

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 58-2018

Authorizing April 1 Report to DEED Pursuant to Statute

The following Resolution was offered by James Bier, seconded by Michael Dougherty.

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, 2018, attached hereto as Exhibit A.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by 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 7 YEAS and 0 NAYS, as follows:

BOARD OF DIRECTORS
Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
Dana L. Bailey	_____	_____	_____
James V. Bier	<u> X </u>	_____	_____
Ardell F. Brede	<u> X </u>	_____	_____
James R. Campbell	<u> X </u>	_____	_____
Michael E. Dougherty	<u> X </u>	_____	_____
Mark Hickey	<u> X </u>	_____	_____
R.T. Rybak	<u> X </u>	_____	_____
Paul D. Williams	<u> X </u>	_____	_____

RESOLUTION ADOPTED on March 22, 2018.

ATTEST: _____



R.T. Rybak, Chair
Destination Medical Center Corporation

EXHIBIT A

Certification of Expenditures Destination Medical Center

For Calendar Year 2017

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 2017, 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 2017 by Medical Business Entity ¹	\$86,392,524
Total Expenditure Reported for 2017 for individuals and other private entities ^{1,2}	\$44,739,613
TOTAL Expenditures for This Year	\$131,132,137

Cumulative Expenditures

Cumulative Previous Expenditures	\$297,708,550
Previous Qualified Expenditures (Cumulative Previous Expenditures less \$200,000,000 Required Initial Investment)	\$97,708,550
TOTAL Expenditures This Year (from above)	\$131,132,137
Cumulative Qualified Expenditures as of 12/31/17	\$428,840,687

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)	\$6,293,119
State Transit Aid Qualified for (Cumulative Qualified Expenditures less \$200,000,000 Required Initial Investment multiplied by .0075)	\$1,716,305

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, 2017, 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 2018.

2017 Tracking Worksheet

Building Permits within the DMC Boundary

(Does not include Mayo Projects)

Year	Completed
2015	\$ 50,000.00
2016	\$ 227,000.00
2017	\$ 3,334,638.00
TOTAL	\$ 3,611,638.00

2016/2017 Destination Medical Center - Partially Completed Projects Tracking

Project	Address	Total Building Permit Value	2016	2017
			Partial Completed Work Claimed	Completed Work Claimed
1st Avenue Flats	400 NW 1 Avenue	\$ 8,719,735.57	\$ 4,976,244.00	\$ 3,743,491.57
Lofts at Mayo Park	123 SE 6 Avenue	\$ 6,900,000.00	\$ 6,347,552.97	\$ 552,447.03
501 on First	501 SW 1 Avenue	\$ 12,977,182.75	\$ 12,534,186.96	
Flats on 4th (Buckeye)	412 SE 3 Avenue	\$ 13,082,292.00	\$ 8,906,937.40	
Total		\$ 41,679,210.32	\$ 32,764,921.33	\$ 4,295,938.60
Dollar Value of building permits finalized in 2016			\$ 1,555,125.00	
Dollar amount submitted for partial work in 2016			\$ 31,209,796.33	

2017 Destination Medical Center - Partially Completed Projects Tracking

Project	Address	Total Building Permit Value	2017
			Partial Completed Work Claimed
Broadway @ Center	10 East Center Street	\$ 84,282,463.00	\$ 33,866,963.98
Discovery Square	202 SW 4 Street	\$ 16,009,000.00	\$ 2,965,073.30
Dollar amount submitted for partial work in 2017		\$ 100,291,463.00	\$ 36,832,037.28
TOTAL			\$ 44,739,613.88

2017 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2017	2017									2018 or 2019	
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance to Claim
Broadway @ Center	10 East Center Street	\$ 33,866,963.98	R15-0081CB	\$ 1,000,000.00		R15-0384CB	\$ 45,000,000.00		R15-0447CB	\$ 38,282,463.00		\$ 84,282,463.00	\$ 50,415,499.02
Discovery Square	202 4th Street SW	\$ 2,965,073.30	R17-0384CB	\$ 1,750,000.00		R17-0454CB	\$ 1,290,000.00		R17-0492CB*	\$ 12,969,000.00		\$ 16,009,000.00	\$ 13,043,926.70

* permit not issued yet

TOTAL for 2017 \$ 36,832,037.28

Dollar amount finaled in 2017 \$ -

Dollar amount submitted for partial work in 2017 \$ 36,832,037.28

\$ 100,291,463.00 \$ 63,459,425.72

2015 Building Permits (Entire Year)
CLOSED BUILDING PERMITS
 (Within DMC Boundary, does not include Mayo Projects)
 (Status as of 1/31/2018)

	Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Address Info	Permit Valuation	Work Description	Lic Prof	Ovner	2016 Permit Status	2016 Permit Status Date	Current Permit Status	Current Permit Status Date
1	Commercial Bldg	Alteration	R15-0057CB	5/14/2015	080110	10 SW 3 ST, ROCHESTER, MN 55902	\$50,000	Interior expansion into an existing restaurant space (Tap House on 3rd)	ALVIN E BENIKE, INC Aaron E BENIKE 2960 W Hwy 14 ROCHESTER, MN 55901	ECNI ENTERPRISES LLC 10 3 ST SW ROCHESTER, MN 55902	TCO Issued	6/19/2015	Finald	4/28/2017

\$50,000

2016 Building Permits (Entire Year)
CLOSED BUILDING PERMITS
 (Within DMC Boundary, does not include Mayo Projects)
 (Status as of 3/8/2017)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Parcel Number	Within DMC Boundary	Address Info	Permit Valuation	Work Description	Mayo Project	Lic Prof	Owner	Current Permit Status	Current Permit Status	Changed (as of 1/31/2018)	
1	Commercial Bldg	Alteration	R16-0380CB	12/21/2016	014434	Yes	320 S BROADWAY AVE, ROCHESTER, MN 55904	\$142,000	Alterations to existing office space (RSP Architects)	No	STARR CONSTRUCTION INC. DBA CONSTRUCTION COLLABORATIVE Steve Bieniek 320 S BROADWAY ROCHESTER, MN 55904	RSP Architects 320 BROADWAY S Suite B ROCHESTER, MN 55904	Finald	4/14/2017	Yes
2	Multi-Family Bldg	New	R16-0011MFB	6/15/2016	082101	Yes	123 SE 6 AVE, ROCHESTER, MN 55904	\$6,105,677	New 52,003 sq ft, 29 unit, 4 - story apartment building with U.G parking (Lofts at Mayo Park)	No	Welsh Construction Patrick Schei 4350 Baker Road, Suite 400 Minnetonka, MN 55343	EASTBANK LOFTS LLC 1120 2 St South MINNEAPOLIS, MN 55415	C of O Issued	8/17/2017	Yes
3	Multi-Family Bldg	New	R16-0008MFB	7/19/2016	081852	Yes	400 NW 1 AVE, ROCHESTER, MN 55901	\$8,719,738	New 74,494 sq ft, 4-story apartment with underground parking (1 Avenue Flats Apartments)	No	EAGLE BUILDING COMPANY, LLC CHAD WEIS 730 STINSON BLVD STE 200 MINNEAPOLIS, MN 55413	1AF Limited Partnership 2227 7 ST NW Rochester, MN 55901	C of O Issued	6/28/2017	Yes
4	Multi-Family Bldg	Alteration	R16-0082MFB	12/19/2016	080524	Yes	220 S BROADWAY AVE 1604, ROCHESTER, MN 55904	\$85,000	Alterations to existing condo to kitchen and bathrooms (Holiday Inn Downtown - #1604)	No	ROBERT GILL BUILDERS, INC KIRK GILL 511 Northern Hills Dr NE Rochester, MN 55906	Joanna Norcross 1604 South Broadway ROCHESTER, MN 55904	Finald	4/12/2017	Yes

\$227,000

Some of highlighed dollar amounts where included in 2016 as the 2016 as partially completed projects. See sheet titled 2016 Destination Medical Center - Partially Completed Projects Tracking for the amount counted in 2016 and the amount to be counted in 2017

2017 Building Permits (Entire Year)
CLOSED BUILDING PERMITS
 (Within DMC Boundary, does not include Mayo Projects)

Sub Type Level	Category Level	Permit Number	Permit Issue Date	Within DMC Boundary	Parcel Number	Address Info	Permit Valuation	Work Description	Mayo Project	Lic Prof	Owner	Current Permit Status	Current Permit Status Date	
1	Commercial Bldg	Alteration	R17-0006CB	2/6/2017	Yes	073709	1211 SW 2 ST, ROCHESTER, MN 55902	\$200,000	Renovation of existing pool and spa (Aspen Suites)	No	THATCHER POOLS Brad Thatcher 2894 EASTWOOD RD SE ROCHESTER, MN 55904	US Hotels rochester Venture, LLP 3211 West Sencor Dr Sioux Falls, SD 57107	Finalied	4/26/2017
2	Commercial Bldg	Alteration	R17-0040CB	2/9/2017	Yes	081707	20 SW 2 AVE, ROCHESTER, MN 55902	\$15,000	Jem's Confections (Kahler Grand - Suite 3)	No	Kramer Contracting, LLC Adam Kramer 4330 48th St. NE Rochester, MN 55906	KAH 20 2ND AVENUE LLC 20 2 AVE SW ROCHESTER, MN 55902	Finalied	2/16/2017
3	Commercial Bldg	Alteration	R16-0446CB	2/15/2017	Yes	017897	101 SW 1 AVE S10, ROCHESTER, MN 55902	\$550,000	Alterations to existing space for bank tenant (Associated Bank - Marriott Hotel)	No	ALVIN E BENIKE, INC AARON E BENIKE 2960 W Hwy 14 ROCHESTER, MN 55901	Doug Harber 2655 Campus Dr Plymouth, MN 55441	Finalied	6/26/2017
4	Commercial Bldg	Alteration	R17-0092CB	4/17/2017	Yes	081707	101 SW 1 ST, ROCHESTER, MN 55902	\$200,000	Interior Sales Floor and Office Remodel (Lasker Jewelers)	No	Hoelt Builders, Inc. Jay Rideout 2423 Rivers Edge Dr. Ste. 1 Altoona, WI 54720	Nicole Lasker 101 1st St. SW ROCHESTER, MN 55902	Finalied	6/30/2017
5	Commercial Bldg	Alteration	R17-0140CB	5/15/2017	Yes	014442	30 SE 3 ST 302, ROCHESTER, MN 55904	\$105,000	Fit up an existing tenant space (Morrison Healthcare / Compass Group - Unit #302)	No	BUILDCore BRIAN MOSER 30 3 ST SE Ste 600 ROCHESTER, MN 55904	Titan Development and Investment 30 3 ST SE ROCHESTER, MN 55904	Finalied	8/14/2017
6	Commercial Bldg	Alteration	R17-0194CB	5/22/2017	Yes	078774	221 SW 1 AVE, ROCHESTER, MN 55902	\$95,000	Adding two new walls with a new door in an existing space. (Bio-Business Building - Well Living Lab)	No	KNUTSON CONSTRUCTION Tom Leimer 5985 BANDEL RD NW ROCHESTER, MN 55901	CITY OF ROCHESTER 201 4 ST SE ROCHESTER, MN 55904	C of C Issued	9/11/2017
7	Commercial Bldg	Alteration	R17-0260CB	6/28/2017	Yes	081056	222 SW 6 AVE, ROCHESTER, MN 55902	\$9,800	RETAINING WALL	No		TRINITY EVANGELICAL LUTHERN CHURCH 222 6 AVE SW ROCHESTER, MN 55902	Finalied	7/14/2017
8	Commercial Bldg	Alteration	R17-0279CB	8/24/2017	Yes	078115	316 S BROADWAY AVE, ROCHESTER, MN 55904	\$5,000	Adding 2 half walls and DJ platform. (Fusion / City Centre)	No	OWNER	Fieseler, Jeffrey 2286 Starburst Drive SW ROCHESTER, MN 55902	Finalied	1/12/2018
9	Commercial Bldg	Alteration	R17-0364CB	9/20/2017	Yes	057422	20 SE 4 ST, ROCHESTER, MN 55904	\$10,000	Interior alteration of the lower level. (Porch and Cellar)	No	OWNER	PORCH AND CELLAR LLC 20 4 ST SE ROCHESTER, MN 55904	C of O Issued	1/12/2018
10	Commercial Bldg	Alteration	R17-0318CB	10/16/2017	Yes	014310	313 S BROADWAY AVE, ROCHESTER, MN 55904	\$70,000	Interior alterations to create a new ice cream and candy shop. (The Chocolate Twist - Boys & Girls Club / Paine Building)	No	KNUTSON CONSTRUCTION Brock Erickson 5985 BANDEL RD NW ROCHESTER, MN 55901	Boys and Girls Club - Jodi Millerbernd 1026 East Center Street ROCHESTER, MN 55904	C of C Issued	1/5/2018
11	Commercial Bldg	Alteration	R17-0328CB	11/30/2017	Yes	017887	100 SW 1 AVE, ROCHESTER, MN 55902	\$83,000	Remodel of space of new restaurant. (ZY Teriyaki Restaurant - 100 1st Avenue Building - Subway level)	No	KEY BUILDERS, INC Rich West 7840 LEQVE DR SW STE# A ROCHESTER, MN 55902	Yang Kathy & Tom 107 Peregrine Dr SE ROCHESTER, MN 55904	C of C Issued	1/18/2018
12	Commercial Bldg	Alteration	R17-0394CB	12/28/2017	Yes	017887	112 SW 1 AVE, ROCHESTER, MN 55902	\$9,900	Add nonbearing walls and doors to create two massage rooms.(Cloud 9 Spa+Salon)	No	OWNER	Fan BaoQin 917 2nd St SW Rochester, MN 55902	Finalied	1/17/2018
13	Demolition	Residential	R17-0036D	10/23/2017	Yes	017721	514 SW 4 AVE, ROCHESTER, MN 55902	\$16,500	demo of house		FRASER CONSTRUCTION Rick Penz 3725 ENTERPRISE DR SW ROCHESTER, MN 55902	RESIDENCE AT DISCOVERY SQUARE LLC 3686 CHAPPAUIS TRL FARIBAULT, MN 55021	Finalied	11/17/2017
14	Demolition	Residential	R17-0037D	10/23/2017	Yes	017720	518 SW 4 AVE, ROCHESTER, MN 55902	\$16,500	demo of house		FRASER CONSTRUCTION Rick Penz 3725 ENTERPRISE DR SW ROCHESTER, MN 55902	RESIDENCE AT DISCOVERY SQUARE LLC 3686 CHAPPAUIS TRL FARIBAULT, MN 55021	Finalied	11/17/2017
15	Demolition	Residential	R17-0038D	10/23/2017	Yes	017719	524 SW 4 AVE, ROCHESTER, MN 55902	\$16,000	demo of house		FRASER CONSTRUCTION Rick Penz 3725 ENTERPRISE DR SW ROCHESTER, MN 55902	RESIDENCE AT DISCOVERY SQUARE LLC 3686 CHAPPAUIS TRL FARIBAULT, MN 55021	Finalied	11/17/2017
16	Demolition	Residential	R17-0040D	10/23/2017	Yes	017717	315 SW 6 ST, ROCHESTER, MN 55902	\$18,000	demo of house		FRASER CONSTRUCTION Rick Penz 3725 ENTERPRISE DR SW ROCHESTER, MN 55902	RESIDENCE AT DISCOVERY SQUARE LLC 3686 CHAPPAUIS TRAIL FARIBAULT, MN 55021	Finalied	11/17/2017
17	Demolition	Residential	R17-0041D	10/23/2017	Yes	017724	507 SW 3 AVE, ROCHESTER, MN 55902	\$18,000	demo of house		FRASER CONSTRUCTION Rick Penz 3725 ENTERPRISE DR SW ROCHESTER, MN 55902	RESIDENCE AT DISCOVERY SQUARE LLC 3686 CHAPPAUIS TRL FARIBAULT, MN 55021	Finalied	11/28/2017
18	Demolition	Residential	R17-0043D	10/23/2017	Yes	017725	506 SW 4 AVE, ROCHESTER, MN 55902	\$16,500	demo of house		FRASER CONSTRUCTION Rick Penz 3725 ENTERPRISE DR SW ROCHESTER, MN 55902	RESIDENCE AT DISCOVERY SQUARE LLC 3686 CHAPPAUIS TRL FARIBAULT, MN 55021	Finalied	11/28/2017
19	Multi-Family Bldg	Alteration	R17-0009MFB	2/27/2017	Yes	081810	207 SW 5 AVE, ROCHESTER, MN 55902	\$1,878,438	Replacing windows and doors (Rochester Towers)	No		ROCHESTER CONDOMINIUM ASSOCIATION 207 5 AVE SW ROCHESTER, MN 55901	Finalied	12/19/2017
20	Sign	Business	R17-0029S	4/12/2017	Yes	081852	400 NW 1 AVE, ROCHESTER, MN 55901	\$2,000	Wall sign (1 Avenue Flats Apartments)		OWNER	1AF Limited Partnership 2227 7 ST NW Rochester, MN 55901	Closed	5/8/2017

\$3,334,638