

# DESTINATION MEDICAL CENTER CORPORATION

## RESOLUTION NO. 153-2024

### A RESOLUTION APPROVING DOWNTOWN PROPERTY PRESERVATION PROGRAM FUNDING REQUEST

#### BACKGROUND RECITALS

A. The Destination Medical Center Corporation (“**DMCC**”) established five long-term goals for the Destination Medical Center (“**DMC**”) initiative, including creating a comprehensive and strategic plan, new jobs, tax revenues, and achieving the highest quality patient, companion, visitor, employee, and resident experience.

B. The DMCC has long recognized the important role of historic preservation to achieve these goals. The Development Plan adopted by the DMCC on April 23, 2015, as amended (the “**Development Plan**”) recommended strategies and programs to encourage preservation efforts: “The preservation of historic landmarks and districts is an important part of a City’s historic fabric. . . . As the DMC implementation process moves forward, we recommend the EDA work with federal agencies, state agencies and local organizations to evolve strategies and programs to incent historic preservation [in the] DMC District.”

C. On January 22, 2024, the City of Rochester (the “**City**”) established a downtown commercial historic district of thirty-two properties (the “**Commercial Historic District**”) located within the development district boundaries as adopted in the Development Plan (the “**Development District**”).

D. On May 23, 2024 the DMCC established a downtown property preservation program (the “**Program**”). The Program provides an application and general state infrastructure aid funding process for public infrastructure projects within the Commercial Historic District.

E. The Program provides an opportunity of funding up to 50% of a capital improvement project (not to exceed \$500,000 per property) within the Commercial Historic District if such project (i) meets the definition of a “public infrastructure project” (as defined in Minnesota Statutes, Section 469.40, subdivision 11); (ii) lies within the Development District and is defined as a “contributing property” within the Commercial Historic District; (iii) is consistent with the Development Plan; (iv) achieves a capital improvement that is intended to be a permanent asset of the Commercial Historic District; and (v) satisfies certain statutory requirements, including prevailing wages and use of American-made structural steel, as well as local requirements, such as sustainable building standard, women- and minority-owned construction contracting, and workforce development (collectively, the “**Program Requirements**”).

F. The owner of property located at 216 1<sup>st</sup> Avenue SW has requested funding under the Program for a project that will include the removal of existing roofing material and replacement of roof and installation of insulation (the “**Proposed Project**”).

G. DMC EDA has recommended approval of the Proposed Project based on the summary and recommendation attached as **Exhibit A** and DMCC must now act on the request.

## RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED**, by the DMCC Board of Directors, that the DMCC approves the Proposed Project cost based on the following findings:

1. The Proposed Project is a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11.
2. The Proposed Project lies within the Development District and is defined as a contributing property within the Commercial Historic District.
3. The Proposed Project is consistent with the Development Plan.
4. The Proposed Project achieves a capital improvement that is intended to be a permanent asset of the Commercial Historic District.
5. The Proposed Project will satisfy the necessary statutory and local requirements set forth in the Program.

**BE IT FURTHER RESOLVED**, that the approval of the Proposed Project is expressly subject to the following conditions:

1. The Proposed Project must meet all City requirements.
2. The final payment will be based on the actual costs and will not exceed 50% of the Proposed Project cost.
3. The funds provided to the Proposed Project must satisfy the terms and conditions of this Resolution, including, but not limited to, the parameters of the Program and the Program Requirements as set forth in the Recitals, which are incorporated herein.
4. The recipient of the funds must provide certification that the Program requirements have been satisfied, including but not limited to the statutory and local requirements of the Program.
5. The DMCC Board shall receive an annual report concerning Program updates, expenditures, metrics to evaluate the success of the Program, and recommendations concerning future funding in the capital improvement plan.

**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 7 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>	<u>      </u>	<u>      </u>
James R. Campbell	<u>  X  </u>	<u>      </u>	<u>      </u>
Brooke Carlson	<u>  X  </u>	<u>      </u>	<u>      </u>
R.T. Rybak	<u>  X  </u>	<u>      </u>	<u>      </u>
Mark Thein	<u>  X  </u>	<u>      </u>	<u>      </u>
Pamela Wheelock	<u>  X  </u>	<u>      </u>	<u>      </u>
Paul D. Williams	<u>  X  </u>	<u>      </u>	<u>      </u>

RESOLUTION ADOPTED on September 26, 2024.

ATTEST: 

Pamela Wheelock, Chair  
Destination Medical Center Corporation

## EXHIBIT A



Destination Medical Center

To: DMCC Board of Directors  
From: DMC EDA  
Date: September 20, 2024

### RE: Downtown Property Preservation Program Recommendation

The DMC EDA recommends that the following project(s) be considered by the DMC Corporation and City of Rochester for funding under the DMC Downtown Property Preservation Program. This recommendation follows DMC EDA and City staff review and evaluation of the project funding request(s).

Specifically, staff recommend that the DMCC and City:

- Designate the proposed project(s) as a DMC “public infrastructure project”
- Approve the recommended project(s) as consistent with the DMC Development Plan
- Allocate DMC funding to the project(s) and in the amount(s) described in the table below

Address	Recommended DMC Funding	Total Project Cost	Category of Investment	Project Description
216 1 <sup>st</sup> Ave. SW	\$84,912.00	\$169,824.00	Building Safety & Preservation	Roof replacement

If approved for funding, the project(s) will be required to meet DMC development requirements, including:

- Prevailing wage
- American made steel
- Targeted business and workforce utilization
- Sustainable building standards

Additionally, prior to the distribution of DMC funds the project(s) must:

- Meet all City of Rochester planning, zoning and entitlement requirements
- Provide project and financing documentation
- Execute any necessary agreements with the City of Rochester  
(Funding made available on a reimbursement basis upon project completion)