

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 128-2022

Amending the 2022 Capital Improvement Plan (CIP) Budget and Providing Final Approval of Expenditure of Funds for the Chateau Theatre

The following Resolution was offered by James R. Campbell, seconded by Brooke Carlson.

BACKGROUND RECITALS

A. By Resolution No. 31-2015, the Destination Medical Center Corporation (“DMCC”) Board of Directors approved the acquisition of the Chateau Theatre for a purchase price of \$6,000,000 as a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, subdivision 11 and consistent with the Development Plan adopted on April 23, 2015, as amended (the “Development Plan”). Resolution No. 31-2015 also commended the City of Rochester (the “City”) and Mayo Clinic for their cooperative work and initiative in acquiring the Chateau Theatre building, which the City acquired in 2016.

B. In 2016, the Chateau Theatre Reuse Committee was established to consider the re-use, design, and governance of the Chateau Theatre. In September 2017, the Chateau Theatre Reuse Committee recommended that the DMCC approve the renovation of the Chateau Theatre as a multipurpose performing arts center. On November 2, 2017, the DMCC approved the 2018 Capital Improvement Plan (“2018 CIP”), which included preliminary approval of \$2,640,002 for the next steps for design of the Chateau Theatre. By Resolution No. 62-2018, the DMCC gave final approval for the design, repairs, and capital improvements to the Chateau Theatre in an amount not to exceed \$1,000,000 from the 2018 CIP as a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, subdivision 11 and consistent with the Development Plan.

C. On September 30, 2021, by Resolution No. 118-2021, the DMCC approved the 2022 Capital Improvement Plan (“2022 CIP”), which included \$350,000 for restroom renovations for the Chateau Theatre, as a public infrastructure project, funded through General State Infrastructure Aid (“GSIA”). By memorandum dated May 12, 2022, staff for the City and Destination Medical Center Economic Development Agency (“EDA”) now request that the DMCC amend the 2022 CIP to authorize an additional amount not to exceed \$250,000 for further improvements to the Chateau Theatre from GSIA funds, including installing, furnishing, and equipping the Chateau Theatre with audio, visual, staging, lighting, and other technical improvements to further the multipurpose performing arts center (the “Chateau Improvements”). In addition, staff request final approval of expenditures from the 2022 CIP budget for the Chateau Improvements.

D. 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.” A public infrastructure project expressly includes, among other items, the ability to “install . . .

furnish, and equip . . . cultural, and recreational facilities, facilities to promote tourism and hospitality, . . . and broadcast and related multimedia infrastructure” Minn. Stat. § 469.40, subd. 11 (6).

RESOLUTION

NOW THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that the 2022 CIP is revised to authorize an additional amount not to exceed \$250,000 for the Chateau Improvements presented by staff and on file with the DMCC, subject to the City’s final approval.

BE IT FURTHER RESOLVED, that the Board finds that the Chateau Improvements are (1) a public infrastructure project within the meaning of Minnesota Statutes Section 469.40, subdivision 11, which provides for installing, furnishing, and equipping cultural and recreational facilities; (2) located within the development district boundaries as identified in the Development Plan; and (3) consistent with the Development Plan.

BE IT FURTHER RESOLVED, that the Board approves the expenditure of funds for the Chateau Improvements from the 2022 CIP, as revised.

BE IT FURTHER RESOLVED, that the Board requests the City and EDA staff for regular updates with respect to this next phase of work on the Chateau Theatre.

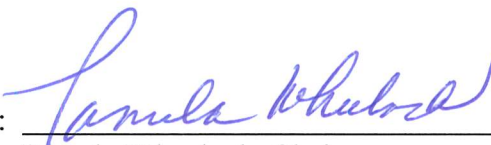
BE IT FURTHER RESOLVED, that the Chair and Treasurer are hereby authorized and directed to transmit this Resolution to the City of Rochester and to take such actions as necessary or convenience to effectuate this amendment to the 2022 CIP.

The question was on the adoption of the Resolution and there were 8 YEAS and 0 NAYS, as follows:

BOARD OF DIRECTORS
Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
Douglas M. Baker, Jr.	<u>X</u>	_____	_____
James R. Campbell	<u>X</u>	_____	_____
Brooke Carlson	<u>X</u>	_____	_____
Kim Norton	<u>X</u>	_____	_____
R.T. Rybak	<u>X</u>	_____	_____
Mark Thein	<u>X</u>	_____	_____
Pamela Wheelock	<u>X</u>	_____	_____
Paul D. Williams	<u>X</u>	_____	_____

RESOLUTION ADOPTED on May 18, 2022.

ATTEST: 

Pamela Wheelock, Chair
Destination Medical Center Corporation