Bank)	RAUTENBERG CONSTRUCTION Derek Coombor 5985 BANDEL RD NW ROCHESTER, MN 55901	US BANK NATIONAL ASSOCIATION 2800 East Lake St Minneapolis, MN 55408	C of O Issued	10/07/2014
10 Commercial Bldg	Alteration	R14-018203	6/17/2014 017966		11 SW 4 AVE, ROCHESTER, MN 55902	\$660,000	Remodel lower level - O'Day room, kitchen, restroom, stairwell, elevator, upper level conference room, fitness room, resident, stairwell, and main level building entrance, Southstar church entrance, lobby, and residence living area (Church of St. John the Evangelist)	JOHN HUGS 2227 7 ST NW ROCHESTER, MN 55901	CHURCH OF ST JOHN 114 AVE SW ROCHESTER, MN 55902	C of O Issued	6/19/2014
11 Multi-Family Bldg	Alteration	R14-000463	6/19/2014 009466		207 SW 5 AVE, ROCHESTER, MN 55902	\$5,000	Recessed ceiling bathroom to a shower instead of tub.	OPTIONAL CONSTRUCTION & REMODELING LLC DOUGLAS K BATZLAFF 3780 SPRING GREEN CT NE ROCHESTER, MN 55905 OWNER	NELSON CAROL M 207 5 AVE SW # 1005 ROCHESTER, MN 55902	Final	6/19/2014
12 Sign	Business	R14-000823	4/22/2014 013360		8 SULLY AVE, ROCHESTER, MN 55901	\$32,000	Install Sign/Emblem's Business - Double Inn & Suites	EMBLEM'S BUSINESS - DOUBLE INN & SUITES 100 2 AVE SW ROCHESTER, MN 55902	Emblem's Business Group 100 2 AVE SW ROCHESTER, MN 55902	Final	3/27/2014
13 Sign	Business	R14-000823	6/17/2014 017811		19 SW 1 AVE, ROCHESTER, MN 55902	\$2,240	Vertical sign (Kahler Grand - Dunkin Donuts)	OWNER	SUNSTONE KAHLER LLC 140 VANTIS STE 390 1818 VIEJO, CA 92449 Carlson, Ronald 881 8th Street SW Bloomington, MN 55978	Change	6/17/2014
14 Sign	Business	R14-000813	5/13/2014 006105		208 SW 2 ST, ROCHESTER, MN 55902	\$195	Business Sign - Neurological Recovery House	OWNER	Neurological Recovery House	Final	7/16/2014

DMC Report
 2014 Building Permits (2nd Quarter - April 1st to June 30th)
 Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)
 (Report updated 3-18-2018 to omit public buildings)

15	Sign	R14-005-6	5/29/2014(0178)1	15 SW 1 AVE, EIDCHESTER, MN 55902	\$1,000 (Penalty)	OWNER	WINSTON KAHLER LLC 120 VANTIS STE 300 ALBANY, CA 94589	Closed	6/17/2014
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\$5,100.00

DMC Report
 2014 Building Permits (1st Quarter - January 1st to March 31st)
Commercial Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

Sub-Type/Level	Category/Level	Permit Number	Permit Issue Date	Permit Number	Address Info	Permit Valuation	Work Description	Lot Prod	Owner	Current Permit Status	Current Permit Issue Date
1 Commercial Bldg	Alteration	R13-04360B	1/26/2014 017688		11 S BROADWAY, ROCHESTER, MN 55904	\$150,000	New tenant space (Limo/Bus/Walk-in University Square - 1st level)		RELIABLE CONTRACTORS, INC GARY NORRONE 8851 10 Ave SW ROCHESTER, MN 55902	C of O Issued	6/26/2014
2 Commercial Bldg	Alteration	R13-04602B	1/13/2014 011438		317 S BROADWAY, ROCHESTER, MN 55904	\$27,288	New tenant in existing space (Camera & Chandery)		ROCHESTER, MN 55902 CONSTRUCTION COLLABORATIVE 2211 SALEM RD SW ROCHESTER, MN 55902 Kahler Hospitality Group 202 2 Ave SW Rochester, MN 55902	C of O Issued	7/18/2014
3 Commercial Bldg	Alteration	R13-04542B	1/21/2014 017690		9 NW 2 AVE, ROCHESTER, MN 55901	\$250,000	Creol space alteration to restaurant (Fisher's Restaurant - Kahler Inn & Suites)		KEY BUILDERS, INC BRAD CLEMENS 7443 LEQUE DR SW ROCHESTER, MN 55904 OWNER	C of O Issued	6/22/2014
4 Commercial Bldg	Alteration	R14-00002B	3/4/2014 017812		20 SW 2 AVE, ROCHESTER, MN 55902	\$1,000	Amortization for new tenant on main level (Kahler Grand) - Cabal Plans		ROCHESTER, MN 55902 Dough Peterson Construction Box 6 Clear Lake, IA 50428 OWNER	C of O Issued	4/4/2014
5 Commercial Bldg	Alteration	R14-00282B	3/5/2014 025249		400 S BROADWAY, ROCHESTER, MN 55902	\$500,000	Mail installation for new tenant (Limo Limo)		ROCHESTER, MN 55902 Dough Peterson Construction Box 6 Clear Lake, IA 50428 OWNER	Finished	7/2/2014
6 Commercial Bldg	Alteration	R14-05192B	3/6/2014 017897		100 BW 1 AVE, STE# 209, ROCHESTER, MN 55902	\$22,800	New restaurant in food court (Azteca Express - Suite 209)		Sandra Cornap 10813 Ave SE ROCHESTER, MN 55904 SUNSTONE KAHLER LLC 1920 VANTIS STE 220 ALIS VELD, CA 94936	Finished	4/22/2014
7 Commercial Bldg	Alteration	R14-00222B	3/7/2014 017811		15 SW 1 AVE, ROCHESTER, MN 55902	\$495,000	New coffee and donut shop into existing space street level (Kahler Grand - Dunkin Donuts)		SCHOEPPNER, INC BRYAN SCHOEPPNER 1770 78 ST NE ROCHESTER, MN 55908 MISSION CONSTRUCTION INC JAY ALLEN 10821 INDUSTRIAL PARK BLVD PLYMOUTH, MN 55441 WENDELL DEBARK OWNER	C of O Issued	5/6/2014
8 Commercial Bldg	Alteration	R13-04552B	3/25/2014 014326		14 SW 2 ST, ROCHESTER, MN 55902	\$791,000	Interior renovation to existing tenant (Morgan Stanley - Landmark Building)		ROCHESTER, MN 55908 MISSION CONSTRUCTION INC JAY ALLEN 10821 INDUSTRIAL PARK BLVD PLYMOUTH, MN 55441 WENDELL DEBARK OWNER	C of O Issued	7/16/2014
9 Commercial Bldg	Finished Permit	R14-20122B	3/27/2014 014342		30 SE 3 ST	\$1,000,000	Partial phase structural steel with roof exterior wall panels and common area doors (Plaza on Mayo 3rd)		Task Stevenson 2227 7 ST NW ROCHESTER, MN 55901 GREENWOOD CONSTRUCTION RYAN SCHULTZ 5491 OREXWOOD CT SE ROCHESTER, MN 55904 OWNER	C of O Issued	3/27/2014
10 Multi-Family Bldg	Alteration	R14-20040FB	2/19/2014 017689		28 N BROADWAY AVE, ROCHESTER, MN 55906	\$5,000	Insulate and construct two interior curved but walls with foam insulation and sheetrock (Park Towers)		Task Stevenson 2227 7 ST NW ROCHESTER, MN 55901 GREENWOOD CONSTRUCTION RYAN SCHULTZ 5491 OREXWOOD CT SE ROCHESTER, MN 55904 OWNER	Finished	3/11/2014
	Business	R14-0011B	2/12/2014 017812		20 SW 2 AVE, ROCHESTER, MN 55902	\$10,000	Amortization for new tenant on main level (Mama Fu's Asian House - Kahler Grand)		ROCHESTER, MN 55902 SUNSTONE KAHLER LLC 202 2 Ave SW Rochester, MN 55902	Created	4/4/2014

DMC Report
 2013 Building Permits (4th Quarter - October 1st to December 31st)
 Consented Building Permits
 (Within DMC-Boundary: downtown-rochestearyo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Max. Description	Lic. Prof.	Owner	Current Permit Status	Current Permit Issued	Current Permit Status Date
1 Commercial Bldg	Alteration	R13-0382CB	10/22/2013	009151	422 7th St, Rochester, MN 55902	\$96,000	Interior walkway and stair guard replacement only (Best Western Soldiers Field - Bldg #9)	CONSTRUCTION COLLABORATIVE Grant Mielaszek	MARSH LLC 401 6 ST SW ROCHESTER, MN 55902	C of O Issued	10/29/2014	10/29/2014
2 Commercial Bldg	Alteration	R13-0383CB	10/22/2013	009196	419 SW 9 St, Rochester, MN 55902	\$85,000	Interior walkway and stair guards replacement only Best Western Soldiers Field - Bldg #7	CONSTRUCTION COLLABORATIVE Grant Mielaszek	MARSH LLC 401 6 ST SW ROCHESTER, MN 55902	C of O Issued	10/29/2014	10/29/2014
3 Commercial Bldg	Alteration	R13-0384CB	10/29/2013	017773	18 SW 3 St, Rochester, MN 55902	\$258,000	3rd floor fit-up for dental clinic unit #300 (Blue Sky Dental - Merchants Exchange)	WILE BUILDERS Todd Saverson	HAMILTON REAL ESTATE INC 1057 28 ST NW SUITE 200 ROCHESTER, MN 55901	C of O Issued	1/7/2014	1/7/2014
4 Commercial Bldg	Alteration	R13-0382CB	10/29/2013	001776	18 SW 3 St, Rochester, MN 55902	\$14,478	New office tenant in lower level (Zimmerman offices - Merchants Exchange Bldg - Unit 2)	ROCHESTER, MN 55901 Sara Combs Josh Sika	Amie Henderson 115 1/2 North Broadway Suite #5 ROCHESTER, MN 55905	C of O Issued	1/2/2014	1/2/2014
5 Commercial Bldg	Alteration	R13-0382CB	11/4/2013	017864	621 SW 7 Ave, Rochester, MN 55902	\$63,330	New tenant build out in suite 105 (Merchants Exchange Lab - Bio Business Center)	ROCHESTER, MN 55904 TODD SIKKES CONSTRUCTORS, INC JOHNSY WARDINE	ROCHESTER, MN 55905 Merchants Exchange Lab 221 1 Ave SW Suite 102	C of O Issued	1/6/2014	1/6/2014
6 Commercial Bldg	Alteration	R13-0435CB	12/16/2013	017808	150 8 BROADWAY, ROCHESTER, MN 55904	\$14,000	Minor wall alterations for cab shop - Tableside-Menor (Double Tree Hotel)	ROCHESTER, MN 55902 JULIE L. CONSTRUCTION, INC MARY JORDANE	ROCHESTER, MN 55902 6024 HOTEL, LLC 167 23 AVE SW # 108 ROCHESTER, MN 55902	C of O Issued	3/19/2014	3/19/2014
7 Multi-Family Bldg	Phased Permit	R13-0081APB	10/22/2013	013776	609 SW 7 St, Rochester 55902	\$150,000	Footings and Foundation with rough structure for 20-unit 4-story apartment building (The 700 - Air Commerce Dr SW Lots on 14)	ROCHESTER, MN 55902 KSY BUILDERS, INC BRIAN MCKER	MCKSHAY LLC 700 700 VICTOR DR NE EVOTA, MN 55924	Phased	6/28/2014	6/28/2014
8 Multi-Family Bldg	New	R13-0081APB	13/12/2013	017774	609 SW 7 St, Rochester 55902	\$1,700,000	New 25-unit 4-story apartment building with enclosed garage (The Lots on 14)	ROCHESTER, MN 55902 KSY BUILDERS, INC BRIAN MCKER	Topel and Sons, LLC 4037 25 ST NW Suite 200 Rochester, MN 55901	Phased	9/25/2014	9/25/2014

\$2,495,795

DMC Report
2013 Building Permits (Ord. Chapter - July 1st to September 30th)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)
 (Report updated 3-16-2016 to omit public buildings)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Per	Owner	Current Permit Status	Current Permit Status Date
1 Commercial Bldg	Alteration	R13-0191CB	7/12/2013 08:45:27	2822533-004827	4015 E 7 ST, ROCHESTER, MN 55902	\$319,559	Minor alterations to gas station (Holiday Store) (See 442)	Holiday Store Sara Alaph 4897 American Blvd West Bloomington, MN 55437 OWNER	Juday, Steve 4897 American Blvd West Bloomington, MN 55438	C of O Issued	3/16/2014
2 Commercial Bldg	Alteration	R13-0197CB	7/12/2013 08:49:45	215 SW 14 AVE, ROCHESTER, MN 55902	215 SW 14 AVE, ROCHESTER, MN 55902	\$39,000	Buildout of a spa (Heating Trough)	OWNER	1100 SECOND STREET ASSOC LLC 14088 2nd Street SW Rochester, MN 55902 Christopher Holway 928 S St SW ROCHESTER, MN 55902 Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	C of O Issued	11/13/2013
3 Commercial Bldg	Alteration	R13-0130CB	7/17/2013 01:43:06	519 S BROADWAY, ROCHESTER, MN 55904	519 S BROADWAY, ROCHESTER, MN 55904	\$4,000	Tenant (Rugs Press-Coffee and Tea Lounge)	OWNER	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	Final	7/28/2013
4 Commercial Bldg	Placed Partial Permit	R13-0231CB	7/17/2013 01:11:54	1217 SW 2 ST, ROCHESTER, MN 55902	1217 SW 2 ST, ROCHESTER, MN 55902	\$25,000	Interior demolition of flooring, ceiling and walls for a new restaurant in existing space (Tonic) See also flip permit #R13-0230CB.	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	Closed	11/5/2013	
5 Commercial Bldg	Alteration	R13-0192CB	7/25/2013 07:08:57	700 SW 1 AVE, STE# 20A, ROCHESTER, MN 55902	700 SW 1 AVE, STE# 20A, ROCHESTER, MN 55902	\$82,000	Tenant finish (Tonic Philly Sandwich - 1001 Ave Food Court) See also permit #R13-0094CB - Food Court expansion Reception, lobby room and file room alterations (S/Wed Nicolais)	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	C of O Issued	11/7/2013	
6 Commercial Bldg	Alteration	R13-0254CB	8/21/2013 01:17:81	102 S BROADWAY, ROCHESTER, MN 55904	102 S BROADWAY, ROCHESTER, MN 55904	\$30,000	Reception, lobby room and file room alterations (S/Wed Nicolais)	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	Final	10/24/2013	
7 Commercial Bldg	Alteration	R13-0290CB	8/22/2013 01:11:54	1217 SW 2 ST, ROCHESTER, MN 55902	1217 SW 2 ST, ROCHESTER, MN 55902	\$100,000	new restaurant in existing space (Tonic) See interior demolition permit #R13-0231CB	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	C of O Issued	11/6/2013	
8 Commercial Bldg	Alteration	R13-0270CB	9/19/2013 01:17:87	100 SW 1 AVE, STE# 20B, ROCHESTER, MN 55902	100 SW 1 AVE, STE# 20B, ROCHESTER, MN 55902	\$48,000	Tenant finish (1st Ave Food Court - Nippon Express - Ste 20B)	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	C of O Issued	11/7/2013	
9 Commercial Bldg	Alteration	R13-0282CB	9/19/2013 07:48:57	700 SW 1 AVE, ROCHESTER, MN 55902	700 SW 1 AVE, ROCHESTER, MN 55902	\$40,800	Tenant finish (1st Ave Food Court - Excess Juice Bar - Suite 202)	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	C of O Issued	10/28/2013	
10 Commercial Bldg	Alteration	R13-0295CB	9/29/2013 01:17:87	100 SW 1 AVE, ROCHESTER, MN 55902	100 SW 1 AVE, ROCHESTER, MN 55902	\$60,000	Tenant finish (1st Ave Food Court - Dum Bros / Hot Pot - Suite 201)	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	C of O Issued	11/6/2013	
11 Demolition	Demolition	R13-0277CB	9/19/2013 01:17:76	617 SW 1 ST, ROCHESTER, MN 55902	617 SW 1 ST, ROCHESTER, MN 55902	\$15,000	Demolition for the Loba Apartment	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	Final	6/28/2014	
12 Multi-Family Bldg	Alteration	R13-0258CB	8/6/2013 07:18:16	1816 SW 1 ST, ROCHESTER, MN 55902	1816 SW 1 ST, ROCHESTER, MN 55902	\$700,000	2 Extra Windows on 2nd floor BS apartment bedroom (rental)	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	Closed	8/14/2013	
13 Multi-Family Bldg	Alteration	R13-0257AFB	9/24/2013 09:44:46	825 SW 3 ST, ROCHESTER, MN 55902	825 SW 3 ST, ROCHESTER, MN 55902	\$63,000	installing new windows	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	Final	10/16/2013	
14 Residential Bldg	Alteration	R13-0256FB	8/29/2013 01:18:53	837 SW 3 AVE, ROCHESTER, MN 55902	837 SW 3 AVE, ROCHESTER, MN 55902	\$1,000	Wall construction in basement (Blue Sky Homes)	KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 Jenny Kane ROCHESTER, MN 55902 PHIL HOWARD CONSTRUCTION CHISHOLM MAURIPY TRUSTEE, JUDITH PO BOX G Tonic, Inc. 1817 2 ST SW ROCHESTER, MN 55902	Final	2/28/2014	

DMC Report
 2013 Building Permits (3rd Quarter - July 1st to September 30th)
 Commercial Building Permits
 (Within DMC Boundary, does not include Mayo Projects)
 (Report updated 3-16-2016 to omit public buildings)

Permit No.	Permit Type	Address	City	State	Zip	Value	Description	Owner	Contractor	Status	Completion Date
15	Residential Bldg	RTS-11817B	684 SW 3 AVE.	ROCHESTER, MN	55902	\$1,200	Alterations/Windows - remove (2) existing window (double hung), & install (2) new single casement windows to meet egress (RENTAL-3RD) on main level	BOBS CONSTRUCTION INC JAMIE STAUDACHER 4008 HWY 14 E ROCHESTER, MN 55904	BOBS CONSTRUCTION INC JAMIE STAUDACHER 4008 HWY 14 E ROCHESTER, MN 55904	Finished	10/24/2013
16	Residential Bldg	RTS-12817B	107 8th Ave.	ROCHESTER, MN	55904	\$14,751	RENTAL- Replaces 16 Windows	OWNER	OWNER	Finished	11/02/2013
17	Sign	RTS-0077S	818 SW 1 AVE.	ROCHESTER, MN	55902	\$12,285	Blank Sign (Metropolitan Market Place)	OWNER	OWNER	Ordered	11/28/2013
18	Sign	RTS-0078S	815 SW 1 AVE.	ROCHESTER, MN	55902	\$2,250	Freestanding Sign (Metropolitan Market Place)	OWNER	OWNER	Ordered	11/28/2013
19	Sign	RTS-0079S	848.000 Wall Signs	ROCHESTER, MN	55902	\$44,000	Wall Signs (Metropolitan Market Place)	OWNER	OWNER	Ordered	11/28/2013

\$629,770



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

March 31, 2016

Katie Clark Sieben
Commissioner
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite F-200
Saint Paul, MN, 55101-1351

Dear Commissioner Sieben:

Attached with this letter is Mayo Clinic's certification of qualified expenditures of the medical business entity for the Destination Medical Center (DMC) initiative for the period starting January 1, 2015 and ending December 31, 2015. The amount of qualified investment for this report is approximately \$85.7 million.

Overall, Mayo Clinic expended more than \$250.0 million on capital projects and equipment in Rochester in calendar year 2015. Major projects contributing to it include: Domitilla 3 Modernization, Saint Marys Mary Brigh East Bed Tower Expansion and addition to Superior Drive Support Center. Again, Mayo Clinic is taking a conservative approach this year when counting eligible investments and expenditures for purposes of meeting the DMC investment thresholds.

We look forward to working with the State of Minnesota, City of Rochester, Olmsted County and other stakeholders to strengthen our economy and further strengthen Minnesota's position as the world's premiere destination medical center.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey W. Bolton".

Jeffrey W. Bolton
Vice President, Administration
Mayo Clinic

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

Mayo Investments: 2015 Submission

Project/Equipment Name	Total Expenditures reported for 2015	Total Spent as of December 31st 2015	District
SDSC Expansion Construction Only	17,450,422.46	20,930,906.74	Outside District
Bed Tower Modernization MB east	11,053,196.76	14,839,697.91	St. Mary Place
Domitilla 3 Modernization	6,048,206.11	6,567,649.66	St. Mary Place
Neurology Renovation, Mayo 8	3,764,497.03	3,764,497.03	Heart of City
GE; DISCOVERY MR750 PET (Assets 149876, ,150145-150157, 150668-150670)	3,698,538.02	3,698,538.02	Heart of City
VARATHON MEDICAL; TRUE BEAM (Asset 162800)	2,895,908.00	2,895,908.00	Heart of City
Saint Marys Hospital Chiller Addition	2,623,112.47	2,964,932.31	St. Mary Place
SIEMENS; PRISMA 3T MRI and Accessories (Asset 157677, 157935-157946)	2,241,875.00	2,241,875.00	Heart of City
USPS Building Purchase (Asset 156757, 156758)	2,185,017.25	2,185,017.25	Outside District
GE; DISCOVERY 710 PET Scanner (Asset 148389)	2,103,046.58	2,103,046.58	Heart of City
Four Operating Rooms Off Core 700	2,074,097.12	3,082,756.73	St. Mary Place
Mary Brigh East Expansion	2,009,593.07	2,009,775.10	St. Mary Place
SIEMENS; SKYRA 3TMRI (Asset 157191, 157322-157339)	1,859,239.00	1,859,239.00	Heart of City
Employee and Community Health Southeast Clinic	1,834,724.04	4,326,200.60	Outside District
Somatom Force CT (Asset 157628)	1,831,372.00	1,831,372.00	Heart of City
SIEMENS; SOMATOM FORCE CT (Asset 149843)	1,750,000.00	1,750,000.00	Heart of City
PHILIPS; XPER FD20 (Assets 147302, 147339, 147392)	1,649,213.30	1,649,213.30	Heart of City
SIEMENS; DEFINITION EDGE CT (Asset 148622, 148623)	1,315,697.00	1,315,697.00	Heart of City
DOM 3/4 Infrastructure Revisions for Remodeling	1,286,328.61	1,959,447.05	St. Mary Place
CT MBM Incremental Interventional CT	1,250,604.70	1,250,604.70	Heart of City
DLIMP Phlebotomy Remodel	1,173,668.83	1,604,136.38	Heart of City
Executive, Development and International Program Expansion - Mayo East 5	1,047,756.53	1,389,567.71	Heart of City
Land for Ronald McDonald House (Asset 147588, 147589)	1,000,203.16	1,000,203.16	St. Mary Place

Mayo Investments: 2015 Submission

Project/Equipment Name	Total Expenditures reported for 2015	Total Spent as of December 31st 2015	District
SIEMENS MEDICAL; ARTIS ZEE (Asset 146871,146872)	985,408.00	985,408.00	Heart of City
SIEMENS; SOMATOM DEFINITION (Asset 164325)	862,578.20	862,578.20	Heart of City
SIEMENS; CT EDGE (Asset 163463)	856,459.02	856,459.02	Heart of City
MR-RO-CN-1-MR/PET installation	760,295.75	760,295.75	Heart of City
CT Scanner - 5yr (Asset 162815)	687,812.80	687,812.80	Heart of City
Vascular OR Core 801 SMH	661,076.59	661,076.59	St. Mary Place
GO3 Build 2 CT Bays	655,198.35	655,198.35	Heart of City
Incremental MRI Body Scanner	600,079.87	600,079.87	Heart of City
CH N Neuro Scanner CNI-119C	590,162.52	590,162.52	Heart of City
Mayo 8 - Lobby Remodel	498,399.33	498,399.33	Heart of City
Mary Brigh Electrical Upgrades (Phase 3)	456,479.17	1,884,351.84	St. Mary Place
CT Scanner Replacements (3L, 3Z & 4J) - somatom - CH 2	381,846.25	381,846.25	Heart of City
Cancer Center Station Eisenberg 4-3	359,522.31	359,522.31	Heart of City
Remodeling of multiple laboratories on Guggenheim 8	348,636.65	774,090.58	Heart of City
CMCT and Prev. Med. Relocation Gonda 18 to Mayo East 17	287,923.90	358,383.16	Heart of City
Gonda 5, 5th PET/CT Installation & Uptake	274,920.16	301,874.69	Heart of City
SMH Mary Brigh East Corridor Relocation	250,692.96	250,692.96	St. Mary Place
Renovation Mary Brigh Main, PACU - Phase 4	244,816.16	244,816.16	St. Mary Place
SMC, Mary Brigh Main NH, MR-MCR 1.5T Replacement Scanner	240,362.00	240,362.00	St. Mary Place
Dr. Lee Diamond Reactor Lab Remodel on Med Sci SL	219,387.21	219,387.21	Heart of City
Cardiac Catheterization Procedure Room 103 Remodel - Saint Marys, Mary Brigh 4	211,059.65	412,584.91	St. Mary Place
Creation of the consolidated freezer and BAP facility at the 2915 Warehouse	207,924.74	4,006,693.46	Outside District
Linear Acc Replace Rm "C"	185,937.00	185,937.00	Heart of City
CT Simulator I Replacement Charlton S-259, S-261	184,912.43	184,912.43	Heart of City
Rad Vascular Imaging Ste 90	144,461.29	144,461.29	Heart of City
Clinical Genome Sequencing, Lab Expansion	125,602.22	296,600.82	St. Mary Place
Remodeling within the Metabolomics Core on Alfred 5	112,927.03	611,703.48	St. Mary Place

Mayo Investments: 2015 Submission

Project/Equipment Name	Total Expenditures reported for 2015	Total Spent as of December 31st 2015	District
Charlton 2 Incremental 3T Body Scanner	76,577.92	76,577.92	Heart of City
2915 Warehouse Infrastructure	64,822.76	693,219.52	Outside District
SMC, Mary Brigh Main NV, Intraoperative Replacement Scanner	35,178.43	35,178.43	St. Mary Place
Psychiatry and Psychology Master Plan, Phase 1A - Generose Main	9,175.55	1,213,985.91	St. Mary Place
Remodeling within Opus 1 to accommodate space for a new CT machine.	1,350.00	480,162.90	Heart of City
Institute Hills Chiller Replacement	1,000.00	441,903.16	Outside District
Development Remodel	194.43	2,679,274.32	Heart of City
Sports Medicine Center	(7,228.89)	5,666,939.49	Heart of City
Dermatology Remodel	(13,537.50)	9,123,648.24	Heart of City
Totals	85,708,731.30	131,919,346.19	

Certification of Expenditures Destination Medical Center

For Calendar Year 2015

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

Pursuant to Minnesota Statutes, Section 469.47, the Medical Business Entity and the Destination Medical Center Corporation (DMCC) Board of Directors (assisted by the City of Rochester) respectively submit to the Department of Employment and Economic Development (DEED) the following expenditures that relate to the Destination Medical Center (DMC) Development for the calendar year 2015, and the information required to support the approved methodology provided in the City of Rochester/Commissioner of Employment and Economic Development State Infrastructure Aid Agreement (State Infrastructure Aid Agreement)

Expenditures Reported This Year

Total Expenditure Reported This Year by Medical Business Entity ¹	\$85,708,731
Total Expenditure Reported This Year for individuals and other private entities ^{1,2}	\$20,487,686
TOTAL Expenditures This Year	\$106,196,417

Cumulative Expenditures

Cumulative Previous Expenditures	\$46,210,615
Previous Qualified Expenditures (minus \$200,000,000 Required Initial Investment)	(\$153,789,385)
TOTAL Expenditures This Year (from above)	\$106,196,417
Cumulative Qualified Expenditures as of 12/31/15	(\$47,592,968)

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

General State Infrastructure Aid Qualified for (Cum. Qual. Exp. multiplied by .0275)	
State Transit Aid Qualified for (multiplied by .0075)	

By providing my signature below, I certify that the information state herein, to the best of my knowledge, is accurate, true, and complies with the provisions of Minnesota Statutes, Section 469.47 and the approved methodology as outlined in the State Infrastructure Aid Agreement.

For Expenditures by the Medical Business Entity:



 Mayo Clinic Chief Financial Officer

3/24/2016

 Date

For all other Expenditures:



 Destination Medical Center Corporation

3-30-2016

 Date

¹ Expenditures need to be after June 30, 2013
² Private expenditures for the period of July 1, 2013 - December 31, 2015, after adoption of the Development Plan. Certain additional expenditures for this time period are currently under discussion with DEED, and may be included in the certification for calendar year 2016.

July 13, 2016

Ardell F. Brede, Mayor
City of Rochester
201 4th Street SE – Room 281
Rochester, MN 55904-3782

Dear Mayor Brede:

Thank you for submitting the 2015 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.

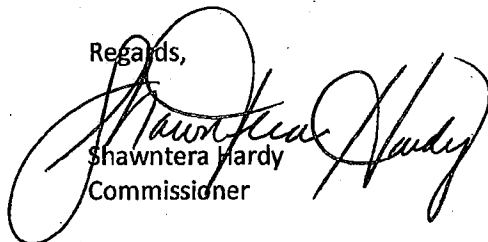
Your certification listed \$9,846,771.68 in city contributions between July 1, 2013 and December 31, 2015. You provided a detailed listing of 765 expenditures. These expenditures consisted of direct DMC expenses paid by the city as well as DMC Corporation and DMC Economic Development Authority expenses paid for by the city. From that list, DEED randomly selected 17 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.

While the amount of your contributions qualifies you for \$25.1 million, expenditures from Mayo Clinic and others has not surpassed the minimum \$200 million. Your contributions will be credited towards future years.

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

Regards,



Shawntera Hardy
Commissioner

C: Tina Smith, Chair of Destination Medical Center Corporation
Jeff Bolton, Chief Administrative Officer Mayo Clinic
Patricia Simmons, Chair of Economic Development Agency Board of Directors
Lisa Clarke, Economic Development Agency Executive Director

Economic Development Division

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-1351 USA ■ www.mn.gov/deed

Toll Free: 800-657-3858 ■ Phone: 651-259-7114 ■ Fax: 651-296-5287 ■ TTY: 651-296-3900

Minnesota

Department of Employment and Economic Development

July 13, 2016

Tina Smith, Chair
Destination Medical Center Corporation
4720 West Lake Harriet Parkway
Minneapolis, MN 55410

Jeff Bolton, Chief Administrative Officer
Mayo Clinic
200 First Street SW
Rochester, MN 55905

Dear Ms. Smith and Mr. Bolton:

Thank you for submitting the 2015 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 \$85,708,731 in Mayo Clinic expenditures and \$20,487,666 in other expenditures. The Mayo Clinic provided DEED with information on all invoices and payments to account for their certification amount. They also provided an independent third party report from RSM US LLP stating the law and procedures for certifying expenditures which are being followed properly. Additionally, DEED staff reviewed invoices and payments in your certification. We selected 62 of your listed expenditures totaling more than \$8.5 million. We selected one expenditure from each of the 62 projects listed. All invoices for the selected expenditures were on file and payments were made in a timely fashion. DEED staff also confirmed that all 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 100 construction permits that were filed to account for the \$20,487,666 in other expenditures. DEED randomly selected 10 permits and was provided the permit application, permit, project closeout, and map of projects. From this information, DEED confirmed the projects' values, dates, eligibility, and completion.

As required by law, I have determined that the amount of 2015 Destination Medical Center expenditures is \$106,196,397 as you certified. DMC cumulative expenditures are now \$152,407,012. The \$200 million cumulative expenditure threshold has not been met and the state will not be investing funds for public infrastructure or transit this year. The expenditures will be credited towards future years for this purpose.

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

Regards,


Shawntera Hardy
Commissioner

Economic Development Division

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AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER

**C: Patricia Simmons, Chair of Economic Development Agency Board of Directors
Lisa Clarke, Economic Development Agency Executive Director
Gary Neumann, City of Rochester**