

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 31-2015

Approving the Acquisition of the Chateau Theater Building

The following Resolution was offered by Ardell F. Brede, and seconded by Ed Hruska.

BACKGROUND RECITALS

A. Under Minnesota Statutes, Section 469.41, Subdivision 13, a project must be approved by the Destination Medical Center Corporation (“DMCC”) before it is proposed to the City of Rochester (the “City”). The DMCC must review the project proposal for consistency with the adopted Development Plan.

B. By correspondence to the DMCC dated April 20, 2015, the City indicated that it has entered into a purchase agreement with the owner of the Chateau Theater building for a purchase price of \$6 million, of which Mayo Clinic has agreed to donate \$500,000 to the City for the acquisition. The City has a due diligence period of up to sixty (60) days upon execution of the purchase agreement to acquire the building or decline the purchase. During this time, the City intends to complete its due diligence and to discuss the project with the DMCC.

C. The Chateau Theater building is located in the development district boundaries and in the “Heart of the City” district as described in the Development Plan, adopted on April 23, 2015.

D. The City requests that the DMCC approve the acquisition of the Chateau Theater building as a proposed project, and that the City expenditures in the amount of \$5.5 million be credited to the City’s \$128 million local contribution.

E. The City requests further that the DMCC work in partnership with the Destination Medical Center Economic Development Agency (“EDA”), Mayo Clinic, and the City to determine the best use of the Chateau Theater building to advance the vision of the Heart of the City district.

F. Because of its integral location in the Heart of the City district, the City contemplates that as future funds are necessary for the rehabilitation and reuse of the Chateau Theater building, further funding requests will be made to the DMCC.

G. The City has completed an examination of the proposed project applying the evaluation factors contained in the Development Plan.

H. 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” and expressly includes, among other items, the ability to “acquire real property and other assets associated with the real property”

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors, that the DMCC finds that the Chateau Theater building is located within the development district boundaries, as identified in the Development Plan adopted on April 23, 2015.

BE IT FURTHER RESOLVED, that the DMCC finds that the acquisition of the Chateau Theater building is a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11, which provides for the acquisition of real property and other assets associated with the real property and that the DMCC approves the proposed acquisition of the Chateau Theater building as consistent with the Development Plan, subject to the City’s final approval and acquisition of the building.

BE IT FURTHER RESOLVED, that the DMCC approves the proposed acquisition of the Chateau Theater building for the purposes of Minnesota Statutes, Section 469.47, subdivision 4, and upon final approval of the acquisition by the City of Rochester, supports the certification of the City’s expenditures identified in the City’s correspondence, dated April 20, 2015, subject to the approval and certification of the State of Minnesota, Department of Employment and Economic Development, as part of the City’s \$128 million contribution.

BE IT FURTHER RESOLVED, that the DMCC requests the City to provide an update as it completes its due diligence and notify the DMCC upon final approval and acquisition of the Chateau Theater building by the City.

BE IT FURTHER RESOLVED, that the DMCC commends the City and Mayo Clinic for their cooperative work and initiative in the proposed acquisition of the Chateau Theater building, and securing the opportunity to enhance the Heart of the City district, and pledges its commitment to work with the City and Mayo Clinic to determine the best use for this building.

BE IT FURTHER RESOLVED, that the Chair or the Treasurer of the DMCC is authorized to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

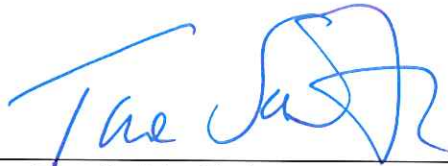
The question was on the adoption of the Resolution and there were 7 YEAS and 0 NAYS, as follows:

BOARD OF DIRECTORS
Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
James V. Bier	<u>X</u>	_____	_____
Ardell F. Brede	<u>X</u>	_____	_____
James R. Campbell	<u>X</u>	_____	_____
Ed Hruska	<u>X</u>	_____	_____
William George	_____	_____	_____
Susan Park Rani	<u>X</u>	_____	_____
R. T. Rybak	<u>X</u>	_____	_____
Tina Smith	<u>X</u>	_____	_____

RESOLUTION ADOPTED ON April 30, 2015.

ATTEST: _____



Tina Smith, Chair
Destination Medical Center Corporation