

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

MINUTES

March 23, 2017

- I. Call to Order. Chair Tina Smith called the meeting to order at 9:00 a.m. at the Mayo Civic Center, Riverview Suite, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Smith, Commissioner Jim Bier, and R.T. Rybak. Mayor Ardell Brede was also present.
- III. Approval of Agenda. Commissioner Bier moved approval of the agenda. Chair Smith seconded.

Ayes (3), Nays (0), Motion carried.

- IV. April 1 Report to DEED. Lisa Clarke, Executive Director of the Destination Medical Center Economic Development Agency (“EDA”), presented the draft 2016 DEED private investment report. Ms. Clarke noted the increase in private development since the accounting of DMC-qualified investment began: \$10.3 million in 2013, \$54.5 million in 2014, \$87.6 million in 2015, and \$145.3 million in 2016, totaling \$297.7 million.

Brent Svenby, City of Rochester Senior Administrative Analyst, described the \$38 million of non-Mayo Clinic private investment that occurred within the DMC development district in 2016, including the Lofts at Mayo Park, the Conley-Maass building, Flats on Fourth, First Avenue Flats, Pasquale’s Pizzeria, and The Parker affordable housing complex.

Doug Holtan, Mayo Clinic Chair of Facilities and Support Services, stated that Mayo Clinic invested approximately \$240 million in its Rochester facilities in 2016 and has submitted \$107 million for DEED certification. Upgrades to Mayo Clinic Hospital, Saint Marys Campus—including a bed tower expansion and Radiology and PACU renovations—contributed greatly towards Mayo Clinic’s 2016 investment total, a trend that will continue in coming years as Mayo Clinic invests an additional \$230 million in the Saint Marys campus. Other major investments include facilities for the NIH-supported Precision Medicine Initiative, and the addition to the Jacobson building’s proton beam therapy facility.

Mr. Rybak commended all parties, stating that this was a good example of public-private investment. Mayor Brede noted that it is not always apparent how much work is going on inside buildings. Commissioner Bier noted that \$300 million in investment in Rochester was amazing. Chair Smith then thanked Mayo Clinic, the City of Rochester and Olmsted County and stated the strategy of attracting private investment first, followed by public funding, is working.

Resolution A: Authorizing April 1 Report to DEED Pursuant to Statute. Chair Smith moved approval of the resolution. Commissioner Bier seconded.

Ayes (3), Nays (0), Motion carried.

V. Alatus Project (2nd Street SW): Update. Chair Smith thanked Board members Jim Campbell and Michael Dougherty, as well as the EDA, for reviewing the available information on Alatus financing and recommending that the project move forward. Chris Osmundson, development director for Alatus, stated that Alatus has issued requests for proposal to local construction companies and worked diligently to obtain proof of financing. He stated that a nationally-capitalized, publicly traded entity has provided preliminary approval for financing. Chair Smith announced that the update would be received and filed.

VI. Risk Management Resources, Inc.: Approval of Contract Extension. General counsel Kathleen Lamb reported that Risk Management Resources, Inc. has worked as a risk consultant for the DMCC for more than two years, managing several insurance agreements between the DMCC and the City of Rochester and the EDA.

Resolution B: Authorizing an Extension to the Risk Management Resources, Inc. Professional Services Agreement. Commissioner Bier moved approval of the resolution. Mr. Rybak seconded.

Ayes (3), Nays (0), Motion carried.

VII. CliftonLarsonAllen: Approval of Contract Extension. CliftonLarsonAllen was selected as the DMCC and EDA auditor following the issuance of a request for proposal in 2015. DMCC and EDA staff have recommended the negotiation of a two-year contract extension, subject to final approval by the chair or treasurer.

Resolution C: Authorizing an Extension to the CliftonLarsonAllen Professional Services Agreement. Chair Smith moved approval. Mr. Rybak seconded.

Ayes (3), Nays (0), Motion carried.

VIII. Other. Chair Smith announced the tentative date of Tuesday, April 18, for a transportation work session in Rochester, organized to examine the details of the integrated transit studies and findings.

The next regular meeting of the DMCC is Thursday, April 27, at 9:30 AM

IX. Adjournment. Commissioner Bier moved to adjourn the meeting. Chair Smith seconded.

Ayes (3), Nays (0), Motion carried.

Respectfully submitted,



R.T. Rybak
Vice Chair