

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

RESOLUTION NO. EC-___-2023

Authorizing April 1, 2023 Report to DEED Pursuant to Statute

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, 2023, 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.

EXHIBIT A

Certification of Expenditure Destination Medical Center

For Calendar Year 2022

Due to Commissioner of Employment and Economic Development (DEED) by April 1, 2023

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 2022, 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 ¹	\$172,632,461.06	1
Total Expenditures Reported This Year for other Private Entities ^{1,2}	\$26,456,228.36	2
TOTAL Expenditures This Year	\$199,088,689.42	3

All Expenditures claimed since June 30, 2013

Previous Years Expenditures (cumulative)	\$1,262,043,959.32	4
TOTAL Expenditures This Year ³ (from Box 3)	\$199,088,689.42	5
All Claimed Expenditures as of 12/31/21 (Box 4 plus Box 5)	\$1,461,132,648.74	6
Qualified Expenditures claimed in 2021 (Box 6 minus \$200,000,000)	\$1,261,132,648.74	7

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

General State Infrastructure Aid Qualified for (Box 7 multiplied by .0275)	\$34,681,147.84	8
State Transit Aid Qualified for (Box 7 multiplied by .0075 and then multiplied by .6)	\$5,675,096.92	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

¹Expenditures need to be after June 30, 2013

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

³This 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
2018	\$ 250,000
2020	\$ 392,588
2021	\$ 4,100,399
2022	\$ 1,213,854
TOTAL	\$ 5,956,841

2022 Destination Medical Center - Partially Completed Projects Tracking

Project	Address	Total Building Permit Value To Date	2021	2022
			Partial Completed Work	
Bryk Apartments	401 N Broadway	\$ 25,000,000.00	\$ 4,500,612.64	\$ 20,499,387.36

TOTAL \$ 26,456,228.36

2016 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2016			2017				2017	2018	
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Claimed	Balance Claimed
1st Avenue Flats	400 NW 1 Avenue	\$ 4,976,244.00	R16-0024MFB	\$ 622,000.00		R16-0008MFB	\$ 8,097,735.57	6/26/2017	\$ 8,719,735.57	\$ 3,743,491.57	\$ -
Lofts at Mayo Park	123 SE 6 Avenue	\$ 6,347,552.97	R15-0079MFB	\$ 794,323.00	3/6/2017	R16-0011MFB	\$ 6,105,677.00	8/17/2017	\$ 6,900,000.00	\$ 552,447.03	\$ -
501 on First	501 SW 1 Avenue	\$ 12,534,186.96	R15-0053MFB	\$ 1,555,125.00	9/2/2016	R15-0058MFB	\$ 11,422,057.75	1/28/2018	\$ 12,977,182.75	\$ -	\$ 442,995.79
Flats on 4th (Buckeye)	412 SE 3 Avenue	\$ 8,906,937.40	R15-0107MFB	\$ 2,400,000.00	12/6/2018	R16-0009MFB	\$ 10,682,292.00	2/12/2018	\$ 13,082,292.00	\$ -	\$ 4,175,354.60
TOTAL for 2016		\$ 32,764,921.33							\$ 41,679,210.32	\$ 4,295,938.60	\$ 4,618,350.39
Dollar amount finaled in 2016		\$ 1,555,125.00									
Dollar amount submitted for partial work in 2016		\$ 31,209,796.33									
TOTAL for 2017		\$ 4,295,938.60									
TOTAL for 2018		\$ 4,618,350.39									

2017 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2017			2017				2018			
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Claimed		
Broadway @ Center	10 East Center Street	\$ 33,866,963.98	R15-0081CB	\$ 1,000,000.00	12/6/2018	R15-0384CB	\$ 45,000,000.00	TCO 4/1/19	R15-0447CB	\$ 38,282,463.00	\$ 84,282,463.00	\$ 50,415,499.02
Discovery Square	202 4th Street SW	\$ 2,965,073.30	R17-0384CB	\$ 1,750,000.00	11/13/2018	R17-0454CB	\$ 1,290,000.00	11/13/2018	R17-0492CB	\$ 12,969,000.00	\$ 16,009,000.00	\$ 13,043,926.70
TOTAL for 2017		\$ 36,832,037.28									\$ 100,291,463.00	\$ 63,459,425.72
TOTAL for 2018		\$ 63,459,425.72										

2018 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2018			2018				2019		2020			
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Claimed	Balance Claimed
Ronald McDonald House	850 2nd Street SW	\$ 4,872,363.01	R18-0048CB	\$ 10,126,000.00	11/4/2019						\$ 10,126,000.00	\$ 5,253,636.99	\$ -	
Hotel Indigo (Holiday Inn)	220 South Broadway	\$ 1,156,333.15	R18-0294CB	\$ 500,000.00	4/19/2021	R18-0389CB	\$ 5,000,000.00	10/22/2020	R18-0454CB	\$ 5,000,000.00	10/27/2020	\$ 10,500,000.00	\$ 9,343,666.85	\$ -
Residence @ Dis. Sq.	511 3rd Ave. SW	\$ 9,820,880.09	R17-0143MFB	\$ 1,750,000.00	8/30/2019	R17-0141MFB	\$ 17,250,000.00	4/7/2020				\$ 19,000,000.00	\$ 9,179,119.91	\$ -
Urban on First	429 South Broadway	\$ 12,455,954.00	R18-0003MFB	\$ 2,428,958.00	11/19/2019	R18-0015MFB	\$ 28,380,000.00	11/19/2019				\$ 30,808,958.00	\$ 18,353,004.00	\$ -
Berkman (Alatus)	217 & 301 14th Ave SW	\$ 25,936,546.00	R17-0157MFB	\$ 4,900,000.00	7/15/2020	R18-0011MFB	\$ 86,237,507.00	7/15/2020	R18-0037MFB	\$ 2,178,293.00	7/14/2020	\$ 93,315,800.00	\$ 59,063,337.00	\$ 8,315,917.00
TOTAL for 2018		\$ 54,242,076.25										\$ 101,192,764.75		
TOTAL for 2019		\$ 101,192,764.75												
TOTAL for 2020		\$ 8,315,917.00												

2019 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2019			2019				2020		2021			
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Counted	Balance Counted
Ryan/Wells Fargo	21 1st SW	\$ 5,250,000.00	R19-0029CB	\$ 5,250,000.00	3/27/2020						\$ 5,250,000.00	\$ -	\$ -	
Hyatt House (Civic on First)	315 1st Ave. NW	\$ 6,940,448.00	R18-0467CB	\$ 3,710,000.00	2/18/2021	R19-0003D	\$ 63,000.00		R19-0078CB	\$ 28,480,475.00	2/4/2022	\$ 32,253,475.00	\$ 24,151,076.04	\$ 1,161,950.96
Eleven02	101 11th Ave. SW	\$ 4,159,810.90	R19-0206CB	\$ 6,750,000.00	2/16/2022	R19-0235CB	\$ 22,940,975.00	4/26/2021				\$ 29,690,975.00	\$ 24,377,346.96	\$ 1,153,817.14
TOTAL for 2019		\$ 16,350,258.90										\$ 48,528,423.00	\$ 2,315,768.10	\$ -
TOTAL for 2020		\$ 48,528,423.00												
TOTAL for 2021		\$ 2,315,768.10												

2020 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2020			2020				2021				
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Counted
Two Discovery Square	415 2 Ave SW	\$ 5,553,179.85	R20-0243CB	\$ 7,500,000.00	12/15/2021	R20-0281CB	\$ 2,200,000.00	12/15/2021	R20-0312CB	\$ 10,461,480.00	3/2/2022	\$ 20,161,480.00	\$ 14,608,300.15
TOTAL for 2020		\$ 5,553,179.85											
TOTAL for 2021		\$ 14,608,300.15											

2021 Destination Medial Center - Partially Completed Projects Tracking

Project	Address	2021			2021				2022	
		Partial Completed Work Claimed	Permit Number	Value	Completion Date	Permit Number	Value	Completion Date	Total Permits	Balance Counted
Bryk Apartments	401 N Broadway Ave	\$ 4,500,612.64	R21-0031MFB	\$ 1,000,000.00	8/18/2022	R21-0038MFB	\$ 24,000,000.00		\$ 25,000,000.00	\$ 20,499,387.36
TOTAL for 2021		\$ 4,500,612.64								
TOTAL for 2022		\$ 20,499,387.36								

Based on the Application and Certificate for Payment for the project, the total contract price for the development is \$33,894,231

Permit Type	Permit Number	Permit Date	Parcel ID	Address	Amount	Description	Owner	Permit Status	Date
Commercial Bldg	R18-0141CB	7/31/2018	017883	7 SW 2 ST	\$250,000	New restaurant within an existing space.	Yong Hao Liu	Finald	12/9/2022
Commercial Bldg	R20-0225CB	10/26/20	82430	206 BROADWAY AVE S	\$254,588	Tenant build-out	Cornerstone Management Services	Finald	02/11/22
Commercial Bldg	R20-0153CB	07/02/20	17926	21 1 ST SW	\$100,000	Interior remodel of existing office. (Wendland-Utz Law)	Chris Wendland	C of C Issued	04/27/22
Sign	R20-0120S	12/04/20	17926	21 1 ST SW	\$38,000	Wall signs for Wells Fargo [lit]	none given	Finald	10/21/22
Commercial Bldg	R21-0047CB	3/2/2021	83795	202 SW 4 ST	\$1,900,000	Tenant fit-up of offices, conference rooms and lab spaces. (Discovery Square)	Paul Stalboerger	CO Issued	3/22/2022
Commercial Bldg	R21-0097CB	4/7/2021	79185	318 SW 1 AVE	\$1,661,399	Remodeling of the second floor of 318 Commons - offices and collaboration spaces.	GH HOLDINGS LLC	C of C Issued	4/22/2022
Commercial Bldg	R21-0326CB	9/16/2021	84934	311 NW 1 AVE	\$52,000	Fit-up of commercial space to accommodate new salon ARTIKA	CIVIC CENTER HOTEL JV LLC	C of C Issued	2/22/2022
Commercial Bldg	R21-0442CB	12/15/2021	17773	20 SW 3 ST	\$25,000	Interior finishes for Mezza Cafe	Sammi, Lawernce	Finald	9/16/2022
Commercial Bldg	R21-0443CB	12/15/2021	18097	223 N BROADWAY AVE	\$230,000	Tenant improvement for a new office space for Ironton	IRONTON LLC	C of C Issued	7/22/2022
Commercial Bldg	R21-0058MFB	12/3/2021	12780	621 SW 1 ST	\$120,000	Renovating the following units in Uptown Landings Apartments: G2, 103, 104, 203, 205 & 306	UPTOWN LANDING HOLDINGS LLC	Finald	12/16/2022
Commercial Bldg	R21-0059MFB	12/3/2021	9449	625 SW 3 ST	\$112,000	Renovations for Uptown Terrace Apartments in the following units: 2, 3, 8, 9, and 15	UPTOWN TERRACE HOLDINGS LLC	Finald	10/21/2022
Commercial Bldg	R22-0045CB	2/1/2022	83795	202 SW 4 ST	\$20,000	Tenant fit-up of a conference room for Thermo Fisher Scientific at Discovery Square	Thermo Fisher	C of C Issued	8/4/2022
Commercial Bldg	R22-0059CB	2/9/2022	81808	212 N BROADWAY AVE	\$83,490	Tenant fit-up for Queen Center Interiors by J Curry	SKIATHOS LLC	C of O Issued	7/6/2022
Commercial Bldg	R22-0060CB	2/10/2022	56916	1125 SW 2 ST	\$67,000	Replacing small amount of insulation and drywall. Flooring in eight rooms, laundry room and maintenance off	CARPENTER AND TORGERSON SSMR LLC	Finald	2/23/2022
Commercial Bldg	R22-0146CB	3/31/2022	78774	221 SW 1 AVE	\$46,000	Addition of doors to Bio Business 6	Sean Williams	Finald	10/18/2022
Commercial Bldg	R22-0214CB	5/20/2022	79921	426 SE 3 AVE	\$619,300	Interior remodel of existing space into a warming/day shelter. (The Landing)	Dan Fifield	C of O Issued	11/10/2022
Commercial Bldg	R22-0235CB	6/8/2022	83133	601 SW 2 ST	\$200,000	Towne Place Suites remodel of existing bar into Spyhouse Coffee Roasters coffee shop	TPS ROCHESTER I LLC	C of O Issued	11/22/2022
Commercial Bldg	R22-0268CB	7/7/2022	25728	27 SE 9 ST	\$99,256	Re-roof at Soldiers Field Plaza	TRCH PLAZA LLP	Finald	9/20/2022
Commercial Bldg	R22-0364CB	9/26/2022	18097	223 N BROADWAY AVE	\$78,808	Roof replacement for 223 Building	IRONTON LLC	Finald	12/2/2022