

DESTINATION MEDICAL CENTER CORPORATION

EXECUTIVE COMMITTEE

RESOLUTION NO. EC-10-2024

Authorizing April 1, 2024 Certification to DEED

Pursuant to Statute

The following Resolution was offered by Kim Norton, seconded by Mark Thein.

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 certification, due on April 1, 2024, 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 4 YEAS and 0 NAYS, as follows:

EXECUTIVE COMMITTEE

Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
Kim Norton	<u>X</u>	_____	_____
Mark Thein	<u>X</u>	_____	_____
Pamela Wheelock	<u>X</u>	_____	_____
Paul D. Williams	<u>X</u>	_____	_____

RESOLUTION ADOPTED on March 14, 2024.

ATTEST: 

Pamela Wheelock, Chair
Destination Medical Center Corporation

EXHIBIT A

**Certification of Expenditure
Destination Medical Center**

For Calendar Year 2023

Due to Commissioner of Employment and Economic Development (DEED) by April 1, 2024

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 2023, 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	\$133,652,089.33	1
Total Expenditures Reported This Year for other Private Entities ^{1,2}	\$12,583,587.00	2
TOTAL Expenditures This Year	\$146,235,676.33	3

All Expenditures claimed since June 30, 2013

Previous Years Expenditures (cumulative)	\$1,461,132,648.74	4
TOTAL Expenditures This Year³ (from Box 3)	\$146,235,676.33	5
All Claimed Expenditures as of 12/31/23 (Box 4 plus Box 5)	\$1,607,368,325.07	6
Qualified Expenditures claimed in 2023 (Box 6 minus \$200,000,000)	\$1,407,368,325.07	7

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

General State Infrastructure Aid Qualified for (Box 7 multiplied by .0275)	\$38,702,628.94	8
State Transit Aid Qualified for (Box 7 multiplied by .0075 and then multiplied by .6)	\$6,333,157.46	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.

Permit Type	Permit Number	Permit Date	Parcel ID	Address	Valuation	Description	Owner	Permit Status	Date
Commercial Bldg	R18-0020CB	1/30/2018	018054	121 N Broadway	\$88,000	Interior demolition on all three levels	Castle Community LLC	Finalized	8/28/2023
Commercial Bldg	R19-0249CB	9/20/2019	17897	101 SW 1 Ave	\$210,500	build out for a salad shop	MAR 1st Avenue SW LLC	Closed	3/20/2023
Multi-Family Bldg	R20-0037MFB	8/21/2020	17969	22 N Broadway	\$374,222	Re-roof and new wall panels	Com Housing Service	Closed	4/11/2023
Commercial Bldg	R21-0329CB	10/11/2021	78774	221 SW 1 Ave	\$120,000	Remodel of Suite 102 for lab Equipment	Rion Health	Closed	4/9/2022
Commercial Bldg	R22-0160CB	6/27/2022	79686	255 SW 1 Ave	\$991,506	Remodel of existing space for use as a new restaurant, The Well	Powers Ventures -Joe Powers	C of C Issued	2/13/2023
Commercial Bldg	R22-0185CB	11/4/2022	18477	401 N Broadway Ave	\$49,188	Installing flush, roof-mounted 45.6 kW (DC) PV solar system	Bryk Apartment Rochester LLC	Closed	5/12/2023
Commercial Bldg	R22-0249CB	10/4/2022	14431	330 S Broadway Ave	\$250,000	Build-out for future restaurant Marrow	Robert Beeman	C of O Issued	6/2/2023
Commercial Bldg	R22-0254CB	9/1/2022	82430	206 S Broadway Ave	\$625,000	Tenant build-out for Region 05 SSA Field Office	Bloom International Realty LLC	Finalized	10/2/2023
Commercial Bldg	R22-0400CB	1/25/2023	17882	150 S Broadway Ave	\$3,000,000	Renovation of 212 guest rooms to convert into dorm rooms for UMR Student Housing	BGD5 Hotel LLC	C of O Issued	10/13/2023
Commercial Bldg	R22-0423CB	12/28/2022	11552	1227 SW 2 St	\$82,000	Interior remodel of existing building to accommodate new Luona Bubble Tea	B PAS LLC	C of O Issued	6/13/2023
Commercial Bldg	R22-0435CB	12/20/2022	17894	155 SW 1 Ave	\$350,000	Removal of escalator and installation of a structural steel stair for Centerplace.	BGD5 Office LLC	Closed	5/1/2023
Commercial Bldg	R22-0035CB	4/4/2022	84104	217 SW 14 Ave	\$1,400,000	Interior buildout of existing tenant space for Red Cow restaurant and bar	Rochester MN Properties LLC	C of O Issued	1/23/2023
Commercial Bldg	R23-0001CB	2/12/2023	18477	401 N Broadway Ave	\$500,000	Fit-up of first floor lease spaces #1 (bike shop) and #3 (office)	Bryk Apartments Rochester LLC	Closed	6/13/2023
Commercial Bldg	R23-0016CB	3/1/2023	17926	21 SW 1 St.	\$658,679	Fit out for Word on Fire Rochester Studio Facility on the second floor	Rochester Property Owner LLC	C of O Issued	12/4/2023
Commercial Bldg	R23-0045CB	4/21/2023	17882	150 S Broadway Ave	\$1,500,000	Renovation of existing ballrooms to become a full service kitchen and dining center	BGD5 Hotel LLC	C of O Issued	10/13/2023
Commercial Bldg	R23-0194CB	7/20/2023	57422	20 SE 4 St	\$56,000	Fit up for Our Paladar Restaurant	Porch and Cellar LLC	C of O Issued	8/3/2023
Commercial Bldg	R23-0336CB	10/12/2023	85691	415 SW 2 Ave	\$1,100,000	Tenant fit out for Suite 240	Rochester 2 Associates	C of O Issued	12/29/2023
Commercial Bldg	R23-0151CB	6/27/2023	085691	415 SW 2 Ave	\$700,000	Tenant fit out for Suite 1300	Rochester 2 Associates	C of O Issued	8/31/2023
Commercial Bldg	R23-0069CB	3/2/2023	77149	1203 SW 2 St	\$85,717	Re-roof for Canadian Honker restaurant	Canadian Honker Restaurant	Closed	5/22/2023
Commercial Bldg	R23-0153CB	6/6/2023	079185	318 SW 1 Ave	\$42,775	Tenant improvements for Phase 1 Regus at 318 Commons	GH HOLDINGS LLC	C of C Issued	8/22/2023
Commercial Bldg	R23-0201CB	6/29/2023	083133	601 SW 2 St	\$150,000	Remodeling the existing Meeting Room in the Townplace Hotel	TPS Rochester I LLC	Closed	9/7/2023
Commercial Bldg	R23-0320CB	9/19/2023	083795	202 SW 4 St	\$250,000	Lab fit-up for Rion Health-Phase 3Fourth level Discovery Square building	Rion	C of O Issued	11/29/2023
					\$12,583,587				

Building Permits within the DMC Boundary

(Does not include Mayo Projects)

Year	Completed Projects
2018	\$ 88,000.00
2019	\$ 210,500.00
2020	\$ 374,222
2021	\$ 120,000
2022	\$ 6,747,694
2023	\$ 5,043,171
TOTAL	\$ 12,583,587