



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – December 15, 2017

U.S. Bank Stadium – Medtronic Club
401 Chicago Avenue, Minneapolis, MN 55415

1. **CALL TO ORDER**

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 9:00 A.M.

2. **ROLL CALL**

Commissioners present: Michael Vekich, Barbara Butts Williams, Tony Sertich and Laura Bishop.
Commissioners Absent: Bill McCarthy

3. **APPROVAL OF MEETING MINUTES – November 17, 2017** See, Exhibit A.

4. **BUSINESS**

a. Action Items

i. Review and Approve Amended Bylaws

Jay Lindgren from Dorsey and Whitney, MSFA’s Counsel, stated that the MSFA’s bylaws are amendable by a majority vote of Authority members at a regular meeting of the Authority. Mr. Lindgren proposed seven amendments to the MSFA bylaws. See, Exhibit B.

Commissioner Sertich moved and Commissioner Bishop seconded the motion to approve the following the recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority approves the amendments to the Authority’s Bylaws as presented at the December 15, 2017 meeting.

ii. Appointment of Responsible Authority and Compliance Official under MGDPA

Rick Evans, MSFA’s Executive Director, stated that the Minnesota Government Data Practices Act (“MGDPA”) requires the designation by the governing body of a political subdivision of a “responsible authority” as the individual responsible for the collection, use and dissemination of data. Mr. Evans

recommended that Jennifer Hathaway be appointed the responsible authority and compliance official. See, Exhibit C.

Commissioner Bishop moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority adopts Resolution 2017-2 appointing MSFA Director of Communications, Jennifer M. Hathaway as Responsible Authority and Compliance Official under the Minnesota Government Data Practices Act.

iii. Approve Amendment to Equity Plan

Mr. Evans stated that in July 2017, the Minnesota Department of Human Rights (“MDHR”) adjusted the women and minority workforce goals for public contracts. The MDHR Commissioner outlined the goals and expectations for Minnesota projects in the 2017 Minnesota Workforce Goals Report, and that report increases the goal for women labor from 6% to 20% in Hennepin County. See, Exhibit D.

Chair Vekich stated that the Equity Plan is a core value in the project, and that raising the women workforce goals would send a clear message of its importance. Commissioner Sertich asked Mr. Evans what the current workforce percentage is, and Mr. Evans called upon Alex Tittle, the MSFA’s Equity Consultant, to provide an answer. Mr. Tittle stated that there is currently a 6% workforce for women, but noted that the MSFA has yet to receive all of the capital requests, so that number may not be completely accurate. However, Mr. Tittle believes that those requests would be received by January 2018. Commissioner Butts Williams stated that she is involved in many community meetings throughout the Twin Cities, and stated that she has received positive feedback from many women owned businesses. She informed the Board that these women are very pleased with the goal increase, and noted that there are many smart and capable women within the surrounding communities. Commissioner Bishop asked Mr. Tittle if there is a time period as to when the 20% goal should be met, and Mr. Tittle stated that there is no definite timeline, but the process will begin on January 1, 2018. Mr. Evans stated that he would like to adopt a three-year plan, but it could take as long as five years to achieve these aggressive goals. He noted that this is an important issue, and he is very confident that the MSFA can increase the women workforce to 20%.

Following discussion, Commissioner Butts Williams moved and Commissioner Bishop seconded the motion to approve the following recommended motion, which was unanimously adopted:

Effective January 1, 2018, the Authority increases the women workforce goal within the Stadium’s operations equity plan to 20%.

iv. Approve New/Amended Contracts

Mr. Evans stated that the MSFA has four professional service contracts that will terminate on December 31, 2017, and recommended that the MSFA board authorize the Chair and Executive Director to negotiate and execute a new contract or an amendment to the existing contracts. Mr. Evans also stated that the Hammes Company Sports Development, Inc. (“Hammes”) contract is estimated to be \$314,000 over the next 12 months. See, Exhibit E.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The MSFA authorizes the Chair and Executive Director to negotiate and execute a new contract or an amendment to the existing contract with Atomic Data, LLC, C.H. Skiem Consulting, LLC, Hammes Company Sports Development, Inc., and RSM US, LLP, for the above listed amounts for terms to December 31, 2018.

v. Additional Team Capital Improvement Allocation

Mr. Evans stated that the SDC Group that manages the project on behalf of the MSFA and the Minnesota Vikings intends to authorize an expenditure from Owner’s Contingency within the Master Project Budget to pay the Construction Manager for a contract revision of \$106,850 for the addition of electric heat trace on the northwest prow of the Stadium. Mr. Evans also stated that the Team currently may designate \$750,000 per year over a five-year period in Capital Improvements to the Stadium. The authorization contemplated by this would allow the Team to designate additional amounts in future Stadium Capital Improvements. See, Exhibit F.

Commissioner Butts Williams thanked Mr. Evans for the summary, and stated that she encourages the MSFA staff to continue providing reports to the Board as changes occur.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The MSFA Board authorizes the Chair and the Executive Director to negotiate and execute an interim agreement with the Minnesota Vikings regarding the Team’s authority to designate additional Capital Improvements in the Capital Funding Plan in the amount and pursuant to the terms of this memorandum.

vi. Appointment of Interim Executive Director

Chair Vekich announced that due to Mr. Evan’s retirement, the MSFA has appointed James Farstad as the Interim Executive Director of the MSFA. Chair Vekich stated that Mr. Farstad has been the MSFA’s technology consultant for the past five years, and that he is very knowledgeable about the Stadium as well as operations. Mr. Farstad will be the Interim Executive Director until a replacement is found. He noted that Mr. Farstad’s compensation would be equivalent to Mr. Evan’s salary.

Commissioner Sertich expressed gratitude for Mr. Evans and his leadership over the last nine months. He noted that the MSFA is going through a busy time preparing for the Super Bowl and construction

close-out, and he commended Rick for his leadership at the MSFA. He then thanked Chair Vekich for suggesting Mr. Farstad as the Interim Executive Director, as Mr. Farstad is very knowledgeable about the building. Commissioner Sertich stated that the MSFA needs stability and a conversant Executive Director, and is confident that Mr. Farstad will do a great job. He then thanked the MSFA staff for stepping up and working hard during all the recent transitions.

Mr. Farstad then addressed the Board, and thanked Chair Vekich for his confidence. He noted that it was a pleasure to work with both Chair Vekich and Mr. Evans over the last few months, and thanked the MSFA staff as they play an intricate role in the oversight of the Stadium.

Mr. Evans stated there is no one more qualified for this position, and that he has the upmost confidence in him.

Chair Vekich stated that he met with the Minnesota Management and Budget (MMB), and noted that the search for a full-time Executive Director will begin in January, and hopefully will be filled in March. Chair Vekich stated that the work plan is very detailed, and he expressed the importance of not hiring a new Executive Director until the Super Bowl has passed. Lastly, he stated that there will be a recruitment process in addition to a search, and that the MSFA welcomes recommendations.

b. Report Items

i. Comprehensive Annual Financial Report for 18-Month Fiscal Period Ended June 30, 2017

Mary Fox-Stroman, the MSFA's Director of Finance, provided the board with the 18-month comprehensive annual financial report - June 30, 2017. See, Exhibit G.

ii. Budget Report for 18-Month Fiscal Period Ended June 30, 2017

Ms. Fox-Stroman provided the board with the 18-month budget report for the period ending June 30, 2017. See, Exhibit H.

iii. Executive Director's Report

Mr. Evans reported that the MSFA has chosen to continue using Lockridge, Grindal & Nauen to provide the government relations services, and they will be paid \$8,000 a month.

Mr. Evans then stated that on occasion, it has been necessary for the staff to reallocate funds between individual line items from the Master Project Budget/the Owner's Contingency Account, which includes insurance expenses. He stated that this does not increase or decrease the budget, and noted the MSFA staff will continue to present any budget issues to the Board.

Mr. Evans also stated that the legal description of the Stadium land has changed, and the Use Agreement will be updated to reflect the final description “as built”.

The Super Bowl LII excitement and intensity is building, and everything appears to be on track, stated Mr. Evans. The finalizing of the Venue Agreement with the NFL is near completion.

Lastly, Mr. Evans reminded the Board this will be his last Board meeting, and stated that he has thoroughly enjoyed working with the Commissioners on the Stadium. He noted that he is proud of the accomplishments over the past 9 months, and he is confident that the MSFA is on the correct trajectory. He then thanked the Board, the staff, the Minnesota Vikings, SMG, Aramark, the City of Minneapolis, the State Legislature, and countless other parties for their diligent work.

5. PUBLIC COMMENT / DISCUSSION

1. Chuck Turchick

Mr. Turchick presented the attached statement. See, Exhibit I.

2. Ann Laughlin

Ms. Laughlin presented the attached statement. See, Exhibit J.

3. Steve Poppen, CFO of the Minnesota Vikings, and Lester Bagley, Vice-President of Stadium Development of the Minnesota Vikings

Mr. Poppen and Mr. Bagley thanked Mr. Evans for all the work he has done since joining the MSFA in March. They noted that he started at the MSFA during a difficult time, and they are impressed with how quickly he came up to speed. Both Mr. Poppen and Mr. Bagley believe that Mr. Evans has done a great job in protecting the public’s interest, and that he has shown great leadership during their collaboration. They then presented Mr. Evans with an official Vikings football as he has been a great “play maker” throughout the last nine months. Mr. Evans thanked both Mr. Poppen and Mr. Bagley, and expressed his gratitude for the gift as well as their great partnership throughout his time at the Stadium.

6. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held January 19, 2017, at 9:00 A.M. at the Mill City Museum.

7. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 10:15 A.M.

Approved and adopted the 19th day of January 2018, by the Minnesota Sports Facilities Authority.



Tony Sertich, Secretary/Treasurer



James Farstad, Executive Director



Exhibit A

**MINNESOTA SPORTS FACILITIES AUTHORITY
Minutes of November 17, 2017 Meeting**

**U.S. Bank Stadium – Buffalo Wild Wings Club
401 Chicago Avenue, Minneapolis, MN 55415**

1. **CALL TO ORDER**

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 9:00 A.M.

2. **ROLL CALL**

Commissioners present: Michael Vekich, Barbara Butts Williams, Bill McCarthy and Laura Bishop.
Commissioner absent: Tony Sertich.

3. **APPROVAL OF PRIOR MEETING MINUTES**

Chair Vekich confirmed that the Commissioners had received and reviewed the draft minutes of the MSFA’s prior meeting. Upon a motion duly made and seconded, the minutes of the September 29, 2017 Board meeting were unanimously approved and adopted as presented. See, Exhibit A.

4. **BUSINESS**

a. Action Items

i. Team/Private Close-Out of Construction Financing

Rick Evans, MSFA Executive Director, reported the Minnesota Vikings (“Team”) were in the final stages of closing-out their financing of the U.S. Bank Stadium (“Stadium”) construction project (“Project”). He referred the Board to the memorandum that previously had been distributed (Exhibit B), and confirmed the Team’s remaining financial obligation to the Project is approximately \$16.7 million. Mr. Evans stated that pursuant to the terms of the 2013 *Development Agreement* between the Authority and the Team, the Authority’s consent is required in order for the Team to close-out its construction financing. He then introduced Steve Poppen, the Team’s CFO, and asked him to further explain the proposed transaction.

Mr. Poppen stated the Team will meet its outstanding \$16.7 million obligation by pledging a cash deposit of approximately \$11.7 million along with a NFL credit facility of \$5 million. That new financing

structure will provide the MSFA with access to the Team's remaining obligation under the *Development Agreement*, while allowing the Team to eliminate future financing and administrative costs. Mr. Poppen offered to respond to questions, and concluded his remarks by requesting that the MSFA consent to the close-out by November 30, 2017 of the Team's current Credit Agreement relating to the Project.

Commissioner McCarthy moved and Commissioner Butts Williams seconded the motion to approve the following resolution, which was unanimously adopted:

The MSFA Board authorizes the Chair and the Executive Director to negotiate, finalize and execute the documents required to close-out the Team's Credit Agreement.

ii. Approve Stadium Master Project Budget Adjustment

Mary Fox-Stroman, MSFA Director of Finance, explained recent adjustments to the Stadium's Master Project Budget, and reported that MSFA staff and representatives of Hammes Company have started the Stadium construction close-out process, which includes the reconciliation of Project contract values and the reallocation of various uncommitted amounts within the Master Project Budget, resulting in a budget decrease of \$94,083. See, Exhibit C.

Commissioner Bishop moved and Commissioner McCarthy seconded the motion to approve the following resolution, which was unanimously adopted:

The MSFA Board approves a decrease of \$94,082.82 to the Additional Team Contribution within the Stadium Master Project Budget's sources of funds, and a corresponding decrease of \$94,082.82 to the specified line items in Table 1 of Exhibit C within the Stadium Master Project Budget's uses of funds.

iii. Interim Agreement Regarding Additional Team Capital Designations

Mr. Evans explained that under the 2013 *Development Agreement*, the Team has the right to be reimbursed from Project savings for certain "First Priority Joint Funded Design Add Alternatives". He stated that the amount of that reimbursement currently is estimated to be approximately \$2.4 million, and that Project savings will be determined from remaining amounts within the owner's contingency account upon final close-out of the Project.

Mr. Evans reported that the Stadium Design and Construction Group was recommending payment of \$388,747.78 from the Vendor Contractor Technology ("VCT") component of the Stadium Master Project Budget for certain technology enhancements in the Stadium. He explained that as part of that transaction, the Team has requested that the MSFA provide certain assurances relative to the foregoing \$2.4 million reimbursement. In response to that request, Mr. Evans stated the MSFA staff was recommending that any shortfall (up to a maximum of \$388,747.78) in the \$2.4 million savings reimbursement be made available to the Team in the form of future Team-designated capital improvements as more fully described in Exhibit D.

Commissioner McCarthy asked if the \$2.4 million that potentially may be returned to the Team is the only contingency amount that exists? Mr. Evans responded that there could be more available under the owner's contingency and/or the construction manager's contingency. Commissioner Butts Williams stated that it would be helpful to have a breakdown of the contingency funds, and Mr. Evans responded that he would be happy to provide that information to the Board, since Hammes Company prepares a detailed report to the MSFA and Team on a weekly basis.

Commissioner Bishop moved and Commissioner McCarthy seconded the motion to approve the following resolution, which was unanimously adopted:

The MSFA Board authorizes the Chair and the Executive Director to negotiate and execute an interim agreement with the Minnesota Vikings regarding the Team's authority to designate an additional \$388,747.78 of Capital Improvements in the Capital Funding Plan pursuant to the terms set forth in Exhibit D.

b. Report Items

i. Equity Hiring Report

Alex Tittle, the MSFA's Equity Consultant, provided updated equity workforce numbers for SMG and Aramark at the Stadium for the first nine months of 2017, and reported on Summit Academy's activities during that time period. See, Exhibit E.

Chair Vekich asked Mr. Tittle what the MSFA equity hiring targets are, if there have been any objections from SMG and/or Aramark, and if Mr. Tittle needs any additional resources from the Board in order to ensure the equity hiring program is successful. Mr. Tittle stated the targeted business activity relates only to recent capital projects at the Stadium, and the operations numbers have not been finalized yet. He noted that the equity goals are consistent with the Stadium construction goals, which remain at 11% women and 9% minorities.

Mr. Tittle then informed the Board that the Minnesota Commissioner of Human Rights recently increased Hennepin County's participation goal for women employees to 20%, and recommended the Board consider similarly raising the MSFA's targeted goal. Chair Vekich asked Mr. Tittle if he believes raising the goal to 20% is achievable, and Mr. Tittle responded that although we currently do not have a plan he believes it is possible, and enthusiastically recommends that the Stadium continue to have goals that are consistent with other public entities in the Twin Cities.

Commissioner McCarthy reminded everyone that 5-6 years ago no one believed it would be possible to achieve the aggressive equity goals during the construction phase of the Stadium, and stated that he is proud that the MSFA actually exceeded its original goals. He acknowledged that it may be difficult to obtain a 20% workforce goal for women, but he is confident that such a goal can be achieved with continued hard work and dedication. Commissioner McCarthy then thanked Mr. Tittle for his efforts over the years, and commended his transition from the construction to the operations phase at the Stadium. Commissioner Bishop agreed with Commissioner McCarthy, and suggested that the MSFA monitor and measure the equity numbers along the way in order to track and achieve the heightened

goals. Commissioner Butts Williams recommended that the MSFA put together a three-year plan, and expressed her confidence that a 20% women workforce goal is obtainable within the next five years. Chair Vekich thanked Mr. Tittle and stated the MSFA Board will consider adopting the 20% standard, which will be reviewed and acted upon at the December Board meeting.

Mr. Tittle reminded the Board that the equity numbers on Exhibit E relate to capital enhancement projects and do not include day-to-day Stadium operations. He noted that he continues to work with partners in the community, and indicated that while there have been increases and decreases in participation over the years, he believes that the contribution of unions will assist in achieving the MSFA's goals. He stated that he does not see 20% women as a stretch goal, but looks at it as an opportunity. The MSFA and the Stadium have set the standard for equity hiring, and Mr. Tittle concluded his report by stating he is committed to upholding that standard by achieving and ultimately exceeding any new goals.

ii. USBS Sustainability Program Update

Chair Vekich called on Bradley Vogel and Curtis Schmillen of SMG, and Jenn Hathaway, MSFA Director of Communications, to report on the Stadium's sustainability program. See, Exhibit F. Following their presentation Chair Vekich inquired about the NFL's initiatives for Super Bowl LII. Ms. Hathaway responded that they have set a goal for the Stadium to be zero-waste, which includes not only recyclables but compostables. Mr. Vogel, Mr. Schmillen and Ms. Hathaway reported that the Stadium's goal is to become a zero-waste facility not only on Super Bowl Sunday, but for all future Vikings' games and other events held at the Stadium. Chair Vekich inquired if this will be the first Super Bowl to achieve zero-waste status, and Mr. Vogel responded that it actually will be the second; however, the first stadium did not maintain its zero-waste status following the Super Bowl.

Ms. Hathaway announced that the Stadium recently won an international award in the Sport Design category at the World Architecture Festival in Berlin, Germany, which is known as the "*Oscars of Architecture*".

Commissioner Bishop inquired about the Stadium's Leadership in Energy and Environmental Design ("LEED") certification process, and asked if the credits received are certified? Mr. Schmillen responded that they are certified. Ms. Hathaway stated that the MSFA currently is waiting to hear from the U.S. Green Building Council ("USGBC") as to whether the Stadium has been awarded LEED Gold certification. Commissioner Butts Williams asked Ms. Hathaway if the MSFA and SMG will send out a press release once the USGBC results are announced, and Ms. Hathaway confirmed that there will be a public announcement. Commissioner McCarthy thanked Mr. Vogel, Mr. Schmillen and Ms. Hathaway for their great work on the Stadium's sustainability initiatives. He stated that it was always a goal of the MSFA Board, and he is proud that the Stadium may achieve LEED Gold certification.

iii. Executive Director's Report

Mr. Evans reported that he and Chair Vekich have been in constant contact with both of the Stadium's new security companies, Whalen and G4S, and have found their level of service to be professional and high-quality. Mr. Evans then stated that the Stadium's capital improvement projects remain on budget, and mentioned that the single largest project, expansion of the Hyundai Club kitchen, was recently completed and will be fully-operational for Sunday's game against the Los Angeles Rams.

Mr. Evans reported the MSFA recently was named as a defendant in a lawsuit filed by a resident of Minneapolis challenging, among other things, the validity of provisions in the *Use Agreement* granting the Team certain rights relative to The Commons, which is the park located just west of the Stadium. The City of Minneapolis, Minneapolis Park and Recreation Board, and Team also were named defendants in the lawsuit. Mr. Evans stated the MSFA will be filing its response to the plaintiff's complaint next week.

Mr. Evans mentioned Super Bowl LII is only 79 days away, and that it is an exciting time at the Stadium. He noted that everything is running smoothly, and he thanked the NFL and the Minnesota Super Bowl Host Committee for their cooperation and coordination with the Authority, SMG and Aramark in preparing for this major event. He stated representatives from the NFL would be in town the first week of December to finalize plans.

Mr. Evans then announced that he will be retiring at the end of December due to health considerations, and he thanked the MSFA Board, staff, consultants, advisors and Stadium partners for their dedication and perseverance in assuring that U.S. Bank Stadium remains a world-class facility. He said that with their collective assistance he had accomplished what he set out to do when he accepted the Board's appointment nine months ago; namely, to restore the public's trust and to instill integrity and transparency in the Authority's decision-making and oversight responsibilities.

Chair Vekich thanked Mr. Evans for his service, and stated that he personally appreciated Mr. Evans' guidance and assistance during his transition into the Chair role. Chair Vekich noted that Mr. Evans has a great sense of humor, and his friendship and partnership will be greatly missed. The Board and the audience showed their collective appreciation for Mr. Evans' contributions by resounding applause.

5. PUBLIC COMMENT / DISCUSSION

There were no public comments.

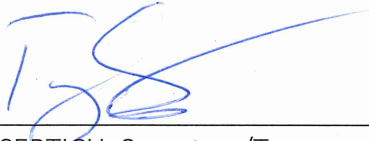
6. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held December 15, 2017, at 9:00 A.M. in the Medtronic Club at U.S. Bank Stadium.

7. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 10:30 A.M.

Approved and adopted the 15th day of December 2017, by the Minnesota Sports Facilities Authority.



TONY SERTICH, Secretary/Treasurer



RICHARD G. EVANS, Executive Director



Exhibit B

MEMORANDUM

To: MSFA Commissioners
From: Michael Vekich, Chair
Date: December 12, 2017
Subject: Amended Bylaws

The MSFA's Bylaws permit the Authority to amend the Bylaws by a majority vote of Authority members at a regular meeting of the Authority, provided that written notice setting forth in detail the contents of the proposed amendments has been given to all Authority members at least ten days prior to the meeting. Such notice has been provided.

Several revisions are recommended as the Authority continues to move from a construction-oriented to an operating oversight governing body. The following is a summary of the proposed amendments to the Bylaws:

- Remove the term "CEO"
- Clarify that all Official Documents must be executed by both the Chair and Executive Director
- Add requirements that Executive Director consult with Chair on hiring and dismissal decisions and report to the Chair
- Remove "Treasurer" from Bylaws and combine duties with Secretary
- Add ability to schedule regular meetings pursuant to an annual calendar
- Remove tentative agenda outline and authorize the Chair to set meeting agendas
- Remove special voting requirements during design and construction stages (this is a statutory requirement that continues to apply until Project close-out)

The proposed Bylaws and a redline comparison to the current Bylaws are attached.

Recommendation: *The Minnesota Sports Facilities Authority approves the amendments to the Authority's Bylaws as presented at the December 15, 2017 meeting.*

Cumulative Changes for Board Review

AUTHORITY BY LAWS (Amended 12/~~13/2013~~15/2017)

Section 1. *NAME*

The Minnesota Sports Facilities Authority established pursuant to Minnesota ~~Statutes~~[Statutes](#), Section 473J.07, as amended, (Laws of Minnesota 2012, Chapter 299, Article 1, Section 11) (the "Act"). This body shall be known as the Minnesota Sports Facilities Authority and hereinafter referred to as the Authority.

Section 2. *COMPOSITION OF THE AUTHORITY*

The Authority shall be a five person body composed of a chair and two members (the "Governor-appointed Members") appointed by the governor and two members (the "Mayor-appointed Members") appointed by the mayor of the City of Minneapolis. One Governor-appointed Member shall serve until December 31 of the third year following appointment, and one Governor-appointed Member shall serve until December 31 of the fourth year following appointment. Thereafter, the Governor-appointed Members shall serve four-year terms beginning January 1. The chair shall serve at the pleasure of the governor.

One Mayor-appointed Member shall serve until December 31 of the third year following appointment, and one Mayor-appointed Member shall serve until December 31 of the fourth year following appointment. Thereafter, the Mayor-appointed Members shall serve four-year terms beginning January 1. Mayor-appointed Members may reside within the City of Minneapolis and may be appointed officials of a political subdivision.

Each member shall serve until a successor is appointed and takes office.

[The members of the Authority shall be called Commissioners. Meetings of the Authority's members shall be called board meetings.](#)

Section 3. *OFFICERS OF THE AUTHORITY*

3.1. Chair -

The chair shall preside at all meetings of the Authority and shall have such duties and responsibilities as are normally attendant upon that office and as are specifically prescribed by the Act, other relevant laws, and these ~~by laws~~[by laws](#). The chair shall receive, unless otherwise provided by other law, a salary in an amount fixed by the Authority. The functions of the chair shall include, but not be limited to, the following:

3.1.1. Presiding at meetings of the Authority.

3.1.2. Providing notification of regular meetings of the Authority and calling special Authority meetings as appropriate.

3.1.3. Appointing, subject to Authority approval, any ~~special~~ committees and related chair.

3.1.4. Nominating ~~a CEO~~[an](#) Executive Director subject to Authority approval.

- 3.1.5. Assuring that the work of the Authority is organized to carry out the duties and responsibilities of the Authority.
- 3.1.6. Representing the Authority and acting as its official spokesman where appropriate.
- 3.1.7. Performing such other duties as the Authority may direct.
- 3.2. Vice-Chair -
The vice-chair shall be elected from the Authority's membership ~~at the organizational meeting of the Authority and thereafter~~ and shall be elected annually at the first regular meeting in January each year by a majority vote of the Authority members. The vice-chair shall act for the chair during the temporary absence or disability of the chair.
- 3.3. Secretary ~~-/~~ Treasurer
~~At its first organizational meeting, the~~ The Authority shall ~~appoint~~ elect a secretary ~~/~~ treasurer. The secretary ~~/~~ treasurer may, but need not be, a member. ~~Thereafter, the~~ The secretary ~~/~~ treasurer shall be appointed annually at the first regular meeting in January each year by a majority vote of the Authority members. The secretary ~~/~~ treasurer shall serve at the pleasure of the Authority, subject to the terms of any contract of employment which the Authority may enter into with the secretary ~~/~~ treasurer. The secretary ~~/~~ treasurer shall record the minutes of all meetings of the Authority ~~and~~, shall be custodian of all books and records of the Authority, shall be the custodian of all monies received by the Authority, shall be responsible for various financial documents of the Authority, and shall perform all such other duties as are normally attendant upon that office and specified in other applicable laws, regulations, or procedures. ~~The Authority may, in its discretion, combine the functions and duties of secretary and treasurer into one secretary-treasurer.~~
- 3.4. Deputy Secretary/ ~~Treasurer~~ -
~~At its first organizational meeting, the Authority shall appoint a treasurer. The treasurer may, but need not be, a member. Thereafter, the treasurer shall be appointed annually at the first regular meeting in January each year by a majority vote of the Authority members. The treasurer shall serve at the pleasure of the Authority, subject to the terms of any contract of employment which the Authority may enter into with the treasurer. The treasurer shall be the custodian of all monies received by the Authority and shall be responsible for various financial documents of the Authority. The Authority may, in its discretion, combine the functions and duties of secretary and treasurer into one secretary-treasurer.~~
- ~~3.5. Deputy~~
The Authority may appoint a deputy to perform any and all functions of the secretary ~~or~~ / ~~treasurer.~~
- ~~3.6.~~ 3.5. ~~CEO/~~ An Executive Director -
~~A CEO/~~ An Executive Director shall be nominated by the chair and approved by a four-fifths vote of the Authority. The ~~CEO/~~ Executive Director shall be responsible for the operation, management, and promotion of activities of the Authority; provided, however, that the ~~CEO/~~ Executive Director shall not have the power or authority to incur liability or make expenditures on behalf of the Authority without general or specific directions by the Authority, except as provided in the Authority's Procurement Policy; provided further, that all official documents related to any procurements shall be executed by both the chair and

the Executive Director pursuant to Section 6.1 herein. The ~~CEO~~/Executive Director, in consultation with the chair, shall be responsible for hiring, supervision and dismissal of all other employees of the Authority. The ~~CEO~~/Executive Director may be removed at any time by a majority vote of the Authority members. The ~~CEO~~/Executive Director's compensation shall be determined by the Authority. The Executive Director shall report to the chair.

~~3.7.3.6.~~ Vacancies—

A vacancy in the office of vice-chairman, and secretary ~~and~~/treasurer shall be filled for the duration of the applicable term by a majority vote of the Authority members at any regular meeting of the Authority following development of a vacancy.

~~3.8.3.7.~~ Removal—

A Governor-appointed Member, other than the chair, may be removed by the governor, and a Mayor-appointed Member may be removed by the mayor, in each case only for misfeasance, malfeasance, or nonfeasance in office, upon written charges, and after an opportunity to be heard in defense of the charges. The chair shall serve at the pleasure of the governor.

Section 4. *MEETINGS OF THE AUTHORITY*

4.1. Regular Meeting -

Regular meetings of the Authority shall be held at ~~least monthly at~~ the Authority offices, pursuant to an annual calendar to be adopted no later than the first meeting of the calendar year, on the day and at the time designated by resolution of the Authority. Regular meetings of the Authority may be cancelled by the chair upon ~~agreement by a majority~~ notification of the members ~~indicating consent in writing or other electronic means.~~ Notice to Authority members and public notice of such cancellation shall be provided in such form and manner as is appropriate to the situation.

4.2. Notice of Meetings -

Each Authority member shall be notified in writing at least three days prior to each regular or special meeting of the time and place of the meeting. The tentative agenda for each such meeting shall constitute such notice.

4.3. Special Meetings—

Special meetings of the Authority may be held at any time subject to the notice requirements of 4.2 upon the call of the chair or any other two members of the Authority. Special meetings may also be held without three days prior written notice at any time as may be established by the chair or a majority vote of the Authority at the occasion of a regular meeting or duly called special meeting. No business shall be transacted at a special meeting other than that stated in the notice ~~therefore unless additional business items are added to the special meeting agenda upon a majority vote of the entire Authority.~~ Special meetings of the Authority may be cancelled by the chair upon ~~agreement by a majority~~ notification of the members ~~indicating consent through written or electronic means,~~ except for those special meetings called by two or more members of the Authority.

4.4. Agendas -

The tentative agenda for each regular meeting shall ~~consist of~~ be established by the ~~following major items:~~ chair.

- ~~1. Call to Order~~
- ~~2. Roll Call~~
- ~~3. Adoption of Agenda~~

- ~~4. Approval of Minutes~~
- ~~5. Chair's Report~~
- ~~6. Committee Reports~~
- ~~7. Action Items~~
- ~~8. Discussion Items~~
- ~~9. Next Meeting Announcement~~
- ~~10. Adjournment~~

4.5. Quorum -

Three members of the Authority shall constitute a quorum for the conduct of Authority business. A quorum shall not be necessary for the conduct of public hearings by the Authority. If a quorum is not present on the day fixed for a regular or special meeting, the members in attendance, though constituting less than a quorum, may ~~adjourn~~recess from time-to-time so as to notify absentees and procure a quorum for such ~~an adjourned~~a recessed meeting.

4.6. Voting -

Any authorized action may be taken by the Authority or its committees upon a majority vote of any members present at a meeting duly called and held, except as otherwise specifically provided by law or these ~~by laws~~bylaws. Voting on any matter shall be by voice vote provided that a roll call vote shall be called and recorded on any issue if requested by one or more members of the Authority. In the case of a tie vote, the question is defeated. There shall be no voting by proxy and each member shall be entitled to only one vote on any single motion.

4.7. ~~Special Voting Requirements-~~

~~During the design and construction stages of the professional football stadium authorized by the Act, a four-fifths vote of the Authority is required for any action related to zoning, land use, exterior design of the stadium, related parking, the plaza area, and the selection of the Authority's lead representative during the design and construction stages.~~ 4.8. — Conduct of Business -

Authority members and meetings of its committees shall be governed by *Robert's Rules of Order* as most recently revised to the extent that they are not inconsistent with law or these ~~by laws~~bylaws.

~~4.9~~4.8. Open Meetings -

All regular and special meetings of the Authority and all meetings of its committees shall be open to the public. Notice of all meetings shall be given.

Section 5. *COMPENSATION AND EXPENSE REIMBURSEMENT*

5.1. Per Diem-

Each Authority member, other than the chair, shall be paid per diem compensation of \$55.00 for each day, or part thereof, spent in attending Authority meetings or meetings relating to Authority business as authorized by the chair; provided however, that members that are employees of the State of Minnesota or political subdivisions of the State of Minnesota cannot be paid for time spent on Authority activities that occur during working hours for which they are compensated by the State of Minnesota or a political subdivision.

5.2. Reimbursement of Expenses -

Each Authority member, including the chair, shall be reimbursed for all actual and necessary expenses incurred in the performance of his or her duties in the same manner and amount as State employees, more specifically set forth in the Authority Travel and Expense Reimbursement Policy. Members who, as a result of time spent attending board meetings,

incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization; provided, however, that members who are employees of the State of Minnesota or employees of political subdivisions of the State of Minnesota may be reimbursed for child care expenses only for time spent on Authority activities that are outside their working hours.

Section 6. *OFFICIAL DOCUMENTS*

6.1. Execution of Official Documents -

All contracts, agreements, and other official instruments to which the Authority is a party, shall be executed by the chair and the ~~CEO~~/Executive Director on behalf of the Authority or in the absence of either, by the chair or ~~CEO~~/Executive Director and the secretary/[treasurer](#).

Section 7. *AMENDMENTS*

These ~~by-laws~~[bylaws](#) may be amended by a majority vote of Authority members at a regular meeting of the whole Authority provided that written notice setting forth in detail the contents of the proposed amendment(s) has been given to all Authority members at least ten (10) days prior to the meeting.

Section 8. *ELECTRONIC MAIL*

Wherever the act of giving written notice is provided for in these ~~by-laws~~[bylaws](#), such notice may be provided by electronic mail to those members that have indicated consent to receipt by such means, and the provision of notice to a member's designated electronic mail address shall be deemed to satisfy all notice requirements provided hereunder.

Document comparison by Workshare Compare on Monday, December 4, 2017
10:05:26 AM

Input:	
Document 1 ID	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved.docx
Description	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved.docx
Document 2 ID	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved(1).docx
Description	C:\Users\turpin.grant\My Documents\ndeloc\MSFA Bylaws - Dec. 2013 as approved(1).docx
Rendering set	Standard

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<u>Insertion</u>	
Deletion	
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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Insertions	50
Deletions	77
Moved from	2
Moved to	2
Style change	0
Format changed	0

Total changes	131
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AUTHORITY BY LAWS (Amended 12/15/2017)

Section 1. *NAME*

The Minnesota Sports Facilities Authority established pursuant to Minnesota Statutes, Section 473J.07, as amended, (Laws of Minnesota 2012, Chapter 299, Article 1, Section 11) (the "Act"). This body shall be known as the Minnesota Sports Facilities Authority and hereinafter referred to as the Authority.

Section 2. *COMPOSITION OF THE AUTHORITY*

The Authority shall be a five person body composed of a chair and two members (the "Governor-appointed Members") appointed by the governor and two members (the "Mayor-appointed Members") appointed by the mayor of the City of Minneapolis. One Governor-appointed Member shall serve until December 31 of the third year following appointment, and one Governor-appointed Member shall serve until December 31 of the fourth year following appointment. Thereafter, the Governor-appointed Members shall serve four-year terms beginning January 1. The chair shall serve at the pleasure of the governor.

One Mayor-appointed Member shall serve until December 31 of the third year following appointment, and one Mayor-appointed Member shall serve until December 31 of the fourth year following appointment. Thereafter, the Mayor-appointed Members shall serve four-year terms beginning January 1. Mayor-appointed Members may reside within the City of Minneapolis and may be appointed officials of a political subdivision.

Each member shall serve until a successor is appointed and takes office.

The members of the Authority shall be called Commissioners. Meetings of the Authority's members shall be called board meetings.

Section 3. *OFFICERS OF THE AUTHORITY*

3.1. Chair

The chair shall preside at all meetings of the Authority and shall have such duties and responsibilities as are normally attendant upon that office and as are specifically prescribed by the Act, other relevant laws, and these bylaws. The chair shall receive, unless otherwise provided by other law, a salary in an amount fixed by the Authority. The functions of the chair shall include, but not be limited to, the following:

3.1.1. Presiding at meetings of the Authority.

3.1.2. Providing notification of regular meetings of the Authority and calling special Authority meetings as appropriate.

3.1.3. Appointing, subject to Authority approval, any committees and related chair.

3.1.4. Nominating an Executive Director subject to Authority approval.

- 3.1.5. Assuring that the work of the Authority is organized to carry out the duties and responsibilities of the Authority.
- 3.1.6. Representing the Authority and acting as its official spokesman where appropriate.
- 3.1.7. Performing such other duties as the Authority may direct.
- 3.2. Vice-Chair
The vice-chair shall be elected from the Authority's membership and shall be elected annually at the first regular meeting in January each year by a majority vote of the Authority members. The vice-chair shall act for the chair during the temporary absence or disability of the chair.
- 3.3. Secretary/Treasurer
The Authority shall elect a secretary/treasurer. The secretary/treasurer may, but need not be, a member. The secretary/treasurer shall be appointed annually at the first regular meeting in January each year by a majority vote of the Authority members. The secretary/treasurer shall serve at the pleasure of the Authority, subject to the terms of any contract of employment which the Authority may enter into with the secretary/treasurer. The secretary/treasurer shall record the minutes of all meetings of the Authority, shall be custodian of all books and records of the Authority, shall be the custodian of all monies received by the Authority, shall be responsible for various financial documents of the Authority, and shall perform all such other duties as are normally attendant upon that office and specified in other applicable laws, regulations, or procedures.
- 3.4. Deputy Secretary/Treasurer
The Authority may appoint a deputy to perform any and all functions of the secretary/treasurer.
- 3.5. Executive Director
An Executive Director shall be nominated by the chair and approved by a four-fifths vote of the Authority. The Executive Director shall be responsible for the operation, management and promotion of activities of the Authority; provided, however, that the Executive Director shall not have the power or authority to incur liability or make expenditures on behalf of the Authority without general or specific directions by the Authority, except as provided in the Authority's Procurement Policy; provided further, that all official documents related to any procurements shall be executed by both the chair and the Executive Director pursuant to Section 6.1 herein. The Executive Director, in consultation with the chair, shall be responsible for hiring, supervision and dismissal of all other employees of the Authority. The Executive Director may be removed at any time by a majority vote of the Authority members. The Executive Director's compensation shall be determined by the Authority. The Executive Director shall report to the chair.
- 3.6. Vacancies
A vacancy in the office of vice-chairman and secretary/treasurer shall be filled for the duration of the applicable term by a majority vote of the Authority members at any regular meeting of the Authority following development of a vacancy.
- 3.7. Removal
A Governor-appointed Member, other than the chair, may be removed by the governor, and a Mayor-appointed Member may be removed by the mayor, in each case only for

misfeasance, malfeasance, or nonfeasance in office, upon written charges, and after an opportunity to be heard in defense of the charges. The chair shall serve at the pleasure of the governor.

Section 4. *MEETINGS OF THE AUTHORITY*

4.1. Regular Meeting

Regular meetings of the Authority shall be held at the Authority offices, pursuant to an annual calendar to be adopted no later than the first meeting of the calendar year, on the day and at the time designated by resolution of the Authority. Regular meetings of the Authority may be cancelled by the chair upon notification of the members. Notice to Authority members and public notice of such cancellation shall be provided in such form and manner as is appropriate to the situation.

4.2. Notice of Meetings

Each Authority member shall be notified in writing at least three days prior to each regular or special meeting of the time and place of the meeting. The tentative agenda for each such meeting shall constitute such notice.

4.3. Special Meetings

Special meetings of the Authority may be held at any time subject to the notice requirements of 4.2 upon the call of the chair or any other two members of the Authority. Special meetings may also be held without three days prior written notice at any time as may be established by the chair or a majority vote of the Authority at the occasion of a regular meeting or duly called special meeting. No business shall be transacted at a special meeting other than that stated in the notice. Special meetings of the Authority may be cancelled by the chair upon notification of the members, except for those special meetings called by two or more members of the Authority.

4.4. Agendas

The tentative agenda for each regular meeting shall be established by the chair.

4.5. Quorum

Three members of the Authority shall constitute a quorum for the conduct of Authority business. A quorum shall not be necessary for the conduct of public hearings by the Authority. If a quorum is not present on the day fixed for a regular or special meeting, the members in attendance, though constituting less than a quorum, may recess from time-to-time so as to notify absentees and procure a quorum for such a recessed meeting.

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Any authorized action may be taken by the Authority or its committees upon a majority vote of any members present at a meeting duly called and held, except as otherwise specifically provided by law or these bylaws. Voting on any matter shall be by voice vote provided that a roll call vote shall be called and recorded on any issue if requested by one or more members of the Authority. In the case of a tie vote, the question is defeated. There shall be no voting by proxy and each member shall be entitled to only one vote on any single motion.

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Authority members and meetings of its committees shall be governed by *Robert's Rules of Order* as most recently revised to the extent that they are not inconsistent with law or these bylaws.

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These bylaws may be amended by a majority vote of Authority members at a regular meeting of the whole Authority provided that written notice setting forth in detail the contents of the proposed amendment(s) has been given to all Authority members at least ten (10) days prior to the meeting.

Section 8. *ELECTRONIC MAIL*

Wherever the act of giving written notice is provided for in these bylaws, such notice may be provided by electronic mail to those members that have indicated consent to receipt by such means, and the provision of notice to a member's designated electronic mail address shall be deemed to satisfy all notice requirements provided hereunder.



Exhibit C

MEMORANDUM

TO: MSFA Commissioners

FROM: Rick Evans, Executive Director

DATE: December 15, 2017

SUBJECT: Appointment of Responsible Authority and Compliance Official under the *Minnesota Government Data Practices Act*

The MSFA, as a political subdivision of the State of Minnesota, is subject to the *Minnesota Government Data Practices Act*, Minnesota Statutes, Chapter 13 (“Act”). The Act regulates the collection, creation, storage, maintenance, dissemination, and access to government data. The Act requires the designation by the governing body of a political subdivision of a “responsible authority” as the individual responsible for the collection, use and dissemination of data. (Minn. Stat. § 13.02, subd. 16.) The Act also requires the designation of a “data practices compliance official” who is the designated employee to whom persons may direct questions or concerns regarding problems in obtaining access to data or other data practices problems. (Minn. Stat. § 13.05, subd. 13.) The Act specifically allows that the responsible authority and the compliance official may be the same individual.

In most political subdivisions, the chief administrative officer serves as the responsible authority. In some larger political subdivisions, a separate employee is designated to serve as the compliance official. Given the limited size of the MSFA staff, and consistent with past practices, I am recommending that the MSFA appoint a single employee to serve in both capacities. Rules have been adopted by the State Department of Administration governing such appointments. The Rules suggest that adoption of a Resolution in the form attached to this memorandum is a proper method to make such designations.

Recommendation: *The Minnesota Sports Facilities Authority adopts Resolution 2017-2 appointing MSFA Director of Communications, Jennifer M. Hathaway as Responsible Authority and Compliance Official under the Minnesota Government Data Practices Act.*



RESOLUTION 2017-2

WHEREAS, Minn. Stat. § 13.02, subd. 16, requires that the Minnesota Sports Facilities Authority appoint a person as the Responsible Authority to administer the requirements for collection, storage, use and dissemination of data on individuals within the MSFA; and

WHEREAS, Minn. Stat. § 13.05, subd. 13, requires that the MSFA appoint a person as the Data Practices Compliance Official, and specifically provides that the Responsible Authority may also be the Compliance Official;

NOW, THEREFORE, BE IT RESOLVED, the MSFA Board appoints Jennifer M. Hathaway, MSFA Director of Communications, as the Responsible Authority and Data Practices Compliance Official for the purpose of meeting all requirements of Minnesota Statutes, Chapter 13, as amended, and all rules lawfully promulgated by the Commissioner of Administration as published in the State Register.

ADOPTED BY THE MINNESOTA SPORTS FACILITIES AUTHORITY ON DECEMBER 15, 2017.

ATTESTED TO:

MICHAEL VEKICH, Chair



Exhibit D

MEMORANDUM

TO: MSFA Commissioners

FROM: Alex Tittle, Equity Consultant

DATE: December 11, 2017

SUBJECT: Approve Amendment to Operations Equity Plan

Pursuant to Minn. Stat. § 473J.12, in 2013 the Authority instituted an equity plan to make every effort to employ, and cause the Minnesota Vikings, the U.S. Bank Stadium (“Stadium”) construction manager (M.A. Mortenson), subcontractors, vendors and concessionaires to employ women and members of minority communities when hiring during construction of the Stadium.

The Authority’s equity plan for Stadium operations (“Plan”) was developed based on the targeted assessment of anticipated Stadium event activity. In Sections 10-16 of the Plan, the Authority established a workforce program (“Program”). The Program established the goals of workforce utilization for capital projects at the Stadium as 32% minorities and 6% women.

In July 2017, the Minnesota Department of Human Rights (“MDHR”) adjusted the women and minority workforce goals for public contracts. The MDHR Commissioner outlined the goals and expectations for Minnesota projects in the *2017 Minnesota Workforce Goals Report* (https://mn.gov/mdhr/assets/Workforce-Goals-Final_opt_tcm1061-302525). That Report increases the goal for women labor from 6% to 20% in Hennepin County.

As a significant state enterprise located in Hennepin County, the expectation is for the Stadium to align itself with other public construction projects.

Recommendation: *Effective January 1, 2018, the Authority increases the women workforce goal within the Stadium’s operations equity plan to 20%.*



Exhibit E

MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: December 14, 2017

SUBJECT: Contract Approval

The MSFA has professional service contracts in the following areas: information technology services, owner's representative services, financial advisory services, and accounting advisory services. These contracts will terminate on December 31, 2017. In order for the the MSFA to continue to utilize these services, new contracts or contract amendments are needed to extend the terms to December 31, 2018 and to increase the contract amounts as listed below:

1. Atomic Data, LLC provides information technology services including technology support and issue resolution, e-mail reporting, document management support and storage, application support and data center storage, and software procurement. Additional service request amount up to \$180,000.
2. C.H. Skiem Consulting, LLC provides financial advisory services related to stadium construction and operations. Additional service request amount up to \$120,000.
3. Hammes Company Sports Development, Inc. provides owner's representative services related to construction of the stadium including project close-out tasks, issue resolution, and financial reporting. The estimated amount will be reported at the December 15, 2017 Board meeting.
4. RSM US, LLP provides information technology consulting services specific to Microsoft Dynamics GP support as well as accounting advisory services related to construction and governmental accounting and reporting. Additional service request amount up to \$100,000.

Recommended Motion: The MSFA authorizes the Chair and Executive Director to negotiate and execute a new contract or an amendment to the existing contract with Atomic Data, LLC, C.H. Skiem Consulting, LLC, Hammes Company Sports Development, Inc., and RSM US, LLP, for the above listed amounts for terms to December 31, 2018.



Exhibit F

MEMORANDUM

TO: MSFA Commissioners

FROM: Rick Evans, Executive Director

DATE: December 14, 2017

SUBJECT: Additional Team Capital Improvement Allocation

The SDC Group that manages the project on behalf of the MSFA and the Minnesota Vikings (the “Team”) on a daily basis intends to authorize an expenditure from Owner’s Contingency within the Master Project Budget to pay the Construction Manager for a contract revision of \$106,850 for the addition of electric heat trace on the northwest prow of the Stadium.

The authority to do so is within the powers granted to the SDC Group under the Development Agreement. The MSFA intends to backcharge the Architect for each of these costs. If payment is received from the Architect, Owner’s Contingency will be replenished by the amount received.

In consideration for the Team’s consent to the current expenditure of these amounts by the SDC Group from Owner’s Contingency, the Team has requested that the MSFA provide certain assurances to the Team. Pursuant to the Development Agreement between the Team and the MSFA, the Team has the right to be reimbursed from project savings for certain “First Priority Joint Funded Design Add Alternates” that the Team agreed to fund with an additional contribution early in the project. The amount of the reimbursement is currently estimated to be approximately \$2.4 million. Project savings will be determined from remaining amounts within the Owner’s Contingency account upon final close out of the project.

Staff recommends that the appropriate way to document this agreement is to allow any shortfall in the \$2.4 million savings reimbursement to be made available to the Team through an expanded right of the Team to designate future Capital Improvements within the Stadium’s Capital Funding Plan up to the shortfall amount.

The Team currently (under Section 5.6(a)(ii) of the Use Agreement) may designate \$750,000 per year over a five year period in Capital Improvements to the Stadium (the “Annual Design Add Alternatives Allocation”). The authorization contemplated by this memorandum would allow the Team to designate additional amounts in future Stadium Capital Improvements (but only to the extent that the approximately \$2.4 million savings in Owner’s

Contingency is not achieved) and expand that right beyond the current five year period. Any designations of additional Capital Improvements in the Capital Funding Plan by the Team will be subject to the reasonable review and approval of the Authority's Executive Director and brought before the Authority Board annually to be approved for inclusion in the Authority's Capital Funding Plan.

Recommended Motion: The MSFA Board authorizes the Chair and the Executive Director to negotiate and execute an interim agreement with the Minnesota Vikings regarding the Team's authority to designate additional Capital Improvements in the Capital Funding Plan in the amount and pursuant to the terms of this memorandum.



Exhibit G

MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: December 12, 2017

SUBJECT: Comprehensive Annual Financial Report for
18-Month Fiscal Period Ended June 30, 2017

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Minnesota Sports Facilities Authority for the 18-month fiscal period ended June 30, 2017. On May 26, 2017, the MSFA changed its fiscal year from January 1 through December 31 to July 1 through June 30. This change of year-end required an 18-month reporting period from January 1, 2016 through June 30, 2017.

The CAFR is divided into three major sections: introductory, financial, and statistical. The financial section includes the independent audit opinion, management's discussion and analysis, the basic financial statements including the notes to the financial statements, and required supplementary information. The Minnesota Office of the Legislative Auditor (OLA) issued an unqualified (clean) audit opinion dated November 28, 2017, that the financial statements present fairly the financial position of the MSFA as of June 30, 2017, and the changes in its financial position and cash flows for the 18-month period then ended. A separate audit report on internal control over financial reporting and compliance and other matters was issued by the OLA and is included as an addendum to the CAFR.

The basic financial statements include the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows, and notes to the financial statements. SMG's first operating period of U.S. Bank Stadium began July 1, 2016 and ended June 30, 2017, and SMG's operational activities are included in the MSFA's financial statements.

Two key financial highlights are:

- Overall, the MSFA's net position improved during the 18-month fiscal period ended June 30, 2017. The MSFA's net position increased \$177,215,837 from \$915,050,480 as of December 31, 2015 to \$1,092,266,317 as of June 30, 2017.
- Total capital assets increased \$234,749,016 from \$907,750,466 as of December 31, 2015 to \$1,142,499,482 as of June 30, 2017. This increase is due to construction of U.S. Bank Stadium being substantially completed on June 17, 2016, and as of July 1, 2016 construction in progress was closed out and new capital assets were reported.



The following tables present the MSFA's Statement of Net Position and the Changes in Net Position

Statement of Net Position at June 30, 2017 and December 31, 2015

	<u>June 30, 2017</u>	<u>December 31, 2015</u>	<u>Increase/(decrease)</u>
Assets:			
Current and other assets	\$34,458,931	\$71,008,959	(\$36,550,028)
Capital assets (net)	1,090,575,542	907,139,710	183,435,832
Noncurrent assets	<u>8,078,731</u>	<u>4,442,574</u>	<u>3,636,157</u>
Total Assets	<u>1,133,113,204</u>	<u>982,591,243</u>	<u>150,521,961</u>
Deferred Outflows of Resources	<u>1,726,047</u>	<u>193,855</u>	<u>1,532,192</u>
Liabilities:			
Current liabilities	28,723,448	66,109,533	(37,386,085)
Noncurrent liabilities	<u>13,147,859</u>	<u>547,880</u>	<u>12,599,979</u>
Total liabilities	<u>41,871,307</u>	<u>66,657,413</u>	<u>(24,786,106)</u>
Deferred Inflows of Resources	<u>701,627</u>	<u>1,077,205</u>	<u>(375,578)</u>
Net Position	<u>\$1,092,266,317</u>	<u>\$915,050,480</u>	<u>\$177,215,837</u>

Changes in Net Position at June 30, 2017 and December 31, 2015

	<u>June 30, 2017</u>	<u>December 31, 2015</u>	<u>Increase/(decrease)</u>
Operating revenues	\$46,278,574	\$569,448	\$45,709,126
Operating expenses	<u>91,455,388</u>	<u>3,274,744</u>	<u>88,180,644</u>
Operating income or (loss)	<u>(45,176,814)</u>	<u>(2,705,296)</u>	<u>(42,471,518)</u>
Nonoperating revenues (expenses)	<u>(1,652,928)</u>	<u>(327,314)</u>	<u>(1,325,614)</u>
Income (loss) before capital contributions	<u>(46,829,742)</u>	<u>(3,032,610)</u>	<u>(43,797,132)</u>
Capital contributions	224,045,579	511,883,685	(287,838,106)
Changes in net position	<u>177,215,837</u>	<u>508,851,075</u>	<u>(331,635,238)</u>
Net position-beginning of year	<u>915,050,480</u>	<u>406,199,405</u>	<u>508,851,075</u>
Net position-end of year	<u>\$1,092,266,317</u>	<u>\$915,050,480</u>	<u>\$177,215,837</u>



The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the MSFA for its CAFR for the year ended December 31, 2015. We believe that this CAFR meets the certificate program requirements and we will submit it to the GFOA to determine its eligibility. The award is typically received six months after submission of the report.



Exhibit H

MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, Director of Finance

DATE: December 12, 2017

SUBJECT: Budget Report for 18-Month Period Ended June 30, 2017

Attached are two budget reports. First, is the budget report for the 18-month period from January 1, 2016 through June 30, 2017, for the operating account, capital reserve account, and concession capital reserve account. Second, is the budget report for the U. S. Bank Stadium Project Trust account and the Mills Fleet Farm Parking Garage account for the period from project inception through June 30, 2017.

Operating Account

The operating account is used to account for MSFA operations, including SMG's operation of U.S. Bank Stadium. Annual contributions to the account include an operating payment from the State of Minnesota of \$6,000,000, indexed annually for inflation, and an operating payment from the Minnesota Vikings of \$8,500,000, indexed 3% annually.

Operating activities reported for the 18-month period ended June 30, 2017 included operating revenues of \$46,303,436, operating expenses of \$39,960,666, operating income of \$6,342,770, net non-operating expenses of \$2,404,745, net transfers of \$1,249,301, resulting in an increase in the account balance of \$2,688,724. The ending account balance was \$6,170,730 as of June 30, 2017.

Capital Reserve Account

A capital reserve fund account was established in January 2016 to provide for future capital improvements at the stadium. Annual contributions to this account include a contribution from the State of Minnesota of \$1,500,000 indexed annually, and a contribution from the Minnesota Vikings of \$1,500,000 indexed 3% annually. For the 18-month period ended June 30, 2017, the capital reserve account activities included revenues of \$4,579,624 and capital expenses of \$544,993. The ending account balance was \$4,034,631 as of June 30, 2017.

Concession Capital Reserve Account

The concession capital reserve account was established in July 2016 to provide for future concession capital improvements at the stadium. Per the *Food and Beverage, Catering, and Concession Agreement* between the MSFA and Aramark Sports and Entertainment Services, LLC (Aramark), Aramark is required to contribute 2.5% of food and beverage gross receipts to the MSFA on a monthly basis. For the 18-month period concession capital reserve activities included revenues of \$827,373 and expenses of \$116,293. The ending account balance was \$711,080 as of June 30, 2017.



U.S. Bank Stadium Project Trust Account and Mills Fleet Farm Account

The project trust accounts were established to provide for construction of U.S. Bank Stadium and the Mills Fleet Farm Parking Garage. The attached budget report includes the project budget, actual revenues and expenses for: 2012, 2013, 2014, 2015, the 18-month period ended June 30, 2017, and project-to-date totals. For the period January 1, 2016 through June 30, 2017, the stadium project trust account non-operating contributions (non-capital) revenues were \$9,105,852, project expenses were \$238,654,242, net non-operating revenues were \$3,886 (which included SBL sales revenues and expenses of \$6,271,723 each), and capital contributions were \$228,299,089. The ending account balance was \$6,987 as of June 30, 2017. Project-to-date non-operating contributions (non-capital) revenues totaled \$18,001,412, project-to-date expenses totaled \$1,116,112,325, project-to-date net non-operating revenues were \$6,987 (which included SBL sales revenues and expenses of \$21,746,265 each), and project-to-date capital contributions were \$1,096,874,508. The ending account balance was \$6,987.

The Mills Fleet Farm Parking Garage (Block 1) opened for operations on December 31, 2015, and subsequent to that date various punch-list tasks were completed. For the 18-month period ended June 30, 2017, project expenses and capital contributions totaled \$371,359 each. Project-to-date expenses and capital contributions were \$49,002,664 each.

SUMMARY OF CASH AND INVESTMENTS as of June 30, 2017	
Cash and Cash Equivalents:	
U. S. Bank - operating account	\$86,226.85
U.S. Bank - payroll account	\$1,000.25
U.S. Bank investment account – cash and cash equivalents	\$849,713.30
U.S. Bank - SMG managed pre-opening account	\$61,960.70
U.S. Bank – SMG managed accounts	\$25,461,099.23
Trust accounts for SBLs and construction project	\$204,882.12
Total Cash and Cash Equivalents	\$26,664,882.45
Investments:	
U.S. Bank investment account	\$6,150,594.15
Total Investments	\$6,150,594.15

MINNESOTA SPORTS FACILITIES AUTHORITY
 BUDGET REPORT
 OPERATING ACCOUNT, CAPITAL RESERVE ACCOUNT, AND CONCESSION CAPITAL RESERVE ACCOUNT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCE
 For the Period from January 1, 2016 through June 30, 2017

	Forecast	Actual
OPERATING ACCOUNT		
Revenues:		
Operating Revenues:		
Operating payments from State of MN and Minnesota Vikings	\$ 20,598,388	\$ 20,910,210
Stadium operating revenues	22,511,000	23,589,302
Event marketing	750,000	62,163
Other	3,577,462	1,741,761
Total operating revenues	47,436,850	46,303,436
Expenses:		
Operating expenses:		
Personal services	1,363,271	1,611,570
Professional services	3,113,755	3,276,829
Supplies, repairs and maintenance	612,480	594,928
Rent	1,526,997	1,432,607
Other expenses	2,905,041	901,419
Stadium operating expenses	31,354,000	32,143,313
Subtotal operating expenses	40,875,544	39,960,666
Operating income/(loss)	6,561,306	6,342,770
Non-Operating revenues/(expenses):		
Investment income	30,727	66,088
Taxes-State of MN	1,859,793	2,808,288
Stadium pre-opening revenues	-	478,425
Commemorative brick fundraising revenues	3,288,040	3,288,045
Commemorative brick fundraising expenses	(3,291,684)	(1,025,818)
Stadium project expenses	(5,278,156)	(5,194,263)
Stadium pre-opening expenses	(1,827,688)	(2,825,510)
Subtotal non-operating revenues/(expenses)	(5,218,968)	(2,404,745)
Income (loss) before transfers	1,342,338	3,938,025
Transfers From/(To):		
Transfer from Trust accounts	-	736,104
Transfer to Trust accounts	(1,600,000)	(1,985,405)
Subtotal Transfers From/(To)	(1,600,000)	(1,249,301)
Change in Account Balance	(257,662)	2,688,724
Beginning account balance- January 1, 2016	3,482,006	3,482,006
Ending account balance-June 30, 2017	\$ 3,224,344	\$ 6,170,730
CAPITAL RESERVE ACCOUNT		
Revenues:		
Capital reserve revenues	\$ 6,069,597	\$ 4,579,624
Expenses:		
Capital reserve expenses	547,805	544,993
Change in Account Balance	5,521,792	4,034,631
Beginning account balance- January 1, 2016	-	-
Ending account balance-June 30, 2017	\$ 5,521,792	\$ 4,034,631
CONCESSION CAPITAL RESERVE ACCOUNT		
Revenues:		
Concession capital reserve revenues	\$ 844,112	\$ 827,373
Expenses:		
Concession capital reserve expenses	116,293	116,293
Change in Account Balance	727,819	711,080
Beginning account balance- January 1, 2016	-	-
Ending account balance-June 30, 2017	\$ 727,819	\$ 711,080

MINNESOTA SPORTS FACILITIES AUTHORITY
BUDGET REPORT
PROJECT TRUST ACCOUNTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCE
For the Period from January 1, 2016 through June 30, 2017

Project	2012 Actual		2013 Actual		2014 Actual		2015 Actual		18-Month Actual		Total Project-to-Date
	08/01/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	1/1/15-12/31/15	1/1/16-6/30/17	1/1/16-6/30/17	1/1/16-6/30/17	1/1/16-6/30/17			
US BANK STADIUM PROJECT											
Revenues											
Miscellaneous Revenues	\$ -	\$ 833,181	\$ 588,346	\$ 6,328,588	\$ 1,145,445	\$ 9,105,852	\$ 18,001,412				
Non-Operating Contributions	-	833,181	588,346	6,328,588	1,145,445	9,105,852	18,001,412				
Expenses											
Miscellaneous Expenses											
Noncapitalizable project expenses	-	833,181	588,346	6,315,692	1,169,692	9,555,450	18,462,361				
Capital Improvement expenses-U.S. Bank Stadium Project*											
Site Acquisition & Improvements	59,295,028	-	751,515	26,615,655	19,778,489	6,045,323	53,190,982				
Construction Costs	909,624,795	-	15,907,234	274,863,786	441,952,844	163,667,866	896,386,730				
Furnishings, Fixtures & Equipment	67,275,372	-	-	-	13,580,888	51,912,693	65,493,521				
Development Costs	86,559,216	2,546,938	24,355,589	23,927,104	13,318,815	7,373,847	71,522,293				
Other Project Costs	8,151,852	-	-	-	14,170	99,123	113,293				
Project Contingency	1,819,243	-	-	-	-	-	-				
Earned deposit on Downtown East Parking Garage	-	-	855,000	(855,000)	-	-	-				
Prepaid Project Insurance	-	-	10,649,497	317,895	(24,247)	-	-				
Subtotal expenses	1,132,725,476	3,380,119	53,102,181	331,185,132	489,790,651	238,654,242	1,116,112,325				
Operating Income/(loss)	(1,132,725,476)	(2,546,938)	(52,513,835)	(324,856,544)	(488,645,206)	(229,548,390)	(1,098,110,913)				
Nonoperating revenues/(expenses):											
Interest	-	-	-	2,882	219	3,886	6,987				
SBL sales revenues	-	-	3,426,786	5,564,687	6,483,069	6,271,723	21,746,265				
SBL expenses	-	-	(3,426,786)	(5,564,687)	(6,483,069)	(6,271,723)	(21,746,265)				
Subtotal nonoperating revenues/(expenses)	-	-	-	2,882	219	3,886	6,987				
Capital Contribution*	1,132,725,476	2,546,938	52,513,835	324,869,440	488,645,206	228,299,089	1,096,874,508				
Operating Transfer From/(To):											
Operating transfer from Operating account	-	-	-	1,523	-	1,985,405	1,986,928				
Operating transfer to Operating account	-	-	-	(14,419)	-	(736,104)	(750,523)				
Subtotal operating transfer from/(to)	-	-	-	(12,896)	-	1,249,301	1,236,405				
Change in Account Balance	-	-	-	2,882	219	3,886	6,987				
Beginning Account Balance	-	-	-	-	2,882	3,101	-				
Ending Account Balance	\$ -	\$ -	\$ -	\$ 2,882	\$ 3,101	\$ 6,987	\$ 6,987				
MILLS FLEET FARM (BLOCK 1) PARKING GARAGE CONSTRUCTION**											
Expenses											
Capital Improvement expenses	\$ 7,700,000			7,701,120							
Site Acquisition Costs	41,301,544			9,178,353	31,751,832	371,359	41,301,544				
Construction Costs	49,001,544			16,879,473	31,751,832	371,359	49,002,664				
Subtotal expenses	97,003,088			33,759,046	64,275,023	754,017	91,305,152				
Capital Contribution	49,001,544			16,879,473	31,751,832	371,359	49,002,664				
Change in Account Balance	-	-	-	-	-	-	-				
Beginning Account Balance	-	-	-	-	-	-	-				
Ending Account Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				

* The U.S. Bank Stadium project analysis includes costs and capital contributions of \$16,369,152 for the Mills Fleet Farm (Block 1) Parking Garage.

** The Mills Fleet Farm (Block 1) Parking Garage project budget of \$49,001,544 includes funding of \$16,369,152 from U.S. Bank Stadium project and \$32,632,392 from the City of Minneapolis.

Exhibit I

Mr. Chair, Authority Members, me yet again. My name is Chuck Turchick and I live in South Minneapolis, about a mile from here.

I know you're trying to put the suites tickets issue behind you, but at the end of November, I noticed in the then-latest posted Authority meeting minutes that Chair Vekich said he feels the MSFA has addressed every concern raised by the Office of Legislative Auditor.

But I had remembered from the Legislative Auditor's report a finding that, in his opinion, the Authority members and its previous executive director had violated a core ethical principle in improperly distributing suites tickets to friends and family members. Not a legal violation, but an ethical violation. So I wrote Mr. Evans about my concern that Chair Vekich may have been mistaken in saying that every concern had been addressed, pointing out that former Chair Michele Kelm-Helgen had made many public statements that further attempts would be made to collect money for those tickets. Although there was disagreement among many about what would be an appropriate amount to pay for those tickets, most people agreed that those who gave or received those tickets should pay something for them, making a symbolic statement addressing that core ethical violation noted by the Legislative Auditor.

Director Evans was generous enough to arrange a meeting for me with Chair Vekich, Ms. Hathaway, and himself to discuss my concerns.

But the assumption in my email that Chair Kelm-Helgen had made many public statements about further efforts to collect money for those tickets was totally wrong. She in fact made no such statement, and during a legislative committee hearing, in response to a question from State Representative Sarah Anderson, actually said the opposite: that no additional efforts would be made. I clearly had imagined hearing or reading such statements, probably because I had wanted it to be so.

However, Ms. Kelm-Helgen did say several times that the MSFA needed to regain the public's trust, and I would suggest that one way of doing that was what you in fact did do when you suggested to people -- whether to those who distributed or to those who received those tickets -- to consider paying something for them.

So I think the record should show that among the people who received MSFA suites' tickets for stadium events, whose tickets remain unpaid for, and for whom no public purpose has been claimed, are the following, which are taken from the latest publicly available record, the MSFA response to the Legislative Auditor's report in February of this year:

- For tickets distributed by former MSFA member John Griffith: Lisa Griffith, Friend #1, and Friend #2.
- For tickets distributed by current MSFA member Bill McCarthy: Adi McCarthy, Liam McCarthy, and Sam McCarthy; Adi McCarthy and Elly McCarthy; Marie McCarthy, Erik Wojchik, and Zoe Mullendore; Adi McCarthy, Liam McCarthy, Marie McCarthy, and Sam McCarthy; George Latimer and three family members; Richard Jefferson (listed as a former commissioner); Marie McCarthy; Danielle de la Cruz, Hector de la Cruz, and Marie McCarthy.
- For tickets distributed by current MSFA member Tony Sertich: Molly Anderson and Shawn Anderson; Jason Holiday and spouse, and Rich Puhek; Grant Anderson and Keith Edwards; Tallie Sertich; Joe Sertich, Nancy Sertich, and Tallie Sertich; Manda Sertich, Tallie Sertich, Malvin Moore III, and Malvin Moore IV; Diane Rauschenfels and son, Steve Downing and spouse, and Trent Janezich.

I apologize for any mispronunciations. Thank you for this opportunity.

Exhibit J

Ann Laughlin, speaking on behalf of a coalition of bird conservation groups including Audubon Chapter of Minneapolis, Minnesota Citizens for the Protection of Migratory Birds, and the Friends of Roberts Bird Sanctuary.

As you know, our coalition's common goal is to work with MSFA and the Vikings to eventually retrofit the U.S. Bank Stadium in order to prevent bird collisions. At previous board meetings, we have described our current effort to investigate options for a bird-safe stadium, which includes assembling a panel of national experts in the field of bird-building collisions who can provide information about the most effective retrofitting options and establishing a working group to recommend an appropriate retrofit plan.

But today we want to take this opportunity to thank Director Evans for his willingness, along with Chair Vekich, to discuss these proposals with us and for his assistance in coordinating our efforts with MSFA. We look forward to continuing this collaboration with Mr. Vekich and Mr. Farstad and eventually with the permanent executive director.

Again we thank you for your efforts and we wish you the very best as you leave the Sports Facilities Authority.

Thank you.