

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 96-2020

Approving Public Infrastructure Projects to Address COVID-19, Authorizing Expenditures, and Approving Amendments to the 2020 Five Year Capital Plan

This Resolution was offered by R.T. Rybak, seconded by Pamela Wheelock.

BACKGROUND RECITALS

A. On March 13, 2020, Governor Tim Walz issued a Declaration of Peacetime Emergency (as amended), due to the COVID-19 pandemic. COVID-19 is taking a staggering toll on the health of Minnesota residents, and on its economy.

B. By correspondence to the DMCC dated May 27, 2020, and attached hereto as Exhibit A, staff from the Destination Medical Center Economic Development Agency (the “EDA”) have requested that in light of COVID-19, the Destination Medical Center Corporation (the “DMCC”) consider funding in a not-to-exceed amount of \$250,000, to assist in the recovery of businesses and jobs, to develop prototypes for future recovery and to provide sustainable public realm improvements. The contemplated furnishings, equipment and improvements would comply with the statutes, and would adhere to the principles set forth in Exhibit A.

C. Current examples of furnishings, equipment and improvements contemplated to be funded include but are not limited to benches, sanitary stations, jersey barriers, signage/wayfinding markers, lighting, greenery, weather-resistant accommodations, temporary sidewalks, and the like (collectively, the “Proposed Project”).

D. Under Minnesota Statutes, Section 469.41 Subdivision 13, a project must be approved by the DMCC before it is proposed to the City of Rochester (the “City”). The DMCC must review the proposed project for consistency with the Development Plan, adopted by the DMCC on April 23, 2015, as amended (the “Development Plan”).

E. Minnesota Statutes, Section 469.40, subdivision 11, defines “public infrastructure project” as “a project financed in part or in whole with public money in order to support the medical business entity's development plans, as identified in the DMCC development plan” and expressly includes, among other items, the ability to

. . . (4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, streets, roadways, utilities systems and related facilities, utility relocations and replacements, network and communication systems, streetscape improvements, drainage

systems, sewer and water systems, subgrade structures and associated improvements, landscaping, facade construction and restoration, wayfinding and signage, and other components of community infrastructure; [and] (6) install, construct or reconstruct, furnish, and equip parks, cultural and recreational facilities, facilities to promote tourism and hospitality, conferencing and conventions, and broadcast and related multimedia infrastructure

F. The elements of the Proposed Project are located in the development district boundaries as adopted in the Development Plan (the “Development District”).

G. The 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.

H. The 2020 CIP provided funding for the statutorily required five-year Development Plan update (the “Development Plan Update”) in 2020 with funding of \$1,000,000. Staff has informed the DMCC that a portion of the funds from the Development Plan Update is available for reallocation. Staff from both the EDA and the City now recommend proceeding with the Proposed Project, with funds reallocated from the Development Plan Update.

I. Funding for the Proposed Project will be transferred from the Development Plan Update, in an amount not-to-exceed \$250,000.

J. As set forth in Exhibit A, attached, staff from the EDA request that the DMCC amend the 2020 CIP, to (1) approve the Proposed Project in an amount not-to-exceed of \$250,000, by transferring \$250,000 from the Development Plan Update; and (2) give final approval to the Proposed Project.

K. On April 27, 2017, the DMCC approved Resolution No. 51-2017, which requires additional review of projects upon material deviation from the approvals granted, to ensure that “as-built” projects are consistent with approvals that have been granted.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors, that the DMCC finds that the Proposed Project is a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11, which provides for: installing, constructing or reconstructing elements of public infrastructure required to support the overall development of the Development District; and, installing, constructing or reconstructing, furnishing and equipping parks, cultural and recreational

facilities, facilities to promote tourism and hospitality, conferences and conventions, and that the DMCC approves the Proposed Project as consistent with the Development Plan.

BE IT FURTHER RESOLVED, that the DMCC approves the Proposed Project in an amount not-to-exceed, in the aggregate, \$250,000, and amends the 2020 CIP by transferring funds allocated to the Development Plan Update, in an amount not-to-exceed \$250,000.

BE IT FURTHER RESOLVED, that in the expenditure of funds for the Proposed Project, the City and EDA must comply with the following:

1. Expenditures for the Proposed Project must be within the Development District, consistent with the Development Plan, and must satisfy the statutory definition of “public infrastructure project;”
2. Expenditures must be focused on initiatives that will be sustained for future years;
3. Expenditures must attempt to achieve the goal of growing and enhancing the Destination Medical Center initiative;
4. The City and EDA must explore other funding options in addition to funding provided by this Resolution;
5. The EDA must certify that any expenditures made pursuant to this Resolution comply with the Resolution, and send monthly expenditure reports to the Board.

BE IT FURTHER RESOLVED, that DMCC Resolution No. 51-2017 is incorporated fully herein by reference.

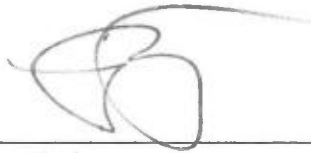
BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized to transmit this Resolution to the City of Rochester, and to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

The question was on the adoption of the Resolution and there were 6 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	_____	_____	_____
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



Destination Medical Center
Economic Development Agency

May 27, 2020

To: Destination Medical Center Corporation
From: Destination Medical Center Economic Development Agency
RE: Resilient public infrastructure funding recommendation

Dear Destination Medical Center Board of Directors:

The Destination Medical Center Economic Development Agency (DMC EDA) recommends that the DMC Corp. allocate funding to develop DMC economic resiliency solutions and sustainable public infrastructure improvements that encourage economic growth.

The DMC EDA proposes that a set of principles be applied when considering whether a possible public infrastructure investment is necessary. To be considered for this investment, the infrastructure must:

- Be within the DMC development district
- Meet the definition of “public infrastructure” in DMC Act
- Conform to the DMC development plan

Examples of possible infrastructure improvements include: Signage/wayfinding markers; furniture, lighting, and greenery; weather-resistant accommodations; and temporary sidewalks or barricades.

The DMC EDA will prioritize immediate investments that encourage the safe resumption of economic activity in the DMC district and are likely to inform long-term public infrastructure investment decisions.

The DMC EDA recommends that the DMC Corp. allocate \$250,000 from the 2020 Capital Improvement Program budget to fund these investments. Additionally, the DMC EDA will explore non-DMC-sourced funding for these infrastructure improvements.

If approved by the DMC Corp., the DMC EDA will provide funding updates in the monthly DMC report and at regular DMC Corp. board meetings.

Thank you for considering this funding recommendation.

Regards,

Lisa Clarke
Executive Director