DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS

MINUTES
September 24, 2015

I. Call to Order. Chair Tina Smith called the meeting to order at 9:30 a.m. at the Mayo Civic Center, located at 30 Civic Center Drive S.E., Rochester, MN 55904.

II. Roll Call. In attendance were Chair Tina Smith, R.T. Rybak, Mayor Ardell F. Brede, Susan Park Rani, Bill George, Council Member Ed Hruska, Commissioner Jim Bier and Jim Campbell.

III. Approval of Agenda. Commissioner Bier moved approval of the Agenda. Ms. Park Rani seconded.

Ayes (8), Nays (0), Motion carried.

IV. Approval of Minutes. Chair Smith requested approval of the Minutes from the meeting held on August 27, 2015. Council Member Hruska moved approval. Mr. Rybak seconded.

Ayes (8), Nays (0), Motion carried.

V. Public Comment Period. Chair Smith invited members of the community to provide comments.

Richard Olen, of Elevate Rochester, stated his desire to see an elevated transit system as part of DMC, and invited the Board to review the Indianapolis People Mover.

Nancy Slocum, Rochester resident, spoke about attention being given to issues surrounding historic preservation and a proposed city ordinance, and suggested the DMCC take a more active role.

VI. Chair's Report. Chair Smith stated that today's meeting would focus on the 2016 Funding Request. She also noted the handout from the Center for Energy and Environment that was distributed. Chair Smith congratulated Mayo Clinic for the recent achievement of being recognized as the "#1 Best Hospital" in the U.S. and also recognized Mayor Brede's experience meeting the Pope in Washington, D.C.

VII. DMCC 2015 Budget: Year to Date Update. Commissioner Bier reported on the 2015 budget, noting a balance remaining of 61% in the 2015 budget. He also noted that the working capital loan is now available.

VIII. DMCC 2016 Funding Request.

A. DMCC 2016 Budget, EDA 2016 Budget, EDA 2016 Workplan, Five-Year Capital Improvement Plan.

EDA Board Chair Jeff Bolton provided the EDA 2016 Budget overview. He thanked Chair Smith and members of the workgroup in helping to ensure the EDA's budget and workplan were focused on the most important activities for 2016. The 2016 Budget and Workplan were reviewed by the EDA Board and recommended for approval. Mr. Bolton noted the risk of underinvestment in the EDA; the need to stay focused

on the priorities set forth in the legislation; and the intention that the EDA would not duplicate efforts, but rather work collaboratively with the various entities involved in DMC. Mr. Bolton noted Mayo Clinic's full commitment to the project, citing the investment of over $9M to date and the contribution of roughly 1/3 of the EDA operating budget for 2016. Additionally, Mayo Clinic is making significant investment in its own marketing and demand generation for complex patients as part of its destination medicine practice. Mr. Bolton also highlighted Mayo Clinic's work on the feasibility study for Discovery Square, which will be a major catalyst for DMC.

Mr. Rybak asked about the professional services budget, noting that it needed to be discussed in a more targeted way. He stated that he was open to a discussion from the EDA about needing more investment, or re-aligning of priorities. Ms. Park Rani commented on the importance of implementing the development plan with the appropriate budget to get the job done. Mr. Campbell noted that the EDA needed to collaborate with other organizations in the state to leverage the collective efforts. Mr. George noted that 2016 is a year of building momentum and the importance of showing the visitors and community members something tangible – Discovery Square and Heart of the City. Council Member Hruska asked about recruiting and retention of the workforce. Mr. Bolton agreed to share Mayo data at a summary level.

Lisa Clarke, EDA Executive Director, presented the EDA 2016 Workplan. The EDA has revised the original draft to reflect the comments received from the EDA Board, as well as from the DMCC. The EDA's proposed Workplan identifies some of the specific outcomes the EDA believes to be imperative to the DMC mission. Tied to these outcomes are the specific key tasks and deliverables that the EDA will be responsible for undertaking and producing in 2016. The EDA has worked with the City to identify tasks that ensure they do not duplicate work already in place by other parties. In the interest of clearly defining the EDA's role, the EDA categorized key tasks and deliverables as either "lead" or "participate." Mr. Rybak asked for more detail with respect to where the EDA will "lead" or "participate" in workforce development, and to articulate the EDA's role.

Chair Smith stated that it was of crucial importance to keep the focus on economic development, while being deeply respectful of the community. She summarized the discussion, stating that 2016 would be about marketing, momentum (the goal is to achieve $200 million in private investment) and metrics (the need to clearly measure progress). She thanked everyone who had participated in the formulation of the 2016 Funding Request, which includes the 2016 DMCC Budget, the 2016 EDA Budget and Workplan, and the Five-Year CIP.

B. Resolution A: Approving the 2016 Funding Request and Forwarding to City of Rochester. Ms. Park Rani moved approval. Mr. Campbell seconded.

Ayes (8), Nays (0), Motion carried.

IX. City of Rochester Update. Steve Kvenvold, City Administrator, provided a City update. The City has completed the interview and selection process for engaging a transportation and

infrastructure program manager. Seven firms applied, and it is the staff recommendation to select SRF Consulting. The recommendation will be submitted to the Mayor and City Council on October 5th for approval.

Mr. Rybak asked that the City articulate what the firm will be doing in its role as the transportation and transit program manager. Mitzi Baker explained that the firm will help extend the City's staffing capacity to keep them moving at the pace needed to ensure success of the DMC mission. Mr. Rybak asked how and when the City will find a solution to bringing more people into the City without building more parking ramps and urged a more aggressive schedule in order to get a transit strategy before construction.

Mr. Kvenvold reported that the City can close on the Chateau property within a few weeks, and Mayor Brede reported on the task force that has been organized to evaluate potential reuses of the property.

Ms. Baker reported that the City will enter into an agreement with the University of Minnesota Design Center to develop design standards and guidelines within the DMC boundary area. Additionally, the City has made some changes to permitted land uses in the downtown area intended to help achieve the DMC mission. The update to the City Comprehensive Plan is underway. The City is performing a scenario planning process and expects to have this study completed in November, with a draft plan ready by the first part of 2016.

X. Economic Development Agency. Lisa Clarke reported that the EDA is in its new space on Broadway and has staff on board. The DMC website redesign is complete and the new website is now live. The EDA has received ample positive feedback on the website and continues to improve upon it in these early weeks of the initial launch.

Council Member Hruska thanked Ms. Clarke for her efforts and acknowledged her work in managing the process of moving into a new office and hiring staff.

XI. Meeting Schedule. The next regular meeting is Thursday, October 29, 2015, at 9:30 a.m.

XII. Adjournment. Commissioner Bier moved to adjourn the meeting. Ms. Park Rani seconded.

Ayes (8), Nays (0), Motion Carried.

Respectfully submitted,

Lisa Clarke
Secretary

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