

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

RESOLUTION NO. EC-1-2017

Authorizing April 1 Report to DEED Pursuant to Statute

The following Resolution was offered by Tina Smith, seconded by James V. Bier.

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. By August 1 of each year, DEED must determine the amount of expenditures for the previous year.

B. Staff from the City of Rochester and the Destination Medical Center Economic Development Agency (“EDA”) have prepared the draft report, due on April 1, 2017, attached hereto as Exhibit A.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Destination Medical Center Corporation Board of Directors that the Chair or Treasurer of the DMCC is authorized to execute and submit the report to the Minnesota Department of Employment and Economic Development as required by Minnesota Statutes, Section 469.47, in 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.

The question was on the adoption of the Resolution and there were 3 YEAS and 0 NAYS, as follows:

EXECUTIVE COMMITTEE

Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
James V. Bier	<u>X</u>	_____	_____
R. T. Rybak	<u>X</u>	_____	_____
Tina Smith	<u>X</u>	_____	_____

RESOLUTION ADOPTED on March 23, 2017.

ATTEST:



Tina Smith, Chair
Destination Medical Center Corporation

EXHIBIT A

Certification of Expenditures Destination Medical Center

For Calendar Year 2016

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 2016, 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 for 2016 by Medical Business Entity ¹	\$107,211,567
Total Expenditure Reported for 2016 for individuals and other private entities ^{1,2}	\$38,089,951
TOTAL Expenditures for This Year	\$145,301,518

Cumulative Expenditures

Cumulative Previous Expenditures	\$152,407,032
Previous Qualified Expenditures (Cumulative Previous Expenditures less \$200,000,000 Required Initial Investment)	\$(47,592,968)
TOTAL Expenditures This Year (from above)	\$145,301,518
Cumulative Qualified Expenditures as of 12/31/16	\$297,708,550

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

General State Infrastructure Aid Qualified for (Cumulative Qualified Expenditures less \$200,000,000 Required Initial Investment multiplied by .0275)	\$2,686,985
State Transit Aid Qualified for (Cumulative Qualified Expenditures less \$200,000,000 Required Initial Investment multiplied by .0075)	\$732,814

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

Date

For all other Expenditures:

Destination Medical Center Corporation

Date

¹ Expenditures need to be after June 30, 2013.

² Private expenditures for the period of July 1, 2013 – December 31, 2016, 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 2017.

Building Permits within DMC Boundary

(Does not include Mayo Projects)

Year	Completed
2013	\$ 8,500.00
2014	\$ 3,500.00
2015	\$ 5,537,282.00
2016	\$ 1,330,873.00
TOTAL	\$ 6,880,155.00

2016 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2016
		Partial Completed Work Claimed
1st Avenue Flats	400 NW 1 Avenue	\$ 4,976,244.00
Lofts at Mayo Park	123 SE 6 Avenue	\$ 6,347,552.97
501 on First	501 SW 1 Avenue	\$ 12,534,186.96
Flats on 4th (Buckeye)	412 SE 3 Avenue	\$ 8,906,937.40

Total for 2016 \$ **32,764,921.33**
 Dollar Value of building permits finalized in 2016 \$ **1,555,125.00**
 Dollar amount submitted for partial work in 2016 \$ **31,209,796.33**

TOTAL \$ 38,089,951.33

2013 Building Permits (Entire Year)
COMPLETED BUILDING PERMITS (Completed since the 2015 reports but prior to 12/31/2016)
 (Within DMG 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	2016 Permit Status	2016 Permit Status Date	Current Permit Status	Current Permit Status Date
1	Residential Bldg	R13-1656RB	12/31/2013	006381	818 SW 1 ST, ROCHESTER, MN 55902	\$8,500	10 replacement windows in bedrooms on 2nd and 3rd floor. Removing existing fire escape.	GREENWOOD CONSTRUCTION RYAN SCHULTZ 8401 GREENWOOD CT SE ROCHESTER, MN 55904	WOMEN'S SHELTER INC PO BOX 487 ROCHESTER, MN 55903	Issued	12/31/2013	Finished	8/24/2014 (did not show up prior because of a script issue)

\$8,500

2014 Building Permits (Entire Year)
COMPLETED BUILDING PERMITS (Completed since the 2015 reports but prior to 12/31/2016)
 (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	2016 Permit Status	2016 Permit Status Date	Current Permit Status	Current Permit Status Date
1	Commercial	R14-0004D	5/7/2014	012844	723 SW 2 ST, ROCHESTER, MN 55902	\$2,500	Demo of Melissa's on 2nd	OWNER	SCHUSTER, CURTIS J 40695 STATE HWY 109 EASTON, MN 56026	Issued	5/7/2014	Finalized	1/25/2016
2	Business	R14-0078S	6/5/2014	014315	4 SW 3 ST, ROCHESTER, MN 55902	\$1,000	Projecting sign (Santas Restaurant)	OWNER	Leung, Iessa 720 NORTHERN HILLS DR NE ROCHESTER, MN 55906	Issued	6/5/2014	Finalized	2/17/2016

\$3,500

2015 Building Permits (ENTIRE YEAR)
 COMPLETED BUILDING PERMITS
 (Completed since the 2015 reports but prior to 12/31/2016)
 (Within DMK 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	2016 Permit Status	2016 Permit Status Date	Current Permit Status	Current Permit Status Date
2 Commercial Bldg	Alteration	R14-0451CB	1/21/2015	014315	4 SW 3 ST, ROCHESTER, MN 55902	\$128,082	Alterations to existing restaurant to include a brewery and bar (Grand Rounds Brew Pub)	KRAUS-ANDERSON CONSTRUCTION John Frelash 416 S BROADWAY ROCHESTER, MN 55904 OWNER	INDIGO FUSION HOLDINGS LLC 720 NORTHERN HILLS DR NE ROCHESTER, MN 55906	Issued	4/22/2015	C of O Issued	2/24/2016
3 Commercial Bldg	Alteration	R14-0291CB	1/21/2015	017865	101 E CENTER ST, ROCHESTER, MN 55904	\$60,000	Alterations for three new rooms on main level and one in the lower level. Update past violations as per letters of investigation. Adding showers in 18 rooms and existing plumbing alterations for 32 other rooms (Center Street Hotel)	ALVIN E BENIKE, INC Mike E BENIKE 2960 W Hwy 14 ROCHESTER, MN 55901	Andrew Frederichs 10917 110 St SE Chalfield, MN 55923	Issued	1/21/2015	C of O Issued	9/16/2016
4 Commercial Bldg	Alteration	R15-0322CB	12/14/2015	026242	14 SW 4 ST, ROCHESTER, MN 55902	\$2,000,000	Restoration and change of use to existing building (Conley Building)	HIMEC, INC Joe Beckel 1400 7 St NW ROCHESTER, MN 55901	CMD HOLDINGS LLC 2203 BAIHLY HILLS DR SW ROCHESTER, MN 55902	Issued	12/14/2015	C of O Issued	9/16/2016
5 Multi-Family Bldg	Phased Permit	R15-0008MFB	2/6/2015	017969	22 N BROADWAY AVE, ROCHESTER, MN 55906	\$4,500	Partial phase interior demolition for - Alterations of existing mechanical room, replace ceiling in commons (Park Towers)	HIMEC, INC Joe Beckel 1400 7 St NW ROCHESTER, MN 55901	Park Towers 22 North Broadway Rochester, MN 55906	Issued	2/6/2015	Finalled	5/9/2016
6 Multi-Family Bldg	Alteration	R15-0005MFB	2/19/2015	017969	22 N BROADWAY AVE, ROCHESTER, MN 55906	\$250,000	Alterations of existing mechanical room, replace ceiling in commons (Park Towers)	HIMEC, INC Joe Beckel 1400 7 St NW ROCHESTER, MN 55901	Park Towers 22 North Broadway Rochester, MN 55906	Issued	2/19/2015	Finalled	8/29/2016
7 Commercial Bldg	New	R15-0087CB	6/8/2015	012844	723 SW 2 ST, ROCHESTER, MN 55902	\$1,201,875	New dental office with 3 apartments (Altaeast LLC)	TLS COMPANIES Todd Severson 1851 Kerry Dr NE ROCHESTER, MN 55904	ALTAEAEST LLC 1409 WOODLAND DR SW ROCHESTER, MN 55902	Issued	6/8/2015	C of O Issued	9/15/2016
8 Multi-Family Bldg	Phased Permit	R15-0053MFB	6/3/2015	017699	501 SW 1 AVE, ROCHESTER, MN 55902	\$1,555,125	Partial phase footing and foundation, U/G plumbing and electrical only - 84 unit apartment with underground parking (501 on 1st Apartments)	KRAUS-ANDERSON CONSTRUCTION CO Adam Kramer 416 S BROADWAY ROCHESTER, MN 55904	MK DOWNTOWN LLC PO BOX 283 NEW HAMPTON, IA 50659	Issued	8/3/2015	Finalled	9/2/2016
9 Commercial Bldg	Alteration	R15-0335CB	10/22/2015	014442	30 SE 3 ST 201, ROCHESTER, MN 55904	\$155,000	Alterations for office space (Carlson Capital Management - Historic on 3rd)	Carlson Capital Management Brian Moser 30 3 St SE Suite 800 Rochester, MN 55904	Carlson Capital Management 118 4 ST SE Hastings, MN 55033	Issued	10/22/2015	C of O Issued	3/23/2016
10 Commercial Bldg	Alteration	R15-0333CB	10/29/2015	081808	210 N BROADWAY AVE, ROCHESTER, MN 55906	\$12,500	Alterations to existing space for new tenant (G & A Signs)	Horizon Retail Construction, Inc. John Matthews 1500 Horizon Dr. Sturtevant, WI 53177	Andy Anderson 2107 6 Ave ROCHESTER, MN 55902	Issued	10/29/2015	C of O Issued	4/20/2016
11 Commercial Bldg	Alteration	R15-0393CB	11/9/2015	017682	150 S BROADWAY AVE, ROCHESTER, MN 55904	\$46,000	Alterations to existing skyway restrooms (Doubletree Hotel)	SCHWAB LLC Mike Hansen 1530 Greenview Dr SW St 109 Rochester, MN 55902	Marquis Hospitality 150 South Broadway ROCHESTER, MN 55904	Issued	11/9/2015	Finalled	2/26/2016
12 Demolition	Commercial	R15-0023D	12/4/2015	018477	411 N BROADWAY AVE, ROCHESTER, MN 55906	\$83,000	Removal of two story building	FRUETT, MICHAEL A 4012 5 PL NW ROCHESTER, MN 55901	FRUETT, MICHAEL A 4012 5 PL NW ROCHESTER, MN 55901	Issued	12/4/2015	Closed	10/18/2016
13 Demolition	Commercial	R15-0024D	12/4/2015	081852	420 NW 1 AVE, ROCHESTER, MN 55901	\$30,000	Demolition of one story building	INVERWOOD LLC 7648 LYNDALE AVE S MINNEAPOLIS, MN 55423	INVERWOOD LLC 7648 LYNDALE AVE S MINNEAPOLIS, MN 55423	Issued	12/4/2015	Closed	10/18/2016
14 Demolition	Commercial	R15-0025D	12/4/2015	081852	410 NW 1 AVE, ROCHESTER, MN 55901	\$30,000	Demolition of one story tax building	INVERWOOD LLC 7648 LYNDALE AVE S MINNEAPOLIS, MN 55423	INVERWOOD LLC 7648 LYNDALE AVE S MINNEAPOLIS, MN 55423	Issued	12/4/2015	Closed	10/18/2016
15 Sign	Business	R15-0150S	10/20/2015	025590	711 S BROADWAY AVE, ROCHESTER, MN 55904	\$5,500	Wall Signs "RUNNING ROOM LTD"	OWNER	ALBERTA, CANADA, 10E5P3	Issued	10/20/2015	Finalled	2/8/2016
16 Sign	Business	R15-0140S	11/24/2015	017773	18 SW 3 ST, ROCHESTER, MN 55902	\$4,000	Wall sign "tube sky DENTAL Cosmetic & Family Dentistry"	OWNER	LANGTON, DIANE	Issued	11/24/2015	Finalled	2/8/2016

\$5,637,282

2016 Building Permits (Entire Year)
COMPLETED BUILDING PERMITS (Completed prior to 12/31/2016)
 (Within DMC boundary, does not include Mayo Projects or City/County 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
1 Commercial Bldg	Alteration	R16-0009CB	2/24/2016	078775	421 SW 1 AVE, ROCHESTER, MN 55902	\$40,000	Alterations for new conference room (Premier Bank)	ALVIN E BENIKE, INC Levi E Kaiser ROCHESTER, MN 55901	PREMIER BANK ROCHESTER 421 1 AVE SW # 100 ROCHESTER, MN 55902	Finalized	3/25/2016
2 Commercial Bldg	Alteration	R16-0073CB	3/11/2016	079882	300 SE 3 AVE, UNIT# 205, ROCHESTER, MN 55904	\$6,500	Alterations for existing office space (Robert Fleming offices - Ironwood Square Bldg)	R FLEMING CONSTRUCTION INC ROBERT FLEMING 2707 OAKVIEW LN NE ROCHESTER, MN 55906	ROBERT FLEMING 2707 Oakview Ln NE ROCHESTER, MN 55906	Finalized	4/7/2016
3 Commercial Bldg	Alteration	R16-0007CB	3/11/2016	009274	512 SW 3 ST, ROCHESTER, MN 55902	\$55,000	Alterations to existing kitchen (First Presbyterian Church)	ROK Enterprises, LLC Ron Kreinbring 3633 Garnet Ridge Dr NE Rochester, MN 55906	FIRST PRESBYTERIAN CH 512 3 ST SW ROCHESTER, MN 55902	Finalized	8/24/2016
4 Commercial Bldg	Phased Partial Permit	R16-0445CB	3/16/2016	014310	313 S BROADWAY AVE, ROCHESTER, MN 55904	\$201,528	Partial phase whitebox for interior stairways and MEP, no tenant finishes (GKH2 Bldg - Palme)	CONSTRUCTION COLLABORATIVE Grant Michaletz 320 S BROADWAY ROCHESTER, MN 55904	GKH2 HOLDINGS LLC 320 BROADWAY S ROCHESTER, MN 55904	Closed	10/17/2016
6 Commercial Bldg	Alteration	R16-0138CB	4/19/2016	079185	318 SW 1 AVE, ROCHESTER, MN 55902	\$36,414	Alterations to construct 2 spaces with walls (318 Commons - UMR - 2)	STARR CONSTRUCTION INC. DBA CONSTRUCTION COLLABORATIVE Jerry Ruigere 320 S BROADWAY ROCHESTER, MN 55904	GH HOLDINGS LLC 320 SOUTH BROADWAY ROCHESTER, MN 55904	Finalized	8/22/2016
7 Commercial Bldg	Alteration	R16-0077CB	4/20/2016	081056	222 SW 6 AVE, ROCHESTER, MN 55902	\$250,000	Alterations to existing fellowship hall (Trinity Lutheran Church)	ALVIN E BENIKE, INC Mary E Kisilewski 2960 W Hwy 14 ROCHESTER, MN 55901	TRINITY EVANGELICAL LUTHERAN CHURCH 222 6 AVE SW ROCHESTER, MN 55902	C of O issued	8/30/2016
8 Commercial Bldg	Alteration	R16-0119CB	4/22/2016	017667	216 SW 1 AVE, ROCHESTER, MN 55902	\$1,000	Exterior support for a new type 1 kitchen hood and duct (City Caf6)	SUPERIOR MECHANICAL, INC. Mike Nordstrom 1244 60 Ave NW Sullie C Rochester, MN 55901	Creative Cuisine 212 1 AVE SW ROCHESTER, MN 55902	Finalized	5/20/2016
9 Commercial Bldg	Alteration	R16-0072CB	4/26/2016	014310	313 S BROADWAY AVE, ROCHESTER, MN 55904	\$102,134	Second floor tenant finish for facility offices(U of M - Payne Bldg)	CONSTRUCTION COLLABORATIVE Grant Michaletz 320 S BROADWAY ROCHESTER, MN 55904	GKH2 HOLDINGS LLC 320 BROADWAY S ROCHESTER, MN 55904	C of O issued	10/19/2016
10 Commercial Bldg	Addition	R16-0068CB	4/26/2016	014310	313 S BROADWAY AVE, ROCHESTER, MN 55904	\$212,097	Installation of a skyway from 313 South Broadway to 318 1 Ave SW Building (GKH2 Bldg - Palme)	CONSTRUCTION COLLABORATIVE Grant Michaletz 320 S BROADWAY ROCHESTER, MN 55904	GKH2 HOLDINGS LLC 320 BROADWAY S ROCHESTER, MN 55904	Finalized	10/17/2016
11 Commercial Bldg	Phased Partial Permit	R16-0202CB	6/6/2016	078775	421 SW 1 AVE, ROCHESTER, MN 55902	\$5,000	Interior demolition - Alterations to existing office space (Dunham Engineering)	RELIABLE CONTRACTORS, INC GARY NORDINE 6851 10 Ave SW ROCHESTER, MN 55902	Jay Roikohl 18 3 St SW ROCHESTER, MN 55902	Closed	7/14/2016
12 Commercial Bldg	Alteration	R16-0201CB	6/16/2016	078775	421 SW 1 AVE 201, ROCHESTER, MN 55902	\$51,000	Alterations to existing office space (Dunham Engineering)	RELIABLE CONTRACTORS, INC GARY NORDINE 6851 10 Ave SW ROCHESTER, MN 55902	Jay Roikohl 18 3 St SW ROCHESTER, MN 55902	C of O issued	7/15/2016
13 Commercial Bldg	Alteration	R16-0281CB	8/26/2016	081707	20 SW 2 AVE 172, ROCHESTER, MN 55902	\$25,000	Alterations for an eye care office space (Huber Eye Care - Kahler Grand Hotel)	TLS COMPANIES Spencer Holmen 1951 Kerry Dr NE Rochester, MN 55906	KAH 20 2ND AVENUE LLC 20 2 AVE SW ROCHESTER, MN 55902	C of O issued	10/24/2016

