

**DESTINATION MEDICAL CENTER CORPORATION**

**EXECUTIVE COMMITTEE**

**RESOLUTION NO. EC-7-2022**

**Authorizing April 1, 2022 Report to DEED Pursuant to Statute**

The following Resolution was offered by Pamela Wheelock, seconded by Kim Norton.

BACKGROUND RECITALS

A. Minnesota Statutes, Section 469.47, provides that by April 1 of each year, the medical business entity (Mayo Clinic) must certify to the Commissioner of the Department of Employment and Economic Development (“DEED”) the amount of expenditures made by Mayo Clinic in the preceding year. For expenditures made by an individual or entity other than Mayo Clinic, the Destination Medical Center Corporation (“DMCC”) must compile the information on the expenditures and may certify the amount to DEED. The certification to DEED must be in the form prescribed by DEED and include any documentation and supporting information regarding the expenditures that DEED requires. By August 1 of each year, DEED must determine the amount of expenditures for the previous year.

B. Staff from the City of Rochester and the Destination Medical Center Economic Development Agency (“EDA”) have prepared the draft report, due on April 1, 2022, attached hereto as Exhibit A.

RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED**, by the Executive Committee of the Destination Medical Center Corporation Board of Directors that the Chair or Vice Chair of the DMCC is authorized to execute and submit the report to the Minnesota Department of Employment and Economic Development as required by Minnesota Statutes, Section 469.47, in form similar to the form attached hereto as Exhibit A, as may be modified through further discussions with Mayo Clinic or the City of Rochester, and to take such other actions as are necessary and appropriate to effectuate the timely submission of the report to DEED.

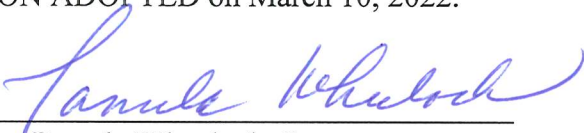
The question was on the adoption of the Resolution and there were 3 YEAS and 0 NAYS, as follows:

EXECUTIVE COMMITTEE

Destination Medical Center Corporation

	YEA	NAY	OTHER
Kim Norton	<u>X</u>	_____	_____
R.T. Rybak	<u>X</u>	_____	_____
Pamela Wheelock	<u>X</u>	_____	_____

RESOLUTION ADOPTED on March 10, 2022.

ATTEST:   
\_\_\_\_\_  
Pamela Wheelock, Secretary  
Destination Medical Center Corporation

**EXHIBIT A**

# EXHIBIT A

## Certification of Expenditure Destination Medical Center

For Calendar Year 2021

Due to Commissioner of Employment and Economic Development (DEED) by April 1, 2022

The Medical Business Entity and the Destination Medical Center Corporation (DMCC) Board of Directors (assisted by the City of Rochester) hereby submit to the Department of Employment and Economic Development (DEED) the following report for expenditures that relate to the Destination Medical Center (DMC) Development for the calendar year 2021, and the certifications required to support the documentation under the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.

### Expenditures Reported this Year

Total Expenditures Reported This Year by Medical Business Entity <sup>1</sup>	\$110,586,916.31	1
Total Expenditures Reported This Year for other Private Entities <sup>1,2</sup>	\$44,720,906.89	2
TOTAL Expenditures This Year	\$155,307,823.20	3

### All Expenditures claimed since June 30, 2013

Previous Years Expenditures (cumulative)	\$1,106,896,136.12	4
TOTAL Expenditures This Year <sup>3</sup> (from Box 3)	\$155,307,823.20	5
All Claimed Expenditures as of 12/31/21 (Box 4 plus Box 5)	\$1,262,203,959.32	6
Qualified Expenditures claimed in 2021 (Box 6 minus \$200,000,000)	\$1,062,203,959.32	7

### State Aid Qualified for This Year (local government match also required)

General State Infrastructure Aid Qualified for (Box 7 multiplied by .0275)	\$29,210,608.88	8
State Transit Aid Qualified for (Box 7 multiplied by .0075 and then multiplied by .6)	\$4,779,917.82	9

By providing my signature below, I am hereby certifying that, to the best of my knowledge, the information stated herein is accurate, true, and complies with the provisions of Minnesota Statutes Section 467.47 and the approved methodology as outlined in the City of Rochester Commissioner of Employment and Economic Development State Infrastructure Aid Agreement.

### For Expenditures By the Medical Business Entity:

\_\_\_\_\_  
Mayo Clinic Chief Financial Officer

\_\_\_\_\_  
Date

### For all other Expenditures:

\_\_\_\_\_  
Destination Medical Center Corporation

\_\_\_\_\_  
Date

<sup>1</sup>Expenditures need to be after June 30, 2013

<sup>2</sup>Other Private Entities' certification of expenses may be certified retroactively in 2014 after the Destination Medical Center District and Development Plan are adopted.

<sup>3</sup>This figure is based solely upon project building permit costs. Minn. Stat. § 469.47, subd 1(d) permits additional expenditures, and discussion is underway as to how to document such additional expenditures, which may result in adjustments.

**Building Permits within the DMC Boundary**  
(Does not include Mayo Projects)

Year	Completed Projects
2014	\$ 38,400
2018	\$ 584,079
2019	\$ 7,585,007
2020	\$ 14,490,740
2021	\$ 598,000
<b>TOTAL</b>	<b>\$ 23,296,226</b>

**2019/2020 Destination Medical Center - Partially Completed Projects Tracking**

Project	Address	Total Building Permit Value	2019		2020		2021
			Partial Completed Work	Completed Work	Completed Work	Completed Work	
Hyatt House	315 1st Ave. NW	\$ 32,253,475.00	\$ 6,940,448.00	\$ 24,151,076.04	\$ 1,161,950.96		
Eleven02	101 11th Ave. SW	\$ 29,690,975.00	\$ 4,159,810.90	\$ 24,377,346.96	\$ 1,153,817.14		
		\$ 61,944,450.00	\$ 11,100,258.90	\$ 48,528,423.00	\$ 2,315,768.10		

**2020 Destination Medical Center - Partially Completed Projects Tracking**

Project	Address	Total Building Permit Value To Date	2020		2021	
			Partial Completed Work	Completed Work	Completed Work	Completed Work
Two Discovery Square	415 2Ave SW	\$ 20,161,480.00	\$ 5,553,179.85	\$ 14,608,300.15		

**2021 Destination Medical Center - Partially Completed Projects Tracking**

Project	Address	Total Building Permit Value To Date	2021	
			Partial Completed Work	Completed Work
Brky Apartments	401 N Broadway	\$ 25,000,000.00	\$ 4,500,612.64	

**TOTAL \$ 44,720,906.89**

Commercial Bldg	Alteration	R14-0094CB	3/14/2014	017865	101 E CENTER ST, ROCHESTER, MN 55904	55904	Replaced all old windows, replace some brick that is bad and fill some holes	A & K Properties	Finalled	11/17/2021
Commercial Bldg	Alteration	R18-0144CB	8/1/2019	017926	21 SW 1 ST, ROCHESTER, MN 55902	55902	Interior renovation of existing retail bank including electrical, plumbing and HVAC. (Wells Fargo)	Wells Fargo	CO	10/13/2021
Commercial Bldg	Alteration	R19-0364CB	10/17/2019	018102	211 NW 2 ST 1311, ROCHESTER, MN 55901	55901	Alteration to an existing dwelling unit. (Charter House)	CHARTERHOUSE INC - Deborah Kenitz	Finalled	12/2/2021
Commercial Bldg	Alteration	R19-0308CB	12/9/2019	048779	824 SW 3 AVE, ROCHESTER, MN 55902	55902	Adding an elevator to an existing 60,791 sf church. (Zumbro Lutheran Church)	ZUMBRO EVANGELICAL LUTHERAN	CO	1/26/2021
Commercial Bldg	Alteration	R19-0361CB	12/27/2019	025320	709 SW 1 AVE, ROCHESTER, MN 55902	55902	Whirlpool equipment remodel and adding mechanical room. (Rochester Area Family YMCA)	YOUNG MENS CHRISTIAN ASSOCIATION	Finalled	12/6/2021
Demolition	Commercial	R19-0015D	7/9/2019	017784	324 SW 1 AVE, ROCHESTER, MN 55902	55902	Demolition of single story art building and existing parking lot	Ackerberg Group	Finalled	12/6/2021
Demolition	Commercial	R19-0017D	7/25/2019	075680	1101 SW 2 ST, ROCHESTER, MN 55902	55902	Demo of Virgil's Building	ROCHESTER HOTEL PARTNERS LLC	Finalled	12/6/2021
Demolition	Commercial	R19-0021D	9/6/2019	017760	405 SW 1 AVE, ROCHESTER, MN 55902	55902	Tear down and remove entire Damsey restaurant structure	Premier Bank	Finalled	12/6/2021
Commercial Bldg	Commercial	R19-0211CB	2/27/2020	83133	601 SW 2 ST, ROCHESTER, MN 55902	55902	Footing, foundation to level to for 6 story 110 unit hotel with 2 levels of underground parking. (TownePlace Suites by Marriott)	Portland Hotel LLC	Finalled	8/13/2021
Commercial Bldg	Commercial	R19-0432CB	2/19/2020	81707	19 SW 1 AVE, ROCHESTER, MN 55902	55902	Tenant improvement new restaurant space within Kahler Hotel. (Olde Brick House)	Ringneck Restaurants Inc	CO	11/23/2020
Multi-Family Bldg	Alteration	R20-0020MFB	08/28/20		11576 11111 2 ST SW, ROCHESTER, MN 55902	55902	Reinforcement of existing roof structure to accommodate the increase snow loading due to the 1102 Hotel built next to it. (Elevent02 Hotel Snow Drift)	Tyler Millies	Finalled	12/13/21
Sign	Business	R20-0086S	08/25/20		83133 123 6 AVE SW, ROCHESTER, MN 55902	55902	Wall signs for TownePlace Suites [lit] & Charlie's Pub	Persona Sign Company	Finalled	12/13/21
Commercial Bldg	Alteration	R20-0050CB	04/08/20		83795 202 4 ST SW 240, ROCHESTER, MN 55902	55902	Build out of second level space for new office use tenant. (Discovery Square)	Silver Lake Investors	CO	06/28/21
Multi-Family Bldg	Alteration	R20-0013MFB	04/20/20		17786 325 1 AVE SW, ROCHESTER, MN 55902	55902	Roofing, tuckpointing, window replacement, new entry doors, carpet, water piping, HVAC, lighting and misc. alteration throughout building. (Newbridge Apartments)	Tapstry Companies	CC	03/01/21
Sign	Business	R20-0073S	07/14/20		17784 33 4 ST SW, ROCHESTER, MN 55902	55902	Wall signs for The Hue [lit]	ACYR-324 LLC	Finalled	12/13/21
Commercial Bldg	New	R20-0053CB	08/05/20		83133 601 2 ST SW, ROCHESTER, MN 55902	55902	New 6 story 110 guest room hotel with 2 levels of underground parking. (TownePlace Suites by Marriott)	TPS ROCHESTER I LLC	CO	08/13/21
Demolition	Demolition	R20-0009D	5/20/20		75694 18 1 AVE SE, Rochester 55904	55904	Demolition and removal of existing building (former Post Bulletin building) on site	PB Rochester Investments LLC	Finalled	12/13/21
Commercial Bldg	Alteration	R21-0027CB	2/4/2021		14505 144 SE 4 ST, ROCHESTER, MN 55904	55904	Partial remodel of main level. Adding conference room, moving office, updating bathroom. (Schatz Law Firm)	Michael Schatz	Finalled	8/27/2021
Commercial Bldg	Alteration	R21-0031CB	2/10/2021		17894 155 SW 1 AVE, #140, ROCHESTER, MN 55902	55902	Interior alteration to existing by expanding kitchen line, adding a new hood and oven. (Bruegger's Bagel)	Fred Leon	C of C Issued	4/30/2021
Commercial Bldg	Alteration	R21-0156CB	5/24/2021		48779 624 SW 3 AVE, ROCHESTER, MN 55902	55902	Remodel of approximately 1620 sq.ft. of existing space into a space for youth. (Zumbro Lutheran Church)	ZUMBRO EVANGELICAL LUTHERAN - Sara Lichty	C of C Issued	12/2/2021
Commercial Bldg	Alteration	R21-0167CB	6/4/2021		81808 210 N BROADWAY AVE, #103, ROCHESTER, MN 55906	55906	Fit-up of the Suite #103 at the Queen Center (210 N. Broadway) for "The Fit Loop".	SKIATHOS LLC	C of C Issued	10/19/2021
Commercial Bldg	Alteration	R21-0352CB	10/7/2021		17926 21 SW 1 ST, #102, ROCHESTER, MN 55902	55902	Interior demolition and remodel for Wells Fargo	ROCHESTER PROPERTY OWNER LLC	C of C Issued	10/28/2021
Multi-Family Bldg	Alteration	R21-0005MFB	3/2/2021		18102 211 NW 2 ST, #816, ROCHESTER, MN 55901	55901	Remodel of apartment #816. (Charter House) Kenitz	CHARTERHOUSE INC - Deborah Kenitz	Finalled	9/8/2021
Multi-Family Bldg	Alteration	R21-0021MFB	5/13/2021		82547 600 SW 4 ST, UNIT 501, ROCHESTER, MN 55902	55902	Kitchen and bathrooms remodel	HIGH POINT COMPANY ASSOCIATION	Finalled	10/19/2021
Multi-Family Bldg	Alteration	R21-0037MFB	7/27/2021		81810 207 SW 5 AVE, APT 608, ROCHESTER, MN 55902	55902	Kitchen Remodel	Cindy Boese	Finalled	12/15/2021
Multi-Family Bldg	Alteration	R21-0048MFB	9/3/2021		82547 600 SW 4 ST, UNIT 507, ROCHESTER, MN 55902	55902	Kitchen remodel, master and guest bathroom remodel, laundry room	HIGH POINT COMPANY ASSOCIATION	Finalled	12/17/2021

\$23,296,226