

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 48- 2017

Adopting Modification Number 1 to the Development Plan

The following Resolution was offered by Ardell Brede, seconded by Susan Park Rani.

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 (the “Development Plan”).
- B. The DMCC also adopted a geographic area in the City identified in the Development Plan, in which public infrastructure projects are implemented as the Destination Medical Center development district (the “Development District”).
- C. The City and the EDA received a request for a modification to the Development District, set forth in Exhibit A, attached (the “Proposed Development District Modification” or “Modification Number 1”).
- D. Pursuant to Resolution 42-2016, the DMCC submitted the Proposed Development District Modification to the City for its consideration and action.
- E. The City of Rochester Common Council approved the Proposed Development District Modification in a Resolution passed and adopted on December 19, 2016. A copy of that Resolution is attached hereto as Exhibit B.
- F. On November 14, 2016, the DMCC made copies of the Proposed Development District Modification available to the public at the DMCC, City, and EDA offices during normal business hours, and on the websites of the DMCC, the EDA, and the City. On January 26, 2017, the DMCC published notice of a public hearing scheduled for February 8, 2017 in the *Rochester Post-Bulletin*, the official newspaper of the City. The DMCC received written comments through February 2, 2017.
- G. In Resolution 44-2016, the DMCC approved the public infrastructure project associated with the Proposed Development District Modification as consistent with the Development Plan.
- H. With the benefit of input from the public, including the opportunity for written comments and public testimony, and comments from the City, EDA staff, and officials, the DMCC makes the following findings of fact and resolution.

FINDINGS OF FACT

1. The Proposed Development District Modification relates only to the geographic boundary of the Development District and does not otherwise amend the Development Plan. Accordingly, findings 2, 3, and 6 of the DMCC in Resolution A-2015, dated April 23, 2015 concerning the Development Plan, are hereby incorporated by reference.

2. The Proposed Development District Modification is consistent with the Development Plan, advancing the goals and development to support the destination medical center framework.

3. The Proposed Development District Modification affords maximum opportunity, consistent with the needs of the City, Olmsted County, and the State, for the development of the City by private enterprise as a destination medical center.

4. The Proposed Development District Modification conforms to the general plan for the development of the City and is consistent with the City Comprehensive Plan.

5. In the Resolution passed and adopted on December 19, 2017, the City approved the Proposed Development District Modification.

6. On February 8, 2017 at 9:30 AM, the DMCC held a meeting and public hearing to receive public input and to consider the Proposed Development District Modification. The DMCC published notice of the hearing at least ten days in advance in the *Rochester Post-Bulletin*. The DMCC also received written comments through February 2, 2017.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED by the Destination Medical Center Corporation Board of Directors that the Proposed Development District Modification, or Modification Number 1, attached as Exhibit B hereto, is adopted.

BE IT FURTHER RESOLVED that the DMCC Chair, Vice Chair or Treasurer are authorized to take such other actions as are necessary and appropriate to effectuate the adoption of the Proposed Development District Modification.

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

EXHIBIT A

ORIGINAL CORRESPONDENCE FROM ALATUS, LLC



Alatus, LLC
800 Nicollet Mall, Suite 2850
Minneapolis, Minnesota 55402

October 18, 2016

DMC Corporation
Attn.: Board Members
195 South Broadway, Suite 12
Rochester, Minnesota 55902

Dear DMC Corporation Board Members:

Alatus is formally requesting an amendment to the DMC Boundary limits to include the additional parcels proposed for the Alatus 2nd Street Development footprint. A significant portion of the proposed project, approximately sixty-five percent (65%), is already located within the St. Mary's Place DMC sub-district. To provide a visual reference of the proposed development footprint, an aerial of the site plan has been attached to the end of this letter. The applicant is requesting this boundary adjustment to develop a mixed-used, high-quality, precedent setting project serving as a gateway into the overall DMC Development District, which will adhere to various stakeholders' requests for a quality, sustainable, community-oriented development. Because Alatus will be requesting funds through the DMCC and City of Rochester Joint Funding Application, it is necessary that the entirety of the development and the parcels it includes be within the DMC Boundary. The applicant has been working closely with both the City and DMC EDA staffs to develop a project that meets the DMC Plan Goals and Objectives. It is also important to note that the current property owners of all fourteen (14) land parcels are under purchase agreement with Alatus.

The Alatus 2nd Street Development has been proposed with high-quality materials, similar to that of the Alatus Latitude 45 apartment development in Minneapolis which several people of the Rochester community visited during the DMC's "*St. Mary's Place Planning: Site Visit to Twin Cities*" event. The project presents a new level of quality of rental housing the city of Rochester has yet to experience; thus it is an untested product which market research supports as a demanded lifestyle. Given this quality of development, the overall project cost is estimated to be approximately \$115mm. The overall design situates a 13-story residential building within the existing block and is respectful to its residential neighbors in terms of height, massing, ground level circulation and landscaping. While dense, the development seeks to create a human scale to the ground floor so as to engage the community, residents, visitors, patients, and employees alike. The building will include apartment and townhome rental housing, retail space, a neighborhood restaurant, office incubator space, and a fully enclosed parking garage occupied solely by the building's tenants. The project will support the residents' sustainable living experience by meeting

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LEED standards and incorporating energy-efficient appliances, low-flow water fixtures, low-VOC paints and building-wide recycling practices. In addition, the proposed Alatus project provides a highly-activated pedestrian experience which will exceed the DMC and City of Rochester's landscaping usage goals and streetscape requirements.

To provide some background of our progress thus far, the Alatus 2nd Street Development has received its preliminary phase Restricted Development approval from the City and submitted our Final Phase Restricted Development Application on October 12, 2016. The Planning Commission review on the Final Phase is scheduled to be held on November 9, 2016 followed by the final City Council hearing scheduled for December 19, 2016, at which time it is anticipated that the Council would provide approval of the Development Assistance Agreement as well as approval of the boundary adjustment. The final step of the approval process would be held at the DMCC Board Meeting to be scheduled in January 2017, to approve the boundary adjustment. The DMCC Board will be requested to give its approval to the project at their meeting on December 15, 2016, contingent upon the final approval of the boundary modification in January. The DMCC Board needs to approve the project before the City Council grants their approval. Conversely the City Council needs to approve the boundary modification before the DMCC Board approves that.

We greatly appreciate your review and consideration of the boundary adjustment for the Alatus 2nd Street Development project. Should you have any questions, please feel free to contact me at (612) 201-8487 or via cbosmundson@alatusllc.com.

Best Regards,

Chris Osmundson

Chris Osmundson
Development Director
Alatus, LLC

Enclosure – Aerial of Alatus 2nd Street Development Site

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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
CITY RESOLUTION

RESOLUTION

BE IT RESOLVED by the Common Council of the City of Rochester that, pursuant to Minn. Stat. §469.43, the City approve of the modification of the Destination Medical Center Development District Boundary as shown on the attached Exhibit A.

The Mayor and City Clerk are authorized to execute any documents needed to implement this resolution.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF
ROCHESTER, MINNESOTA, THIS 19th DAY OF December, 2016.

Randy Haver
PRESIDENT OF SAID COMMON COUNCIL

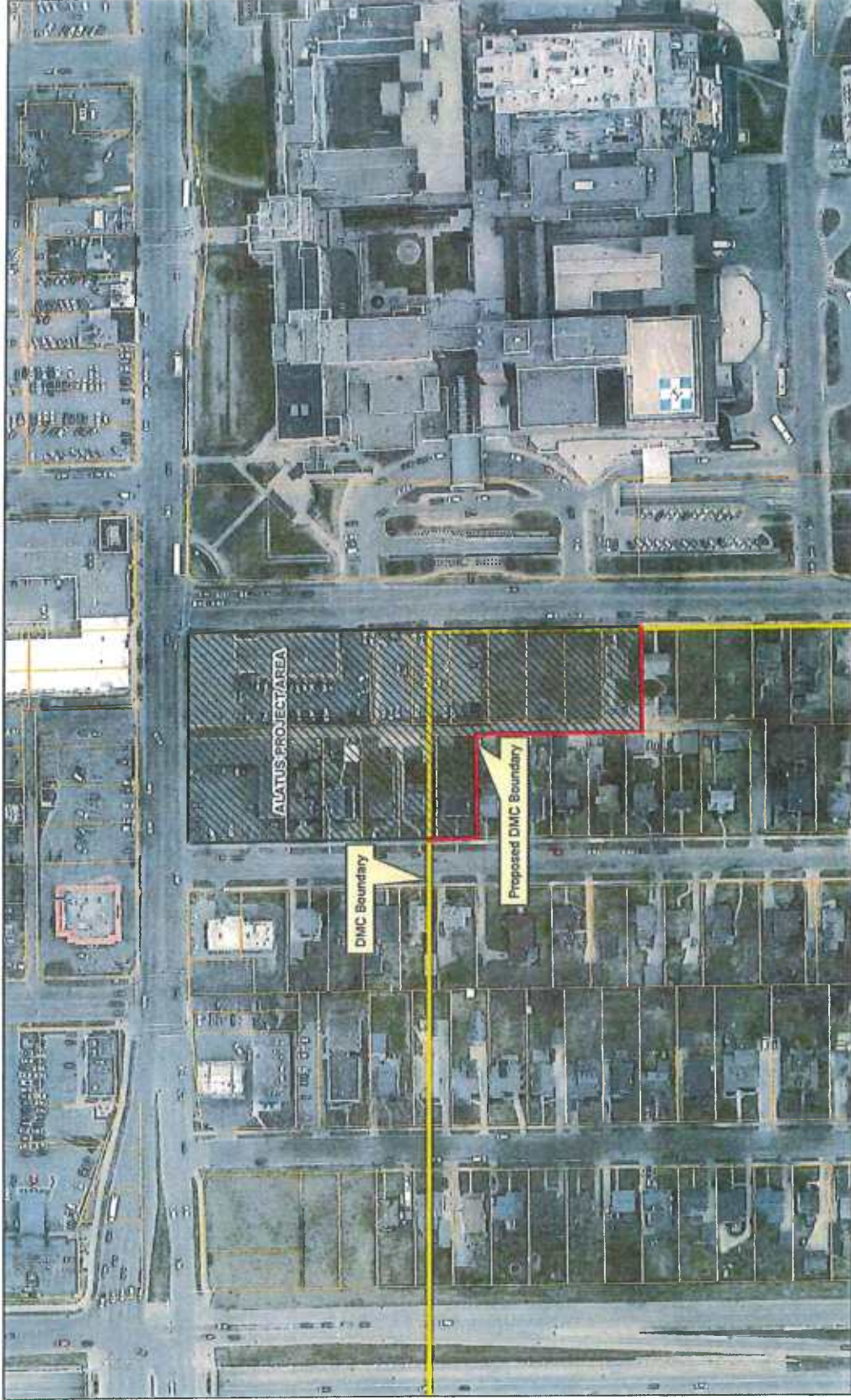
ATTEST: *Valori Yangsuth*
CITY CLERK

APPROVED THIS 23rd DAY OF December, 2016.

Walter F. Bieda
MAYOR OF SAID CITY



EXHIBIT A



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