

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 90-2019

**Providing Final Approval for the Expenditure of Funds from the 2020 CIP
Budget for the Five Year Update to the Development Plan**

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

BACKGROUND RECITALS

A. Pursuant to Minnesota Statutes, Section 469.43, the Destination Medical Center Corporation (“DMCC”) was required to prepare and adopt a development plan (“Development Plan”) to guide the work of the DMCC for the development of the City of Rochester (the “City”) as a destination medical center. The Development Plan was adopted by the DMCC on April 23, 2015.

B. The statute provides that the DMCC may modify the Development Plan at any time, but must update the Development Plan not less than every five years. Any modification or update to the Development Plan must be adopted by the DMCC upon the notice and after the public hearing and findings required for the original adoption of the Development Plan, including approval by the City.

C. In the 2020 Five Year Capital Improvements Plan, (the “2020 CIP”) approved by the DMCC on October 18, 2019, the DMCC preliminarily approved the budget necessary to support the update to the Development Plan in the amount of \$1,000,000, and found that the update to the Development Plan and other projects itemized in the CIP were public infrastructure projects, consistent with the Development Plan. The DMCC reserved the right to grant final approval of funding of certain projects, including the update to the Development Plan, upon final determination of scope, costs and availability of funds.

D. Staff for the Destination Medical Center Economic Development Agency (“EDA”) now request that the DMCC give final approval of an amount not to exceed \$1,000,000 from the 2020 CIP budget to prepare the update to the Development Plan; such request as set forth in Exhibit A, attached.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that the five year update to the Development Plan, as required by Minnesota Statutes, is a public infrastructure project and the budget for its preparation is hereby approved in an amount not to exceed \$1,000,000.

BE IT FURTHER RESOLVED, that the Board requests the City and EDA staff for regular updates with respect to this work.

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>
James V. Bier	<u>X</u>	_____	_____
James R. Campbell	<u>X</u>	_____	_____
Nick Campion	<u>X</u>	_____	_____
Michael E. Dougherty	<u>X</u>	_____	_____
Kim Norton	<u>X</u>	_____	_____
R.T. Rybak	<u>X</u>	_____	_____
Paul D. Williams	<u>X</u>	_____	_____

RESOLUTION ADOPTED on November 12, 2019.

ATTEST: 

R.T. Rybak, Chair
Destination Medical Center Corporation

EXHIBIT A

November 6, 2019

MEMO

TO: Board of Directors, Destination Medical Center Corporation

FROM: Lisa Clarke, Executive Director, DMC EDA
Patrick Seeb, Director of Economic Development and Placemaking, DMC EDA

RE: DMC Development Plan Five-Year Update

Introduction

The creation, adoption, and periodic update of the DMC development plan are requirements of the State of Minnesota's DMC statutes. Specifically, the statutes require that the plan be updated not less than every five years and that the private, not-for-profit DMC EDA be incorporated to "assist the corporation and city in implementing the goals, objectives, and strategies in the development plan including...drafting and implementing the development plan."

The DMC statutes also necessitate that the DMC development plan:

- Provide an outline for the development of the city as a destination medical center, and be sufficiently complete, including the identification of planned and anticipated projects, to indicate its relationship to definite state and local objectives
- Afford maximum opportunity, consistent with the needs of the city, county, and state, for the development of the city by private enterprise as a destination medical center
- Conform to the general plan for the development of the city and is consistent with the city comprehensive plan
- Include strategic planning consistent with a destination medical center in the core areas of commercial research and technology, learning environment, hospitality and convention, sports and recreation, livable communities, including mixed-use urban development and neighborhood residential development, retail/dining/entertainment, and health and wellness
- Include estimates of short- and long-range fiscal and economic impacts
- Provide a framework to identify and prioritize short- and long-term public investment and public infrastructure project development and to facilitate private investment and development, including the criteria and process for evaluating and underwriting development proposals
- Include information regarding:
 - Land use planning
 - Transportation and transit planning
 - Operational planning required to support the medical center development district
 - Ongoing market research plans

The current DMC development plan, adopted by the City of Rochester and DMC Corporation in 2015, has been formally modified once to incorporate the entirety of Alatus' Berkman Apartments development into the DMC development district.

Additionally, the DMC Corporation and City of Rochester have approved/endorsed other plans and policies that have substantially advanced or augmented the DMC development plan, including Rochester's "Planning 2 Succeed" city comprehensive plan, the DMC Integrated Transit Studies, the DMC district design guidelines, market demand research, energy and sustainability action plans, and several public space plans.

In order to fulfill the statutory requirements described above, the DMC EDA has engaged with our economic development partners, City of Rochester and Olmsted County professional staff, and other community members to determine the appropriate scope, budget, and timeline for preparing and recommending updates to the DMC development plan. These efforts have been aided by the University of Minnesota's Minnesota Design Center, whose staff have assisted in research; assessment of similar economic development initiatives; aggregation of DMC, City, County, regional, and partner planning and strategy documents; and more detailed efforts to inform DMC EDA's scope, budget, and timeline recommendation.

In October 2019, the DMC Corporation board of directors unanimously approved the 2020 DMC funding request, which included the DMC Development Plan update in the 2020 DMC EDA workplan and 2020 DMC capital plan. The Rochester City Council unanimously approved the 2020 DMC funding request in November 2019.

Scope, Budget, and Timeline Recommendation

The DMC EDA recommended scope, timeline, and budget is outlined below.

The DMC EDA recommends updating the DMC development plan so that it:

- Meets DMC statutory requirements
- Reflects the DMC's successful implementation to-date
- Provides the strategic framework and organizational model necessary to achieve DMC mission and goals
- Incorporates, references, and/or complements other planning documents and strategies which may impact DMC
- Addresses community priorities, including affordable housing and workforce development
- Creates opportunity to reaffirm DMC's primary mission, vision, and purpose

The DMC EDA recommends adopting an updated plan no later than the November 19, 2020 meeting of the DMC Corporation board of directors. In the meantime, the DMC EDA will provide regular updates to the DMC Corporation board and Rochester City Council and intends to present a recommended DMC development plan to the DMC Corp. board by summer 2020.

In order to meet this scope and timeline, the DMC EDA will utilize, and not exceed, the CIP funding approved for the plan update in the 2020 DMC funding request.