



Mayor Ardell F. Brede
201 4th Street SE – Room 281
Rochester, MN 55904-3782
Phone: (507) 328-2700 Fax: (507) 328-2727

FIRST CLASS CITY • FIRST CLASS SERVICE



February 9, 2017

The Honorable Dan Hall
Chair, Local Government Committee
Minnesota State Senate
3111 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Tim O'Driscoll
Chair, Government Operations and
Elections Policy Committee
Minnesota House of Representatives
559 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Patricia Torres Ray
Local Government Committee
Minnesota State Senate
2225 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Michael Nelson
Government Operations and Elections
Policy Committee
Minnesota House of Representatives
351 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Jeremy Miller
Chair, Jobs and Economic Growth Finance
and Policy Committee
Minnesota State Senate
3107 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Patrick Garafolo
Chair, Job Growth and Energy Affordability
Policy and Finance Committee
Minnesota House of Representatives
485 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Bobby Joe Champion
Jobs and Economic Growth Finance and
Policy Committee
Minnesota State Senate
2303 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Tim Mahoney
Job Growth and Energy Affordability Policy
and Finance Committee
Minnesota House of Representatives
345 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206



The Honorable Julie Rosen
Chair, Finance Committee
Minnesota State Senate
3235 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Richard Cohen
Finance Committee
Minnesota State Senate
2301 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Roger Chamberlain
Chair, Taxes Committee
Minnesota State Senate
3225 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

The Honorable Ann Rest
Taxes Committee
Minnesota State Senate
2217 Minnesota Senate Building
95 University Ave W
St. Paul, MN 55155

Commissioner Cynthia Bauerly
Minnesota Department of Revenue
600 North Robert Street
St. Paul, MN 55101

The Honorable Ken Brown
Chair, Olmsted County
Board of Commissioners
151 4th St SE
Rochester, MN 55904

The Honorable Jim Knoblach
Chair, Ways and Means Committee
Minnesota House of Representatives
453 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Lyndon Carlson Sr.
Ways and Means Committee
Minnesota House of Representatives
283 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Greg Davids
Chair, Taxes Committee
Minnesota House of Representatives
585 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

The Honorable Paul Marquart
Taxes Committee
Minnesota House of Representatives
261 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

Commissioner Shawntera Hardy
Minnesota Department of Employment and
Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351

Re: Destination Medical Center
February 15, 2017 Report

Dear Senators, Representatives, Commissioners and Chairs:

Pursuant to 2013 Minnesota Laws, Chapter 143, Article 10 (the "Act"), the Destination Medical Center Corporation (the "DMCC") and the City of Rochester (the

“City”) must jointly submit a report by February 15 of each year with respect to the status of the Destination Medical Center initiative. On behalf of the DMCC and the City, we are pleased to submit this report, setting forth the progress that has been made since the last report, dated February 12, 2016.

As this report will illustrate, 2016 was an exciting year for the Destination Medical Center initiative, as we pivoted from planning to the approval of public and private projects and the consideration of several more projects in the pipeline for 2017. The private investment, combined with Mayo Clinic’s certified expenditures to date, indicate that we will be on track in 2017 to exceed the \$200,000,000 threshold in private investment established by the Legislature before any state funding may occur. This early success clearly underscores the legislative intent to have the private investment lead the way for this initiative.

I. Destination Medical Center: In General.

A. Development Plan.

One of the primary goals of the Act was the adoption of a Development Plan. In September 2013, the DMCC established specific goals and objectives for the Development Plan: to create a comprehensive strategic plan, and over the life of the project, to stimulate over \$5 billion in private investment that will be supported by \$585 million in public funds, create 35,000-45,000 new jobs, generate \$7.5 billion to \$8.5 billion in net new tax revenue, and achieve the highest quality patient, visitor and resident experience.

The Development Plan is the strategic framework for the Destination Medical Center initiative, establishing a comprehensive business and economic development strategy. As described in the Act, the Development Plan must address several items, including land use, transportation and infrastructure planning, market research, funding priorities, business and economic development and market strategies.

Upon making the findings set forth in the Act, including finding that the City had approved the Development Plan, the DMCC adopted the Development Plan on April 23, 2015. The Development Plan is posted on the DMCC website: www.dmc.mn.

B. Website.

The DMCC’s website is: www.dmc.mn. The website contains the regular meeting schedule, meeting agendas, minutes and other information on DMCC activities and activities of the Destination Medical Center Economic Development Agency (“DMC EDA”). The City’s website, www.rochestermn.gov, also has a link to the DMCC website.

II. Specific Elements Required to Be Included in the Report.

The Act requires that certain elements be included in this annual report. Some of what is presented here has been referenced above.

A. "The Development Plan and any proposed changes to the Development Plan."

The Development Plan was adopted on April 23, 2015. It can be found at the DMCC website: www.dmc.mn.

The DMCC approved a modification to the Destination Medical Center Development District, the geographic area in the City of Rochester in which public infrastructure projects are implemented. That modification is attached as Exhibit A.

B. "Progress of projects identified in the Development Plan."

According to the Act, a project must be approved by the DMCC before it is proposed to the City. The DMCC must review the project proposal for consistency with the adopted Development Plan. Since the adoption of the Development Plan on April 23, 2015, three projects have been approved by the DMCC.

The first project involves the historic Chateau Theatre Building, located in the development district boundaries and in the "Heart of the City" district as described in the Development Plan. The DMCC approved the acquisition of the Chateau Theatre Building by the City in the purchase price amount of \$6,000,000, of which Mayo Clinic contributed \$500,000. The acquisition of this historically-designated landmark is considered key to the planning and enhancement of the Heart of the City district. The City, DMCC and Mayo Clinic have agreed to work cooperatively to determine the best use of this building and a comprehensive planning process and feasibility study is currently underway.

The second project approved by the DMCC is the Broadway at Center project, located within the development district boundaries and in the "Downtown Waterfront" district as described in the Development Plan. This mixed-use project includes a 264-room hotel, restaurants, a skyway, and a five level parking ramp with 630 spaces. The project is expected to generate approximately \$125 million in private investment and create 200-250 jobs.

The third project approved by the DMCC is known as the Alatus Project, located on 2nd Street SW. This project required a modification of the Development District, and is located in the "Saint Marys" district as described in the Development Plan. This mixed-use project involves the construction of an approximately 327,965 square foot, thirteen level commercial and residential complex. It will include 347 market-rate rental units, create 240 jobs and is expected to generate \$115 million in private investment.

Finally, there are several other projects underway in the initial stages of planning, and are expected to come to fruition in 2017. The status of these projects will be reported in a future annual report.

In addition to the approved projects noted above, the DMCC and the City have approved a Capital Improvement Plan ("CIP") for 2017. Projects identified in the 2017 CIP are as follows:

1. 3rd Street SW Reconstruct/Design
2. Broadway at Center Development
3. SS1 12th Avenue Sewer Capacity
4. SS2 Cooke Park Sewer Capacity
5. Broadway at Center Ramp
6. Parking and Travel Demand Study
7. City Loop Plan
8. Transit/Transportation/Infrastructure Management
9. Transit Circulator Study
10. Heart of the City Public Realm Study
11. Chateau Theatre Re-Use Study
12. Downtown Street Use and Operations Study

C. “Actual costs and financing sources, including the amount paid under Minnesota Statutes Section 469.47, and required local contributions of projects completed in the previous two years by the DMCC, City, Olmsted County and Mayo.”

1. Through December 31, 2016, no State Infrastructure Aid or State Transit Aid has been received.
2. Actual costs paid by the City from commencement through December 31, 2016 have totaled \$19,077,618, based on year-end unaudited costs. The funding source has been City internal borrowing, which will be repaid by the City's 0.25% DMC sales tax.
3. Out of pocket costs incurred by Olmsted County through December 31, 2016 total \$1,500,000.
4. All operating costs for the DMCC through December 31, 2016 have been funded by the City of Rochester.
5. The 2017 operating and capital improvements budget for the DMCC totals \$14,427,642. Of this amount \$3,000,000 will be provided by Olmsted County from its 0.25% DMC sales tax. The remaining \$11,427,642 is to be provided by the City of Rochester from a variety of City funding sources.
6. Mayo Clinic has provided \$500,000 in 2016 for the Chateau Theatre project described in Section II B.

7. Additionally, Mayo Clinic has supported the DMC EDA both financially and with in-kind contributions. In 2016, Mayo Clinic's support to the DMC EDA was in the amount of \$935,000.

With respect to private projects, the Act requires that DEED must certify that \$200,000,000 of private investment has been made before any state funding may be paid. Mayo Clinic certified \$85,708,731 in qualified expenditures for the Destination Medical Center initiative in 2015. When added to Mayo Clinic's qualified expenditures in 2013 and 2014 in the amount of \$46,210,615, the total Mayo Clinic qualified expenditures through December 31, 2015 equal \$131,919,346. In addition, there were other private (non-Mayo Clinic) qualified expenditures in the amount of \$20,487,686. The Act requires that an annual certification of private investment by Mayo Clinic or other private investors be made to DEED by April 1 of each year. It is expected that additional private (non-Mayo Clinic) qualified expenditures and additional Mayo Clinic qualified expenditures for calendar year 2016 will be submitted in connection with the April 1, 2017 filing to DEED.

Attached is the annual certification of private investment that was submitted to DEED on March 31, 2016 (Exhibit B), as well as the DEED certification, dated July 13, 2016 (Exhibit C).

D. "Estimated costs and financing sources for projects to be started in the next two years by the DMCC, City, Olmsted County and Mayo."

The Development Plan sets forth a framework and examples of projects that may be considered for funding in the next several years. Each project will be approved on an individual basis. See also the response to "B" and "C," above.

E. "Debt service schedules for all outstanding obligations of the City for debt issued for projects identified in the plan."

The City has provided the funding required for approved projects thus far, and no debt has been issued as yet.

Thank you for your consideration of this annual report. On behalf of both the DMCC and the City, we welcome your comments or questions. We look forward to continued progress on the Destination Medical Center initiative in 2017.



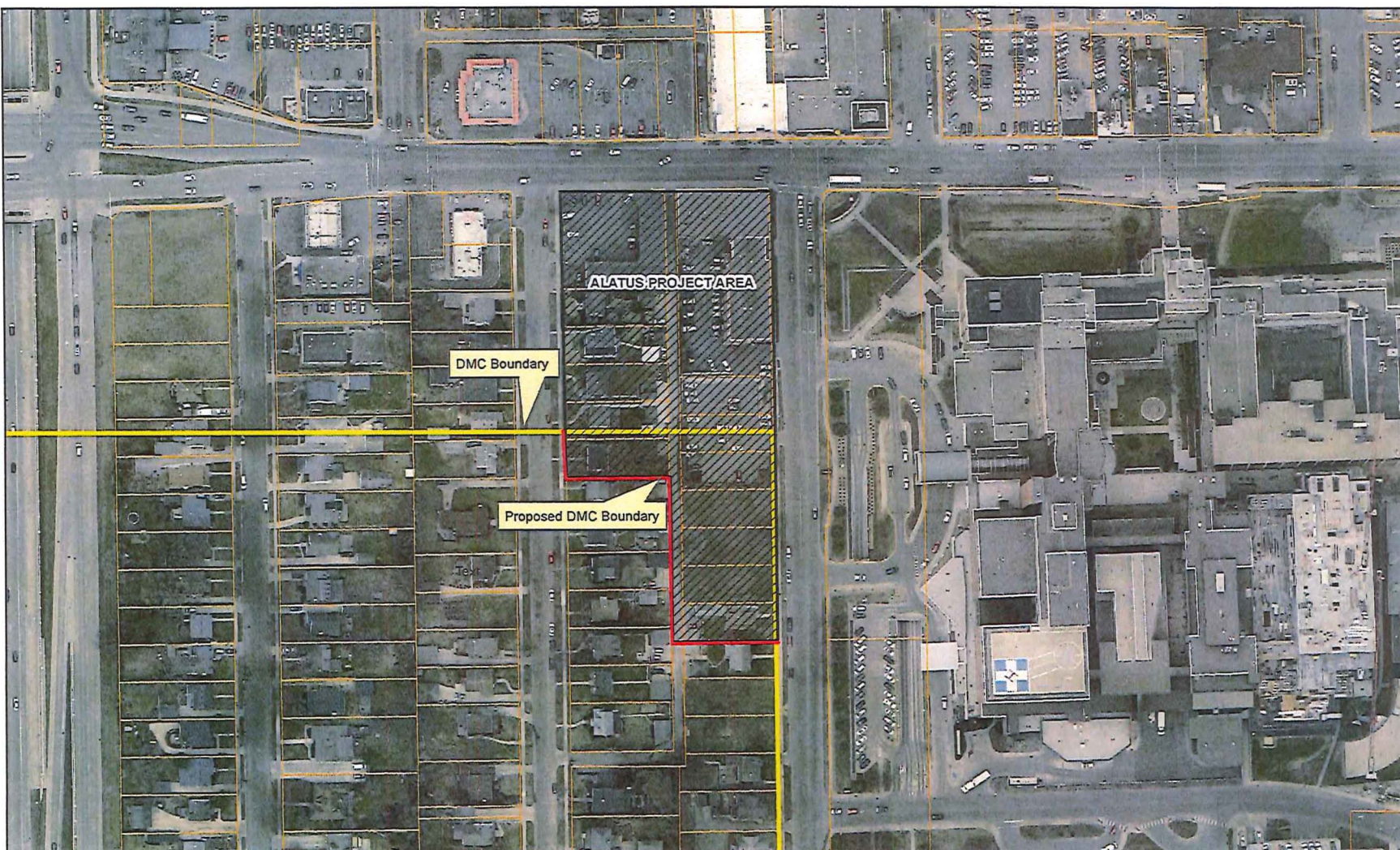
Tina F. Smith, Chair
Destination Medical Center Corporation



Ardell F. Brede, Mayor
City of Rochester

Enclosures

cc: Legislative Reference Library



DATA DISCLAIMER - Destination Medical Center (DMC) Boundary

The DMC Boundary is a boundary for an Economic Development initiative and was approved in the Spring of 2015. The boundary polygon was created based on the 'description' of the DMC area. The DMC area was not a surveyed legal description and was subject to interpretation. Please note that this boundary is for informational purposes only and is subject to change.

EXHIBIT B

DESTINATION MEDICAL CENTER CORPORATION
201 4th St. SE.
Rochester, Minnesota 55904

March 31, 2016

Katie Clark Sieben
Commissioner
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E-200
Saint Paul MN 55101-1351

Dear Commissioner Sieben:

On behalf of the Destination Medical Center Corporation ("DMCC") and Mayo Clinic, I am pleased to forward the following materials for the April 1, 2016 certification, pursuant to Minnesota Statutes Section 469.47, Subdivision 2:

1. DMCC Certification: I enclose the DMCC certification of expenditures made by an individual or entity, other than Mayo Clinic, for the period of July 1, 2013 through December 31, 2015. The City of Rochester, Minnesota, assisted with the compilation of this report. The amount of expenditures set forth in this report is \$20,487,686.
2. Mayo Clinic Certification: I enclose correspondence and accompanying materials from Jeffrey W. Bolton, Vice President of Administration at Mayo Clinic, dated March 31, 2016. Mayo Clinic is certifying expenditures for the period of January 1, 2015 through December 31, 2015 in the amount of \$85,708,731.
3. Summary of Expenditures: The summary page entitled "Certification of Expenditures, Destination Medical Center" sets forth total cumulative expenditures through December 31, 2015, in the amount of \$153,789,385.

Commissioner Katie Clark Sieben
March 31, 2016
Page 2

Thank you for your consideration, and please do not hesitate to contact either DMCC or Mayo Clinic if you need further information. We look forward to continuing to work with the State of Minnesota, City of Rochester, Olmsted County, Mayo Clinic, and our other partners on the Destination Medical Center initiative.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tina F. Smith", with a stylized flourish at the end.

Tina F. Smith
Chair
Destination Medical Center Corporation

Encl.

cc: Destination Medical Center Corporation Board of Directors
Jeffrey W. Bolton, Mayo Clinic

Building Permits within DMC Boundary

(Does not include Mayo Projects)

(Updated 3-16-2016 to omit public buildings)

| Quarters | Completed |
|----------|---------------------|
| 2013 3rd | \$829,770 |
| 4th | \$2,495,795 |
| 2014 1st | \$7,036,528 |
| 2nd | \$2,106,466 |
| 3rd | \$2,754,403 |
| 4th | \$3,383,504 |
| 2015 1st | \$868,500 |
| 2nd | \$490,000 |
| 3rd | \$424,085 |
| 4th | \$98,635 |
| | \$20,487,686 |

DMC Report
2015 Building Permits (4th Quarter - October 1st to December 31st)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Status Date |
|---------------------|----------------|---------------|-------------------|---------------|---|------------------|--|---|--|-----------------------|----------------------------|
| 1 Demolition | Multi-Family | R15-0020D | 12/16/2015 | 009687 | 812 SW 2 ST, ROCHESTER, MN 55902 | \$45,000 | Complete demolition of apartment building R648 | FRASER CONSTRUCTION RICK T. PENZ 3725 ENTERPRISE DR SW ROCHESTER, MN 55902 | RONALD McDONALD HOUSE 850 2ND ST SW ROCHESTER, MN 55902 | Final | 1/8/2016 |
| 2 Demolition | Multi-Family | R15-0021D | 12/18/2015 | 009682 | 808 SW 2 ST, ROCHESTER, MN 55902 | \$45,400 | Complete demolition of apartment building R648 | FRASER CONSTRUCTION RICK T. PENZ 3725 ENTERPRISE DR SW ROCHESTER, MN 55902 | RONALD McDONALD HOUSE 850 2ND ST SW ROCHESTER, MN 55902 | Final | 1/8/2016 |
| 3 Multi-Family Bldg | Alteration | R15-0104MFB | 10/29/2015 | 009170 | 430 SW 7 ST, ROCHESTER, MN 55902 | \$2,000 | Remove door and install new egress window; remove stairs (rental) | OWNER | SAVAGE REAL ESTATE HOLDINGS OF ROCHESTER PO BOX 474 ROCHESTER, MN 55903 | Final | 11/5/2015 |
| 4 Residential Bldg | Alteration | R15-1872RB | 12/11/2015 | 005163 | 850 SW 1 ST, ROCHESTER, MN 55902 | \$2,735 | Egress window installation on 2nd floor; 2 railings - 1 at stairs other 1 at door (RENTAL) | BOB'S CONSTRUCTION INC KELLY MADSON 4006 HWY 14 E ROCHESTER, MN 55904 | HUOR, BRUN 850 1ST ST SW ROCHESTER, MN 55902 | Final | 12/18/2015 |
| 5 Sign | Business | R15-0151S | 11/4/2015 | 078115 | 310 S BROADWAY AVE ROCHESTER, MN 55904 | \$2,500 | Sign "McGladrey" | OWNER | BRENT MOREY 1530 GREENVIEW DR SW 212F ROCHESTER, MN 55901 | Final | 1/22/2016 |

DMC Report
 2015 Building Permits (3rd Quarter - July 1st to September 30th)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Date |
|---------------------|----------------|---------------|-------------------|---------------|---|------------------|--|---|---|-----------------------|---------------------|
| 1 Commercial Bldg | Alteration | R15-0222CB | 7/14/2015 | 014442 | 30 SE 3 ST, ROCHESTER, MN 55904 | \$400,000 | New tenant restaurant on 7th floor (1st Vella rooftop - Plaza on Historic 3rd) | Buildcore, Inc. Brian Moser 30 3 St SE Rochester, MN 55904 | Novus Restaurant Group 6400 Flying Cloud Dr Suite 215 Eden Prairie, MN 55344 | Final | 12/1/2015 |
| 2 Commercial Bldg | Alteration | R15-0294CB | 8/5/2015 | 017887 | 100 SW 1 AVE, STE# 104, ROCHESTER, MN 55902 | \$5,000 | Alterations to existing space (Cloud 9 Spa & Salon - 100 1 Ave Bldg) | OWNER | Bacqin Fen 917 2 St SW ROCHESTER, MN 55902 | C of O Issued | 11/2/2015 |
| 3 Commercial Bldg | Alteration | R15-0363CB | 9/16/2015 | 017985 | 101 E CENTER ST, ROCHESTER, MN 55904 | \$16,000 | Re-roofing hotel | | FRIEDRICH, ANDY 10817 110 ST SE CHATFIELD, MN 55923 | Final | 10/13/2015 |
| 4 Multi-Family Bldg | Alteration | R14-0065MPB | 9/3/2015 | 004995 | 212 NW 6 AVE, ROCHESTER, MN 55901 | \$500 | Replace steps, handrail and guardrail on existing deck for apartment #2 | OWNER | STORM, GREG 513 2 ST NW ROCHESTER, MN 55901 | Final | 9/4/2015 |
| 5 Sign | Business | R15-0708S | 9/18/2015 | 005526 | 438 SE 3 AVE, ROCHESTER, MN 55904 | \$385 | Wall sign "Buckeye LIQUOR" | OWNER | TGM REAL ESTATE LLC 438 3 AVE SE ROCHESTER, MN 55904 | Final | 9/23/2015 |

\$434,085

DMC Report
2015 Building Permits (1st Quarter - January 1st to March 31st)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Status Date | |
|----------------|-----------------|-----------------------|-------------------|---------------|--------------|---|------------------|--|--|---|----------------------------|-----------|
| 1 | Commercial Bldg | Phased Partial Permit | R15-0002CB | 1/2/2015 | 014315 | 4 SW 3 ST, ROCHESTER, MN 55902 | \$10,000 | Partial phase interior demolition only for - Alterations to existing restaurant to include a brewery and bar (Grand Rounds Brew Pub) | KRAUS-ANDERSON CONSTRUCTION CO Adam Kramer 416 S BROADWAY ROCHESTER, MN 55904 | INDIGO FUSION HOLDINGS LLC 720 NORTHERN HILLS DR NE ROCHESTER, MN 55906 | Closed | 4/8/2015 |
| 2 | Commercial Bldg | Alteration | R15-0013CB | 1/9/2015 | 017887 | 100 SW 1 AVE, STE# 202, ROCHESTER, MN 55902 | \$500 | Alterations to existing space (Johnny Mango - 100 1 Ave Food Court) | JT Enger Construction Josh Egner 17595 Kenwood Trail Suite 250 Lakeville, MN 55044 | Baheya, LLC 4211 3rd SW Suite 303 Rochester, MN 55902 | Finished | 1/18/2015 |
| 3 | Commercial Bldg | Alteration | R14-0450CB | 1/15/2015 | 078774 | 221 SW 1 AVE, ROCHESTER, MN 55902 | \$450,000 | Alterations to existing space (Bio-Business 3rd level - Cardio 3) Center for Regenerative Medicine | ALVIN E BENIKE, INC Adam E Benike 2980 W Hwy 14 ROCHESTER, MN 55801 | CITY OF ROCHESTER 201 4 ST SE ROCHESTER, MN 55904 | Finished | 1/19/2015 |
| 4 | Commercial Bldg | Alteration | R15-0077CB | 3/17/2015 | 018102 | 211 NW 2 ST 508, ROCHESTER, MN 55901 | \$8,000 | Alterations to unit #508 (Mayo Clinic - Charter House) | WEIS BUILDERS Scott Fenske 2227 7 ST NW ROCHESTER, MN 55901 | Deborah Kentz 211 2 ST NW ROCHESTER, MN 55901 | Finished | 5/8/2015 |

2000, 500

DMC Report
2014 Building Permits (4th Quarter - October 1st to December 31st)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Status Date |
|--------------------|-----------------------|---------------|-------------------|---------------|--|------------------|---|---|---|-----------------------|----------------------------|
| 1 Commercial Bldg | New | R14-0328CB | 10/2/2014 | 014442 | 00 SE 3 ST | \$1,130,000 | New tenant 3, 4 & 5 floors (Listado 3rd - Dunlop Seeger) | SCHOEPPNER, INC BRYAN SCHOEPPNER 1770 75 ST NE ROCHESTER, MN 55906 | CITY CENTER LLC 221 1 AVE SW # 300 ROCHESTER, MN 55902 | C of O Issued | 3/20/2015 |
| 2 Commercial Bldg | Alteration | R14-0382CB | 10/10/2014 | 017897 | 100 SW 1 AVE, STE# 204, ROCHESTER, MN 55902 | \$5,000 | Storage units for food court tenants (First Avenue Food Court) | OWNER | Baheya, LLC PO Box 143 Kasson, MN 55944 Regency Hotel Management 3211 Sencore Dr Sioux Falls, SD 57107 | Finished | 10/24/2014 |
| 3 Commercial Bldg | Alteration | R14-0355CB | 10/14/2014 | 011555 | 1215 SW 2 ST, ROCHESTER, MN 55902 | \$125,000 | Interior remodel for accessible rooms, breakfast room, electrical upgrade service (Fiskal Hotel) | BHI Contractors Joe Bernhard 27240 SD Hwy 116 Harrisburg, SD 57032 | Regency Hotel Management 3211 Sencore Dr Sioux Falls, SD 57107 | C of O Issued | 4/22/2015 |
| 4 Commercial Bldg | Sege | R14-0413CB | 10/27/2014 | 081056 | 222 SW 6 AVE, ROCHESTER, MN 55902 | \$10,200 | Replacement of a Modular Block Retaining Wall (Trinity Lutheran Church) | | TRINITY EVANGELICAL LUTHERAN CHURCH 529 3 ST SW ROCHESTER, MN 55902 | Finished | 11/10/2014 |
| 5 Commercial Bldg | Alteration | R14-0418CB | 10/31/2014 | 011561 | 1117 SW 2 ST, ROCHESTER, MN 55902 | \$13,235 | Re-Roofing with 40 mil Duro-Last PVC membrane. | All Elements, Inc. Paul Levisse 301 Chateau Road Monticello, MN 55362 | Jay Anderson 1117 2 ST SW ROCHESTER, MN 55902 | Finished | 2/27/2015 |
| 6 Commercial Bldg | Alteration | R14-0400CB | 11/6/2014 | 078774 | 221 SW 1 AVE, ROCHESTER, MN 55902 | \$90,000 | Tenant fitup for office phase II (Bio-Business 2nd - Mayo Clinic Business Accelerator) | ALVIN E BENIKE, INC Mike E Benike 2860 W Hwy 14 ROCHESTER, MN 55901 | CITY OF ROCHESTER 201 4 ST SE ROCHESTER, MN 55904 | Finished | 1/12/2015 |
| 7 Commercial Bldg | Alteration | R14-0383CB | 11/6/2014 | 011534 | 1407 SW 2 ST, Rochester 55902 | \$43,781 | Finish whitebox space for salon (West End Salon - Homewood Suites by Hilton) | OWNER | Nelson Robinson 127 14 St NE Rochester, MN 55908 | C of O Issued | 2/26/2015 |
| 8 Commercial Bldg | Alteration | R14-0364CB | 11/12/2014 | 025717 | 717 SE 3 AVE, ROCHESTER, MN 55904 | \$85,000 | Alterations for office space on lower and main levels on north side (Olmsted Medical Center) | MCGOUGH CONSTR/ROCH OFFICE Dan Melbostad 3555 9 ST NW STE 100 ROCHESTER, MN 55901 | Olmsted Medical Center 210 9 St SE ROCHESTER, MN 55904 | C of O Issued | 3/6/2015 |
| 9 Commercial Bldg | Phased Partial Permit | R14-0348CB | 11/12/2014 | 025717 | 717 SE 3 AVE, ROCHESTER, MN 55904 | \$50,000 | Interior demolition for future office space (SEH - Yaggy Associates) | MCGOUGH CONSTR/ROCH OFFICE Dan Melbostad 3555 9 ST NW STE 100 ROCHESTER, MN 55901 | Yaggy Colby Building of Rochester 700 1 AVE SE ROCHESTER, MN 55904 | Closed | 5/10/2015 |
| 10 Commercial Bldg | Alteration | R14-0329CB | 11/17/2014 | 016354 | 624 SW 3 AVE, ROCHESTER, MN 55902 | \$26,000 | New roof top cooler equipment (Zumbro Evangelical Lutheran Church) | VALOR MECHANICAL INC TY BESTOR 416 SOUTH BROADWAY #2 ROCHESTER, MN 55904 | ZUMBRO EVANGELICAL LUTH CHURCH 624 3 AVE SW ROCHESTER, MN 55902 | Finished | 11/26/2014 |
| 11 Commercial Bldg | Alteration | R14-0381CB | 11/21/2014 | 014442 | 30 SE 3 ST | \$330,000 | Fred Carlson dental office from whitebox (Fred Carlson - 2nd level east - Historic 3rd) | ALVIN E BENIKE, INC Mary E Kisilewski 2860 W Hwy 14 ROCHESTER, MN 55901 | Fred Carlson 206 South Broadway ROCHESTER, MN 55904 | C of O Issued | 8/13/2015 |
| 12 Commercial Bldg | Alteration | R14-0401CB | 12/4/2014 | 014442 | 30 SE 3 ST | \$1,000,000 | Tenant finish from partial phase infrastructure (Italian Concept Restaurant - main level - Plaza on Historic 3rd) | WEIS BUILDERS Brian Sheehan 2227 7 ST NW ROCHESTER, MN 55901 | Pat Woodring 6400 Flying Cloud Dr Suite 215 Eden Prairie, MN 55344 | C of O Issued | 5/13/2015 |
| 13 Commercial Bldg | Alteration | R14-0430CB | 12/12/2014 | 025717 | 717 SE 3 AVE, ROCHESTER, MN 55904 | \$440,000 | Alterations for office space on south main level (SEH - Yaggy Associates) | MCGOUGH CONSTR/ROCH OFFICE Dan Melbostad 3555 9 ST NW STE 100 ROCHESTER, MN 55901 | SEH (Yaggy Colby) 717 3 Ave SE ROCHESTER, MN 55904 | C of O Issued | 5/10/2015 |
| 14 Sign | Business | R14-0140R | 11/19/2014 | 011555 | 1215 SW 2 ST, ROCHESTER, MN 55902 | \$28,308 | Wall Sign (Aspen Select) | OWNER | US HOTEL ROCHESTER VENTURES LLP 3211 WEST SENCORE DR SIOUX FALLS, SD 57107 | Closed | 4/17/2015 |

DMC Report
 2014 Building Permits (4th Quarter - October 1st to December 31st)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)

| | | | | | | | | | | |
|----|------|----------|-----------|------------------|--|---|-------|---|--------|-----------|
| 15 | Sign | Business | R14-0152S | 12/3/2014-079185 | 318 SW 1 AVE 120, ROCHESTER, MN 55902 | \$5,000 Wall Sign to replace prior owner (Bremer Bank) | OWNER | Bremer Bank 8555 Eagle Point Blvd Lake Elmo, MN 5555042 | Finald | 4/15/2015 |
|----|------|----------|-----------|------------------|--|---|-------|---|--------|-----------|

\$3,283,804

DMC Report
2014 Building Permits (3rd Quarter - July 1st to September 30th)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)
(Report updated 3-16-2016 to omit public buildings)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Status Date |
|-------------------|-----------------------|---------------|-------------------|---------------|---|------------------|--|--|--|-----------------------|----------------------------|
| Commercial Bldg | Alteration | R14-0208CB | 7/9/2014 | 014435 | 310 S BROADWAY AVE, ROCHESTER, MN 55904 | \$480,000 | Tenant finish from whitebox (Exhibitor Media Group - Main level - City Centre Building) | ALVIN E BENIKE, INC Mary E Kisilewski 2980 W Hwy 14 ROCHESTER, MN 55901 | CITY CENTRE ROCHESTER LLC 2227 7 ST NW ROCHESTER, MN 55901 | C of O Issued | 10/24/2014 |
| Commercial Bldg | Alteration | R14-0256CB | 8/1/2014 | 018487 | 407 NW 2 AVE, ROCHESTER, MN 55901 | \$12,000 | Move wall at bathroom & office remodel, new furnace (Collins Feed & Seed) | Ronald E. Cadean Ronald Carlson 2525 Schuster Ln NW Rochester, MN 55901 | COLLINS, RANDALL A 411 2 AVE NW ROCHESTER, MN 55901 | C of O Issued | 11/12/2014 |
| Commercial Bldg | Alteration | R14-0249CB | 8/5/2014 | 017776 | 18 SW 3 ST, ROCHESTER, MN 55902 | \$15,300 | New fitness studio tenant (Studio on 3rd - Merchants Exchange Bldg - Unit 2) | Silika Construction Josh Silika 1055 1 Ave SE Rochester, MN 55904 | Sarah Pascheri 830 8 Ave SW ROCHESTER, MN 55902 | Finalized | 11/5/2014 |
| Commercial Bldg | Phased Partial Permit | R14-0314CB | 8/5/2014 | 017780 | 304 SW 1 AVE, ROCHESTER, MN 55902 | \$3,000 | Interior partial demolition for - Alterations to existing dining area, bar area and window improvements (Bilotti's Pizza) | OWNER | Karla Sperry 1820 5 Ave SE ROCHESTER, MN 55902 | Closed | 11/24/2014 |
| Commercial Bldg | Alteration | R14-0275CB | 8/12/2014 | 017854 | 221 SW 1 AVE, ROCHESTER, MN 55902 | \$108,598 | Office floor 2nd floor (Brandix IS - Bio Business Center) | CONSTRUCTION COLLABORATIVE Grant Michalecz 320 S BROADWAY ROCHESTER, MN 55904 | Aaron Epps 221 1 Ave SW ROCHESTER, MN 55902 | C of O Issued | 10/21/2014 |
| Commercial Bldg | Alteration | R14-0313CB | 8/25/2014 | 017780 | 304 SW 1 AVE, ROCHESTER, MN 55902 | \$49,000 | Alterations to existing dining area, bar area and window improvements (Bilotti's Pizza) | OWNER | Karla Sperry 1820 5 Ave SE ROCHESTER, MN 55902 | C of O Issued | 12/9/2014 |
| Commercial Bldg | Phased partial Permit | R14-0054CB | 8/27/2014 | 014442 | 30 SE 3 ST | \$1,500,000 | Partial phase finish of common areas throughout; plumbing, electrical and mechanical infrastructure. No tenant finishes. (Plaza on Historic 3rd) | WEIS BUILDERS Scott Senske 2227 7 ST NW ROCHESTER, MN 55901 | Plaza on Historic 3rd 2211 AVESW # 300 ROCHESTER, MN 55902 | C of O Issued | 3/20/2015 |
| Commercial Bldg | Addition | R14-0184CB | 9/19/2014 | 014318 | 10 SW 3 ST, ROCHESTER, MN 55902 | \$180,000 | Elevated deck addition (Tap House - 3rd St SW) | ALVIN E BENIKE, INC Steve E Bieniek 2980 W Hwy 14 ROCHESTER, MN 55901 | Natalie Victoria 103 ST SW ROCHESTER, MN 55902 | Finalized | 11/30/2015 |
| Commercial Bldg | Alteration | R14-0371CB | 9/25/2014 | 017971 | 5 E CENTER ST, ROCHESTER, MN 55904 | \$16,500 | Reroof (Suk Law Firm) | | SUK, CHARLES JAMES 800 CLOVER LN SW ROCHESTER, MN 55902 | Finalized | 10/3/2014 |
| Multi-Family Bldg | New | R14-0034MFB | 8/11/2014 | 018097 | 223 N BROADWAY, ROCHESTER, MN 55905 | \$300,000 | Conversion of second floor to two apartments (Runkle Residence) | EXCEL HOMES MICKEY ROWLAND PO BOX 5481 ROCHESTER, MN 55903 | RUNKLE, TORY 223 NORTH BROADWAY ROCHESTER, MN 55901 | Finalized | 2/5/2015 |
| Residential Bldg | Alteration | R14-1046RB | 8/7/2014 | 006369 | 207 SW 5 AVE 1203, ROCHESTER, MN 55902 | \$80,000 | Interior remodel of condo: kitchen, bath, bedrooms, closets. | KEY BUILDERS, INC BRAD CLEMENS 7840 LEQUE DR SW STE# A ROCHESTER, MN 55902 | LAYNE THRIKE 207 5TH AVE SW #1203 ROCHESTER, MN 55902 | Finalized | 2/18/2015 |

\$2,754,403

DMC Report
2014 Building Permits (2nd Quarter - April 1st to June 30th)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)
(Report updated 3-16-2016 to omit public buildings)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Status Date |
|----------------------|-----------------------|---------------|-------------------|---------------|---|------------------|--|---|---|-----------------------|----------------------------|
| 1 Commercial Bldg | Alteration | R14-0109CB | 4/1/2014 | 002485 | 1406 SW 2 ST, ROCHESTER, MN 55902 | \$14,521 | Alterations / Windows - install (8) insert window, custom sized, 2nd & 3rd floors | RYAN WINDOWS & SIDING, INC Bruce Ryan Box 5837 Rochester, MN 55903 | BRENTWOOD ON 2ND 1406 2 ST SW ATTN: AMY SULLIVAN ROCHESTER, MN 55902 | Finalized | 5/14/2014 |
| 2 Commercial Bldg | Alteration | R14-0045CB | 4/3/2014 | 025249 | 400 S BROADWAY, STE# 105, ROCHESTER, MN 55902 | \$285,000 | Tenant fitup on main level (Cambria - Riverside Building) | ALVIN E BENKE, INC Steve E Beniek 2960 W Hwy 14 ROCHESTER, MN 55901 | Merle Towey 11100 West 78 St Eden Prairie, MN 55344 | Finalized | 8/11/2014 |
| 3 Commercial Bldg | Alteration | R14-0130CB | 4/15/2014 | 014312 | 809 S BROADWAY, ROCHESTER, MN 55904 | \$800 | Exterior site approach for accessibility to rear of building (Big Brad's on Broadway) | STEVE GENTRY CONSTRUCTION LLC STEVE E GENTRY 2307 7 ST NW ROCHESTER, MN 55901 | Eric Peterson 809 South Broadway ROCHESTER, MN 55904 | Finalized | 4/28/2014 |
| 4 Commercial Bldg | Alteration | R14-0122CB | 4/24/2014 | 017712 | 20 SW 2 AVE, ROCHESTER, MN 55902 | \$15,000 | Barber shop relocation (Kahler Hospitality Group - Subway level) | OWNER | Kahler Hospitality Group 200 1 ST SW ROCHESTER, MN 55905 | C of O Issued | 7/30/2014 |
| 5 Commercial Bldg | Alteration | R14-0092CB | 4/29/2014 | 017887 | 101 SW 1 AVE, ROCHESTER, MN 55902 | \$160,000 | New tenant in existing space (Freshens - Marriott Subway level) | KEY BUILDERS, INC BRAD CLEMENS 7840 LEQUE DR SW STE# A ROCHESTER, MN 55902 | Kahler Hospitality Group 20 2 Ave SW Rochester, MN 55902 | C of O Issued | 1/24/2014 |
| 6 Commercial Bldg | Alteration | R14-0142CB | 4/29/2014 | 017882 | 150 S BROADWAY, ROCHESTER, MN 55904 | \$2,780 | First floor conference room glazing wall replacement (Double Tree) | CONSTRUCTION COLLABORATIVE Grant Michalecz 320 S BROADWAY ROCHESTER, MN 55904 | BGD5 HOTEL LLC 121 23 AVE SW # 105 ROCHESTER, MN 55902 | Finalized | 8/15/2014 |
| 7 Commercial Bldg | Alteration | R14-0175CB | 5/13/2014 | 050974 | 524 SE 4 ST, ROCHESTER, MN 55904 | \$21,561 | Reroof 2,187 sq ft to adhered EPDM (Rossi Auto Body) | OWNER | ROSSI, MICHAEL 524 4 ST SE ROCHESTER, MN 55904 | Finalized | 5/29/2016 |
| 8 Commercial Bldg | Phased Partial Permit | R14-0179CB | 5/22/2014 | 014435 | 310 S BROADWAY AVE, ROCHESTER, MN 55904 | \$12,500 | Concrete floor finish with UG electrical, plumbing, no tenant finishes (City Centre Building) | ALVIN E BENKE, INC Mary E Killewaki 2960 W Hwy 14 ROCHESTER, MN 55901 | CITY CENTRE ROCHESTER LLC 2227 7 ST NW ROCHESTER, MN 55901 | Finalized | 10/23/2014 |
| 9 Commercial Bldg | Alteration | R14-0199CB | 6/9/2014 | 017771 | 402 SW 1 AVE, ROCHESTER, MN 55902 | \$723,000 | Removal of existing portion of building and drive-up canopy; internal remodeling (US Bank) | KNUTSON CONSTRUCTION Derek O'Connor 5985 BANDEL RD NW ROCHESTER, MN 55901 | U S BANK NATIONAL ASSOCIATION 2900 East Lake St Minneapolis, MN 55406 | C of O Issued | 10/31/2014 |
| 10 Commercial Bldg | Alteration | R14-0120CB | 6/17/2014 | 017988 | 11 SW 4 AVE, ROCHESTER, MN 55902 | \$650,000 | Remodel lower level - O'Day room, kitchen, restroom, stairwell, elevator; upper level conference room, fireside room, resident, stairwell; and main level building entrance, Southeast church entrance, lobby, and residence living area (Church of St. John the Evangelist) | WEBB BUILDERS Dan Piliga 2227 7 ST NW ROCHESTER, MN 55901 | CHURCH OF ST JOHN 11 4 AVE SW ROCHESTER, MN 55902 | C of O Issued | 8/18/2015 |
| 11 Multi-Family Bldg | Alteration | R14-0020MFB | 5/1/2014 | 008428 | 207 SW 5 AVE, ROCHESTER, MN 55902 | \$5,000 | Redo existing bathroom to a shower instead of tub. | EXCEPTIONAL CONSTRUCTION & REMODELING LLC DOUGLAS K BATZLAFF 3760 SPRING GREEN CT NE ROCHESTER, MN 55906 | NELSON, CAROL M 207 5 AVE SW # 1005 ROCHESTER, MN 55902 | Finalized | 6/19/2014 |
| 12 Sign | Business | R14-0032S | 4/22/2014 | 017980 | 5 NW 3 AVE, ROCHESTER, MN 55901 | \$12,000 | Wall Sign (Freshens Restaurant - Kahler Inn & Suites) | OWNER | Kahler Hospitality Group 20 2 Ave SW Rochester, MN 55902 | Finalized | 5/2/2014 |
| 13 Sign | Business | R14-0022S | 5/1/2014 | 017811 | 15 SW 1 AVE, ROCHESTER, MN 55902 | \$2,225 | Wall sign (Kahler Grand - Dunkin Donuts) | OWNER | BLUNSTONE KAHLER LLC 120 VANTIS STE 350 SAN VICENTE, CA 92580 | Closed | 6/17/2014 |
| 14 Sign | Business | R14-0081S | 5/15/2014 | 008105 | 809 SW 2 ST, ROCHESTER, MN 55902 | \$295 | Business Sign - Neurological Recovery House | OWNER | Carlson, Ronald 801 6th Street SW Stewartville, MN 55978 | Finalized | 7/18/2014 |

DMC Report
 2014 Building Permits (2nd Quarter - April 1st to June 30th)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)
 (Report updated 3-18-2016 to omit public buildings)

| | | | | | | | | | | | |
|----|------|----------|-----------|------------------|-------------------------------------|---------|---|-------|---|--------|-----------|
| 15 | Sign | Business | R14-0054S | 5/29/2014/017911 | 15 SW 1 AVE. ROCHESTER, MN 55902 | \$1,800 | Projecting sign (Kahler Grand - Dunkin Donuts) | OWNER | SUNSTONE KAHLER LLC 120 VANTIS STE 350 ALIS VIEJO, CA 92656 | Closed | 6/17/2014 |
|----|------|----------|-----------|------------------|-------------------------------------|---------|---|-------|---|--------|-----------|

\$2,106,489

DMC Report
2014 Building Permits (1st Quarter - January 1st to March 31st)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Status Date | |
|----------------|-------------------|-----------------------|-------------------|---------------|--------------|---|------------------|--|---|--|----------------------------|-----------|
| 1 | Commercial Bldg | Alteration | R13-0438CB | 1/13/14 | 017888 | 111 S BROADWAY, ROCHESTER, MN 55904 | \$18,000 | New tenant space fit up (City Wine - University Square - 1st level) | RELIABLE CONTRACTORS, INC GARY NORDINE 8831 10 Ave SW ROCHESTER, MN 55902 | BGD 3 LTD PARTNERSHIP GALLERIA PO BOX 249 ROCHESTER, MN 55903 | C of O Issued | 5/28/2014 |
| 2 | Commercial Bldg | Alteration | R13-0450CB | 1/13/2014 | 014308 | 317 S BROADWAY, ROCHESTER, MN 55904 | \$27,269 | New tenant in existing space (Canvas & Chardonnay) | CONSTRUCTION COLLABORATIVE 320 S BROADWAY ROCHESTER, MN 55904 | HENDERSON, HOLLY A 2211 SALEM RD SW ROCHESTER, MN 55902 | C of O Issued | 7/18/2014 |
| 3 | Commercial Bldg | Alteration | R13-0434CB | 1/31/2014 | 017990 | 9 NW 3 AVE, ROCHESTER, MN 55901 | \$250,000 | Tenant space alteration to restaurant (Freshen's Restaurant - Kahler Inn & Suites) | OWNER | Kahler Hospitality Group 202 Ave SW Rochester, MN 55902 | C of O Issued | 8/22/2014 |
| 4 | Commercial Bldg | Alteration | R14-0009CB | 2/24/2014 | 017912 | 20 SW 2 AVE, ROCHESTER, MN 55902 | \$31,000 | Alterations for new tenant on main level (Kahler Grand) Optical Plane | KEY BUILDERS, INC BRAD CLEMENS 7840 LEQUE DR SW STE# A ROCHESTER, MN 55902 | SUNSTONE KAHLER LLC 202 Ave SW Rochester, MN 55902 | C of O Issued | 4/4/2014 |
| 5 | Commercial Bldg | Alteration | R14-0029CB | 3/5/2014 | 025249 | 400 S BROADWAY, ROCHESTER, MN 55902 | \$200,000 | Wall installation for new tenant (Limb Lab) | Doug Peterson Construction Doug Peterson Box 8 Dover, MN 55929 | LNI RIVERSIDE LLC PO BOX 807 CLEAR LAKE, IA 50428 | Finalized | 7/2/2014 |
| 6 | Commercial Bldg | Alteration | R14-0031CB | 3/6/2014 | 017887 | 100 BW 1 AVE, STE# 209, ROCHESTER, MN 55902 | \$22,500 | New restaurant in food court (Azteca Express - Suite #209) | OWNER | Sandra Comejo 1053 3 Ave SE ROCHESTER, MN 55904 | Finalized | 4/23/2014 |
| 7 | Commercial Bldg | Alteration | R14-0022CB | 3/7/2014 | 017911 | 15 SW 1 AVE, ROCHESTER, MN 55902 | \$295,000 | New coffee and donut shop into existing space street level (Kahler Grand - Dunkin Donuts) | SCHOEPFNER, INC BRYAN SCHOEPFNER 1770 75 ST NE ROCHESTER, MN 55906 | SUNSTONE KAHLER LLC 120 VANTIS STE 350 ALIS VIEJO, CA 92658 | C of O Issued | 8/23/2014 |
| 8 | Commercial Bldg | Alteration | R13-0425CB | 3/25/2014 | 014326 | 14 SW 2 ST, ROCHESTER, MN 55902 | \$178,859 | Interior renovation to existing tenant (Morgan Stanley - Landmark Building) | MISSION CONSTRUCTION INC JAY ALLEN 13821 INDUSTRIAL PARK BLVD PLYMOUTH, MN 55441 | LANMARK PO BOX 863 NEW HAMPTON, IA 50859 | C of O Issued | 7/18/2014 |
| 9 | Commercial Bldg | Phased Partial Permit | R14-0014CB | 3/27/2014 | 014442 | 30 SE 3 ST | \$1,000,000 | Partial phase structural steel with roof, exterior wall panels and common area doors (Plaza on Historic 3rd) | WEBB BUILDERS Todd Severson 2227 7 ST NW ROCHESTER, MN 55901 | CITY CENTER LLC 221 1 AVE SW # 300 ROCHESTER, MN 55902 | C of O Issued | 3/20/2015 |
| 10 | Multi-Family Bldg | Alteration | R14-0004MFB | 2/19/2014 | 017989 | 22 N BROADWAY AVE, ROCHESTER, MN 55908 | \$5,000 | Insulate and construct two interior turned out walls with foam insulation and sheetrock (Park Towers) | CREEKWOOD CONSTRUCTION RYAN SCHULTZ 6491 CREEKWOOD CT SE ROCHESTER, MN 55904 | CCM HOUSING SERVICES-PARK 1059 EAST 900 SOUTH LT LAKE CITY, UT 84105 | Finalized | 3/11/2014 |
| | Business | | R14-0011S | 2/12/2014 | 017912 | 20 SW 2 AVE, ROCHESTER, MN 55902 | \$10,900 | Alterations for new tenant on main level (Mama Fu's Asian House - Kahler Grand) | OWNER | SUNSTONE KAHLER LLC 202 Ave SW Rochester, MN 55902 | Closed | 4/4/2014 |

\$7,038,928

DMC Report
2013 Building Permits (4th Quarter - October 1st to December 31st)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prof | Owner | Current Permit Status | Current Permit Status Date |
|---------------------|--------------------------|---------------|-------------------|---------------|---|------------------|--|--|--|-----------------------|----------------------------|
| 1 Commercial Bldg | Alteration | R13-0352CB | 10/2/2013 | 009154 | 422 SW 6 ST, ROCHESTER, MN 55902 | \$95,000 | Exterior walkway and stair guard replacement only (Best Western Soldiers Field - Bldg #3) | CONSTRUCTION COLLABORATIVE Grant Michaletz 320 S BROADWAY ROCHESTER, MN 55904 | MAOKS LLC 401 6 ST SW ROCHESTER, MN 55902 | C of O Issued | 10/29/2014 |
| 2 Commercial Bldg | Alteration | R13-0353CB | 10/2/2013 | 009156 | 418 SW 6 ST, ROCHESTER, MN 55902 | \$95,000 | Exterior walkway and stair guards replacement only Best Western Soldiers Field - Bldg #2) | CONSTRUCTION COLLABORATIVE Grant Michaletz 320 S BROADWAY ROCHESTER, MN 55904 | MAOKS LLC 401 6 ST SW ROCHESTER, MN 55902 | C of O Issued | 10/29/2014 |
| 3 Commercial Bldg | Alteration | R13-0349CB | 10/29/2013 | 017773 | 18 SW 3 ST, STE# 300, ROCHESTER, MN 55902 | \$288,000 | 3rd floor fit-up for dental clinic unit #300 (Blue Sky Dental - Merchants Exchange) | WEIS BUILDERS Todd Severson 2227 7 ST NW ROCHESTER, MN 55901 | HAMILTON REAL ESTATE INC 4057 28 ST NW SUITE 200 ROCHESTER, MN 55901 | C of O Issued | 1/10/2014 |
| 4 Commercial Bldg | Alteration | R13-0382CB | 10/30/2013 | 017778 | 18 SW 3 ST, ROCHESTER, MN 55902 | \$14,475 | New office tenant in lower level (Zimmerman offices - Merchants Exchange Bldg - Unit 2) | Silika Construction Josh Silika 1055 1 Ave SE Rochester, MN 55904 | Annie Henderson 115 1/2 North Broadway Suite #5 ROCHESTER, MN 55905 | C of O Issued | 1/2/2014 |
| 5 Commercial Bldg | Alteration | R13-0359CB | 11/14/2013 | 017854 | 221 SW 1 AVE, ROCHESTER, MN 55902 | \$63,320 | New tenant build out in suite 102 (Imanis Life Science Lab - Bio Business Center) | RELIABLE CONTRACTORS, INC GARY NORDINE 6851 10 Ave SW ROCHESTER, MN 55902 | Imanis Life Science Lab 221 1 Ave SW Suite 102 ROCHESTER, MN 55902 | C of O Issued | 1/6/2014 |
| 6 Commercial Bldg | Alteration | R13-0435CB | 12/16/2013 | 017882 | 150 S BROADWAY, ROCHESTER, MN 55904 | \$14,000 | Main level alterations for gift shop - Tableside-Manor (Double Tree Hotel) | RELIABLE CONTRACTORS, INC GARY NORDINE 6851 10 Ave SW ROCHESTER, MN 55902 | BODS HOTEL LLC 121 23 AVE SW # 105 ROCHESTER, MN 55902 | C of O Issued | 3/19/2014 |
| 7 Multi-Family Bldg | Finalized Partial Permit | R13-0054MPB | 10/8/2013 | 012778 | 008 SW 1 ST, Rochester 55902 | \$150,000 | Footings and Foundation walls through first level, no precast; permit phase permit for 20-unit 4-story apartment building (The Lofts on 1st) | KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 | MCSHAY LLP 10873 VIOCA RD NE EYOTA, MN 55834 | Finalized | 8/28/2014 |
| 8 Multi-Family Bldg | New | R13-0051MPB | 12/15/2013 | 012778 | 008 SW 1 ST, Rochester 55902 | \$1,735,000 | New 20-unit 4-story apartment building with enclosed garage (The Lofts on 1st) | KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 | Topel and Sons, LLC 4057 28 St NW Suite 200 Rochester, MN 55901 | Finalized | 9/3/2014 |

\$2,495,795

DMC Report
2013 Building Permits (3rd Quarter - July 1st to September 30th)
Completed Building Permits
(Within DMC Boundary, does not include Mayo Projects)
(Report updated 3-16-2016 to omit public buildings)

| Sub Type Level | Category Level | Permit Number | Permit Issue Date | Parcel Number | Address Info | Permit Valuation | Work Description | Lic Prod | Owner | Current Permit Status | Current Permit Status Date |
|----------------------|-----------------------|---------------|-------------------|---------------|---|------------------|--|--|--|-----------------------|----------------------------|
| 1 Commercial Bldg | Alteration | R13-0131CB | 7/8/2013 | 048797 | 400 SE 4 ST, ROCHESTER, MN | \$319,559 | Interior alterations to gas station (Holiday Store #424) | Holiday Store Scott Alpaugh 4587 American Blvd West Bloomington, MN 55437 | Holiday Store 4587 American Blvd West Bloomington, MN 55435 | C of O Issued | 3/16/2014 |
| 2 Commercial Bldg | Alteration | R13-0197CB | 7/12/2013 | 002495 | 215 SW 14 AVE, ROCHESTER, MN 55902 | \$39,000 | Buildout of a spa (Healing Touch) | OWNER | 1406 SECOND STREET ASSOC LLC 14086 2nd Street SW Rochester, MN 55902 | C of O Issued | 11/13/2013 |
| 3 Commercial Bldg | Alteration | R13-0133CB | 7/17/2013 | 014309 | 315 S BROADWAY, ROCHESTER, MN 55904 | \$4,000 | Tenant fitup (Press-Coffee and Tea Lounge) | OWNER | Christopher Holoway 625 S St SW ROCHESTER, MN 55902 | Finalized | 7/28/2013 |
| 4 Commercial Bldg | Phased Partial Permit | R13-0231CB | 7/17/2013 | 011554 | 1217 SW 2 ST, ROCHESTER, MN 55902 | \$25,000 | Interior demolition of flooring, cellings and walls for a new restaurant in existing space (Tonic) See also fitup permit #R13-0230CB. | KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 | Tonic, Inc. 1217 2 ST SW ROCHESTER, MN 55902 | Closed | 11/5/2013 |
| 5 Commercial Bldg | Alteration | R13-0182CB | 7/23/2013 | 017887 | 100 SW 1 AVE, STE# 204, ROCHESTER, MN 55902 | \$62,000 | Tenant finish (Tinn's Philly Sandwich - 100 1 Ave Food Court) See also permit #R13-0084CB - Food Court expansion | SCHOEPPNER, INC Jeremy Kane 1770 75 ST NE ROCHESTER, MN 55906 | Tien Dahn 1885 Central Valley Rd NE ROCHESTER, MN 55906 | C of O Issued | 11/1/2013 |
| 6 Commercial Bldg | Alteration | R13-0264CB | 8/21/2013 | 017881 | 102 S BROADWAY, ROCHESTER, MN 55904 | \$20,000 | Reception, copy room and file room alterations (Stifel Nicolaus) | PHIL HOWARD CONSTRUCTION Phil Howard 10230 CTR RD 10 ST CHARLES, MN 55972 | MURPHY TRUSTEE, JUDITH CHISHOLM PO BOX G CLEAR LAKE, IA 50428 | Finalized | 10/24/2013 |
| 7 Commercial Bldg | Alteration | R13-0230CB | 8/22/2013 | 011554 | 1217 SW 2 ST, ROCHESTER, MN 55902 | \$100,000 | new restaurant in existing space (Tonic) See interior demolition permit #R13-0231CB | KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 | Tonic, Inc. 1217 2 ST SW ROCHESTER, MN 55902 | C of O Issued | 11/6/2013 |
| 8 Commercial Bldg | Alteration | R13-0270CB | 9/18/2013 | 017887 | 100 SW 1 AVE, STE# 208, ROCHESTER, MN 55902 | \$46,000 | Tenant finish (1st Ave Food Court - Nippon Express - Site 208) | SCHOEPPNER, INC Jeremy Kane 1770 75 ST NE ROCHESTER, MN 55906 | NIIPPON EXPRESS 100 1 ST AVE SW ROCHESTER, MN 55902 | C of O Issued | 11/1/2013 |
| 9 Commercial Bldg | Alteration | R13-0320CB | 9/18/2013 | 017887 | 100 SW 1 AVE, ROCHESTER, MN 55902 | \$40,500 | Tenant finish (1st Ave Food Court - Essential Juice Bar - Suite 202) | SCHOEPPNER, INC BRYAN SCHOEPPNER 1770 75 ST NE ROCHESTER, MN 55906 | Ann Chafoulas 3985 Berkshire Rd SW Rochester, MN 55902 | C of O Issued | 10/23/2013 |
| 10 Commercial Bldg | Alteration | R13-0299CB | 9/23/2013 | 017887 | 100 SW 1 AVE, ROCHESTER, MN 55902 | \$60,000 | Tenant finish (1st Ave Food Court - Dunn Bros / Hot Pot - Suite 201) | SCHOEPPNER, INC BRYAN SCHOEPPNER 1770 75 ST NE ROCHESTER, MN 55906 | Dennis Wong 120 Elton Hills Dr NW Suite 300 Rochester, MN 55901 | C of O Issued | 11/21/2013 |
| 11 Demolition | | | 9/18/2013 | 012778 | 611 SW 1 ST, ROCHESTER, MN 55902 | \$15,000 | Demolition for the Lofts Apartment | KEY BUILDERS, INC BRIAN MOSER 7700 AIR COMMERCE DR SW STE# A ROCHESTER, MN 55902 | MCSHAY LLP 10873 VIOLA RD NE EYOTA, MN 55934 | Finalized | 6/28/2014 |
| 12 Multi-Family Bldg | Alteration | R13-0032MFB | 8/6/2013 | 011518 | 1418 SW 1 ST, ROCHESTER, MN 55902 | \$700.2 | Egress Windows on 2nd floor #5 apartment bedroom (rental) | OWNER | KEREANOS, GEORGE 1418 1 ST SW ROCHESTER, MN 55902 | Closed | 8/14/2013 |
| 13 Multi-Family Bldg | Alteration | R13-0057MFB | 9/24/2013 | 009449 | 625 SW 3 ST, ROCHESTER, MN 55902 | \$6,500 | installing new windows | MASTER TRADE SERVICES Jesse Welle 1200 5 ST S SAUK RAPIDS, MN 56379 | INH Property Management 175 7th Avenue South White Park, MN 56367 | Finalized | 10/16/2013 |
| 14 Residential Bldg | Alteration | R13-1085RB | 8/29/2013 | 018558 | 631 SW 3 AVE, ROCHESTER, MN 55902 | \$1,000 | Wall construction in basement (Blue Sky Homes) | OWNER | BLUE SKY HOMES LLC 631 3 AVE SW ROCHESTER, MN 55902 | Finalized | 2/26/2014 |

DMC Report
 2013 Building Permits (3rd Quarter - July 1st to September 30th)
Completed Building Permits
 (Within DMC Boundary, does not include Mayo Projects)
 (Report updated 3-16-2016 to omit public buildings)

| | | | | | | | | | | |
|----|------------------|------------|------------|------------------|-----------------------------------|--|--|--|--------|------------|
| 15 | Residential Bldg | Alteration | R13-1151RB | 9/9/2013 009159 | 824 SW 5 AVE, ROCHESTER, MN 55902 | \$1,000 Alterations/Windows - remove (2) existing window (double hungs), & install (2) new single casement windows to meet egress (RENTAL-SFD) on main level | BOB'S CONSTRUCTION INC JAMIE STAUDACHER 4008 HWY 14 E ROCHESTER, MN 55904 | BERGSTROM, RACHEL A 824 5 AVE SW ROCHESTER, MN 55902 | Finald | 10/24/2013 |
| 16 | Residential Bldg | Alteration | R13-1251RB | 9/27/2013 009588 | 107 SE 6 AVE, ROCHESTER, MN 55904 | \$14,721 RENTAL- Replace 19 Windows | OWNER | GEORGE F POUZIALES REV TRUST 8517 Dakota Trail Edina, MN 55439 | Finald | 11/25/2013 |
| 17 | Sign | Business | R13-0077S | 8/13/2013 017696 | 615 SW 1 AVE, ROCHESTER, MN 55902 | \$19,493 Blade Sign (Metropolitan Market Place) | OWNER | METROPOLITAN MARKET PLACE LLC 420 5 AVE S STE A LACROSSE, WI 54601 | Closed | 11/26/2013 |
| 18 | Sign | Business | R13-0078S | 8/13/2013 017698 | 615 SW 1 AVE, ROCHESTER, MN 55902 | \$9,298 Freestanding Sign (Metropolitan Market Place) | OWNER | METROPOLITAN MARKET PLACE LLC 420 5 AVE S STE A LACROSSE, WI 54601 | Closed | |
| 19 | Sign | Business | R13-0079S | 8/13/2013 017698 | 615 SW 1 AVE, ROCHESTER, MN 55902 | \$48,000 Wall Signs (Metropolitan Market Place) | OWNER | METROPOLITAN MARKET PLACE LLC 420 5 AVE S STE A LACROSSE, WI 54601 | Closed | 11/26/2013 |

8829,770



200 First Street SW
Rochester, Minnesota 55905
507-284-2511
mayoclinic.org

March 31, 2016

Katie Clark Sieben
Commissioner
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E-200
Saint Paul, MN, 55101-1351

Dear Commissioner Sieben:

Attached with this letter is Mayo Clinic's certification of qualified expenditures of the medical business entity for the Destination Medical Center (DMC) initiative for the period starting January 1, 2015 and ending December 31, 2015. The amount of qualified investment for this report is approximately \$85.7 million.

Overall, Mayo Clinic expended more than \$250.0 million on capital projects and equipment in Rochester in calendar year 2015. Major projects contributing to it include: Domitilla 3 Modernization, Saint Marys Mary Brigh East Bed Tower Expansion and addition to Superior Drive Support Center. Again, Mayo Clinic is taking a conservative approach this year when counting eligible investments and expenditures for purposes of meeting the DMC investment thresholds.

We look forward to working with the State of Minnesota, City of Rochester, Olmsted County and other stakeholders to strengthen our economy and further strengthen Minnesota's position as the world's premiere destination medical center.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey W. Bolton".

Jeffrey W. Bolton
Vice President, Administration
Mayo Clinic

cc: Kevin McKinnon, Deputy Commissioner Economic Development,
Minnesota Department of Employment and Economic Development

Mayo Investments: 2015 Submission

| Project/Equipment Name | Total Expenditures reported for 2015 | Total Spent as of December 31st 2015 | District |
|--|---|--|------------------|
| SDSC Expansion Construction Only | 17,450,422.46 | 20,930,906.74 | Outside District |
| Bed Tower Modernization MB east | 11,053,196.76 | 14,839,697.91 | St. Mary Place |
| Domitilla 3 Modernization | 6,048,206.11 | 6,567,649.66 | St. Mary Place |
| Neurology Renovation, Mayo 8 | 3,764,497.03 | 3,764,497.03 | Heart of City |
| GE; DISCOVERY MR750 PET (Assets 149876, ,150145-150157, 150668-150670) | 3,698,538.02 | 3,698,538.02 | Heart of City |
| VARATHON MEDICAL; TRUE BEAM (Asset 162800) | 2,895,908.00 | 2,895,908.00 | Heart of City |
| Saint Marys Hospital Chiller Addition | 2,623,112.47 | 2,964,932.31 | St. Mary Place |
| SIEMENS; PRISMA 3T MRI and Accessories (Asset 157677, 157935-157946) | 2,241,875.00 | 2,241,875.00 | Heart of City |
| USPS Building Purchase (Asset 156757, 156758) | 2,185,017.25 | 2,185,017.25 | Outside District |
| GE; DISCOVERY 710 PET Scanner (Asset 148389) | 2,103,046.58 | 2,103,046.58 | Heart of City |
| Four Operating Rooms Off Core 700 | 2,074,097.12 | 3,082,756.73 | St. Mary Place |
| Mary Brigh East Expansion | 2,009,593.07 | 2,009,775.10 | St. Mary Place |
| SIEMENS; SKYRA 3TMRI (Asset 157191, 157322-157339) | 1,859,239.00 | 1,859,239.00 | Heart of City |
| Employee and Community Health Southeast Clinic | 1,834,724.04 | 4,326,200.60 | Outside District |
| Somatom Force CT (Asset 157628) | 1,831,372.00 | 1,831,372.00 | Heart of City |
| SIEMENS; SOMATOM FORCE CT (Asset 149843) | 1,750,000.00 | 1,750,000.00 | Heart of City |
| PHILIPS; XPER FD20 (Assets 147302, 147339, 147392) | 1,649,213.30 | 1,649,213.30 | Heart of City |
| SIEMENS; DEFINITION EDGE CT (Asset 148622, 148623) | 1,315,697.00 | 1,315,697.00 | Heart of City |
| DOM 3/4 Infrastructure Revisions for Remodeling | 1,286,328.61 | 1,959,447.05 | St. Mary Place |
| CT MBM Incremental Interventional CT | 1,250,604.70 | 1,250,604.70 | Heart of City |
| DLMP Phlebotomy Remodel | 1,173,668.83 | 1,604,136.38 | Heart of City |
| Executive, Development and International Program Expansion - Mayo East 5 | 1,047,756.53 | 1,389,567.71 | Heart of City |
| Land for Ronald McDonald House (Asset 147588, 147589) | 1,000,203.16 | 1,000,203.16 | St. Mary Place |

Mayo Investments: 2015 Submission

| Project/Equipment Name | Total Expenditures reported for 2015 | Total Spent as of December 31st 2015 | District |
|--|---|--|------------------|
| SIEMENS MEDICAL; ARTIS ZEE (Asset 146871,146872) | 985,408.00 | 985,408.00 | Heart of City |
| SIEMENS; SOMATOM DEFINITION (Asset 164325) | 862,578.20 | 862,578.20 | Heart of City |
| SIEMENS; CT EDGE (Asset 163463) | 856,459.02 | 856,459.02 | Heart of City |
| MR-RO-CN-1-MR/PET installation | 760,295.75 | 760,295.75 | Heart of City |
| CT Scanner - 5yr (Asset 162815) | 687,812.80 | 687,812.80 | Heart of City |
| Vascular OR Core 801 SMH | 661,076.59 | 661,076.59 | St. Mary Place |
| GO3 Build 2 CT Bays | 655,198.35 | 655,198.35 | Heart of City |
| Incremental MRI Body Scanner | 600,079.87 | 600,079.87 | Heart of City |
| CH N Neuro Scanner CN I-119C | 590,162.52 | 590,162.52 | Heart of City |
| Mayo 8 - Lobby Remodel | 498,399.33 | 498,399.33 | Heart of City |
| Mary Brigh Electrical Upgrades (Phase 3) | 456,479.17 | 1,884,351.84 | St. Mary Place |
| CT Scanner Replacements (3L, 3Z & 4J) - somatom - CH 2 | 381,846.25 | 381,846.25 | Heart of City |
| Cancer Center Station Eisenberg 4-3 | 359,522.31 | 359,522.31 | Heart of City |
| Remodeling of multiple laboratories on Guggenheim 8 | 348,636.65 | 774,090.58 | Heart of City |
| CMCT and Prev. Med. Relocation Gonda 18 to Mayo East 17 | 287,923.90 | 358,383.16 | Heart of City |
| Gonda 5, 5th PET/CT Installation & Uptake | 274,920.16 | 301,874.69 | Heart of City |
| SMH Mary Brigh East Corridor Relocation | 250,692.96 | 250,692.96 | St. Mary Place |
| Renovation Mary Brigh Main, PACU - Phase 4 | 244,816.16 | 244,816.16 | St. Mary Place |
| SMC, Mary Brigh Main NH, MR-MCR 1.5T Replacement Scanner | 240,362.00 | 240,362.00 | St. Mary Place |
| Dr. Lee Diamond Reactor Lab Remodel on Med Sci SL | 219,387.21 | 219,387.21 | Heart of City |
| Cardiac Catheterization Procedure Room 103 Remodel - Saint Marys, Mary Brigh 4 | 211,059.65 | 412,584.91 | St. Mary Place |
| Creation of the consolidated freezer and BAP facility at the 2915 Warehouse | 207,924.74 | 4,006,693.46 | Outside District |
| Linear Acc Replace Rm "C" | 185,937.00 | 185,937.00 | Heart of City |
| CT Simulator I Replacement Charlton S-259, S-261 | 184,912.43 | 184,912.43 | Heart of City |
| Rad Vascular Imaging Ste 90 | 144,461.29 | 144,461.29 | Heart of City |
| Clinical Genome Sequencing, Lab Expansion | 125,602.22 | 296,600.82 | St. Mary Place |
| Remodeling within the Metabolomics Core on Alfred 5 | 112,927.03 | 611,703.48 | St. Mary Place |

Mayo Investments: 2015 Submission

| Project/Equipment Name | Total Expenditures reported for 2015 | Total Spent as of December 31st 2015 | District |
|---|---|--|------------------|
| Charlton 2 Incremental 3T Body Scanner | 76,577.92 | 76,577.92 | Heart of City |
| 2915 Warehouse Infrastructure | 64,822.76 | 693,219.52 | Outside District |
| SMC, Mary Brigh Main NV, Intraoperative Replacement Scanner | 35,178.43 | 35,178.43 | St. Mary Place |
| Psychiatry and Psychology Master Plan, Phase 1A - Generose Main | 9,175.55 | 1,213,985.91 | St. Mary Place |
| Remodeling within Opus 1 to accommodate space for a new CT machine. | 1,350.00 | 480,162.90 | Heart of City |
| Institute Hills Chiller Replacement | 1,000.00 | 441,903.16 | Outside District |
| Development Remodel | 194.43 | 2,679,274.32 | Heart of City |
| Sports Medicine Center | (7,228.89) | 5,666,939.49 | Heart of City |
| Dermatology Remodel | (13,537.50) | 9,123,648.24 | Heart of City |
| Totals | 85,708,731.30 | 131,919,346.19 | |

Certification of Expenditures Destination Medical Center

For Calendar Year 2015

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

Pursuant to Minnesota Statutes, Section 469.47, the Medical Business Entity and the Destination Medical Center Corporation (DMCC) Board of Directors (assisted by the City of Rochester) respectively submit to the Department of Employment and Economic Development (DEED) the following expenditures that relate to the Destination Medical Center (DMC) Development for the calendar year 2015, and the information required to support the approved methodology provided in the City of Rochester/Commissioner of Employment and Economic Development State Infrastructure Aid Agreement (State Infrastructure Aid Agreement).

Expenditures Reported This Year

| | |
|--|---------------|
| Total Expenditure Reported This Year by Medical Business Entity ¹ | \$85,708,731 |
| Total Expenditure Reported This Year for individuals and other private entities ^{1,2} | \$20,487,686 |
| TOTAL Expenditures This Year | \$106,196,417 |

Cumulative Expenditures


| | |
|---|-----------------|
| Cumulative Previous Expenditures | \$46,210,615 |
| Previous Qualified Expenditures (minus \$200,000,000 Required Initial Investment) | (\$153,789,385) |
| TOTAL Expenditures This Year (from above) | \$106,196,417 |
| Cumulative Qualified Expenditures as of 12/31/15 | (\$47,592,968) |

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

| | |
|--|--|
| General State Infrastructure Aid Qualified for (Cum. Qual. Exp. multiplied by .0275) | |
| State Transit Aid Qualified for (multiplied by .0075) | |

By providing my signature below, I certify that the information state herein, to the best of my knowledge, is accurate, true, and complies with the provisions of Minnesota Statutes, Section 469.47 and the approved methodology as outlined in the State Infrastructure Aid Agreement.

For Expenditures by the Medical Business Entity:

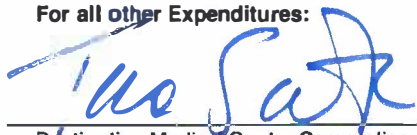


Mayo Clinic Chief Financial Officer

3/24/2016

Date

For all other Expenditures:



Destination Medical Center Corporation

3-30-2016

Date

¹ Expenditures need to be after June 30, 2013

² Private expenditures for the period of July 1, 2013 - December 31, 2015, after adoption of the Development Plan. Certain additional expenditures for this time period are currently under discussion with DEED, and may be included in the certification for calendar year 2016.



Department of Employment and Economic Development

EXHIBIT C

July 13, 2016

Ardell F. Brede, Mayor
City of Rochester
201 4th Street SE – Room 281
Rochester, MN 55904-3782

Dear Mayor Brede:

Thank you for submitting the 2015 Certification of Contributions for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

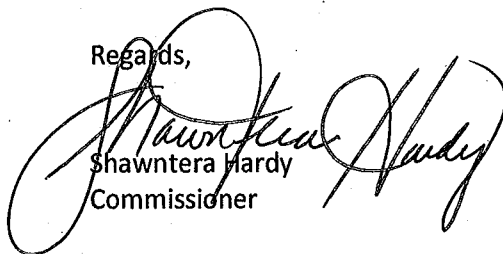
Your certification listed \$9,846,771.68 in city contributions between July 1, 2013 and December 31, 2015. You provided a detailed listing of 765 expenditures. These expenditures consisted of direct DMC expenses paid by the city as well as DMC Corporation and DMC Economic Development Authority expenses paid for by the city. From that list, DEED randomly selected 17 expenses for review. We reviewed invoices, payments and city payroll files for accuracy and eligibility.

Additionally, the city provided DEED with an independent third party report from Clifton Larson Allen stating the law and procedures for certifying contributions are being followed properly.

While the amount of your contributions qualifies you for \$25.1 million, expenditures from Mayo Clinic and others has not surpassed the minimum \$200 million. Your contributions will be credited towards future years.

Thank you again for your efforts on this groundbreaking economic development effort.

Regards,



Shawntera Hardy
Commissioner

C: Tina Smith, Chair of Destination Medical Center Corporation
Jeff Bolton, Chief Administrative Officer Mayo Clinic
Patricia Simmons, Chair of Economic Development Agency Board of Directors
Lisa Clarke, Economic Development Agency Executive Director

Economic Development Division

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-1351 USA ■ www.mn.gov/deed

Toll Free: 800-657-3858 ■ Phone: 651-259-7114 ■ Fax: 651-296-5287 ■ TTY: 651-296-3900

AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER



Department of Employment and Economic Development

July 13, 2016

Tina Smith, Chair
Destination Medical Center Corporation
4720 West Lake Harriet Parkway
Minneapolis, MN 55410

Jeff Bolton, Chief Administrative Officer
Mayo Clinic
200 First Street SW
Rochester, MN 55905

Dear Ms. Smith and Mr. Bolton:

Thank you for submitting the 2015 Certification of Expenditures for Destination Medical Center (DMC). We are excited to assist with this initiative to make the Mayo Clinic, Rochester, and Minnesota a premier medical destination.

Your certification listed \$85,708,731 in Mayo Clinic expenditures and \$20,487,666 in other expenditures. The Mayo Clinic provided DEED with information on all invoices and payments to account for their certification amount. They also provided an independent third party report from RSM US LLP stating the law and procedures for certifying expenditures which are being followed properly. Additionally, DEED staff reviewed invoices and payments in your certification. We selected 62 of your listed expenditures totaling more than \$8.5 million. We selected one expenditure from each of the 62 projects listed. All invoices for the selected expenditures were on file and payments were made in a timely fashion. DEED staff also confirmed that all projects had building permits after June 30, 2013. DEED acknowledges the expenses and payments met guidelines and the internal accounting and auditing system the Mayo Clinic has in place is sufficient.

Additionally, the DMCC and the City of Rochester provided DEED with a list of 100 construction permits that were filed to account for the \$20,487,666 in other expenditures. DEED randomly selected 10 permits and was provided the permit application, permit, project closeout, and map of projects. From this information, DEED confirmed the projects' values, dates, eligibility, and completion.

As required by law, I have determined that the amount of 2015 Destination Medical Center expenditures is \$106,196,397 as you certified. DMC cumulative expenditures are now \$152,407,012. The \$200 million cumulative expenditure threshold has not been met and the state will not be investing funds for public infrastructure or transit this year. The expenditures will be credited towards future years for this purpose.

Thank you again for your efforts on this groundbreaking economic development effort.

Regards,


Shawntera Hardy
Commissioner

Economic Development Division

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Toll Free: 800-657-3858 ■ Phone: 651-259-7114 ■ Fax: 651-296-5287 ■ TTY: 651-296-3900

AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER

**C: Patricia Simmons, Chair of Economic Development Agency Board of Directors
Lisa Clarke, Economic Development Agency Executive Director
Gary Neumann, City of Rochester**