

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 97-2020

Approving Amendments to the 2020 Five Year Capital Plan

This Resolution was offered by Kim Norton, seconded by Pamala Wheelock.

BACKGROUND RECITALS

A. The Destination Medical Center Corporation (DMCC) Board approved the 2020 Five Year Capital Improvements Plan (the “2020 CIP”) on October 18, 2019 and approved the projects set forth in the first year of the 2020 CIP as public infrastructure projects within the meaning of Minnesota Statutes Section 469.40, subdivision 11, and consistent with the Development Plan adopted on April 23, 2015, as amended. Final approval of each of the capital projects is subject to a later specific approval by the DMCC upon final determination of scope, costs and availability of funds. The 2020 CIP was subsequently approved by the City of Rochester (the “City”).

B. The 2020 CIP provided funding for the Heart of the City design and construction in the amount of \$9,000,000 in 2020, and \$6,000,000 in 2021. Initial earthwork and infrastructure work are underway.

C. Staff from the City and the Destination Medical Center Economic Development Agency (the “EDA”) now recommend that the DMCC Board approve a budget increase and give final approval for a snowmelt system. The snowmelt system would be located under the roadway on First Avenue SW, and in the pedestrian zones along First Avenue and the east side of Peace Plaza (the “Snow Melt System”). The total amount of the budget increase in 2020 is \$1,622,325.

D. In addition, the 2020 CIP provided funding for the reconstruction of North Broadway Avenue (the “North Broadway Project”), starting in 2020 with funding of \$4,000,000. Staff has informed the DMCC Board that the North Broadway Project will be delayed by one year. Staff now recommends proceeding with a different project involving sanitary sewer diversion instead of the North Broadway Project.

E. The 2020 CIP included funding for the 1st Street NW Sanitary Sewer Diversion from 1st Avenue NW to Broadway in the amount of \$1,479,000 of DMC funds (and an additional \$1,479,000 in other City funds), to be performed in 2021 (the “1st Street NW Sanitary Sewer Diversion”). Staff from the City and EDA recommend the work and funding for the 1st Street NW Sanitary Sewer Diversion be accelerated by one year, to be performed in 2020. Funding for the project will be transferred from the North Broadway Project, in the amount of \$1,479,000. This budget amendment would not increase the cost of the 1st Street NW Sanitary Sewer Diversion, but would change the proposed schedule for completing it.

F. As set forth in Exhibit A, attached, staff from the City request that the DMCC amend the 2020 CIP, to (1) approve the Snow Melt System and increase the total budget for the Heart of the City project in 2020 by \$1,622,325; (2) accelerate the funding for the 1st Street NW Sanitary Sewer Diversion project to 2020, by transferring \$1,479,00 from the North Broadway Project; and (3) give final approval of both projects.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED by the Destination Medical Center Corporation Board of Directors, that the 2020 CIP is amended as follows:

(a) Heart of the City: the Snow Melt System is hereby approved as a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, Subdivision 11, and consistent with the Development Plan; and the 2020 CIP is increased in the amount of \$1,622,325 for the design and construction of the Snow Melt System, such work to be performed in 2020, as more fully described in Exhibit A.

(b) 1st Street NW Sanitary Sewer Diversion Project: the 1st Street NW Sanitary Sewer Diversion Project is hereby approved as a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, Subdivision 11, and consistent with the Development Plan; and the 2020 CIP is amended by accelerating the design and construction of the 1st Street NW Sanitary Sewer Diversion, currently scheduled for 2021, by transferring funds allocated for the North Broadway Avenue reconstruction, in the amount of \$1,479,000.

BE IT FURTHER RESOLVED, that the Chair and Treasurer are hereby authorized and directed to transmit this Resolution to the City of Rochester and to take such actions as are necessary or convenient to effectuate these amendments to the 2020 CIP.

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>	_____	_____
Michael E. Dougherty	_____	_____	_____
Kim Norton	<u>X</u>	_____	_____
R.T. Rybak	<u>X</u>	_____	_____
Randy Staver	<u>X</u>	_____	_____
Paul D. Williams	<u>X</u>	_____	_____
Pamela Wheelock	<u>X</u>	_____	_____

RESOLUTION ADOPTED on May 28, 2020.

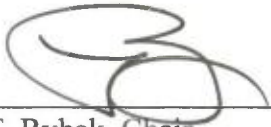
ATTEST:  _____
R.T. Rybak, Chair
Destination Medical Center Corporation

EXHIBIT A



To: DMCC Board of Directors
From: City of Rochester Team
Date: May 20, 2020
Subject: Budget Amendment

The City of Rochester provides the following documentation in support of the proposed budget amendment to the 2020 adopted Capital Improvement Plan (CIP).

The 2020 CIP has \$4 million of DMC funding programmed for the North Broadway reconstruction project. The Rochester Common Council recently rejected the bids for the project and will re-bid at a later date resulting in the project being delayed to 2021. The Common Council supports the reallocation of the \$4 million of DMC funds as recommended by the DMC EDA.

On April 20, 2020 the Rochester Common Council awarded contracts for phase I of the Heart of the City project (RCA attached). The awarded contracts fall within the current budget for the project. An additional add alternates that did not fit within the current project budget, but are considered important elements to the long-term longevity of the project, is the snow melt system. The snow melt system (\$1,622,325) would be located under the roadway in First Ave. SW, and in the pedestrian zones along First Ave and the east side of Peace Plaza. These systems minimize the need for labor-intensive snow removal, shoveling, and salting, which helps maintain the quality of the pavers. There is also a safety component by reducing surface ice and creating a more accessible walkable area in all four seasons. The Common Council awarded the contract conditional on the DMCC Board approval of additional funding.

On May 18, 2020 the Rochester Common Council approved awarding the contract for the 1st Street NW sanitary sewer diversion from 1st Avenue NW to Broadway Ave. North (RCA attached). The project is shovel ready and will begin this summer. This sanitary sewer system drains the DMC Development District - Central Station and has seen numerous development projects recently and is reaching its capacity during wet weather events. This project is identified in the CIP for the year 2021. The Common Council supports using \$1.479 million of the funding allocated to the North Broadway project in 2020 for the 1st Street NW sanitary sewer diversion project with the \$1.479 million allocated for the sewer project being reallocated to the North Broadway project for the year 2021.

Upon DMCC approval, the Common Council will ratify the budget amendments as well.